



City of Grand Island

Tuesday, June 26, 2012

Council Session

Item H2

**Consideration of Referring Blight and Substandard Study for
Proposed Redevelopment Area #10 to the Regional Planning
Commission (South of Bismark and East of South Locust Street)**

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: March 26, 2012

Subject: Proposed Blighted and Substandard Area #10

Item #'s: H-2

Presenter(s): Chad Nabity, Director Grand Island CRA

Background

Enclosed you will find a copy of a Substandard and Blight Study as prepared for Larry Fowles by Marvin Planning Consultants. This study is for approximately 7.5 acres of property in southeast Grand Island between Bismark Road and Phoenix Street and along Kimball and Oak Street. The study as prepared and submitted indicates that this property could be considered substandard and blighted. The full study is attached for your review and consideration.

Larry Fowles has submitted this study for the review and consideration of the Grand Island City Council as permitted by Nebraska law. This is the first micro-blight study conducted in the City of Grand Island and the CRA has reviewed the study and is recommending that Council consider approval of the study as presented. The decision on whether to declare an area substandard and blighted is entirely within the jurisdiction of the City Council with a recommendation from the Planning Commission.

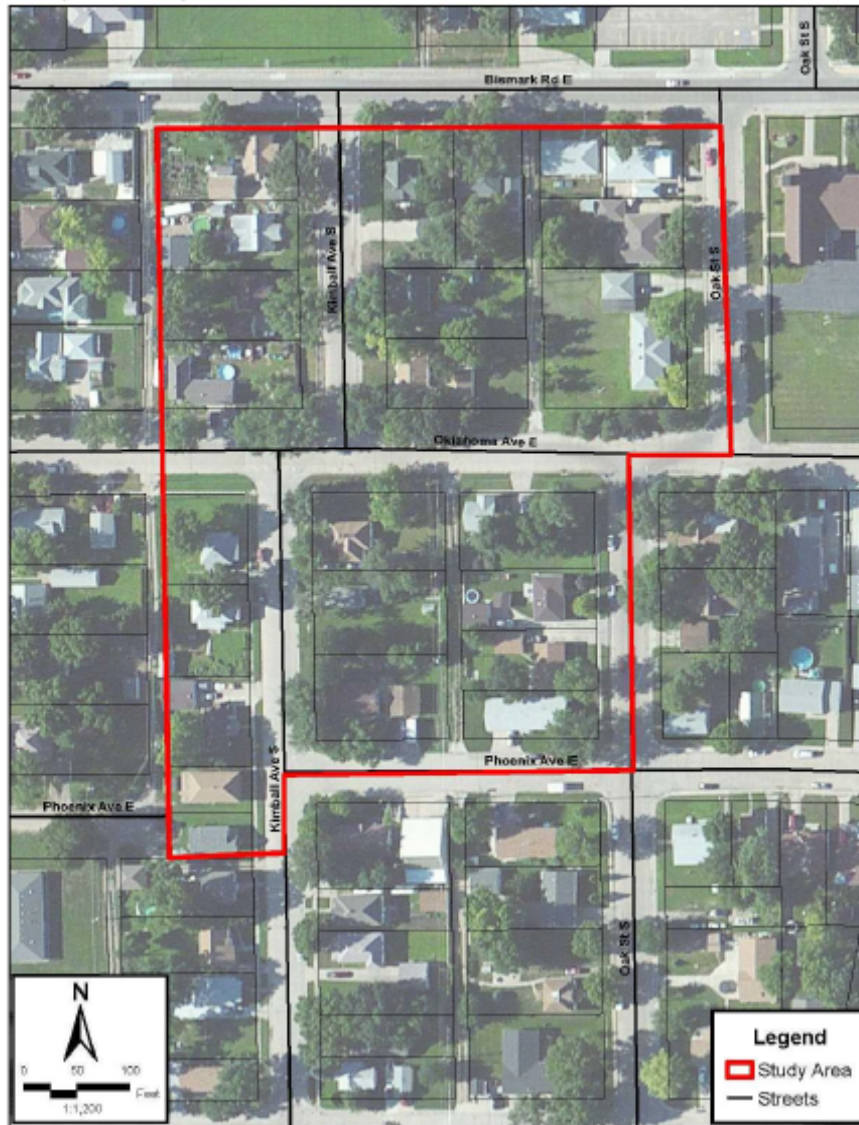
The question before Council will be whether to send the Study to the Planning Commission for their review and feedback. If the item is not sent to the Planning Commission the Council cannot declare the area substandard and blighted. Planning Commission will meet on April 4th and would have a recommendation ready for last Council meeting in April.

Once an area has been declared substandard and blighted the CRA can accept redevelopment proposals for the area that might or might not include an application for Tax Increment Financing. Should this be approved Mr. Fowles does intend to submit an application for TIF to assist in the redevelopment of 809 S. Kimball. His intent is to remove the existing worn out vacant house and replace it with a duplex on the two lots.

Discussion

The action item tonight relate to the Study for proposed CRA Area No. 10 in southeast Grand Island as shown below. The study was prepared for 7.5 acres, of all of which are in the Grand Island City Limits

Figure 1
Study Area Map



Source: City of Grand Island

Jason Eley, Assistant City Attorney has reviewed the Nebraska Statutes and case law pertaining to the declaration of property as blighted and substandard. His comments on this application are as follows:

The statutory procedures for accomplishing blight relief include the following steps: (1) the identification of a community redevelopment area consisting of portions of a city declared to be substandard or blighted in accordance with statutory definitions and in need of redevelopment, (2) the formulation of a redevelopment plan for such area or a redevelopment project within such area, and (3) the implementation of the redevelopment plan through various means including acquisition, sale, leasing, and contracting for redevelopment. Nebraska Revised State Statutes (NRSS) 18-2103, 18-2107, and 18-2109.

Under this statutory scheme, the governing body shall afford maximum opportunity consistent with the sound needs of the city as a whole to the rehabilitation or redevelopment of the community redevelopment area by private enterprise. A private development project would be eligible for tax increment financing only if it is included within an area which has previously been declared blighted or substandard and is in furtherance of an existing redevelopment plan for that area. The declaration of property as blighted or substandard is not simply a formality which must be met in order to assist a private developer with tax increment financing; it is the recognition of a specific public purpose which justifies the expenditure of public funds for redevelopment. See *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979), *Fitzke v. Hastings*, 255 NEB 46 (1998)

At this point, Council is only considering point 1 of Mr. Eley's opinion. According to NRSS §18-2109, it is clear that the Planning Commission must have the opportunity to review the Blight Study prior to Council declaring the property substandard and blighted. If Council wishes to consider a declaration of substandard and blight State Statute require that the question of whether an area is substandard and blighted is submitted to the Planning Commission for its review and recommendation.

The Planning Commission recommendation should be done at the first available opportunity, as the Planning Commission has 30 days to respond to Council's request for a recommendation.

Blighted Area of the Community

The city of Grand Island, as a City of the First Class, is permitted to designate an area of up to 35% of the municipal limits as blighted and substandard. As of today, June 7, 2012, 16.91% of the City has been declared blighted and substandard. This microblight area (Area 10) would add another 0.04%. The Veteran's Hospital Area (Area 11) would add 0.15%. If both Areas 10 and 11 were to be declared substandard and blighted by the Council 17.11% of the community would bear that designation.

It does not appear that the declaration of both Area 10 and Area 11 would significantly impact the City's ability to declare other areas substandard and blighted.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to forward the Study to the Planning Commission for their recommendation.
2. Move to not forward the Study to the Planning Commission for their recommendation
3. Refer the issue to a Committee
4. Postpone the issue to future date
5. Take no action on the issue

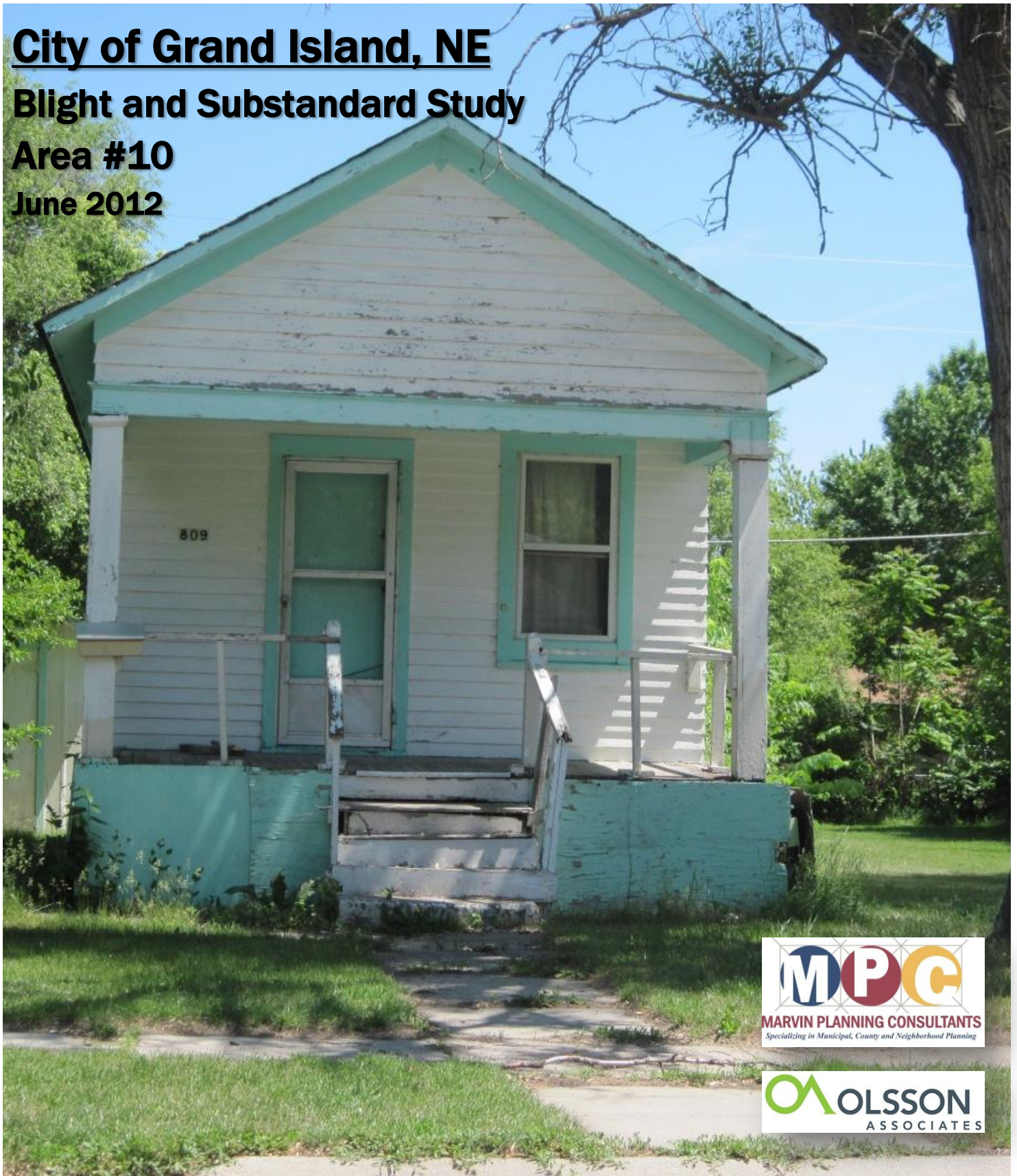
Recommendation

City Administration recommends that the Council Move to forward the Study to the Planning Commission.

Sample Motion

Move to adopt resolution to forward the Study to the Planning Commission for their review and recommendation.

City of Grand Island, NE
Blight and Substandard Study
Area #10
June 2012



PURPOSE OF THE BLIGHT AND SUBSTANDARD STUDY

The purpose of completing this Blight and Substandard study is to examine existing conditions within the city of Grand Island. This study has been commissioned by an individual property owner within the community with the hope that the City will consider the study area for future redevelopment activity. The area is a meandering boundary; the area is also bounded on two sides by properties that have been declared as blighted and substandard in the past.

The City of Grand Island, when considering conditions of Blight and Substandard, will be looking at those issues and definitions provided for in the Nebraska Community Redevelopment Law as found in Chapter 18, Section 2104 of the Revised Nebraska State Statutes, as follows:

“The governing body of a city, to the greatest extent it deems to be feasible in carrying out the provisions of Sections 18-2101 to 18-2144, shall afford maximum opportunity, consistent with sound needs of the city as a whole, to the rehabilitation or redevelopment of the community redevelopment area by private enterprises. The governing body of a city shall give consideration to this objective in exercising its powers under sections 18-2101 to 18-2144, including the formulation of a workable program, the approval of community redevelopment plans consistent with the general plan for the development of the city, the exercise of its zoning powers, the enforcement of other laws, codes, and regulations relating to the use and occupancy of buildings and improvements, the disposition of any property acquired, and providing of necessary public improvements”.

The Nebraska Revised Statutes §18-2105 continues by granting authority to the governing body for formulation of a workable program. The statute reads,

“The governing body of a city or an authority at its direction for the purposes of the Community Development Law may formulate for the entire municipality a workable program for utilizing appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas, or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of substandard and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of substandard and blighted areas or portions thereof.”

Blight and Substandard are defined as the following:

“Substandard areas means an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;”

“Blighted area means an area, which (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of

title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a shall not designate an area larger than one hundred percent of the as blighted;"

This Blight and Substandard Study is intended to give the Grand Island Community Redevelopment Authority and Grand Island City Council the basis for identifying and declaring Blighted and Substandard conditions existing within the City's jurisdiction. Through this process, the City and property owner will be attempting to address economic and/or social liabilities which are harmful to the well-being of the entire community.

BLIGHT AND SUBSTANDARD ELIGIBILITY STUDY

This study targets a specific area within an established part of the community for evaluation. The area is indicated in Figure 1 of this report. The existing uses in this area include residential dwelling units both single-family and multi-family.

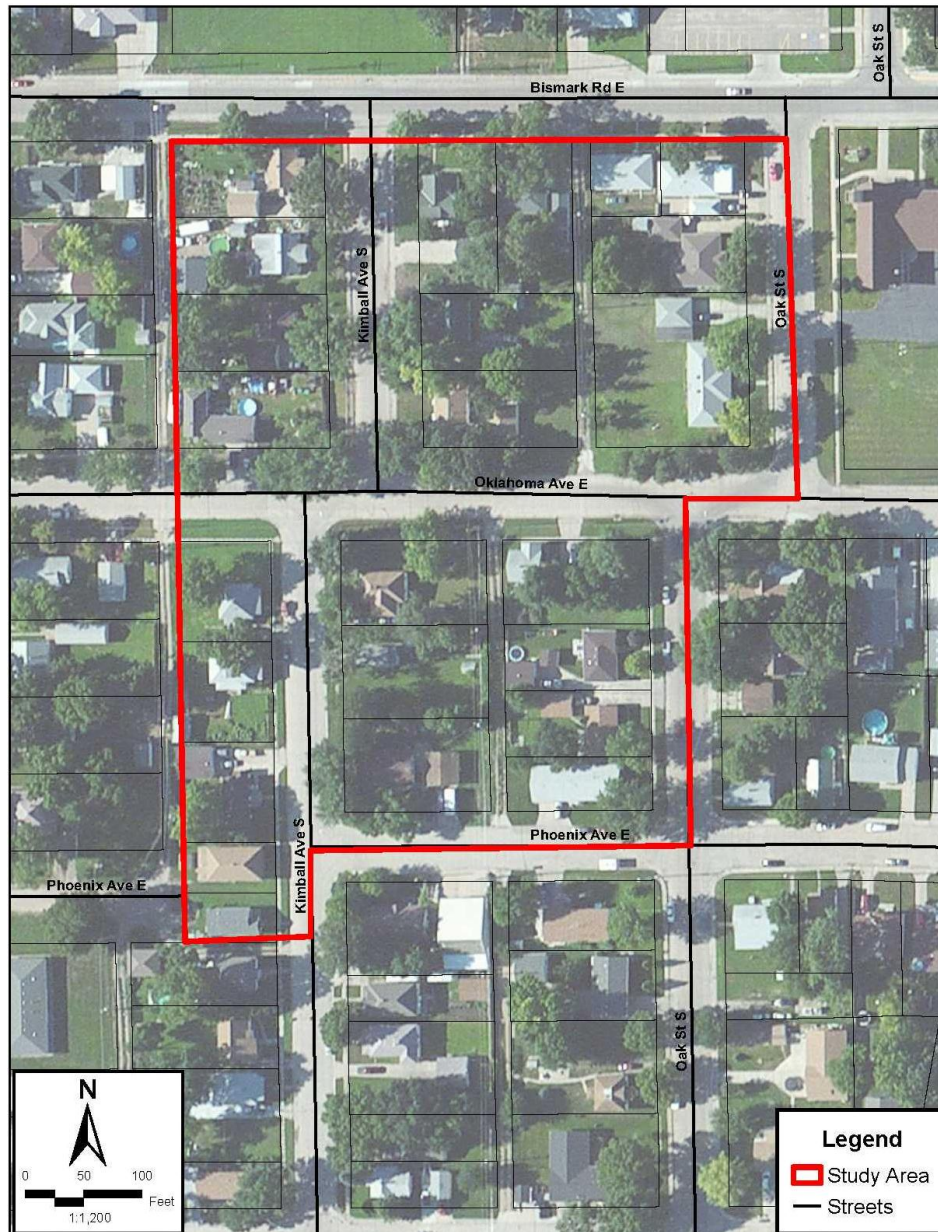
Through the redevelopment process the City of Grand Island can guide future development and redevelopment throughout the area. The use of the Community Redevelopment Act by the City of Grand Island is intended to redevelop and improve the area. Using the Community Redevelopment Act, the City of Grand Island can assist in the elimination of negative conditions and implement different programs/projects identified for the City.

The following is the description of the designated area within Grand Island.

Study Area

POINT OF BEGINNING IS THE NORTHWEST CORNER OF LOT 1, BLOCK 3, SOUTH GRAND ISLAND; THENCE EASTERLY ALONG THE NORTH PROPERTY LINE OF LOT 1, BLOCK 3, SOUTH GRAND ISLAND AND CONTINUING EASTERLY ALONG THE NORTHERN PROPERTY LINES UNTIL INTERSECTING THE CENTERLINE OF OAK STREET S; THENCE SOUTHERLY ALONG SAID CENTERLINE TO THE INTERSECTION OF THE CENTERLINES OF OAK STREET S AND OKLAHOMA AVENUE E; THENCE WESTERLY ALONG SAID CENTERLINE OF OKLAHOMA AVENUE E TO THE SOUTHERN INTERSECTION THE CENTERLINES OF OKLAHOMA AVENUE E AND OAK STREET S; THENCE SOUTHERLY ALONG SAID CENTERLINE OF OAK STREET S TO THE INTERSECTION OF CENTERLINES FOR OAK STREET S AND PHOENIX AVENUE E; THENCE WESTERLY ALONG SAID CENTERLINE OF PHOENIX AVENUE E TO THE INTERSECTION OF THE CENTERLINES OF PHOENIX AVENUE E AND KIMBALL AVENUE S; THENCE SOUTHERLY ALONG SAID CENTERLINE OF KIMBALL AVENUE S TO THE EXTENDED SOUTH PROPERTY LINE OF LOT 55 IN HAWTHORNE ADDITION; THENCE WESTERLY ALONG SAID EXTENDED SOUTH PROPERTY LINE TO THE SOUTHWEST CORNER OF SAID LOT 55 IN HAWTHORNE ADDITION; THENCE NORTHERLY ALONG THE WEST PROPERTY LINE OF LOT 55 IN HAWTHORNE ADDITION AND EXTENDING NORTHERLY TO THE POINT OF BEGINNING.

Figure 1
Study Area Map



Source: City of Grand Island

EXISTING LAND USES

The term “Land Use” refers to the developed uses in place within a building or on a specific parcel of land. The number and type of uses are constantly changing within a community, and produce a number of impacts that either benefit or detract from the community. Because of this, the short and long-term success and sustainability of the community is directly contingent upon available resources utilized in the best manner given the constraints the City faces during the course of the planning period. Existing patterns of land use are often fixed in older communities and neighborhoods, while development in newer areas is often reflective of current development practices.

Existing Land Use Analysis within Study Area

As part of the planning process, a survey was conducted through both in-field observations, as well as data collection online using the Hall County Assessors website. This survey noted the use of each parcel of land within the study area. The Study Area is 100% residential with the exception of the local streets and sidewalks serving the study area.

Figure 2
Existing Land Use Map



Source: Marvin Planning Consultants and Olsson Associates, 2012

FINDINGS OF BLIGHT AND SUBSTANDARD CONDITIONS ELIGIBILITY STUDY

This section of the Eligibility Report examines the conditions found in the study area. The Findings Section will review the conditions based upon the statutory definitions.

CONTRIBUTING FACTORS

There are a number of conditions that were examined and evaluated in the field and online. There are a number of conditions that will be reviewed in detail, on the following pages, while some of the statutory conditions are present, other are not.

Age of Structure

Age of structures can be a contributing factor to the blighted and substandard conditions in an area. Statutes allow for a predominance of structures that are 40 years of age or older to be a contributing factor regardless of their condition. The following paragraphs document the structural age of the structures within the Study Area. Note that the age of structure was determined from the Appraisal data within the Hall County Assessor's website data.

Within the study area there is a total of 38 primary and accessory structures. After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 2 (5.3%) units were determined to be less than 40 years of age
- 36 (94.7%) units were determined to be 40 years of age or older

Overall, 94.7% of the structures in this portion of the area are 40 years old or older thus qualifying it as substantial. See Figure 3 for the locations of the structures.

Due to the age of the structures in the study area, age of structures would be a direct contributing factor.

Structural Conditions

Where structural conditions were evaluated, structures were either rated as: Excellent, Average, Deteriorating, or Dilapidated. The following are the definitions of these terms:

No Problem/ Average Conditions

- No structural or aesthetic problems were visible, or
- Slight damage to porches, steps, roofs etc. is present on the structure,
- Slight wearing away of mortar between bricks, stones, or concrete blocks,
- Small cracks in walls or chimneys,
- Cracked windows,
- Lack of paint, and
- Slight wear on steps, doors, and door and window sills and frames.

Deteriorating Conditions

- Holes, open cracks, rotted, loose, or missing materials in parts of the foundation, walls, or roof (up to 1/4 of wall or roof),
- Shaky, broken, or missing steps or railings,
- Numerous missing and cracked window panes,
- Some rotted or loose windows or doors (no longer wind- or water-proof), and
- Missing bricks, or cracks, in chimney or makeshift (uninsulated) chimney.



Dilapidated Conditions

- Holes, open cracks, or rotted, loose or missing material (siding, shingles, brick, concrete, tiles, plaster, floorboards) over large areas of foundation,
- Substantial sagging of roof, floors, or walls,
- Extensive damage by fire, flood or storm, and
- Inadequate original construction such as makeshift walls, roofs made of scrap materials, foundations or floors lacking, or converted barns, sheds, and other structures not adequate for housing.

These are criteria used to determine the quality of each structure in the Study Area.

In a recent conditions survey, the structures within the study area were rated. Within the study area there are a total of 26 primary structures and 12 accessory structures. Accessory structures were rated due to the fact that they were visible from the public right-of-ways.

After reviewing the overall conditions of the structures in the corporate limits portion include:

- 16 (50.0%) structures rated as adequate
- 13 (40.6%) structures rated as deteriorating
- 3 (9.4%) structures rated as dilapidated

Overall, 50.0% of the structures in this portion of the area are in a state of disrepair. The data are available for inspection; however, for purposes of this study, Figure 4 only shows the data on a ½ block level as opposed to structure. However, if there were several structures deemed to be deteriorating or dilapidated then the entire block was downgraded.

Only one ½ block (16.7%) in the study area was rated as adequate; while four ½ blocks (66.6%) were deteriorating; finally one ½ block (16.7%) was deemed to be dilapidated. For purposes of this study there is approximately 83.3% of the block area within the Study Area that has deteriorating or dilapidated structures. The remaining 16.7% was considered as “Adequate”.

Due to the state of disrepair of a number of properties in the area, the conditions represent conditions which are Dangerous to conditions of life or property due to fire or other causes.

Figure 3
Structural Age Map



Source: Marvin Planning Consultants and Olsson Associates, 2012

Sidewalk Conditions

The sidewalk conditions were analyzed in the Study Area. The sidewalks were rated on four categories; adequate, deteriorating, dilapidated, and missing completely. The following is the breakdown by corporate limits and county industrial park.

Within the study area there is approximately 2,612 lineal feet of sidewalk. After reviewing the conditions in the field, the following is how the sidewalk conditions breakdown within the corporate limits:

- 497 (19.0%) lineal feet of adequate sidewalk
- 1,333 (51.0%) lineal feet of deteriorating sidewalk
- 781 (20.0%) lineal feet of no sidewalk.
- There was no sidewalk deemed to be dilapidated.



Overall, 71.0% of the sidewalks are in either a deteriorating state or completely missing. Missing sidewalk is as bad as dilapidated or deteriorating sidewalk since there is no safe place to walk other than across someone else's property or in the street. See Figure 5 for the locations of these sidewalks.

Due to the large amount of deteriorating and missing sidewalk, the sidewalk conditions would be a direct contributing factor.

Street Conditions

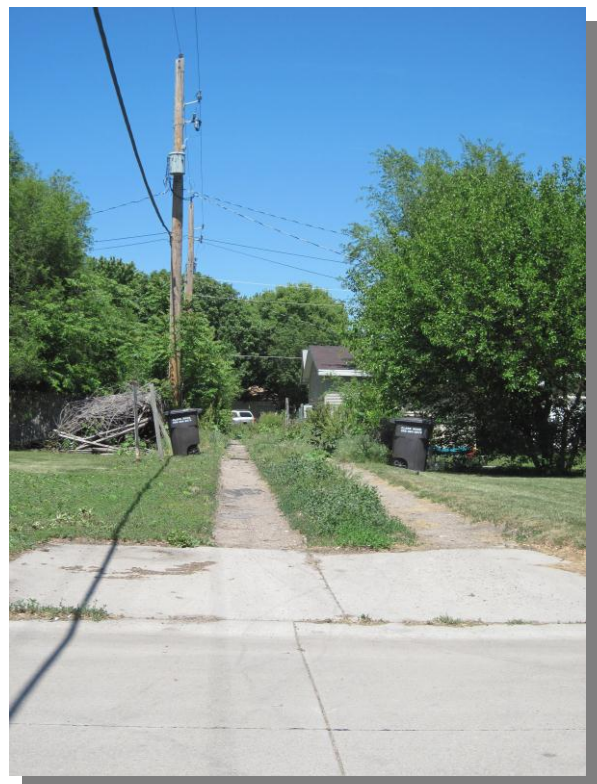
The street conditions were analyzed in the Study Area including both the incorporated areas and the unincorporated portions of the area. The streets were also rated on four categories; adequate, deteriorating, dilapidated, and missing completely. The following is the breakdown by corporate limits and county industrial park.

Within the study area there is approximately 2,596 lineal feet of street. After reviewing the conditions in the field, the following is how the street conditions breakdown within the corporate limits:

- 1,755 (67.6%) lineal feet of adequate street
- 306 (11.8%) lineal feet of deteriorating street
- 535 (20.6%) lineal feet of dilapidated street

Overall, 32.4% of the streets are in either in a deteriorating or dilapidated state. See Figure 6 for the locations of these streets.

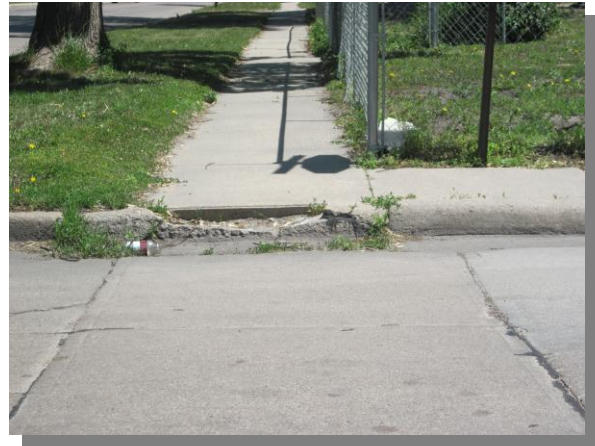
Due to the large amount of deteriorating and missing street, the street conditions would be a direct contributing factor.



Curb and Gutter

Curb and Gutters have a number of direct and indirect roles in neighborhoods. Their primary functions is to be a barrier that collects and directs water, drainage. On a secondary level, they can help define where the streets start and stop, and they act as a physical barrier between pedestrian and vehicular traffic.

Curb and gutter for the Study Area will be examined similarly to streets and sidewalks. The curb and gutter will be graded as either adequate, deteriorating, dilapidated, or missing. In addition, curb and gutter will be examined based upon their location, within the incorporated area or within the county industrial park.



Within the corporate limits portion of the study area there is approximately 2,876 lineal feet of curb and gutter possible. After reviewing the conditions in the field, the following is how the curb and gutter conditions breakdown within the corporate limits:

- 1,262 (43.9%) lineal feet of adequate curb and gutter
- 1,613 (56.1%) lineal feet of deteriorating curb and gutter

Approximately 57% of the curb and gutters are in either a deteriorating state or are missing. See Figure 7 for the locations of these curb and gutter.

Due to the large amount of deteriorating and missing curb and gutter, the curb and gutter conditions would be a direct contributing factor.



Poor curb and gutter and no sidewalk access to the street along one side of the intersection.

No sidewalk access running east and west.

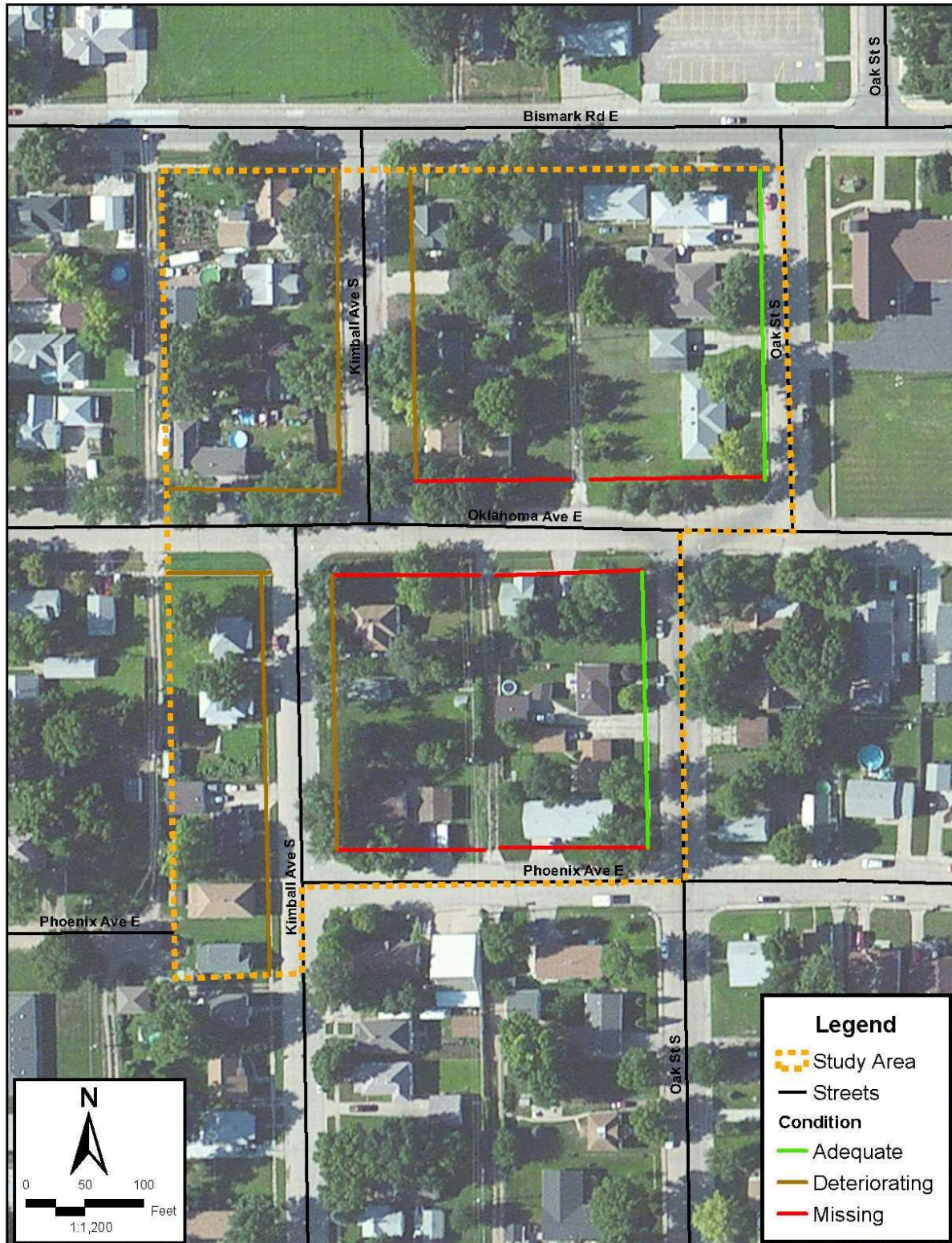


Figure 4
Structural Conditions



Source: Marvin Planning Consultants and Olsson Associates, 2012

Figure 5
Sidewalk Conditions



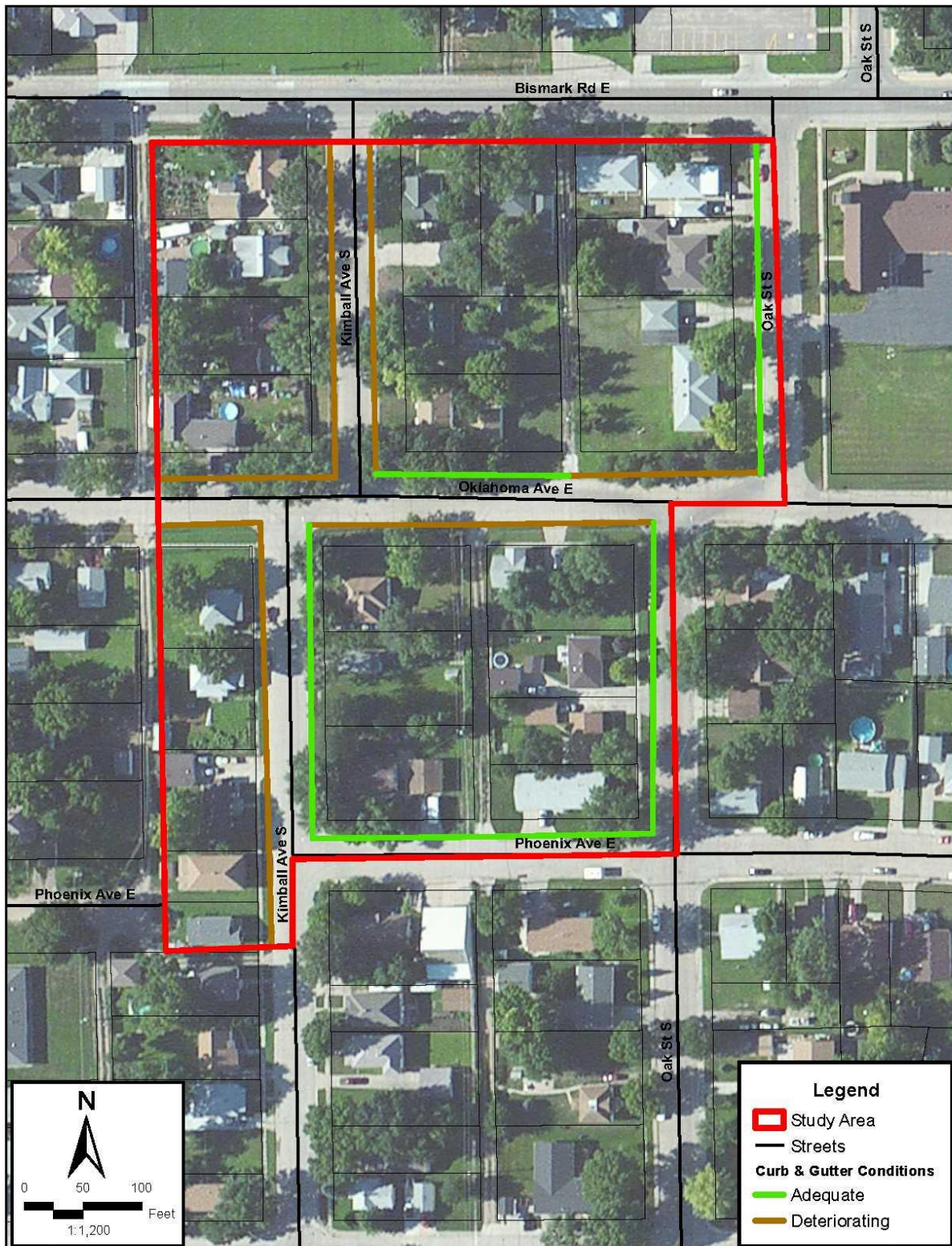
Source: Marvin Planning Consultants and Olsson Associates, 2012

Figure 6
Street Conditions



Source: Marvin Planning Consultants and Olsson Associates, 2012

Figure 7
Curb and Gutter Conditions



Source: Marvin Planning Consultants and Olsson Associates, 2012

Blighting Summary

These conditions are contributing to the blighted conditions of the study area.

- Substantial number of deteriorating structures
 - 50.0% of the structures identified within the Study Area, were deemed to be in a state of deterioration or dilapidation
- Deterioration of site or other improvements
 - A large amount of sidewalk either in a deteriorated state or missing from properties.
 - There is a significant amount of lineal feet of streets that are deteriorating or dilapidated.
 - Deteriorating curb and gutter does and/or will continue to become worse in condition and ultimately will begin to negatively impact drainage in the study area.
- Average age of structures is over 40 years of age
 - Within the Study Area 94.7% of the structures meet the criteria of 40 years of age or older.

The other criteria for Blight were not examined or are not present in the area, these included:

- Defective/Inadequate street layouts,
- Faulty lot layout,
- Insanitary or unsafe conditions,
- Defective or unusual condition of title,
- Economic or social liability detrimental to health, safety and welfare,
- Conditions provision of housing accommodations,
- One-half of unimproved property is over 40 years old,
- Tax or special assessment exceeding the fair value of the land,
- Diversity of ownership.
- Improper Subdivision or obsolete platting
- Existence of conditions which endanger life or property by fire and other causes,
- The area has had either a stable or decreasing population based upon the last two decennial censuses,
- Unemployment in the designated area is at least one hundred twenty percent of the state or national average,
- Combination of such factors, substantially impairs or arrests the sound growth of the community, and
- Per capita income of the area is lower than the average per capita income of the city

These issues were either not present or were limited enough as to have little impact on the overall condition of the study area.

Substandard Conditions

Average age of the residential or commercial units in the area is at least forty years

Besides structural conditions of the buildings in the Study Area, age of these structures is another contributing factor to the substandard conditions in the area. Statutes allow for a predominance of structures that are 40 years of age or older to be a contributing factor regardless of their condition.

Within the study area there is a total of 38 structures. After researching structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 2 (5.3%) structures were determined to be less than 40 years of age
- 36 (94.7%) structures were determined to be 40 years of age or older

Overall, 94.7% of the structures in this portion of the area are 40 years old or older thus qualifying it as substantial. See Figure 3 for the locations of the structures.

Due to the age of the structures in the corporate limits, age of structures would be a direct contributing factor.

Substandard Summary

Nebraska State Statute requires that at least one of five substandard factors be present in a community. This Study Area in Grand Island has one of the five. The other criteria for Substandard were not present or the data was not readily accessible in the area, these included:

- Unemployment in the designated area is at least one hundred twenty percent of the state or national average;
- more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time;
- the per capita income of the area is lower than the average per capita income of the city or in which the area is designated
- The area has had either stable or decreasing population based on the last two decennial censuses.

FINDINGS FOR GRAND ISLAND BLIGHT STUDY AREA #10

Blight Study Area #10 has several items contributing to the Blight and Substandard Conditions. These conditions include:

Blighted Conditions

- Substantial number of deteriorating structures
- Deterioration of site or other improvements
- Average age of structures is over 40 years of age

Substandard Conditions

- Average age of the residential or commercial units in the area is at least forty years

CONCLUSION

Based upon the issues and conditions indicated from the survey of this area, there is sufficient criteria present to declare Area #10 of Grand Island as Blighted and Substandard as provided for in the Nebraska Revised Statutes. The conditions found throughout the entire area constitute a designation of blighted and substandard. The eventual use of Tax Increment Financing or other incentive programs would be of great benefit to the entire area.