

# **City of Scottsbluff, Nebraska**

**Monday, May 4, 2015**

**Regular Meeting**

## **Item Consent3**

**Council to set a public hearing for May 18, 2015 at 6:05 p.m. to consider the Blight and Substandard Conditions Study for the area southeast of Highway 71 and 42nd Street and Adler Tracts.**

**Staff Contact: Annie Urdiales, Planning Administrator**

## **STUDY OF BLIGHT AND SUBSTANDARD CONDITIONS**

City of Scottsbluff, Nebraska

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April 20, 2015

This report documents the existence of blighted and substandard conditions for an area in Scottsbluff, Nebraska (the “Study Area”) located on the southeast corner of HWY 71 and 42<sup>nd</sup> Street. This Study Area includes single family residences, commercial buildings and several undeveloped lots. This study is intended to review the Study Area for eligibility (as blighted and substandard) pursuant to Section 18-2103 of Nebraska Revised Statutes, as contained in the Nebraska Community Development Law (the “Act”). The Adler Tracts Subdivision is included in this Study Area, as the condition of both its buildings and infrastructure significantly contribute to the blighted and substandard conditions of the specific area within the City of Scottsbluff (the “City”) that is proposed for the blighted and substandard designation. This is discussed in more detail below.

### **Legal Description**

The Study Area is described on Exhibit A1, attached hereto and made a part hereof by this reference. The area within the City to be designated as blighted and substandard is described on Exhibit A2, attached hereto and made a part hereof.

### **Relevant Nebraska Statutes**

The constitutional terms, “Substandard” and “Blighted” are statutorily defined in §18-2103, which are set out below:

(10) **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;

(11) **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 village in which the area is designated; or
- (v) the area has had either stable or decreasing population based on the last two decennial censuses.

### **Analysis of Study Area**

This section reviews the land use, infrastructure, building and economic conditions found within the Study Area. A field survey was completed on July 26, 2014, and a review of conditions on April 12, 2015. The following section identifies such existing conditions and additional factors which contribute to a determination of a blighted and substandard condition. This analysis is based upon the observations during the field survey, available public records and interviews with the owners' representatives.

The inclusion of the Adler Tracts in this Study Area is appropriate as it impacts the adjacent undeveloped area that is within the City of Scottsbluff and should not be ignored. The development potential of property is determined not only by the condition of the property itself, but the condition of the adjacent land. This inclusion finds additional support in the Act. The Act provides that a redevelopment authority has redevelopment powers within its "Area of Operation" in a blighted and substandard area. The city, not the redevelopment authority, determines the boundaries of the blighted and substandard area, pursuant to Section 18-2109 of



the Act. This determination is not specifically limited to areas totally within the city. Section 18-2123 of the Act provides in relevant part “that the development of land outside the city, but within a radius of three miles thereof,... or is a necessary adjunct to the general community redevelopment program of the city, the acquisition, planning, preparation for the development or disposal of such land shall constitute a redevelopment project which may be undertaken by the authority in the manner provided in the foregoing sections.” Section 18-2153 of the Act further provides in relevant part that the Act “and all grants of power, authority, rights, or discretion to a city or village and to an authority created under the Community Development Law shall be liberally construed, and all incidental powers necessary to carry into effect such sections are hereby expressly granted to and conferred upon a city, village or authority created pursuant to the Community Development Law.” Therefore the inclusion of the area outside but adjacent to the City is both necessary and appropriate for the sound redevelopment planning and program of the City.

### **Substandard Area Analysis**

As previously set forth in Section 18-2103 (10), the factors which define a **substandard area** include a “preponderance of buildings or improvements, whether nonresidential or residential in character, which, by reason of” the following circumstances:

#### **1. *Dilapidation or Deterioration***

This subsection considers the building and improvements within the Study Area. The main infrastructure components may include water, sewer, sidewalks, streets, curb and gutter, and accessibility. Public utilities can directly influence a community’s capacity for growth. If infrastructure improvements are outdated or unavailable, land development must await their installation or updating.

While all the above mentioned criteria were evaluated, only some of those determined to contribute to the blight and substandard conditions for the Study Area need be considered here, as follows:

(a) The Adler Tracts is internally served solely by substandard streets known as West Adler Drive. These streets are passible by vehicles, but without curb and gutter drainage and are

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completely inadequate for the future development of the site. See photo \_\_\_\_\_. The undeveloped area within the City has no internal street system.

(b) The buildings in the Adler Tracts are primarily residential. All of the lots externally exhibit conditions of dilapidation and deterioration. These include out buildings and trailers. A majority of the buildings either appear or are assessed by the county as badly worn. See photos \_\_\_\_\_. The undeveloped area within the City has no structures.

### Conclusion:

The results of the field survey of building conditions and a review of public records indicate that a majority of the structures have major deficiencies, are deteriorating and need rehabilitation. Due to this fact, a majority of all structures within the Study Area can be classified pursuant to the Act as being substandard. The existence of this level of substandard structures and improvements constitutes a reasonable presence of substandard conditions in this Study Area which inhibits the sound growth of the area within the City.

## 2. ***Age or Obsolescence***

A structure, whether it is a building or part of an infrastructure system, may be considered substandard even though it is not currently in such a dilapidated condition as to be unusable in its present circumstances. The age of a structure may indicate that its useful economic life is limited before expensive repairs or replacement become necessary. A structure may also be well suited for a past purpose, but be economically or functionally obsolete to support a modern use. As discussed above there are both permanent and temporary structures located in the Study Area. The infrastructure, while barely adequate to serve the Adler Tracts, is unsuited to any modern commercial or residential development. This inadequacy indicates both functional and economic obsolescence.

### Conclusion:

The Act specifies that one of the elements of substandard condition is a predominance of older or obsolete structures. Therefore with a majority of the infrastructure and buildings meeting these criteria, the Study Area can be considered to be substandard by reasons of structure age and obsolescence.



### **3. Inadequate Provisions for Ventilation, Light, Air, Sanitation or Open Space**

During the field survey conducted to determine building conditions, building and grounds conditions were also evaluated with regard to factors that present on-going negative conditions or impacts and thus contribute to the physical decline of any developed urban area. The lack of adequate ventilation, sun light, clean air, proper sanitation facilities and open space can be a contributing factor to the decline of any urban area and the presence of any or all of these in reasonable numbers or intensity is considered, under Act, to contribute to the substandard character of any urban area.

The survey did not reveal any appreciable problems with ventilation of structures or where the size of the building on the lot and / or the small lot size itself did contribute to situations where there is a lack of sunlight and lack of open space.

#### Conclusion:

The field investigation documented that there are no properties within the Study Area where the lack of adequate provisions for sunlight and open space contribute to the substandard factors of the Study Area.

### **4. Existence of Conditions which Endanger Life or Property by Fire or other Causes**

The field survey indicated that there are conditions which endanger life or property to varying degrees within the Study Area. These include the deteriorating condition of many of the buildings and debris in the lots. This combination of old, and potentially or probable abandoned structures, presents a substantial potential for endangerment of life and property.

#### Conclusion:

A number of conditions which endanger life or property values (as further discussed in paragraph below) do now exist in this Study Area, and these conditions are sufficient in number and distribution to qualify as a substandard factor.

**5. Any Combination of Factors which are conducive to Ill Health, Transmission of Disease, Infant Mortality, Juvenile Delinquency and Crime, and is Detrimental to the Public Health, Safety, Morals or Welfare**

The above listed factors indicate substandard conditions that do exist in the Study Area. These conditions also present a real potential for detrimental effects on the safety and health of the citizens residing in or near the Study Area when two or more of the substandard conditions occur in the Area. An evaluation of the various combinations of substandard conditions listed above produced the following findings.

Conclusion:

The combination of these types of substandard factors in the Study Area significantly and negatively affects the population working and residing both in and outside the City. This impact on the population is sufficient to conclude that this combination of negative factors is in and of itself a substandard factor in this Study Area. The site conditions retard the development of the undeveloped portion of the Study Area which will continue to result in lower property and sales tax for the jurisdictions. New investment will not reasonably occur unless there is significant public assistance through the redevelopment authority. Considering its prominent location, a successful redevelopment effort is critical. Without redevelopment assistance, it is likely that the site will remain in its substandard or undeveloped condition.

**Blighted Area Analysis**

As previously set forth in Section 18-2103 (11), the factors which define a **blighted area** include:

(a) Any combination of the following factors which “substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability”, to wit:

**1. Presence of a Substantial Number of Deteriorated or Deteriorating Structures**

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As discussed in the previous analysis of the substandard factors, most of the structures in the Study Area are judged to be deteriorating. The deteriorated and inadequate road and drainage improvements described as substandard above also clearly fit within this definition. These continuing conditions and under-use of the property will lead to further deterioration and the consequent emergence of conditions that constitute an economic liability, which both endanger property and are detrimental to the public welfare.

### Conclusion:

The presence of these substandard structures is a strong factor contributing to the conditions of blight.

## **2. Existence of Defective or Inadequate Street Layout**

The deteriorated and inadequate road/drives discussed in the prior analysis as substandard do not provide adequate infrastructure for development. West Adler Drive consists as two distinct dead-ended drives separated by a drainage ditch. The drives do not have a publically dedicated turn around or connection that a public street or cul-de-sac is required to have. The undeveloped portion of the Study Area has no internal street system.

### Conclusion:

The internal street layout is inadequate for any further development of the property.

## **3. Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness**

The Study Area is platted.

### Conclusion:

Redevelopment of the Adler Tracts may require some platting into urban commercial or residential lots, with additional internal rights-of-way.

## **4. Unsanitary and Unsafe Conditions**



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As discussed previously in the analysis of substandard factors, there are several instances within the Study Area where unsanitary and unsafe conditions exist. These include both attractive nuisances such as the open or abandoned structures.

### Conclusion:

There are significant unsanitary and unsafe conditions that do, or reasonably will, exist to constitute a condition of blight.

(b) the following conditions (from five objective criteria listed in the statute) are present, to wit:

***The average age of the residential or commercial units in the area is at least forty years***

The majority of the buildings in the Study Area appear to exceed forty (40) years in age. However a further inquiry of public records would be required to validate this observation.

### ***Decreasing or Stable Population***

The Study Area has displayed a stable or decreasing population between the last two decennial censuses. The portion of the Study Area within the City has had no population between the last two decennial censuses.

### ***Income Level***

The median income of the census tract is lower than the average median income of Scotts Bluff County and the average of the census tracts within the City.

### **Conclusion of Blighted and Substandard Analysis**

Based on this analysis, the property within the Study Area meets the subjective criteria of both blighted and substandard conditions and displays the presence of at least two, and perhaps three, of the objective criteria required for a finding of blighted condition. The requirement of the Act is that at least one of these needs to be present.

### **Conformance with the Comprehensive Plan**

A declaration of blighted and substandard conditions in the Study Area conforms with the City of Scottsbluff Comprehensive Plan because it:

- Is located in an area eligible for such declaration.
- Allows for incentives to keep the employment base and supporting commercial activity in an area currently served by major infrastructure. .
- Is located along an existing major arterial.
- Provides a financing tool for the development of a variety of additional housing units.

### **Blighted and Substandard Area Declaration**

**By virtue of the findings of this study, the Study Area (as amended) may retain the blighted and substandard designation, pursuant to the requirements of the Nebraska Community Development Law.**

Submitted by:

  
Charles K. Bunker







## EXHIBIT A2

Area to be Declared Blighted and Substandard, Study dated 20 April, 2015

Of the Study Area shown on Exhibit A1 of this report, the area within the City of Scottsbluff is eligible to be declared Blighted and Substandard.

