

FACTSHEET

TITLE: A Resolution requested by the Director of the Urban Development Department declaring the South Street Redevelopment Area as blighted and substandard, as determined by the *South Street Blight and Substandard Determination Study*.

SPONSOR: Planning Department

BOARD/COMMITTEE: Planning Commission
Public Hearing: 06/07/06
Administrative Action: 06/07/06

STAFF RECOMMENDATION: A finding that the South Street Redevelopment Area is blighted and substandard (**Miscellaneous No. 06009**).

RECOMMENDATION: A finding of blighted and substandard (8-0: Strand, Taylor, Larson, Esseks, Cornelius, Krieser, Sunderman and Carlson voting 'yes'; Carroll declared a conflict of interest).

FINDINGS OF FACT:

1. This is a request to determine whether the South Street Redevelopment Area should or should not be declared blighted and substandard pursuant to Neb.Rev.Stat. § 18-2103(11). After an area is declared blighted and substandard, the City may proceed with the preparation and approval of a Redevelopment Plan. Redevelopment Plan activities may include utilizing Tax Increment Financing (TIF) from private development to pay for public infrastructure and improvements.
2. The complete Blight and Substandard Study is being provided to the City Council under separate cover. The Executive Summary of the Study is found on p.12-13.
3. The staff recommendation to find the area to be blighted and substandard is based upon the "Analysis" as set forth on p.3-6, concluding that the *South Street Redevelopment Area* qualifies as blighted and substandard within the definition set forth in the Nebraska Community Development Law, as determined by the *South Street Blight and Substandard Determination Study*. The Study is consistent with the redevelopment and revitalization activities identified in the Comprehensive Plan.
4. The staff presentation is found on p.7; the presentation by Wynn Hjermstad on behalf of the Urban Development Department is found on p.7-8; the presentation on behalf of the South Street Business & Civic Organization is found on p.8; and other testimony in support is found on p.9.
5. There was no testimony in opposition.
6. On June 7, 2006, the Planning Commission agreed with the staff recommendation and voted 8-0 to find the South Street Redevelopment Area to be blighted and substandard (Commissioner Carroll declared a conflict of interest).

FACTSHEET PREPARED BY: Jean L. Walker

DATE: June 19, 2006

REVIEWED BY: _____

DATE: June 19, 2006

REFERENCE NUMBER: FS\CC\2006\MISC.06009 Blight

LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for June 7, 2006 PLANNING COMMISSION MEETING

PROJECT: Miscellaneous #06009
South Street Redevelopment Area Blight and Substandard Determination Study

PROPOSAL: Ernie Castillo, on behalf of the Urban Development Department has forwarded a request to review the *South Street Redevelopment Area Blight and Substandard Determination Study* and to recommend the Redevelopment Area be declared substandard and blighted.

CONCLUSION: The South Street Redevelopment Area qualifies as substandard and blighted within the definition set forth in the Nebraska Community Development Law, NEB REV STAT § 18-2103, as determined by the *South Street Redevelopment Area Blight and Substandard Determination Study*. The Substandard and Blight Determination Study is consistent with the redevelopment and revitalization activities identified in Lincoln-Lancaster County 2025 Comprehensive Plan.

RECOMMENDATION:

Finding that there is a reasonable presence of substandard and blighted conditions in the Redevelopment Area as per § 18-2103 (11) Nebraska Revised Statutes.

GENERAL INFORMATION:

LOCATION: An area generally along the South Street corridor between S. 6th Street and S.17th Street.

PURPOSE: Nebraska Community Development Law, NEB REV STAT § 18-2109 requires the Planning Commission to review whether an area is substandard and blighted. A recommendation of the Planning Commission is required to be provided to the City Council prior to a redevelopment area being declared blighted and substandard.

AREA DESCRIPTION: See Attached.

COMPREHENSIVE PLAN SPECIFICATIONS:

The Comprehensive Plan identifies a variety of future land uses within this study area. Future land use designations include Urban Residential, Commercial, Industrial, and Public and Semi-Public.

F-17 “Maximize the community’s present infrastructure investment by planning for residential and commercial development in areas with available capacity. This can be accomplished in many ways including encouraging appropriate new development on unused land in older neighborhoods, and encouraging a greater amount of commercial space per acre and more dwelling units per acre in new neighborhoods.

F-17 Preservation and renewal of historic buildings, districts, and landscapes is encouraged. Development and redevelopment should respect historical patterns, precedents, and boundaries in towns, cities and existing neighborhoods.

F-18 “Encourage mixed-use redevelopment, adaptive reuse, and in-fill development including residential, commercial and retail uses.”

“Commercial and Industrial Development Strategy

F-49 “Encourage renovation and reuse of existing commercial centers. Infill commercial development should be compatible with the character of the area and pedestrian oriented.”

F-49 “Maintain and encourage retail establishment and businesses that are convenient to, and serve, neighborhood residents, yet are compatible with, but not intrusive upon residential neighborhoods.”

F-49 “Encourage efforts to find new uses for abandoned, under utilized or “brownfield” sites that are contaminated.”

ANALYSIS:

1. This is a request to determine whether the South Street Redevelopment Area should or should not be declared substandard and blighted per § 18-2103 (11) Nebraska Revised Statutes. After an area is declared substandard and blighted, the City may proceed with the preparation and approval of a Redevelopment Plan. Redevelopment activities may include utilizing Tax Increment Financing (TIF) from private development to pay for public infrastructure and improvements.
2. A Consultant was hired by the Urban Development Department to conduct the study to determine whether or not there was a presence of substandard or blighting conditions in the study area per § 18-2103 (11) Nebraska Revised Statutes.
3. The Redevelopment Area comprises 104.1 acres. According to the land use categories identified in the Blight Study, approximately 6.4% of the land is vacant, 13.9% is public or railroad right-of-way, and the remaining 79.7% is composed of a mix of public, residential, commercial, and industrial land uses (Page 15).
4. According to the Blight Study, of 197 primary buildings, 94 are structurally sound, 46 are classified as having deteriorating minor defects, 37 are classified as having deteriorating major defects, and 20 are classified as substandard. 29% of the buildings in the redevelopment area are either deteriorating or dilapidated to a substandard condition (Pages 24-25).
5. The average estimated age of residential structures within the redevelopment area is 86 years and 63 years for commercial structures (Page 25).

6. All of the land within the Redevelopment Area is within the City of Lincoln corporate limits.
7. Marc Wullschleger of the Urban Development Department noted in his April 26, 2006 letter that the redevelopment area warrants designation as blighted and substandard based upon the findings of the determination study. The Urban Development Department requests the determination study be reviewed by the Planning Commission for conformance with the Comprehensive Plan.
8. A **substandard** area is defined in the Nebraska Revised Statutes as containing a predominance of buildings or improvements with at least one of four conditions present:
 1. Dilapidation/deterioration
 2. Age or obsolescence
 3. Inadequate provision for ventilation, light, air, sanitation or open spaces
 4.
 - a) High density of population and overcrowding; or
 - b) The existence of conditions which endanger life or property by fire and other causes; or
 - c) Any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, and is detrimental to the public health, safety, morals or welfare.
9. According to the Blight Study, the area qualifies as **substandard** because several of the factors were found to be present in the study area.
 - A) The structural condition survey indicates deteriorating structures are present to a strong extent throughout the area (Page 24).
 - B) The age and obsolescence of structures is a strong presence throughout the area (Page 25).
 - C) The inadequate provision of ventilation, light, air, sanitation, or open spaces in the area is reasonably sufficient to constitute a substandard factor (Page 26).
 - D) The conditions which endanger life or property by fire and other causes are significant factors that are strongly present throughout the area (Page 28).
10. A **blighted** area is defined in the Nebraska Revised Statutes as having the presence of one or more of twelve of the following conditions:
 1. A substantial number of deteriorated or deteriorating structures;
 2. Existence of defective or inadequate street layout;
 3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
 4. Insanitary or unsafe conditions;

5. Deterioration of site or other improvements;
6. Diversity of ownership;
7. Tax or special assessment delinquency exceeding the fair value of the land;
8. Defective or unusual conditions of title;
9. Improper subdivision or obsolete platting;
10. The existence of conditions which endanger life or property by fire or other causes;
11. 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;
12. Is detrimental to the public health, safety, morals, or welfare in its present condition and use; and in which there is at least one of the following conditions:
 - a) Unemployment in the designated blighted area is at least one hundred twenty percent of the state or national average;
 - b) The average age of the residential or commercial units in the area is at least 40 years;
 - c) More than half of the plotted and subdivided property in the area is unimproved land that has been within the City for 40 years and has remained unimproved during that time;
 - d) The per capita income of the designated blighted area is lower than the average per capita income of the city or City in which the area is designated; or
 - e) The area has had either stable or decreasing population based on the last two decennial censuses.

11. The study found the following eight **blighting** factors to be present to a strong extent in the study area:
 - A) A substantial number of deteriorated or deteriorating structures (Page 32).
 - B) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness (Page 35).

- C) Insanitary or unsafe conditions (Page 37).
- D) Deterioration of site improvements (Page 37).
- E) Diversity of ownership (Page 38).
- F) Improper subdivision or obsolete platting (Page 43).
- G) Conditions which endanger life or property by fire and other causes (Page 45).

12. The study finds there is at least a reasonable distribution of all four factors that constitute an area as substandard within the redevelopment area, and out of 12 possible factors that constitute an area blighted, 8 are strongly present in the area. Therefore it is the conclusion of the Consultant that sufficient conditions and factors meet the criteria of substandard and blight as evidenced in the Blight Study. These factors present a serious barrier to the planned and coordinated development of the area, have created an environment that negatively impacts private sector investment in the area, and serve as a detriment to the overall healthy economic growth and physical development of the community.

13. The Blight Study is on file with the Urban Development Department and the Planning Department.

Prepared by:

Joe Rexwinkle
441-6373, jrexwinkle@lincoln.ne.gov
Planner

DATE: May 25, 2006

**APPLICANT
/CONTACT:** Urban Development Department
808 P Street
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(402) 441-7855

MISCELLANEOUS NO. 06009

PUBLIC HEARING BEFORE PLANNING COMMISSION:

June 7, 2006

Members present: Strand, Taylor, Larson, Esseks, Cornelius, Krieser, Sunderman and Carlson; Carroll declared a conflict of interest.

Ex Parte Communications: None.

Staff recommendation: A finding that there is a reasonable presence of substandard and blighted conditions in the Redevelopment Area.

Staff presentation: **Joe Rexwinkle of Planning staff** explained that this is a request for a finding that this determination for blighted and substandard conditions of the South Street Redevelopment Area is in conformance with the Comprehensive Plan. The study area is along South Street, generally between 6th and 17th Streets. Staff finds the proposed declaration of blighted and substandard to be in conformance with the Comprehensive Plan and is in agreement with the determination of the study that there is a presence of blighted and substandard conditions in this area.

This is the standard procedure. The blight study and blight determination must be approved prior to any approval of a redevelopment plan that might come in the future for this area.

Proponents

1. Wynn Hjermsstad, Community Development Manager from the Urban Development Department, gave a history of this proposal. Urban Development has been interested in doing some improvements along this portion of South Street for a long time and several of the neighborhood associations have wanted our help. About a year ago, Urban Development started working on a streetscape project between 9th and 17th along South Street, in conjunction with Public Works, coordinating some resurfacing in the area and also a water project. During the public input phase of streetscape project, Urban Development heard questions which were outside the scope of the streetscape project, i.e. additional parking, design standards, additional development, etc. After getting Mayor approval, Urban Development began working with a new group in the area called the South Street Business and Civic Organization. It was actually this new organization that paid for and commissioned the blight study. Urban Development's role has been to help manage and facilitate the process.

This organization is doing a fabulous job. There are some hard, tough issues and conflicts. To this organization's credit, the business owners have realized that in order to have a good business district, they need to have a good neighborhood, and the neighborhood understands that to have a strong viable neighborhood, they need a strong viable business district. The two have come together.

The blight study meets the requirements to be declared blighted and substandard as set forth in the state statutes.

The next step will be to do a redevelopment plan, which would come back to the Planning Commission in the future.

Esseks inquired as to the implications for the homes and businesses if the area is declared blighted. Hjermstad suggested that the blight declaration is a good thing. It allows Urban Development to do a redevelopment plan. Once the redevelopment plan is approved, we can start doing projects that generate TIF that can be used to help complete projects, whether it be commercial redevelopment, public improvements, streetscape projects, sidewalks, etc. It is a positive thing because it generates a funding source to help with those projects.

Strand noted that 26.3% of the property is indicated to be single family residential use in this area. She also noted that Saratoga School has a high mobility rate and is underpopulated. What does declaring this blight do to make a healthier single family neighborhood to help out the school? What benefits are there to a homeowner or landlord to rehabilitate? Hjermstad suggested that it results in a good domino effect. When we start doing improvements with the public and private sector, it just starts to spread. As values increase, as confidence in the area increases, people start to take a look at their homes. This area already qualifies for a number of Urban Development programs for housing improvements. There is also a rehabilitation loan program available through Urban Development.

2. Alene Swinehart, Co-Chair of the South Street Business & Civic Organization, testified in support. They have been wanting this project to start happening for as long as she has been involved in the Irvingdale Neighborhood Association. This is a unique situation with both businesses and neighborhoods represented and active in running the organization. There are four neighborhoods: Irvingdale, South Salt Creek, Everett and Near South. At this point, three of them are very active in this process. There is a lot of enthusiasm about the future of this area and its benefits to the community as a whole. She read the purposes of the organization into the record, including: to promote a diversity of quality commercial development; to assist in the growth and development of the South Street area making it more convenient, safe, and attractive, and a better place in which to live, work, shop and visit; to promote development of commercial, civic and other improvements; encourage cooperation among businesses, merchants, shoppers, the City, the County, LPS, religious organizations, neighborhood residents and others; to improve and create additional off-street parking facilities within the South Street business area; and to plan and conduct promotions for the benefit and development of businesses, neighborhoods and other entities in the South Street area in the public interest.

The next step is this blight study.

On behalf of **Irvingdale Neighborhood Association**, Swinehart testified that the association is completely supportive of this process.

3. Anna Cox, Branch Manager for Bank of the West, located at 16th and South Street, and Treasurer of the South Street Business & Civic Organization, testified in support. She believes this is a great first step to the improvement and revitalization of the community.

There was no testimony in opposition.

ACTION BY PLANNING COMMISSION:

June 7, 2006

Larson moved to approve staff recommendation, seconded by Sunderman.

Larson believes that the Urban Development Department has been outstanding in our city. We've seen it Downtown, on North 27th, and on North 48th. It is really a program of beautification and renewal of our inner city.

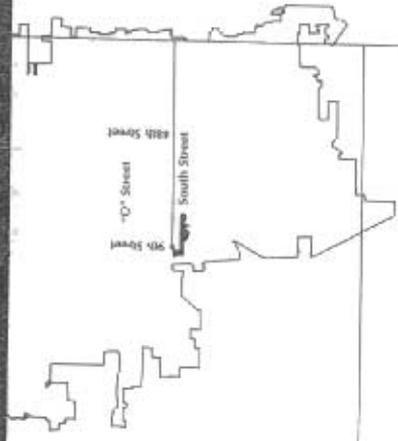
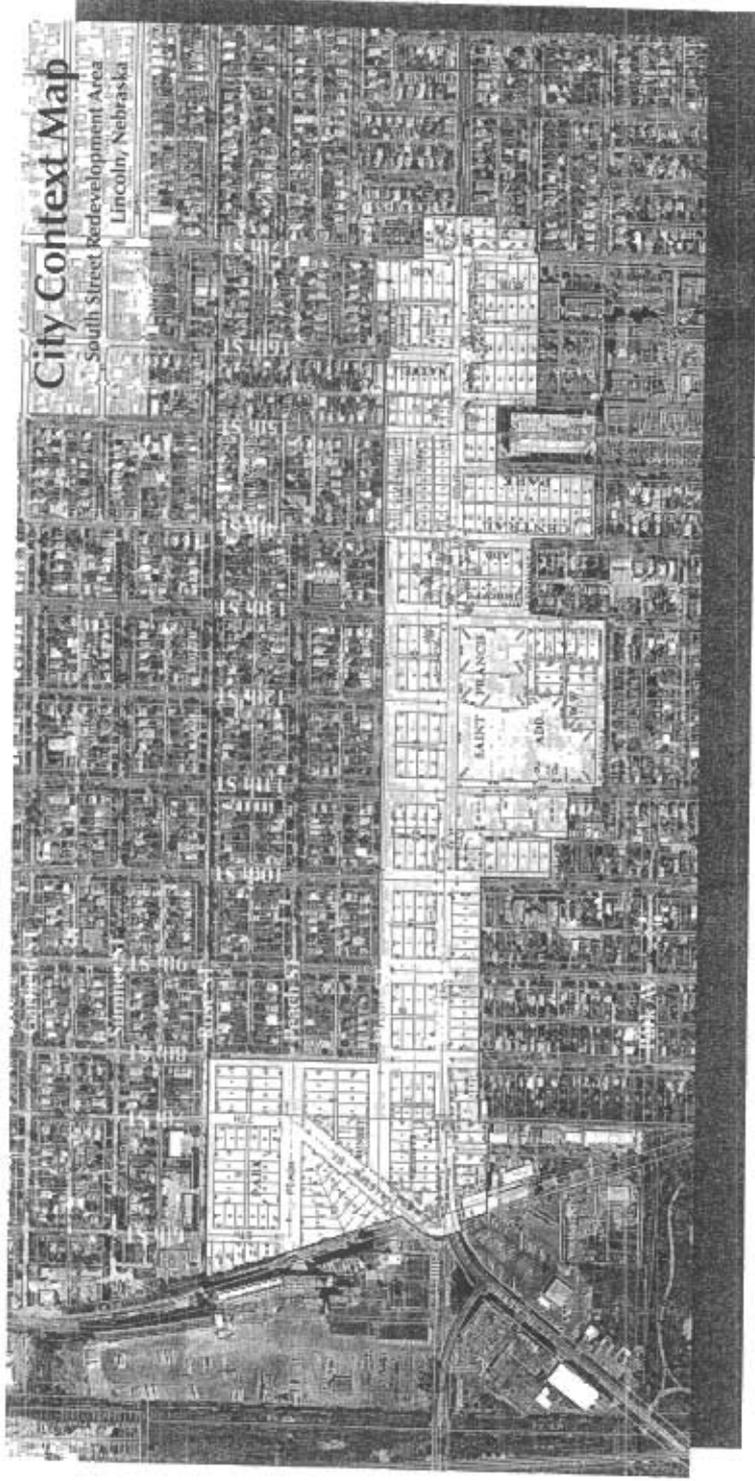
Strand noted that we find incentives to give commercial uses some breaks, and she would love to find a way to give the homeowners some breaks to be able to have their houses, regardless of income levels, and to encourage families to move back into these areas.

Carlson concurred. This is also a first step in trying to create quality retail services in the area.

Motion approving the staff recommendation, which finds that there is a reasonable presence of substandard and blighted conditions in the South Street Redevelopment Area, carried 8-0: Strand, Taylor, Larson, Esseks, Cornelius, Krieser, Sunderman and Carlson voting 'yes'; Carroll declaring a conflict of interest. This is a recommendation to the City Council.

City Context Map

South Street Redevelopment Area
Lincoln, Nebraska



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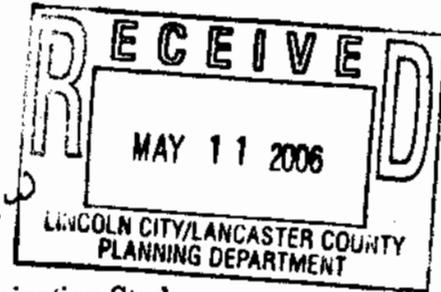
Hanna-Keelan Associates, P.C.
Community Planning & Research
1000 West 14th Street
Lincoln, NE 68502
402.441.1111

ILLUSTRATION 1

South Street Redevelopment Area
Height and Substandard Determination Stud.

*Joe***interoffice
MEMORANDUM**

To: Marvin Krout, Planning Department
From: Marc Wullschleger, Urban Development *MW*
Date: April 26, 2005
Subject: South Street Blight and Substandard Determination Study



cc: Wynn Hjermstad, Urban Development
Ernie Castillo, Urban Development

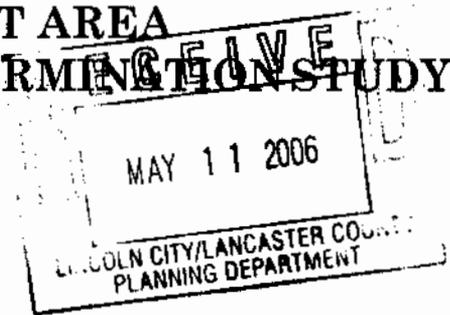
Please find enclosed a copy of the South Street Blight & Substandard Determination Study completed by Hanna Keelan Associates in March, 2006. The opinion of the consultant based on the findings of the Study is that the area warrants designation as blighted and substandard and we are requesting this document to be reviewed by the Lincoln-Lancaster County Planning Commission for conformance with the Comprehensive Plan.

Please schedule this for the ~~May 24, 2006~~ Planning Commission meeting. Ernie Castillo is meeting with Tim Keelan tomorrow to discuss the final draft and will have copies for you by Friday, 28th.

If you have questions or need additional information, please contact Ernie Castillo at 1.7855 or by e-mail: ecastillo@ci.lincoln.ne.us.

*June 7, 2006
JW*

SOUTH STREET REDEVELOPMENT AREA BLIGHT AND SUBSTANDARD DETERMINATION STUDY



EXECUTIVE SUMMARY

Purpose of Study/Conclusion

The purpose of this Study is to determine whether all or part of the designated **South Street Redevelopment Area**, in Lincoln, Nebraska, qualifies as a **blighted and substandard area**, within the definition set forth in the Nebraska Community Development Law, Section 18-2103.

The findings presented in this Blight and Substandard Determination Study are based on surveys and analyses conducted for the **South Street Redevelopment Area**, referred to as the **Redevelopment Area**.

The **South Street Redevelopment Area** boundary is an estimated 104 acre mixed use retail, public services, industrial and residential land use area, located, generally, from 7th to 17th Streets along South Street, in the City of Lincoln, Lancaster County, Nebraska. The Redevelopment Area includes MDS Pharma Services, a laboratory and research facility, the Lancaster Manor campus, Trabert Hall campus, Saratoga Elementary School, the historic Saint Francis Chapel, as well as a mix of both new and traditional retail outlets and, primarily, older 1900's to 1920's residential, single family structures, with a few newer multifamily rental housing facilities.

The **South Street Redevelopment Area** boundary is described as an area in or adjacent the City of Lincoln, Lancaster County, Nebraska, described, generally, as follows: Beginning at the midpoint of the intersection of S. 8th and Rose Streets, thence continuing south along the center line of S. 8th Street to its intersection with the north line of Plum Street, thence east along said line to its intersection with the west line of S. 16th Street, thence across S. 16th Street to the south side of Parcels 1 through 4, Roselyn Terrace, continuing east along said line to its intersection with the west line of Parcel 9, thence north along said line to the alley located within Block 10, Burr's Subdivision, thence east along the alley to its intersection with the west line S. 17th Street, thence south along said line to a point perpendicular to the north line of Parcel 12, Block 2, Harwood's Addition, thence east across a line from said point to the alley located within Block 2, Harwood's Addition, thence south along the alley, crossing South Street, and continuing to the south line of Parcel 10, Block 1, Ryon's Addition, thence west along said line to a point perpendicular to the east line of Parcel 14, Block 1, Ryon's Addition, thence south along a line from said point to the north line of Ryons Street, thence west along said line to its intersection with the center line of S. 17th Street, thence south along said line to a point perpendicular to the south line of Ryons Street, continuing west along said line to its intersection with the west line of S. 16th

Street, thence north along said line to its intersection with the south line of Parcel 3, Block 2, Central Park Subdivision, thence west along said line to its intersection with the east line of S. 15th Street, thence south along said line to intersection with the north line of Marion Street, thence west along said line to its intersection with the west line of S. 14th Street, thence north along said line to its intersection with the south line of Hudson Street, thence west along said line to its intersection with the center line of S. 13th Street, thence south along said line to its intersection with the center line of Saratoga Avenue, thence west along said line to its intersection with the center line of S. 11th Street, thence north along said line to its intersection with the south line of Lot 136, thence west along said line to its intersection with the alley within Block 1, South Park Addition, continuing north along the alley to its intersection with the south line of Parcel 9, Block 1, South Park Addition, thence west along said line to its intersection with the center line of S. 10th Street, thence north along said line to its intersection with the south line of Parcels 1 through 6, Blocks 1 and 2, South Park Addition, continuing west along said line to its intersection with the east line of Parcel 1, Block 1, Moulton's Subdivision, thence south along said line to the south line of the same parcel, continuing west along the south line to its intersection with the west line of Lot 146 (in the Burlington Northern Railroad right-of-way), thence northwest along said line to its intersection with the south line of South Street, thence west along said line to a point approximately opposed to the north/west line of Gillespie Street, thence north along said line, curving to conform to the north line of Gillespie Street, to its intersection with the east line of the Burlington Northern Railroad right-of-way, thence northwest along said line to its intersection with the center line of Rose Street, thence east along said line to the point of beginning.

Illustration 1 identifies the **South Street Redevelopment Area** in context to the City of Lincoln.