City Council Introduction: **Monday**, September 17, 2007
Public Hearing: **Monday**, September 24, 2007, at **5:30** p.m. Bill No. 07R-184

FACTSHEET

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

STAFF RECOMMENDATION: A finding that the West Haymarket Area is blighted and substandard (**Miscellaneous No. 07007)**.

SPONSOR: Planning Department

BOARD/COMMITTEE: Planning Commission
Public Hearing: 08/29/07
Administrative Action: 08/29/07

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

FINDINGS OF FACT:

1. This is a request to declare the **West Haymarket Area** as 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 Study Area consists of 402.8 acres, more or less, and is generally bounded by Haymarket Park (baseball complex) on the north to "G" Street on the south; with the eastern boundary running along 13th Street from "G" to "H" Street, then along 9th Street to "O" Street and following the railroad tracks at approximately 6th Street to Interstate 180; and the western boundary generally following Salt Creek, 2nd Street and Sun Valley Boulevard to Line Drive.

3. The complete West Haymarket Area Blight and Substandard Study is being provided to the City Council under separate cover.

4. 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 *West Haymarket Area* qualifies as blighted and substandard within the definition set forth in the Nebraska Community Development Law, as determined by the *West Haymarket Area Blight and Substandard Determination Study*. The Study is consistent with the redevelopment and revitalization activities identified in the Comprehensive Plan. The staff presentation is found on p.8.

5. Testimony is opposition by Roxanne Smith is found on p.9.

6. On August 29, 2007, the Planning Commission agreed with the staff recommendation and voted 8-0 (Krieser absent) to find that there is a reasonable presence of substandard and blighted conditions in the study area and that the area should be declared blighted and substandard (**Miscellaneous No. 07007**).

FACTSHEET PREPARED BY: Jean L. Walker **DATE**: September 10, 2007

REVIEWED BY:_____ **DATE**: September 10, 2007

REFERENCE NUMBER: FS\CC\2007\MISC.07007 Blight

LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for August 29, 2007 PLANNING COMMISSION MEETING

PROJECT: Miscellaneous #07007
West Haymarket Area Blight and Substandard Determination Study

PROPOSAL: The Urban Development Department has forwarded a request to review the *West Haymarket Area Blight and Substandard Determination Study* and to recommend the Area be declared substandard and blighted.

CONCLUSION: The West Haymarket 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 *West Haymarket 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 2030 Comprehensive Plan.

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

GENERAL INFORMATION:

LOCATION: An area generally including Haymarket Park (baseball complex) on the north to "G" Street on the south, with the eastern boundary running along 13th Street from "G" to "H" Street then along 9th Street up to "O" Street and following the railroad tracks at approximately 6th Street up to Interstate 180, and the western boundary generally following Salt Creek, 2nd Street and Sun Valley Blvd up to Line Drive.

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 Industrial, Commercial, Urban Residential, and Public and Semi-Public.

Guiding Principles for the Urban Environment - Overall Form

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. (P. 9)

Preserve and enhance entryway corridors into Lincoln and Capitol View Corridors. (P. 11)

Guiding Principles for the Economy

A new Downtown Arena and Convention Center is important to the future of the community and should be pursued in the near term, in the Downtown/Haymarket are. (P. 30

The community actively encourages public-private partnerships, strategic alliances and collaborative efforts.... as a means to accomplish its future economic objectives. (P. 30)

Business Location Considerations and Strategies

The West Haymarket offers a tremendous potential addition to the Downtown and should be pursued. (P. 32)

A new Downtown Arena and Convention Center is important to the future of the community and should be built as soon as possible. (P. 32)

Guiding Principles for Business and Commerce

Encourage renovation and reuse of existing commercial centers. Infill commercial development should be compatible with the character of the area and pedestrian oriented. (P. 36)

ANALYSIS:

1. This is a request to determine whether the West Haymarket 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. The Urban Development Department hired a consultant who conducted 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 area comprises 402.8 acres. According to the land use categories identified in the Blight Study, approximately 45.9% of the land is dedicated to transportation, communication, and

utilities (TCU), 22.2% is industrial, 17.4% is parks, recreation and open space, 4.4% is vacant land, 4.3% is in public use, 3.6% is housing, 1.4% is commercial, and less than 1% is human/social services/religious.

4. All of the land within the study area is within the City of Lincoln corporate limits.

5. Dallas McGee of the Urban Development Department noted in his August 1, 2007, letter that the area will be added by amendment to the Lincoln Center Redevelopment Area upon declaration of Blight and Substandard allowing the creation of an Arena, Hotel, and Convention Center Redevelopment Project. The Urban Development Department requests the determination study be reviewed by the Planning Commission for conformance with the Comprehensive Plan.

6. 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.

7. According to the Blight Study, the area qualifies as **substandard** because all four of the factors were found to be present in the study area, with three of them present to the extent that satisfies the definition of substandard under the law.

    A) Dilapidation, deterioration, age or obsolescence of structures is evident in that more than one third of commercial/industrial and almost 60% of residential structures are in deteriorated or deteriorating condition. 54% of commercial/industrial structures are over 50 years old and 80% of residential structures are over 100 years old. (Page 26)**.**

    B) Inadequate provision for ventilation, light, air, sanitation, or open space is evident in the study area with respect to open space because of the intensity of both residential and industrial land uses. (Page 26).

    C) High density of population and overcrowding may exist in the are but HUD defines overcrowding according to the number of person per bedroom. This information is not available at this time. (Page 26).

    D) Conditions which endanger life or property by fire and other causes are widespread and evidenced by the intensity of land uses, age of structures,

presence of flammable materials, flooding and environmental hazards created by historic uses of structures and land. (Page 26).

8. 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 10 **blighting** factors to be present to a strong extent in the study area:

    A) A substantial number of deteriorated or deteriorating structures (Page 27)**.**

    B) Defective or inadequate street layout (Page 27).

    C) Faulty lot layout in relation to size, adequacy, accessibility or usefulness (Page 27)

    D) Insanitary or unsafe conditions (Page 27).

    E) Deterioration of site improvements (Page 27).

    F) Diversity of ownership (Page 28).

    G) Defective or unusual conditions of title found in the study area (Page 28)

    H) Improper subdivision or obsolete platting (Page 28).

    I) Conditions which endanger life or property by fire and other causes (Page 28).

    J) I) The average age of the residential or commercial units in the area is at least forty years (Page 29)
       ii) The per capita income of the area is lower than the average per capita income of the city in which the area is designated (Page 29

12. The study finds there is at least a reasonable distribution of all four factors that constitute an area as substandard within the study area, and out of 12 possible factors that constitute an area blighted, 10 are strongly present in the area. Therefore it is the conclusion of the study 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:

Sara Hartzell, 441-6372, shartzell@lincoln.ne.gov
Planner

DATE: August 14, 2007

APPLICANT /CONTACT: Dallas McGee
Urban Development Department
808 P Street
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Lincoln, NE 68508
(402) 441-7855

MISCELLANEOUS NO. 07007

PUBLIC HEARING BEFORE PLANNING COMMISSION: August 29, 2007

Members present: Sunderman, Larson, Carroll, Strand, Esseks, Taylor, Cornelius and Carlson; Krieser absent.

Ex Parte Communications: None.

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

This application was removed from the Consent Agenda and had separate public hearing.

Staff presentation: **Sara Hartzell of Planning staff** advised that according to redevelopment law in Nebraska, any area designated to be part of a redevelopment project must be found to be blighted and substandard. In order to meet the requirements for blight and substandard, there are specific factors to be considered according to the Community Development Law. This study was done by a consultant for Urban Development, and the study found that all four of the substandard factors were present to some degree in this area, and that ten of the blighted facts were substantially met.

Dallas McGee of the Urban Development Department explained that this is the first step of many public steps as we begin to address the redevelopment of the West Haymarket Area. The State statutes require declaration of blight before any redevelopment. After the declaration of blight and substandard, a redevelopment plan will be prepared and brought to the Planning Commission and City Council. Once the redevelopment plan is acted upon by the City Council, there will be the ability to use TIF (tax increment financing) to assist in redevelopment of the area and the ability to prepare an invitation for redevelopment proposals, including seeking developer interest in a hotel and convention center, which would be a key part of this West Haymarket development. McGee assured that there will be many more opportunities for public input.

McGee explained that the somewhat irregular shape included in the blight study is the result of other blight studies that have already been conducted in the area, i.e. Lincoln Center Redevelopment Plan to the east, West O Street Redevelopment Plan to the west; Northwest Corridors to the northwest and Antelope Valley to the northeast.

Esseks was impressed with the size of the area, i.e. 400 acres. Do you see this as an integrated focus or two or three separate areas for separate plans? McGee stated that the blight study is larger than the area that will be focused upon initially, but they looked at the larger area because there is potential for additional private development in future years. This will complete the blighted areas, making them contiguous. The initial focus will be 7th Street, “N” Street and north as far as Haymarket Park, but does not include the entire area at this time.

Opposition

1. Roxanne Smith, 711 Peach Street, testified in opposition and begged the Commission not to take this first step. This is a floodplain. The floodplain issues far outweigh any benefits that will be gained from development in this area. The developers who want to do this (the city) have chosen this site because it is highly desirable. Taxpayers should expect then that the developers be able to go into this area and use their own money to finance the construction of a hotel, the arena and all the parking garages. Taxpayers should not expect to have to pay the bill to fill the floodplain and do any kind of mitigation. She acknowledged that this is a very desirable location for economic development, but the developers should be expected to bear that burden themselves. We should not use TIF for development. Please do not declare this area blighted. The infrastructure expenses that we have put into Antelope Valley cannot be duplicated in the floodplain. We should take advantage of the Antelope Valley infrastructure and a hotel and convention center should be built closer to Antelope Valley. Pershing Center, the federal parking garage, and the city blocks just to the east along 16th and 17th are much more accessible and are out of the floodplain. We need to determine whether the consultants have actually looked at the best site in this city. A convention center will totally change the character of the Haymarket. The purpose of declaring an area blighted is to allow TIF. As a taxpayer, Smith does not want TIF expended to develop an isolated floodplain. We do not have money in our basic budget right now for health and safety. We have cut expenses for senior citizens and health projects. Do not take future tax revenues away from Lincoln that should be spent on public health and safety issues. Do not take this first step.

Response by the Applicant

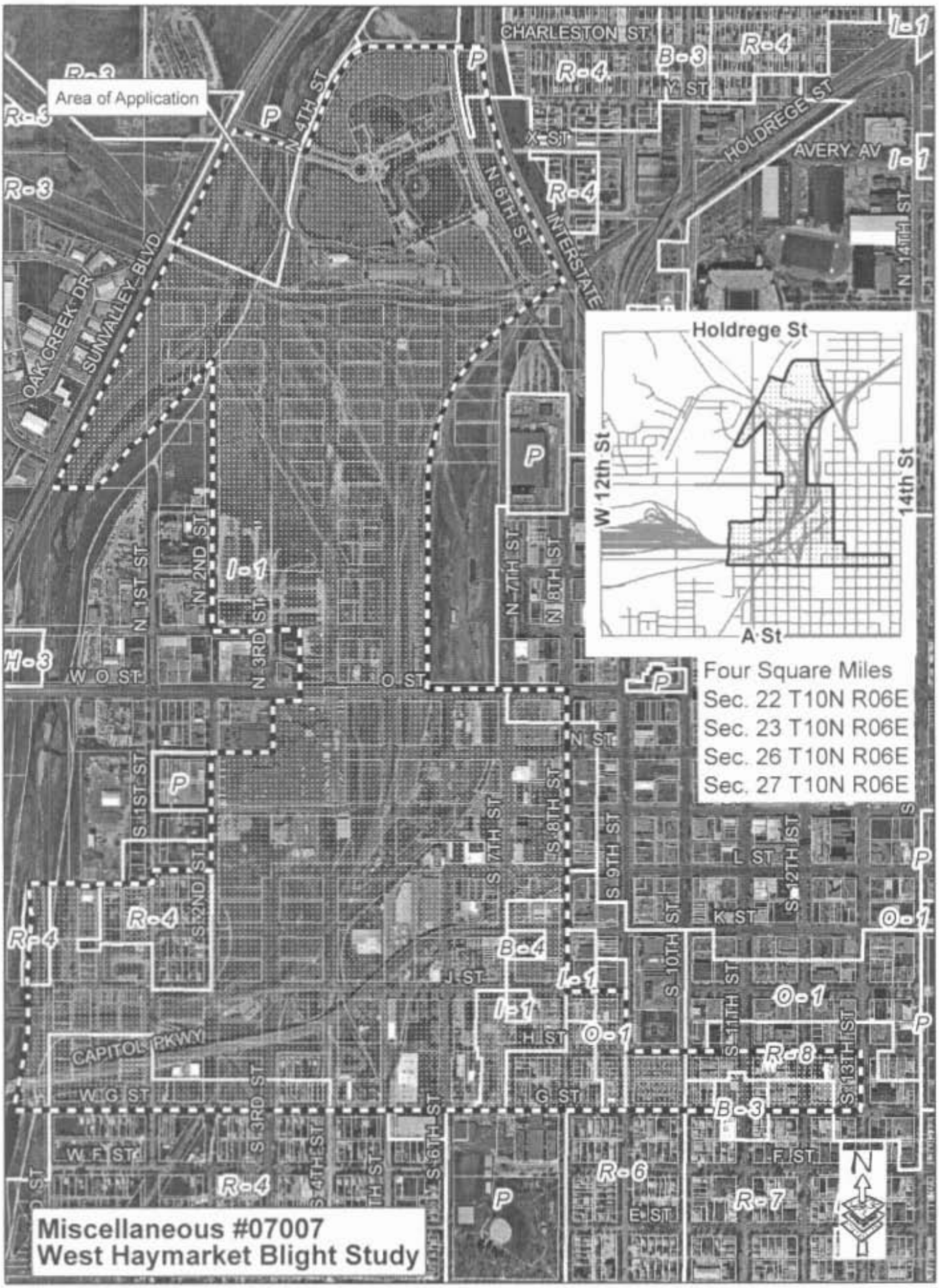
McGee stated that Urban Development is fully aware of the many, many challenges that this site represents. There will be a time to evaluate what, if any, development is appropriate here. He believes this is a very appropriate first step to begin looking at the site and to begin to address the conditions of the site.

Esseks pointed out that the blight declaration does not commit to locating an arena or convention center here. McGee agreed. A redevelopment plan will be prepared for the area which will come before the Commission and the City Council, and the issues of the site will be addressed at that time.

Strand asked Dave Landis, Director of Urban Development, to explain TIF. Landis stated that TIF essentially dedicates the increased taxes that come from the existence of the development to pay the public costs for allowing that development to occur. You freeze the value of the land before development. You then take the increase in the taxes that occur because the value goes up once there is development. You run that up no longer than 15 years, and that increment of money is dedicated for the purpose of demolition of the site, run utilities in a different way, manage the city streets and their access points, etc. It does not diminish taxes. It dedicates the taxes that exist because of the development to the essential public costs arrived at in making that site suitable for development. No one is excused from taxes. But the disposition of those taxes are dedicated to making this development work from a public perspective.

ACTION BY PLANNING COMMISSION: August 29, 2007

Strand moved a finding of blighted and substandard, seconded by Larson and carried 8-0: Sunderman, Larson, Carroll, Strand, Esseks, Taylor, Cornelius and Carlson voting 'yes'; Krieser absent. This is a recommendation to the City Council.


Area of Application
CHARLESTON ST
N 4TH ST
N 6TH ST
INTERSTATE
HOLDREGE ST
AVERY AV
N 14TH ST
OAK CREEK DR
SUNVALLEY BLVD
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Miscellaneous #07007
West Haymarket Blight Study

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CITY OF LINCOLN
NEBRASKA

MAYOR CHRIS BEUTLER
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August 1, 2007

To: Marvin Krout Director, City -County Planning Department

From: Dallas McGee, Assistant Director, Urban Development Department

cc: David Landis
Kent Morgan
Hallie Salem

Re: West Haymarket Area Blight and Substandard Determination Study

We have completed the Blight and Substandard Determination Study for the West Haymarket Area and would like to the study scheduled for public hearing before the Planning Commission at their regularly scheduled meeting on August 29th 2007. Attached are 12 copies of the study.

Action on the blight and substandard study for this area will allow us to proceed with an amendment to the Lincoln Center Redevelopment Plan for this area creating an Arena, Hotel, and Convention Center Redevelopment Project.

Please contact either Hallie Salem or me if you have questions .

Dallas McGee

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AUG 1 2007
LINCOLN CITY-LANCASTER CO.
PLANNING DEPARTMENT