

City Council Introduction: **Monday, July 16, 2012**  
Public Hearing: **Monday, July 23, 2012, at 3:00 p.m.**

Bill No. 12R-164

## FACTSHEET

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

**STAFF RECOMMENDATION:** A finding of reasonable presence of substandard and blighted conditions (**Miscellaneous No. 12006**).

**SPONSOR:** Planning Department

**BOARD/COMMITTEE:** Planning Commission  
Public Hearing: 06/27/12  
Administrative Action: 06/27/12

**RECOMMENDATION:** A finding of reasonable presence of substandard and blighted conditions (9-0: Esseks, Hove, Francis, Weber, Butcher, Gaylor Baird, Cornelius, Lust and Sunderman voting 'yes').

### FINDINGS OF FACT:

1. This is a request to declare the **Holdrege/Idylwild Redevelopment Area** as blighted and substandard pursuant to Neb.Rev.Stat. § 18-2103. 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. This study area consists of an estimated 7 acres, more or less, comprised of parks/recreation, residential and commercial land uses, located generally between North 34<sup>th</sup> and North 37<sup>th</sup> Streets, from Holdrege Street south to Apple Street. The *Holdrege/Idylwild Redevelopment Area Blight and Substandard Determination Study* was conducted by Hanna:Keelan Associates, P.C., which has determined that there is a reasonable presence of substandard and blighted conditions in the study area.
3. The staff recommendation to find the area to be blighted and substandard is based upon the "Analysis" as set forth on p.3-5, concluding that the **Holdrege/Idylwild Redevelopment Area** qualifies as substandard and blighted within the definition of the Nebraska Community Development Law, as determined by the *Holdrege/Idylwild Redevelopment Area Blight and Substandard Determination Study*. The Study is consistent with the redevelopment and revitalization activities identified in the 2040 Comprehensive Plan. The staff presentation and discussion with the Planning Commission is found on p.7-8.
4. Testimony in support on behalf of the East Campus Community Organization is found on p.8-9.
5. There was no testimony in opposition.
6. On June 27, 2012, the Planning Commission agreed with the staff recommendation and voted 9-0 to find that there is a reasonable presence of substandard and blighted conditions in the **Holdrege/Idylwild Redevelopment Area** and that the area should be declared blighted and substandard (**Miscellaneous No. 12006**). See Minutes, p.9.

**FACTSHEET PREPARED BY:** Jean L. Preister

**DATE:** July 9, 2012

**REVIEWED BY:** Marvin Krout, Director of Planning

**DATE:** July 9, 2012

**REFERENCE NUMBER:** FS\CC\2012\MISC12006 Blight

## LINCOLN/LANCASTER COUNTY PLANNING STAFF REPORT

for JUNE 27, 2012 PLANNING COMMISSION MEETING

- PROJECT #:** Miscellaneous No. 12006  
Holdrege/Idylwild Redevelopment Area Blight and Substandard Determination Study
- PROPOSAL:** The Urban Development Department has forwarded a request to review the Holdrege/Idylwild Redevelopment Area Blight and Substandard Determination Study and to recommend the Area to be declared substandard and blighted.
- LOCATION:** An area generally located south of Holdrege Street, north of Apple Street along Idylwild Drive.
- LAND AREA:** 7 acres, more or less
- CONCLUSION:** The Holdrege/Idylwild Redevelopment Area qualifies as substandard and blighted within the definition set forth in the Nebraska Community Development Law, NEB REV STAT §18-2103. The Substandard and Blight Determination Study is consistent with the redevelopment and revitalization activities identified in Lincoln-Lancaster County 2040 Comprehensive Plan.

### **RECOMMENDATION:**

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

### **GENERAL INFORMATION:**

- EXISTING ZONING:** R-2, R-5, and R-6 Residential; and B-1 Local Business District
- EXISTING LAND USE:** Parking lots, two restaurants (dine-in and take-out), single-family dwellings, duplexes, multi-family dwellings, a fraternity, landscaped medians of Idylwild Drive, and Idylwild Park.
- SURROUNDING LAND USE AND ZONING:**
- North: P Public Use District, East Campus, University of Nebraska-Lincoln
- South: R-5 Residential: two single-family dwellings and one multi-family structure; R-2 Residential, one single-family dwelling, one duplex, three multi-family structures, and a fraternity
- East: R-2 Residential, 19 single-family dwellings, one duplex
- West: R-6 Residential: one multi-family structure; R-5 Residential: one multi-family structure; R-2 Residential: one duplex and 14 single-family dwellings.

### **ASSOCIATED APPLICATIONS:**

Comprehensive Plan Conformance #12009 for a redevelopment plan for this area was submitted on June 13, 2012.

Change of Zone #12018 for a Planned Unit Development for a portion of this redevelopment area was submitted on June 13, 2012.

### **COMPREHENSIVE PLAN SPECIFICATIONS:**

The 2040 Lincoln and Lancaster County Comprehensive Plan identifies this area as Urban Residential in the Future Land Use Plan. (p.1.9)

Discourage auto-oriented strip commercial development and seek opportunities for residential mixed use redevelopment and/or transit oriented development of existing commercial strips. (p. 5.14)

Develop infill commercial areas to be compatible with the character of the area. (p. 5.14)

Avoid encroachment into existing neighborhoods during expansion of existing commercial and industrial uses, and take steps to ensure expansions are in scale with the adjacent neighborhood, are properly screened, fulfill a demonstrated need and are beneficial to health and safety. (p. 5.14)

Mixed Use Redevelopment should: Target existing underdeveloped or redeveloping commercial and industrial areas in order to remove blighted conditions and more efficiently utilize existing infrastructure. (p. 6.2)

### **ANALYSIS:**

1. This area is designated as Urban Residential, however, much of the area currently has commercial zoning and some commercial uses. Small commercial sites such as this are not mapped in the Comprehensive Plan.
2. Redevelopment in this blighted area should consider a mix of uses and proper transition and/or screening to the adjacent neighborhood.
3. This is a request to determine whether the Holdrege/Idylwild 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.
4. 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.
5. The area comprises approximately 7 acres. According to the land use categories identified in the Blight Study, approximately 47.9% of the land is in street rights-of-way, 18.8% is in commercial use, 11.6% is in multi-family use, 10.1% in Parks and Recreation use, 8.7% in single family dwelling use, and 2.9% is vacant developable land.
6. The Urban Development Department requests the determination study be reviewed by the Planning Commission for conformance with the Comprehensive Plan.

7. 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.
  
8. According to the Blight Study, the area qualifies as **substandard** because all four factors were found to have a strong presence.
  - 1) Deterioration of structures is evident in 7 of the 9 structures (77.8%). (p. 21)
  - 2) Based on field evaluation all 9 structures are over 40 years of age. (p. 21)
  - 3) Inadequate provision for ventilation, light, air, sanitation, or open space is evidenced by the presence of wood frame buildings and masonry buildings with wooden structural elements or combustible materials, above ground storm water drainage, and aging water and sewer mains. (p. 22).
  - 4) Based on field evaluation conducted by the consultant, 69% of parcels had overall site conditions rated as being in "fair" condition. (p. 24)
  
9. A **blighted** area is defined in the Nebraska Revised Statutes as having the presence of one or more of the twelve 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) Other environmental and blighting factors
  - 12) One of the following five 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.

10. The study found the following 10 **blighting** factors to be present to a strong extent in the study area:
- 1) 7 (77.8%) deteriorating structures. (p. 29)
  - 2) Holdrege is in excellent condition while other streets in the redevelopment area, especially Idylwild Drive are in “fair” to “poor” condition. Also some traffic hazard concerns in the Idylwild/Apple intersection. (p. 30)
  - 3) Lot layout anticipated only single-family homes, which is not consistent with the mix of uses such as the fraternity, restaurants, and multi-family dwellings. (p.32)
  - 4) Insanitary or unsafe conditions due to age and quality of structures and aging utilities. (p. 33)
  - 5) Deterioration of site improvements such as sidewalks and driveways. (p. 34)
  - 6) Diversity of ownership is NOT a factor due to only four owners. (p. 35)
  - 7) Tax or special assessment delinquency was NOT a contributing blight factor for this area. (p. 37)
  - 8) Defective or unusual conditions of title was not reviewed by the consultant. (p. 38)
  - 9) Improper subdivision or obsolete platting was present due to the large number of multiple-lot parcels and poor traffic circulation. (p. 39)
  - 10) Conditions which endanger life or property by fire and other causes is present due to the presence of seven of the nine buildings (77.8%) determined to be deteriorating, age of utilities, aging structures, wood framed buildings, and “fair” overall site conditions. (pp. 40-41)
  - 11) Other environmental and blighting factors include functional and economic obsolescence. (p. 42)
  - 12) Additional blighting conditions: The average age of structures in the area is over forty years old. (p. 43)
11. The study finds a reasonable to strong presence 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, 9 are reasonably to 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.
12. The Blight Study is on file with the Urban Development Department and the Planning Department.

Prepared by:  
Brandon M. Garrett, AICP  
Planner

**DATE:** June 14, 2012

**APPLICANT:** Wynn Hjermstad  
Urban Development Department  
555 S. 10<sup>th</sup> Street, Suite 205  
Lincoln, NE 68508  
402-441-8211

**CONTACT:** same as applicant

## MISCELLANEOUS NO. 12009

### PUBLIC HEARING BEFORE PLANNING COMMISSION:

June 27, 2012

Members present: Butcher, Francis, Gaylor Baird, Sunderman, Lust, Hove, Esseks, Weber and Cornelius.

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

There were no ex parte communications disclosed.

Staff presentation: **David Landis, Director of Urban Development**, showed a map of the 7-acre area proposed for blight declaration, stating that, "this is not hypothetical." This declaration is in contemplation of a specific program of improvement that is now in the works. Two weeks from now, the Planning Commission will be briefed on the redevelopment plan should this area be blighted. At the same time, they will be drafting a redevelopment agreement for some redevelopment in the area, i.e. 2 three-story buildings adjoining Holdrege Street, and as part of that arrangement, the improvement of the Idylwild islands and the park.

Is this a blighted and substandard area? Yes, the report comes to that conclusion. There are nine buildings on the location and seven were found to be in a dilapidated state. The area has older stick-built wooden frame houses, making them subject to some danger with respect to fire. There is no below-ground drainage. There are areas of city right-of-way which are in fair or poor condition, as there are in some of the other privately owned areas. There are substandard issues in the right-of-way, with curbing broken, etc.

Landis stated that after examining at the ground level, Hanna Keelan has found a substantial number of the blighted and substandard factors present in this case.

Landis indicated that they hope very much to have mixed use office, retail and potentially residential housing on Holdrege and that it will be a handsome improvement and have some ancillary benefits to the neighborhood to support this project. He agrees and believes it is a blighted area.

Lust inquired whether the houses are owner-occupied or rentals. Landis believes the developers have come to own most of the properties. Some of the structures will be removed. In fact, an older fraternity house has been brought into the project area, but is being redeveloped on its own.

Butcher inquired how the potential for TIF funding interacts with the fraternity house being built currently. Landis agreed that the fraternity will be in the area. The area would allow the growth of the valuation of the fraternity to be included in the monies in the TIF. A substantial amount of that money will be spent for improvements in the right-of-way and city utilities. In the end game,

there will be a very enhanced improvement for the entire neighborhood. Yes, that project would be part of the growth of TIF and that increment would be dedicated to this area, but it is at a place where we will do city building for the neighbors as well.

Esseks noted that the shape of the redevelopment area is unusual. Landis explained that part of the reason for the improvements is to make sure there are ancillary beneficiaries besides the developer. We are doing this quite specifically to improve the park and the islands, and to make North Lincoln more beautiful than it has ever been on a continuing basis with an endowment to make sure the things we do to improve will stay. The boundaries are driven by the intent to make sure the neighborhood benefits as well as the developer.

Hove inquired whether the City has had conversations with the neighbors. Landis indicated that the neighborhood association has been involved. He would anticipate that at the point of a redevelopment agreement at the City Council level, the neighborhood will be in support of the project.

Butcher inquired whether the developer owns the vacant lot to the west of Valentino's. Landis stated, "yes". Butcher has been critical in the past when we do blight studies where we designate or include areas of residential/trailer parks and then there is no guarantee that we are going to see redevelopment in those areas. He is excited to see here that the developer is taking up a majority of the area. He wants to make sure some of the outlying lots are included in the developer's plans.

### Support

**1. Ann Bleed, President of the East Campus Community Organization**, 1315 N. 37<sup>th</sup>, testified in strong support of the use of TIF funds for the redevelopment of the Holdrege and Idylwild area. Approval would be a good example of how the Planning Commission supports the new Comprehensive Plan. According to the Plan, the city's primary strategy for residential infill and redevelopment outside of downtown is to redevelop reuse and mixed-use sites. The Plan states that redevelopment should occur with adequate roads, located and designed in a manner compatible with the existing area, promote activities of daily walking with sidewalks on both sides of the street, provide adequate facilities for parks, community gardens and encourage semi-private and public uses. This area has a long history of mixed use. The area also has a lot of low density residential and high density residential areas along Holdrege Street. Some of the low density are in a historic district and others that are not in the historic district would certainly be eligible. The street also has a boulevard and a small park. This boulevard has periodically been kept up by the neighbors as opposed to the city, and that depends on whether the neighbors are willing to pull weeds or plant flowers. The park itself is small but it is very, very well used by the fraternity house as well as the residents. This area is across the street from East Campus so the redevelopment in the area would provide a good set of commercial activities for both the residents and people on East Campus. It is not too far from Innovation Campus, so it should be considered as connected to some extent with the Innovation Campus. It should be enhanced and not allowed to go to ruin.

Bleed agrees that the area is blighted as pointed out by the study; there are a number of houses in the area that would have to be significantly rehabbed if they were going to continue to be lived in; the boulevard itself and the streets are in rough condition and need work; the actual

design of the street is somewhat dangerous and as more students come to campus and more development occurs in the area, she believes we will likely see increased accidents.

Bleed went on to state that the Comprehensive Plan does support the use of public funds for this kind of redevelopment and clearly the TIF funds would be used to do that.

Bleed extended appreciation to the Mayor's office for being supportive and the neighborhood is in strong support.

Lust understands that the neighborhood is in favor of redevelopment, but she sought confirmation that Bleed believes the area to be blighted. Bleed agrees that the area should be declared blighted. The neighborhood has concerns about houses outside of this area and along the street that are definitely not blighted. The houses close to Holdrege definitely are and the street itself is a problem. The boulevard has not been maintained by the city at all for years.

There was no testimony in opposition.

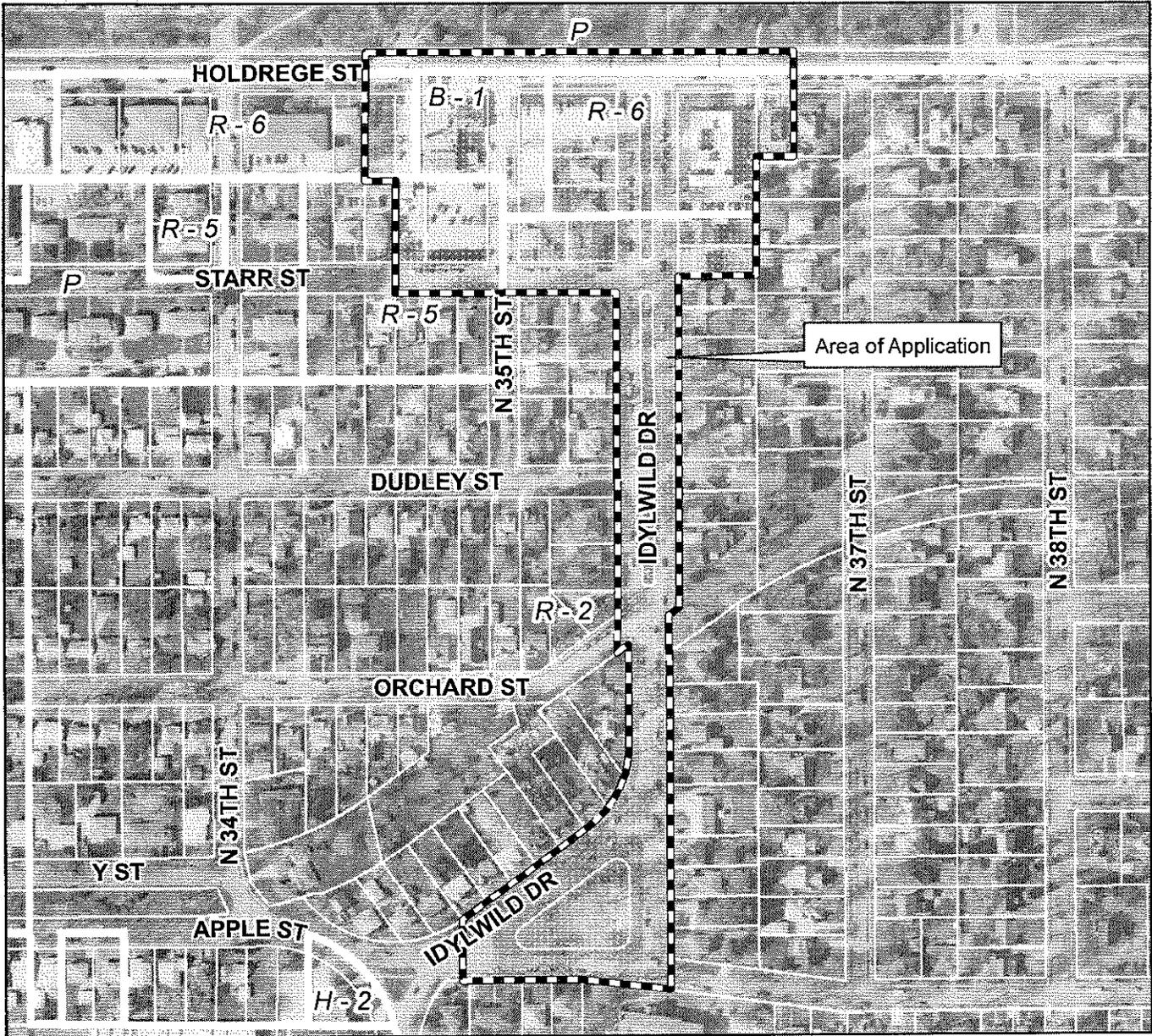
**ACTION BY PLANNING COMMISSION:**

June 27, 2012

Francis moved to find that there is a reasonable presence of substandard and blighted conditions in the Holdrege/Idylwild Redevelopment Area, seconded by Butcher.

Butcher stated that he is strongly inclined to support, although he usually questions blight designations when he does not believe the areas contributing to the blight are what is going to be improved. But in this case he believes there is strong evidence of that and he will support it. He thanked the Urban Development staff for working with the neighborhood. Cornelius is very familiar with this area. He frequently walks Idylwild between the park and East Campus. The evidence in the blight study makes it clear that there is plenty of room for improvement, particularly in the public right-of-way.

Motion carried 9-0: Butcher, Francis, Gaylor Baird, Sunderman, Lust, Hove, Esseks, Weber and Cornelius voting 'yes'. This is a recommendation to the City Council.

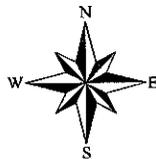


2010 aerial

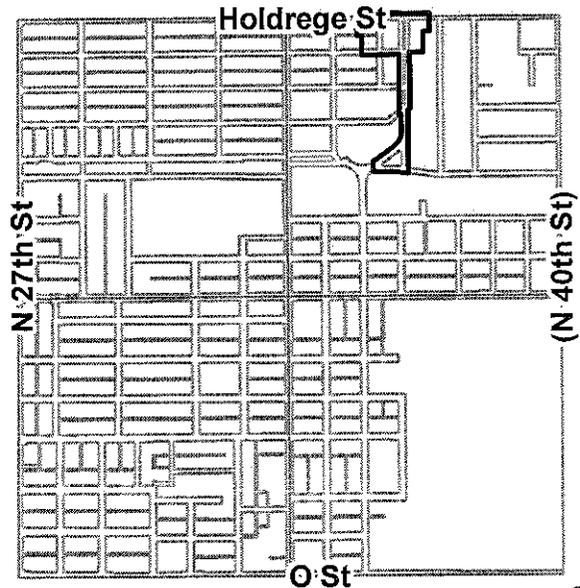
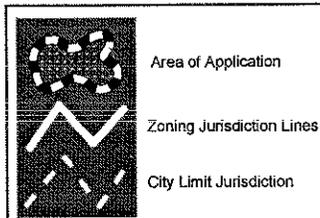
**Miscellaneous #12006  
Holdrege/Idylwild Redevelopment Area  
Idylwild Dr & Holdrege St**

**Zoning:**

- R-1 to R-8 Residential District
- AG Agricultural District
- AGR Agricultural Residential District
- O-1 Office District
- O-2 Suburban Office District
- O-3 Office Park District
- R-T Residential Transition District
- B-1 Local Business District
- B-2 Planned Neighborhood Business District
- B-3 Commercial District
- B-4 Lincoln Center Business District
- B-5 Planned Regional Business District
- H-1 Interstate Commercial District
- H-2 Highway Business District
- H-3 Highway Commercial District
- H-4 General Commercial District
- I-1 Industrial District
- I-2 Industrial Park District
- I-3 Employment Center District
- P Public Use District



One Square Mile  
Sec. 19 T10N R07E





**CITY OF LINCOLN  
NEBRASKA**

**MAYOR CHRIS BEUTLER**  
lincoln.ne.gov

Urban Development Department  
David Landis, Director  
555 S. 10th Street  
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Lincoln, Nebraska 68508  
402-441-7606  
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May 30, 2012

Marvin Krout, Director  
City of Lincoln-Lancaster County Planning Department  
555 S. 10<sup>th</sup>  
Lincoln, NE 68508

Dear Marvin:

Enclosed is the *Holdrege/Idylwild Redevelopment Area Blight and Substandard Determination Study*. Ten hard copies are included and a PDF will also be forwarded to your office today. The Study was completed in April, 2012 by Hanna:Keelan Associates, P.C. at the request of WRK LLC.

Please forward the Study to the Planning Commission for their earliest consideration and review for conformity with the Comprehensive Plan. My understanding is that it should be on the June 27, 2012 Planning Commission agenda.

If you have questions or need additional information, please contact me at 441-8211 or by e-mail at [whjermstad@lincoln.ne.gov](mailto:whjermstad@lincoln.ne.gov). Thank you.

Sincerely,

Wynn S. Hjermstad, AICP  
Community Development Manager

cc: Dave Landis, Director, Urban Development  
Jordan Berger, WRK LLC

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