

FACTSHEET

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

STAFF RECOMMENDATION: A finding of reasonable presence of substandard and blighted conditions (**Miscellaneous No. 13002**).

SPONSOR: Planning Department

BOARD/COMMITTEE: Planning Commission
Public Hearing: 10/02/13
Administrative Action: 10/02/13

RECOMMENDATION: A finding of reasonable presence of substandard and blighted conditions (7-0: Corr, Beecham, Scheer, Hove, Sunderman, Cornelius and Lust 'yes'; Weber absent).

FINDINGS OF FACT:

1. This is a request to declare the **Piedmont 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 8.6 acres, more or less, comprised of commercial uses and city right-of-way, generally bounded by Cotner Boulevard, 50th Street, A Street and C Street.
3. The *Piedmont Redevelopment Area Blight and Substandard Determination Study* document is being provided by the Urban Development Department under separate cover, or may be found on the internet at www.lincoln.ne.gov, keyword = PATS, Application No. MISC13002.
4. The staff recommendation to find that there is a reasonable presence of substandard and blighted conditions is based upon the "Analysis" as set forth on p.3-5, concluding that the **Piedmont Redevelopment Area** qualifies as substandard and blighted within the definition of the Nebraska Community Development Law, as determined by the *Piedmont Redevelopment Area Blight and Substandard Determination Study*. The Study is consistent with the redevelopment and revitalization activities identified in the 2040 Comprehensive Plan. The presentation by Wynn Hjermstad of the Urban Development is found on p.7-8.
5. Testimony in support by Steve Glenn on behalf of Piedmont Shopping Center, LLC, is found on p.8, indicating that the future redevelopment plan will include redevelopment of the Piedmont Shops.
6. There was no testimony in opposition.
7. On October 2, 2013, the Planning Commission agreed with the staff recommendation and voted 7-0 to find that there is a reasonable presence of substandard and blighted conditions in the **Piedmont Redevelopment Area** and that the area should be declared blighted and substandard (**Miscellaneous No. 13002**).

FACTSHEET PREPARED BY: Jean L. Preister

DATE: October 8, 2013

REVIEWED BY: Marvin Krout, Director of Planning

DATE: October 8, 2013

REFERENCE NUMBER: FS\CC\2013\MISC13002 Blight

LINCOLN/LANCASTER COUNTY PLANNING STAFF REPORT

for OCTOBER 2, 2013 PLANNING COMMISSION MEETING

- PROJECT #:** Miscellaneous No. 13002
Piedmont Redevelopment Area Blight and Substandard Determination Study
- PROPOSAL:** The Urban Development Department has forwarded a request to review the Piedmont Redevelopment Area Blight and Substandard Determination Study and to recommend the Area to be declared substandard and blighted.
- LOCATION:** An area generally located north of S. Cotner Blvd., south of C Street, east of N. 50th Street, and west of Aldrich Road.
- LAND AREA:** 8.6 acres, more or less
- CONCLUSION:** The consultant's study determines that the Piedmont 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 Piedmont Redevelopment Area as per §18-2103 (11) Nebraska Revised Statutes.

GENERAL INFORMATION:

EXISTING ZONING: B-1 Local Business District

EXISTING LAND USE: Commercial uses

SURROUNDING LAND USE AND ZONING:

North: Piedmont Park (P)

South: Kontras Park (R-1) and Lincoln Fire and Rescue station (R-1)

East: Kontras Park (R-1), Lincoln Fire and Rescue station (R-1), and detached single-family (R-1)

West: Detached single-family (R-2)

ASSOCIATED APPLICATIONS:

CZ13019: Planned Unit Development for Piedmont

COMPREHENSIVE PLAN SPECIFICATIONS:

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

Maintain and encourage businesses that conveniently serve nearby residents, while ensuring compatibility with adjacent neighborhoods. (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. §18-2109 Nebraska Revised Statutes: “An authority shall not prepare a redevelopment plan for a redevelopment project area unless the governing body of the city in which such area is located has, by resolution adopted after a public hearing...declared such area to be a substandard and blighted area in need of redevelopment. The governing body of the city shall submit the question of whether an area is substandard and blighted to the planning commission or board of the city for its review and recommendation prior to making its declaration....”

This is a request to determine whether the Piedmont 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. The Urban Development Department requests the determination study be reviewed by the Planning Commission for conformance with the Comprehensive Plan.
3. This area is designated as Commercial in the Comprehensive Plan.
4. Redevelopment in this blighted area should consider a mix of uses and proper transition and/or screening to the surrounding neighborhood.
5. An application to rezone this property to Planned Unit Development has been submitted for this area.
6. The developer 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.
7. The area comprises approximately 8.6 acres. According to the land use categories identified in the Blight Study, approximately 48.8% is in commercial use and 51.2% of the land is in street rights-of-way.
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 all four factors were found to have a strong presence.

- 1) Major deterioration of structures is evident in 3 of the 3 structures (100%). (p. 20)
- 2) Based on field evaluation 2 of the 3 structures are over 40 years of age (66.7%). (p. 21)
- 3) Inadequate provision for ventilation, light, air, sanitation, or open space is evidenced by the presence of all three buildings in “deteriorating–major” condition; deteriorating site features such as parking lots, driveways, curbs, and above ground storm water drainage systems; and aging sewer and water mains over 90 and 67 years old, respectively. (p. 22)
- 4) Building conditions, age of water mains, and age of structures contribute to a strong presence of conditions which endanger life or property by fire. (p. 24)

10. 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 platted 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 9 **blighting** factors to be present from a reasonable to a strong extent in the study area:

- 1) 3 (100%) deteriorating structures with major defects. (p. 28)
 - 2) Inadequate street layout in the intersection of A Street, S. 50th Street, and S. Cotner Boulevard. Street conditions are in “fair” to “good” condition while curbs are in “poor” condition. (p. 30)
 - 3) Lot layout is triangular and inefficient for the land use (reasonable presence of factor). (p.30)
 - 4) Insanitary or unsafe conditions due to age and quality of structures and aging public utilities. (p. 33)
 - 5) Deterioration of site improvements such as sidewalks, driveways, service drives, and loading docks. (p. 34)
 - 6) Diversity of ownership is NOT a factor due to only two 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) The subdividing of this triangular property causes some difficulties in vehicular site circulation. The intersection of A Street, S. 50th Street, and S. Cotner Boulevard complicates access to the site (reasonable presence of factor). (p. 39)
 - 10) Conditions which endanger life or property by fire and other causes is present due to the presence of two of the three buildings (66.7%) built prior to 1973, aging public utilities, deteriorating buildings, and fair to poor overall site conditions. (p. 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 (53 years). (p. 43)
12. The study finds a reasonable to strong presence of 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.
13. The Blight Study is on file with the Urban Development Department and the Planning Department.

Prepared by:

Brandon M. Garrett, AICP
Planner

DATE: September 23, 2013

APPLICANT: David Landis, Director
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MISCELLANEOUS NO. 13002

PUBLIC HEARING BEFORE PLANNING COMMISSION:

October 2, 2013

Members present: Corr, Beecham, Scheer, Hove, Sunderman, Cornelius and Lust; Weber absent.

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

There were no ex parte communications disclosed.

Staff presentation:

1. Wynn Hjernstad of the Urban Development Department explained that the blight study is the first step in the redevelopment process. In this case, we are looking at 8.6 acres, 4 acres of which are commercial with the remaining being city right-of-way. The boundary is Cotner Boulevard, 50th Street, A Street and C Street. The primary use of the property is the Piedmont Shops.

Hjernstad further explained that the blight study is completed based on objective factors and standards. There are four factors to find that an area is substandard and twelve factors to determine if an area is blighted. In this case, all four substandard factors were met and seven of the twelve blight factors are present to a strong extent and two to a reasonable extent. For example, the sewer mains are 93 years old; three structures are all deteriorating with major defects; concrete sidewalks and driveway entrances are cracked and broken; deterioration of the buildings causing unsanitary or unsafe conditions; etc.

If the Commission agrees with the finding of blighted and substandard conditions, the next step is that the blight study is reviewed by the City Council, and, if they agree, the City Council will pass a resolution declaring the area blighted and substandard. Again, this is the beginning of a redevelopment process. First the blight study, then the redevelopment plan (which comes back to the Planning Commission for a finding as to conformance with the Comprehensive Plan) and then a redevelopment agreement is negotiated with the developer, which gets very specific. The Council then approves the redevelopment agreement. The redevelopment agreement does not go to the Planning Commission. The blight declaration gives legal authority to go forward with a redevelopment plan.

Lust wondered why the surrounding neighborhoods are not considered at the same time. Hjernstad stated that it is not unusual for the blight study to be specific to the commercial area.

Scheer inquired whether the blight determination must be the exact boundary of the redevelopment plan area. Hjernstad indicated that the redevelopment area has to include the blighted area, but not the entire blighted area, but the redevelopment area cannot be larger than the blighted area.

Hove inquired whether the construction of a building can be part of the redevelopment plan. Hjermstad stated that facade improvements can be included with tax increment financing (TIF); however TIF cannot be used for new construction.

Hove asked whether there are environmental issues with the filling station on the south end. Hjermstad stated that environmental issues are an eligible expense for TIF.

Lust confirmed that TIF cannot be used to tear down and rebuild. Hjermstad clarified that TIF can be used for property acquisition, demolition, environmental issues, utility work, sidewalks, streets, and building facade. It cannot be used for construction.

Beecham wondered whether the Planning Commission determination on the blighted area links it to TIF. Hjermstad explained that the City Council approves the TIF funding. The Planning Commission will review the redevelopment plan for consistency with the Comprehensive Plan. The redevelopment agreement is approved by the City Council. The Planning Commission is not involved in the development agreement.

Support

1. Steve Glenn, appeared on behalf of **Piedmont Shopping Center, LLC**. Piedmont Shopping Center, LLC purchased the center in June of this year. He is very excited about this possibility for redevelopment. Jim McKee told him that the center is 57 years old and needs a lot of help. He is very excited to make it a neighborhood center with local business tenants. The focus has been to maintain this as Piedmont and make Piedmont proud of the shopping center. The stone facade will be maintained and embellished with marques that add depth to the front. In addition, they will be taking an antique approach to the lighting and the whole design of the parking layout, adding sidewalks along Cotner, and screening some of the back sides of the center for the neighbors. The center is now 50% vacant and declining. This could be one of the nicest looking centers in the City.

Lust asked whether the existing tenants are supportive. Glenn stated that they are. He has sat down with each of them to work out the future. This is their livelihood.

There was no testimony in opposition.

ACTION BY PLANNING COMMISSION:

October 2, 2013

Hove moved to approve the staff recommendation, finding the Piedmont Redevelopment Area as blighted and substandard, seconded by Scheer.

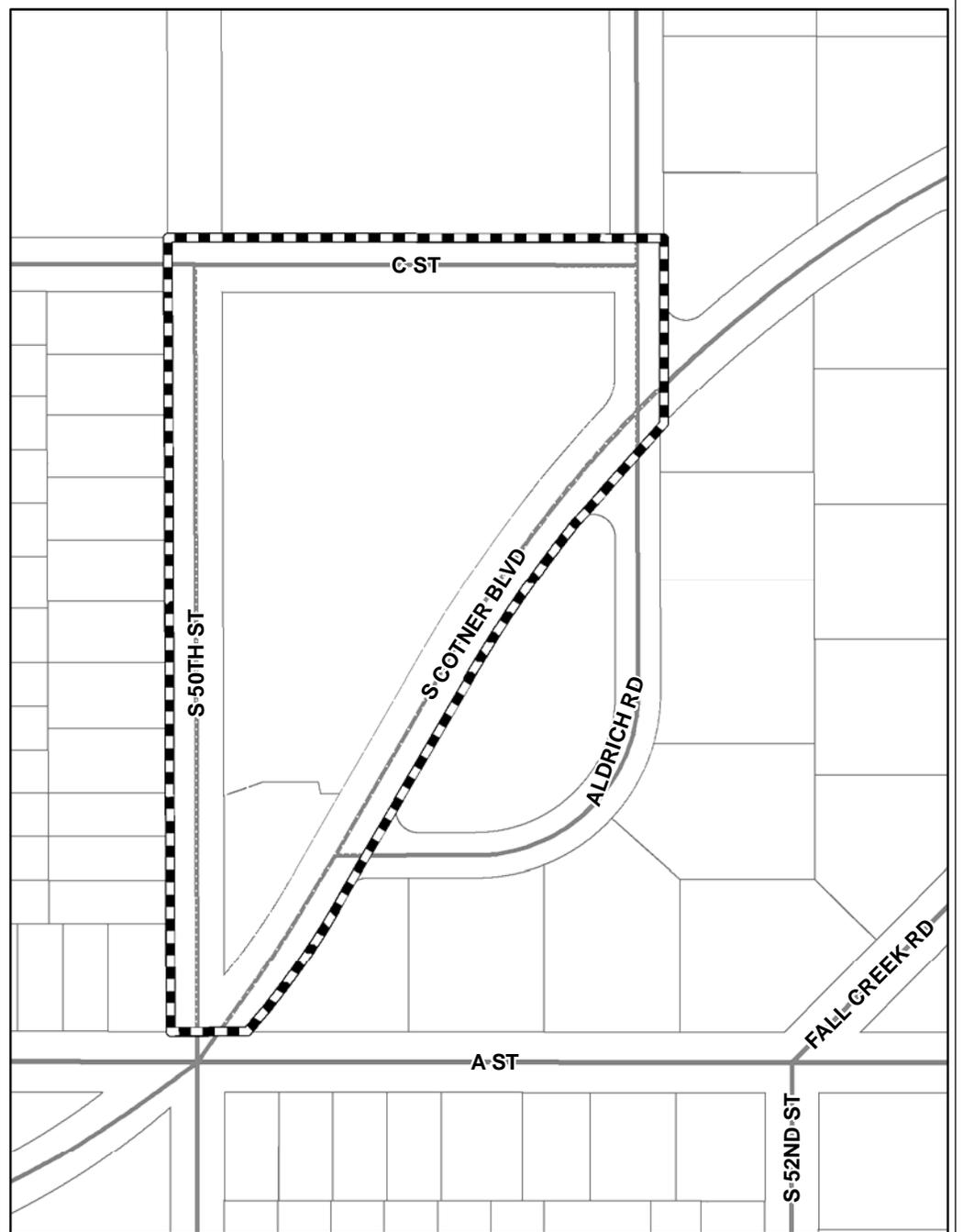
Corr commented that she lives not too far from this area and knows the condition is in despair. She welcomes the opportunity for some increased funding here and some redevelopment opportunity.

Lust agreed. It looks like a great project for the center of the city rather than abandoning it.

Motion carried 7-0: Corr, Beecham, Scheer, Hove, Sunderman, Cornelius and Lust voting 'yes'; Weber absent. This is a recommendation to the City Council.



2010 aerial



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Miscellaneous #13002
Piedmont Redevelopment Area
Blight and Substandard Determination Study

Dave / Braulson



CITY OF LINCOLN
NEBRASKA

MAYOR CHRIS BEUTLER
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September 3, 2013

Marvin Krout, Director
City of Lincoln-Lancaster County Planning Department
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Dear Marvin:

Enclosed are ten hard copies and a PDF of the *Piedmont Redevelopment Area Blight and Substandard Determination Study*. The Study was completed in August, 2013 by Hanna:Keelan Associates, P.C. at the request of the Steve Glenn.

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 October 2, 2013 Planning Commission agenda.

If you have questions or need additional information, please contact Ernie Castillo at 441-7855 or ecastillo@lincoln.ne.gov.

Sincerely,

Dave Landis
Director

cc: Wynn Hjermstad, UDD
Ernie Castillo, UDD

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