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Small Town*

**Red
Cloud**



Blight and Substandard Study

With Redevelopment Plan

City of Red Cloud, Nebraska

Ordinance No.

Adopted



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Purpose

The purpose of this study is to determine if the proposed redevelopment area meets the criteria of a blighted and substandard area for the purposes of Community Development Law (NRS Sections 18-2101 – 18-2144). The study reviewed the current state of the redevelopment area and compared factors to the definition of a substandard and blighted area as defined by Section 18-2103, which explicitly defines a substandard area as:

Substandard areas means an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;

Section 18-2103 also defines a blighted area as:

[A]n area, which (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses.

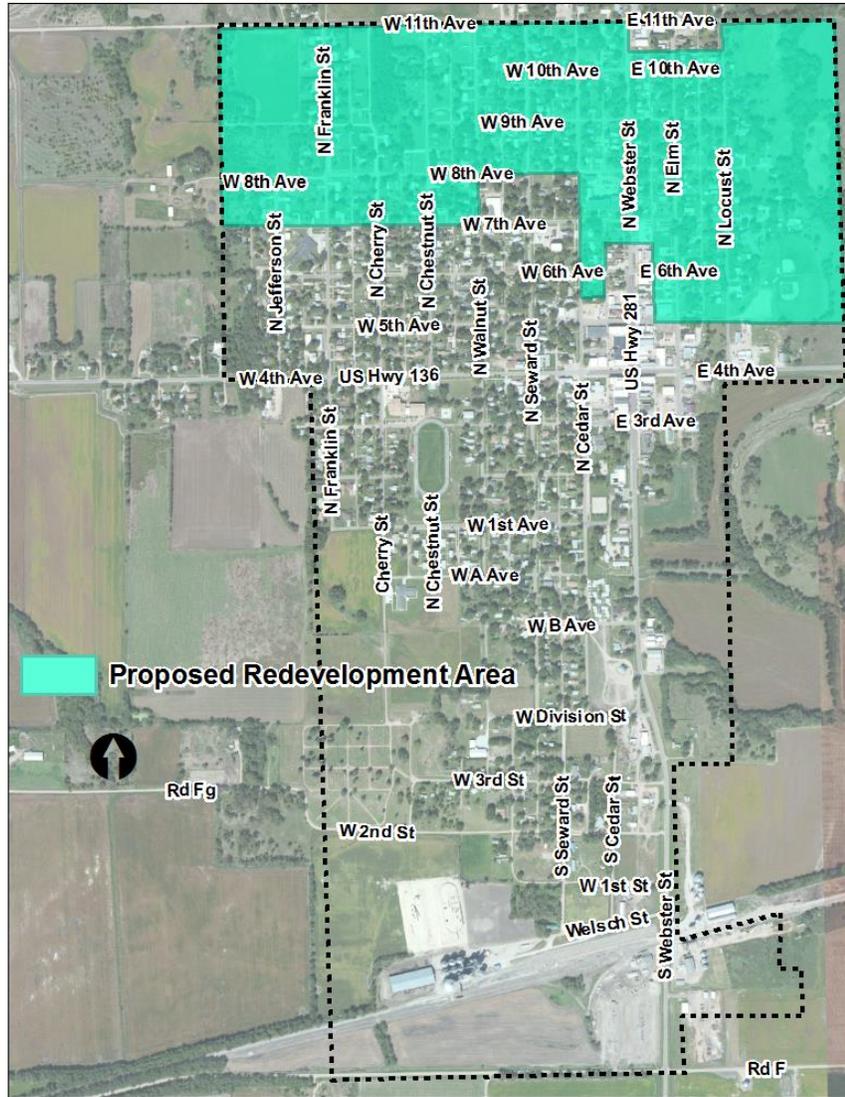
Section 18-2103 also states the amount of its area that a city can designate as blighted and substandard. Thus, Red Cloud, a city of the second class, shall not blight more than 50% of its community:

In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted;

Identification of Proposed Redevelopment Area #2

Proposed Redevelopment Area #2 covers approximately 178 acres and is described as follows:

In the City of Red Cloud, Webster County, Nebraska, beginning at the northwest corner of parcel 000171300; proceed east along the south side of W. 11th Ave. to the northwest corner of parcel 000133400; thence south along the east side of right-of-way of Highway 281 to the northwest corner of parcel 000133500; thence to the west right-of-way of N. Locust St.; thence north along N. Locust St. to the south right-of-way of E. 11th Ave.; thence east along the south side of E. 11th Ave. to the corporate limits; thence south along the corporate limits to the north right-of-way of E. 5th Ave.; thence west along W. 5th Ave. to the southwest corner of parcel 000119502; thence north to the northwest corner of parcel 000120800; thence west to the northeast corner of parcel 000105102; thence south to the southeast



corner of parcel 000103601; thence west to the southwest corner of parcel 000103601; thence north to the south right-of-way of W. 8th Ave.; thence west to the east right-of-way of N. Walnut St.; thence south to the north right-of-way of W. 7th Ave.; thence west to the corporate limits; thence north along the corporate limits to the point of beginning.

Review of Blight and Substandard Criteria

In order to determine if the proposed redevelopment area should be designated as blighted and substandard, the inputs that were considered are listed below. Each input was applied to the criteria provided by Nebraska Community Development Law.

1. **Land Use Inventory:** the current land uses provide insight as to the manner in which property is being utilized. A high amount of vacant structures within the area is a strong indicator that an area could be considered substandard. Also, a substantial amount of unimproved or vacant land that is platted within the city limits but has remained unimproved is an indicator of blight. A land use inventory also provides a better understanding about obsolete platting and ownership patterns of lots.

A land use inventory of the area was created to quantify the number of parcels that were residential, commercial, or unimproved. Through the creation of the land use inventory, the amount of parcels and acres within the area that were classified as unimproved or vacant was quantified. This amount was quantified in order to determine if a substantial amount of vacant structures and unimproved land was present within the area.

2. **Site Survey:** in order to determine if an area should be considered blighted, the condition of structures and improvements within an area must be assessed. This assessment was performed through the completion of an on-site survey. The on-site survey ensured that structures within the area that were labeled as deteriorating were identified, documented, and quantified. The amount of land within the area that was occupied by deteriorating structures and properties was quantified in order to determine if they had a substantial presence and impact on the area.
3. **Analysis of housing age and condition:** Age is a strong indicator that an area is substandard and neglect of these houses has further impact on the area. By analyzing both the year housing was built and its current condition, we can see that a majority of buildings within the City of Red Cloud are over fifty years old.
4. **Decennial Census:** Population information provided by the Decennial Census was reviewed in order to determine if the proposed area had experienced either stable or decreasing population.

Substandard Criteria

A substandard area has a predominance of factors that contribute to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime while also degrading the public health, safety, morals and welfare of a neighborhood. Those factors are listed and compared to the inputs that were reviewed during the assessment phase:

- Any combination of such factors:
 1. Dilapidation
 2. Deterioration
 3. Age or Obsolescence
 4. Inadequate provision for ventilation, light, air, sanitation, or open spaces
 5. High density of population or overcrowding
 6. Conditions that endanger life or property by fire and other causes

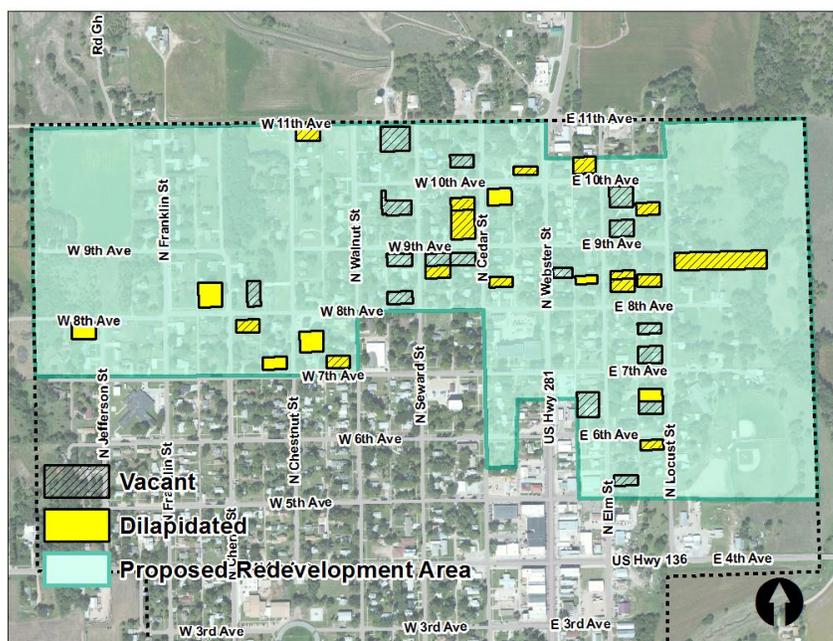
Dilapidation, Deterioration, Age or Obsolescence

A dilapidated structure or improvement has been partially ruined or decayed mainly as a result of ongoing neglect and lack of property maintenance. Deteriorating structures are those buildings that have been neglected and have taken on a dilapidated state that has worsened to a point beyond repair. Without ongoing property maintenance and investment, structures that are aged, dilapidated, and deteriorated will reach the point of obsolescence. A considerable presence of dilapidated, deteriorated, and obsolete structures concentrated in one area will require incentives to re-attract private investment.

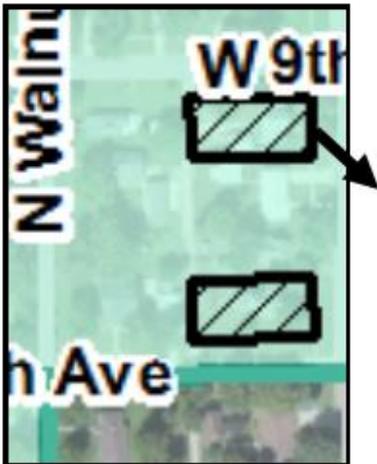
Thirty-eight (38) properties were identified within the proposed redevelopment area that were:

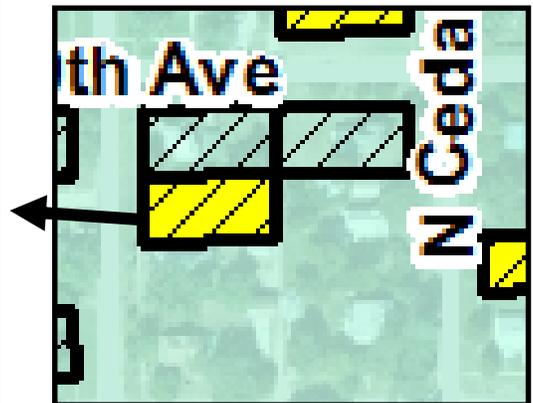
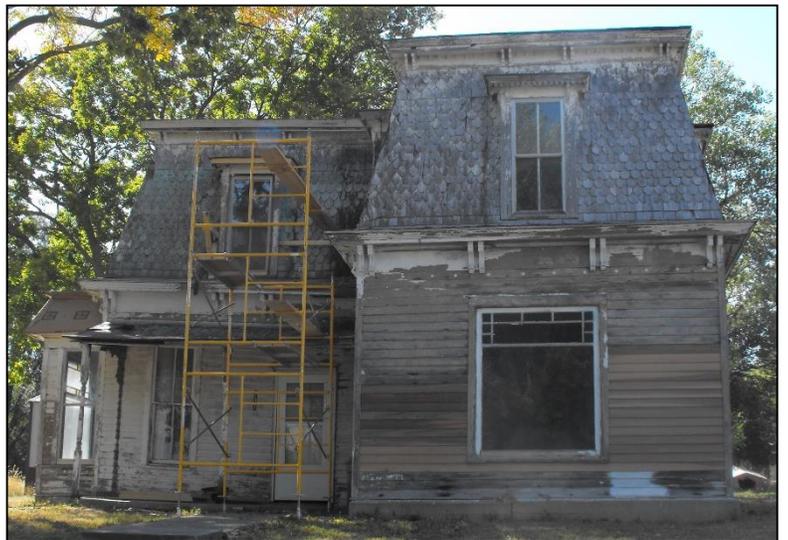
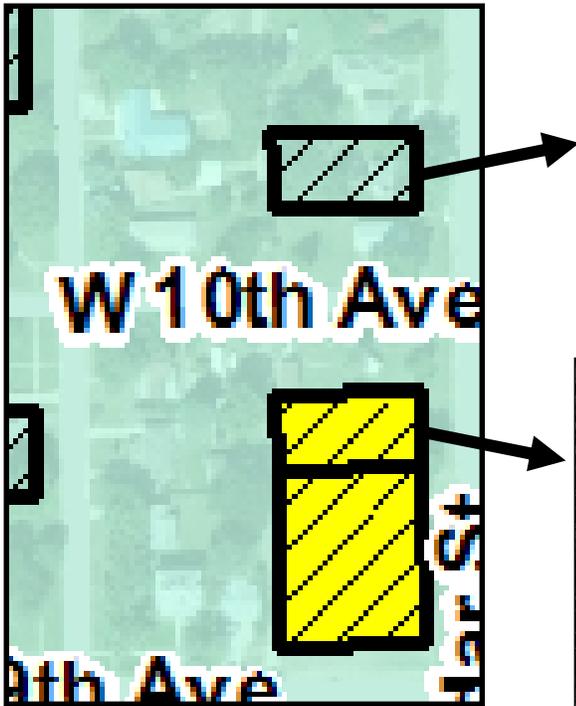
- houses that sat vacant for a prolonged period of time (one year);
- severely deteriorated;
- completely dilapidated; and/or
- unimproved/underdeveloped lots that have failed to be developed.

Those properties that are classified as dilapidated, vacant, or underdeveloped are displayed on the following pages.

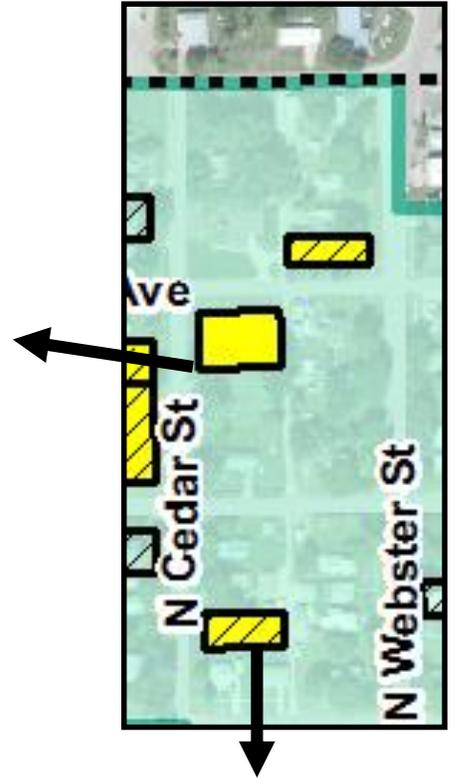




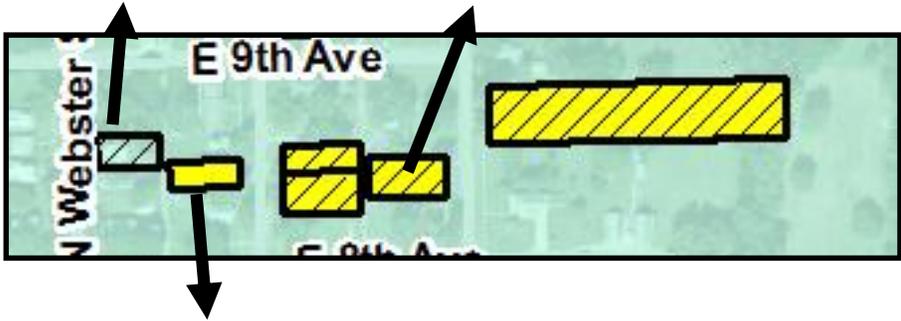




RED CLOUD 2017 BLIGHT AND SUBSTANDARD DETERMINATION STUDY
REDEVELOPMENT AREA #2



RED CLOUD 2017 BLIGHT AND SUBSTANDARD DETERMINATION STUDY
REDEVELOPMENT AREA #2





In addition to these severely deteriorated homes identified by this study, the overall age of homes was also considered. Over half of the housing units in the redevelopment area were built prior to 1970. According to the United States Census Bureau, American Community Survey (2011-2015), approximately 84% are aged beyond 50 years.

Inadequate provision for ventilation, light, air, sanitation, or open spaces

This factor is not present in the proposed redevelopment area.

High density of population or overcrowding

Overcrowding is not a factor in the proposed redevelopment area.

Conditions that endanger life or property by fire and other causes

Vacant buildings that are not routinely maintained take a heavy toll on their neighborhoods. The presence of vacant and abandoned structures will cause serious public health risks such as rodent infestation. Vacant properties also have a harmful impact on the public health as they are often the sources of vandalism, drug crime, arson, and criminal mischief for teens.

Vacant structures often create vacant neighborhoods, which increases the threat of crime as the absence of residents mean fewer eyes to witness and report suspicious activity. Abandoned structures are a major

barrier to revitalization of an area and create falling property values that not only harm property owners, but hurts the City of Red Cloud, as less and less property tax revenue is collected.

Conclusion of Substandard Determination

Four of the six factors that are included in the Community Development Law's definition of a substandard area are present within the proposed Redevelopment Area:

1. Dilapidation
2. Deterioration
3. Age or Obsolescence
4. Conditions that endanger life or property by fire and other causes

The proposed Redevelopment Area #2 should be designated as a substandard area in need of redevelopment that should be completed or encouraged by the Red Cloud City Council.

Blight Criteria

A blighted area is a social and economic liability for a community in that its present condition has a negative impact on public health, safety, morals and welfare. Blight limits sound growth by impeding a neighborhood's ability to add new residential and commercial units. A blighted area has a strong presence of the following criteria, as identified by Community Development Law:

- Subjective Criteria are defined as any combination of:
 1. 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; and the
 10. existence of conditions that endanger life or property by fire and other causes.
- Objective Criteria are identified as at least one of the following factors:
 1. unemployment in the redevelopment area is at least one hundred twenty percent of the state or national average;
 2. the average age of the residential or commercial units in the area is at least forty years;
 3. more than half of the platted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time;
 4. the per capita income of the area is lower than the average per capita income of the city in which the redevelopment area is located; and the
 5. area has had either stable or decreasing population based on the last two decennial censuses.

Substantial number of deteriorated or deteriorating structures

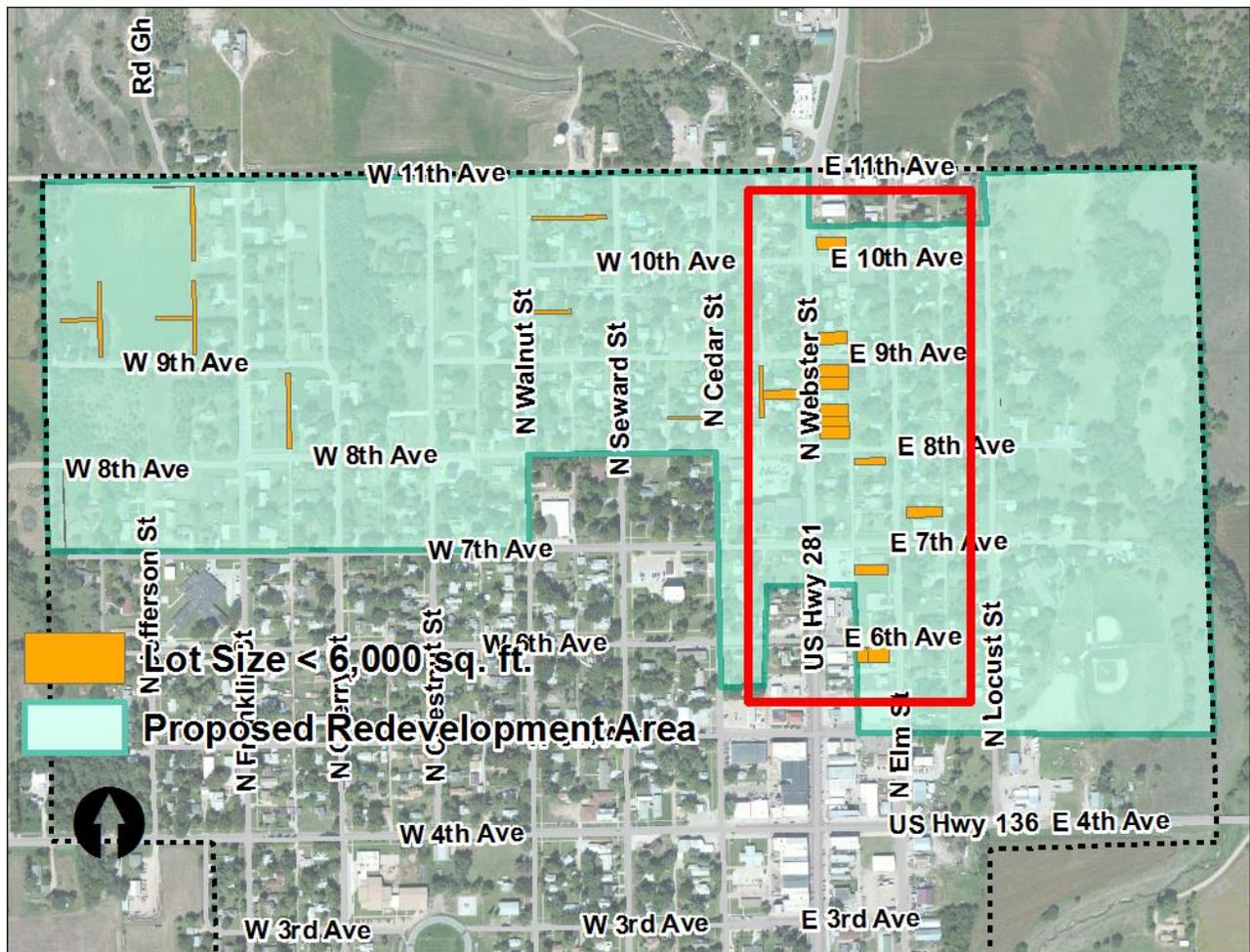
As demonstrated in the substandard discussion of this document, a substantial number of deteriorated structures exist within the redevelopment area.

Existence of defective or inadequate street layout

This factor is not present in the proposed redevelopment area.

Faulty lot layout in relation to size, adequacy, accessibility, or usefulness

This factor is present within the proposed area. Excluding alleys, 13 parcels are less than 6,000 square feet, mostly around Webster and Elm Street. When considering setbacks, easements, and right of way, developing land or building structures on lots less than 6,000 square feet is difficult. Small lot sizes disincentivize new development. The presence of 13 small lots within the area makes “faulty lot layout in relation to size, adequacy, accessibility, or usefulness” a contributing factor to the area’s blight nature.



Insanitary or unsafe conditions and deterioration of site or other improvements

As demonstrated in the substandard section of this study, this factor is present on several properties within the proposed area. Due to disinvestment and an obvious lack of property maintenance, numerous properties have issues that present a fire danger, cause a menace to public health and safety, and are so unsightly as to depreciate other property values in the vicinity. In addition to harming the appearance and morale of a neighborhood, trash, disassembled auto parts such as tires, and the outdoor storage of indoor furniture, are all insanitary and unsafe conditions that allow for the perpetuating of insects and rodents.

Diversity of Ownership

The presence of this factor is not extensive enough to qualify the area as blighted.

Tax or special assessment delinquency exceeding the fair value of the land

The presence of this factor is not extensive enough to qualify the area as blighted.

Defective or unusual conditions of title

The presence of this factor is not extensive enough to qualify the area as blighted.

Improper subdivision or obsolete platting

The presence of this factor is not extensive enough to qualify the area as blighted.

Existence of conditions which endanger life or property by fire and other causes

Vacant structures within the redevelopment area not only threaten the safety of the residents living in the immediate neighborhood, but also harm the well-being of the entire community. Large vacant structures such as those displayed within this document increase the potential of fires and criminal activities.

Vacant houses that are scattered across the redevelopment area will most likely require demolition by the local government. Whether or not the vacant structures are demolished or allowed to remain standing, prevention and/or demolition costs will require an amount of local government resources that far exceeds the amount of property tax revenue they generate.

Area has had either stable or decreasing population based on the last two decennial censuses

Over the last two decennial censuses, the City of Red Cloud has had a decreasing population based on the last two decennial censuses.

| City of Red Cloud Population Change | | |
|-------------------------------------|-------|--------|
| 2000 | 2010 | Change |
| 1,131 | 1,020 | -111 |
| Source: Decennial Census | | |

Average age of the residential or commercial units in the area is at least forty years

Previously stated in the substandard criteria, a substantial amount of homes built in the City of Red Cloud are aged beyond fifty years. Without ongoing property maintenance and investment, structures that are aged, dilapidated, and deteriorated will reach the point of obsolescence.

| Percentage of Units Constructed in Red Cloud by Decade | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| 1939 or earlier | 1940 to 1949 | 1950 to 1959 | 1960 to 1969 | 1970 to 1979 | 1980 to 1989 | 1990 to 1999 | 2000 to 2010 | 2010 or later |
| 62% | 5.4% | 8.6% | 8.8% | 5.2% | 5.2% | 2.6% | 1.5% | .8% |

Source: 2011-2015 American Community Survey

Blight Criteria Conclusion

The Proposed Redevelopment Area has a significant presence of the blighted factors identified by Nebraska Community Development Law. The area should be designated as a blighted area in need of redevelopment that should be completed or encouraged by the Red Cloud City Council.

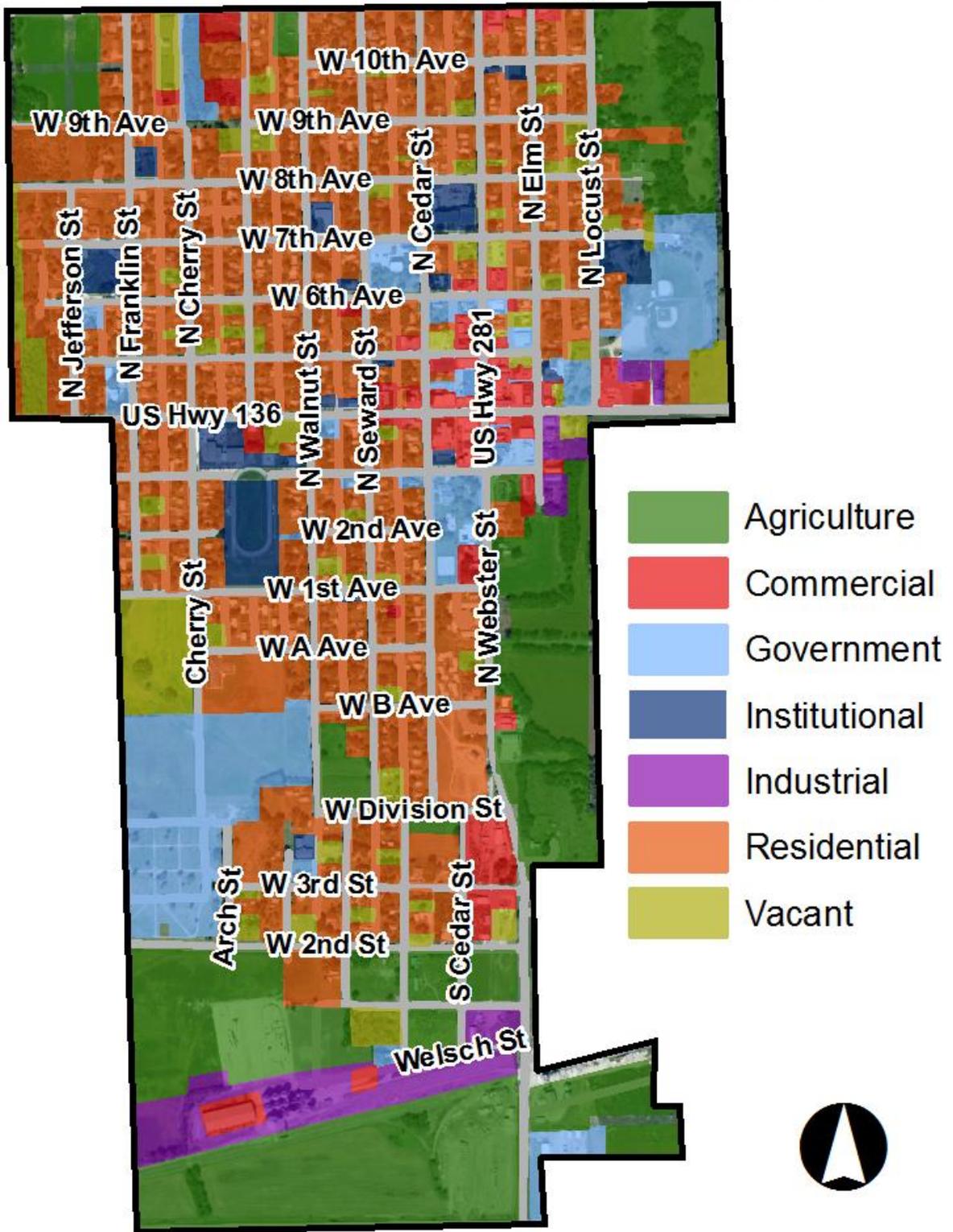


General Redevelopment Plan for Redevelopment Area #2

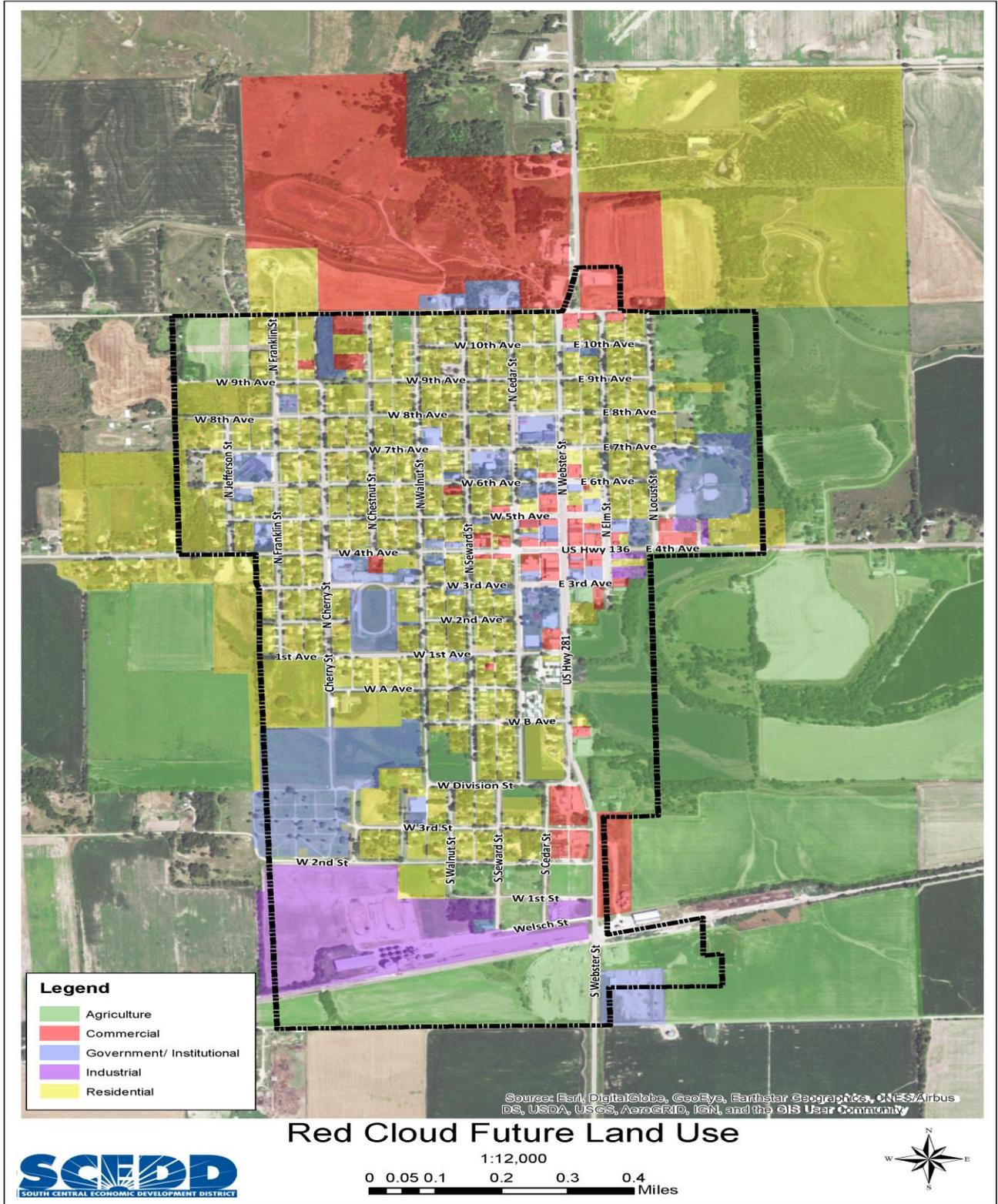
As required by Nebraska Community Development Law, a redevelopment plan for a blighted and substandard area must include the following components.

- Map showing area boundaries, existing land uses, and condition of real property within the area (see accompanying map).
- Land use plan showing proposed uses (see accompanying map).
- Information showing population density standards, land coverage, and building intensities after redevelopment (not applicable to general redevelopment plan).
- Statement of proposed changes (see three main tasks stated below).
- Site plan of the area (not applicable to general redevelopment plan).
- Statement about the kind and number of additional public facilities or utilities that will be needed to support new land uses in the area after redevelopment (see task 3 below).

Red Cloud Existing Land Use



Future Land Use Map



As defined by Nebraska Community Development Law, a redevelopment plan for a redevelopment area must also:

- conform to the general plan for the municipality as a whole; and
- sufficiently indicate such actions as:
 - land acquisition, demolition, and removal of structures;
 - redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area; and
 - zoning and planning changes, if any, land uses, maximum densities, and building improvements.

Redevelopment Plan Tasks

The general development plan consists of three main tasks that are meant to improve the overall condition of the community and re-attract private investment to Redevelopment Area #2.

- 1. Establish community and economic development programs to promote population growth.** Maintaining and improving existing housing while developing new utilities for new developments will encourage population growth. Diversifying the economic base will create new job opportunities and will provide a broader selection of services. New employees will require both rental and owner-occupied housing, educational, and safety services while retiring citizens will also require more housing options.
- 2. Acquire, rehabilitate, and/or demolish vacant commercial and residential properties.** Properties that are vacant, delinquent, and/or unsafe should be prioritized for demolition. These properties have a negative effect on the community and should be redeveloped into structures that will contribute positively to the community. Eliminating inadequate structures and opening up properties for redevelopment will allow the City of Red Cloud to address the demand for new housing while using the pre-existing street and utility system.
- 3. Invest in infrastructure and other public improvements that will encourage private investment and ease the burden on developers working to improve Redevelopment Area #2 and the City of Red Cloud.** A significant amount of unimproved and vacant land exists within Redevelopment Area #2. These unimproved parcels could be key pieces of the area's redevelopment puzzle as they increase the development potential of the area by providing additional space and flexibility. Tax Increment Financing (TIF) could be utilized as a local redevelopment tool that will enable the City of Red Cloud to share in the financial burden associated with redevelopment and expansion of residential and commercial uses. In the event that TIF is utilized to carry out the Redevelopment Plan for Redevelopment Area #2, this plan will be amended. The amendment will include identification of the redevelopment project/s and include the additional details and considerations that are required by a redevelopment project involving TIF.