4.	C3-11-066 Planning Board on behalf of the City of Omaha	REQUEST: LOCATION:	Approval of a Blighted and Substandard Designation North of Pacific Street, south of Western Avenue, east of 90th Street and west of 52nd Street

At the Planning Board meeting held on July 6, 2011, Chad Weaver, Assistant Planning Director, Planning Department, stated the department is in favor and recommends approval of three of the seven block groups as indicated on a map. The three areas that will remain are generally the larger block group that includes the Crossroads and a smaller block groups that contains the northeast corner of 72nd and Dodge and generally east of 72nd Street and north of Pacific Street.

Ann Boyle, 420 South 11th Street, appeared before the board. Ms. Boyle stated she previously lived in the area and expressed concern that the word "blighted" is insulting. She stated the end result of this request will be great for the City of Omaha but the area will continue to deteriorate if the designation is not approved.

Dave Ciaccio, 6405 Capitol Plaza, board member of Omaha by Design, appeared before the board. Mr. Ciaccio stated he lives in the area and expressed his support for the project that will be an economic catalyst for midtown Omaha.

Michael Coyle, legal counsel for Westside Community Schools, appeared before the board. Mr. Coyle introduced other members in leadership positions with Westside Community Schools. TIF financing has a major impact on taxing political subdivisions such as the Westside Community Schools. The original proposed area for the blighted and substandard designation would have affected approximately 80% of the property in the Westside Community Schools which is landlocked, is not growing, and has no ability to raise additional revenues. TIF takes property off the tax roles but he stated he is in agreement that the Crossroads project is a great project but the obligation of the school district is to educate the students. Westside objected to the original footprint as putting an undue burden on their boundaries and not in compliance with the strict requirements of the Nebraska Community Redevelopment Act. Through discussions with several City of Omaha authorities, an accord has been reached as follows: the City of Omaha has removed the blighted designation from the census tracts 4700_2, 6602_3, 6602_4 and 6701_2. The Westside School District does not want to object to any TIF projects west of the Papio Creek in the 6701_1 area.

Andy Rickli, 670 South 196th Avenue, appeared before the board on behalf of the Superintendent's office of Westside Community Schools. Mr. Rickli stated that the Westside Community Schools are not in opposition to the redevelopment at Crossroads but the financial magnitude of one property can have an impact on the tax base.

Jacquie Estee, Superintendent of Westside Community Schools, appeared before the board. Ms. Estee indicated that the Westside Community School District supports the redevelopment of the Crossroads Mall and the surrounding area. The Westside Community School District, as well as other school districts, is facing significant financial difficulties. In addition, the district is landlocked with no room for additional growth therefore maximizing the tax base is essential. Federal funds have been cut which are 5% of the budget; state aide has been reduced to approximately $900,000 as well as other increased costs. In spite of these significant challenges, Westside has strived to be an innovative district to meet the unique needs of all learners. By reducing the footprint of the proposed area, there will be a minimal potential impact on the district and residential taxpayers, which will insure a strong and healthy school district now and in the future.

Jim Sherrets, Sherrets Bruno & Vogt, appeared before the board on behalf of the homeowners in the Fairacres area. Mr. Sherrets asked that the city consider notifying homeowners of a blighted

designation, which could have a considerable negative impact to an area. The designation of "blighted" is very sensitive and the individual homeowners do not believe that the area is "blighted" by the statutory definition. The "blighted" connotation would be negative to potential buyers and a detriment to the rights of the property owners. He questioned if the Fairacres area is included in the revised boundaries. Mr. Weaver indicated that 69th Street would be the eastern boundary.

Gil Kettelhut, Chief Administrator of Educational Service Unit #3, appeared before the board to represent the Westside School Districts. He stated that the eight member public board supports the Westside School District's situation.

Betty Quinn, 6300 Dodge commented that the census in her area was above the census criteria therefore the only area that is truly blighted is the Crossroads.

Betsy Conway, 508 North 72nd Avenue, lives in the Underwood Hills Subdivision, appeared before the board. Ms. Conway questioned if her property is in the "blighted" area. Mr. Hoich verified that Ms. Conway's property is not located within the "blighted" area.

Michael Kozlik, 727 North 57th Street, appeared before the board. Mr. Kozlik asked that the official boundaries of the new blighted area be read into the record. He indicated there is a concern regarding the agreement with the Westside District and the right of a future developer to apply for TIF money west of the Papio. Mr. Kozlik stated he believes that anyone west of the Papio should have the same right to apply for TIF.

Joe Casey, 524 North Elmwood, appeared before the board to represent honesty and truth.

Jack Dunn, 1214 North 34th Street, Executive Director of the Progressive Research Institute of Nebraska, appeared before the board. Mr. Dunn stated that the only census tract block that fits the definition of "blighted" is 6701_1. The definition of "blight" can be found in the Nebraska Revised Statutes 58-209.0 and the clear reading of the law needs to be followed. The development of TIF proposals require a "But for" statement and each TIF proposal should state the reason why the proposal should be granted, why authorization should be given, and why the private developer would not do the project on their own. He indicated that during 2008-2009 there were 30 out of 37 TIF proposals that did not have a "But for" statement therefore contravening the clear reading of the law. Subsidizing projects that would have gone on anyhow is a serious problem.

Chad Weaver, Assistant Planning Director, Planning Department, referred to Bridget Hadley to provide the street boundaries for the revised proposed districts.

Bridget Hadley, Planning Department, clarified the boundaries by indicating the areas on a map.

Rick Cunningham, Planning Director, stated that the community redevelopment zone area, as defined in Community Development Law, does not freeze all tax valuations in the area. This occurs on a TIF project by TIF project basis only so that when a TIF project is completed, the value is frozen at the valuation at that time. There are three block groups that are proposed to be included in the community development area.

Mr. Weaver stated the department recommends approval of the following Census Tract Block Groups: 4600_3, 6400_4, and 6701_1.

Mr. Kelley asked Ms. Hadley to discuss the analysis and objective criteria that the City goes through to determine whether or not an application is pushed forward to designate an area to be blighted and substandard. Ms. Hadley answered that a developer may want to do a project in an area that has not been designated. A proactive approach was taken to determine the areas that have a great need for redevelopment. The Crossroads area was on the radar screen for an

opportunity for redevelopment for some time. The City's goals are economic development, job creation, business investment, enhancing the tax base, redevelopment, and infill and where the opportunities are to create economic potential. The City has been approached by several small business owners within the intersection of 72nd and Dodge with regard to visibility and accessibility issues and for the use of TIF as a solution. The ACI (Areas of Civic Importance) Overlay District is primarily in the public right-of-way and requires a higher level of design as the improvement occurs. Typically, public improvements are funded with projects through TIF. The process includes determining the opportunities for redevelopment of major commercial corridors such as 72nd and Dodge Street. Community Development Law defines "blight and substandard". The definition of a community development area is that it is an area that is already blight and substandard. The definition for blight is: Clause A) "Any area by reason of the presence of substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layouts, faulty lot layouts in relation to size…; and Clause B) In an area in which there are one of the following conditions: 1) Unemployment in the designated area is at least 120% of the state or national average; 2) the average age of a residential or commercial units in the area is at least 40 years; 3) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for 40 years and has remained unimproved during that time; 4) the per capita income of the area is lower than the average per capita income in the city or village in which the area is designated; and 5) the area has had either stable, poor or a decreasing population base in the last two censuses." The census data is used to gather the required information. The City is also required, by the Nebraska Community Development Law, to maintain a cap of no more than 35% of the total acres of the city for blighted area. Another requirement is to not allow more than 20% of the city's total valuation to be in a blighted area. The goal is to achieve a bigger picture of redevelopment of a larger area and not just one project. The census data information is used and available for analysis to define the boundaries.

Mr. Kelley questioned if an analysis is part of the application process. Ms. Hadley answered that a "But for" may also be referred to as a "Statement of Needs" which is required as part of the application process and to confirm that a certain project would not move forward if TIF funding is not secured.

Mr. Kelley stated that in order for the City to move forward on economic development, it is imperative that the City has the tools such as TIF financing. He stated that he believes that the TIF committee provides a very detailed process.

John Nelson, 6269 North Glenwood Avenue, member of the State Legislature, appeared before the board. Mr. Nelson commended the Westside School District and is in favor of the Crossroads project.

Ms. Hadley indicated that the City of Omaha is in the process of meeting with the City of Lincoln to eliminate the term "blight and substandard".

Mr. Rosenbaum moved to APPROVE. Approval of a Blighted and Substandard Designation for the Crossroads District to include the following Census Tract Block Groups: 4600_3, 6400_4, and 6701_1. Mr. Kelley seconded the motion which carried 4-0.