

MALCOLM, NEBRASKA

REDEVELOPMENT AREA

BLIGHT & SUBSTANDARD DETERMINATION STUDY & GENERAL REDEVELOPMENT PLAN



Prepared For:
VILLAGE OF MALCOLM, NEBRASKA

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BLIGHT AND SUBSTANDARD DETERMINATION STUDY



BLIGHT AND SUBSTANDARD DETERMINATION STUDY

EXECUTIVE SUMMARY

Purpose of Study/Conclusion

The purpose of this **Blight and Substandard Determination Study** is to apply the criteria set forth in the Nebraska Community Development Law, Section 18-203, to a designated **Redevelopment Area in Malcolm, Nebraska**, to include an analysis of the entire Village, as well as large vacant tracts of land that abut the northern, eastern and western Corporate Limits. The results of this Study will assist the Village Board and the Board's legal representation to compare the findings of the Study to statutory requirements as to the declaration of the Redevelopment Area as both **blighted and substandard**.

Location

The findings presented in this Blight and Substandard Determination Study are based on surveys and analysis conducted for the **Malcolm Redevelopment Area**. In general, the Redevelopment Area consists of lands that include the entire Corporate Limits of the Village of Malcolm, as well as areas located adjacent and beyond the northern and eastern Corporate Limits of the Village. Areas beyond the Corporate Limits of Malcolm will be available for redevelopment. A northern growth area consists of approximately 164 acres of land, bordered to the south by the northern Village of Malcolm Corporate Limits, to the east by East Street/NW 105th Street, to the north by the northern line of a parcel of land located at S16, T11, R5 Lots 10 & 11 SW in Lancaster County and to the west by State Highway 55M/NW 112th Street. An eastern growth area consists of approximately 115 acres of land, bordered to the north by West Bluff Road, to the west by East Street and the Eastern Corporate Limits of the Village and to the east and south of the eastern and southern borders of Lots 80 and 50.

Illustration 1 identifies the Redevelopment Area, in relation to the Village of Malcolm. The Redevelopment Area includes the right-of-ways of State Highway 55M and adjacent Lancaster County roads. The boundaries of the Redevelopment Area contains additional land areas outside the Corporate Limits of Malcolm. These areas will need to be annexed prior to the use of Tax Increment Financing.

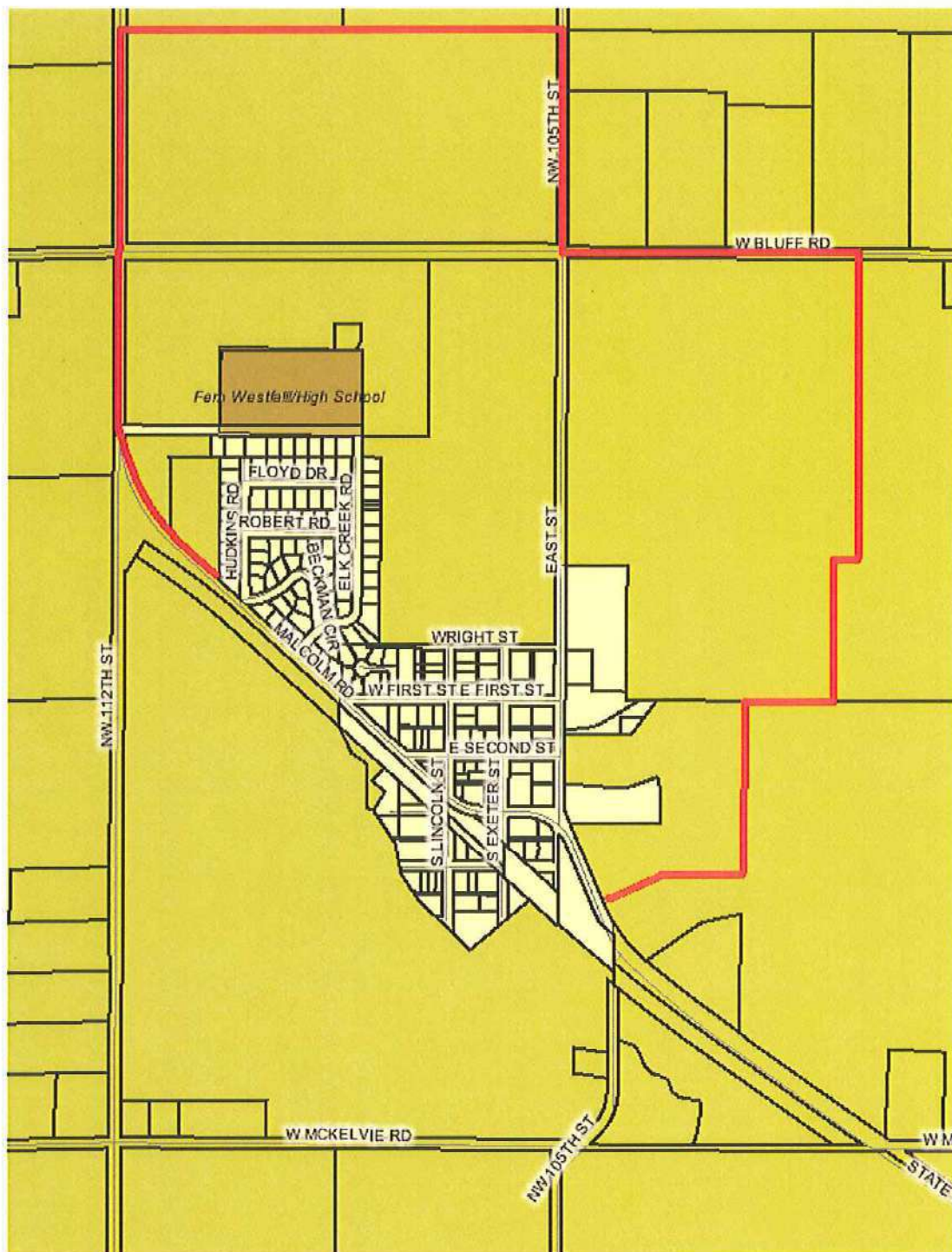


ILLUSTRATION 1: General Context Map

- Redevelopment Area Boundary
- Incorporated Area (Malcolm)
- Property Line

Blight and Substandard Determination Study
Malcolm, Nebraska

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SUBSTANDARD AREA

As set forth in the Nebraska legislation, a **substandard area** shall mean one in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which by reason of the presence of:

1. Dilapidated/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.

This evaluation included a detailed **exterior structural survey of 166 structures**, a parcel-by-parcel field inventory, conversations with pertinent Village of Malcolm officials and staff and a review of available reports and documents containing information which could substantiate the existence of substandard conditions.

BLIGHTED AREA

As set forth in the Section 18-2103 (11) Nebraska Revised Statutes (Cumulative Supplement 1994), a **blighted area** shall mean "an area, which by reason of the presence of:

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; and
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 or more of the following conditions exists;
 1. Unemployment in the study or designated blighted 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 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 study or designated blighted area is lower than the average per capita income of the city or village in which the area is designated; or
 5. The area has had either stable or decreasing population based on the last two decennial censuses."

While it may be concluded the mere presence of a majority of the stated factors may be sufficient to make a finding of blighted and substandard, this evaluation was made on the basis that existing blighted and substandard factors must be present to an extent which would lead reasonable persons to conclude public intervention is appropriate or necessary to assist with any development or redevelopment activities. Secondly, the distribution of blighted and substandard factors throughout the Redevelopment Area must be reasonably distributed so basically good areas are not arbitrarily found to be blighted simply because of proximity to areas which are blighted.

On the basis of this approach, the Redevelopment Area is found to be eligible as "blighted" and "substandard", within the definition set forth in the legislation. Specifically:

SUBSTANDARD FACTORS

Of the Four Substandard Factors set forth in the Nebraska Community Development Law, two Factors in the Redevelopment Area were found to be present to a strong extent, and two additional Factors were found to be present to a lesser, but reasonable extent. The Substandard Factors, present in the Area, are reasonably distributed throughout Redevelopment Area.

**TABLE 1
SUBSTANDARD FACTORS
REDEVELOPMENT AREA
MALCOLM, NEBRASKA**

1.	Dilapidated/deterioration.	■
2.	Age or obsolescence.	●
3.	Inadequate provision for ventilation, light, air, sanitation or open spaces.	■
4.	Existence of conditions which endanger life or property by fire and other causes.	●
	Strong Presence of Factor	●
	Reasonable Presence of Factor	■
	No Presence of Factor	○

Source: Hanna:Keelan Associates, P.C., 2009

Strong Presence of Factor -

Based on the results of a parcel-by-parcel field analysis, approximately 63 (37.9 percent) of the total 166 structures within the Redevelopment Area are ***40+ years of age*** (built prior to 1969). The Factor of ***Age or Obsolescence*** is a strong presence in the Redevelopment Area.

The parcel-by-parcel field analysis determined that the Substandard Factor ***Existence of Conditions Which Endanger Life or Property by Fire and Other Causes*** was a strong presence throughout the Redevelopment Area. The primary contributing Factors include a large amount of wood frame buildings and masonry buildings with wooden structural elements that are prone to catch fire, and areas without modern water and/or sanitary sewer systems, as well as portions of the Redevelopment Area having underground utilities that are undersized, or excessively old and prone to breakage and maintenance. **The Town leadership has specifically identified issues with low water pressure, manganese and iron deposits and water discoloration in the Village's water system.**

Reasonable Presence of Factor -

The field survey identified 45, or 27.1 percent of the 166 total structures, in the Redevelopment Area, were *Deteriorating or Dilapidated*. This Factor is of a reasonable presence throughout the Area.

The conditions which result in *Inadequate Provision for Ventilation, Light, Air, Sanitation or Open Space* are reasonably present and distributed throughout the Redevelopment Area, including factors such as graveled and asphalt surfaced roads with open storm water ditches and structures with inadequate doors and windows. These factors are most concentrated in the southern areas of the Community. Additionally, undersized water mains, as well as the advanced age of both water and sewer mains throughout portions of the Redevelopment Area, represent inadequate utility systems.

The prevailing substandard conditions, evident in buildings and the public infrastructure, as determined by the field survey, include:

1. Aging structures;
2. Dilapidated/deteriorated structures;
3. "Fair" to "Poor" site conditions;
4. Gravel and asphalt surfaced roads with open storm water drainage ditches;
5. Frame buildings and wood structural components in masonry buildings as potential fire hazards;
6. Parcels lacking adequate accessibility to residential, commercial and industrial land use types;
7. Age and associated condition of underground water and sewer mains in portions of the Redevelopment Area; and
8. Specific Areas within the Redevelopment Area that are currently located beyond the Corporate Limits of the Village of Malcolm, lack municipal infrastructures.

BLIGHT FACTORS

Of the 12 Blight Factors set forth in the Nebraska Community Development Law, six were present to a strong extent, in the Redevelopment Area, and four are present to a reasonable, but more limited extent. The Factor “tax or special assessment excluding the fair value of land,” was of little or no presence and “defective or unusual condition of title,” was not reviewed. The Blighting Factors, which were present, were reasonably distributed throughout the Malcolm Redevelopment Area.

**TABLE 2
BLIGHT FACTORS
REDEVELOPMENT AREA
MALCOLM, NEBRASKA**

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 land.	○
8.	Defective or unusual condition of title.	NR
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 other five conditions.	⊙
	Strong Presence of Factor	⊙
	Reasonable Presence of Factor	■
	Little or No Presence of Factor	○
	NR = Not Reviewed	

Source: Hanna:Keelan Associates, P.C., 2009

Strong Presence of Factor -

Faulty Lot Layout exists to a strong extent throughout the Redevelopment Area. Conditions contributing to the presence of this Factor include inadequate lot sizes and limited accessibility.

Insanitary or Unsafe Conditions are a strong presence throughout the Village of Malcolm and the entire Redevelopment Area. Conditions contributing to this Factor include substandard structures and age of structures, as well as the presence of abandoned and dilapidated buildings or underutilized buildings.

The ***Diversity of Ownership*** is a strong presence throughout the Village of Malcolm and the entire Redevelopment Area. Research of public records from the Lancaster County Assessor's Office indicate an estimated 168 owners.

Improper Subdivision or Obsolete Platting is a strong presence throughout the Redevelopment Area. Generally, lot sizes throughout the Area have been subdivided in a variety of sizes, creating inappropriately sized lots by today's municipal development standards. The majority of the residential parcels within the southern half of the Community are approximately 44' x 124' (5,456 sq.ft.) and are generally considered small by current development trends, where the widths of individual parcels are typically 100' or more.

The ***Existence of Conditions Which Endanger Life or Property*** by fire or other causes is strongly present throughout the Redevelopment Area. Conditions related to this Factor include the advanced age of wood frame buildings, several of which are deteriorating and/or dilapidated. Areas within the Corporate Limits also contain underground utility mains that are undersized, or excessively old and prone to breakage and repetitive maintenance. **The town has specifically identified issues with low water pressure, manganese and iron deposits and water discoloration in the Community's water system.**

One of the Required Five Additional Blight Factors has a strong presence throughout the Redevelopment Area. Based on the field analysis, the estimated average age of residential buildings is 34.3 years and the average age of commercial buildings is 58 years.

Reasonable Presence of Factor -

Deteriorated or Dilapidated Structures are reasonably present in the Redevelopment Area. A total of 27.1 percent of the 166 structures were found to be deteriorating or dilapidated.

Defective or Inadequate Street Layout is reasonably present, due to the existence of large areas of land with little or no acceptable road access, the presence of a few dead-end roads; a significant number of gravel surfaced roads, with open storm water ditches, as well as gravel surfaced private entry lane roads or driveways.

Deterioration of Site or Other Improvements is a reasonable presence throughout the area, where, of the total parcels examined, 26.1 percent, or 48 parcels have "fair" to "poor" overall site conditions.

In regards to ***Other Environmental and Blighting Factors***, the presence of economically and socially undesirable land uses and functional obsolescence is reasonably present throughout the Redevelopment Area. Several buildings in the Downtown contain storefronts. The largest commercial building in the Community, the is vacant, while a potential second floor single family dwelling in Downtown Malcolm, is also vacant.

Conclusion

It is the conclusion of the Consultant retained by the Village of Malcolm that the number, degree and distribution of blighting factors, as documented in this Study, are beyond remedy and control solely by regulatory processes in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided in the Nebraska Community Development Law. It is also the opinion of the Consultant, that the findings of this Blight and Substandard Determination Study warrant designating the Redevelopment Area as "substandard" and "blighted."

The conclusions presented in this Study, are those of the Consultant, engaged by the Village of Malcolm to examine whether conditions of blight/substandard exist. The local governing body should review this Study and, if satisfied with the summary of findings contained herein, may adopt a resolution making a finding of blight/substandard and this Study a part of the public record.

BASIS FOR REDEVELOPMENT

For a project in Malcolm to be eligible for redevelopment under the Nebraska Community Development Law, the subject area or areas must first qualify as both a "substandard" and "blighted" area, within the definition set forth in the Nebraska Community Development Law. This Study has been undertaken to determine whether conditions exist which would warrant designation of the Redevelopment Area as a "blighted and substandard area" in accordance with provisions of the law.

As set forth in Section 18-2103 (10) Neb. Rev. Stat. (Cumulative Supplement 1994), **substandard area** shall mean an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which by reason of the following:

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.

As set forth in the Nebraska legislation, a **blighted area** shall mean an area, which by reason of the presence of:

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:
 1. Unemployment in the designated blighted 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 40 years;
 3. 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;
 4. The per capita income of the designated blighted area is lower than the average per capita income of the city or village in which the area is designated; or
 5. The area has had either stable or decreasing population based on the last two decennial censuses."

The Consultant for the Malcolm Redevelopment Area Blight and Substandard Determination Study was guided by the premise that the finding of blight and substandard must be defensible and sufficient evidence of the presence of factors should exist so members of the Malcolm Village Board of Trustees (local governing body), acting as reasonable and prudent persons, could conclude public intervention is necessary or appropriate. Therefore, each factor was evaluated in the context of the extent of its presence and the collective impact of all factors found to be present.

Also, these deficiencies should be reasonably distributed throughout the Redevelopment Area. Such a "reasonable distribution of deficiencies test" would preclude localities from taking concentrated areas of blight and expanding them arbitrarily into non-blighted areas for planning or other reasons. The only exception which should be made to this rule is where projects must be brought to a logical boundary to accommodate new development and ensure accessibility, but even in this instance, the conclusion of such areas should be minimal and related to an area otherwise meeting the reasonable distribution of deficiencies test.

THE STUDY AREA

The purpose of this Study is to determine whether all or part of the Redevelopment Area in Malcolm, Nebraska, qualifies as a **blighted and substandard area**, within the definition set forth in the Nebraska Community Development Law, Section 18-2103.

The findings presented in this Blight and Substandard Determination Study are based on surveys and analysis conducted for the **Malcolm Redevelopment Area**. In general, the Redevelopment Area consists of lands that include the entire Corporate Limits of the Village of Malcolm, as well as areas located adjacent and beyond the northern and eastern Corporate Limits of the Village. Areas beyond the Corporate Limits of Malcolm will be available for redevelopment. A northern growth area consists of approximately 164 acres of land, bordered to the south by the northern Village of Malcolm Corporate Limits, to the east by East Street/NW 105th Street, to the north by the northern line of a parcel of land located at S16, T11, R5 Lots 10 & 11 SW in Lancaster County and to the west by State Highway 55M/NW 112th Street. An eastern growth area consists of approximately 115 acres of land, bordered to the north by West Bluff Road, to the west by East Street and the Eastern Corporate Limits of the Village and to the east and south of the eastern and southern borders of Lots 80 and 50.

Illustration 1 identifies the Redevelopment Area, in relation to the Village of Malcolm. The Redevelopment Area includes the right-of-ways of State Highway 55M and adjacent Lancaster County roads. The boundaries of the Redevelopment Area contains additional land areas outside the Corporate Limits of Malcolm. These areas will need to be annexed prior to the use of Tax Increment Financing.

Existing land uses within the Malcolm Redevelopment Area are identified in **Illustration 2**.

Major land uses in the Redevelopment Area include residential, commercial, industrial and vacant uses within the Corporate Limits and vacant agricultural uses north and east of the Community. The Redevelopment Area contains an estimated 268.4 acres, primarily of which approximately 47.7 acres have been developed. Residential uses are comprised of single family and multifamily dwellings.

The principle arterial within the Redevelopment Area is State Highway 55M, located along the southwestern edge of the Village and Redevelopment Area and runs through the southern half of the Village of Malcolm.

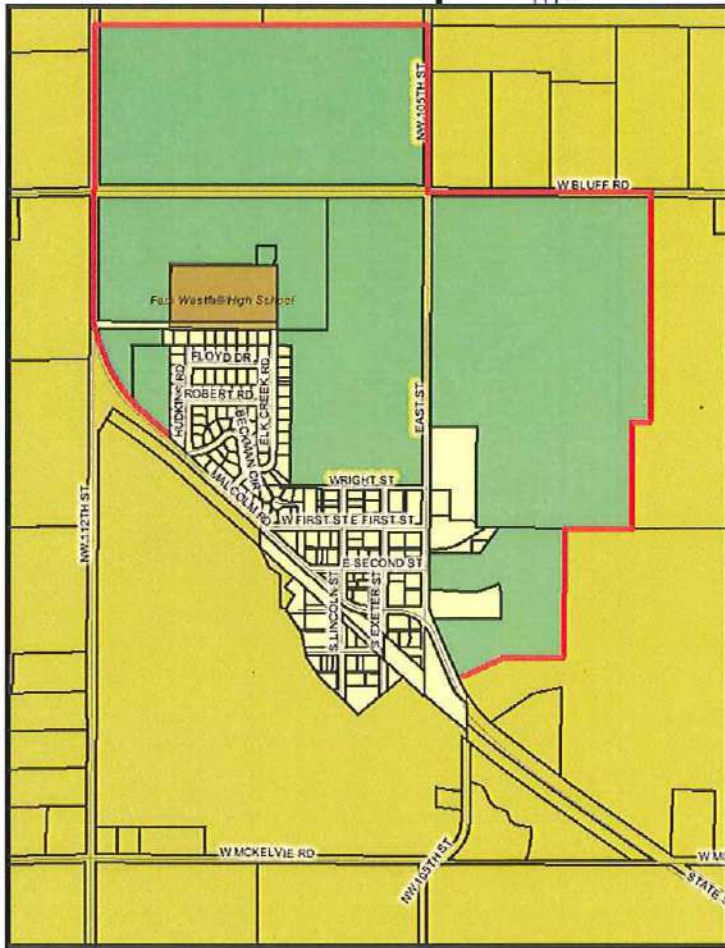
Table 3 identifies the estimated existing land uses within the Redevelopment Area, in terms of number of acres and percentage of total for all existing land uses. An estimated 82.2 percent of the land use throughout the Area is vacant.

**TABLE 3
EXISTING LAND USE
REDEVELOPMENT AREA
MALCOLM, NEBRASKA**

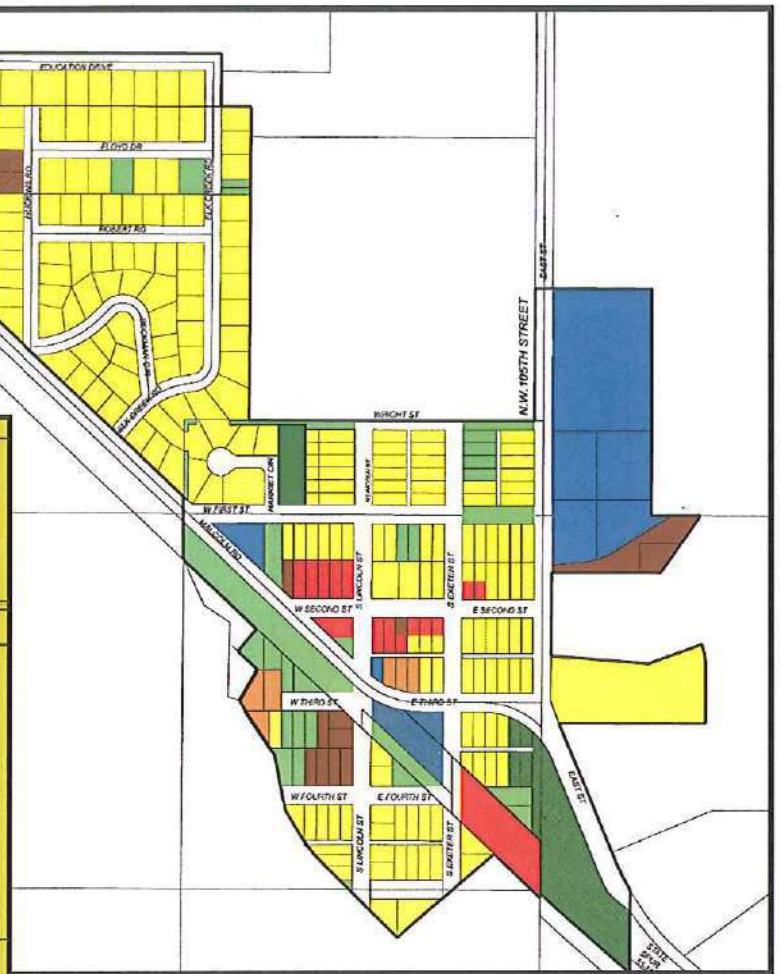
Land Use	Acres	Percent
Parks/Recreation	2.6	1.0%
Public/Quasi-Public	4.0	1.5%
Single Family	33.5	12.5%
Mobile Home	0.0	0.0%
Commercial	0.9	0.3%
Industrial	6.7	2.5%
<u>Vacant</u>	<u>220.7</u>	<u>82.2%</u>
Total Acreage	268.4	100.0%

Source: Hanna:Keelan Associates, P.C., 2009

Illustration 2 identifies the portion of the Redevelopment Area within the planning jurisdiction of the Village of Malcolm. The portion of the Redevelopment Area located beyond the Corporate Limits of Malcolm is within the One-Mile Planning Jurisdiction of the Village, thus land usage and zoning activities, throughout the entire Redevelopment Area, are controlled by the Village of Malcolm.



Redevelopment Area



Village of Malcolm

ILLUSTRATION 2: Existing Land Use Maps

- Vacant
- Parks & Recreation
- Public & Quasi-Public
- Single Family Residential
- Multifamily Residential
- Commercial
- Industrial

Blight and Substandard Determination Study
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THE RESEARCH APPROACH

The blight and substandard determination research approach implemented for the Redevelopment Area included an area-wide assessment (100 percent sample) of all of the Blight and Substandard Factors identified in the Nebraska Community Development Law, with the exception of **defective or unusual condition of title**. All Factors were investigated on an area-wide basis.

Structural Survey Process

The rating of building conditions is a critical step in determining the eligibility of an area for redevelopment. It is important that the system for classifying buildings be based on established evaluation standards and criteria and that it result in an accurate and consistent description of existing conditions.

A structural condition survey was conducted in the month of March, 2009. A total of **166 structures** received exterior inspections. These structures were examined to document structural deficiencies in individual buildings and to identify related environmental deficiencies in the Redevelopment Area. The structural Condition Survey Form utilized in this process is provided in the **Appendix**.

Parcel-by-Parcel Field Survey

A parcel-by-parcel field survey was also conducted in the month of March, 2009. A total of **185 separate parcels** were inspected for existing and adjacent land uses, overall site conditions, existence of debris, parking conditions and street, sidewalk and alley surface conditions. The Condition Survey Form is included in the **Appendix**, as well as the results of the Survey.

Research on Property Ownership and Financial Assessment of Properties

Public records and aerial photographs of all parcels in the Redevelopment Area were analyzed to determine the number of property owners in each block.

An examination of public records was conducted to determine if tax delinquencies existed for properties in the Redevelopment Area. The valuation, tax amount and any delinquent amount was examined for each of the properties.

ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

An analysis was made of each of the blighted and substandard factors listed in the Nebraska legislation to determine whether each or any were present in the Redevelopment Area and, if so, to what extent and in what locations. The following represents a summary evaluation of each blight and substandard factor presented in the order of listing in the law.

SUBSTANDARD FACTORS

(1) Dilapidation/Deterioration of Structures

The rating of building conditions is a critical step in determining the eligibility of a substandard area for redevelopment. The system for classifying buildings must be based on established evaluation standards and criteria and result in an accurate and consistent description of existing conditions.

This section summarizes the process used for assessing building conditions in the Malcolm Redevelopment Area, the standards and criteria used for evaluation and the findings as to the existence of dilapidation/deterioration of structures.

The building condition analysis was based on an exterior inspection of all **166 existing structures**, within the Redevelopment Area, to note structural deficiencies in individual buildings and to identify related environmental deficiencies for individual sites or parcels within the area.

1. Structures/Building Systems Evaluation

During the on-site field analysis, each component of a structure/building was examined to determine whether it was in sound condition or has minor, major, or critical defects. Structures/building systems examined included the following three types, **one Primary and two Secondary**.

Structural Systems (Primary Components). These include the basic elements of any structure/building: roof structure, wall foundation, and basement foundation.

(Secondary Components)

Building Systems. These components include: roof surface condition, chimney, gutters/down spouts, and exterior wall surface.

Architectural Systems. These are components generally added to the structural systems and are necessary parts of the structure/building, including exterior paint, doors, windows, porches, steps, and fire escape, and driveways and site conditions.

The evaluation of each individual parcel of land included the review and evaluation of: adjacent land use, street surface type, street conditions, sidewalk conditions, parking, railroad track/right-of-way composition, existence of debris, existence of vagrants, and overall site condition, and the documentation of age and type of structure/building.

2. Criteria for Rating Components for Structural, Building and Architectural Systems

The components for the previously identified Systems were individually rated utilizing the following criteria.

Sound. Component that contained no defects, is adequately maintained, and requires no treatment outside of normal ongoing maintenance.

Minor - Defect. Components that contained minor defects (loose or missing material or holes and cracks over a limited area) which often can be corrected through the course of normal maintenance. The correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated systems. Minor defects are considered in rating a structure/building as deteriorating/dilapidated.

Major - Defect. Components that contained major defects over a widespread area and would be difficult to correct through normal maintenance. Structures/buildings having major defects would require replacement or rebuilding of systems by people skilled in the building trades.

Critical Defect. Components that contained critical defects (bowing, sagging, or settling to any or all exterior systems causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive the cost of repairs would be excessive in relation to the value returned on the investment.

3. Final Structure/Building Rating

After completion of the **Exterior Rating** of each structure/building, each individual structure/building was placed in one of four categories, based on the combination of defects found with Components contained in Structural, Building and Architectural Systems. Each final rating is described below:

Sound. Defined as structures/buildings that can be kept in a standard condition with normal maintenance. Structures/buildings, so classified, **have less than six points.**

Deficient-Minor. Defined as structures/buildings classified as deficient--requiring minor repairs--**having between six and 10 points.**

Deteriorating. Defined as structures/buildings classified as deficient--requiring major repairs-- **having between 11 and 20 points.**

Dilapidated. Defined as structurally substandard structures/buildings containing defects that are so serious and so extensive that it may be most economical to raze the structure/building. Structures/buildings classified as dilapidated will **have at least 21 points.**

An individual *Exterior Rating form* is completed for each structure/building. The results of the *Exterior Rating* of all structures/buildings are presented in a *Table format.*

Primary Components	Secondary Components
One Critical = 11 pts	One Critical = 6pts
Major Deteriorating = 6 pts	Major Deteriorating = 3pts
Minor = 2 pts	Minor = 1 pt

Major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Nebraska legislation; substandard buildings are the same as dilapidated buildings. The word "building" and "structure" are presumed to be interchangeable.

4. Field Survey Conclusions

The condition of the total 166 buildings within the Redevelopment Area were determined based on the finding of the exterior survey. These surveys indicated the following:

- Eighty-Eight (88) structures were classified as structurally sound;
- Thirty-Three (33) structures were classified as deteriorating with minor defects.
- Twenty-Seven (27) structures were classified as deteriorating with major defects; and
- Eighteen (18) structures were classified as substandard.

The results of the exterior structural survey identified the conditions of the structures, throughout the Redevelopment Area. A total of 45 (27.1 percent) of the total 166 structures, within the Area, are either deteriorating or dilapidated to a substandard condition.

Conclusion

The results of the structural condition survey indicates deteriorating structures are present to a reasonable extent throughout the Redevelopment Area. Table 4 identifies the results of the structural rating process per building type.

TABLE 4
EXTERIOR SURVEY FINDINGS
REDEVELOPMENT AREA
MALCOLM, NEBRASKA

<u>Exterior Structural Rating</u>						
<u>Activity</u>	<u>Sound</u>	<u>Deficient (Minor)</u>	<u>Deteriorating</u>	<u>Dilapidated</u>	<u>Number of Structure</u>	<u>Deteriorating and/ or Dilapidated</u>
Single Family	87	26	18	12	143	30
Commercial	0	4	6	4	14	10
Industrial	0	2	3	2	7	5
<u>Other</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>
Totals	88	33	27	18	166	45
Percent	53.0%	19.9%	16.3%	10.8%	100.0%	27.1%

Source: Hanna:Keelan Associates, P.C., 2009

(2) Age of Obsolescence

As per the results of the field survey, the estimated average age of residential structures in the Redevelopment Area is 34.3 years of age and the average age of commercial structures is 58 years. An estimated 63 (37.9 percent) of the total 166 structures in the Area are 40+ years of age, or were built prior to 1969.

Conclusion

The age and obsolescence of the structures is a strong presence throughout the Malcolm Redevelopment Area.

(3) Inadequate Provision for Ventilation, Light, Air, Sanitation or Open Spaces

The results from the exterior structural survey, along with other field data, provided the basis for the identification of unsanitary and unsafe conditions in the Malcolm Redevelopment Area. Factors contributing to insanitary and unsafe conditions are discussed below.

The field survey determined that 27.1 percent of the total 166 structures in the Redevelopment Area were deteriorating or dilapidated. When not adequately maintained or upgraded to present-day occupancy standards, buildings that are deteriorating or dilapidated pose special safety and sanitary problems. There is a significant number of wood-framed, one and two-story commercial and residential buildings in need of structural repair and/or fire protection.

A total of nine parcels in the Redevelopment Area were identified as possessing minor to major excessive debris. This equals nearly 5 percent of the total 185 parcels. Dilapidated and deteriorating structures, coupled with excessive amounts of debris creates an environment inviting pests and vermin. These unwanted nuisances can create unsafe and unsanitary conditions. The parcel-by-parcel field survey identified a total of 43, or 23.2 percent of the total parcels as possessing "fair" overall site conditions. Additionally, six, or 3.2 percent of the total 185 parcels were identified as being in "poor" condition. **This represents a total of 26.4 percent of the total 185 parcels as being in "fair" or "poor" condition.**

The Village of Malcolm staff estimate that the water mains in the Community range from 4" to 8" in diameter and from nine to 45+ years of age. The older pipes are prone to breakage and frequent maintenance. Adequately sized water mains, by current engineering standards, for both fire protection and service, recommend no smaller than 6" in diameter for residential service areas and no smaller than 8" in commercial and industrial areas. Sanitary sewer mains in the Community are 6" in diameter. The Village's water tower and sewer plant were both installed in 1974. As these systems age, they will become more prone to breakage and increased maintenance needs.

Conclusion

The inadequate provision for ventilation, light, air, sanitation or open spaces in the Malcolm Redevelopment Area is reasonably sufficient to constitute a Substandard Factor.

4) **The Existence of Conditions Which Endanger Life or Property by Fire and Other Causes**

1. **Frame Buildings**

There were wood-framed buildings with wooden structural elements, located throughout the Redevelopment Area, with some in need of structural repair and/or fire protection. An estimated 27.1 percent of these buildings have been determined to be deteriorating or dilapidated. Additionally, the field survey identified that approximately 24 (or 14.5 percent) of the 166 total structures have substandard porches, steps and fire escapes.

2. **Lack of Adequate Utilities**

The Village of Malcolm staff estimate that the water mains in the Community range from 4" to 8" in diameter and from nine to 45+ years of age. The older pipes are prone to breakage and frequent maintenance. Adequately sized water mains, by current engineering standards, for both fire protection and service, recommend no smaller than 6" in diameter for residential service areas and no smaller than 8" in commercial and industrial areas. Sanitary sewer mains in the Community are 6" in diameter. The Village's water tower and sewer plant were both installed in 1974. As these systems age, they will become more prone to breakage and increased maintenance needs.

Specific data relating to the Redevelopment Area is discussed in the following paragraphs.

Minor and major debris located on nine parcels (4.9 percent of the total 185 parcels) is significant and poses a potential fire hazard, as well as a place to harbor pests, which can be detrimental to the public's overall health and safety.

Approximately 37.9 percent of the structures, in the Redevelopment Area, were built prior to 1969, thus 40+ years of age. There are masonry buildings with wooden structural elements located throughout the Area, particularly in the southern half of the Community, in need of structural repair or fire protection. Several of these buildings have been determined to be deteriorating or dilapidated.

Overall site conditions at properties throughout the Redevelopment Area were found to be in "fair" or "good" condition. While the field survey determined that, while 125 parcels, or 67.6 percent of the total 185 parcels surveyed were found to be in "good" condition, 43 parcels, or 23.2 percent of the total 185 parcels were found to be in "fair" condition, and six parcels (3.2 percent) were determined to be in "poor" condition. **This overall condition rating combines for a total of 26.4 percent of the parcels being in "fair" or "poor" condition.** Generally, conditions combining for this determination included the evaluation of the general condition of structures, site improvements and adjacent right-of-way conditions.

Conclusion

The conditions which endanger life or property by fire and other causes are strongly present throughout the Redevelopment Area.

BLIGHT FACTORS

(1) Dilapidation/Deterioration of Structures

The rating of building conditions is a critical step in determining the eligibility of a substandard area for redevelopment. The system for classifying buildings must be based on established evaluation standards and criteria and result in an accurate and consistent description of existing conditions.

This section summarizes the process used for assessing building conditions in the Malcolm Redevelopment Area, the standards and criteria used for evaluation and the findings as to the existence of dilapidation/deterioration of structures.

The building condition analysis was based on an exterior inspection of all **166** existing structures, within the Redevelopment Area, to note structural deficiencies in individual buildings and to identify related environmental deficiencies for individual sites or parcels within the area.

1. Structures/Building Systems Evaluation

During the on-site field analysis, each component of a structure/building was examined to determine whether it was in sound condition or has minor, major, or critical defects. Structures/building systems to be examined will include the following three types, **one Primary** and **two Secondary**.

Structural Systems (Primary Components). These include the basic elements of any structure/building: roof structure, wall foundation, and basement foundation.

(Secondary Components)

Building Systems. These components include: roof surface condition, chimney, gutters/down spouts, and exterior wall surface.

Architectural Systems. These are components generally added to the structural systems and are necessary parts of the structure/building, including exterior paint, doors, windows, porches, steps, and fire escape, and driveways and site conditions.

The evaluation of each individual parcel of land includes the review and evaluation of: adjacent land use, street surface type, street conditions, sidewalk conditions, parking, railroad track/right-of-way composition, existence of debris, existence of vagrants, overall site condition and the documentation of age and type of structure/building.

2. Criteria for Rating Components for Structural, Building and Architectural Systems

The components for the previously identified Systems, are individually rated utilizing the following criteria.

Sound. Component that contained no defects, is adequately maintained, and requires no treatment outside of normal ongoing maintenance.

Minor - Defect. Component that contained minor defects (loose or missing material or holes and cracks over a limited area) which often can be corrected through the course of normal maintenance. The correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated systems. Minor defects are considered in rating a structure/building as deteriorating/dilapidated.

Major - Defect. Components that contained major defects over a over a widespread area and would be difficult to correct through normal maintenance. Structures/buildings having major defects would require replacement or rebuilding of systems by people skilled in the building trades.

Critical Defect. Components that contained critical defects (bowing, sagging, or settling to any or all exterior systems causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive the cost of repairs would be excessive in relation to the value returned on the investment.

3. Final Structure/Building Rating

After completion of the **Exterior Rating** of each structure/building, each individual structure/building was placed in one of four categories, based on the combination of defects found with Components contained in Structural, Building and Architectural Systems. Each final rating is described below:

Sound. Defined as structures/buildings that can be kept in a standard condition with normal maintenance. Structures/buildings, so classified, **have less than six points**.

Deficient-Minor. Defined as structures/buildings classified as deficient--requiring minor repairs--**having between six and 10 points**.

Deteriorating. Defined as structures/buildings classified as deficient--requiring major repairs-- **having between 11 and 20 points**.

Dilapidated. Defined as structurally substandard structures/buildings containing defects that are so serious and so extensive that it may be most economical to raze the structure/building. Structures/buildings classified as dilapidated will **have at least 21 points**.

An individual *Exterior Rating form* is completed for each structure/building. The results of the *Exterior Rating* of all structures/buildings are presented in a *Table format*.

Primary Components	Secondary Components
One Critical = 11 pts	One Critical = 6pts
Major Deteriorating = 6 pts	Major Deteriorating = 3pts
Minor = 2 pts	Minor = 1 pt

Major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Nebraska legislation; substandard buildings are the same as dilapidated buildings. The word "building" and "structure" are presumed to be interchangeable.

4. Field Survey Conclusions

The condition of the total 166 buildings within the Redevelopment Area were determined based on the finding of the exterior survey. These surveys indicated the following:

- Eighty-Eight (88) structures were classified as structurally sound;
- Thirty-Three (33) structures were classified as deteriorating with minor defects.
- Twenty-Seven (27) structures were classified as deteriorating with major defects; and
- Eighteen (18) structures were classified as substandard.

The results of the exterior structural survey identified the conditions of the structures, throughout the Redevelopment Area. A total of 45 (27.1 percent) of the total 166 structures, within the Area, are either deteriorating or dilapidated to a substandard condition.

Conclusion

The results of the structural condition survey indicates deteriorating structures are present to a reasonable extent throughout the Redevelopment Area. Table 5 identifies the results of the structural rating process per building type.

TABLE 5
EXTERIOR SURVEY FINDINGS
REDEVELOPMENT AREA
MALCOLM, NEBRASKA

Exterior Structural Rating

<u>Activity</u>	<u>Sound</u>	<u>Deficient (Minor)</u>	<u>Deteriorating</u>	<u>Dilapidated</u>	<u>Number of Structures</u>	<u>Deteriorating and/ or Dilapidated</u>
Single Family	87	26	18	12	143	30
Commercial	0	4	6	4	14	10
Industrial	0	2	3	2	7	5
<u>Other</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	2	<u>0</u>
Totals	88	33	27	18	166	45
Percent	53.0%	19.9%	16.3%	10.8%	100.0%	27.1%

Source: Hanna:Keelan Associates, P.C., 2009

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2) Existence of Defective or Inadequate Street Layout

The street pattern within the southern half of the Malcolm Redevelopment Area consists of a standard rectilinear grid system of both hard surfaced and gravel surfaced roads, while the northern half of the Redevelopment Area consists of a non-traditional street layout with larger lots and irregular block sizes. State Highway 55M generally splits the southern half of the Village in half from southeast to northwest. A majority of the Community lies on the north side of the Highway. Major condition issues that contribute to the Factor of existence of defective or inadequate street layout are discussed below.

1. **Conditions of Gravel Roads**

The southern half of the Village of Malcolm, with the exception of the Beckman Subdivision, consist primarily of gravel surfaced roads which were determined to be in "fair" to "poor" condition. A total of 67 (36.2 percent) of the total 185 parcels front on gravel-surfaced roads that are in "fair" or "poor" condition. Periods of inclement weather, coupled with heavy vehicular traffic can be detrimental to both Community and rural area road conditions. Rural roads located within identified growth areas will need hard surfaced roads to support Community growth and expansion.

2. **Lack of Adequate Access**

All streets in the southern half of the Redevelopment Area, with the exception of State Highway 55M and the Beckman Subdivision are gravel surfaced and contain open storm water drainage ditches, which may generate heavy dust clouds and ambient dust conditions, or harbor pests and vermin detrimental to health and human safety.

The incorporated area south of State Highway 55M can only be accessed via Lincoln or Exeter Streets, as all other streets south of the Highway are dead end streets. If issues such as flooding or a vehicular accident were to occur, residential homes could potentially be completely cut off from accessing the Highway or other parts of the Community, thus disrupting normal circulation on Village roads.

3. Dead End Streets

Streets within the Village of Malcolm are capable of being extended to allow for future development and growth. North Lincoln Street, in the central area of the Village, has the potential to be extended further north, while Education Drive, near the northern Corporate Limits of the Village, has the potential to be extended eastward and connect with East Street, in the eastern portion of the Village.

Conclusion

The existence of defective or inadequate street layout in the Malcolm Redevelopment Area is present to a reasonable degree and constitutes a blighting factor.

(3) **Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness**

Building use and condition surveys, the review of property ownership and subdivision records and field surveys resulted in the identification of conditions associated with faulty lot layout in relation to size, adequacy and accessibility, or usefulness of land within the Redevelopment Area. The problem conditions include:

1. **Inadequate Lot Size.**

Lengths of individual parcels, within the northern half of the Community, including "Prairie Hills Addition" (Including Prairie Hills Replat, Addition Number Two and 3rd Addition) and "Hudkins Addition" range in depth from 96' to 148', and in width from 66.5' to 125'. These lot sizes follow the modern trend for what is needed in land development.

Individual lots within blocks located in the southern half of the Community are approximately 50' x 140', where the predominant land use is single family residential and commercial. Typical lot sizes in residential subdivisions platted in the late 1800's to early 1900's, were generally 50' x 140', small by today's residential development standards. This has led to multiple lots being purchased in order to sufficiently support a structure or home. In some cases, a series of lots have been purchased and split in half, parallel to the block's alley, in an effort to increase the density of development in the given area.

2. **Limited Accessibility**

Several lots in the southern bortion of Malcolm, specifically south of State Highway 55M, front on dead end streets. If issues such as flooding or a vehicular accident were to occur, residential homes could potentially be completely cut off from accessing the Highway or other parts of the Community. This could create an unsafe and even hazardous situation in the Village.

Conclusion

Problems relating to faulty lot layout are present to a strong extent in the Redevelopment Area.

(4) Unsanitary and Unsafe Conditions

The results of the area-wide field survey, along with information retained from Village Staff provided the basis for the identification of unsanitary and unsafe conditions within the Malcolm Redevelopment Area.

1. Age of Structures

The analysis of all 166 structures in the Redevelopment Area identified approximately 37.9 percent of the structures as being 40+ years of age, built prior to 1969. This results in the potential for deteriorating buildings and other structures with deferred maintenance.

2. Deteriorating Buildings

The deteriorating or dilapidated conditions cited in this Study were prevalent in 45 (27.1 percent) of the existing structures. Structures in this condition can result in hazards which endanger adjacent properties.

3. Age of Water and Sanitary Sewer Systems

The Village of Malcolm staff estimate that the water mains in the Community range from 4" to 8" in diameter and from nine to 45+ years of age. The older pipes are prone to breakage and frequent maintenance. Adequately sized water mains, by current engineering standards, for both fire protection and service, recommend no smaller than 6" in diameter for residential service areas and no smaller than 8" in commercial and industrial areas. Sanitary sewer mains in the Community are 6" in diameter. The Village's water tower and sewer plant were both installed in 1974 and subject to repair with aging.

Conclusion

Unsanitary and unsafe conditions are present to a strong extent throughout the Redevelopment Area.

(5) Deterioration of Site or Other Improvements

Field observations were conducted to determine the condition of site improvements within the Malcolm Redevelopment Area, including the right-of-ways of State Highway 55M and County Roads, storm water drainage ditches, traffic control devices and off-street parking. The **Appendix** documents the present condition of these site features. The primary problems in the Redevelopment Area are age and condition of public utilities and Village streets and inadequate public improvements.

A total of 43, or 23.2 percent of the total 166 parcels within the Redevelopment Area received an overall site condition rating of "fair," while an additional six parcels (3.2 percent) received a "poor" rating. Conditions that lead to these findings included:

- A total of 141 (76.2 percent) of the parcels lacked sidewalks and a total of 71 (38.4 percent) parcels fronted on streets that were in "fair" or "poor" condition.
- The field survey identified 35 (19 percent) of the total 185 parcels as having parking areas that were gravel surfaced, while 67 (36.2 percent) of the total parcels fronted on streets or roads that are gravel surfaced and generally in "fair" condition (51 parcels, 27.6 percent fronted on streets in "fair" condition).
- Lastly, 27 (16.3 percent) of the total 166 structures were identified as deteriorating and 18 (10.8 percent) of the structures were found to be dilapidated. Together, these structures amount to 27.1 percent of the buildings throughout the Redevelopment Area, as being in need of rehabilitation, or, potentially, if too dilapidated and cost prohibitive to restore, considered for demolition and replacement.

Conclusion

Deterioration of site improvements is present to a reasonable extent in the Redevelopment Area.

(6) Diversity of Ownership

The total number of unduplicated owners within the Redevelopment Area, is estimated to be 168 individuals, partnerships or corporations. This diversity is established on a block-by-block basis. The number of owners within the developed portions of the Redevelopment Area range from two to 16 per platted Village block or unified area. The northern half of the Community contains some of the highest number of owners per block. This is due to several of the blocks in newer subdivisions having individual areas with up to 22 lots, while the older portions of Malcolm have a standard 12 lots per block. Lots in the "Prairie Hills Addition" (Including Prairie Hills Replat, Addition Number Two and 3rd Addition) and "Hudkins Addition" range in depth from 96' to 148', and in width from 66.5' to 125'. These lot sizes follow the modern trend for what is needed in land development.

There are several publicly owned lands within the Redevelopment Area and when considered in combination with State Highway 55M, Lancaster County roads and associated local public right-of-ways, utilize significant portions of land.

The necessity to acquire numerous lots can be a hindrance to redevelopment, especially in the commercial Downtown areas of communities where lot widths are historically the smallest of any within a community. However, land assemblage of larger proportions is necessary for major developments, is more economically feasible and will attract financial support, as well as public patronage required to repay such financial support. Such assemblage is difficult without public intervention.

Conclusion

The factor "diversity of ownership" is a strong presence in the Redevelopment Area.

(7) Tax or Special Assessment Delinquency Exceeding the Fair Value of the Land

An examination of public records was conducted to determine the status of taxation of properties located in the Malcolm Redevelopment Area. Real estate is taxed at approximately 98 percent of fair value, rendering it almost impossible for a tax to exceed value in a steady real estate market. If a badly dilapidated property was assessed/valued too high, a public protest system is designed to give the owner appropriate relief and tax adjustment.

1. Real Estate Taxes

Public records were examined for the purposes of determining if delinquent taxes were currently outstanding on parcels within the Redevelopment Area. The records indicated that **only one** parcel in the Redevelopment Area was classified as delinquent by Lancaster County (\$3,159.81 of valuation).

2. Real Estate Taxes

The tax values within the Redevelopment Area generally appeared to be equal to or greater than the market value of the properties. The proposed 2009 total estimated assessed evaluation of real property in the Redevelopment Area, for the incorporated area of Malcolm is \$19,701,900.

3. Tax Exempt

Several tax exempt properties exist throughout the Redevelopment Area; approximately 22 single or multiple lot areas are identified by the Lancaster County Assessor and Treasurers Offices as having full exemption from property taxes, while no single or multiple lot areas are identified as having partial exemption.

Conclusion

Taxes or special assessments delinquency were of no presence throughout the Redevelopment Area.

(8) Defective or Unusual Condition of Title

Whenever land is sold, mortgaged, or both, a title insurance policy is typically issued, at which time any title defects corrected. Once title insurance has been written, all other titles in the same subdivision or addition will only have to be checked for the period of time subsequent to the creation of the addition or subdivision, as everything previous is the same and any defects will already have been corrected. Thus, the only possibility for title problems are from improper filings, since platting on properties that have not been mortgaged or sold is very small.

Conclusion

Examination of public records does not provide any basis for identifying any defective or unusual conditions of title. Such few conditions as may exist would contribute to neither any existing problems nor to difficulty in acquisition or redevelopment and are therefore not found to exist at a level large enough to constitute a Blighted Factor in the Malcolm Redevelopment Area.

(9) Improper Subdivision or Obsolete Platting

An in-depth analysis of the subdivision conditions in the Malcolm Redevelopment Area revealed that improper subdivision and obsolete platting is prevalent throughout the Area.

The majority of the residential parcels within the core or southern portion of the Community are approximately 44' x 124' (5,456 sq.ft.) and are generally considered small by current development trends, where the widths of individual parcels are typically 100' or more. Irregularly shaped lots utilized for residential land uses surround and incorporate the Community's Downtown area, along both sides of West Second Street from the State Highway 55M corridor to South Exeter Street, as well as on South Lincoln Street between West Second Street and State Highway 55M. In some cases, specifically with the smaller lot sizes in the southern half of the Community, a series of lots have been purchased and split in half, parallel to the block's alley, in an effort to increase the density of development in the given area.

Residential lots in the Northern portion of Malcolm, or subdivisions such as the "Prairie Hills Addition" (Including Prairie Hills Replat, Addition Number Two and 3rd Addition) and "Hudkins Addition" are larger and more suitable for today's development standards.

Growth areas to the north and northeast and east will need to support the planned development of subdividing of existing large, irregular tracts of land, currently utilized for agricultural purposes. In the past, lands to the east of Malcolm have been incrementally subdivided as individual lots have been split off large irregular tracts. This process potentially limits the natural growth of a community by not planning for the ability of the Village to grow through and beyond individual properties. Considering the fact that the potential for growth in the Village is most likely to happen in these areas, as agricultural lands south of the southern corporate boundary lie very close or within 100-year flood plain lands.

Inadequately sized parcels has and will continue to inhibit development without publicly supported programs that provide incentives for reinvestment in this Area.

Conclusion

A strong presence of improper subdivision or obsolete platting exists throughout the Redevelopment Area.

(10) **The Existence of Conditions Which Endanger Life or Property by Fire and Other Causes**

1. Frame Buildings

There are wood-framed buildings with wooden structural elements, located throughout the Redevelopment Area. Many of these buildings are in need of structural repair and/or fire protection, and have been determined to be deteriorating or dilapidated. The field survey identified that approximately 24 (or 14.5 percent) of the 166 total structures have substandard porches, steps and fire escapes.

2. Lack of Adequate Utilities

The Village of Malcolm staff estimate that the water mains in the Community range from 4" to 8" in diameter and from nine to 45+ years of age. The older pipes are prone to breakage and frequent maintenance. Adequately sized water mains, by current engineering standards, for both fire protection and service, recommend no smaller than 6" in diameter for residential service areas and no smaller than 8" in commercial and industrial areas. Sanitary sewer mains in the Community are 6" in diameter. The Village's water tower and sewer plant were both installed in 1974 and are subject to repairs as they age.

Specific data relating to the Redevelopment Area is discussed in the following paragraphs.

Minor and major debris located on nine parcels (4.9 percent) is fairly significant and poses a potential fire hazard, as well as a place to harbor pests, which can be detrimental to the public's overall health and safety.

Approximately 37.9 percent of the structures, in the Redevelopment Area, were built prior to 1969, thus 40+ years of age. There are wooden and masonry buildings with wooden structural elements, located throughout the Area. Many are in need of structural repair or fire protection, and have been determined to be deteriorating or dilapidated.

Overall site conditions at properties located throughout the Redevelopment Area were generally found to be in “good” or “fair” condition. While the field survey determined that 125 properties, or 67.6 percent of the 185 surveyed properties were found to be in “good” condition, 43 parcels, or 23.2 percent were in “fair” condition and six parcels (3.2 percent) were in “poor” condition. This overall condition rating included the evaluation of the general condition of structures and road and site improvements.

Conclusion

The conditions which endanger life or property by fire and other causes are strongly present throughout the Redevelopment Area.

(11) Other Environmental and Blighting Factors

The Nebraska Community Development Law includes in its statement of purpose an additional criterion for identifying blight, viz., "economically or socially undesirable land uses." Conditions which are considered to be economically and/or socially undesirable include: (a) incompatible uses or mixed-use relationships, (b) economic obsolescence, and c) functional obsolescence. For purpose of this analysis, functional obsolescence relates to the physical utility of a structure and economic obsolescence relates to a property's ability to compete in the market place. These two definitions are interrelated and complement each other.

Very few public improvements have occurred throughout the Malcolm Redevelopment Area, in the past several years. Without some type of public assistance and coordination of effort, difficult challenges will be rendered for future value added community and/or economic development projects to be successful ventures. Numerous problems or obstacles exist for comprehensive redevelopment efforts by the private sector in the Redevelopment Area; problems that only public assistance programs can help remedy. These include removal of substantially dilapidated structures and nonconforming land uses.

Parcels located in the southern half of the Village of Malcolm, particularly south of Wright Street, with the exception of the Beckman Subdivision and the Downtown, currently lack modern water and sanitary sewer systems. Additionally, other areas of the Community are serviced with water mains that range between 4" to 8" in diameter and from nine years to 45+ years in age. The Village's water tower and sewer plant were both installed in 1974. **The Village has specifically identified issues with low water pressure, manganese and iron deposits and water discoloration in the Community's water system.**

Several structures in the Downtown and southern half of the Redevelopment Area within Corporate Limits contain commercial buildings that are functionally and economically obsolescent. Several streets in this section of the Village are not hard surfaced, making for poor street and ambient dust conditions. The Redevelopment Area currently lacks necessary infrastructure required to facilitate future developments. Graveled roads and open storm water drainage ditches will need to be improved prior to, or in conjunction with any development activities.

Conclusion

Other Environmental, Blighted Factors are present to a reasonable extent throughout the Malcolm Redevelopment Area. The Redevelopment Area contains a fair amount of functionally obsolete structures and a variety of mixed/nonconforming land uses.

(12) Additional Blighting Conditions

According to the definition set forth in the Nebraska Community Development Law, Section 18-2102, in order for an area to be determined "blighted" it must (1) meet the eleven criteria by reason of presence and (2) contain at least one of the five conditions identified below:

1. Unemployment in the designated blighted and substandard 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 plotted and subdivided property in the area is unimproved land that has been within the Village for forty years and has remained unimproved during that time;
4. The per capita income of the designated blighted and substandard area is lower than the average per capita income of the Village or Village in which the area is designated; or
5. The area has had either stable or decreasing population based on the last two decennial censuses.

One of the aforementioned criteria is prevalent throughout the designated blighted areas.

The average age of the residential or commercial units in the area is at least forty (40) years.

According to the field survey, the estimated average age of the residential structures is 34.3 years of age, while the average age of commercial structures is 58 years of age.

Conclusion

The criteria of average age of commercial units is over 40 years of age as one of five additional blighting conditions is strongly present throughout the Malcolm Redevelopment Area.

DETERMINATION OF REDEVELOPMENT AREA ELIGIBILITY

The **Malcolm Redevelopment Area** meets the requirements of the Nebraska Community Development Law for designation as both a "blighted and substandard area." There is at least a reasonable distribution of all **four** factors that constitute the Area as substandard. Of the 12 possible factors that can constitute an Area blighted, **10** are at least reasonably present in the Redevelopment Area. Factors present in each of the criteria are identified below.

Substandard Factors

1. Dilapidated/deterioration.
2. Age or obsolescence.
3. Inadequate provision for ventilation, light, air, sanitation, or open spaces.
4. Existence of conditions which endanger life or property by fire and other causes.

Blighted Factors

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. Unsanitary or unsafe conditions.
5. Deterioration of site or other improvements.
6. Diversity of Ownership
7. Improper subdivision or obsolete platting.
8. The existence of conditions which endanger life or property by fire or other causes.
9. Other environmental and blighting factors.
10. One of the other five conditions.

Although all of the previously listed Factors are at least reasonably present throughout the Malcolm Redevelopment Area, the conclusion is that the faulty lot layout, insanitary and unsafe conditions, lack of modern infrastructure systems, deterioration of site or other improvements and the existence of conditions which endanger life or property by fire or other causes are a sufficient basis for designation of the Redevelopment Area as blighted and substandard.

The extent of Blight and Substandard Factors in the Redevelopment Area, addressed in this document, are identified in **Tables 1 and 2**, located on **Pages 5 and 7** respectively. The eligibility findings indicate the Redevelopment Area is in need of revitalization and strengthening to ensure it will contribute to the physical, economic and social well-being of the Village of Malcolm and support any value added developments. Indications are, the Area, on the whole, has not been subject to comprehensive, sufficient growth and development through investment by the private sector nor would the areas be reasonably anticipated to be developed without public action or public intervention.