

*Invitation for Redevelopment Proposals for
the Canopy and P Streets Premier Corner Lot
in Downtown Lincoln, Nebraska*



July 12, 2012

*City of Lincoln
Urban Development Department*

**Canopy and P Streets Premier Corner Lot Project
INVITATION FOR REDEVELOPMENT PROPOSALS**

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I. INTRODUCTION

The Urban Development Department of the City of Lincoln, serving as the City’s Community Redevelopment Authority and pursuant to State Community Development Law, Chapter 18, Article 21 of Nebraska Revised Statutes, is seeking redevelopment proposals to redevelop the Canopy and P Streets Premier Corner Lot Project Area located on the northeast one-quarter of the block between the future Arena Drive and the future Canopy Street, and between O Street and P Street in Downtown Lincoln. Interested developers or development teams are encouraged to submit proposals for the redevelopment of this premier site.

The West Haymarket Joint Public Agency owns the Canopy and P Streets Premier Corner Lot site (see Figure C). The future building will front along Canopy Street, which will be constructed as part of the Pinnacle Bank Arena and West Haymarket Project. The JPA expects to construct a public parking facility west of the site between the property and the future Arena Drive.

This IFRP is the newest opportunity for redevelopment in the Haymarket.

Background

Lincoln is a City of 258,373, up over 14 percent from 2000. The City has generally enjoyed a steady annual growth rate of over one percent for the past 20 years.

The City is located on Interstate 80, midway between Denver and Chicago. (See Figure A.)

The City of Lincoln has received a variety of national accolades recently, including

- One of the ten “Best Places in the U.S. to Locate a Company,” from Expansion Management magazine
- #5 for the “Best Small Places for Business & Careers” from Forbes.com, 2010
- One of the “50 Best Small Metro Areas for Growing & Starting a Business,” by Inc. magazine
- #4 for “Best Overall Business Climate Among Smaller Metro Areas,” Forbes Magazine
- One of the Ten “Best Places to Launch a Small Business,” Fortune, 2009
- #1 for job prospects in the Employment Outlook Survey, Manpower, fourth-quarter 2009
- The Second-Happiest City in the U.S., Gallup, 2011
- #9 for “America’s Most Livable Cities” from Forbes, 2010
- “Five Star Community” from the editors of Expansion Management magazine
- One of the Top 25 Most Literate Cities, Central Connecticut State University, 2009
- One of “LHJ's Best Cities for Women,” Ladies Home Journal
- One of the “Best Cities for Families,” from Child magazine
- One of the “Best Sports Cities,” by Sporting News
- #2 in best prospects for a housing recovery, Forbes, 2009
- #3 in the most affordable market for first-time home buyers, Cyberhomes.com, 2009

Lincoln’s Downtown is a thriving, mixed-use district with approximately 27,000 employees and two million visitors annually. The site is in Downtown Lincoln’s premier destination district, the Historic Haymarket, which borders Downtown to the west. Downtown’s southern boundary includes the architecturally significant State Capitol building, as well as other state and local government campuses. To the east of Downtown is a major \$200 million urban revitalization project, the Antelope Valley Project, which has expanded the boundaries of Downtown. The University of Nebraska-Lincoln Campus forms the northern boundary of the Downtown. Many University facilities, including Memorial Stadium, Haymarket Park, the

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Lied Center for Performing Arts, Love Library, Sheldon Memorial Art Gallery, Wick Alumni Center, numerous dormitories and student housing units, and teaching and research facilities are located within a few blocks of the project site. The site is close to offices, retail shops and restaurants, hotels, and tourist attractions. (See Figure B.)

Recently completed private reinvestment in Downtown Lincoln totals over \$175 million. Included in this total are a 250-room Embassy Suites Hotel opened in 2000; the Lincoln Children's Museum opened in 2001; the Grand Theater, a 14-screen movie complex opened in 2004; the Assurity Office Building in 2011; and, several new housing developments that offer rental and ownership opportunities. Another \$165 million in additional private reinvestment is currently or about to be underway in Downtown, including the West Haymarket residential, commercial, office, and hotel; Marriot hotel and Tool House residential and hotel in North Haymarket; Color Court office buildings and Telesis/Meadowgold office and industrial complex in South Haymarket; Catalyst One residential/commercial/parking structure and Farmer's Mutual Office Building in central Downtown, and numerous other housing and commercial investments. Additional public investments in process include the substantial rehabilitation of the Centennial Mall, design and construction of the Civic Plaza at 13th and P Streets, completion of the Antelope Valley Roadway and flood mitigation project, Pinnacle Bank Arena and related infrastructure, the downtown street resurfacing project, and numerous other street, streetscape, and infrastructure improvement projects.

The West Haymarket Arena project will be the largest single public investment in the history of Downtown Lincoln, which will be met with significant private investment as well. While the City saw a brief hiatus from the financing of private projects in 2008 and 2009, the City has since rebounded dramatically. From 2000 to 2015, the City is expecting to benefit from over **\$1 billion** in public and private investment in the Downtown area alone, and we expect the Canopy and P Streets Premier Corner Lot project is expected to be part of that total.

Recent Planning / Market Studies

In September 2005, the City of Lincoln adopted a Downtown Master Plan. This was the first comprehensive planning process undertaken in Downtown Lincoln since 1975 and establishes a blueprint for the development of Downtown Lincoln for the next 20 years. The Master Plan identifies South Haymarket as a future area for substantial reinvestment, including the extension of infrastructure to support the Pinnacle Bank Arena and West Haymarket Redevelopment Project. This Master Plan can be found on the City web site at www.lincoln.ne.gov/city/plan/dt_plan/report/index.htm.

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In conjunction with the Downtown Master Plan, Economics Research Associates conducted a long term market analysis for the next 20 years of Downtown Lincoln's growth. The report projected a demand for more than 2,200,000 square feet of office space, 600,000 square feet of retail space, 1,000 new hotel rooms, and 2,000 new residential units in the Downtown area by 2020. ERA's Market analysis can be found at www.lincoln.ne.gov/city/plan/dt_plan/mtg/101304/era.pdf

In 2012, the City of Lincoln adopted an update to the 2005 Downtown Master Plan. This update may be found at http://lincoln.ne.gov/city/plan/dt_plan/DMPUpdate.htm.

II. DESCRIPTION OF SITE

The Canopy and P Streets Premier Corner Lot is located on the northeast one-quarter of the block between the future Arena Drive and the future Canopy Street, and between O Street and P Street, a prominent location along the primary entertainment street to the West Haymarket Arena in Downtown Lincoln.

Current Building and Site Data

The parcel area will be approximately 148 feet by 215 feet, for a building footprint of 31,820 square feet. The height limitation on the site is 75 feet. See Figure C for a general site plan.

The site is adjacent to the future site of one of three West Haymarket Parking Garages. The Garage could accommodate over 900 stalls.

Zoning and Design Standards

The Canopy and P Street Premier Corner Lot will be located within a "B-4" (Lincoln Center Business District) zoning district.

The project is adjacent to the Historic Haymarket District. A joint committee of the Historic Preservation Commission and Urban Design Committee is the review and enforcement authority. This body will review the conformance of any proposed project with the West Haymarket Integrated Development Plan (IDP), Downtown Design Standards, and the Historic Haymarket District.

The project is subject to Downtown Design Standards. Additional requirements that specifically impact the any new construction are:

- The maximum height for new construction is 75 feet.
- Durable, high quality, authentic building materials will be required.
- Overall compatibility with surrounding buildings and interrelationships within each setting is encouraged. Factors to consider in the compatibility of design include: alignment, setback, spaces between

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buildings, massing and scale, shade and shadow patterns, scale and proportion of openings for doors and windows, ornamentation and detail, cornice heights, etc.

The zoning in this general area encourages “build to” development where the entire lot is built out to the property line. The building can be open to the alley for services and “community” space.

City of Lincoln Downtown Design Standards can be found on the City’s website at <http://lincoln.ne.gov/city/attorn/designs/ds376.pdf>.

The West Haymarket IDP can be found on the City’s website at <http://lincoln.ne.gov/city/plan/what/idp/idprpt.pdf>.

III. PROJECT OBJECTIVES

The redevelopment of the site should:

- Be compatible with the planned programming and design of Canopy Street, as shown in the IDP and in West Haymarket streetscape design plans, with retail uses, on-street parking, and no driveway access to Canopy.
- Provide active street-level uses, including a minimum of 7,400 square feet of first-floor retail along the 148 foot frontage of Canopy, and an additional 2,500 square feet first-floor retail with access to the frontage of P Street.
- Provide a minimum of 75,000 square feet of leasable office space, in a minimum four-story building, with a preference for a building that is designed to the 75 foot maximum height limit.
- Plan for the use of the alley for back-of-house operations or other vehicular access to the site, with no on-site parking.
- Plan for the use of the garage for long-term and short-term parking needs.
- Enhance Downtown, West Haymarket, and the Historic Haymarket District through compatible design and uses.
- Strengthen Downtown as the Residential/Employment/Entertainment/Cultural District of the City.
- Meet the intent of the Lincoln Center Redevelopment Plan and Downtown Master Plan.

The Downtown Master Plan and the Lincoln Center Redevelopment Plan serve as guides for the redevelopment of Downtown. These documents may be found at www.lincoln.ne.gov/city/plan/dt_plan/report/index.htm and <http://lincoln.ne.gov/city/urban/reports/Lincoln-center.htm> respectively. The project must be consistent with these two plans.

The Canopy and P Streets Premier Corner Lot Project is expected to be a catalyst for reinvestment in the surrounding area.

IV. SUBMITTAL REQUIREMENTS

Each developer submitting a proposal for the Canopy and P Streets Premier Corner Lot Site must submit documentation as identified in the following material. The documentation submitted will be used to evaluate proposals and select the preferred developer(s) with whom the City and the Joint Public Agency intends to negotiate a land lease or purchase and negotiate a redevelopment agreement. The documentation should be at a level of detail that provides an opportunity for an accurate evaluation of the proposal.

In assembling the required documentation, reference should be made to the criteria that will be used in the selection process. Those criteria are outlined in Section VI in this IFRP. The selected developer(s) will be required to provide more detailed information during the negotiation process.

A. THE DEVELOPER / DEVELOPMENT TEAM

The developer will be the one with whom the City and the Joint Public Agency will negotiate the sale of the land and the redevelopment agreement. The development team may include the developer, architecture firm, engineering firm, financial institution and/or funding entities, etc. The more defined the developer and the development team is before the submittal of the proposal, the greater the City and the JPA's ability to understand with whom we will negotiate and from whom we will request information.

Identify the developer(s), including all members of a team or teams of developers, role, and background experience of members, including identification of comparable successful projects completed by team members.

B. PROJECT PLANS

- Identification of the intended use of the proposed liner building.
- Quantification of uses (e.g., number of square feet of commercial space, number and size of residential units).
- Narrative description of design proposed and the manner in which the objectives of the IFRP and the design guidelines identified in the Downtown Design Standards, Historic Preservation Standards, and Downtown Master Plan will be addressed.

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- Preliminary schematic designs of the project, including site plans.

All proposals are subject to the Lincoln/Lancaster County Comprehensive Plan, City of Lincoln Downtown Master Plan, City of Lincoln Downtown Design Standards and Historic Preservation Design Standards, applicable City codes and ordinances, and other guidelines. If the developer expects or requires any variances to these plans, codes, or guidelines, please list them in the submittal. Each can be found on the City's website at:

Comprehensive Plan: <http://lincoln.ne.gov/city/plan/lplan2040/index.htm>

Downtown Master Plan: www.lincoln.ne.gov/city/plan/dt_plan/report/index.htm

Design Standards: <http://lincoln.ne.gov/city/attorn/designs/contents.htm>

specifically:

Downtown Design Standards: <http://lincoln.ne.gov/city/attorn/designs/ds376.pdf>

Historic Preservation: <http://www.lincoln.ne.gov/city/attorn/lmc/ti27/ch2757.pdf>

City Code: <http://lincoln.ne.gov/city/attorn/lmc/index.htm>

As part of the review process, the developer(s) may be required to submit additional architectural detail. Models are not a required component of the plan submittal.

C. PROJECT FINANCIAL PLAN

The following information is necessary for the City to evaluate the viability of the project and to analyze the developer's ability to complete and operate the project:

1. **Pro forma statement** – The project proposal should include a preliminary financial statement that provides a detailed outline, to the extent possible, of the projected development and operating cash flows and fiscal impact of the project and the requested public investment. At a minimum the pro forma should include:
 - a. a development summary identifying the estimated hard and soft costs associated with the development;
 - b. the revenues and expenses expected from project operations (or expected operational budget);
 - c. the financing structure of the development, both construction and permanent;
 - d. the amount of equity (or financial contribution) and likely sources;
 - e. the return on equity for the developer with and without public investment (for private entities).

2. **Other financial information** that will provide the City and the JPA with a better understanding of the proposed investment, including references.
3. **Justification for City's financial assistance – Tax**
Increment Financing may be available if the developer(s) can demonstrate clearly that without the financial assistance from the City, the project would not be feasible. The use of Tax Increment Financing is at the discretion of the City. The proposal should include a specific explanation of the type of financial assistance the developer(s) is requesting from the City. If the City and/or the JPA are being asked to finance construction of public improvements, then the estimated value of that commitment should be stated. For public investment, projects will need to show economic viability that insures repayment of debt service.
4. **Other Actions Requested** - If additional financial support or public action is required in order to make the project feasible, the proposal should include a specific explanation of the type and amount of financial assistance requested, a justification for such assistance, and/or a description of the public action required.

Following the selection of the developer(s), updated financial projections may be required for the negotiation of a redevelopment agreement and prior to the execution of the agreement.

D. SCHEDULE OF PERFORMANCE

The developer(s) should be prepared to implement the project in an expeditious manner. The City's proposed timeline for this project is to select the developer(s) within 30 days of the date proposals are due. The City, JPA, and the developer(s) will begin negotiations with a goal of securing an agreement in the Winter of 2012/2013.

A proposed schedule of performance should be provided that includes design, securing equity and debt financing, construction, lease-up, and any other critical milestones. This information can be presented in a simple bar chart.

E. AFFIRMATIVE ACTION PLAN

As part of doing business with the City, the developer(s) will be asked to demonstrate a commitment to equitably use minority and women-owned businesses. Therefore, as part of this proposal, the developer(s) should provide an affirmative action plan that details the specific steps intended to insure that contracting opportunities are made available to the MBE/WBE community.

F. CONTINGENCIES OF DEVELOPER

The developer(s) should state explicitly in the proposal any qualifications or limitations of the proposal and any and all known and anticipated contingencies that might affect the ability of the developer(s) to perform under the terms of the proposal.

VI. SELECTION PROCESS

A. PROCEDURE FOR SELECTION OF THE DEVELOPER(S)

In general, the City and the JPA will use the following selection procedure:

1. **Proposal submission** - The City will accept proposals at any time up to and including the submittal deadline of noon, August 15, 2012. **Ten copies of each proposal must be submitted to Mr. David Landis, Director, City of Lincoln Urban Development Department, 555 South 10th St., Lincoln, NE 68508.**
2. **Preliminary Review** - Upon receipt of the proposals, the City and the JPA will conduct a preliminary review of all the materials submitted. If the proposal contains all of the requested information, the City and the JPA will
 - a. perform preliminary due diligence on the developer(s) and submitted financial information; and,
 - b. determine if further studies are required in conjunction with the project.

If the proposal is incomplete, the City and the JPA will determine whether to consider the proposal for continued review.

3. **Selection Advisory Committee** –The Mayor will appoint a Selection Advisory Committee to evaluate the proposals. The committee will examine the proposal's fiscal impact to both

the private and public sectors, contextual integrity, and other factors as deemed relevant by the Mayor.

4. **Interviews** - The City and JPA, through the selection committee, will require that the developer(s) deemed most worthy of consideration participate in on-site interviews prior to recommending a developer for this project. The interview date is planned for August 21 or August 31.
5. **Selection Recommendation** - Once the developer(s) has addressed any milestones to be identified with the project and any additional studies, if needed, the selection committee will make comments and a recommendation on the proposals to the Mayor for his consideration.
6. **Project Selection** – The Mayor, upon receipt of the recommendations from the selection advisory committee, may select a developer of record at his discretion.

B. POST-SUBMISSION CHANGES/TRANSFERS

At any time after submission of a proposal for Canopy and P Streets Premier Corner Lot Project, the developer(s) may make substantial changes in the project or transfer or assign the proposal or any interest therein to another developer(s) with the written consent of the City. The City reserves the right to withhold consent or to impose conditions on such consent. As a condition to any consent, the original developer(s) of the project and the transferee may be required to demonstrate or certify to the City that except for the reimbursement of out-of-pocket expenses incurred in connection with the submission of the proposal, no compensation, remuneration, transfer fee or similar payment has been made in conjunction with such transfer or assignment.

C. AGREEMENT

If the City and the JPA enter into a redevelopment and/or purchase agreement with the selected developer(s), the agreement may include provisions addressing the following:

1. Description of the project and the City's and the JPA's rights regarding design approval and access;
2. Project construction and schedules of performance;
3. The City's and the JPA's and the developer(s)'s financing;
4. The City's and the JPA's fees and participating interest in the project;

5. Continuing financial disclosure relating to the project;
6. Signage;
7. Easements;
8. Insurance;
9. Indemnification of the City;
10. Anti-discrimination and affirmative action;
11. Default and termination;
12. Restrictions on use;
13. Restrictions on assignment and transfer; and,
14. Other customary and appropriate provisions.

The developer(s) will have exclusive negotiation rights after notification of selection for a period of up to 180 days in order to execute an agreement with the City and the JPA. During the negotiation period, either the City or the developer(s) may withdraw from negotiations, if either party determines that a satisfactory agreement is not likely to be reached. The City may extend the 180 days at its sole discretion.

D. CRITERIA FOR EVALUATING PROPOSALS

The City has established the following criteria upon which it will evaluate the proposals, and will select the developer(s) and proposal(s) which best meets these criteria. The City's determination of satisfactory compliance with the selection criteria will be conclusive.

1. **Relationship to general objectives**
 - Manner in which the proposal conforms to the City's and the JPA's goals as described in this Invitation for Redevelopment Proposals.
 - The manner in which the proposal conforms to the objectives in the Lincoln/Lancaster Comprehensive Plan and the goals outlined in the Downtown Master Plan.
 - Conformance with all applicable building and zoning ordinances and all other applicable City ordinances.
2. **Background and experience of the developer(s)**
 - Experience of the proposed developer who will be responsible for the project.
 - The success of the developer's past projects, especially projects which are similar to the proposed project.
 - The developer's property management experience including other similar projects.
 - The overall architectural and design quality of prior projects of the developer.

- The developer’s experience in working with public entities.
 - The developer’s history of the timeliness and completion of prior projects;
 - The developer’s history of completing projects as originally proposed; and,
 - Status of any litigation regarding the developer’s past projects.
3. **Financial capability of the developer**
- The developer’s ability to provide sufficient equity/financial support for the proposed project;
 - The developer’s ability to secure any necessary debt financing;
 - Evidence of the developer’s ability to fund the project until its completion; and,
 - Closing of permanent financing and project stabilization.
4. **Project specific criteria**
- The overall architectural and design quality of the project;
 - The relationship to the Downtown and Historic Haymarket;
 - The type and extent of public support, investment, and/or involvement required of the project;
 - The manner in which the proposed project responds to existing and future market/community needs;
 - Anticipated success and viability of the proposed project;
 - The extent to which the project will serve as a catalyst for other reinvestment in the Haymarket;
 - Projects similar to the proposed development in which the developer(s) was involved and the success of such projects; and,
 - The extent to which the developer(s) exhibits a commitment to implementing the project in a timely manner.
5. **Affirmative Action Criteria**
- The demonstrated willingness, ability, and commitment to involve minority and women-owned businesses at all levels of the development process.

E. REJECTION OF THE PROPOSALS

Any and all proposals may be rejected at any time at the sole discretion of the City and the City’s decision will be final. Automatic

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rejection will occur if the proposal has not been selected by the City within 180 days of the submission date. In addition, the proposal may be rejected for any of the following reasons:

1. The proposal was submitted past the deadline of 12:00 p.m. on August 15, 2012.
2. The proposal was incomplete upon submission; or
3. The City and the JPA and the developer(s) fail to execute a redevelopment agreement within 180 days of the date the developer(s) is selected.

F. MISCELLANEOUS INFORMATION

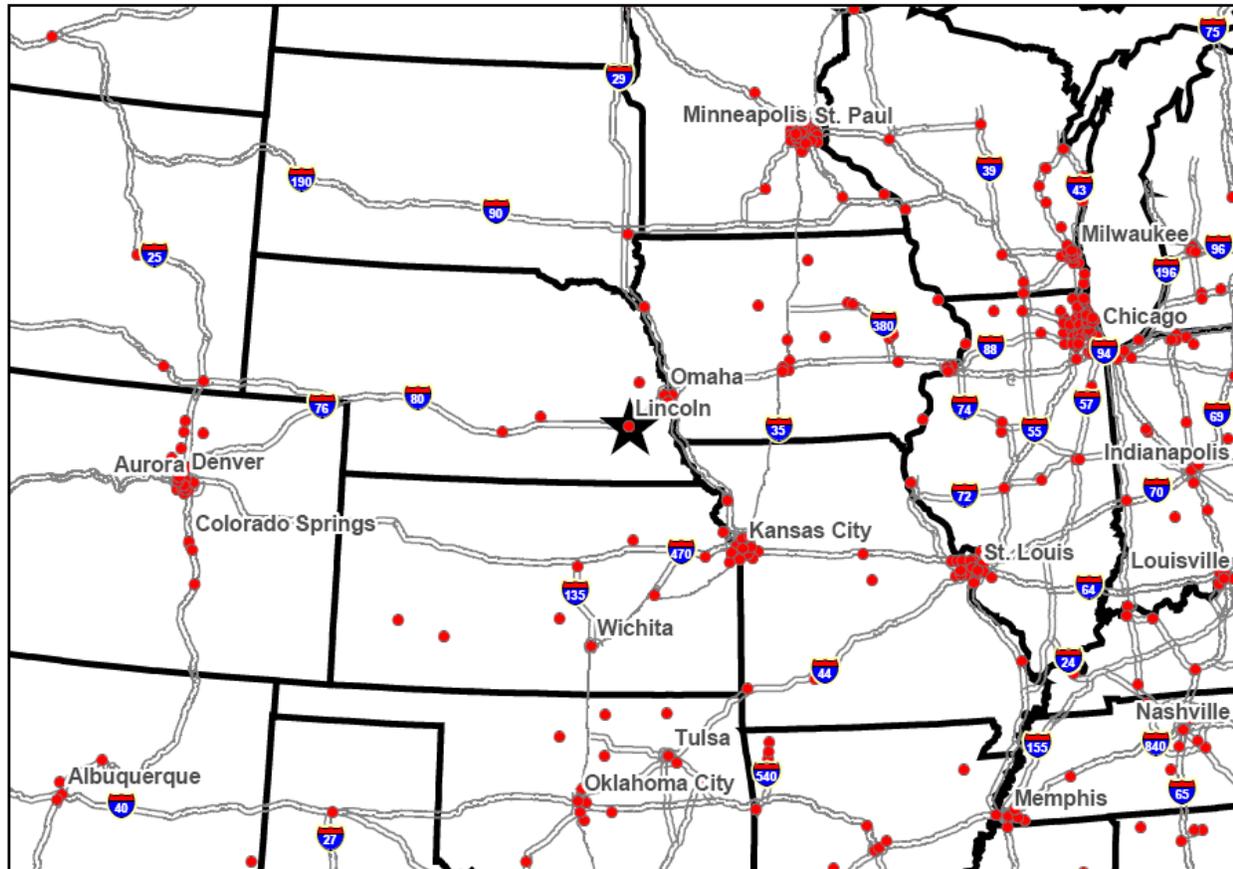
1. NON-REIMBURSEMENT OF COSTS

The purpose of this document is solely to solicit proposals for the Canopy and P Streets Premier Corner Lot Project in Downtown Lincoln. The City does not agree to assume, pay or reimburse any cost, expense or fees incurred by the developer(s) in connection with this solicitation.

Questions concerning the proposal submittal should be directed to: Urban Development Department, 555 South 10th Street, Lincoln, NE 68508. Questions addressed to David Landis will be accepted by Mail / Phone: (402) 441-7606 / Fax: (402) 441-8711 / e-mail: dlandis@lincoln.ne.gov.

APPENDIX

Figure A
Lincoln's Regional Context



Legend

- Cities over 25,000
- Freeway System (State)
- ▭ State Boundary



City of Lincoln
Urban Development GIS
Printed 12/2006

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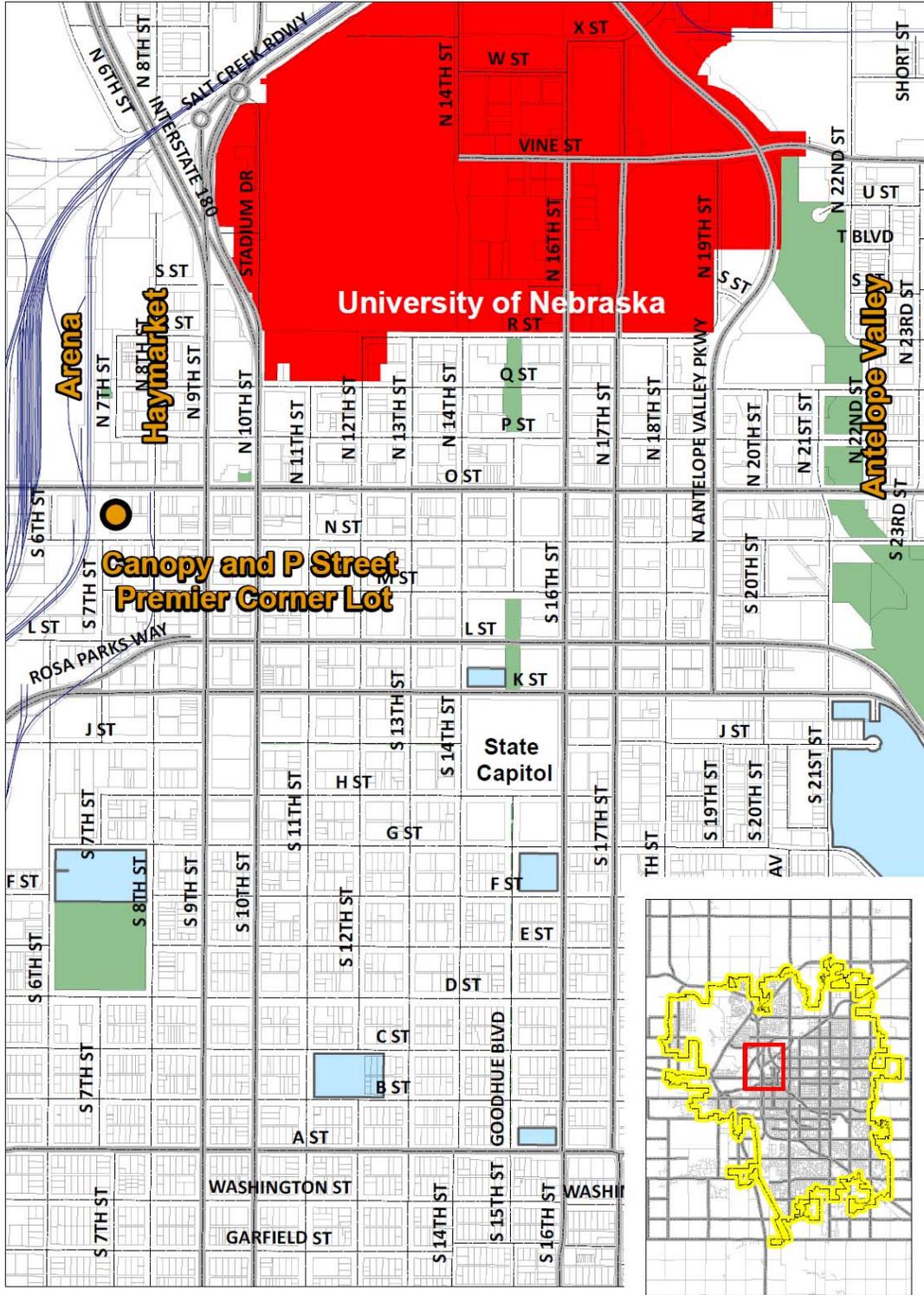


Figure B - Canopy and P Street Premier Corner Lot - Context Lincoln Nebraska

RR UNL Schools Parks Canopy and P Street Premier Corner Lot

City of Lincoln - Urban Development Department

Created by: UDD
Created on: 05/2012



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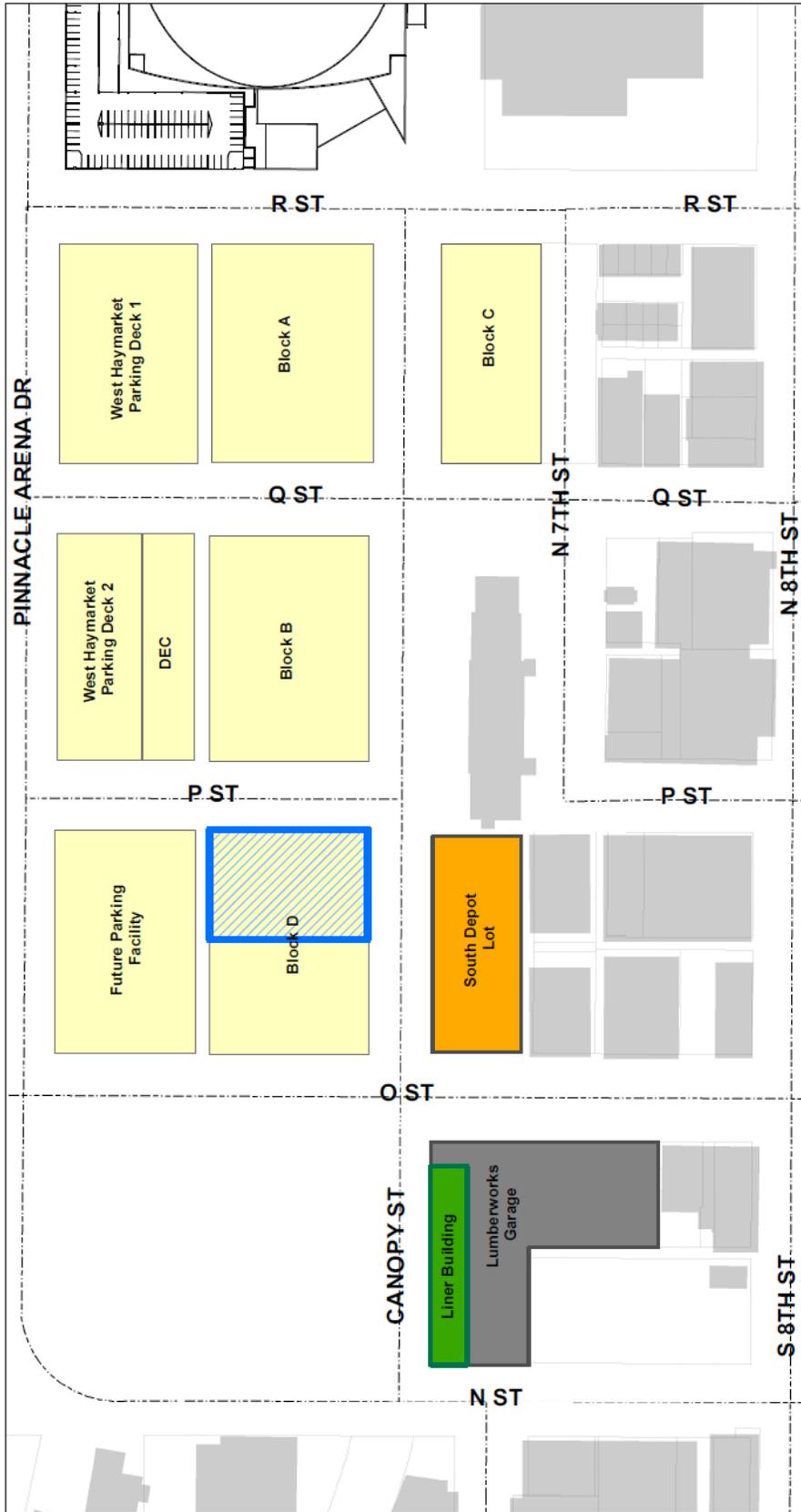


Figure C - Canopy and P Street Premier Corner Lot IFRP

Canopy and P Street Premier Corner Lot

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