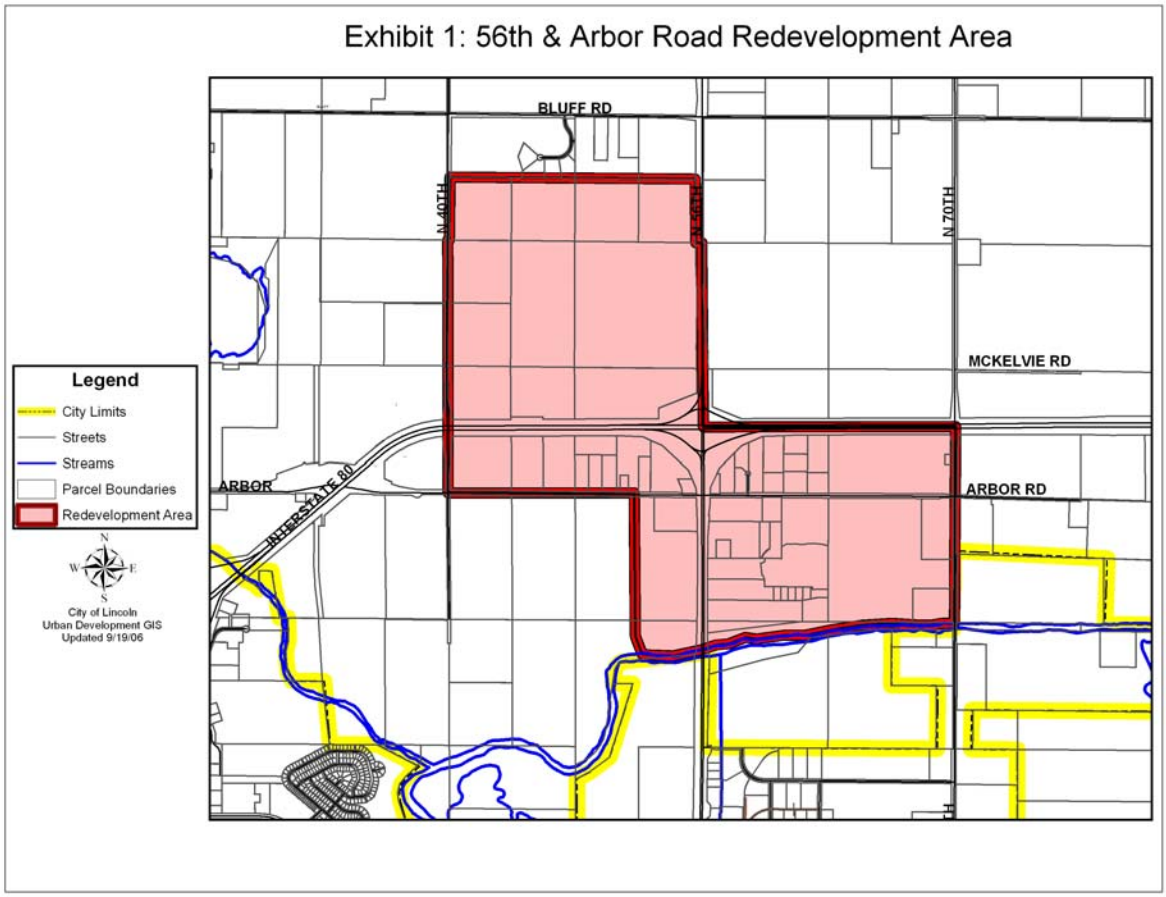
North 56th Street & Arbor Road Redevelopment Plan



Prepared by:

City of Lincoln, Nebraska
Urban Development Department
Coleen J. Seng, Mayor

Approved:
September, 2006

Amended:
September, 2008

Table of Contents

INTRODUCTION 1
Plan Requirements 4

EXISTING CONDITIONS 6
Land Use 6
Zoning 8
Structures 10
Road & Streets 10
Utilities 11
Flood Plain/Storm Water 13
Sidewalks 13
Street Lights 14
Trails 14
Blight and Substandard Determination Study 14

REDEVELOPMENT PLAN 17
Guiding Principles 17
Redevelopment Activities: Public Improvements 19
Redevelopment Activities: Industrial and Commercial 21
Sub-Project Areas 25
Future Land Use 25
Redevelopment Processes 28
Estimated Expenditures 28
Conformance with Comprehensive Plan 29
Financing 29

APPENDICES
Appendix A: Land Acquisition Policy Statement A-1
Appendix B: Relocation Assistance B-1
Appendix C: Land Disposition Procedures C-1
Appendix D: Parcels to be Acquired, Commercial and Industrial Structures D-1

List of Exhibits

Exhibit 1 Redevelopment Area 3
Exhibit 2 Existing Generalized Land Use 7
Exhibit 3 Existing Zoning 9
Exhibit 3a NCS Equipment Project Site 23
Exhibit 4 Project Sub-Areas: Commercial/Industrial Redevelopment Activities 26
Exhibit 5 Future Land Use 27

List of Tables

Table 1 Redevelopment Activities within Sub-Project Areas 25
Table 2 Project Expenditure Summary 29

Introduction

The *North 56th Street and Arbor Road Redevelopment Plan* is a guide for redevelopment activities within the Redevelopment Area. Exhibit 1, on page 3, illustrates the location of the area within the broader context of the City of Lincoln. The boundaries are generally Bluff Road on the north, Salt Creek on the south, 70th Street on the east, and North 40th Street on the west. Located in northeast Lincoln, the North 56th Street corridor is an entryway that introduces both visitors and residents to Lincoln. The area consists primarily of commercial and industrial uses as well as a sizeable amount of undeveloped land. Eleven single family houses are located in the area, six of which are old farmsteads, and the average age is 72 years. The Redevelopment Area contains approximately 1,873 acres.

Entryway corridors are a community's "front door." It is acknowledged that the corridor's landscaping, commercial signage and building character provides the first, and oftentimes, the most lasting impression of the entire community. Yet the North 56th Street corridor does not necessarily provide the most desirable impression. The west and north ends of the corridor are characterized by predominately vacant land with sporadic commercial development along North 56th Street and Arbor Road. Although these land uses are appropriate for the area, the lack of continuity and unity give the corridor no sense of place; that is, this front door to Lincoln is vague and ill-defined.

There are 15 commercial-type structures in the Redevelopment Area.[1] The oldest, an abandoned service station located at the southeast corner of I-80 and North 56th Street was built in 1964 (followed five years later by another station at the southwest corner). The abandoned service station is essentially obsolete and has fallen into a state of disrepair. With the exception of the service stations and the Highway Rest Area located westbound along the Interstate, all non-residential buildings are warehouse-type structures, almost exclusively metal, of average-to-good condition.

In addition to the commercial buildings existing in the Redevelopment Area, there are 31 secondary structures located in the Redevelopment Area. Almost all of these serve as auxiliary buildings to residential uses, including former farmsteads. The Lancaster County Assessor lists 23 of these structures in their records, with an average age of 50 years. Three of these structures, in addition to the 8 not reported on the County Assessor's property records are in an advanced state of disrepair or neglect, with structural defects that are serious enough or extensive enough to warrant their removal. It can be assumed that the buildings not shown in the County Assessor's record were constructed at the same time of the homes near them. Using this age as a guide places the average age of all secondary structures at 62 years.

In the southwest and southeast quadrants of the Redevelopment Area, land has been divided into smaller parcels for the purposes of sale and development. All of this parceling has occurred without the review and approval by the city in accordance with

[1] This includes the westbound Interstate Rest Area located in the northwest part of the Redevelopment Area and built in 1982.

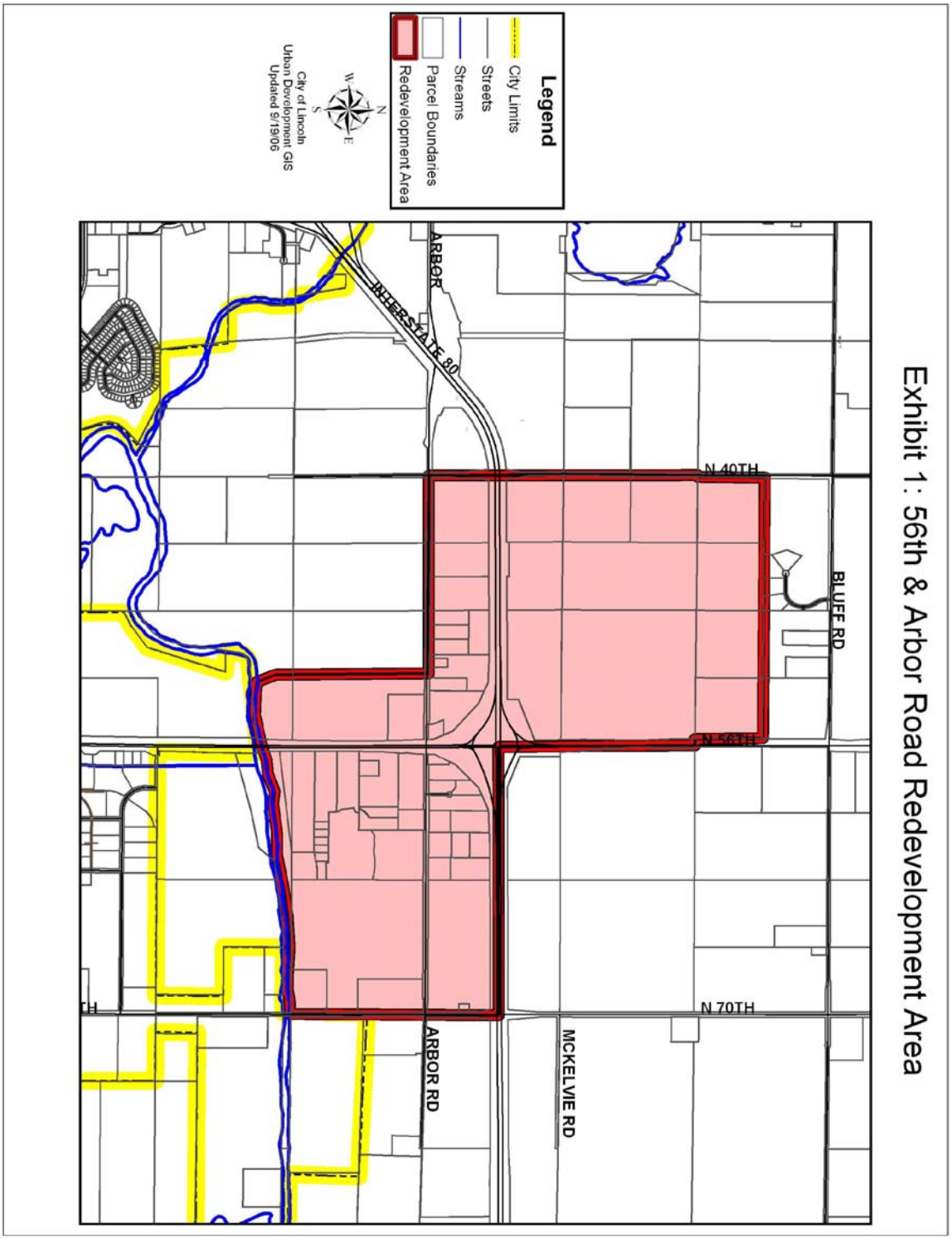
subdivision regulations (Title 26 of the Lincoln Municipal Code). Nebraska State Law defines "subdivision" as the division of a lot, tract, or parcel of land into two or more sites, or other divisions of land for the purpose, whether immediate or future, of ownership or building development, except that the division of land shall not be considered to be subdivision when the smallest parcel of land created is more than ten acres in area. The Law further requires that in all unincorporated areas, all subdivision must be platted and laid out in lots, streets and easements in accordance with the subdivision regulations of the county or city with zoning jurisdiction in the area. The creation of parcels by condominium ownership, however, is not considered subdivision.

The result has been piecemeal development, the creation of oversized lots and irregularly shaped parcels, parcels without adequate consideration for proper design, drainage, or future streets and utilities, interior lots without access to public streets, residential uses mixed in with commercial/industrial uses, and businesses without street addresses reflective of their location. In the west half of the southeast quadrant, this type of land development is especially prevalent. Here, land is being developed under condominium ownership regimes, which essentially enable property owners to subdivide land (and sell parcels) of less than ten acres without subdivision review. There are four condominium regimes in this area, although one of these has been properly recorded as a subdivision (Parrott's Addition).

As a result of these conditions, the City of Lincoln approved a *Blight and Substandard Determination Study*. The Study, completed in August, 2005 concluded that the number, degree and distribution of blighting factors warrant designating the area blighted and substandard.

The City recognizes that continuing blight and deterioration is a threat to the stability and vitality of the North 56th Street and Arbor Road area and revitalization efforts cannot reasonably occur without public action. The *North 56th Street and Arbor Road Redevelopment Plan* represents the City's efforts to guide public and private redevelopment of the area.

Exhibit 1: Redevelopment Area



Plan Requirements

Redevelopment activities are guided by *Community Development Law*, Neb. Rev. Stat., Section 18-2101, et. seq. (as amended). The statutes clearly state that the governing body must have declared the project area substandard and blighted in order to prepare a redevelopment plan.

The city has authorized its Urban Development Department to act as a redevelopment authority under the applicable Law.

The Urban Development Department has formulated, for the City of Lincoln, a workable program for utilizing appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas including, provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of substandard and blighted areas or portions thereof by re-planning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of substandard and blighted areas or portions thereof.

The Community Development Law Section 18.2111 defines the minimum requirements of a redevelopment plan as follows:

> "A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements, and the proposed land uses and building requirements in the redevelopment project area..."

The statutes further identify six elements that, at a minimum, must be included in the redevelopment plan, they are:

1. The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property within the boundaries;
2. A land-use plan showing proposed uses of the area;
3. Information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment;
4. A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances;
5. A site plan of the area; and

6. A statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

In making its recommendation to approve this plan, the Urban Development Department has considered the land uses and building requirements and determined that they:

1. are in conformance with the general plan for redevelopment in the City and,
2. represent a coordinated, adjusted, and harmonious development of the city and its environs. These determinations are in accordance with:
   a) present and future needs, to promote health, safety, morals, order, convenience, prosperity;
   b) the general welfare; and
   c) efficiency and economy in the process of development.

Factors considered in the determination included among other things:

1. adequate provision for traffic, vehicular parking;
2. the promotion of safety from fire, panic, and other dangers;
3. adequate provision for light and air;
4. the promotion of the healthful and convenient distribution of population;
5. the provision of adequate transportation, water, sewerage, and other public utilities;
6. schools, parks, recreational and community facilities, and other public requirements;
7. the promotion of sound design and arrangement;
8. the wise and efficient expenditure of public funds; and
9. the prevention of the recurrence of unsanitary or unsafe dwelling accommodations or conditions of blight.

This plan was reviewed by the Lincoln/Lancaster County Planning Commission for compliance with the Comprehensive Plan.

Existing Conditions

Land Use

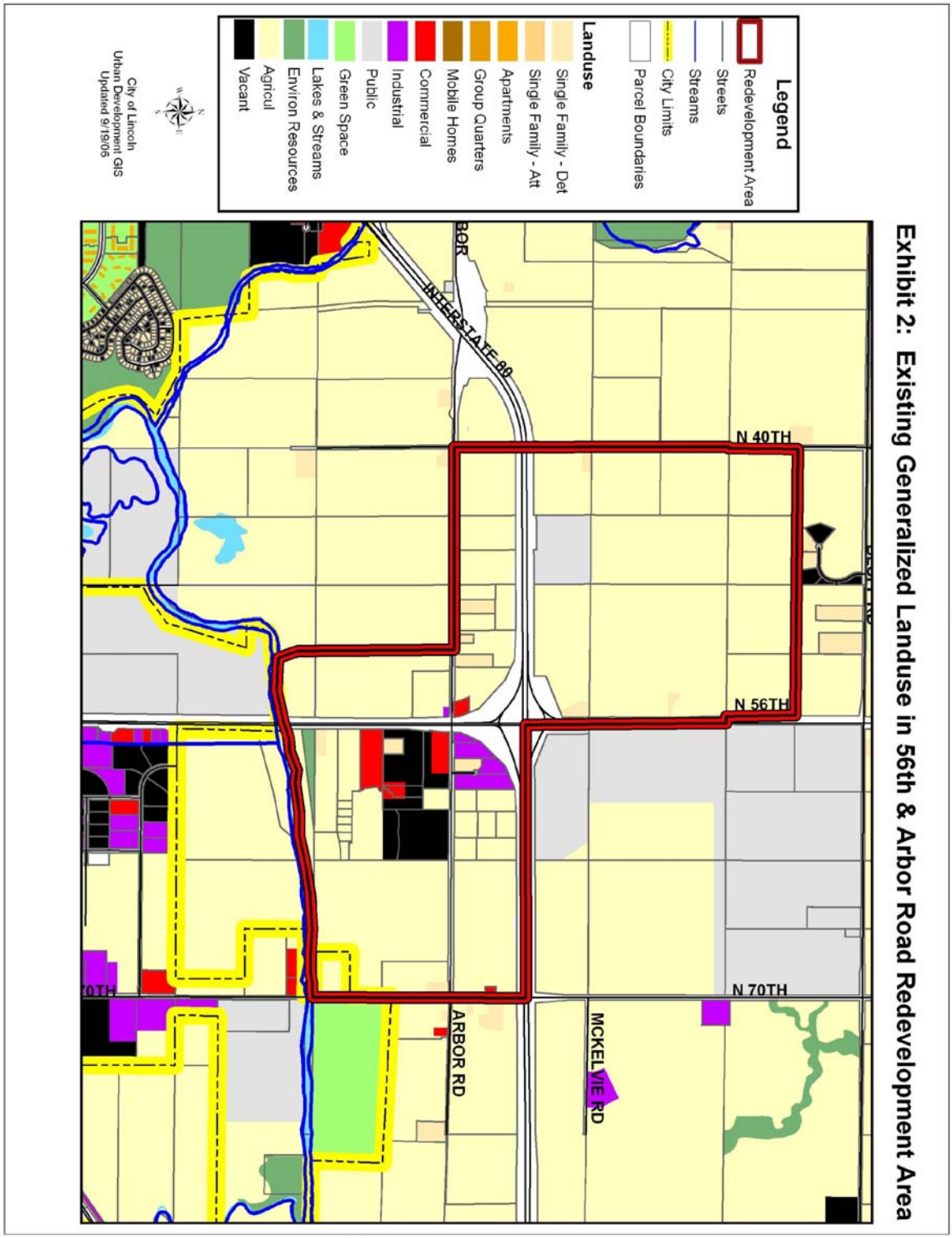
The 56th Street and Arbor Road Redevelopment Area comprises three corners of the interchange between Interstate 80 and North 56th Street (Highway 77) on Lincoln's north side. The northwest quadrant is generally located between North 40th on the west, North 56th Streets on the east, Interstate 80 on the south and Arbor Road on the north. The southwest quadrant is generally located between North 40th Street on the west, North 56th Street on the west, Salt Creek on the south and Interstate 80 on the north. The southeast quadrant is generally located between North 56th Street on the west, North 70th Street on the east, Salt Creek on the south and Interstate 80 on the north. The northeast quadrant of the Interstate 80 and North 56th Street (Highway 77) interchange is not included in the Redevelopment Area.

The area contains residential, commercial, industrial, public and agricultural land uses and commercial, industrial and agricultural zoning district designations. Only a small part of the Redevelopment Area (approximately 13.3 acres located in the southeast corner of the area) is currently within the City limits of Lincoln.

The Redevelopment Area encompasses 1,873.33 acres of land. Approximately 10% (178.06 acres) is dedicated to highway and public street rights-of-way. These rights-of-way include North 40th, Street, North 70th Street, North 56th Street (US Highway 77), Arbor Road, North 58th Circle and Interstate 80. Commercial use is approximately 13% of the total area while industrial area comprises less and 1/10 of one percent of the total area. Seventy eight percent (77%) of the area is agricultural. A map of existing generalized land use can be found in Exhibit 2 on page 7.

In the southwest and southeast quadrants of the Redevelopment Area, land has been divided into smaller parcels for the purposes of sale and development. All of this parceling has occurred without the review and approval by the city in accordance with subdivision regulations (Title 26 of the Lincoln Municipal Code). Nebraska State Law defines "subdivision" as the division of a lot, tract, or parcel of land into two or more sites, or other divisions of land for the purpose, whether immediate or future, of ownership or building development, except that the division of land shall not be considered to be subdivision when the smallest parcel of land created is more than ten acres in area. The Law further requires that in all unincorporated areas, all subdivision must be platted and laid out in lots, streets and easements in accordance with the subdivision regulations of the county or city with zoning jurisdiction in the area. The creation of parcels by condominium ownership, however, is not considered subdivision.

Exhibit 2: Existing Generalized Land Use



The result has been piecemeal development, the creation of oversized lots and irregularly shaped parcels, parcels without adequate consideration for proper design, drainage, or future streets and utilities, interior lots without access to public streets, residential uses mixed in with commercial/industrial uses, and businesses without street addresses reflective of their location. In the west half of the southeast quadrant, this type of land development is especially prevalent. Here, land is being developed under condominium ownership regimes, which essentially enable property owners to subdivide land (and sell parcels) of less than ten acres without subdivision review. There are four condominium regimes in this area, although one of these has been properly recorded as a subdivision (Parrott's Addition).

A number of ownership parcels have been created in the Redevelopment Area. The area contains 66 individual ownership parcels ranging in size from less than one acre to 160 acres. A number of these parcels are without frontage on a public street or roadway. There are 50 different ownership entities with property in the Redevelopment Area. Landowners include both public (State Department of Roads, City of Lincoln, Lower Platte South Natural Resources District, and State Board of Education Lands and Funds) and private entities. The ownership diversity and patterns, as well as the unusual condition of condominium ownership of land parcels, complicates assemblage of land for redevelopment purposes.

Zoning

The redevelopment area contains zoning districts H-1 Interstate Commercial; H-3 Highway Commercial District; H-4 General Commercial District; I-1 Industrial District; and AG Agriculture District (see Exhibit 3 on page 9 for location of these districts within the area). These zoning districts contain the following land uses:

H-1 District: 30.23 acres located at southwest corner of North 56th Street and I-80. This zoning district contains a service station with small vehicle impound lot and tire sales, repair, and retreading business for trucks (started in 1995 and a nonconforming use in this zone).

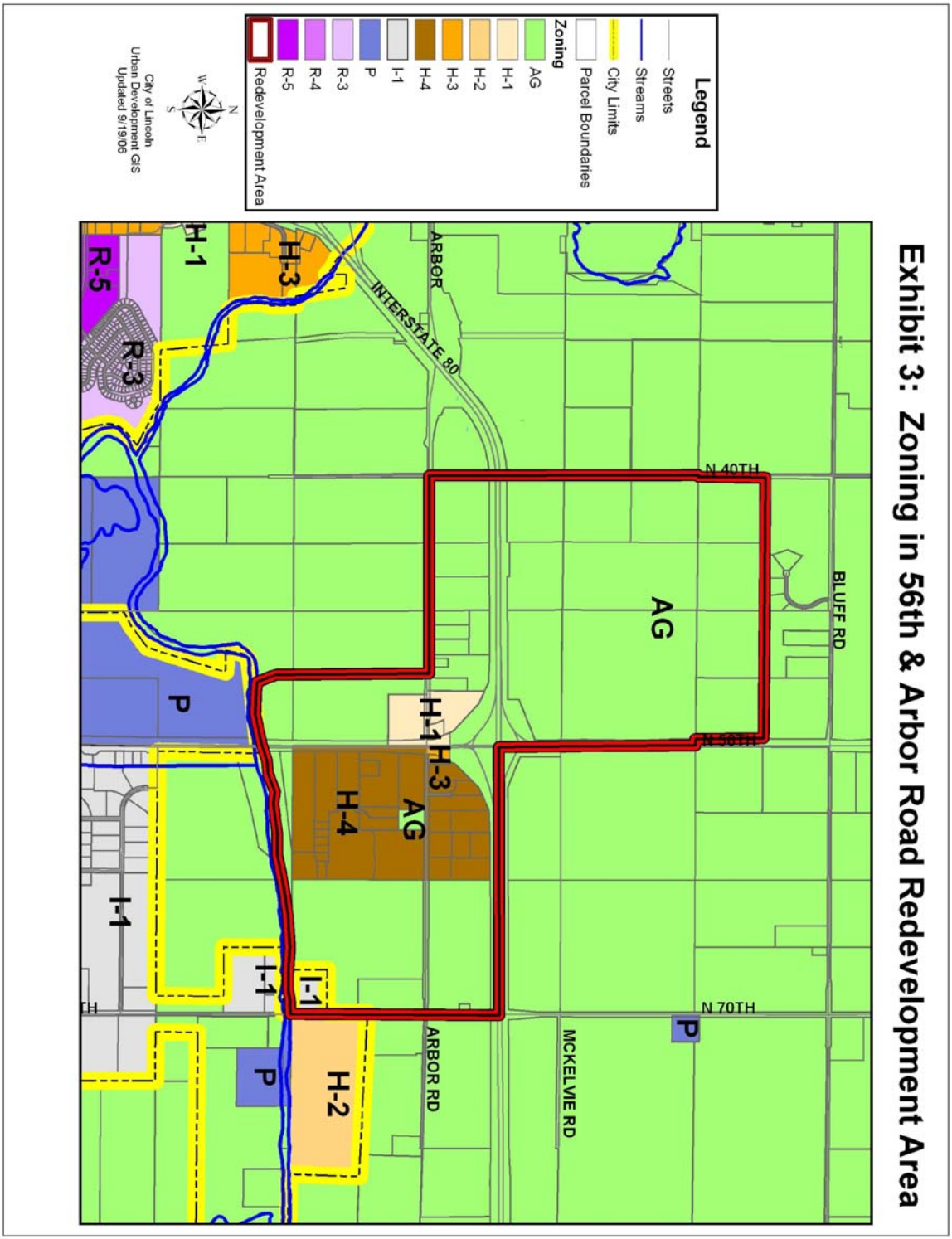
H-3 District: 1.6 acres at southeast corner of North 56th Street and I-80 containing an abandoned service station building.

H-4 District: 211.11 acres at southeast corner of North 56th Street and I-80. Land uses include warehousing, retail sales, auto sales, and trucking-related industries.

I-1 District: 13.3 acres located at the southeast corner of the southeast "quadrant" and within city limits; undeveloped.

AG District: 1,439.03 acres, including farmsteads, farmland, suburban acreages, and an Interstate highway rest area.

Exhibit 3: Zoning in Redevelopment Area



Structures

Residential: The Redevelopment Area contains 11 single-family homes, including 6 located on old farmsteads. The oldest house was built in 1875 and the newest was constructed in 1971. The average age of the residential structures within the Redevelopment Area is 72 years.

Non-Residential -- Commercial/Industrial Structures: There are 15 commercial-type structures in the Redevelopment Area. The oldest, an abandoned service station located at the southeast corner of I-80 and North 56th Street was built in 1964 (followed five years later by another station at the southwest corner). The abandoned service station is essentially obsolete and has fallen into a state of disrepair. With the exception of the service stations and the Highway Rest Area located westbound along the Interstate, all non-residential buildings are warehouse-type structures, almost exclusively metal, of average-to-good condition.

Non-Residential -- Secondary Structures: In addition to the commercial buildings existing in the Redevelopment Area, there are 31 secondary structures located in the Redevelopment Area. Almost all of these serve as auxiliary buildings to residential uses, including former farmsteads. The Lancaster County Assessor lists 23 of these structures in their records, with an average age of 50 years. Three of these structures, in addition to the 8 not reported on the County Assessor's property records are in an advanced state of disrepair or neglect, with structural defects that are serious enough or extensive enough to warrant their removal. It can be assumed that the buildings not shown in the County Assessor's record were constructed at the same time of the homes near them. Using this age as a guide places the average age of all secondary structures at 62 years.

Roads and Streets

Public streets and roadways serving the Redevelopment Area include Interstate 80, North 40th and North 70th Streets, which form the west and southeast boundary of the Redevelopment Area, and pass over the Interstate, North 56th Street (US Highway 77) which has a full interchange with the Interstate, Arbor Road, and North 58th Circle, a small cul-de-sac north off of Arbor Road. North 40th, North 56th, and North 70th Streets are all section line roads and Arbor Road is a half-section line road. Alvo, the southerly section line road does not exist between North 40th and 70th streets. North 40th Street, which is graveled in this area, ends approximately 0.6 miles south of Arbor Road. Arbor Road, which runs parallel to the Interstate, is paved from North 70th Street to approximately ¼ mile west of North 56th Street. Arbor Road continues west beyond the Redevelopment Area boundaries and passes under the Interstate to intersect with North 27th Street and dead-end at North 14th Street. A bridge, which will take Arbor Road over, rather than under, the Interstate will be completed in the Spring of 2006.

Private roadways are located in the southeast quadrant of the Redevelopment Area to provide access to businesses on interior parcels. There are two un-platted private drives ending in cul-de-sacs running north from Arbor Road, and two running east-west ending in cul-de-sacs accessed off of North 56th Street. Although paved, they do not conform to city standards.

Utilities

Water: Land uses in the Redevelopment Area are almost exclusively served by private wells. The exception to this is the Interstate Highway rest area located in the northeast quadrant of the Redevelopment area, which is supplied with city water, via a 4 inch line. The quality of the well water in the area is very poor--water is not potable because of its high saline content. Information available from the Lincoln Lancaster County Health Department's Division of Environmental Health show chloride contents as high as 600 to 780 mg/l in water samples taken in this area. (250 mg/l is an acceptable maximum for this mineral, a level where the water starts tasting "salty".)

The permitting of wells in this area is controlled by one of two entities, the Lincoln Lancaster County Health Department or the State of Nebraska (Nebraska Health and Human Services System, Department of Regulation and Licensure, Environmental Health Division). Oversight by the State occurs under the Federal Public Water System Supervision (PWSS) Program, with regulations set by the Environmental Protection Agency. Under this program, a "Public Water System" is defined as a system that provides water via piping or other constructed conveyance for human consumption to at least 15 service connections or serves an average of at least 25 people for at least 60 days each year. Only two of the 14 businesses in the Redevelopment Area have placed themselves under the purview of the State as a "transient non-community water system". As such, they are required to collect and submit water samples to the State each quarter for testing.

The Lincoln Lancaster County Health Department's Environmental Public Health Division, issues well permits within the city's three-mile zoning jurisdiction. All new wells within the city's jurisdiction are inspected and sampled, however, only domestic wells within the city limits are required to have an annual inspection and permit. In other words, wells outside of the city are not regularly inspected, nor is their well water regularly sampled.

The City County Health Department began requiring a well permit in 1983. A review of the department's records shows 7 permits for wells have been taken out by commercial enterprises in the Redevelopment Area since 1990—all in the southeast quadrant. Three permits are on file for wells in the southwest quadrant of the Redevelopment Area--two for homes and one from 1969 for the service station. It is not known whether wells are being shared by businesses in the area.

The water supply in this area is also a concern with respect to fire protection. The Redevelopment Area is in the service area of the Raymond Volunteer Fire Department and the western edge of the area is within a half-mile of the Department's Arbor Road Station. This station, a secondary station to the main station in the village of Raymond, has two fire trucks -- a pumper truck and a tanker truck which supplies water for the pumper at fires. This would indicate that once the pumper truck is empty, there would be no more water to fight a fire unless additional fire trucks were called. (The main station, located about 11 miles away via Raymond Road, North 14th Street, and Arbor Road, has an additional pumper and tanker truck, a combination pumper/tanker, and 3 pickups with tanks that can be used to extinguish grass fires.) A volunteer interviewed for the Blight Study indicated that response time to fires would vary, depending on time of day and what volunteers were available, as many were farmers. She indicated that they could also receive "mutual aid" from surrounding rural fire departments in the case of a large fire. On-site well systems would not be able to provide enough water pressure to provide fire protection to property in the area. One business, which warehouses records, has a 26,000 gallon water tank and large pump within it's building to serve its sprinkler (fire suppression) system.

Wastewater: As with water, because the Redevelopment Area is not served by public infrastructure, individual on-site systems are used to dispose of and/or treat sewage and other wastewater. These on-site systems include enclosed septic tanks, septic systems with drain fields, septic tanks with lagoons, and lagoons. Since February 1967, all systems installed within the three-mile limit are required to be permitted and inspected by the City County Health Department. Since 2001, a 3-acre minimum lot size is required to construct an on-site wastewater system.

County Health Department records show permits for 12 on-site sewage disposal systems in the Redevelopment Area since 1971: nine in the southeast quadrant, two in the southwest quadrant, and one in the northwest quadrant. It is not known whether landowners in the area share systems. While newer systems are subject to oversight upon installation, many systems in this area predate regulations that require review and inspection. Additionally, once installed (unless modified or replaced), there is no further testing or licensure of systems located outside of the Lincoln city limits.

Systems that are not properly maintained contaminate the ground water, create nuisance odors, and in some cases (i.e., lagoons), provide ideal environments for mosquitoes to breed. There are three sewage lagoons located in the Redevelopment Area. One of these lagoons is extremely overgrown with vegetation, which inhibits aerobic activity needed to breakdown the solid wastes.

Additional concerns are the presence of septic systems within the 100-year floodplain. At least three of the systems are within the 100-year floodplain of Salt Creek.

Flood Plain/Storm Water Drainage

The major drainage through the redevelopment area is Salt Creek which drains generally from west to east along the southern boundary of the redevelopment area. Several small open channel tributaries of Salt Creek are present and drain generally from north to south through the area. Also, portions of the redevelopment area west of North 56th Street are in the Little Salt Creek watershed and drain to tributaries of Little Salt Creek which flow generally from northeast to southwest. Drainage infrastructure throughout the re-development area is limited to primarily bridge and culvert crossings for roadways.

A portion of the Redevelopment Area is located in the 100-year floodplain of Salt Creek. The Salt Creek floodplain is currently being re-mapped. This floodplain map update, when finalized, will be used to update the FEMA map for Salt Creek through the City of Lincoln, including this redevelopment area.

Currently, preliminary results for the updated mapping of the Salt Creek 100-year floodplain through the area show that the floodplain will remain similar to that shown on the existing FEMA map. However, there are areas where the draft floodway is wider than the floodway on the current FEMA map. One of these locations is in the re-development area between North 56th Street and North 70th Street along the north side of Salt Creek.

The draft Salt Creek floodplain mapping information is preliminary and is subject to change based on any additional information that may be incorporated into the study and/or FEMA review comments made during their technical review.

There are several areas that contain potentially sensitive saline wetland habitat that could possibly be impacted by increased or decreased freshwater runoff from development. Also, there are several small tributaries to Salt Creek and Little Salt Creek throughout the re-development area that exhibit stream instability and could also be impacted by increased storm water runoff or improper development implementation. An Interim Storm Water Hydrology and Hydraulics Report for the Lower Little Salt Creek Watershed has been developed that provides additional information on saline wetlands and stream stability issues for the Salt Creek tributaries within the re-development area. This study along with the current Storm Water Drainage Criteria Manual for the City of Lincoln will serve as an adequate basis for managing storm water in the Redevelopment Area. Additional concerns will be identified and addressed through rezoning, platting, and redevelopment agreement processes.

Sidewalks

There are currently no public sidewalks in the Redevelopment Area.

Street Lights

The lighting on North 56th Street (State Spur L55X) from Salt Creek to the Interstate was installed by the State of Nebraska in 1974. The poles are 50' galvanized with 400 watt, high pressure sodium vapor, cobrahead luminaires fed with underground wire. It is maintained by Lincoln Electric System (LES) and billed to the State of Nebraska. The lights at the interchange of 56th & I80 are 90' to 100' high mast poles with several lights on each pole. They were installed by the State of Nebraska and are maintained by the State of Nebraska. There are 2 - 250 watt, high pressure sodium vapor, cobrahead lights on wooden poles fed with overhead wire at North 70th Street & Arbor Rd. They were installed by LES in 1998. They are maintained by LES and billed to Lancaster County. There are wood poles with overhead feed and 150 watt, high pressure sodium vapor, cobrahead fixtures on 70th St. from Salt Creek north approximately 1200'. They were installed in 1996. They are maintained by LES and billed to the City of Lincoln.

Trails

There are currently no trails in the Redevelopment Area.

Blight and Substandard Determination Study

State law stipulates only a few quantifiable criteria with which to measure substandard and blighting conditions in an area. Most of the qualifying factors set forth in the Law are not quantified, but merely conditions that must be present to meet the intent of the Law. The Law is clear, however, on how a community should interpret these criteria. Section 18-2143 of the Law, titled “Sections, how construed.” reads, in part, “…The provisions of sections 18-2101 to 18-2144 and all grants of power, authority, rights or discretion herein made to a city and to an authority created under the provisions hereof shall be liberally construed and all incidental powers necessary to carry into effect the provisions of such sections are hereby expressly granted to and conferred upon a city or an authority created pursuant hereto.”

Within the context of the Law, the area meets the criteria for “substandard and blighted” as follows:

> *Substandard*: To qualify as substandard, the predominance of buildings or improvements (residential or non-residential) in an area must meet at least one of four stated conditions or factors as described in section 18-2123 of the Law (“substandard” defined) to the extent that the condition is conducive to problems such as ill health or the transmission of disease and is detrimental to the public health, safety, or welfare.

The lack of public infrastructure (water and sewer) in this area qualifies it as substandard. Undrinkable well water, insufficient water pressure for fire protection, unlicensed and untested wells and on-site sewage treatment systems, improperly maintained sewage disposal systems, and the potential for water contamination by these systems or by petroleum products in the soils in the area are conducive to ill health and the transmission of disease and are detrimental to the public health, safety, or welfare.

Blight: As set forth in State Law, an area, in its present condition, must display one or more of ten stated factors that substantially arrest the sound growth of the community or constitute an economic or social liability and are detrimental to the public welfare [part (a) of section 18-2103 "Blighted area" defined] and at least one of five quantifiable conditions [part (b) of section 18-2103 "Blighted area" defined] to be declared blighted. Of the ten blighting factors set forth in part (a) of the definition, seven are present in the Redevelopment Area:

- *Existence of defective or inadequate street layout;*
- *Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- *Unsanitary or unsafe conditions*;
- *Diversity of ownership;*
- *Defective or unusual conditions of title;*
- *Improper subdivision or obsolete platting;*
- *Deterioration of site and other improvements; and,*
- *Conditions which endanger life or property by fire and other causes.*

Part (b) of the definition of "blight" contains five criteria, one of which must be met to meet the definition under the Law. Each is discussed below:

(i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average: *Information on unemployment rates is gathered by the Bureau of Labor Statistics, a division of the U.S. Department of Commerce, and is available for the nation, each state, and each county within the state. According to the BLS, the unemployment rate in the Lincoln MSA was 3.5% in April, 2005, compared with 3.9% for the State and 5.2% for the Nation. Smaller area comparisons are not available*.

(ii) The average age of the residential or commercial units in the area is at least forty years: *The average age of residential structures in the area is 72 years. The average age of commercial structures is 12 years, and of secondary structures is 65 years. All non-residential structures combined have an*

average age of 47 years. Therefore, the Redevelopment Area meets this criterion based on age of residential structures.

(iii) More than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time: *The Redevelopment Area is not within city limits.*

(iv) The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated: *The south part of the Redevelopment Area--that part south of Interstate 80--is within Census Tract 29 of Lancaster County. According to the 2000 Census, this census tract had a per capita income in 1999 of $18,125, compared with $20,984 for the city of Lincoln. The part of the Redevelopment Area located north of the Interstate is located in Census Tract 101 of the County. It had a per capita income in 1999 of $20,422, also lower than the city's per capita income. Lancaster County's per capita income in 2000 was $21,265. These census tracts, however, are larger than the Redevelopment Area and a strict comparison of per capita income is not possible.*

(v) The area has had either stable or decreasing population based on the last two decennial censuses: As with per capita income, data from the U.S. Census and coinciding with the boundaries of the Redevelopment Area is not available. It can be argued, however, that there has been either stable or decreasing population in the area in the last 25 years because the newest house located in the area was built in 1971.

The Redevelopment Area can be described as an area that, because of its strategic location, is developing, without the benefits of comprehensive planning, public water and sewer, and adherence to land subdivision regulations. This unplanned, piecemeal development impairs the sound growth of the community and, as such, presents itself as an economic liability.

The Blight and Substandard Determination Study finds that the area identified as "North 56th Street and Arbor Road" evidences sufficient conditions and factors to meet the criteria of substandard and blighted according to the Law and is, therefore, eligible for designation as a substandard and blighted area pursuant to the Law. It is found that these conditions and factors present a serious barrier to the planned and coordinated development of the area, have created an environment that negatively impacts private sector investment in the area, and serve as a detriment to the overall healthy economic and physical growth of the Lincoln community.

Redevelopment Plan

Guiding Principles

North 56th Street is an entryway into Lincoln, introducing visitors and residents to Lincoln. Given the existing zoning and Comprehensive Plan designations in the Redevelopment Area, uses are likely to be a mix of commercial and industrial uses near North 56th Street, Interstate 80 and Arbor Road, with residential uses to the south and west of the area. The following guiding principles should be considered with any redevelopment projects:

1. Areas that require redevelopment, including areas with obsolete land uses or un-resolvable land use conflicts, should be developed in ways that strengthen existing commercial and industrial investments. Stable areas or marginal areas with viable future uses should be targets for rehabilitation reinvestment.

2. Separate, to the degree possible, local and through traffic movements.

3. Establish defensible edges and smooth transitions between residential and non-residential uses. Use streets or green ways to provide boundaries, thus realizing the benefits of mixed use while protecting residential environments.

4. Improve street landscaping, where possible, along parking lots or in conjunction with new developments.

5. Encourage redevelopment and new development to occur as clusters or hubs with appropriate site design features that accommodate shared parking and ease of pedestrian movement within the site.

6. Redevelopment should occur in ways that strengthen and support the existing business community in the Redevelopment Area.

Commercial and Industrial Development

The Draft Comprehensive Plan/Long Range Transportation Plan (LRTP) 2030 Update shows the Redevelopment Area as predominately industrial and commercial, with residential in the southwest and extreme north portions. Guiding principles for redevelopment projects within the area, therefore, should follow the recommendations in the *Lincoln-Lancaster County Comprehensive Plan* (adopted as amended on May 28, 2002) for commercial and industrial development as well as the Draft Comprehensive Plan/LRTP 2030 Update. The development strategy presented in the *Comprehensive Plan*,

> "...seeks to fulfill two notable objectives: (1) the approach is designed to provide **flexibility** to the marketplace in siting future commercial and industrial locations; while at the same time (2) offering neighborhoods, present and future home owners, other businesses, and infrastructure that provides a level of **predictability** as to where such employment concentrations might be located" (Comprehensive Plan, pp. F 37-F 38).

The *Comprehensive Plan* identifies the following General Principles for, "All Commercial and Industrial Uses: (p. F38)

> Commercial and industrial districts in Lancaster County shall be located:
>
> - within the City of Lincoln or incorporated villages;
> - outside of saline wetlands, signature habitat areas, native prairie and flood plain areas (except for areas of existing commercial and industrial zoning);
> - where urban services and infrastructure are available or planned for in the near term;
> - in sites supported by adequate road capacity - commercial development should be linked to the implementation of the transportation plan;
> - in areas compatible with existing or planned residential uses;
> - in areas accessible by various modes of transportation (i.e. automobile, transit and pedestrian);
> - so that they enhance entryways or public way corridors, when developing adjacent to these corridors; and
> - in a manner that supports the creation and maintenance of green space as indicated in the environmental resources of the Comprehensive Plan.

Moderate to Heavy Industrial Development

The *Comprehensive Plan* identifies the area in the western two-thirds of the area north and west of North 56th Street, Interstate 80, and the east half of the area south of I-80 from North 56th Street to 70th Street as a Heavy Industrial center. Heavy industrial redevelopment centers should consider the following principles:

- Generally over 80 acres in size;
- Primarily used for manufacturing, processing and assembly uses;

- May also include warehouse, storage and contractor yard uses with a minor amount of supporting commercial use - but they should be over 75% industrial use; and
- Site characteristics, buffering and appropriate zoning should be considered so that they enhance entryways or public way corridors, when developing adjacent to these corridors.

Light Industrial Development

Light industrial centers should consider the following general principles:

- Generally a minimum of 50 acres in size;
- Primarily for lighter manufacturing uses with some additional office and retail uses located within the center; and
- Due to lesser potential impacts, the centers can be located closer to residential, though residential uses should be buffered through landscaping, large setbacks, and transitional uses, such as office or open space.

The Guiding Principles of the Redevelopment Plan, along with issues identified in the Existing Conditions section of this plan, provide the basis for the redevelopment projects.

Redevelopment Activities: Public Improvements

Infrastructure issues including utilities and streets impede new development throughout the Redevelopment Area and contribute to the blighting conditions. Therefore, the following public improvement activities should occur:

Streets and Sidewalks

- Future arterials in the Redevelopment Area are either gravel or county standard asphalt paving. Streets should be constructed in conjunction with redevelopment projects to enhance arterials and collectors or minor arterials, especially Alvo and Arbor Road.
- In conjunction with redevelopment projects, encourage street connections between developments to help maintain traffic flows and increase safety while continuing to provide needed access to new and existing businesses.
- In conjunction with redevelopment projects, encourage sidewalk construction within and between developments to help increase safety while continuing to provide needed pedestrian access to new and existing businesses.
- Coordinate improvements in the Redevelopment Area with the Interstate 80 widening project, scheduled to take place between 2007 and 2012.

Public Transportation

- Provide transit opportunities within the Redevelopment Area, when feasible. Improvements may include construction of bus shelters, kiosks with transit information, and bus pullouts.

Pedestrian/Bicycle Trails

- Continue to identify and construct future trails including the Salt Creek Levee Trail and the trails identified in the Comprehensive Plan along Little Salt Creek and Arbor Road.

- Complete public improvements along the trails when needed and feasible.

Parks

- Parks should be incorporated into residential development as needed pursuant to Comprehensive Plan criteria.

Public Utilities -- Sewer and Water

- Trunk sewer improvements are needed from the Northeast Treatment Plant to serve the Redevelopment Area. Improvements such as lift stations may be necessary to feasibly serve some projects in the area. Funding in the CIP shall be authorized for these projects.

- A new trunk sewer shall be designed and constructed by the City that connects to the 60" sewer located at North 70th Street and the entrance of the Northeast Treatment Plant. This line will be a 36" line and progress west to North 68th Street, cross Salt Creek with a siphon and continue westward until it crosses North 56th Street north of Salt Creek. This trunk sewer should eventually be extended west to approximately 40th Street (size to be determined) and also be extended northward, crossing under Interstate 80 to a point approximately ½ mile south of Bluff Road. An additional trunk sewer extension should run westward along the north side of Interstate 80 from North 56th Street to North 40th Street and then north along the North 40th Street ROW to a point approximately ½ mile south of Bluff Road a lift station and injection line will be located at the northeast corner of North 40th Street and Interstate 80 to transfer wastewater to trunk line located at intersection of North 56th Street and Interstate 80. The combination of these proposed trunk sewers and lift stations will serve the entire redevelopment area and be located in Project Sub-Area E.

- Water main improvements programmed in the current CIP should go forward immediately including the installation of a 24" water main up North 56th Street to Arbor Road, a 16" main from North 56th Street to North 40th Street along Arbor Road. Future CIP projects shown in the draft 2006-2012 CIP should also go forward including a 16" water main extension eastward from North 56th Street to

North 70th Street and a 24" main extension northward from North 56th Street and Arbor Road to approximately a ½ mile south of Bluff Road. Additional water main improvements may include a booster pump for projects North of Interstate 80 or a series of water main extensions from North 27th Street and Alvo Road to the Redevelopment Area . These proposed water main extensions will serve the entire redevelopment area and be located in Project Sub-Area E with the exception of the main extensions from North 27th Street and Alvo Road.

Streetscape Beautification

- Design and construct a streetscape plan for beautification of North 56th Street and Arbor Road (Project Sub-Area E). Elements should include but not be limited to lighting, thematic entrances and nodes, landscaping, and general streetscape improvements. If beautification is to be completed, a Business Improvement District (BID) will be required to provide maintenance for any plant materials included.

Redevelopment Activities: Industrial and Commercial

1. Support redevelopment efforts to provide construction-ready industrial sites for large employers north and west of the Interstate 80 and North 56th Street Interchange (Project Sub-Area B, Exhibit 4) at property generally described as: SW NW 20-11-7, Lot 11 SE ¼ & SE ¼ NW ¼ 20-11-7, SW NE 20-11-7, NW SW 20-11-7, Lot 12 SW ¼ 20-11-7, Lot 11 SE ¼ & SE ¼ NW ¼ 20-11-7, SW SW 20-11-7, Lot 2 & 26 & 35 NW 29-11-7, and Tract for Hwy NW 29-11-7 & .76 AC NW & Lot 6 NW & Lot 3 NW EX W 50' N 70.01'.

   Project elements may include:
   - Acquisition of property from willing seller to complete public improvements;
   - Construction of on-site and off-site public utilities including sanitary sewer extensions; water main extensions, water booster pumps and storm water facilities;
   - Construction of internal public roads and parking;
   - Construction of temporary and permanent turn lanes, street lighting and traffic signals as needed;
   - Sidewalk construction, landscaping, trails, ornamental lighting and streetscape in the public right-of-way; and
   - Re-platting and re-zoning as necessary.

2. Support commercial redevelopment efforts north and west of the intersection of Interstate 80 and North 56th Street (Project Sub-Area B, Exhibit 4) at property generally described as: Lot 3 NE 20-11-7, Lot 11 SE ¼ & SE ¼ NW ¼ 20-11-7, and Lot 7 NE 29-11-7.

Project elements may include:

- Acquisition of necessary easements, rights-of-way from willing seller for construction of public improvements;
- Construction of on-site and off-site public utilities including sanitary sewer extensions, water main extensions, water booster pumps, and storm water facilities;
- Construction of internal public roads and parking;
- Construction of turn lanes and traffic signals in North 56th Street (Highway 77) as needed; and
- Sidewalk construction, landscaping, trails, ornamental lighting and streetscape in the public right-of-way: and
- Re-platting and re-zoning as necessary.

3. Support of commercial and residential redevelopment efforts on the west side North 56th Street (Project Sub-Area A, Exhibit 4), south of Arbor Road at property generally described as: Finigan Brothers Lot 2, Finigan Brothers Lot 1 in the East half of Section 32-11-7 and commercial development north of Arbor Road on property generally described as Lots 11, 27, 28, and 33 Irregular Tracks in Section 29-11-7. Support of residential development shall be limited to the initial phase of a maximum of 115 lots in Project Sub Area A. No internal roadways, utility collection or distribution facilities or other on-site improvements shall be made within and in support of residential development.

   Project elements may include:

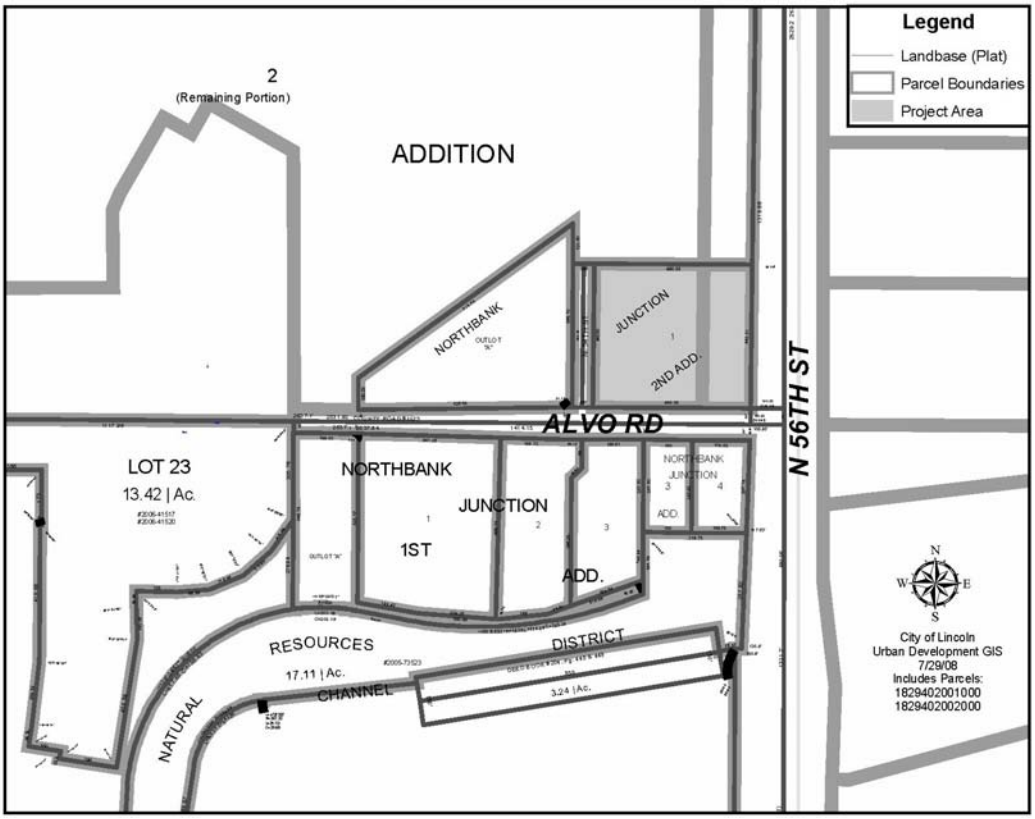
   - Acquisition of necessary easements, rights-of-way from willing seller for construction of public improvements;
   - Construction of on-site and off-site public utilities including sanitary sewer extensions, water main extensions, and storm water facilities;
   - Construction of internal public roads and parking;
   - Sidewalk construction, landscaping, trails, ornamental lighting and streetscape in public rights-of-way; and
   - Re-platting and re-zoning as necessary.

4. Support of commercial and residential redevelopment efforts on the west side North 56th Street (Project Sub-Area A, Exhibit 4), south of proposed Alvo Road at property generally described as: Lots 20 and 21 I.T., Section 32-11-7. Support of residential development shall be limited to the initial phase of a maximum of 115 lots in Project Sub Area A. No internal roadways, utility collection or distribution facilities or other on-site improvements shall be made within and in support of residential development. Project elements may include:

- Acquisition of necessary easements, rights-of-way from willing seller for construction of public improvements;
- Construction of on-site and off-site public utilities including sanitary sewer extensions, water main extensions, and storm water facilities;
- Construction of internal public roads and parking;
- Sidewalk construction, landscaping, trails, ornamental lighting and streetscape in public rights-of-way;
- Re-platting and re-zoning as necessary; and
- Payment of impact fees.

5. NCS Equipment is located within Sub-Project Area A at the NW corner of 56th & Alvo Road at property generally described as Lot 1, Northbank Junction 2nd Addition, Lincoln, Lancaster County, Nebraska. The project site is shown in Exhibit 3a, below.

Exhibit 3a: NCS Equipment Project Site



NCS Equipment Rental plans on building a new 23,147 square feet service location. NCS is a leader in equipment rental, service and contractor supplies for Nebraska and surrounding areas and has one of the largest selections of construction equipment for rent or sale in Nebraska. NCS offers everything from rental, sales, delivery options, equipment maintenance programs, machinery parts and certification for operator training. The organization started in 1994 in Bertrand, Nebraska.

Public improvements include the paving of N 54th Street, sidewalks along 54th and 56th Streets, public water, street lights along N 54th and N 56th Streets, grading and site preparation, storm drain work and driveway approach and landscaping.

Statutory Elements

- *Property Acquisition, Demolition and Disposal:* No public acquisition of private property, relocation or families or business or the sale of property is necessary for this project.
- *Population Density:* This redevelopment project contains no residential units. The project consists of a commercial/retail development which will not affect the population density in the project area.
- *Land Coverage:* The project site is currently vacant but shall be developed with the project. The developer will construct a new 23,147square ft. building.
- *Traffic Flow, Street Layout, and Street Grades:* This project will likely increase traffic flow and the anticipated public improvements at N 54th Street and along Alvo Rd will be adequate to provide access to the project site.
- *Parking:* Private parking will be developed as part of the project according to the zoning classification.
- *Zoning, Building Code, and Ordinances:* The project site zoning has been changed to H4. No other changes are contemplated to local codes or ordinances.

Proposed Costs and Financing

The estimated total cost for project implementation is approximately $1.6 million; this includes up to approximately $250,000 of City public investment. The source of public funding is Tax Increment Financing (TIF) estimated to be approximately $250,000, generated from a private investment of $1.5 million under Neb. Rev. Stat §18-2147, based upon the incremental taxes created by the project.

Sub-Project Areas

The Redevelopment Area is divided into five sub-project areas. Specific redevelopment activities area identified within each sub-project area. Activities will be undertaken as funding is available and private redevelopment proceeds. Sub-project areas are identified in Exhibit 4 on page 26, and redevelopment activities within each sub-project area are specified below.

Table 1: Redevelopment Activities within Sub-Project Areas

Activity	Sub-Project Areas
Streets	A, B, C, D and E
Sidewalks	A, B, C, D and E
Parking	A, B, C and D
Pedestrian/Bicycle Trails	A, C, D and E
Parks	A
Street Lighting	A, B, C, D and E
Streetscape Beautification	E
Infrastructure Improvements	E
Commercial/Industrial	A, B, C and D

Future Land Use

Exhibit 5, on page 27, is a Proposed Future Land Use Map of the Redevelopment Area. Future land use is based upon the future land use map in the *Comprehensive Plan*, as modified by the recommendations of the Lincoln/Lancaster County Planning Commission as part of the Comp Plan/LRTP 2030 Update, and upon future land uses proposed by property owners in the area. Residential population is expected to increase dramatically as this Redevelopment Plan is implemented. Land coverage and building density will also increase substantially. Job growth and assessed valuation of land and buildings in the Redevelopment Area are expected to be significant.

Exhibit 4: Project Sub-Areas

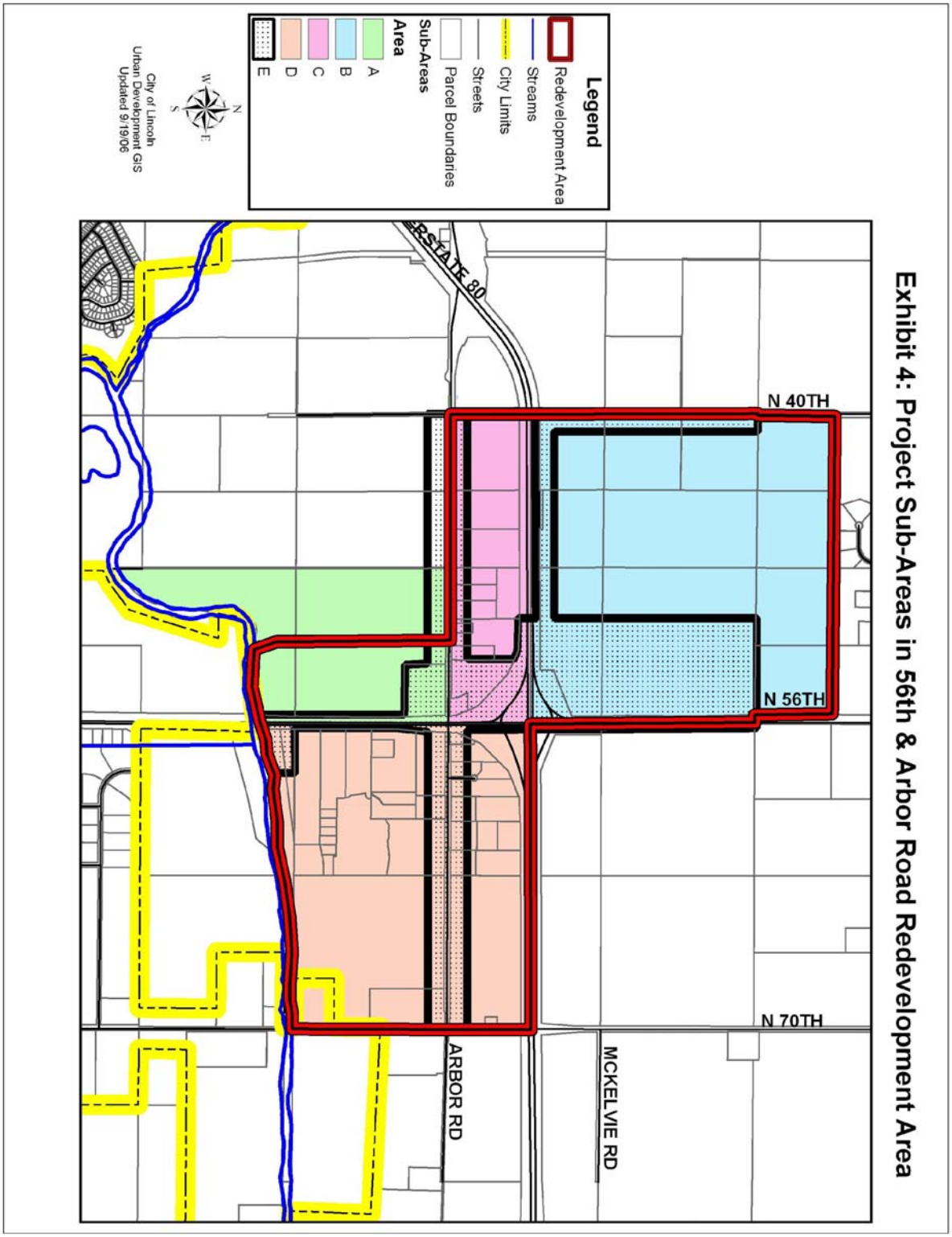
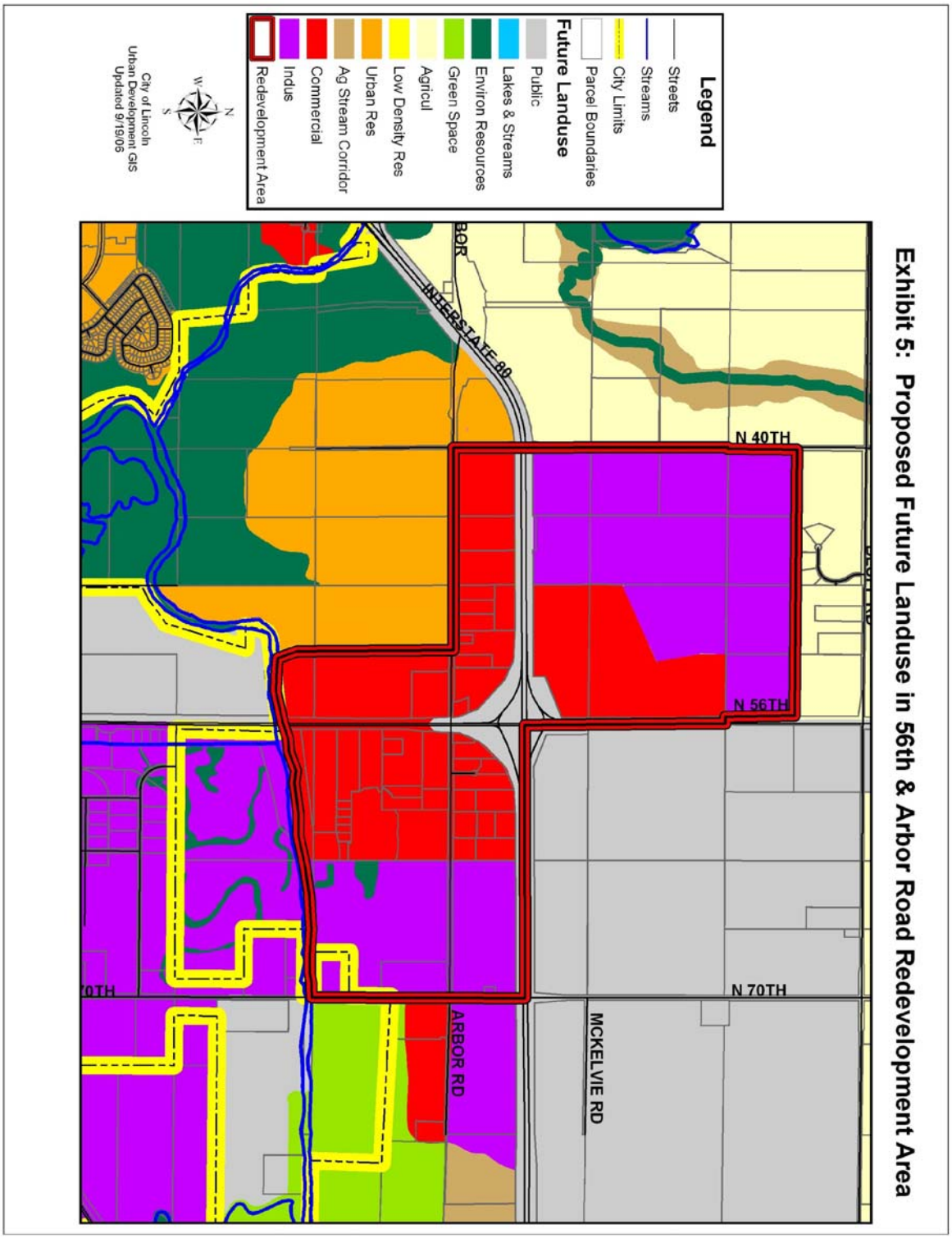


Exhibit 5: Future Land Use



Redevelopment Processes

Public improvements and redevelopment activities may require construction easements; vacation of street and alley right-of-way; temporary and permanent relocation of families, individuals and businesses; demolition, disposal/sale of property; and site preparation (may include driveway easements; paving driveways, approaches and sidewalks outside property line; relocation of overhead utility lines; and rerouting/upgrading of underground utilities; as needed). The processes for these activities include:

Property Acquisition: The City may acquire the necessary fees, easements, property and covenants through voluntary negotiations (see Land Acquisition Policy Statement, Appendix A). However, if voluntary agreement is not possible, the City may institute eminent domain proceedings.

Relocation: Relocation may involve the temporary or permanent relocation of families, individuals or businesses to complete redevelopment activities. Relocation will be completed according to local, state and federal relocation regulations (see Appendix B, Relocation Assistance).

Demolition: Demolition will include clearing sites on property proposed for public improvements; necessary capping, removal or replacing utilities; site preparation; securing insurance and bonds; and taking other necessary measures to protect citizens and surrounding properties. Measures to mitigate environmental findings may also be necessary, if determined by site testing.

Disposal/Disposition: Sub-area projects will include the sale of land to private developers for redevelopment purposes. Developers will be selected in an equitable, open and competitive proposal process according to the Land Disposition Procedures outlined in Appendix C.

Requests for Proposals: Architects and engineers will follow the City's standard selection processes to design the public facilities and improvements. Primary contractors will also be competitively selected. The selection process involves issuing a Request for Proposals (RFP). Standard City practices are used for the selection process.

Estimated Expenditures

Preliminary estimates of project costs are included in Table 2, below. Total public and private sector project costs are estimated to total $291,300,000 over 15 years.

Table 2: Project Expenditure Summary

Activity	Private Sector Expenditures	Public Sector Expenditures
Infrastructure Improvements		$12,000,000
Park Improvements		$1,000,000
Streetscape Improvements		$3,000,000
Total Industrial Redevelopment	$104,300,000	
Total Commercial Redevelopment	$171,000,000	
Subtotals:	$275,300,000	$16,000,000

Conformance with Comprehensive Plan

The Lincoln-Lancaster County Comprehensive Plan, adopted May 28, 2002, as amended, represents the local objectives, goals and policies of the City of Lincoln. *The North 56 Street and Arbor Road Redevelopment Plan* was developed to be consistent with the Comprehensive Plan.

Financing

The primary burden for revitalization of the Redevelopment Area is, and must be, on the private sector. The City must provide public services and public improvements and participate where necessary in the redevelopment process, but the needs of the area are beyond the City's capacity to do alone. Financing of proposed improvements will require participation by both the private and public sectors. Where appropriate, the City may participate by providing financial assistance for the rehabilitation of structures. The development of new complexes and the reuse of existing structures will be the responsibility of the private sector.

Sources of funding may include:

1. Special Assessments - Business Improvement Districts

2. Private Contributions

3. Sale of Land Proceeds (Proceeds from the sale of land acquired for redevelopment, as identified in the Redevelopment Plan, shall be reinvested in the Redevelopment Area).

4. Municipal Infrastructure Redevelopment Fund (MIRF)

5. Community Development Block Grants

6. Home Investment Partnership Act (HOME)

7. HUD Section 108 Loan Program

8. Community Improvement (Tax Increment) Financing (Ad Valorem Tax)

9. Capital Improvements Program Budget

10. Federal and State Grants

11. Interest Income

12. Advance Acquisition Fund - property rights/easements, public facility site acquisition.

Project activities will be undertaken subject to the limit and source of funding authorized and approved by the Mayor and City Council.

According to the Community Development Law, any ad valorem tax levied upon real property in the redevelopment project for the benefit of any public body shall be divided, for a period not to exceed 15 years after the effective date of such provision, by the governing body as follows:

- That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and

- That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies.

The effective date for the Community Improvement Financing provisions of *The 56th & Arbor Road Redevelopment Plan* for each Sub Project is declared to be the date rehabilitation, acquisition, or redevelopment of substandard and blighted property in the sub project area first commences.

Appendix A

Land Acquisition Policy Statement

I. ADMINISTRATIVE ORGANIZATION FOR LAND ACQUISITION OPERATIONS

A. All land acquisition functions, including negotiations and closings, will be performed by the City of Lincoln, or its agents. The conduction of condemnations will be performed by the Legal Counsel for the City. The staff is experienced and capable in the conduct of acquisition programs.

B. The City of Lincoln approved land acquisition policies and procedures within the limits prescribed by the statutes of the State of Nebraska. Each individual property purchase, and the disbursement of payment, therefore, is approved by the Mayor. Condemnation proceedings are instituted by the City Law Department only after all efforts to reach a negotiated settlement have failed. Legal services will be performed by the Legal Counsel for the City.

II. POLICIES

A. Real Estate appraisals are made by staff or selected fee appraisers. Second real estate appraisals, if required, may also be by fee appraisers.

The following are policies for Real Property Acquisition:

1. Every reasonable effort will be made to expeditiously acquire real property by negotiation.
2. Real property will have separate appraisals before initiation of negotiations and the owner, or his representative, will be given the opportunity to accompany the appraisers on their inspection tour of the property.
3. Before initiation of negotiations for real property, the City's Reviewing Appraiser will establish an amount considered to be just compensation and the City shall make prompt effort to acquire the property for that amount.
   a. The established amount shall not be less than the approved appraisal of fair market value for the property.
   b. Any decrease or increase in the fair market value of the property, prior to the date of valuation, caused by public improvement; by physical deterioration within reasonable control of the owner, has been disregarded by the City and by the Appraisers in making the determination of fair market value.
   c. The City's negotiator shall provide the owner with a written statement summarizing the basis for the amount established as just compensation.

Where appropriate, compensation for property acquired and for damages to any remaining real property shall be separately stated.

4. No owner shall be required to surrender possession until the City of Lincoln pays the agreed purchase price, or deposits with the Court the amount of award determined by the Condemnation Appraisers.

5. Improvements will be scheduled so the owner or tenant shall receive a minimum 90 days written notice before having to move. Every effort will be made by the City to provide such notice as is required without undue hardship to the owner or tenant. (This is applicable to total acquisition of property.)

6. If Owner or Tenant is permitted to rent property, the amount of rent shall not exceed fair rental value of subject property.

7. The City of Lincoln will not take any action coercive in nature to compel an agreement on price for property.

8. If acquisition must be by eminent domain, the City of Lincoln shall institute formal condemnation proceedings. The City shall not intentionally make it necessary for the owner to institute legal proceedings to prove fact of taking of his real property.

9. If the owner feels the City of Lincoln's offer does not represent the true value of his property, he may refuse to accept it. He should then provide evidence concerning value, or damage, that warrants a change in the City's determination of just compensation. Should the City determine the additional information is valid, the price will be adjusted accordingly.

10. If as a result of the real estate acquisition there is a portion of your property which is considered by the City of Lincoln to be an uneconomic remnant, you have the right to request an offer from the City of Lincoln to acquire the remnant.

B. Owner will be reimbursed for the following expenses incidental to conveyance of real property:

1. Recording fee, transfer taxes and similar expenses.

2. Penalty cost for repayment of any pre-existing recorded mortgage encumbering real property, provided the mortgage was entered into in good faith.

3. Pro-rate portion of real property taxes paid which are allocable to a period subsequent to date of vesting title, or effective date of possession, whichever is earlier.

4. The cost of abstract continuation and/or evidence of assurance of title.

5. Litigation expenses such as legal, appraisal, engineering fees, etc., when:

   a. Court determines that condemnation was unauthorized.

b. City of Lincoln abandons a condemnation.

c. Property owner brings inverse condemnation action and obtains award of compensation.

C. If a separate fixture appraisal is obtained, it shall contain the following immovable fixtures and personal property:

1. Determination of division of appraisal coverage, enumerating and classifying improvements in-place.

2. Appraisal of improvable fixtures, correlating their findings with both real estate appraisers.

D. All appraisal contracts shall provide terms and conditions and fix the compensation for expert witnesses. These services will be utilized by the City of Lincoln to the extent necessary.

E. Both real estate acquisition appraisals and immovable fixture appraisals will be reviewed by the City Appraisal Staff. All appraisals will be reasonable free of error and conferences with appraisers will ascertain that methods of approach and documentation are compatible, with no elements of value being omitted from consideration. City staff will conduct relocation interviews to verify ownership of certain fixtures and personal property claimed. Said claims will then be checked against existing leases and through interviews with fee owners.

F. Preparation for acquisition includes:

1. Preliminary title information supplied by local abstract companies; contents reviewed and entered in individual parcel folios.

2. Individual parcel folios prepared; chronological activity indexed and all pertinent historical information entered.

3. Basic forms of Real Estate Agreement (real estate, personal property and fixtures) reflecting policy for negotiations to acquire all classifications of property.

4. Closing methods and policy determined.

5. Policy for possession, property management, salvage and demolition, timetable of activities prepared.

6. Closing statement form prepared together with such internal administration forms for notice to various units of inspection, accounting, property management, finance and legal counsel as may be required.

7. Information letters prepared for distribution to all owners and tenants.

8. Deed forms for conveyance of real estate, bill of sale forms for personal property, and condemnation forms for eminent domain procedure prepared.

(NOTE: Paragraphs G, H, and portions of I cover items of notice, relocation assistance, etc., relating to total property acquisitions as well as general policies.)

G. The "single offer" system for acquisition will be utilized in all negotiations. The City will establish fair market value and be prepared to justify and substantiate the determination in the event it is challenged. Staff will present and explain forms, terms and conditions of purchase in personal interviews with each property owner and tenants. The date of this interview will establish the beginning of negotiations which regulates many relocation payments.

   For the purpose of all negotiated transactions, the City will require conveyance of real estate by Warranty Deed or deed instrument sufficient to place marketable title in the City of Lincoln. Standard forms of such instruments conforming to Nebraska Law are on hand and will be used in every case. Each owner executing a Real Estate Agreement should furnish a current abstract of title as specified in said offer. Legal Counsel for the City will render an opinion of the condition of said title, and upon determination that in his opinion said title appears merchantable, will assist with the closing process. Title to all property will be vested in the City of Lincoln on the date of closing, which will also be the date of payment of the purchase price and the date of conveyance instruments. The City of Lincoln shall have the right to possession within 90 days of closing date, (or 90 days from date of written notice if later than closing date), or as provided in the Real Estate Agreement. A statement by a responsible City Official, resulting from an inspection of the property acquired, will be contained in each acquisition folio. This statement will precede payment and closing and must determine that all property purchased is present and in place in substantially the condition as of the date appraised.

H. Immovable items attached to the Real Property, that would incur substantial economic damage if removed, will be negotiated for and acquired at the appraised value-in-place for continued use in the present location. A "Single Offer" at the maximum price will be offered the owner of such property, but if the owner elects to move any such appraised item it will be relocated rather than acquired and the appraised amount deducted. Until the business to be displaced has definitely located a relocation site, it is almost impossible to determine whether certain process fixtures can be relocated or should be acquired by the City of Lincoln. When such fixtures have been acquired, paid for, and a bill of sale conveyed, and the seller then finds it would have been desirable to have relocated them, it shall be the City of Lincoln's policy to reconvey such items to the original owner in return for the exact amount of value-in-place price paid for them, and then pay for their relocation. Under no circumstances will fixtures sold back to the original owner by the City of Lincoln be at salvage value, or any amount less than that paid for them. Generally, the terms and conditions of existing leases and pre-acquisition conferences with owners and tenants by all appraisers and City Staff will have clarified ownership.

NOTE: Process utilities that are service entrances and concealed utilities are ineligible for compensation as relocation expenses and will be treated as immovable fixtures. The utilities listed by the fixture appraiser as "Eligible for Relocation" formerly would have been compensated in relocation for those items. Therefore, process utilities are appraised even though eligible for relocation compensation. However, the claimant may still enter a claim for payment for replacement of those eligible utilities at the new location providing the appraised value-in-place of the claimed utilities is deducted from the relocation claim.

Immovable fixtures and process utilities not appraised will be handled through the direct loss of property process. It is expected that claims for severance damages caused by partial taking will be minimal.

All fixtures and improvements appraised and acquired become the property of the City of Lincoln as clarified in the Real Estate Agreement and may not be removed by any other than authorized personnel or the demolition contractor.

I. Upon thoroughly exhausting every avenue of negotiation available, the City of Lincoln will direct their Legal Counsel to prepare for the appropriation of all property to be acquired through eminent domain proceedings. Such petitions will be drafted by the Legal Counsel clearly defining the property to be acquired and the ownership thereof, land, improvements, immovable and movable property (if any) located therein, with such particularity that the petitions and the resulting action of the condemnation appraisers, or district court appeals, will clearly establish such ownership and rights to compensation. Owner-Occupants of dwelling units that may be eligible for the Replacement Housing Payment will be made aware that the award received through eminent domain proceedings (excluding interest thereon, or consequential damages), determined by the condemnation appraisers, or by District Court will become the basis for any Replacement Housing Payment to be claimed. Immediately preceding preparation of petitions, preliminary title information will be updated. Fee appraisals and fixture appraisals will be reviewed.

To the extent necessary, a reinspection of each property to be condemned will be conducted by the appraisers to determine that the property, on the date of taking, is in substantially the same condition as it was on the date of their original appraisal and that their opinions of value, therefore, hold true as of the date of taking. Each appraiser's testimony may then be presented to the condemnation appraisers and, in case an appeal is filed, to the District Court.

The City of Lincoln will not require any owner to surrender the right to possession of his property until the City pays or causes to be paid, to the Lancaster County Court the amount due each interest acquired for the taking thereof as determined by the condemnation. Immediately following the determination of the amount of the condemnation award for the property, or each separate interest therein taken, the City will direct that payment to be made in an amount equal to the City's offer by the issuance of warrants drawn in favor of those entitled thereto to the County

Court of Lancaster County, Nebraska, for payment of the condemnation appraiser's fees connected with the taking. Upon approval of the City's Legal Counsel, such warrants shall be deposited with the County Court and will represent full compensation for the property taken, subject to appeal to District Court. In any event, title to the property rests with the City of Lincoln as of the date of payment of the condemnation award, as does the right to possession thereof within 90 days of said date, provided compensation due has been paid as prescribed and proper notice given.

Nebraska statutes provide a 30-day period from the award of condemnation during which an appeal can be filed by either party. Acceptance of the award deposited with the County Court extinguishes the right of appeal as to that particular party. In the event an award is not claimed and no appeal is filed during the statutory period, the right to appeal is barred and the County Judge immediately causes the condemnation papers to be recorded in the records and transfer books of Lancaster County, Nebraska.

In case an appeal is filed, the County Judge forwards copies of all pertinent papers to the Clerk of District Court for subsequent trial and determination of the damages in the condemnation appealed from. At that point, the City of Lincoln, with or without the consent of condemnee, may petition the District Court to order payment immediately of the award appealed from, thereby reducing interest costs on the award while the case is being prepared and subjected to trial.

Although title and right to possession is vested in the City of Lincoln as of the date of payment of the condemnation award, no lawful occupant of property taken will be required to surrender possession without at least 90 days written notice (a separate notice in addition to the notice of condemnation) from the City of Lincoln stating the date on which possession will be required. Terms and conditions for temporary rental of condemned property for owner-occupants and tenants are detailed in the project property management policy.

District Court trial of all condemnation awards appealed will be defended by the City of Lincoln's Legal Counsel utilizing the services of contract appraisers as expert witnesses for the City. Compensation for witness services is provided for in existing appraisal contracts. After condemnation suits, awards and appeals therefrom have been filed, agreements as to value may be entered into by stipulation. Appeal cases will be diligently prosecuted to bring the case to trial and judgment in the shortest time possible and necessary for the preparation of an adequate defense. In this manner, and with the court directed partial payments of awards outlined previously, interest and court costs will be held to a minimum level.

In most instances, the sale of privately-owned property to the City of Lincoln for public purposes is considered "involuntary conversion" by the Internal Revenue Service, and the owner may not have to pay capital gains tax on any profit from the sale of the property to the City of Lincoln, if the money is reinvested in similar

property within two years. Internal Revenue Service Publication 549, entitled "Condemnations of Private Property for Public Use", is available from the IRS. It explains how the federal income tax applies to gains or loses resulting from the condemnation of property, or its sale under the threat of condemnation, for public purposes. IRS Publication 17, "Your Federal Income Tax", available from the IRS contains similar guidance. The owner is advised to discuss his particular circumstances with his personal tax advisor or local IRS office. State income tax considerations should also be discussed as appropriate.

Appendix B

Relocation Assistance

Use the following URL/link for Relocation Assistance:
http://www.lincoln.ne.gov/city/urban/real/pdf/reloc.pdf

Appendix C: Land Disposition Procedures

ADMINISTRATIVE REGULATION - LAND DISPOSITION CITY OF LINCOLN

SUBJECT: Purchase, Dedication, Donation, or Sale of Real Property	EFFECTIVE DATE: August 15, 1994	A.R. NO.: 2A
APPLIES TO: All Departments	SUPERCEDES: Subsection G.2. of A.R. No. 2	PAGE 1 OF 2

Subsection G.2. of Administrative Regulation No. 2 is hereby amended to read as follows:

2. The City of Lincoln also owns properties surplus to its need which are not public ways. Generally no action has been taken in the past as to their disposal until a request to purchase them is received. Those requests may be received by any operating department; however, it is believed most are received by the Real Estate Division. Once a request is received, verification of the City's ownership of the parcel is made. Once ownership is confirmed, contact is made to the Public Works, Planning and to the operating department utilizing the real estate to determine if it is surplus. If it is desirable to dispose of the property the reservations of easements of specified uses are sought. All reports are returned to the Real Estate Division. A presentation of the request to purchase and report is made by the operating department at Director's Meeting for a recommendation to or by the administration. In the event the administration may recommend that the property not be sold, the Real Estate Division is notified so that it can respond to the original request advising of the administration's decision. If the decision is to dispose of the real estate, the operating agency shall notify the Real Estate Division and which shall refer the request, recommendations, and all other reports to the Planning Department which will report on the conformity of the proposed action to the comprehensive plan in accordance with Article 9B Section 6 of the City Charter. The report of the Planning Department shall then be forwarded to the City Council, along with an ordinance to authorize the sale for its consideration. At that time, the Real Estate Division submits a appraisal of the property. The same process of developing an estimate of the value of the property is followed as in the case of vacated streets and alleys. The same number of copies of the appraisal report are delivered to the City Clerk for referral to the City Council and to the Mayor's Office. Once all reports have been received by the Council, the matter is placed on the agenda for consideration. If the property is to be disposed of, the Law Department is directed to prepare documents as are necessary to convey the property and upon the terms set by the City Council. Those documents are furnished to the Mayor's Office for execution. The Law Department delivers the executed deeds when the considerations as prescribed by the Council are received. Such monies are delivered to the Finance Department for deposit in the account of Advance Land Acquisition. It naturally follows that if the decision of the Council is to reject or disapprove the sale of surplus

Approved:

Administrative Assistant

Mayor

property, that decision is communicated to the Real Estate Division who notifies the original person, persons or businesses requesting its purchase. All purchase requests will ultimately be referred to the City Council for its approval or denial.

Approved:

Administrative Assistant

Mayor

Appendix D

Parcels to be Acquired, Commercial and Industrial Structures

(Materials are included in this section as redevelopment projects are determined.)