

MEETING RECORD

NAME OF GROUP: PLANNING COMMISSION

DATE, TIME AND PLACE OF MEETING: Wednesday, October 20, 2010, 1:00 p.m., City Council Chambers, First Floor, County-City Building, 555 S. 10th Street, Lincoln, Nebraska

MEMBERS IN ATTENDANCE: Leirion Gaylor Baird, Dick Esseks, Wendy Francis, Roger Larson, Jeanelle Lust, Jim Partington, Lynn Sunderman and Tommy Taylor (Michael Cornelius absent); Marvin Krout, Steve Henrichsen, Ed Zimmer, Christy Eichorn, Michael Brienzo, Jean Preister and Teresa McKinstry of the Planning Department; media and other interested citizens.

STATED PURPOSE OF MEETING: Regular Planning Commission Meeting

Chair Lynn Sunderman called the meeting to order and acknowledged the posting of the Open Meetings Act in the back of the room.

Sunderman then requested a motion approving the minutes for the regular meeting held October 6, 2010. Motion for approval made by Francis, seconded by Larson and carried 8-0: Gaylor Baird, Esseks, Francis, Larson, Lust, Partington, Sunderman and Taylor voting 'yes'; Cornelius absent.

CHANGE OF ZONE NO. 10021
FROM AG AGRICULTURAL DISTRICT
TO AGR AGRICULTURAL RESIDENTIAL DISTRICT,
ON PROPERTY GENERALLY LOCATED
AT SW 56TH STREET AND WEST VAN DORN STREET.
REQUEST FOR DEFERRAL:

October 20, 2010

Members present: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman (Cornelius absent).

Ex Parte Communications: None.

Staff recommendation: Approval, subject to a zoning agreement.

The Clerk announced that the applicant has requested a two-week deferral of the public hearing.

Taylor moved to defer two weeks, with continued public hearing and action scheduled for Wednesday, November 3, 2010, seconded by Francis, and carried 8-0: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman voting 'yes'; Cornelius absent.

There was no public testimony.

COUNTY COMPREHENSIVE PLAN CONFORMANCE NO. 10007
LANCASTER COUNTY ROAD AND BRIDGE CONSTRUCTION
PROGRAM, FY 2011 and 2012-2016.
PUBLIC HEARING BEFORE PLANNING COMMISSION:

October 20, 2010

Members present: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman (Cornelius absent).

Ex Parte Communications: None.

Staff recommendation: A finding of conformance with the Comprehensive Plan.

Staff presentation: **Mike Brienzo of Planning staff** explained that this is the proposed Lancaster County Road and Bridge Construction Program for FY 2011 through 2016. It contains a one-year program of projects budgeted and funded by the County Board and five out-years of projects that progress to the one-year in future years.

The staff review addresses each section. For the one-year program, the staff reviews the completed projects with the projects that were in conformance in the past program, and reviews the carryover projects in the current program. Standby projects are in the out-years and can move forward as funding is available. The bridges in the program include rehabilitation and reconstruction and there is one new viaduct construction.

The program for one year has no new paved roads, focusing on maintenance, rehabilitation and second stage pavement.

The program is also coordinated with the City of Lincoln RUTS projects, i.e. projects on the fringe that would be incorporated into the city in the near future. Those are engineered such to accommodate an urban cross-section.

The staff review finds that there are no projects that are outside the Comprehensive Plan, thus the recommendation is a finding of conformance with the Comprehensive Plan.

Francis inquired why some of 98th Street is in the RUTS program and some is not. Why wouldn't all of that be under the RUTS program? Brienzo explained that the area from Old Cheney north of O Street and the area from Van Dorn north and A Street north is under accumulation of right-of-way at the present time. The right-of-way would be minimum of

100'. **Doug Pillard of the County Engineer's office** explained that 98th Street is all designed as a RUTS project. It is graded for RUTS cross-section, and then as paving comes, the County would pave the two-lane rural road with additional grading for future.

Esseks inquired whether the County Engineer would recommend any changes to the traffic volume standards set forth on page 3 in the staff report. He has been on the Commission five and a half years and he believes that these standards have been consistent. Pillard indicated that the County Engineer is not recommending any changes at this time. These standards have been working well.

Esseks then inquired whether the standards are practical, i.e. as they reach the traffic volumes, does the County have the resources to do the paving? Pillard responded, 'no'. There are several roads in the County that have reached those traffic counts but they are not yet paved because of budget constraints.

Larson inquired whether the traffic counts are available on the Web site. Pillard responded, 'no'. That information is available at the County Engineer's office, but they do not count every road every year.

There was no testimony in opposition.

ACTION BY PLANNING COMMISSION:

October 20, 2010

Lust moved to find the proposed program in conformance with the Comprehensive Plan, seconded by Francis and carried 8-0: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman voting 'yes'; Cornelius absent. This is a recommendation to the Lancaster County Board.

**COMPREHENSIVE PLAN CONFORMANCE NO. 10008,
AN AMENDMENT TO THE LINCOLN CENTER
REDEVELOPMENT PLAN TO ADD THE
"TELESIS MEADOWGOLD REDEVELOPMENT PROJECT".**

and

**CHANGE OF ZONE NO. 10020
FROM i-1 INDUSTRIAL DISTRICT
TO B-4 LINCOLN CENTER BUSINESS DISTRICT,
ON PROPERTY GENERALLY LOCATED
AT SOUTH 8TH STREET AND M STREET.**

PUBLIC HEARING BEFORE PLANNING COMMISSION:

October 20, 2010

Members present: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman (Cornelius absent).

Ex Parte Communications: None.

Staff recommendation: A finding of conformance with the Comprehensive Plan for the amendment to the Redevelopment Plan, and approval of the change of zone.

Staff presentations:

Dallas McGee of the Urban Development Department, addressed the redevelopment plan amendment. The Telesis Meadowgold project is a very exciting mixed-use redevelopment project. Last year, in 2009, the Meadowgold Dairy closed, leaving a block of buildings completely empty. Many developers have looked at this site and walked away thinking the only way to redevelop it is to demolish the buildings and start over. Telesis looked at the site and saw opportunity. They believe the existing buildings can be redeveloped. They would like to relocate many of their current facilities in the Haymarket to this site.

Telesis is proposing a phased project, including this amendment to the Redevelopment Plan which allows for the use of TIF (Tax Increment Financing). The vision that Telesis has is consistent with the Downtown Master Plan which recommends mixed-use, high density housing for south Haymarket. In looking back a number of years, the closing of Russell Stover Candies in the mid-80's had a similar impact on south Haymarket, where a number of buildings were left vacant. That area is a totally different area now and the redevelopment of these buildings on this block can also serve as that impetus for development in south Haymarket.

Hallie Salem of Urban Development discussed the phasing plan. The project is divided into four phases for redevelopment financing purposes and to maximize the use of TIF. All four phases include the surrounding right-of-way of the block and will allow for the investment in potential acquisition, demolition, site preparation, street and streetscape improvements and other right-of-way improvements, utility relocation, preservation of existing structures and other eligible expenditures under community development. The estimated cost is \$15,000,000, with \$9,000,000 being hard construction costs, and it is expected to generate about \$1.4 million in TIF over the life of the project.

The first phase is expected to be implemented immediately after the adoption of a redevelopment agreement and will be on the industrial and warehouse portion of the project for Data Security. Buildings E and F will be Phase I, and approximately 18,840 square feet will be renovated to allow Data Security to move from its existing location in the Haymarket to south Haymarket. Building E will be further renovated over the next few years to allow for the expansion of Data Security. That project is estimated at \$2.3 million in hard construction costs and expected to generate \$352,000 in TIF.

The next three phases (II, III and IV) are expected to be implemented over the next 4 to 10 years, possibly longer, depending upon the market. Phase II is Buildings A and B, which will be to create a brew house, moving from north Haymarket to south Haymarket, and that will be about a 24,000 sq. ft. facility, and is expected to cost \$1.3 million and generate \$210,000 in TIF.

Phase III is proposed to be a four-story mixed used/residential complex with commercial on the first floor, costing \$4-5 million and generating \$600,000 to \$750,000 in TIF.

Phase IV is the renovation of buildings G, H, I and J, and possibly L and K, as warehouse space. That project is expected to cost \$1.3 million, and generate over \$200,000 in TIF.

Salem also pointed out that the land coverage may be altered somewhat, such as moving buildings L and C in order to conserve historic structures on the block.

Christy Eichorn of Planning staff discussed the change of zone from I-1 to B-4 on the block that Meadowgold is located upon as well as the half block directly south. I-1 to B-4 means some changes in parking because B-4 zoning does not have a parking requirement. All of the area is currently located in the floodplain, but the area is in the process of being re-mapped in February of 2011, and thereafter, only a portion of the property will be in the floodplain. There is a certain amount of fill that would be required with a new project in the floodplain. For this site, the Meadowgold building has a basement that is not and will not be utilized in the future. They will be working toward getting a National Register status which does not require them to do the regular floodplain mitigation. Without National Register, they will be required to fill all of the basements that are currently in the floodplain. The usable space in the building all sits above the flood level, including the proposed residential uses. The only difference in terms of how the floodplain will affect this property is whether they would have to fill the basements or not fill the basements.

The residential component is going to be on the southern portion of the site. It will be above the first floor and out of the floodplain. There is also B-4 to the east. The residential will be closer to the B-4 area than to the existing industrial zoned areas, thus reducing the impact of industrial zoning on residential.

In relation to impacts of industrial on residential, Eichorn explained that B-4 is primarily a commercial district that allows residences. One of the major factors is noise. When someone moves into a residential unit in B-4, the Health Department advises that they still have to meet the noise nuisance codes (55 at night and 65 during the day in B-4; 70 in commercial zoning districts). If you move into a commercial zoning district that allows residential, you would expect to have more noise.

Eichorn noted the letter received from Midwest Steel, stating that they have concerns about the residential portion and they were not satisfied with B-4 zoning for that reason. Their concerns include the potential noise impacts from industrial uses located near the property (anhydrous ammonia used by DEC). Eichorn advised that city staff has been working with the Health and Urban Development Departments, and they have all communicated with DEC which has the anhydrous. DEC has money budgeted in 2011 to help mitigate any impacts that would potentially affect residents of this area or workers in this area.

Another issue has to do with parking. B-4 does not have parking requirements. Parking in the B-4 is completely market driven. B-4 zoning is strictly downtown. The issue of there being no parking requirements is facilitated with public and private parking garages to let the market drive what kind of development can happen. There aren't any specific parking requirements in the B-4 District west of 17th Street either.

Eichorn also pointed out that back in 2008, there was a change of zone as part of a redevelopment project near this area for Color Court, directly east of the Meadowgold property. It was rezoned from I-1 to B-4, including not only mixed use, but mixed use/residential, retail and offices.

Eichorn suggested that the only potential significant hazard to having residential in this area has to do with the anhydrous storage, and that entity is mitigating those impacts.

Gaylor Baird noted that the Comprehensive Plan contains a section called "Public Health and Industrial Use Principles" in terms of risk reduction for hazardous materials. It also talks about notification to the residents and workers so that they understand what materials are located nearby. It also talks about emergency management planning. Chris Schroeder of the Health Department, suggested that there is a need to think about the phasing of the residential development in this project – it is anticipated to be at least four years, and more like ten years, in the future. DEC has advised that they will have a mitigation system. Also, as far as emergency response plans, the DEC is a regulated facility, so they actually have developed an emergency response plan if there is a release of anhydrous ammonia. The Health Department would work with the residents on the emergency plan even if there is mitigation in place.

Lust confirmed that the anhydrous storage is not operated by Midwest Steel works. Eichorn agreed.

Lust sought further clarification on the noise ordinance issue. Is it correct that even though it might be zoned for residential, there is a possibility that residential would never go in there if it is too noisy? Eichorn explained that she was referring to residential zoning districts that have a commercial component – if they get a noise complaint and they have to measure the impact along the lot lines, the noise is higher in commercial areas that are primarily commercial that do allow residential than in areas that are strictly residential.

Lust posed the question: Are we saying that we will rezone so potential mixed use, including residential, is an option, but there is still an option that residential won't be located there? Eichorn agreed that that could be the potential. There are going to be challenges for the residential uses in meeting requirements, including the preservation of the building, building code issues – all kinds of issues and challenges. We are saying that the option to have residential on the property is appropriate.

But, Esseks observed that the neighbor immediately to the north is concerned that if it creates enough noise, the residents living half a block away in this residential project will be bothered and they will complain, or perhaps sue. So the business environment for the steel company could be jeopardized. Eichorn responded with a question: How would this change of zone be any different than today's circumstance? There is approved residential in the Color Court redevelopment project, as well as B-4 zoning 150-200 feet to the north of Midwest Steel, and there is also B-4 150-200 feet directly to the east, all of which could have residential uses. To not allow B-4 zoning on this property for that reason will not have any more of an impact than the existing zoning surrounding the Midwest Steel property. We are talking about 30-35 dwelling units at this time.

Proponents:

1. **Tom Huston**, 233 South 13th Street, appeared on behalf of **Dairy House , LLC**, the applicant for the change of zone. He stated that he is also testifying in support of the redevelopment plan project.

Huston referred to page 2 of the staff report, wherein it states that the Comprehensive Plan "...Encourage(s) mixed-use redevelopment, adaptive reuse, and in-fill development including residential, commercial, and retail uses." Obviously, the Dairy House project is consistent with this objective. The real question today is whether the redevelopment plan amendment is consistent with the Comprehensive Plan, and he believes the answer is undoubtedly "yes".

Huston then discussed the change of zone to B-4. The objection letters from Midwest Steel Works dated October 19 and 20, 2010, focus on the residential component. Huston pointed out that the Downtown Master Plan shows the south Haymarket area being intended for high density residential. The Downtown Master Plan is to help guide the development in this south Haymarket area.

Huston also noted that there are no other objection letters.

Huston discussed the phasing of the redevelopment plan project and stated that Phases I and II are the only phases that have certainly. Phase III could be 4-10 years down the road. Most importantly, Phase III is designed for building D, which is in the very southwest corner of this entire block of the Meadowgold facility. It is far remote from Midwest Steel and the most buffered by the existing improvements. If the south Haymarket area is going to redevelop as envisioned by the Downtown Master Plan and the Comprehensive Plan, it is going to take awhile, but we ought not preclude that possibility

by putting any artificial restrictions on this project. To the extent that we are seeing some private activity and making an adaptive reuse of these buildings speaks well of his client and their willingness to invest in Downtown Lincoln.

Esseks believes there will be an issue with parking. How many employees does this company expect to have? Eric Schafer, President of Telesis, stated that they currently have 40 employees in the main building that is already in the Haymarket. In moving the businesses, they would anticipate 60 employees in the near future. With regard to the parking possibilities, Huston pointed to the area south, in and around the K Street extensions. Schafer stated that the site currently offers enough parking to accommodate the existing employees and their current plans for expanding. He stated that Telesis will bear that responsibility, but it would be nice to avoid having to provide additional parking.

There was no testimony in opposition.

COMPREHENSIVE PLAN CONFORMANCE NO. 10008

ACTION BY PLANNING COMMISSION:

October 20, 2010

Larson moved to find the amendment to the Lincoln Center Redevelopment Plan in conformance with the Comprehensive Plan, seconded by Taylor.

Larson believes that encouraging investment in this area of the Haymarket is very important to our city. He agrees that we need to keep this historic building from becoming a dinosaur. He believes that Telesis has proven that it is a quality firm.

Taylor agreed with Larson.

Gaylor Baird pointed out that the Downtown Master Plan has a vision of connectivity between south Haymarket and the west portion of our city and Antelope Valley. This is another reason adaptive reuse is strong for this project and it seems like the applicant is taking the necessary precautions to address the stated concerns about hazards.

Sunderman commented about the concerns of Midwest Steel. He believes that it has as much to do with the residential as it does with the fact that they are a very viable and important industrial use that is now being surrounded by B-4. He appreciates their concern; however, if nothing was done and the building deteriorated, it would not help Midwest Steel nor the city.

Motion for a finding of conformance carried 8-0: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman voting 'yes'; Cornelius absent. This is a recommendation to the City Council.

CHANGE OF ZONE NO. 10020

ACTION BY PLANNING COMMISSION:

October 20, 2010

Larson moved approval, seconded by Francis, and carried 8-0: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman voting 'yes'; Cornelius absent. This is a recommendation to the City Council.

There being no further business, the meeting was adjourned at 1:50 p.m.

Please note: These minutes will not be formally approved until the next regular meeting of the Planning Commission on November 3, 2010.

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