COMPATIBILITY WITH THE COMPREHENSIVE PLAN
These projects are consistent with the goals in the Comprehensive Plan; specifically, both facilities will:

- Help attract new businesses,
- Further enhance the important resource that is the Innovation Campus,
- Promote a mix of uses within a mixed use redevelopment node, and
- Create development on an existing undeveloped commercial area in order to remove blighted conditions and more efficiently utilize existing infrastructure.
COMPREHENSIVE PLAN SPECIFICATIONS:

p 1.9 The area is shown as Commercial on the Future Land Use map.

p. 2.8 Mixed use redevelopment, adaptive reuse, and well-designed and appropriately-placed infill development, including residential, commercial and retail uses, are encouraged.

p 5.2 Encourage commercial centers to encompass a broad range of land uses with the integration of compatible land use types.

p 5.2 UNL has a strong biotechnology research program. Expansion and retention of start-ups and existing companies, particularly those that build on University research should be a focus.

p 5.2 Food research at the University of Nebraska - Lincoln (UNL) is vital to attracting and retaining these industries in the Lincoln area. This category could include renewable energy development, such as ethanol plants, though these plants are primarily locating outside Lancaster County.

p 5.3 Lincoln has benefitted from entrepreneurs starting new businesses which have grown rapidly, adding many jobs to the economy. More should be done to encourage entrepreneurs, to utilize technology from UNL in the marketplace, and to promote entrepreneur education at UNL, Southeast Community College and other educational institutions.

p 5.3 Continue to support UNL’s efforts to obtain grants for research and support the expansion of the mixed use concept of Innovation Campus. The success of the University’s research and development is important to the future of the city.

p 6.2 Mixed use redevelopment should target existing underdeveloped or redeveloping commercial and industrial areas in order to remove blighted conditions and more efficiently utilize existing infrastructure.

p 6.4 Mixed Use Nodes can be thought of as “villages within the city” with a broad range of land use types including civic, residential, special needs housing, retail, office, and service.

p 6.5 Nebraska Innovation Campus is identified as a “Primary Area for Mixed Use Redevelopment Nodes and Corridors”

NEBRASKA INNOVATION CAMPUS (NIC) REDEVELOPMENT PLAN SPECIFICATIONS:

p 18 NIC will provide an interdisciplinary research and mixed use environment that will support collaboration among private sector interests, university faculty and researchers, and government research within UNL’s core competency programs, particularly in the areas of food, fuel and water.

p 18 The physical program for NIC includes a mix of land uses for work, recreation, and amenities. The program is focused on job creation through university research and private/government research partners.

p 18 The goals for NIC are to advance research and generate economic growth for Nebraska. Emerging trends in successful research parks reveal that the university has a significant research presence and the park is integral to the host university and its mission; development is market sensitive; and the private sector plays a significant role in park development. In order to compete in the national and international marketplace of research and technology, NIC must create an environment that attracts young, creative professional, researchers, and the private sector.
1. This is an amendment to the Nebraska Innovation Campus (NIC) Redevelopment Plan that identifies the Office Building Project and Hotel Project.

2. The Office Building Project includes the redevelopment of vacant, underdeveloped land into a three story, approximately 80,000 square foot office facility.

3. The goal of the Office Building Project is to develop facilities that will attract private sector companies interested in leveraging the research capacity, faculty and student resources of the University of Nebraska-Lincoln (UNL) through public-private partnerships with UNL.

4. The Hotel Project includes the redevelopment of vacant, underdeveloped land into a six-story hotel with approximately 153 guest rooms, including a restaurant, a coffee shop, and other amenities on the ground floor. This project is a collaboration with the University of Nebraska. Approximately 2,600 square feet on the ground floor of the building will be dedicated for University of Nebraska Department of Hospitality, Tourism and Restaurant Management practical programs, including faculty offices, a student lounge and a conference room.

5. The goal of the Hotel Project is to develop amenities to support the office, research and other facilities constructed as part of the Nebraska Innovation Campus Phase 1 Project and the Nebraska Innovation Campus Phase 2 Project. The Project will present an immediate opportunity for private sector collaboration with UNL, in furtherance of the purposes set forth in the Nebraska Innovation Campus Redevelopment Plan.

6. The estimated total cost to implement the Office Building Project is approximately $15,800,000, which includes approximately $2,485,000 in public financing. The project costs will be finalized as construction costs are determined. Upon completion of the project, the assessed value of the property will increase by an estimated $12,410,000 million. This will result in an estimated $2,485,000 in Tax Increment Financing (TIF) over 15 years to help fund public improvements. Thus for every City TIF dollar invested, there will be $4.67 of private investment.

7. The estimated total cost to implement the Hotel Project is in excess of $31,300,000, which includes approximately $4,973,000 in public financing. The project cost will be finalized as construction costs are determined. Upon completion of the project, the assessed value of the property will increase by an estimated $24,835,000 million. This will result in an estimated $4,973,000 in Tax Increment Financing (TIF) over 15 years to help fund public improvements. Thus for every City TIF dollar invested, there will be $5.03 of private investment.

8. Public investment may assist with the costs of site acquisition, site preparation and surcharge, installation of utilities, street and sidewalk improvements, landscaping, energy efficiency improvements, façade enhancements, parking lot improvements, and other public improvements and enhancements permitted under the Community Development Law in the NIC Redevelopment Area. Details will be determined with the redevelopment agreement.

9. These projects are within the boundary of the Nebraska Innovation Campus Planned Unit Development (PUD). Office and hotel uses are allowed per the PUD notes. Once detailed site plans are prepared, additional review will be needed to determine whether any amendments are needed to the PUD.

10. Both projects are currently located on outlots. A final plat will be necessary prior to construction in order to create buildable lots.
11. These projects are consistent with the goals of the Nebraska Innovation Campus (NIC) Redevelopment Plan. Specifically they contribute to the development of a mixed use campus, and they facilitate continuing collaboration among private sector interests and university faculty and researchers. In addition, these projects will cause the removal of blight and substandard conditions on the Project site and in the NIC Redevelopment Area, and will generate economic growth in the State of Nebraska.

EXISTING ZONING: O-3 Office Park PUD

EXISTING LAND USE: Vacant

SURROUNDING LAND USE AND ZONING:

**Office Building Project**
- North: Transformation Drive, Vacant
- South: Vacant
- East: Vacant
- West: Office building
- Zoning: O-3 Office Park PUD

**Hotel Project**
- North: Transformation Drive, Parking
- South: Office building
- East: Office building
- West: N 21st Street, Office building/coffee shop
- Zoning: O-3 Office Park PUD

APPLICATION HISTORY

**November 2010**
- Comprehensive Plan Conformance 10006 approved to create the Nebraska Innovation Campus (NIC) Redevelopment Plan.
- Change of Zone 10018 approved by City Council to create the Nebraska Innovation Campus Planned Unit Development (PUD).

**May 2012**
- Comprehensive Plan Conformance 12002 approved to create two redevelopment areas within the Nebraska Innovation Campus (NIC) Redevelopment Plan.

**September 2014**
- Change of Zone 10018A approved by City Council to amend the Nebraska Innovation Campus PUD by updating the PUD Notes and revising the boundary of the PUD.

**March 2017**
- Comprehensive Plan Conformance 17001 approved to add an office building project. The project is completed and located directly between the office building and hotel proposed with this current application.

**APPROXIMATE LAND AREA:** 2 acres
Prepared by

Andrew Thierolf, AICP
Planner
(402) 441-6371 or athierolf@lincoln.ne.gov

August 12, 2019

Applicant: Urban Development Department
City of Lincoln
555 S. 10th Street, Suite 205
Lincoln, NE 68508

Contact: Wynn Hjermstad
(402) 441-8211 or whjermstad@lincoln.ne.gov
• **Employment within the Redevelopment Project Area:** It is not anticipated that the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the Project. The Project will create office space on the currently vacant Project Site, attracting employers and thus creating anticipated jobs. Public-private partnerships and the commercialization of the NIC Redevelopment Area are stated goals of the NIC Redevelopment Plan, and this Project will add opportunities for additional partnerships and continue the commercialization of the NIC Redevelopment Area.

• **Employment in the City outside the Redevelopment Project Area:** The Project includes space for the expansion of the public-private partnerships with the University of Nebraska-Lincoln, resulting in new jobs that should not adversely affect city-wide employment. However, the removal of blight and substandard conditions from the Project Site and the NIC Redevelopment Area is anticipated to attract additional employers to the NIC Redevelopment Area and the City of Lincoln as a whole. The Project should increase the need for services and products from existing businesses in and around the NIC Redevelopment Area. When secondary employment effects in other employment sectors are added, the total employment impacts are expected to be significantly higher.

• **Other Impacts:** The development of the Project Site will eliminate the existence of blight and substandard conditions, and will attract employers to the Project Site, the NIC Redevelopment Area and the City of Lincoln. The Project is consistent with the guiding principles of LPlan 2040, which include targeting undeveloped commercial areas for mixed-use development, and with the NIC Redevelopment Plan.

The Project should have a positive impact on private sector businesses in the NIC Redevelopment Area and in the City, and will attract additional private investment in and around the NIC Redevelopment Area. In furtherance of the goals of the NIC Redevelopment Plan, the Project will foster public-private partnerships, creating economic opportunities in, and increasing the commercialization of, the NIC Redevelopment Area. The Project is not anticipated to have a negative impact on other local area employers, but rather will increase the need for services and products from existing businesses, such as maintenance and janitorial services, food and paper products, and hospitality services.

While the use of tax increment financing will defer receipt of a majority of the incremental ad valorem real property taxes generated by the Project for up to 15 years, there will be additional revenue generated by the Project from, for example, personal property taxes on equipment installed in the facility and lodging, food and other services purchased by the facility’s visitors. Upon completion of the 15 year TIF period, the Project will benefit the community through higher property tax revenue.

Because of the long-term nature of this Plan, and the need to retain flexibility to respond to market and economic conditions as well as developer interests and opportunities from time to time, this Plan does not establish specific projects for the entire redevelopment area. Instead, this Plan presents a process and basic framework within which specific plans will be presented and by which specific projects will be evaluated as they are proposed. Sub-projects contemplated under this Plan will include, but not be limited to, construction of public utilities, streets, research buildings, and other mixed-use facilities to support and complement the NIC mission in a manner that complies with the O-3 PUD, as may be amended.

**Redevelopment Activities: Residential**

To be completed as projects are identified.

**Office Building Project and Hotel Project**

1. **Project Descriptions**

**Office Building Project:** The Nebraska Innovation Campus – Office Building Project includes the redevelopment of vacant, underdeveloped land located in the Nebraska Innovation Campus Redevelopment Area (the “NIC Redevelopment Area”) into a three story, approximately 80,000 square foot office facility. The proposed site is generally located on Transformation Drive immediately east of the office building constructed in connection with the Nebraska Innovation Campus Phase 2 Project. The site is legally described as Innovation Campus 2nd Addition, Outlot C and will be final platted prior to construction. The Project Area is depicted on the map, below.

The goal of the Office Building Project is to develop facilities that will attract private sector companies interested in leveraging the research capacity, faculty and student resources of the University of Nebraska-Lincoln (“UNL”) through public-private partnerships with UNL. The Project will create jobs and generate economic
growth in the State of Nebraska in furtherance of the purposes set forth in the Nebraska Innovation Campus Redevelopment Plan.

Hotel Project: The Nebraska Innovation Campus – Hotel Project includes the redevelopment of vacant, underdeveloped land located in the NIC Redevelopment Area into a six-story hotel with approximately 153 guest rooms, including a restaurant, a coffee shop, and other amenities on the ground floor. This project is a collaboration with the University of Nebraska. Approximately 2,600 square feet on the ground floor of the building will be dedicated for University of Nebraska Department of Hospitality, Tourism and Restaurant Management practical programs, including faculty offices, a student lounge and a conference room. The proposed site is generally located at the southeast corner of the intersection of Transformation Drive and North 21st Street, and is legally described as Outlot A, Nebraska Innovation Campus 2nd Addition, an Addition to the City of Lincoln, Lancaster County, Nebraska. The Hotel Project Site Plan is depicted in Exhibit 23. The Project Site will be final platted prior to construction.

The goal of the Project is to develop amenities to support the office, research and other facilities constructed as part of the Nebraska Innovation Campus Phase 1 Project and the Nebraska Innovation Campus Phase 2 Project. The Project will present an immediate opportunity for private sector collaboration with UNL, in furtherance of the purposes set forth in the Nebraska Innovation Campus Redevelopment Plan.

For purposes of land use and zoning analysis throughout the remainder of this Amendment, the Office Building Project and Hotel Project will be collectively referred to as the “Projects” and the “Project Site”.

Hotel Project & Office Building Project: Exhibit 22: Project Areas

Exhibit 23: Hotel Project Site Plan
**Project Site**

The Project Site is currently vacant. Surrounding land uses include parking to the north, with office, commercial, and additional vacant land located within the vicinity of the Project Site. Innovation Commons, the Food Innovation Center, and the Greenhouse Innovation Center, all of which were constructed as part of the Nebraska Innovation Campus Phase 1 Project, are located west of the Project Site. The office and research facility constructed as part of the Nebraska Innovation Campus Phase 2 Project is located directly between the Office Building Project Site and the Hotel Project Site. See the current land use map, above.

The Project Site is currently zoned O-3 PUD Office Park District with an approved Planned Unit Development overlay. This district provides for a mixture of office and other types of compatible and complementary commercial uses, as well as residential uses. The PUD was established in order to allow mixed uses and flexibility in the regulations of the zoning district, including to reduce required parking, buildings setbacks and height restrictions. This district was approved by the Lincoln City Council in 2010 as Change of Zone #10018.

The land surrounding the Project Site is zoned O-3 PUD Office Park District as well. Nearby zoning includes the P Public Use District, the H-3 Highway Commercial District along Cornhusker Highway, and on the south side of Salt Creek Roadway, the I-1 Industrial District. Existing zoning is shown on Exhibit 4, page 7.

The Projects are consistent with the Nebraska Innovation Campus Redevelopment Plan and are intended to promote the commercialization of the NIC Redevelopment Area and develop amenities supportive of existing and future private sector investment in the NIC Redevelopment Area. The Project is also consistent with the LPlan 2040, the Lincoln-Lancaster County 2040 Comprehensive Plan. The Guiding Principles set forth in Chapter 5 (Business and Economy) of LPlan 2040 include attracting new business and providing incentives for mixed use development. Further, the Project Site is located within a primary area identified for mixed use redevelopment nodes and corridors, according to Map 6.1 depicted in LPlan 2040. The Future Land Use map is on the following page.

The Projects represent a significant private investment in the NIC Redevelopment Area. Publicly funded redevelopment activities may include: site preparation and surcharge, installation of utilities, street and sidewalk improvements, parking lot improvements, façade enhancements, energy efficiency improvements, landscaping, and other public improvements in the NIC Redevelopment Area.

2. **Statutory Elements**

- **Property Acquisition, Demolition, and Disposal:** The Board of Regents of the University of Nebraska is the legal title holder of the Project Site and has leased the campus to Nebraska Innovation Campus Development Corporation (“NICDC”). The Master Lease Agreement, dated September 10, 2010, allows NICDC to develop, maintain, operate, sublease and subdivide the Project Site. The proposed redeveloper
will enter into a sublease with NICDC authorizing the proposed redeveloper to redevelop the Project Site. It is not anticipated that the Project will require demolition or disposal. No relocation of families or businesses will occur as a result of the Project.

- **Population Density:** The Projects consist of the construction of an approximately 80,000 square foot office building and a six-story hotel with approximately 153 guest rooms, and do not include the construction of any residential units. As a result, the Projects are not expected to affect the population density in the NIC Redevelopment Area.

- **Land Coverage:** Land coverage will increase as the Project Site is currently vacant. The Office Building Project will consist of construction of an approximately 80,000 square foot office building which will be approximately one acre upon subdivision. The Hotel Project will consist of construction of an approximately 108,000 square foot hotel on the approximately 1.2 acre Project Site. The Projects will comply with the applicable land-coverage ratios and zoning requirements of the City of Lincoln.

- **Traffic Flow, Street Layouts, and Street Grades:** The Projects are likely to increase traffic flow due to overnight guests and employees of the Hotel Project, and tenants, employees and visitors of the Office Building Project travelling to and from the Project Site. As part of the Projects, the redeveloper anticipates street improvements to Transformation Drive, dependent on TIF funding, which will address any traffic and street infrastructure concerns that would otherwise be created by the Projects.

- **Parking:** The redeveloper will construct a surface parking lot adjacent to the new office building. Parking for the hotel will be available in the surface parking lot adjacent to the Project Site and in the lot north of Transformation Drive. The Projects will meet the parking requirements of the O-3 PUD Office Park District approved by the City of Lincoln.

- **Zoning, Building Code, and Ordinances:** The Project Site is currently zoned O-3 PUD Office Park District, and the Projects are permitted uses in such a district. Both Projects will require that the Project Sites be subdivided into parcels of approximately 1.0 acres. The proposed redeveloper will meet all applicable building code requirements.

3. **Proposed Cost and Financing**

**Office Building Project:** The estimated total cost to implement the Office Building Project is approximately $15,800,000, which includes approximately $2,485,000 in public financing. The project costs will be finalized as construction costs are determined. The source of the public funds for these improvements will be the tax increment generated from the private developments on the Office Building Project Site. However, funding sources and uses will be negotiated and identified in the redevelopment agreement for the Office Building Project, subject to approval by the Mayor and City Council.
Tax Increment Financing Analysis

As required by the Nebraska Community Development Law (Neb. Rev. Stat. § 18-2113), the City has analyzed the costs and benefits of the proposed Office Building Project, as follows:

- **Public Tax Revenues:**

<table>
<thead>
<tr>
<th>Nebraska Innovation Campus – Office Building Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Base Value (Estimated)</td>
<td>$150,000</td>
</tr>
<tr>
<td>(b) Estimated New Assessed Value</td>
<td>$12,560,000</td>
</tr>
<tr>
<td>(c) Increment Value</td>
<td>$12,410,000</td>
</tr>
<tr>
<td>(d) Annual TIF Generated (Estimated) = (c) x 2.005937%</td>
<td>$250,000</td>
</tr>
<tr>
<td>Funds Available = (d) x 14 years @ 5%</td>
<td>$2,485,000</td>
</tr>
</tbody>
</table>

Upon completion of the Project, the assessed value of the Office Building Project Site will increase by an estimated $12,410,000 as a result of the private investment. This will result in an increase in estimated annual property tax collections during the 14-year TIF period of approximately $250,000, which will be available to finance the costs of construction of the public improvements related to the Project. The public investment of approximately $2,485,000 in TIF funds will leverage $13,315,000 in private sector financing: a private investment of $4.67 for every TIF dollar spent.

The Urban Development Department believes that the public improvements proposed in this plan amendment would not occur “but for” the utilization of tax increment financing in the NIC Redevelopment Area. It would not be economically feasible for the redeveloper to construct the Office Building Project improvements without tax increment financing because the existing site conditions constitute a barrier to development that cannot be adequately remedied without the use of tax increment financing.

Public investment may assist with the costs of site preparation and surcharge, installation of utilities, street and sidewalk improvements, landscaping, energy efficiency improvements, façade enhancements, parking lot improvements, and other public improvements and enhancements permitted under the Community Development Law in the NIC Redevelopment Area.

- **Public Infrastructure and Community Public Service Needs Impacts:**

It is not anticipated that the Office Building Project will have an adverse impact on existing public infrastructure. In fact, the Project involves the capture of the incremental tax revenues for installation of utilities, street and sidewalk improvements, and other public infrastructure improvements in the NIC Redevelopment Area. Specifically, Transformation Drive is proposed to be completed to the east as part of the projects. The existing infrastructure is aging and in poor condition, so improvement and replacement is necessary for development.

It is not anticipated that the Office Building Project will have an adverse impact on City services, but instead will generate additional revenue providing support for those services.

- **Employment within the Redevelopment Project Area:**

It is not anticipated that the Office Building Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the Project. The Office Building Project will create office space on the currently vacant site, attracting employers and creating jobs. The commercialization of the NIC Redevelopment Area is a stated goal of the NIC Redevelopment Plan, and this Project is anticipated to contribute to the continued economic growth of the NIC Redevelopment Area. When secondary employment effects in other employment sectors are added, the total employment effects are expected to be significantly higher.

- **Employment in the City outside the Redevelopment Project Area:**

The Office Building Project includes approximately 80,000 square feet of commercial space which will result in new jobs and should not adversely affect city-wide employment. Further, the removal of blight and substandard conditions from the Project Site and the NIC Redevelopment Area is anticipated to attract additional employers to the NIC Redevelopment Area and the City of Lincoln as a whole. The Office Building Project should increase the need for services and products from existing businesses in and around the NIC Redevelopment Area.

- **Other Impacts:**

The development of the Office Building Project Site will eliminate the existence of blight and substandard conditions, and will attract employers to the Project Site, the NIC Redevelopment Area and the City of Lincoln. The Office Building Project is consistent with the guiding principles of LPlan 2040, which include targeting undeveloped commercial areas for mixed-use development, and with the NIC Redevelopment Plan.

The Office Building Project should have a positive impact on private sector businesses in the NIC Redevelopment Area and in the City, and will attract additional private investment in and around the NIC Redevelopment Area. In furtherance of the goals of the NIC Redevelopment Plan, the Office Building Project will increase the commercialization of the NIC Redevelopment Area and
contribute to the continued economic growth of the City as a whole. The Office Building Project is not anticipated to have a negative impact on other local area employers, but rather will increase the need for services and products from existing businesses, such as maintenance and janitorial services, food and paper products, and hospitality services.

While the use of tax increment financing will defer receipt of a majority of the incremental ad valorem real property taxes generated by the Office Building Project for up to 15 years, there will be additional revenue generated by the project, for example, personal property taxes on equipment installed in the building and lodging, food and other services purchased by the building’s visitors. Upon completion of the 15 year TIF period, the Office Building Project will benefit the community through higher property tax revenue.

**Hotel Project:** The estimated total cost to implement the Hotel Project is in excess of $31,300,000, which includes approximately $4,973,000 in public financing. The project cost will be finalized as construction costs are determined. The source of the public funds for these improvements will be the tax increment generated from the private developments on the Hotel Project Site. However, funding sources and uses will be negotiated and identified in the redevelopment agreement for the Hotel Project, subject to approval by the Mayor and City Council.

**Tax Increment Financing Analysis**

As required by the Nebraska Community Development Law (Neb. Rev. Stat. § 18-2113), the City has analyzed the costs and benefits of the proposed Hotel Project, as follows:

- **Public Tax Revenues:**

<table>
<thead>
<tr>
<th>Nebraska Innovation Campus – Hotel Project</th>
<th>Amount</th>
</tr>
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<tbody>
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<td>$24,985,000</td>
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<tr>
<td>(c) Increment Value ( = (b) - (a) )</td>
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<tr>
<td>(d) Annual TIF Generated [Estimated] ( = (c) \times 2.005937% )</td>
<td>$500,000</td>
</tr>
<tr>
<td>Funds Available ( = (d) \times 14 \text{ years} @ 5% )</td>
<td>$4,973,000</td>
</tr>
</tbody>
</table>

  Upon completion of the Hotel Project, the assessed value of the Project Site will increase by an estimated $24,835,000 as a result of the private investment. This will result in an increase in estimated annual property tax collections during the 14-year TIF period of approximately $500,000, which will be available to finance the costs of construction of the public improvements related to the Hotel Project. The public investment of approximately $4,973,000 in TIF funds will leverage approximately $26,300,000 in private sector financing: a private investment of $5.03 for every TIF dollar spent.

The Urban Development Department believes that the public improvements proposed in this plan amendment would not occur “but for” the utilization of tax increment financing in the NIC Redevelopment Area. It would not be economically feasible for the redeveloper to construct the Hotel Project improvements without tax increment financing because the existing site conditions constitute a barrier to development that cannot be adequately remedied without the use of tax increment financing.

Public investment may assist with the costs of site acquisition, installation of utilities, street and sidewalk improvements, landscaping, energy efficiency improvements, façade enhancements, parking lot improvements, and other public improvements and enhancements permitted under the Community Development Law in the NIC Redevelopment Area.

- **Public Infrastructure and Community Public Service Needs Impacts:**

  It is not anticipated that the Hotel Project will have an adverse impact on existing public infrastructure. In fact, the Hotel Project involves the capture of the incremental tax revenues for installation of utilities, street and sidewalk improvements, and other public infrastructure improvements in the NIC Redevelopment Area. The existing infrastructure is aging and in poor condition, so improvement and replacement is necessary for development. Transformation Drive will be completed to its east termination as part of the Project.

  It is not anticipated that the Hotel Project will have an adverse impact on City services, but instead will generate additional revenue providing support for those services.

- **Employment within the Redevelopment Project Area:**

  It is not anticipated that the Hotel Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the Hotel Project. Construction of the hotel will provide support for the University of Nebraska and for existing businesses in the NIC Redevelopment Area by creating additional accommodations for employees, students, faculty and others traveling to the University of Nebraska or to those businesses in the NIC Redevelopment Area. When secondary employment effects in other employment sectors are added, the total employment effects are expected to be significantly higher. Further, the academic programming to be conducted by the University of Nebraska will enhance the supply of employees.
• **Employment in the City outside the Redevelopment Project Area:**

The Hotel Project is not expected to adversely affect employment in the City outside the NIC Redevelopment Area. Instead, the removal of blight and substandard conditions from the SDL VI Project Site and the NIC Redevelopment Area is anticipated to drive further commercialization of the NIC Redevelopment Area and economic growth of the City as a whole. The Hotel Project should increase the need for services and products from existing businesses in and around the NIC Redevelopment Area.

• **Other Impacts:**

The development of the Hotel Project Site will eliminate the existence of blight and substandard conditions, and will attract visitors to the Project Site, the NIC Redevelopment Area and the City of Lincoln. The Hotel Project is consistent with the guiding principles of LPlan 2040 and with the NIC Redevelopment Plan.

The Hotel Project should have a positive impact on private sector businesses in the NIC Redevelopment Area and in the City, and will attract additional private investment in and around the NIC Redevelopment Area. In furtherance of the goals of the NIC Redevelopment Plan, the Hotel Project will present opportunities for public-private partnerships, and will provide amenities supportive of nearby office and research facilities.

While the use of tax increment financing will defer receipt of a majority of the incremental ad valorem real property taxes generated by the Hotel Project for up to 15 years, there will be additional revenue generated by the Hotel Project from, for example, sales taxes generated by guests of the hotel who are likely to purchase products and services during their stay in the City of Lincoln. Upon completion of the 15-year TIF period, the Hotel Project will benefit the community through higher property tax revenue.
July 23, 2019

David Cary, Director
City of Lincoln-Lancaster County Planning Department
555 S. 10th
Lincoln, NE 68508

Dear David:

Enclosed is an amendment to the Nebraska Innovation Campus (NIC) Redevelopment Plan. The amendment identifies two redevelopment projects: a three story, approximately 80,000 square foot office building project and a six-story hotel project with approximately 153 guest rooms. In collaboration with UNL, approximately 2,600 square feet in the hotel will be dedicated to the UNL Department of Hospitality, Tourism and Restaurant Management programs including faculty offices, a student lounge and conference room. These projects are generally located to the east of the southeast corner of the Transformation Drive and 21st Street intersection. After replatting, the two sites will be approximately 2.2 acres.

Please forward the plan amendment to the Planning Commission for their earliest consideration for Comprehensive Plan conformance. My understanding is that the plan amendment should be on the August 21, 2019 agenda.

If you have questions or need additional information, please contact me at 402-441-8211 or whjermstad@lincoln.ne.gov. Thank you.

Sincerely,

Wynn S. Hjermstad, AICP
Community Development Manager

Cc: Dan Marvin, Director, Urban Development Department

enc.