

Phase II - Que Place Sub Project

1. Revitalization Project Description

This project involves a half-block area within Downtown's retail/office core and includes redevelopment/revitalization of the north one-half of Block 36 as indicated in Exhibit IV-8. The Que Place Sub Project involves two parts: Part 1 consists of the development of the 600-stall Que Place Garage on the west 220 feet of the site. Part 1 was completed in 1994. Part 2 involves the expansion of the garage into the east 80 feet of the site with the development of active street level commercial uses on the site and the development of the 'Q' Street "notch" located along the Q Street frontage of the existing Que Place Garage for commercial uses. The redevelopment/revitalization of this half-block area will require a combination of public and private resources detailed in this section. The redevelopment/revitalization will result in the following improvements:

Parking Garage Expansion/Mixed Use Project- While Part I of this sub project resulted in the development of an 8 story, 600-stall parking garage on the west 220 feet of the block, Part II envisions expansion of the garage by approximately 180 spaces with the development of approximately 8,000 to 11,000 sq. ft. of active street level commercial space under the garage addition and 5,000 to 10,000 sq. ft. of active commercial space north of the existing garage in the Q Street "notch". The additional parking will serve surrounding uses including the Embassy Suites Hotel on Block 35, and surrounding entertainment, office and University uses.

The garage/commercial expansion will replace the interim surface parking lot on the eastern portion of the site.

Public Streetscape Improvements- Part I will include rebuilding the streetscape improvements in the public right of way surrounding the site. Those improvements could include sidewalks, plantings, street furniture and other improvements as necessary.

2. Statutory Elements

(a) Property Acquisition, Demolition and Disposal

Part 1 involved the acquisition of the west 220 feet of the north 1/2 of Block 36 as indicated in Exhibit IV-9.

Part 2 identifies acquisition of the remainder of the north 1/2 of Block 36, the east 80 feet for garage expansion and commercial/museum uses. The City may sell a portion of the block for redevelopment while retaining the remainder for public purposes.

- (i) Acquisition - Part 2 of the Que Place Sub Project includes the acquisition, purchase of air rights, property rights/easements and/or agreements on the east approximately 80 feet of the north 1/2 of Block 36. See Exhibits IV-8, IV-9, and IV-10. The City of Lincoln will acquire air rights, property rights or easement agreements on the following property:

Lot 1 and east 30 feet of Lot 2, Block 36, original plat, City of Lincoln.

The City will acquire the necessary fee title, easements, air rights, covenants by way of voluntary negotiations (see Land Acquisition Proposals, Appendix 3). If voluntary purchase is not possible, the City will institute condemnation proceedings as a last resort to acquire the properties.

- (ii) Demolition and Relocation of Occupants - After the City of Lincoln has acquired property rights on the east 80 feet of the north half of Block 36 indicated in (1) above, it will prepare the site for redevelopment/revitalization. Site preparation will include demolition and any capping and removal of utility lines, securing insurance and bonds, and taking other necessary measures to protect citizens and surrounding properties. This sub project may require measures to mitigate/resolve environmental findings which will be determined upon completion of necessary site testing.

Before the City demolishes/removes the surface parking lot, it will relocate any existing tenants and pay tenants' relocation and displacement expenses (see Relocation Plan, Appendix 4).

- (iii) Replatting and Disposition - It may be necessary to replat the existing lots.

(b) Population Density

No population density presently exists on the Que Place Sub Project site and no residential units are proposed as part of the Part 2 improvements.

(c) Land Coverage and Building Density

The Block 36, Part 2 project site consists of a paved surface parking lot.

The land coverage and building density will increase with the expansion of the 8 story parking garage onto the site and the development of commercial uses at street level.

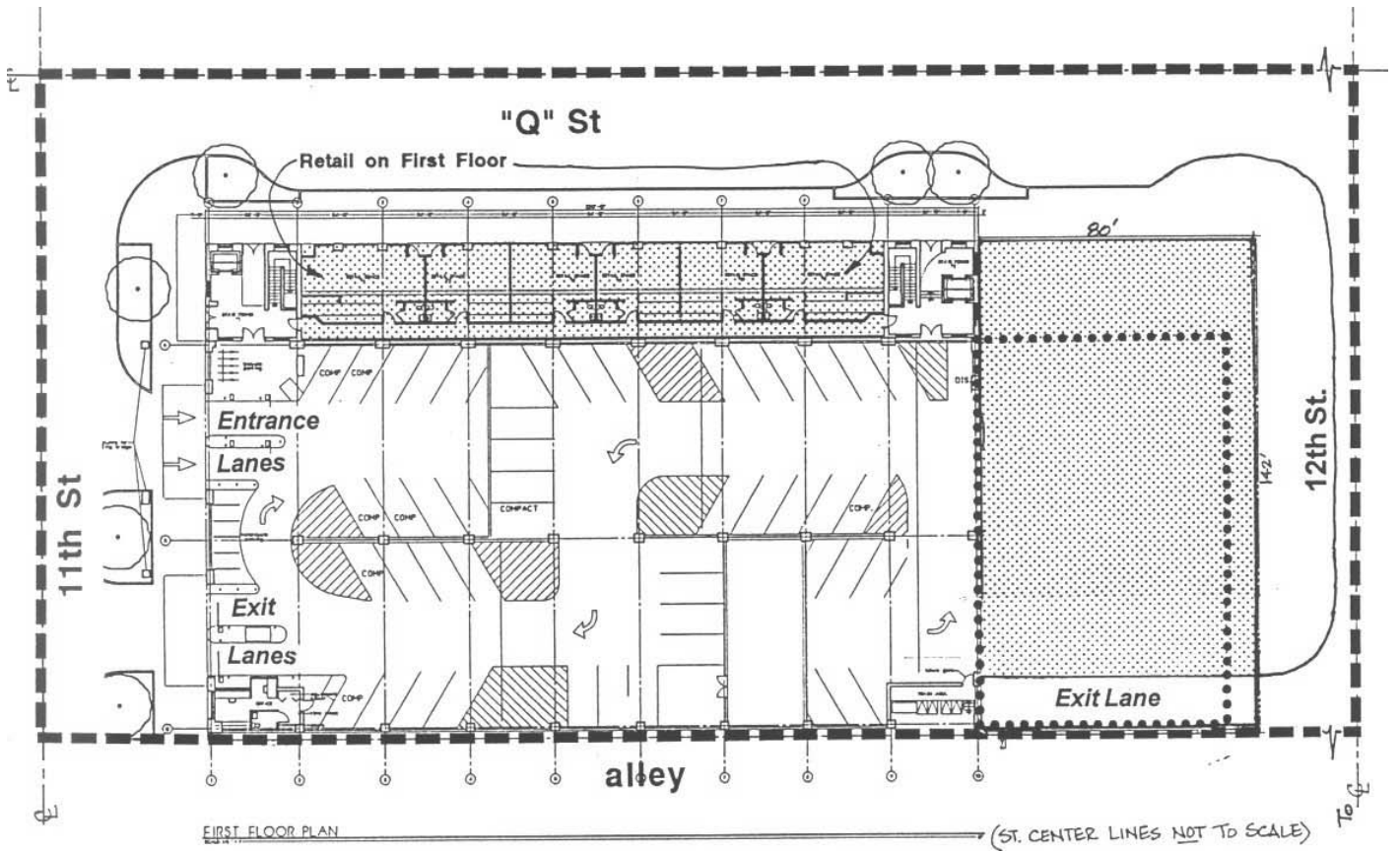
(d) Traffic Flow, Street Layouts and Street Grades

It is anticipated that redevelopment activities contemplated as part of the Part 2, Que Place Sub Project will increase in pedestrian and automobile traffic.

The street layout in the area may be affected by the need for parking garage turning movements and stacking lanes, and access.

(e) Parking

Approximately 180 parking spaces will be added to meet the parking needs of the surrounding area.



**Exhibit IV- 8
Proposed Site Plan**

Commercial Space on Ground Level (80' x 122')

Parking Extension on Third Level and Above

Sub-Project Boundary – Que Place

**Lincoln Center
Redevelopment Plan**



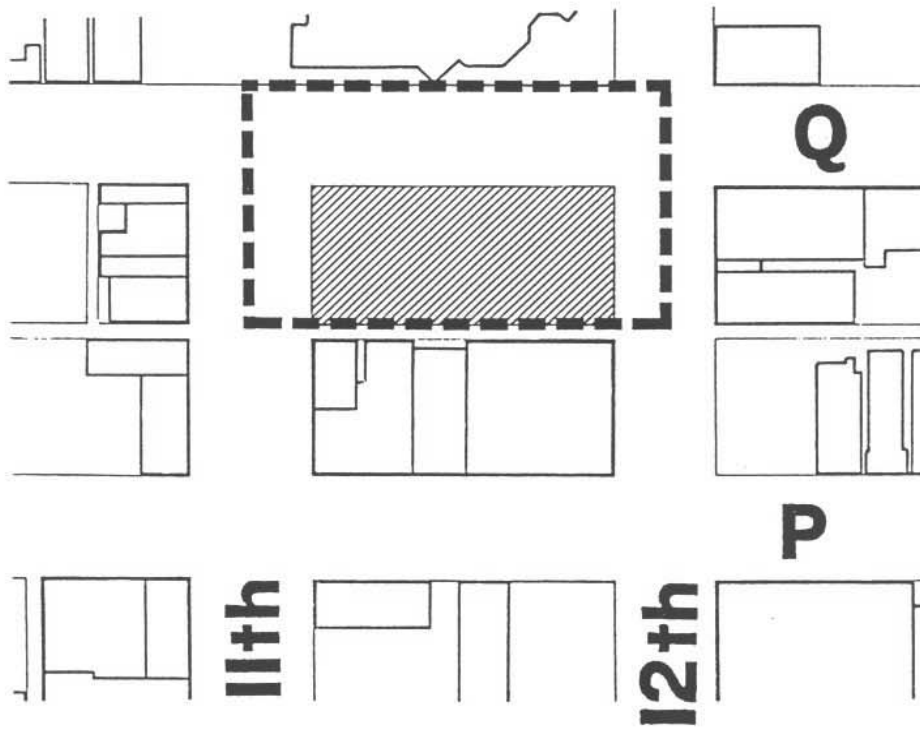


Exhibit IV-9
Acquisition and Easements

- ■ ■ Sub-Project Boundary - Que Place
- ▨ Area to be Acquired and Redeveloped

Lincoln Center
Redevelopment Plan



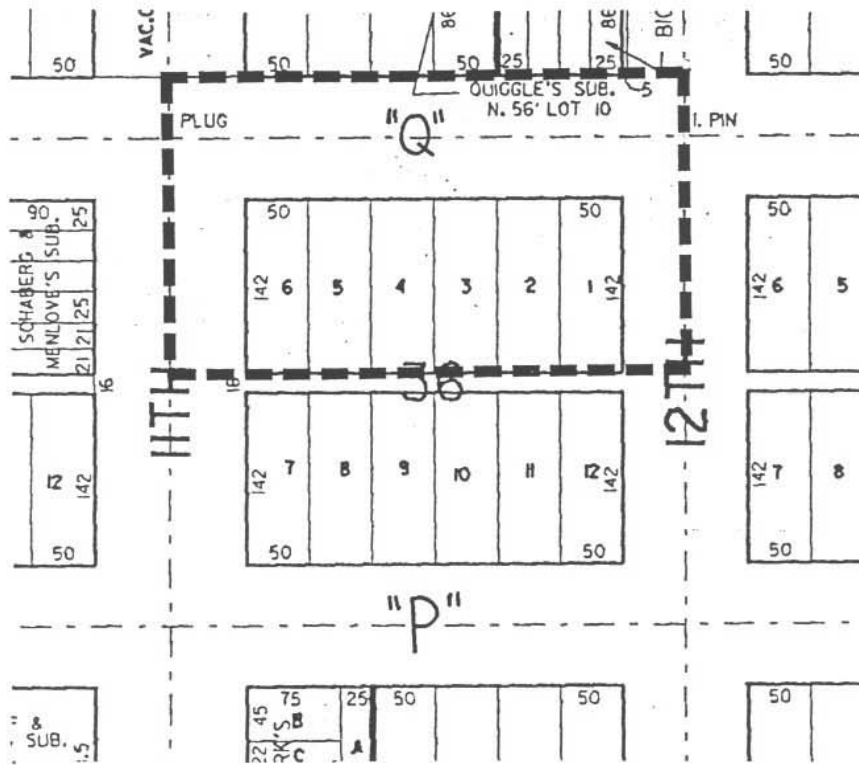


Exhibit IV-10
Existing Plat Map

■ ■ ■ Sub-Project Boundary -- Que Place

Lincoln Center

Redevelopment Plan



(f) Zoning, Building Codes and Ordinances

The present Lincoln Central Business District (B-4) zoning allows for the type of development proposed. Likewise, the City's adoption of the Uniform Code for the Abatement of Dangerous Buildings, the Uniform Building Code and their specific City amendments will properly protect the public health, safety and welfare of the people.

At this time, there are no contemplated changes in the City's zoning laws or building codes to implement this project other than to seek certain replatting. It may be necessary, however, to adopt ordinances to special assess pedestrian bridges and public improvements; to issue parking revenue bonds for parking; and to issue community improvement financing bonds.

(g) Public Utilities

No new public utilities are expected to be needed to serve the project area; however, some utilities may need to be relocated, replaced, or increased in size.

3. Proposed Cost and Financing

The total expenditure for Part 1 of the Que Place Sub Project is estimated to be \$8,930,689; public (City) \$7,400,000, and private \$1,530,689. Exhibit IV-11 contains a breakdown of the public's and the private developer's estimated expenditures. Exhibit IV-12 shows a breakdown of funding by type/source of funds.

The total expenditure for Part 2 of the Que Place Sub Project is estimated to be \$4,767,000. That includes \$2,517,000 City funds and \$2,250,000 other funds.

The proposed commercial/housing development will be totally financed privately. The public acquisition, purchase of air rights, easements and/or property rights of portions of the north half of Block 36, the business relocation, demolition, utility relocation, construction of the public parking garage, the construction of the pedestrian bridge, public improvements, and professional service fees may be funded by the public using a combination of seven or more sources including:

- (a) Special Assessment (Skywalk Bridge, if proposed).
- (b) Sales of property.
- (c) Parking Structure Income/Parking Revenue Bonds.
- (d) Community Improvement Financing.

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:

- (i) 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 public body in the same portion as are all other taxes collected by or for the body; and
- (ii) That portion of the ad valorem tax on real property in the redevelopment project in excess of

such amount, if any, shall be allotted to and, when collected, paid into a special fund of the authority to pay principal of, and 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 development for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest in 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 redevelopment project shall be paid into the funds of the respective public bodies.

The effective date for the Community Improvement Financing provisions of the Que Place Sub Project is declared to be the 1st day of August, 1993.

- (e) General Obligation Bond Issue (\$12 Million Bond Issue).
- (f) Community Development Block Grant (CDBG)/HOME, Department of Housing and Urban Development for housing development.
- (g) Interest Income.

Exhibits IV-11 and IV-12 summarize the financing, including expenditures and funding, for Que Place Sub Project.

4. Implementation Steps

Under the Nebraska Community Development Law, the first step in redeveloping an area is for the City to declare the area blighted and in need of redevelopment. The Lincoln City Council completed this first step by declaring the Downtown Area blighted on October 22, 1984 and affirmed by resolution in 1987 the area as "blighted and substandard", and further amended thereafter. The City Council determined that private enterprise could not redevelop this area without the assistance provided by the Community Development Law (see Blight Resolutions, Appendix 1 and Appendix 9).

The implementation steps for the Redevelopment Project are:

- Issue and sell Improvement Financing Bonds if and when necessary.
- Acquire/purchase air rights, easements and property rights to necessary portions of the north half of Block 36.
- Relocate business tenants as necessary.
- Replat appropriate areas into parcel sites.
- Competitively select architects and engineers to design the public facilities and improvements.
- Approve the public facilities and improvements design.

- Competitively select primary contractors to construct public facilities and improvements; including necessary demolition.
- Construct public and private facilities and improvements.
- Solicit and select a redeveloper for the private facilities and improvements.
- Negotiate land disposition and operating agreement with selected redeveloper.

EXHIBIT IV-11

QUE PLACE SUB PROJECT EXPENDITURE SUMMARY

PART 1 - ORIGINAL QUE PLACE GARAGE

Public Expenditures

Property Acquisition, Easements/Property Rights, Etc.	\$ 540,557
Relocation, Demolition, Construction; including streetscape improvements	5,847,500
Arch/Eng./Testing/Inspection/Etc.	471,839
Contingency	<u>204</u>

Gross Public Area Expenditure **\$ 7,400,000**

Redeveloper's Expenditures

Private Development (Commercial/housing)	<u>\$1,530,689</u>
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TOTAL EXPENDITURES **\$8,930,689**

PART 2 - QUE PLACE GARAGE EXPANSION

Public Expenditures

Property Acquisition, Easements, etc.	\$ 350,000
Relocation, demolition, construction of parking facility and streetscape improvements	\$2,170,000
Professional fees	\$ 165,000
Contingency	<u>\$ 182,000</u>
Total Public Part II	\$2,517,000

Private Expenditures

Construction of commercial space	<u>\$2,250,000</u>
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TOTAL PART 2 **\$4,767,000**

EXHIBIT IV-12

QUE PLACE SUB PROJECT RESOURCE SUMMARY

PART 1 - ORIGINAL QUE PLACE GARAGE

Public Redevelopment

\$12 Million General Obligation Bond Funds	\$4,000,000
Parking Revenue Bonds/Interest Income	3,400,000
Community Improvement Financing	113,312
TOTAL	\$7,513,312

Private Development

Public Sources - CDBG/CIF/Home Program/Sale of Land	\$231,206
Private Sources	1,299,483

TOTAL FUNDING **\$1,530,689**

PART 2 - QUE PLACE GARAGE EXPANSION

Parking Development Bond Fund	\$2,485,000
Tax Increment Financing	\$ 32,000

TOTAL FUNDING **\$2,517,000**

EXHIBIT IV-13

PHASE II - QUE PLACE COMMUNITY IMPROVEMENT FINANCING

PART 1 - ORIGINAL QUE PLACE GARAGE

1992 Assessment Valuation	0
After Commercial/Housing Development	\$700,000
Community Improvement Financing Valuation (90%)	630,000
X Tax Rate	0.029542
Annual Tax Collection	18,611
125 Coverage/Tax Increment Available (Annual)	14,889
Available Funds (13 years @ 6.5%)	128,043
Debt Service Reserve, Legal Fees, Capitalized Interest, Issuance and Underwriting Expenses (13%)	113,312
Available for Development/Construction	113,312