

Phase III - Journal-Star/Haymarket Square Sub Project

1. Revitalization Sub Project Description

This sub project will cover a two-block area within the Lincoln Center Redevelopment Plan area. The area will involve redevelopment of Blocks 29 and 34 as indicated in Exhibit IV-14. The project will be completed in two parts: Part 1 is the Journal Star expansion on Block 29; Part 2 involves parking garage construction on Block 34. The redevelopment of this two-block area will require private/public resources detailed in this section. The redevelopment of the area will provide for: 1. expansion of the Journal-Star Printing Facility (Block 34) linking the existing plant/office to a new approximately 103,000 square foot mailroom/distribution/press facility and parking across “Q” Street on Block 29; and Part 2. construction of a parking structure on Block 34 and streetscape improvements in the public right of way surrounding the blocks.

The sub project Part 1. will take a block of existing public parking out of service while Part 2. will provide additional parking for the area.

2. Statutory Elements

(a) Property Acquisition, Demolition and Disposal

Accomplishing the Journal-Star Sub Project of the Lincoln Center Redevelopment Plan may require public action on Blocks 29 and 34 (See Exhibit IV-16).

- (i) Acquisition. The following property on Block 34 will be acquired for the development of the parking facility. See Exhibit IV-17 (Part 2 of sub project)
- Lots 1-17, J.G. Millers Subdivision of Block 34, Original Plat, City of Lincoln and adjacent vacated alleys.
 - Lots 16, 17, 18 of Block 34, Original Plat, City of Lincoln.

The existing land, buildings and improvements are to be acquired, existing tenants relocated and buildings demolished by the City of Lincoln.

If voluntary purchase is not possible, the City will institute condemnation proceedings as a last resort to acquire the properties.

The City may acquire the necessary construction easements. The easements will be secured by way of voluntary negotiations (see Land Acquisition Proposals, Appendix 3)

- (ii) The City will relocate current owners and tenants and pay tenants relocation and displacement expenses (see Relocation Plan, Appendix 4)

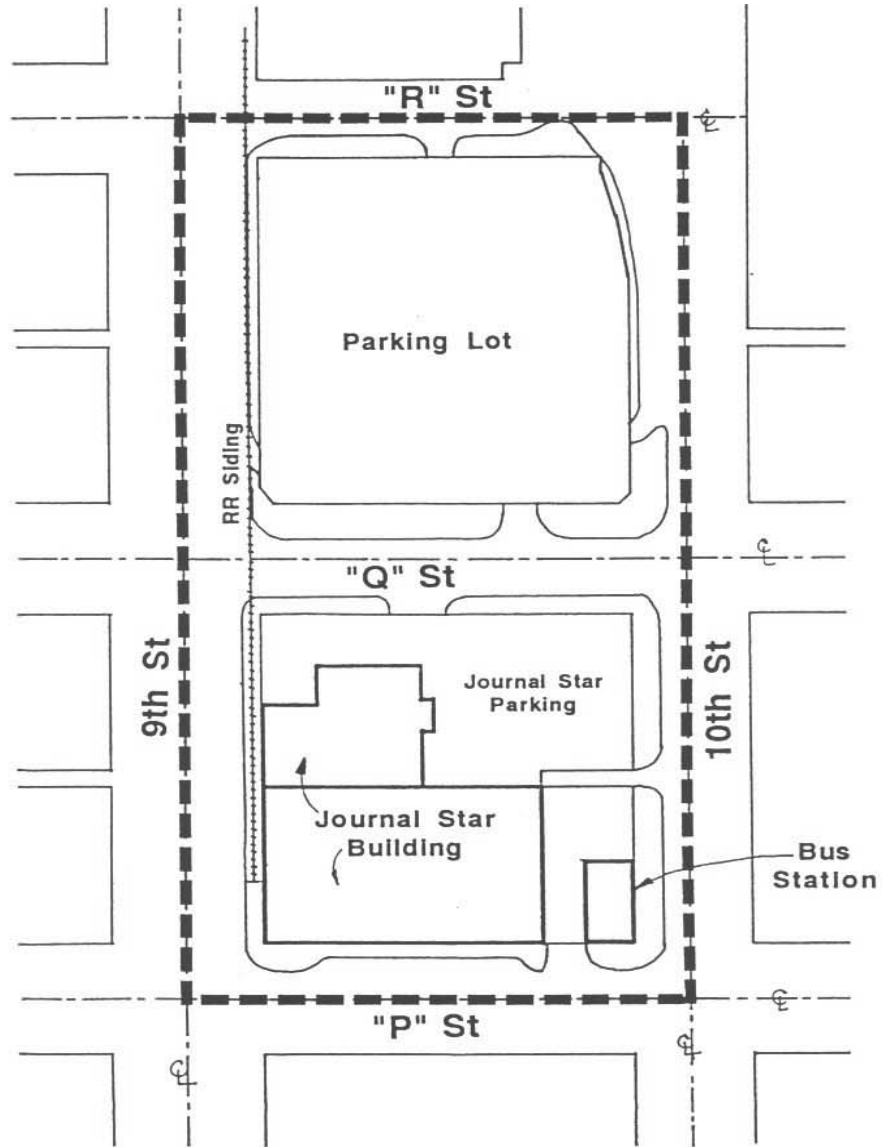
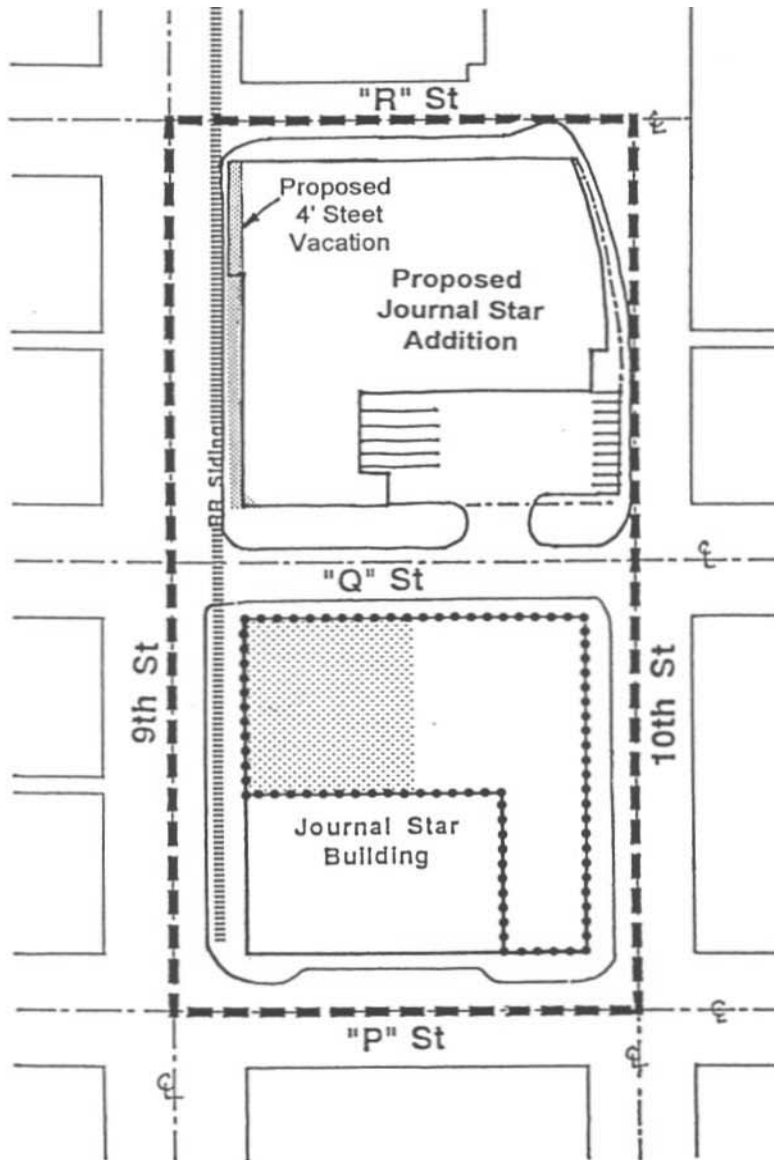


Exhibit IV-14
Existing Site Plan

■ ■ ■ Sub-Project Boundary - Journal Star / Haymarket Square

Lincoln Center
Redevelopment Plan





**Exhibit IV- 15
Proposed Site Plan**

- Sub-Project Boundary -- Journal Star / Haymarket Square
- Proposed Parking Facility
- Street Level Journal Star Facility

**Lincoln Center
Redevelopment Plan**



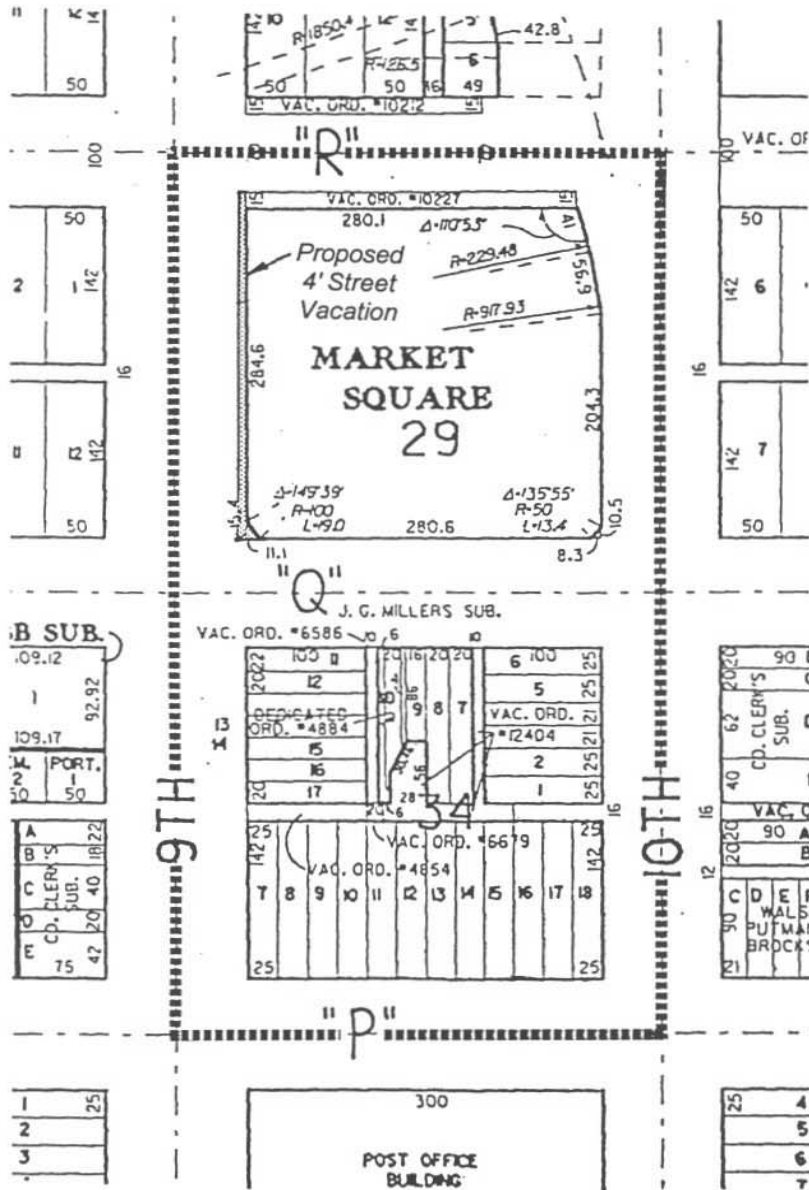
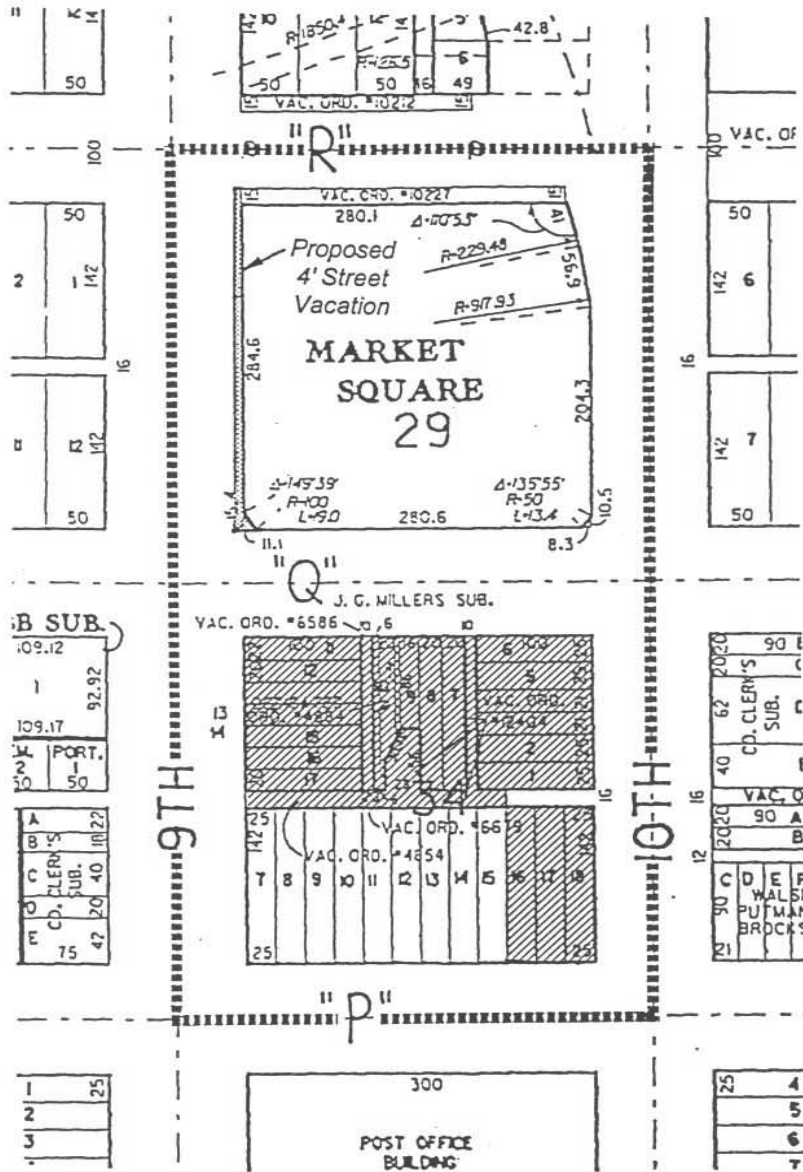


Exhibit IV- 16
Existing Plat Map

Sub-Project Boundary – Journal Star / Haymarket Square

Lincoln Center Redevelopment Plan





**Exhibit IV- 16a
Acquisition**

▬▬▬▬▬ Sub-Project Boundary -- Journal Star / Haymarket Square

▨▨▨▨▨ Acquisition

**Lincoln Center
Redevelopment Plan**



- (iii) Demolition. The City of Lincoln will prepare the site for redevelopment. Site preparation may include capping and relocating City utilities, removal of buildings, parking lot paving and equipment, unsuitable soil, provision of fill soil, landscape improvements, 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 contamination consisting of petroleum hydrocarbons and certain volatile organic compounds. The City of Lincoln will be responsible for installation of the remediation system for the contaminated soils and groundwater present on Block 29. Monitoring of the system beyond certain time limits may be done by the Journal Star Printing, developer, and/or city. The Remedial Action Plan will require the City of Lincoln, developer, and the Nebraska Department of Environmental Quality approvals.

- (iv) Disposal/Disposition. Approximately 95,000 sq. ft. of Block 29, and the 15-foot vacated right-of-way of “R” Street, and approximately 4 feet of proposed vacation of 9th Street, both adjacent to Block 29 has been sold to the Journal Star to allow construction of a distribution/press/loading dock center, rail facility and parking. An option to the 4-foot vacation of 9th Street may be by way of the “use of public right-of-way” permit process authorized by city council action.
- (v) Replatting. It may be necessary to replat the existing lot and vacated street/s.

(b) Population Density

No residential units exist on the two-block Sub Project site. The population density on these two blocks will not change.

(c) Land Coverage and Building Density

The present land coverage and building density will increase on Blocks 29 and vacated streets, and Block 34. It is anticipated the building-land coverage may increase by approximately 103,000 square feet on Block 29. A 6-8 story parking structure with street level commercial space is anticipated to replace the Greyhound facility and the Journal Star building and parking lot on the northern and eastern portions of Block 34. The building may range in height levels from approximately 30 feet to 65 feet.

(d) Traffic Flow, Street Layouts

It is anticipated that redevelopment activities contemplated on Block 29 and vacated streets, and Block 34 will cause an increase in pedestrian, and automobile traffic, and increase in truck traffic on and around the area.

(e) Parking

It is anticipated that a 6-8 story parking structure will be built on the northern portion of Block 34 as Part 2 of this sub project. The parking structure may be built in two phases. The first phase is anticipated to be located on the north one-quarter of the block and could provide 300-500 parking spaces. A second phase of the parking structure is anticipated to be built at a later date. Further, the

nearby redevelopment area is/will be served by an extensive inventory of public and private parking facilities: Lincoln Station - 190, Center Park - 1,048, University Square - 436, Que Place - 598, Lumber Works - 64, Rampark - 317, Crossroads House - 90. In addition, private surface parking of approximately 12 spaces will be provided on Block 29 to support existing and proposed new developments.

(f) Zoning, Building Codes and Ordinances

The present "P" Public Zoning is proposed to be changed to that of the surrounding Lincoln Central Business District (B-4) zoning which 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 other contemplated changes in the City's zoning laws or building codes in and to implement this sub project. It may be necessary, however, to adopt ordinances to issue community improvement financing bonds for improvements.

(g) Public Utilities

The only utility expected to be needed to serve the sub project area is a lateral sanitary sewer connection to the property line; 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 Phase III - Journal-Star/Haymarket Square Sub Project is estimated at \$1,217,160 (public) and \$20,500,000 (private). Expenditures for Part 2., the parking facility on Block 34, total \$12,384,000. Exhibit IV-17 contains a breakdown of the public's and the private developer's estimated expenditures. Exhibit IV-18 shows a breakdown of funding by type/source of funds.

The Journal-Star/Haymarket Square Sub Project will require both public and private financing. The public activities will be funded by the public using a combination of sources including:

- (a) 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.

- (b) Sale of Land.
- (c) Interest Income.
- (d) Community Development Block Grant (slums and blight).
- (e) Downtown Bond Funds.
- (f) Parking Revenue Bonds.

The effective date for the Community Improvements Financing provisions of the Phase III - Journal-Star/Haymarket Square Sub Project will be the date of such redevelopment improvements by the City of Lincoln on Blocks 29 and 34.

Exhibits IV-17 and IV-18 summarize the financing, including expenditures and funding for the Journal-Star/Haymarket Square 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 Journal-Star/Haymarket Square Sub Project are:

Part 1, Block 29

- Acquire property easement rights for construction purposes, if necessary.
- Competitively select primary contractor to demolish and clear Block 29. (completed)
- Select architects and engineers to design the public streetscape improvements. (completed)
- Approve the design of public improvements. (completed)
- Competitively select primary contractors to construct improvements. (completed)

- Construct public improvements. (underway)

Part 2, Block 34

- Acquire property for parking garage construction.
- Relocate existing tenants.
- Identify design and phasing of parking garage.
- Competitively select architect/engineer to design facility.
- Competitively select contractor to construct facility.
- Construct garage and related facilities.

EXHIBIT IV-17

**PHASE III - JOURNAL-STAR/HAYMARKET SQUARE SUB PROJECT
EXPENDITURE SUMMARY**

Part 1, Block 29

Public Expenditures

1. Demolition and fill/Environmental	720,000
2. Street, Utility, Streetscape Amenities, and Other Improvements	315,000
3. Architect/Engineer and Other Fees	130,410
4. Contingency	<u>51,750</u>
Gross Public Area Expenditures	\$1,217,160

Private Developer's Expenditures

Distribution Center/Land Acquisition/Press	20,500,000
GRAND TOTAL, PART 1	\$ 21,717,160

Part 2, Block 34

Public Expenditures (600 spaces)

1. Acquisition and relocation	\$1,750,000
2. Demolition/Environmental	50,000
3. Construction of Garage, Streetscape and related facilities	8,748,000
4. Architect/Engineer and other fees 10%	874,800
5. Contingency 10%	<u>961,200</u>
TOTAL PUBLIC EXPENDITURES, PART 2, BLOCK 34	\$12,384,000

EXHIBIT IV-18

**PHASE III - JOURNAL-STAR/HAYMARKET SQUARE SUB PROJECT
FUNDING SUMMARY**

Funding By Type

Part 1 (Block 29)

1. Community Improvement Financing	\$404,160
2. Sale of Land	788,000
3. Interest Income	<u>25,000</u>
TOTAL FUNDING, PART 1	\$1,217,160

Part 2 (Block 34)

Part II-East

1. Downtown Development Bonds	\$3,240,000
2. Parking Revenue Bonds	1,500,000
3. Tax Increment Financing	644,000
Total East	\$4,884,000

Part II-West

Source to be determined	\$2,752,000
TOTAL FUNDING, PART II	\$7,636,000

EXHIBIT IV-19

**PHASE III - JOURNAL-STAR/HAYMARKET SQUARE SUB PROJECT
COMMUNITY IMPROVEMENT FINANCING**

Part 1. Block 29-Journal Star Expansion

Base Assessment (Tax Exempt Value)	925,000
Estimated Future Assessment (Distribution Facility)	9,450,000
Assessment (90% of FMV)	8,505,000
CIF Increment Value	7,580,000
Tax Rate	.02
Annual Tax	151,600
1.35 Coverage	112,300
Bond Issue Available (13 years @ 6.5%)	965,761
Issue Expense, Debt Service Reserve, Capitalized Interest, Etc. (15%)	<u>-144,864</u>
Available for Development/Construction	820,957