

## **PHASE III - CENTERSTONE SUB PROJECT**

### **1. Revitalization Sub Project Description**

The Phase III Centerstone Sub Project involves Lots 7, 8, 9 and 10, Block 40 (Exhibit IV-43), which is presently occupied by three structures one of which is the Centerstone (the old Anderson building) and will include the following activities/improvements:

"Centerstone" - A ten-story, 75,000 square foot retail/office building that is being converted/rehabilitated by a private developer to house two floors, 11,000 square feet of first class retail space; one floor, 5,000 square feet of first class condominium office space; and seven floors, 40 units of condominium housing.

Sidewalks - The installation of brick pavers along certain portions of 12th Street consistent with the existing sidewalk designs at various corners of 12th and "O" Streets. Structural reinforcement may be needed wherever the sidewalks are replaced.

Pedestrian Amenities - Existing landscaping and amenities such as benches, bike racks, and trash receptacles may be replaced along "O" and 12th Streets, if and where necessary. An interest in the existing canopy will be acquired by the City and be completely renovated, maintaining its historical significance. Other amenities may include installation, construction or reconstruction of streets, public spaces, lighting and a skywalk corridor with pedestrian/vertical access, a historical kiosk/panels/markers and replacement of miscellaneous railings around an existing exterior stairwell and other public improvements as necessary.

A map of Centerstone Sub Project and the site plan/improvements are presented in Exhibit IV-42.

### **2. Statutory Elements**

#### **(a) Property Acquisition, Demolition and Disposal**

Accomplishing the Phase III Centerstone Sub Project of the Lincoln Center Redevelopment Plan 12th Street Revitalization Area Project may require public action on a portion of Block 40.

To accomplish the desired improvements in connection with the Centerstone Sub Project, it will be necessary for the City to acquire an interest in the canopy overhanging the public right-of-way and rights for reconstruction of canopy which need to be anchored to the Centerstone building. In addition, skywalk corridor access may be provided from and to the Centerstone for pedestrian use to the proposed future skywalk (bridge) system. It is anticipated the City can acquire the necessary property rights by way of voluntary negotiations.

- (i) Acquisition (Exhibit IV-44 Acquisition and public access) - The City of Lincoln may acquire the following portion of the indicated block:

Interest in the canopy overhanging the public right-of-way adjacent to Lots 7 and 8.

Lot 9 and 10, Blk. 40, Original Plat; public access corridor at second level.

The City may acquire the necessary fees, easements, covenants and leases by way of voluntary negotiations (see Land Acquisition Proposals, Appendix 3). If voluntary purchase is not possible, the City may institute condemnation proceedings as a last resort to acquire the public access.

- (ii) Demolition of Indicated Portion of Block 40 - After the City of Lincoln has purchased the public access portion of Block 40, it will prepare the site for construction of the skywalk corridor and reconstruction of the canopy.
- (iii) Disposition - No land sale is anticipated.

(b) Population Density

The existing development on Lots 7, 8, 9 and 10, Block 40 contains no residential units. Through building conversion/renovation/rehabilitation, 40 units of condominium housing will be provided and thereby the population density in the project area will increase.

(c) Land Coverage

The present land coverage and building density will remain the same.

(d) Traffic Flow, Street Layouts and Street Grades

It is anticipated that redevelopment activities contemplated on Block 40 will cause an increase in pedestrian and automobile traffic.

(e) Parking

Parking will not be provided within the Centerstone Sub Project itself, but be served by an extensive inventory of public and private parking facilities in the adjacent surrounding area.

(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 not 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 special assessment and community improvement financing bonds for streetscape, canopy, skywalk corridor access and other improvements.

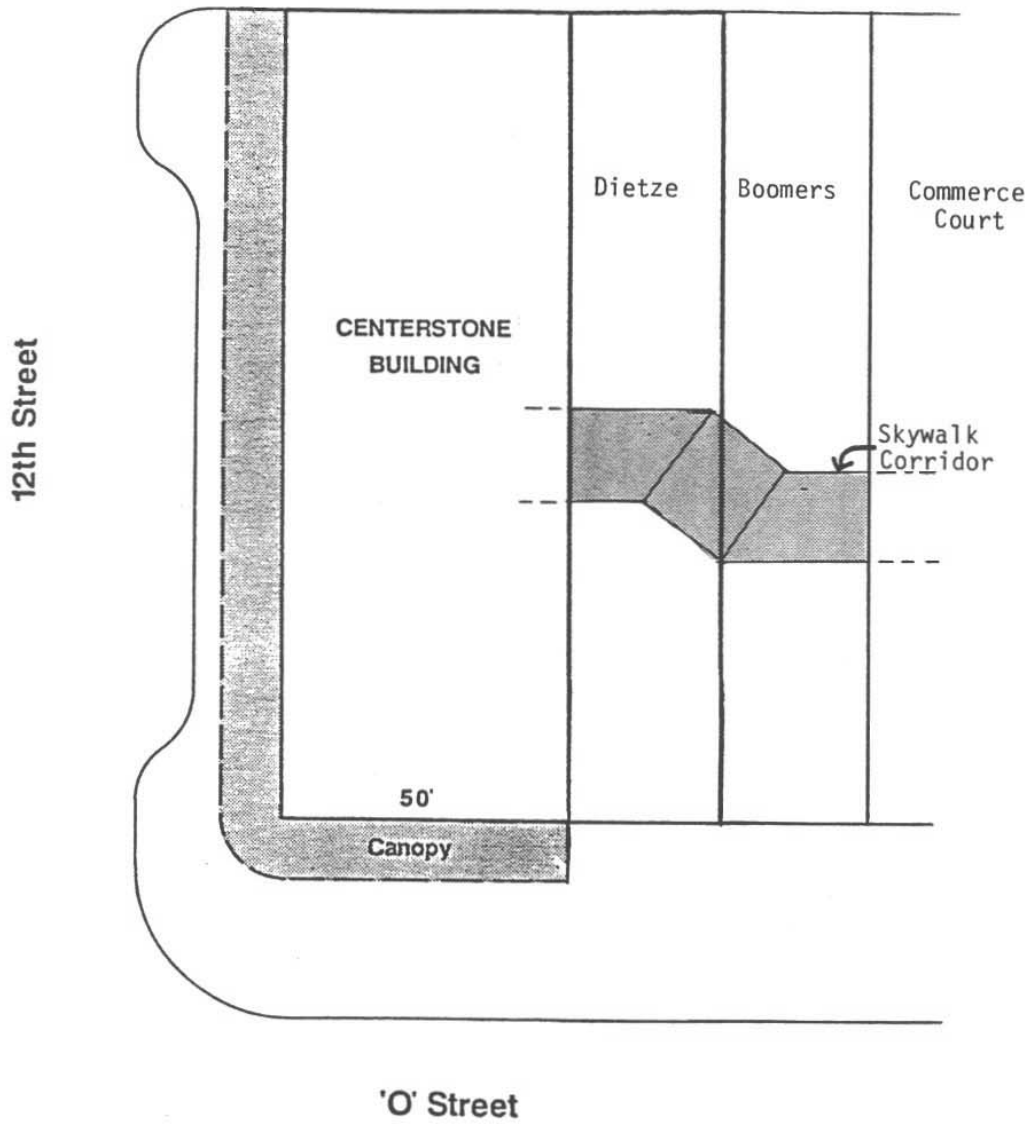


Exhibit IV-42  
Proposed Site Plan

**Lincoln Center**  
Redevelopment Plan



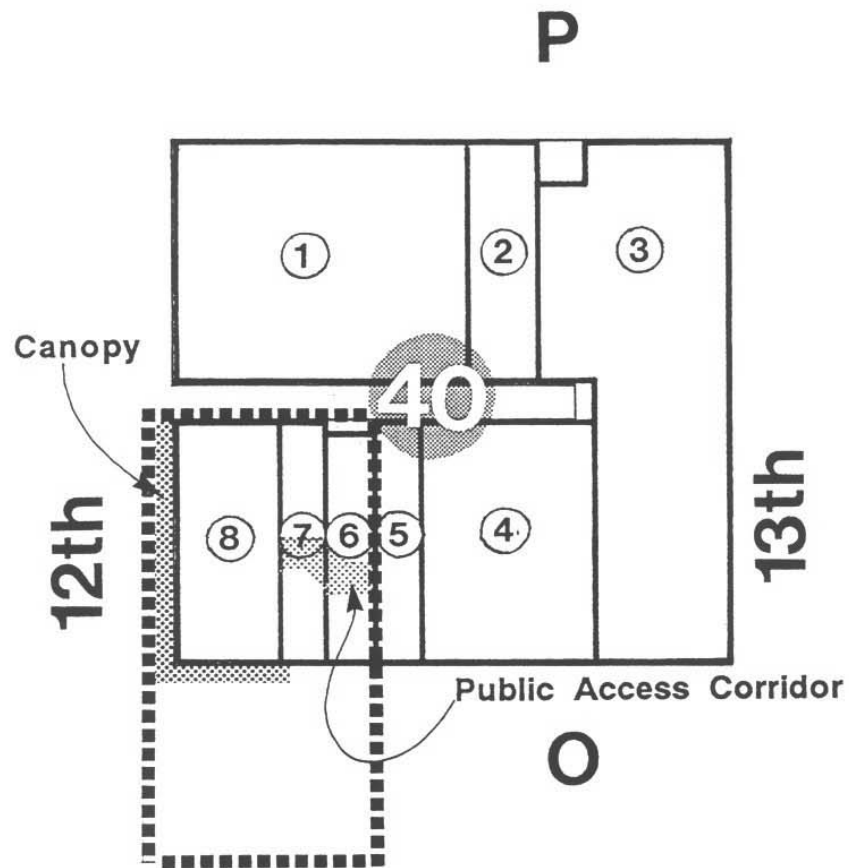


**Exhibit IV-43**  
**Existing Plat Map**

■■■■■ Sub-Project Boundary -- Centerstone

**Lincoln Center**  
**Redevelopment Plan**





**Exhibit IV-44  
Acquisition**

- ▨ Area to be Acquired and Redeveloped
- ▨ Public Access Corridor
- ▨ Sub-Project Boundary -- Centerstone

**Lincoln Center  
Redevelopment Plan**



### **3. Proposed Cost and Financing of Centerstone Sub Project**

Total cost for the Centerstone Sub Project is estimated to be \$3,300,000. This includes \$2,750,000 for the rehabilitation/construction of the buildings and \$550,000 for the public improvements. Exhibit IV-45 contains a breakdown of the public's and developer's estimated expenditures.

The rehabilitation of Centerstone (housing units, office and retail) will be totally financed from private sources. In turn, the increased property taxes generated by these private improvements can be utilized to fund the public's expenditures.

On Lot 7, 8, 9 and 10, Blk. 40, the existing property produces an annual ad valorem tax of \$7,766. With the new housing, office and retail rehabilitation completed, there will be a net increase of \$60,427 a year in taxes generated by the project portion of Block 40.

Therefore, reconstruction of the canopy, construction of the sidewalks, pedestrian amenities and Skywalk Corridor will be funded by the public using the following sources:

- (a) Any ad valorem tax levied upon real property in the redevelopment project on Lot 7, 8, 9 and 10, Block 40 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 proportion 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) Sidewalk Improvements - Special assessments may be levied upon the properties of the benefiting property owners.
- (c) Skywalk Corridor - Capital Improvement Program (Community Improvement Financing, Special Assessments if necessary).

The Centerstone Sub Project financing, including expenditures and funding, is summarized in Exhibit IV-46.

The effective date for the Community Improvement Financing provisions of the Centerstone Sub Project is declared to be the 20th day of October, 1986.

#### **4. Implementation Steps**

The Centerstone Sub Project is an example of what can be accomplished when the private sector and government work together towards a common redevelopment goal. Utilizing the Community Redevelopment Law (Neb. Rev. Stat. 18-2101 et al), as amended in 1979, the City of Lincoln can now offer new financing capabilities for public improvement.

Under the 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." 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 Centerstone Sub Project include:

- Issue and sell community development notes or bond.
- Acquire an interest in the canopy overhanging, the public right-of-way and rights necessary for construction of public improvements.
- Negotiate redevelopment and operating agreements with developers.
- Select architects and engineers to determine location and design the public facilities and improvements.
- Approve the public facilities and improvements design.
- Competitively select contractors to construct public facilities and improvements.
- Construct public and private facilities and improvements.

**EXHIBIT IV-45**

**CENTERSTONE SUB PROJECT EXPENDITURES**

**Public Expenditures**

1. Property Public Access Rights, Demolition, and Skywalk Corridor Construction		\$230,000
2. Sidewalks (Streetscape)		\$ 150,000
3. Pedestrian Amenities		\$ 102,000
a. Canopy Restoration	\$ 72,000	
b. Basement Stairs/Guard Rail	26,000	
c. Historical Plaque	4,000	
4. Architect/Engineer & Other Fees		\$ 40,000
5. Contingency		\$ 28,000
<b>Gross Public Expenditures</b>		<b>\$ 550,000</b>

**Developer's Cost**

1. Housing Retail & Office Development		\$2,700,000
2. Rehabilitation (Lots 9 & 10)		<u>50,000</u>
<u>Gross Developer's Cost</u>		\$2,750,000

**GRAND TOTAL OF EXPENDITURES** **\$ 3,300,000**



## EXHIBIT IV-46

### CENTERSTONE SUB PROJECT COMMUNITY IMPROVEMENT FINANCING

#### Community Improvement Financing Bonds

1986 Base Assessment Value	\$ 213,023
1994 Assessment Estimate	3,409,000
Incremental increase (1994)	3,195,977
Tax Rate (1994) Estimate	0.023
Annual Property Tax	73,507
CIF Collection to 1995 - 2001 (7 yrs.)	514,552
Available for Construction (1995 - 2001 NO BONDING)	514,552
Cash Collection 1987 - 1994	<u>396,662</u>
	<b><u>\$911,214</u></b>

#### Centerstone Funding Summary

##### Expenditure Summary

###### Public's Cost

Property Public Access Rights, Demolition and Skywalk Corridor	\$ 230,000
Sidewalks	150,000
Pedestrian Amenities	102,000
Architect/Engineer & Other Fees	40,000
Contingencies	<u>28,000</u>
City Expenditure Total	<b>\$ 550,000</b>

###### Developer's Cost

Centerstone Housing, Office & Retail Building	\$2,700,000
Rehabilitation (Lot 10)	<u>50,000</u>
<b>TOTAL</b>	<b>\$2,750,000</b>

##### Funding Summary

###### Public Funding

Community Improvement Financing/Bonds and/or Special Assessments, if necessary	\$ 550,000
<b>TOTAL</b>	<b><u>\$ 550,000</u></b>

###### Developer's Funding

Developers	<u>\$2,750,000</u>
<b>TOTAL</b>	<b>\$2,750,000</b>