

J. THE LINCOLN STAR BUILDINGS REDEVELOPMENT PROJECT

1. Revitalization Project Description

The Lincoln Star Buildings Redevelopment Project, as part of the revitalization/redevelopment involves a portion of Block 88 within the downtown mixed use revitalization/development area (see Exhibit IV-115 for project boundary). The project involves a combination of public and private resources detailed in this section. The project area is presently occupied by the four (4) structures (formerly Back to the Bible Complex) being renovated (The Star Building, The Star Annex, The Back to the Bible Tower, and the historically significant Palace Stables) and two-structure College of Hair Design Complex. A fifth building/facade (Townsend) may be relocated to this block. The public elements of the project include rebuilding the sidewalks and (repairing/sealing) sidewalk vaults, roof/slab, streetscape/landscape improvements, and building an alley skywalk bridge connecting the Back to the Bible Tower (or Star South Annex), and the Carriage Park Garage. The skywalk bridge is necessary to provide the parking and pedestrian connection from the renovated Star buildings to the city parking garages and to provide pedestrian access into the existing downtown skywalk system. The redevelopment/revitalization will result in the following improvements:

The Lincoln Star Buildings Complex - An aggregate of four integrated buildings of varying heights and designs to be substantially renovated with new windows/facades and interior construction, some of which are historically significant. All of these buildings will be converted into office space. A fifth building (Townsend) may be relocated to this block. In addition, an underground fuel tank exists under the 12th Street sidewalk (city rights-of-way) at the northeast corner of the Star South Annex Building. The tank must be removed, which may involve environmental requirements, issues/concerns. All these improvements/activities will be the responsibility of the private developer.

College of Hair Design Complex - An aggregate of two integrated buildings (two-story without basement; three-story with basement), both have structures exterior and interior building, electrical, plumbing and heating systems in good to very good/well-maintained condition except for the south half of the basement, which is presently being renovated for classroom, conference room and office space. The entire complex is used for beautician and barber education and training, and made up of a service area, classrooms, offices, lounge, and some apartment units for student housing. (See Exhibit IV-114 - Site Plan).

Skywalk - A skywalk bridge is proposed to be constructed over the privately owned, east-west alley between 11th and 12th Streets. The skywalk bridge may be open on its sides or enclosed with support columns which may need to occupy Carriage Park Garage alley setback space. The proposed skywalk will allow an easy, convenient connection between the Carriage Park Garage and the redeveloped Star Buildings. This may be a public or private improvement.

Public Improvements/Amenities - Installation, construction or re-construction of streets, curbs, sidewalks, utilities, drives, sidewalks, vaults, and streetscape improvements, i.e. landscaping, benches, bike racks, trash receptacles, may be accomplished as or where necessary.

Design - The actual size and design of the public improvements are to be determined after the city secures the services of professional engineers/architects and receives public input.

Public Improvements - See Exhibit IV-116.

2. Statutory Elements

a. Property Acquisition, Relocation, Demolition and Disposal

Accomplishing the Lincoln Star Buildings Redevelopment Project requires no actual ownership acquisition of property. However, the skywalk bridge will require public action within the existing building improvements and such property rights and air rights necessary to be acquired for streetscape/vault construction and construction of the skywalk bridge and the buildings' facade connection demolition work by the city of Lincoln.

In addition, the city may need to provide for access to, from, and through the Carriage Park Garage facility and the Lincoln Star Buildings Complex for pedestrian use.

(1) Acquisition

The city of Lincoln will acquire such easements, property rights, and air rights necessary to construct the skywalk bridge on the following portions of the indicated block:

- Block 88:
- (a) air rights over a portion of the private alley between Lots 2 and 3, north side (private property), and Lots 10 and 11, south side (public property, or between Lot 1 (private property), and Lot 12 (public property), for construction of skywalk bridge.
 - (b) easements and property rights on portions of Lots 2 and 3, or Lot 1 for construction through building facade connection. (See Exhibit 115).

The city may acquire the necessary fees, easements, property rights, air rights, and covenants by way of voluntary purchase, (see Land Acquisition Proposals, Appendix B).

(2) Demolition

After the city of Lincoln has acquired the easements, property rights and air rights on Block 88 indicated above (a), it will prepare the site/building facades for construction including securing insurance and bonds, and taking other necessary measures to protect citizens, the project, and surrounding property.

(3) Disposition

No sale of property is necessary to accomplish this project.

b. Population Density

No population density exists in the Lincoln Star Buildings Complex and will remain unchanged. The apartment units in the College of Hair Design Complex will remain as is (student housing).

c. Land Coverage and Building Density

The present land coverage and building density will increase only if the Townsend Building is moved to the project site.

d. Traffic Flow, Street Layouts and Street Grades

It is anticipated that this project will increase the pedestrian and automobile traffic.

The street layout and street grades will remain as is.

e. Parking

The redevelopment project area is served by the recently constructed 710-space Carriage Park Garage public parking facility.

Parking on the north half of the west side of 12th Street may be modified from parallel parking to diagonal parking, and additional diagonal parking may be added in front of the Palace Stables Building after the overhead doors and associated driveways are removed.

The skywalk bridge will provide the opportunity for the redeveloped Lincoln Star Buildings to be more efficiently served by the existing inventory of public and private parking garage spaces (Carriage Park/Cornhusker/CTU).

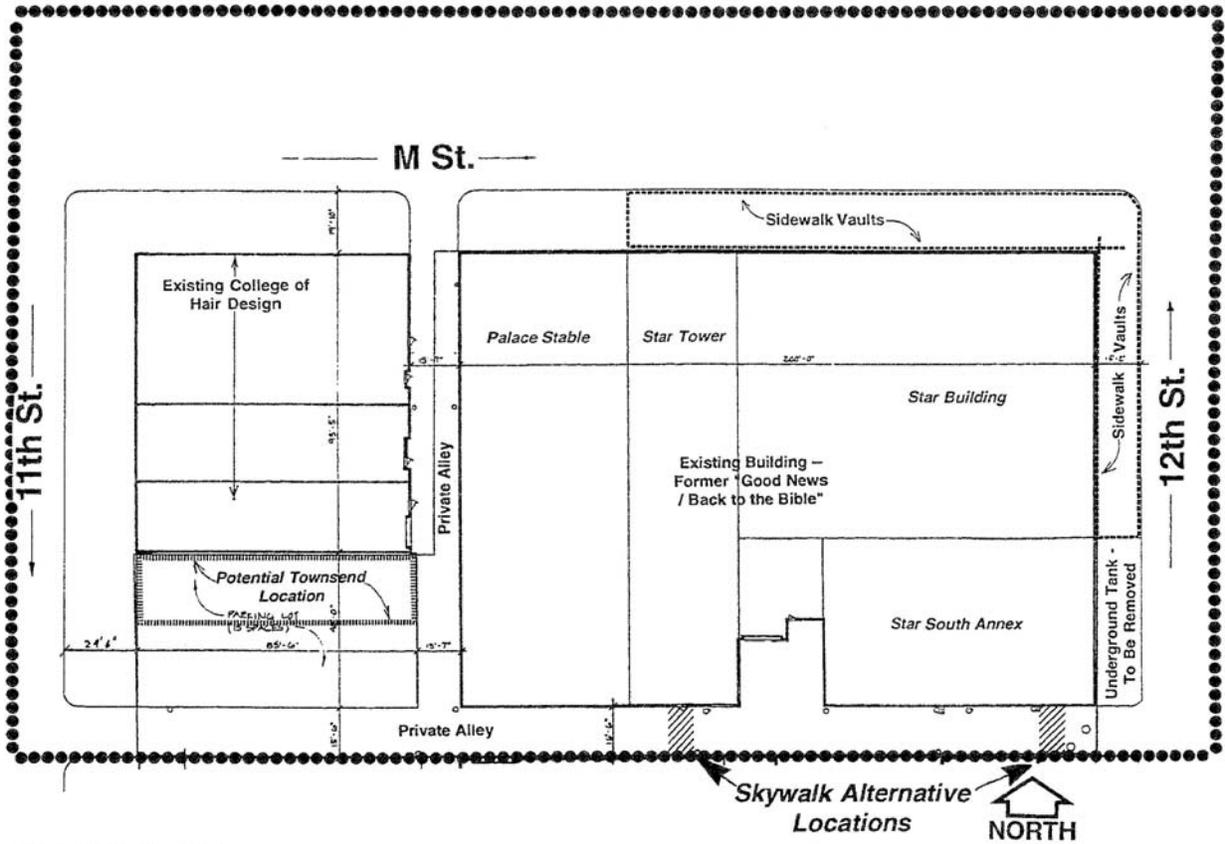


Exhibit IV-114
Existing / Proposed Site Plan

●●●●● Project Boundary - Lincoln Star Buildings Redevelopment Project

Lincoln Center Redevelopment Plan



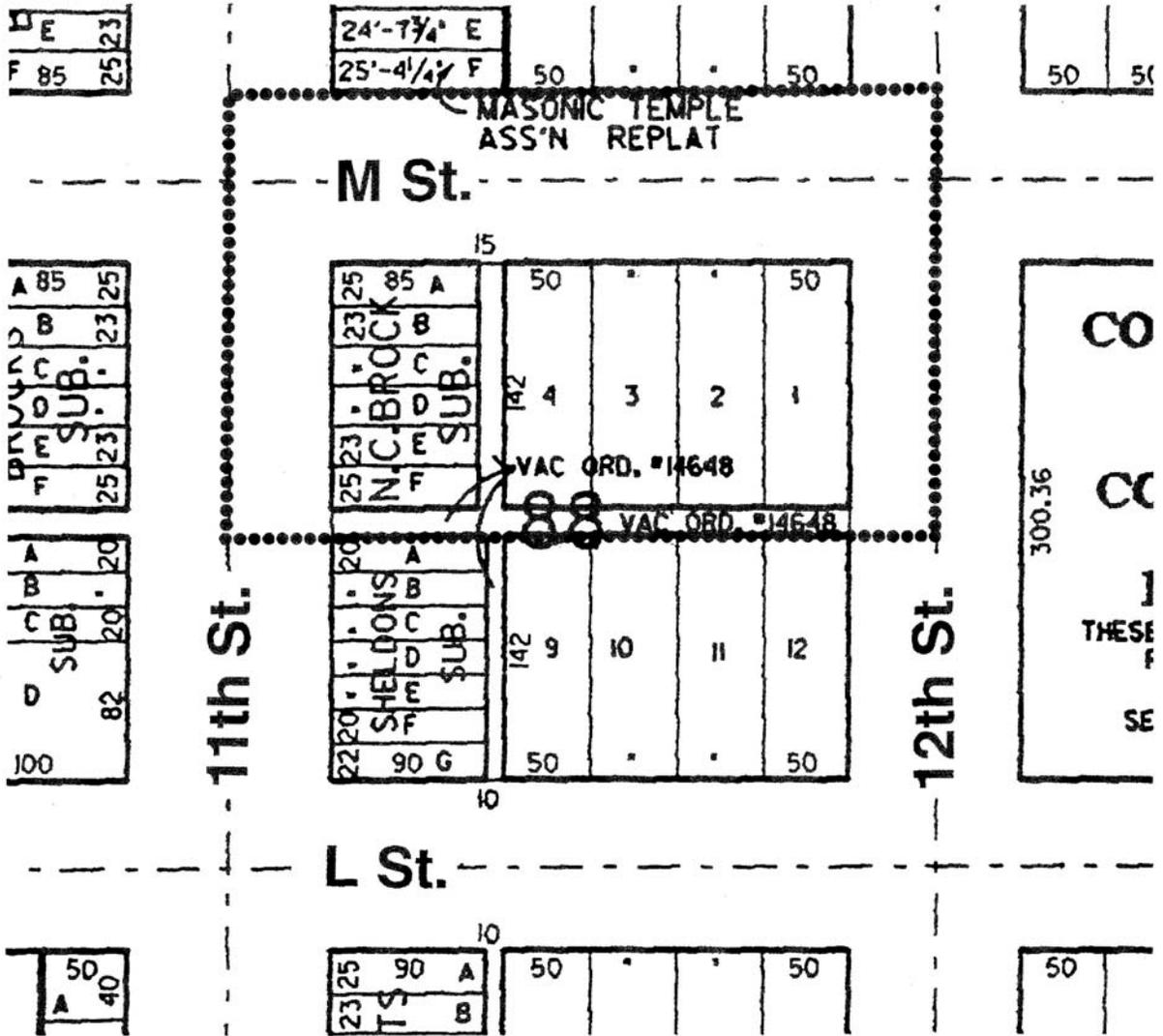
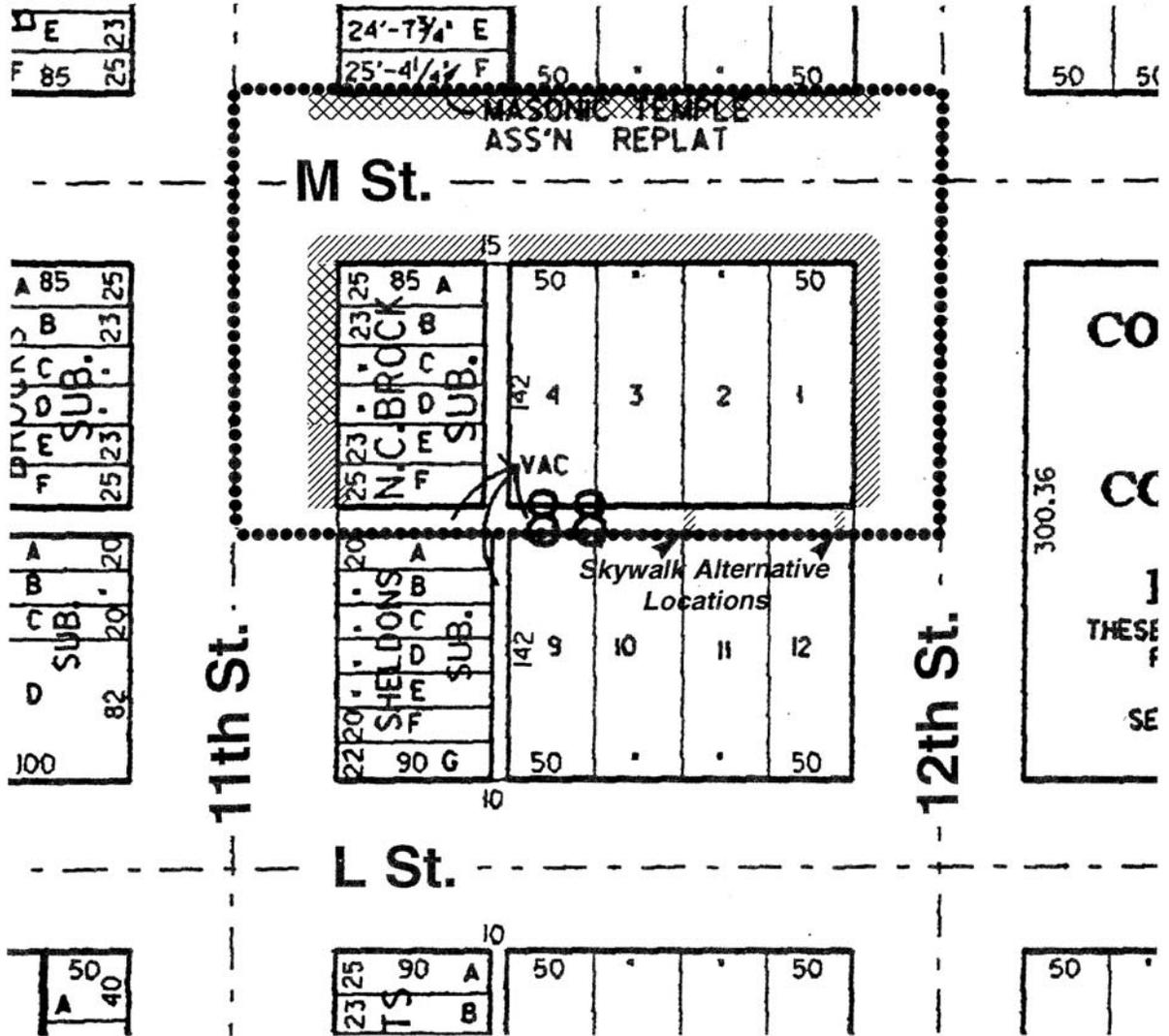


Exhibit IV-115
Existing Plat Map and Project Boundary

.....Project Boundary – Lincoln Star Buildings Redevelopment Project

Lincoln Center Redevelopment Plan





**Exhibit IV-116
Proposed Public Improvements**

- ////// Priority One: Sidewalk, Vault, Streetscape, Skywalk
- XXXX Priority Two: Sidewalk, Streetscape

**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 these projects. It may be necessary, however, to adopt ordinances to special assess skywalks and to issue community improvement financing bonds.

g. Public Utilities

Public utilities located in the project area will remain. However, where necessary, may be modified, replaced, or rerouted to enable construction of the skywalk bridge or relocation of the Townsend Building.

3. Proposed Cost and Financing

The total expenditure for the Lincoln Star Buildings Redevelopment Project is estimated to be \$1,931,441; public (City) \$451,441, and private \$1,480,000. Exhibit IV-117 contains a breakdown of the public's and developer's estimated expenditures.

The project's existing property produces an annual ad valorem tax of approximately \$2,465. With the renovation/revitalization activities completed, it is anticipated that a net increase of \$28,200 a year in taxes generated by the project.

The acquisition of property easements/rights and air rights, where necessary, for construction of the skywalk bridge, implementation of streetscape/vaults and other public improvements and professional services fees for public improvements may be funded by the public using a combination of the following sources:

- a. Any ad valorem tax levied upon real property in the redevelopment project on Block 88 , Lots 1, 2, 3, and 4, and N.C. Brook Replat, Lots A, B, C, D, E, and F, and vacated alleys, 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:
 - (1) That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by and for each such public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same population as are all other taxes collected by or for the body; and
 - (2) That portion of the ad valorem tax on real property in the redevelopment project is excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to pay the 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 a development project shall be paid into the funds of the respective public bodies.

Exhibit VI-118 summarizes community improvement financing bonds for the Lincoln Star Buildings Redevelopment Project.

- b. Earned Interest Income.
- c. Special Assessment Funding.
- d. CDBG Facade Improvement Program (Loan).
- e. CDBG Program for Redevelopment.

Construction of public improvements will be limited to the amount of Community Improvement Financing Funds available, subject to availability of the other funding sources.

The effective date of the community improvement financing provisions of the Lincoln Star Buildings Redevelopment Project is declared to be the 16th day of December, 1996, (City Council approval date of the 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 substandard and in need of redevelopment/revitalization. The Lincoln City Council completed this first step by declaring the Downtown Area blighted on October 22, 1984, and affirmed by resolution on October 19, 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 Redevelopment Project are:

- Negotiate redevelopment agreements with developers.
- Issue and sell Community Improvement Financing notes or bonds.
- Acquire property easements/rights and air rights (as required for \$1.00 and other considerations).
- Select architects and engineers pursuant to city standard practice to design the public facilities and improvements.
- Approve the public facilities and improvements design.

- Competitively select primary contractor to construct public improvements.
- Construction of public and private facilities and improvements.

EXHIBIT IV-117

THE LINCOLN STAR BUILDINGS REDEVELOPMENT PROJECT

Public Expenditures

	<u>1st Priority</u>	<u>2nd Priority</u>
Acquisition of Easements/Property Rights and Air Rights	\$ 1.00	
Sidewalks & Landscaping/Streetscape Amenities (\$100,000/Blk.)	165,000	135,000
Construction of Skywalk Bridge (Open)	80,000	
Architect/Engineering Services (8%)	19,600	10,800
Contingency (10%)	<u>26,460</u>	<u>14,580</u>
Total Public Expenditures	\$291,061	160,380

Private Sector Expenditures

College of Hair Design Complex	30,000	
Star Buildings Complex	<u>1,450,000</u>	
Grand Total Public/Private Expenditures	\$1,771,061	
Grand Total (Priority 1 and 2)	\$1,931,441	

EXHIBIT IV-118

THE LINCOLN STAR BUILDINGS REDEVELOPMENT PLAN

COMMUNITY IMPROVEMENT FINANCING

Property Valuation After Renovation:

College of Hair Design Complex	\$ 450,000
The Lincoln Star Buildings Complex	<u>1,450,000</u>
	\$1,900,000

1995 Valuation:

College of Hair Design Complex	420,000
The Lincoln Star Buildings Complex	<u>440,500</u>
	\$860,000

Tax Increment Value 1,040,000

Tax Rate .020

Tax Increment Available (without coverage) Annual 20,800

Tax Increment Available (with 1.35 coverage) Annual 15,407

Available Funds (14 years @ 6.0%) 143,200

Debt Service Reserve, Capitalized Interest, and Issuance and Underwriting Expenses (13%) 18,616

Available for Construction \$124,604