South 19th Street Redevelopment Plan

CITY OF LINCOLN
NEBRASKA
MAYOR CHRIS BEUTLER

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Approved:

_____

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January 16, 2008

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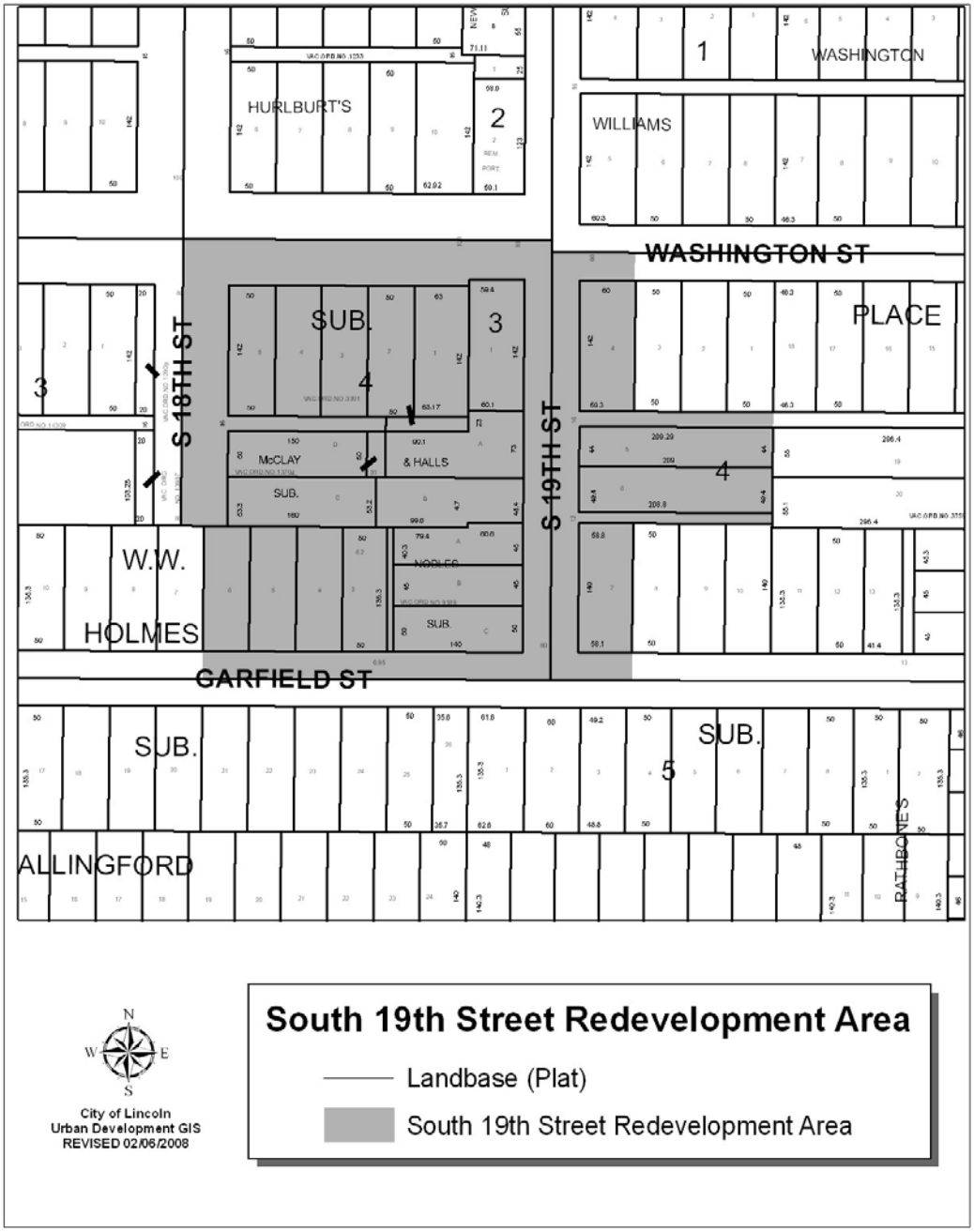
INTRODUCTION

The *South 19th Street Redevelopment Plan* is a guide for redevelopment activities within the Redevelopment Area. As illustrated in Exhibit 1, the area is generally one block, bounded by 18th Street to the west, Washington Street to the north, 19th Street to the east, and Garfield Street to the south, in the heart of the Near South Neighborhood.

Exhibit 1: Redevelopment Area



The area is entirely residential, and is bordered to the west by the commercial district along South 17th Street, which is anchored by Russ's Market at 17th & Washington.

Ideally, City government takes a proactive approach towards meeting and anticipating what the public sector can do to nurture healthy growth and vitality in neighborhoods. Over the past several months, City representatives have met with business owners, property owners, and residents from the Near South and Everett Neighborhood Associations. As a result of these meetings, it is clear that several issues regarding safety, dwindling home ownership rates, deferred maintenance, deteriorating properties and inadequate infrastructure need to be addressed.

The City of Lincoln Urban Development Department commissioned Hanna:Keelan Associates to update the South 19th Street Redevelopment Area portion of the previous *North 27th Street Corridor/Enterprise Community Target Neighborhood Blight and Substandard study*, which was originally completed, also by Hanna:Keelan Associates, in 1996.

Hanna:Keelan Associates completed an update of the 1996 study, examining blight and substandard factors in the 19th Street Redevelopment Plan area, and concluded that the area continues to meet the blighted and substandard criteria identified in Nebraska Community Development Law, Section 18-2103.

The City recognizes the threat that a blighted area represents to one of Lincoln's most important core neighborhoods, and that revitalization efforts are to be encouraged. *The South 19th Street Redevelopment Plan* represents the City's effort to provide a blueprint for effective public and private redevelopment in this area.

Plan Requirements

Redevelopment activities are guided by Community Development Law, Neb. Rev. Stat., Section 18-2101, et. Seq (as amended). These statutes clearly state that the governing body must have declared the project area substandard and blighted in order to prepare a redevelopment plan.

The City has authorized the Urban Development Department to act as a redevelopment authority under the applicable law.

The Urban Development Department has established a program to:

- utilize appropriate and public resources;
- eliminate or prevent the development or spread of blight;
- encourage needed urban rehabilitation;
- provide for the redevelopment of substandard and blighted areas including, provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards;

- rehabilitate substandard and blighted areas or portions thereof by re-planning, removing congestion, providing parks, green space, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and
- clear and redevelop substandard and blighted areas or portions thereof.

The Community Development Law Section 12.2111 defines the minimum requirements for a redevelopment plan as follows:

> "A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements, and the proposed land uses and building requirements in the redevelopment project area....."

The Statutes further identify six elements that, at a minimum, must be included in the redevelopment plan:

1. The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property within the boundaries;

2. A land-use plan showing proposed uses of the area;

3. Information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment;

4. A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances;

5. A site plan of the area; and

6. A statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

In making its recommendation to approve this plan, the Urban Development Department has considered the land uses and building requirements and determined that they are in conformance with the general plan for redevelopment in the City and represent a coordinated development of the city and its environs. These determinations are in accordance with:

- present and future needs to promote health, safety, morals, order, convenience, prosperity;
- the general welfare; and
- efficiency and economy in the process of development.

Factors considered in the determination included, among other things:

- adequate provision for traffic, vehicular parking;
- the promotion of safety from fire and other dangers;
- adequate provision for light and air;
- the promotion of the healthful and convenient distribution of population;
- the provision of adequate transportation, water, sewage system, and other public requirements;
- schools, parks, recreational and community facilities, and other public requirements;
- the promotion of sound design and arrangement;
- the wise and efficient expenditure of public funds; and
- the prevention of the recurrence of unsanitary or unsafe dwellings, accommodations, or conditions of blight.

EXISTING CONDITIONS

Land Use

The South 19th Street Redevelopment Area is a one block area that includes approximately 5.6 acres of residential housing in the Near South Neighborhood. The Redevelopment area boundary is generally defined by the lots on the south side of Washington Street between 18th -19th Streets, lots on both sides of 19th Street from Washington Street south to Garfield Street, and the lots on the east side of 18th Street from 1810 Garfield St, and then north back to Washington Street.

More than 99% of the area has been developed. The area has a high concentration of apartments and duplexes, however, there are six single family properties among the 21 lots, half of which front Garfield Street on the area's southern edge. The residential single family structures were originally built in the early 1900's, with a few apartment complexes build in the 1960's and 70's.

The Redevelopment Area is one block east of the South 17th Street business district, which is anchored by the Russ's Market at 17th & Washington, and is also in close proximity to Breta Park, Near South Park, and Prescott Elementary School.

The principal streets within the area are Washington Street, 19th Street, and Garfield Street.

Table 1 identifies the estimated existing land uses within the Redevelopment Area in terms of number of acres and percentage of total acres for all existing land uses. Apartments account for 37% of the land use in the area. Right of Way (ROW) accounts for 31% of the area, Single Family 16%, and Duplexes 10%.

TABLE 1
Existing Land Use
South 19th Street Redevelopment Area
Lincoln, NE

Land Use	Acre(s)Percent
Residential	
Apartments	2.0837 %
Single Family	.8816 %
Duplex	.5410 %
Vacant/Undeveloped	.2840 %
Street/Right of Way	1.8131 %
Alley	.0710 %
Vacated Right of Way	.0110 %

Source: City of Lincoln, Urban Development Department, 2008

Zoning

The entire South 19th Street Redevelopment Area is zoned R-6. This district is intended to provide a generally redeveloping area of moderately high residential density between eleven and fourteen dwelling units per acre. This district provides for single-family, two-family, multiple and townhouse residential uses, private clubs, fraternities and sororities, and support facilities, such as schools, parks, community buildings, and churches.

Parks/Trails

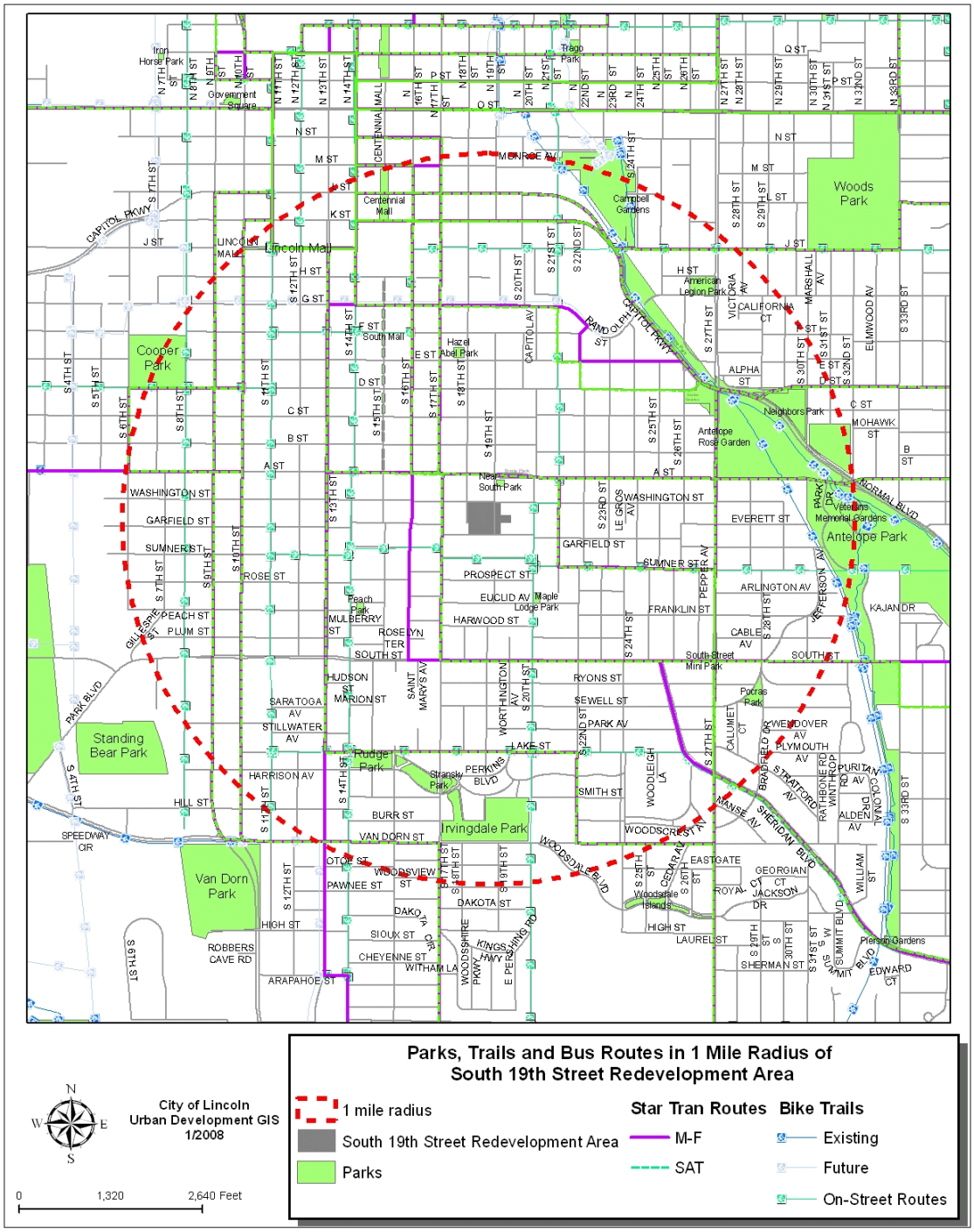
There are no parks within the Redevelopment Area, but two small neighborhood parks, Breta Park and Near South Park, are located one block north of the area at 19th & A.

Several north-south , on-street bike routes run within a one mile radius of the Redevelopment Area, including routes on A Street, 8th, 11th, and 14th Streets. In addition, the north-south Salt Creek Levee Bike Trail is located west of the Redevelopment Area, and the east-west Bison Trail is located along Van Dorn Street at 9th Street, is approximately a dozen blocks south and west of the Redevelopment Area.

Two future trails have been identified close to the Redevelopment Area. The Jamaica North Trail will travel north-south along 4th Street, and will be connected to the Salt Creek Levee Trail. The second trail will connect to the current Bison Trail at 9th & Van Dorn, south through Van Dorn Park to 10th and High Street.

The *2030 /Lincoln Lancaster County Comprehensive Plan* states that planning for future bike trails should be guided by the goal of providing a bike trail within one mile of all residences in the City.

Exhibit 2: Parks, Trails, and Bus Routes



Transportation

Streets

The proposed Redevelopment Area is bounded on the west by 18th Street. The eastern boundary would be generally described as 19th Street, however, the line actually follows the east property line of those properties immediately adjacent to the east side of 19th Street. The north boundary is the centerline of the Washington Street right-of-way between 18th and 19th Streets while the south boundary is the centerline of Garfield Street between 18th and 19th Streets.

The streets adjacent to the Redevelopment Area are classified as local/residential streets, however, Washington Street generates increased traffic as a result of the commercial area located along the east side of 17th Street combined with the existing traffic signal at the intersection of 17th and Washington Streets. An estimate of the traffic volume in the Redevelopment Area based on the turning movement counts for the intersection at 17th and Washington Streets indicates a daily traffic volume of 2,500 to 3,000. It should be noted that the traffic volumes likely drop significantly on Washington Street east of the commercial frontage and into the Redevelopment Area.

Sidewalks

The sidewalks in the Redevelopment Area appear to be in good condition, however, the curb ramps in the intersections of 18th and 19th Street on Washington Street and 19th on Garfield Streets need to be reconstructed to comply with Americans with Disabilities Act (ADA) standards.

Bus Routes

The South 19th Blight Area is currently serviced by three StarTran routes:

- **#3 College View** route, which travels north on 17th street. This route is one block west of the Redevelopment Area, and
- **# 5 Bryan Hospital** and **#13 Normal** routes, which travel along A Street. These two routes are one block north of the blighted area.

In June 2008, transit service to the South 19th Redevelopment Area will change. Two StarTran routes will provide service to this area as follows: The SouthPointe Route will travel north on 17th street which operates the same as the current #3 Route. The University Place/College View route will travel along A Street which is one block to the north of the Redevelopment Area.

Utilities

Water/Storm Drainage

The drainage for the Redevelopment Area drains east to west and there are two existing urban storm drain systems in or adjacent to the Redevelopment Area. One is an older system (estimated 1920's or 30's) that runs along the south side of Garfield Street adjacent to the redevelopment area that consists of 31" brick system. The other is the upper end of an urban drainage system with inlets and undersized 6" storm drain pipes and inlets on the southwest corner of 18th and Washington (estimated 1950's or 60's).

Exhibit 3: Wastewater

A drainage study has been completed in this area and proposes that the 31" brick system in Garfield Street be replaced with a 42" reinforced concrete pipe (RCP). This projects has a low priority and is not proposed to be funded out of Public Works and Utilities in the near term future (i.e. next six years).

The other system with the undersized 6" storm drain pipes and undersized inlets should be replaced with standard sized inlets and a minimum 15" RCP if the opportunity arises through other projects.

Water Mains

The water service mains in the Redevelopment Area are generally over 80 years old. They currently provide adequate service to the area. However, it is likely they have served most of their probable useful life, and it is likely they'll need to be replaced in the next 10 to 20 years.

Sanitary Sewer
There are several clay pipe sanitary sewer lines in the Redevelopment Area. Sanitary sewer lines exist in both alleys and vacated alleys in the area. The overall condition of the sanitary sewer in the Redevelopment Area has been identified as fair.

Street Lighting
The area is served by 150 watt high pressure sodium vapor cobra head style on Washington Street, and 70 watt high pressure sodium vapor on 18th, 19th, and Garfield Streets. Light fixtures are mounted on wood poles that were set at various dates between 1976 and 1992. All lighting is served with overhead wire. Two lights on 19th St. are on overhead distribution poles. There is one 175 watt mercury vapor security light in behind 1833 Washington. This light is maintained by LES and paid for by the homeowner.

Historic Significance

The South 19th Street Redevelopment Area is located in the central part of the Near South Neighborhood, which is one of the City's oldest and most historically significant residential areas. Between 1887 and 1925, as Lincoln grew and the central business district expanded, the neighborhood was completely developed. South of "A" and west of 20th Street there are modest late Victorian houses build as early as the late 1880's; others to the east of 20th Street are more pretentious Neo-Eclectic homes from the early 1900's and into the 1920's. The area's housing varied widely in architectural style, housing type and scale, and provided a unique mixture of late 19th and early 20th century buildings. Almost all of the architecturally significant structures constructed in Lincoln during the early part of the 20th century are located in the Near South Neighborhood.

Regarding historic significance, 1809, 1815, and 1901 Washington Street are homes of interest. The 1809 and 1815 Washington Street homes are a late-Victorian pair on narrow lots, resembling freestanding row houses. In addition, 1901 Washington Street is a brick Neo-classical/Colonial home, built in 1905 for William H. and Phoebe Wilson. Wilson was the State Health Inspector. 1901 Washington Street is a house worthy of landmark status and warrants preservation.

A transformation of the area began in the 1930's and 40's, first with the Depression and then with an exodus of residents to the "suburbs," where more modern homes were available. Homes in the Near South began to suffer from lack of maintenance, many were left vacant or converted into apartments which were allowable under City zoning ordinance. Today, it is generally recognized that the zoning of this area to permit multi-family units puts undue economic pressure on the area and resulted in the demolition of single-family housing. In its place, apartment buildings were constructed that were totally incompatible - - in form, scale, and texture - - with the area's original buildings. This degradation of the area's original character led to further disinvestment by residents and absentee owners.

Today, while deteriorated housing conditions continue to plague some areas of the neighborhood, many areas display well-maintained houses with landscaped yards that indicate a pride of ownership, and provide a sense of revitalization.

Public Facilities

No Public Facilities are located in the Redevelopment Area, however, several schools (Prescott Elementary, Saratoga Elementary, and Blessed Sacrament) are within a one mile radius. In addition, Trabert Hall and Lancaster Manor are located a few blocks south of the area. Trabert Hall houses several county and non-profit agencies. Lancaster Manor is a nursing home. Both facilities are owned by the Public Building Commission. Bryan LGH Medical Center West is located approximately 6 blocks to the south of the Redevelopment Area.

BLIGHT & SUBSTANDARD DETERMINATION STUDY

The City of Lincoln Urban Development Department contracted Hanna:Keelan Associates to conduct a blight and substandard study for the *North 27th Corridor/Enterprise Community Target Area*. The consultant completed this work in April, 1996. The entire blight study has never formally been declared blighted and substandard by the City Council, with the exception of the area identified in the *North 27th Redevelopment Plan*. However, since the South 19th Street Redevelopment Area is included in the boundaries of the original 1996 study, the City again contracted with Hanna:Keelan Associates to determine if the blighting and substandard conditions that were identified in 1996, still exist in the smaller Redevelopment Area.

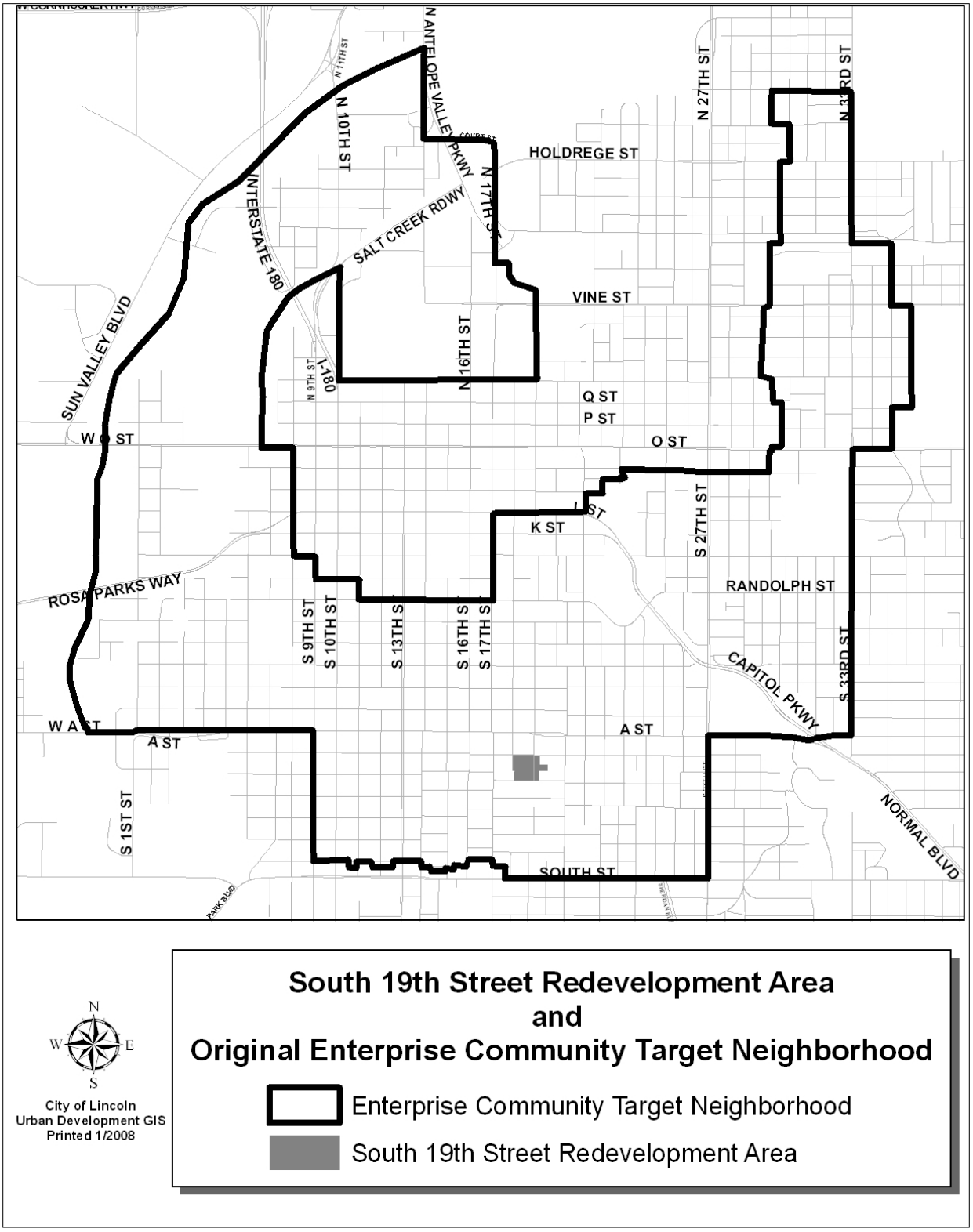
An analysis was made of each of the substandard and blighted factors identified by Nebraska legislation to determine which factors were still present in the Redevelopment area, and to what extent.

Substandard Factors

Hanna:Keelan Associates conducted the necessary planning research to confirm the existence of blight and substandard conditions within the South 19th Street Redevelopment Area, as per criteria set forth in the Nebraska Community Development Law, Section 18-2103. This planning research process included an identification of property types and status of exterior conditions for each building and a site evaluation of each property, including the street and sidewalk condition, the existence of debris and an overall site condition rating.

The results of the planning research process concluded that the Overall Structural and Site Conditions in the Area would be considered as a “Reasonable Presence of Condition,” and the Redevelopment Area continues to maintain a preponderance of the necessary blight and substandard criteria set forth in the Nebraska Community Development Law, to declare the area as blighted and substandard. Without incentives for improvements to private property, it is the opinion of the consultants that the overall condition of the Area will continue to decline.

Exhibit 4: South 19th Street Redevelopment Area/Original N 27th Corridor/Enterprise Community Target Area



REDEVELOPMENT PLAN

Guiding Development Principles for the 19th Street Redevelopment Area

The *2030 Lincoln/Lancaster Comprehensive Plan* identifies several guiding principles for residential neighborhoods. The following guiding principles are taken directly from the *Comprehensive Plan* and should be used as a guide for redevelopment activities. Included are overall guiding principles, applicable to all residential areas (existing, new and rural) and guiding principles specific to existing neighborhoods.

Overall Guiding Principles

1. Affordable housing should be distributed throughout the region to be near job opportunities and to provide housing choices within every neighborhood. Preserve existing affordable housing and promote the creation of new affordable housing throughout the community.
2. One of Lincoln's most valuable community assets is the supply of good, safe, and decent single family homes that are available at very affordable costs when compared to many other communities across the country. Preservation of these homes for use by future generations will protect residential neighborhoods and allow for many households to attain the dream of home ownership.
3. A safe residential dwelling should be available for each citizen: the efficiency apartment and the country estate, the small single family "starter" home and the large downtown apartment suite, the most affordable and the most expensive dwelling unit, completely independent living and living within the care of others. Provision of the broadest range of housing options throughout the community improves the quality of life in the whole community.
4. Diversity of housing choices directly depends upon achieving affordable housing. Housing affordability is not merely important for the community, it is imperative. Lack of affordable housing directly impacts citizens' assets and opportunities, which in turn shape the community's assets and opportunities. Failure to achieve housing affordability reduces the quality of life for income groups disproportionately, creates widespread hardships and stress, and retards the City's collective abilities to address community problems and objectives.
5. Encourage the development, maintenance, and preservation of safe and decent affordable and special needs housing for ownership and rental by low- and moderate-income households; remove barriers to fair housing and home ownership; and strengthen our policy and institutions to support affordable housing throughout the City as identified in the goals and objectives found in the FY 2005 - 2009 City of Lincoln Strategic Plan for HUD Entitlement Programs.
6. New residential development is generally discouraged in areas of environmental resources such as endangered species, saline wetlands, native prairies and in floodplain corridors. It is also strongly encouraged that adequate spacing be provided from pipelines and areas where hazardous chemicals could be used and stored. Property owners and residents along the pipeline should be notified about hazards and emergency actions.

7. Provide different housing types and choices, including affordable housing, throughout each neighborhood for an increasingly diverse population.
8. Encourage convenient access to neighborhood services (stores, schools, parks) from residential areas.
9. Create housing opportunities for residents with special needs throughout the city that are compatible with residential neighborhoods.
10. Transit, pedestrian, and bicycle networks should maximize access and mobility to provide alternatives and reduce dependence upon the automobile. Sidewalks should be provided on both sides of all streets, or in alternative locations as allowed through design standards or review process.
11. Many activities of daily living should occur within walking distance. Neighborhoods should include homes, stores, workplaces, schools and places to recreate.
12. Interconnected networks of streets, trails and sidewalks should be designed to encourage walking and bicycling and provide multiple connections within and between neighborhoods.

Guiding Principles for Existing Neighborhoods

1. Promote the preservation, maintenance and renovation of existing housing and neighborhoods throughout the city, with special emphasis on low and moderate income neighborhoods. Maintain and enhance infrastructure and services in existing neighborhoods. While acknowledging the need for affordable housing, recognize that broad economic diversity within existing neighborhoods encourages reinvestment and improves quality of life for all residents.
2. Preserve, protect, and promote city and county historic resources. Preserve, protect and promote the character and unique features of rural and urban neighborhoods, including their historical and architectural elements.
3. Promote the continued use of single-family dwellings and all types of buildings, to preserve the character of neighborhoods and to preserve portions of our past. Building code requirements for the rehabilitation of existing buildings should protect the safety of building occupants, while recognizing the need for flexibility that comes with rehabilitating existing buildings.
4. Preserve the mix of housing types in older neighborhoods.

Redevelopment Activities: Public Improvements

Infrastructure issues that include streets, alleys, sidewalks, and utilities - impede new development throughout the Redevelopment Area and contribute to the blighting conditions. Therefore, the following public improvement activities should occur:

Sidewalks and Connectors
The Blight and Substandard Determination Study identified several curb ramps in the Redevelopment Area that do not meet ADA standards. Additional surveys will be completed and sidewalks and curb ramps repaired or replaced as necessary in conjunction with redevelopment projects. The curb ramps in the intersections of 18th and 19th Street on Washington Street and 19th on Garfield Streets need to be reconstructed to comply with ADA Standards.

Public Utilities
In the Existing Conditions section of this Plan, much of the infrastructure in the area was identified as inadequate - in need of maintenance and, in some cases, replacement. To assist in redevelopment efforts, the following public improvements should occur:

Water/Storm Drainage
A drainage study has been completed in this area and proposes that the 31" brick system (built in the 1920s or 1930s) in Garfield Street be replaced with a 42" reinforced concrete pipe (RCP). This projects has a low priority and is not proposed to be funded out of Public Works and Utilities in the near term future (i.e. next six years). If TIF becomes available, this project should be completed.

The other drainage system in the area is the upper end of an urban drainage system with inlets and undersized 6" storm drain pipes and inlets on the southwest corner of 18th and Washington (est 1950's or 60's). The undersized 6" storm drain pipes and undersized inlets should be replaced with standard sized inlets and a minimum 15" RCP if the opportunity arises through other projects.

The water service mains in the Redevelopment Area are generally over 80 years old. They currently provide adequate service to the area. However, it is likely they have served most of their probable useful life, and it is likely they'll need to be replaced in the next 10 to 20 years. If TIF becomes available, water mains should be replaced.

Redevelopment Activities: Residential

Improving th quality and viability of residential areas is a guiding redevelopment principle for this plan. To the degree feasible, projects in the Redevelopment Area should:

- Separate residential areas from incompatible uses.
- Provide public infrastructure.
- Limit non-residential traffic in residential areas.
- Rehabilitate or remove existing deteriorating and substandard housing.
- Expand the housing supply available in the redevelopment area.
- Encourage housing that is affordable, particularly for low and moderate income households.

- Maximize opportunities for home ownership in the Redevelopment Area, especially for persons of low and moderate income.
- When possible, utilize rehabilitation programs available through the City of Lincoln to improve overall housing conditions.
- Work closely with private lenders, the Nebraska Investment Finance Authority, Lincoln Housing Authority, NeighborWorks Lincoln and private developers to expand the supply of affordable housing and maximize homeowners opportunities in the Redevelopment Area.

To maximize the potential for new residential development in the Redevelopment Area, parcels may be acquired by the City and made available individually or assembled for ultimate disposition. Parcels identified for acquisition for residential redevelopment are included in Appendix A. Additional voluntary acquisitions that are identified during Plan implementation that are consistent with, and further accomplish the purposes of this Redevelopment Plan, will be added to Appendix A and made part of this Plan by Executive Order of the Mayor. Project elements could include:

- Property acquisition and relocation
- Demolition
- Site preparation

Support the development of a new housing project providing affordable home-ownership opportunities, located at:

- **1531 South 19th Street**
  Lots A & B, and the South ½ of the vacated alley abutting Lot A on the North. McClay and Hall's Subdivision, Lincoln, Lancaster County, Nebraska;
- **1541 S 19th Street**
  Lot A, Noble's Subdivision, and the East ½ of the alley abutting on the West, Lincoln, Lancaster County, Nebraska.. Project activities may include:
- Demolition of existing structures
- Construction of up to 20 units
- Pave alley
- Relocate/upgrade utilities as required
- Construction of ornamental street lighting in public ROW
- Pave and landscape outside property line, driveways, approaches and sidewalks to meet design standards and code requirements.

<u>Future Land Use</u>

Below is a Proposed Future Land Use map for the Redevelopment Area. The overall population density of the Redevelopment Area will generally remain stable. Land coverage and building density may increase slightly.

Exhibit 5: Future Land Use Map

Redevelopment Process

Public improvements and redevelopment activities may require construction easements; vacation of street and alley rights-of-way; temporary and permanent relocation of families, individuals and businesses; demolition, disposal/sale of property; and site preparation (may include driveway easements; paving driveways, approaches and sidewalks outside property line; relocation of overhead utility lines; and rerouting/upgrading of underground utilities; as needed). The processes for these activities include:

Property Acquisition
The City may acquire the necessary fees, easements, property and covenants through voluntary negotiations (see Land Acquisition Policy Statement, Appendix C). However, if voluntary agreement is not possible, the City may institute eminent domain proceedings with City Council approval.

Relocation
Relocation may involve the temporary or permanent relocation of families, individuals or businesses to complete redevelopment activities. Relocation will be completed according to local, state and federal relocation regulations (see Appendix B, Relocation Assistance).

Demolition
Demolition will include clearing sites on property proposed for public improvements; necessary capping, removal or replacing utilities; site preparation; securing insurance and bonds; and taking other necessary measures to protect citizens and surrounding properties. Measures to mitigate environmental findings may also be necessary, if determined by site testing.

Redevelopment/Land Disposition Agreement
Sub-area projects will include the sale of land to private developers for redevelopment purposes. Developers will be selected in an equitable, open and competitive proposal process using the City's standard selection processes. After the redeveloper is selected and the city and redeveloper have created a mutually agreeable proposal, they will enter into a formal agreement. This agreement will specify each party's specific roles and obligations in the implementation of the project. The negotiated Redevelopment/Land Disposition agreement will be subject to public hearing and review and final approval by the City Council. It is anticipated the redevelopment would be able to proceed within 12-18 months of the final selection of a redeveloper.

Requests for Proposals
Architects and engineers will follow the City's standard selection processes to design the public facilities and improvements. Primary contractors will also be competitively selected. The selection process involves issuing a Request for Proposals (RFP). Standard City practices are used for the selection process.

Estimated Expenditures

Preliminary estimates of project costs are included in Table 2, and estimated to be $3,140,000 over 15 years, including public and private expenditures.

Table 2: Estimated Project Expenditure Summary		
Activity	Private Sector Expenditures	Public Sector Expenditures
Residential Development	$2,400,000	$240,000
Public Utilities		$300,000
Subtotal	$2,400,000	$740,000
		Total Private & Public Expenditures: $3,140,000

Conformance with the Comprehensive Plan

The *2030 Lincoln City/Lancaster County Comprehensive Plan* (Adopted November 16, 2006 As Amended through November 5/6, 2007) represents the local objectives, goals and policies of the City of Lincoln. The *South 19th Street Redevelopment Plan* was developed to be consistent with the Comprehensive Plan.

Financing

The primary burden for revitalization of the Redevelopment Area must be on the private sector. The City must provide public services and public improvements and participate where necessary in the redevelopment process, but the needs of the area are beyond the City's capacity to do alone. Financing of proposed improvements will require participation by both the private and public sectors. Where appropriate, the City may participate by providing financial assistance for the rehabilitation of structures.

Sources of funding may include:

1. Special Assessments - Business Improvement Districts
2. Private Contributions
3. Sale of Land Proceeds (Proceeds from the sale of land acquired for redevelopment, as identified in the Redevelopment Plan, shall be reinvested in the Redevelopment Area).
4. Municipal Infrastructure Redevelopment Fund (MIRF)
5. Community Development Block Grants
6. Home Investment Partnership Act (HOME)
7. HUD Section 108 Loan Program
8. Community Improvement (Tax Increment) Financing (Ad Valorem Tax)
9. Capital Improvements Program Budget

10. Federal and State Grants
11. Interest Income
12. Advance Land Acquisition Fund - property rights/easements, public facility site acquisition

Project activities will be undertaken subject to the limit and source of funding authorized and approved by the Mayor and City Council.

According to the Community Development Law, 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:

- 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 such public body in the same proportion as are all other taxes collected by or for the body; and

- That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the 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 authority for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and 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 redevelopment project shall be paid into the funds of the respective public bodies.

The effective date for the Community Improvement Financing provisions of the *South 19th Street Redevelopment Plan* for each project is declared to be the date rehabilitation, acquisition, or redevelopment of substandard and blighted property in the project area first commences.

Impact Fees

Redevelopment will be subject to impact fees. However, since buildings will likely be demolished, Lincoln Municipal Code §27.82.050 (7) states:

In the case of a demolition or termination of an existing use or structure, the impact fee for future redevelopment of that site shall be based upon the net increase in the impact fee for the new or proposed land use as compared to the previous use. Credit for the prior use shall not be transferable to another location, except that if the old location was acquired by the City for use for an Impact Fee Facility and will not be redeveloped, the City will receive a credit against future impact fees equal to the impact fee that would have been assessed against the relocated use which may be transferred by the City to a community redevelopment project in another location within the same benefit area.

Appendix A
Parcels to be Acquired for Residential Development

- **Currently no parcels identified for acquisition.**

Appendix B
Relocation Assistance

Use the following URL/link for Relocation Assistance:
http://lincoln.ne.gov/city/urban/real/pdf/reloc.pdf

Appendix C
Land Acquisition Policy Statement

I. ADMINISTRATIVE ORGANIZATION FOR LAND ACQUISITION OPERATIONS

A. All land acquisition functions, including negotiations and closings, will be performed by the City of Lincoln, or its agents. The conduction of condemnations will be performed by the Legal Counsel for the City. The staff is experienced and capable in the conduct of acquisition programs.

B. The City of Lincoln approved land acquisition policies and procedures within the limits prescribed by the statutes of the State of Nebraska. Each individual property purchase, and the disbursement of payment, therefore, is approved by the Mayor. Condemnation proceedings are instituted by the City Law Department only after all efforts to reach a negotiated settlement have failed. Legal services will be performed by the Legal Counsel for the City.

II. POLICIES

A. Real Estate appraisals are made by staff or selected fee appraisers. Second real estate appraisals, if required, may also be by fee appraisers. The following are policies for Real Property Acquisition:

1. Every reasonable effort will be made to expeditiously acquire real property by negotiation.

2. Real property will have separate appraisals before initiation of negotiations and the owner, or his representative, will be given the opportunity to accompany the appraisers on their inspection tour of the property.

3. Before initiation of negotiations for real property, the City's Reviewing Appraiser will establish an amount considered to be just compensation and the City shall make prompt effort to acquire the property for that amount.

    a. The established amount shall not be less than the approved appraisal of fair market value for the property.

    b. Any decrease or increase in the fair market value of the property, prior to the date of valuation, caused by public improvement; by physical deterioration within reasonable control of the owner, has been disregarded by the City and by the Appraisers in making the determination of fair market value.

    c. The City's negotiator shall provide the owner with a written statement summarizing the basis for the amount established as just compensation.

Where appropriate, compensation for property acquired and for damages to any remaining real property shall be separately stated.

4. No owner shall be required to surrender possession until the City of Lincoln pays the agreed purchase price, or deposits with the Court the amount of award determined by the Condemnation Appraisers.

5. Improvements will be scheduled so the owner or tenant shall receive a minimum 90 days written notice before having to move. Every effort will be made by the City to provide such notice as is required without undue hardship to the owner or tenant. (This is applicable to total acquisition of property.)

6. If Owner or Tenant is permitted to rent property, the amount of rent shall not exceed fair rental value of subject property.

7. The City of Lincoln will not take any action coercive in nature to compel an agreement on price for property.

8. If acquisition must be by eminent domain, the City of Lincoln shall institute formal condemnation proceedings. The City shall not intentionally make it necessary for the owner to institute legal proceedings to prove fact of taking of his real property.

9. If the owner feels the City of Lincoln's offer does not represent the true value of his property, he may refuse to accept it. He should then provide evidence concerning value, or damage, that warrants a change in the City's determination of just compensation. Should the City determine the additional information is valid, the price will be adjusted accordingly.

10. If as a result of the real estate acquisition there is a portion of your property which is considered by the City of Lincoln to be an uneconomic remnant, you have the right to request an offer from the City of Lincoln to acquire the remnant.

B. Owner will be reimbursed for the following expenses incidental to conveyance of real property:

1. Recording fee, transfer taxes and similar expenses.

2. Penalty cost for repayment of any pre-existing recorded mortgage encumbering real property, provided the mortgage was entered into in good faith.

3. Pro-rate portion of real property taxes paid which are allocable to a period subsequent to date of vesting title, or effective date of possession, whichever is earlier.

4. The cost of abstract continuation and/or evidence of assurance of title.

5. Litigation expenses such as legal, appraisal, engineering fees, etc., when:

a. Court determines that condemnation was unauthorized.
b. City of Lincoln abandons a condemnation.
c. Property owner brings inverse condemnation action and obtains award of compensation.

C. If a separate fixture appraisal is obtained, it shall contain the following immovable fixtures and personal property:

1. Determination of division of appraisal coverage, enumerating and classifying improvements in-place.

2. Appraisal of improvable fixtures, correlating their findings with both real estate appraisers.

D. All appraisal contracts shall provide terms and conditions and fix the compensation for expert witnesses. These services will be utilized by the City of Lincoln to the extent necessary.

E. Both real estate acquisition appraisals and immovable fixture appraisals will be reviewed by the City Appraisal Staff. All appraisals will be reasonable free of error and conferences with appraisers will ascertain that methods of approach and documentation are compatible, with no elements of value being omitted from consideration. City staff will conduct relocation interviews to verify ownership of certain fixtures and personal property claimed. Said claims will then be checked against existing leases and through interviews with fee owners.

F. Preparation for acquisition includes:

1. Preliminary title information supplied by local abstract companies; contents reviewed and entered in individual parcel folios.

2. Individual parcel folios prepared; chronological activity indexed and all pertinent historical information entered.

3. Basic forms of Real Estate Agreement (real estate, personal property and fixtures) reflecting policy for negotiations to acquire all classifications of property.

4. Closing methods and policy determined.

5. Policy for possession, property management, salvage and demolition, timetable of activities prepared.

6. Closing statement form prepared together with such internal administration forms for notice to various units of inspection, accounting, property management, finance and legal counsel as may be required.

7. Information letters prepared for distribution to all owners and tenants.

8. Deed forms for conveyance of real estate, bill of sale forms for personal property, and condemnation forms for eminent domain procedure prepared.

(NOTE: Paragraphs G, H, and portions of I cover items of notice, relocation assistance, etc., relating to total property acquisitions as well as general policies.)

G. The "single offer" system for acquisition will be utilized in all negotiations. The City will establish fair market value and be prepared to justify and substantiate the determination in the event it is challenged. Staff will present and explain forms, terms and conditions of purchase in personal interviews with each property owner and tenants. The date of this interview will establish the beginning of negotiations which regulates many relocation payments.
For the purpose of all negotiated transactions, the City will require conveyance of real estate by Warranty Deed or deed instrument sufficient to place marketable title in the City of Lincoln. Standard forms of such instruments conforming to Nebraska Law are on hand and will be used in every case. Each owner executing a Real Estate Agreement should furnish a current abstract of title as specified in said offer. Legal Counsel for the City will render an opinion of the condition of said title, and upon determination that in his opinion said title appears merchantable, will assist with the closing process. Title to all property will be vested in the City of Lincoln on the date of closing, which will also be the date of payment of the purchase price and the date of conveyance instruments. The City of Lincoln shall have the right to possession within 90 days of closing date, (or 90 days from date of written notice if later than closing date), or as provided in the Real Estate Agreement. A statement by a responsible City Official, resulting from an inspection of the property acquired, will be contained in each acquisition folio. This statement will precede payment and closing and must determine that all property purchased is present and in place in substantially the condition as of the date appraised.

H. Immovable items attached to the Real Property, that would incur substantial economic damage if removed, will be negotiated for and acquired at the appraised value-in-place for continued use in the present location. A "Single Offer" at the maximum price will be offered the owner of such property, but if the owner elects to move any such appraised item it will be relocated rather than acquired and the appraised amount deducted. Until the business to be displaced has definitely located a relocation site, it is almost impossible to determine whether certain process fixtures can be relocated or should be acquired by the City of Lincoln. When such fixtures have been acquired, paid for, and a bill of sale conveyed, and the seller then finds it would have been desirable to have relocated them, it shall be the City of Lincoln's policy to reconvey such items to the original owner in return for the exact amount of value-in-place price paid for them, and then pay for their relocation. Under no circumstances will fixtures sold back to the original owner by the City of Lincoln be at salvage value, or any amount less than that paid for them. Generally, the terms and conditions of existing leases and pre-acquisition conferences with owners and tenants by all appraisers and City Staff will have clarified ownership.

(NOTE: Process utilities that are service entrances and concealed utilities are ineligible for compensation as relocation expenses and will be treated as immovable fixtures. The utilities listed by the fixture appraiser as "Eligible for Relocation" formerly would have been compensated in relocation for those items.

Therefore, process utilities are appraised even though eligible for relocation compensation. However, the claimant may still enter a claim for payment for replacement of those eligible utilities at the new location providing the appraised value-in-place of the claimed utilities is deducted from the relocation claim. Immovable fixtures and process utilities not appraised will be handled through the direct loss of property process. It is expected that claims for severance damages caused by partial taking will be minimal.

All fixtures and improvements appraised and acquired become the property of the City of Lincoln as clarified in the Real Estate Agreement and may not be removed by any other than authorized personnel or the demolition contractor).

I. Upon thoroughly exhausting every avenue of negotiation available, the City of Lincoln will direct their Legal Counsel to prepare for the appropriation of all property to be acquired through eminent domain proceedings. Such petitions will be drafted by the Legal Counsel clearly defining the property to be acquired and the ownership thereof, land, improvements, immovable and movable property (if any) located therein, with such particularity that the petitions and the resulting action of the condemnation appraisers, or district court appeals, will clearly establish such ownership and rights to compensation. Owner-Occupants of dwelling units that may be eligible for the Replacement Housing Payment will be made aware that the award received through eminent domain proceedings (excluding interest thereon, or consequential damages), determined by the condemnation appraisers, or by District Court will become the basis for any Replacement Housing Payment to be claimed. Immediately preceding preparation of petitions, preliminary title information will be updated. Fee appraisals and fixture appraisals will be reviewed.

To the extent necessary, a reinspection of each property to be condemned will be conducted by the appraisers to determine that the property, on the date of taking, is in substantially the same condition as it was on the date of their original appraisal and that their opinions of value, therefore, hold true as of the date of taking. Each appraiser's testimony may then be presented to the condemnation appraisers and, in case an appeal is filed, to the District Court.

The City of Lincoln will not require any owner to surrender the right to possession of his property until the City pays or causes to be paid, to the Lancaster County Court the amount due each interest acquired for the taking thereof as determined by the condemnation. Immediately following the determination of the amount of the condemnation award for the property, or each separate interest therein taken, the City will direct that payment to be made in an amount equal to the City's offer by the issuance of warrants drawn in favor of those entitled thereto to the County Court of Lancaster County, Nebraska, for payment of the condemnation appraiser's fees connected with the taking. Upon approval of the City's Legal Counsel, such warrants shall be deposited with the County Court and will represent full compensation for the property taken, subject to appeal to District Court. In any event, title to the property rests with the City of Lincoln as of the date of payment of the condemnation award, as does the right to possession thereof within 90 days of said date, provided compensation due has been paid as prescribed and proper notice given. Nebraska statutes provide a 30-day period from the award of condemnation during which an appeal can be filed by either party. Acceptance of the award deposited with the County Court extinguishes the right of appeal as to that

particular party. In the event an award is not claimed and no appeal is filed during the statutory period, the right to appeal is barred and the County Judge immediately causes the condemnation papers to be recorded in the records and transfer books of Lancaster County, Nebraska.

In case an appeal is filed, the County Judge forwards copies of all pertinent papers to the Clerk of District Court for subsequent trial and determination of the damages in the condemnation appealed from. At that point, the City of Lincoln, with or without the consent of condemnee, may petition the District Court to order payment immediately of the award appealed from, thereby reducing interest costs on the award while the case is being prepared and subjected to trial. Although title and right to possession is vested in the City of Lincoln as of the date of payment of the condemnation award, no lawful occupant of property taken will be required to surrender possession without at least 90 days written notice (a separate notice in addition to the notice of condemnation) from the City of Lincoln stating the date on which possession will be required. Terms and conditions for temporary rental of condemned property for owner-occupants and tenants are detailed in the project property management policy.

District Court trial of all condemnation awards appealed will be defended by the City of Lincoln's Legal Counsel utilizing the services of contract appraisers as expert witnesses for the City. Compensation for witness services is provided for in existing appraisal contracts. After condemnation suits, awards and appeals therefrom have been filed, agreements as to value may be entered into by stipulation. Appeal cases will be diligently prosecuted to bring the case to trial and judgment in the shortest time possible and necessary for the preparation of an adequate defense. In this manner, and with the court directed partial payments of awards outlined previously, interest and court costs will be held to a minimum level.

In most instances, the sale of privately-owned property to the City of Lincoln for public purposes is considered "involuntary conversion" by the Internal Revenue Service, and the owner may not have to pay capital gains tax on any profit from the sale of the property to the City of Lincoln, if the money is reinvested in similar property within two years. Internal Revenue Service Publication 549, entitled "Condemnations of Private Property for Public Use", is available from the IRS. It explains how the federal income tax applies to gains or loses resulting from the condemnation of property, or its sale under the threat of condemnation, for public purposes. IRS Publication 17, "Your Federal Income Tax", available from the IRS contains similar guidance. The owner is advised to discuss his particular circumstances with his personal tax advisor or local IRS office. State income tax considerations should also be discussed as appropriate.

Appendix D
Cost Benefit Analysis

South 19th Street Redevelopment Plan

Nebraska Community Development Law (NE Res. Stat #18-2147) requires the completion of a cost benefit analysis for redevelopment projects. The City's Law Department has interpreted the requirement to mean that the analysis must be completed in conjunction with the Redevelopment Plan.

The following cost benefit analysis is for the *South 19th Street Redevelopment Plan*. Since projects are not fully developed, the analysis will be cursory; however, more detailed analyses will be completed as projects develop and will be brought before the City Council in conjunction with redevelopment agreements.

Public and Private Investment. Expenditures in the redevelopment area are estimated to be $3,140,000 (see page 17 of the *Redevelopment Plan*). Approximately $740,000 in public funds will leverage an estimated $2,400,000 in private sector financing: a private investment of $3.24 for every City dollar spent. However, it is important to note that no funding source has been identified for the public utility improvements, estimated at $300,000. The Plan recommends that they be completed if Tax Increment Financing (TIF) becomes available. Since the public utility projects are desired but funding is unknown, subtracting these estimated expenditures from the total public investment is likely to provide a more accurate estimate on the rate of return for public investment. The remaining City investment of $240,000 results in leveraging $10.00 in private sector financing for every public dollar spent.

Tax Revenue. As redevelopment occurs, property values will increase resulting in an increase in property tax generated. Redevelopment construction will also generate sales tax as will potential private rehabilitation projects of single family homes in the area. As projects develop, the amount of property and sales tax generated will become more quantifiable.

Other Impacts. The redevelopment area encompasses a fragile residential neighborhood characterized by decreasing homeownership. National studies verify that increasing homeownership is the single most important step in stabilizing and improving a neighborhood. Projects identified in the Redevelopment Plan will help to stabilize and improve the area by providing increased opportunities for homeownership. In addition, efforts to encourage private rehab of existing single family homes will further strengthen the area and eliminate blighting conditions. These efforts will help to turn around the trend towards disinvestment.