

Invitation for Redevelopment Proposals for the

Pershing Center Site

in Downtown Lincoln, Nebraska



September 26, 2018



Urban Development Department

**Pershing Center Site
INVITATION FOR REDEVELOPMENT PROPOSALS**

Pershing Center Site Introduction1
Why Lincoln?3
Downtown Lincoln5
Why this Site?8
Submittal Requirements.....11
Selection Process.....14



PERSHING CENTER SITE

INVITATION FOR REDEVELOPMENT PROPOSALS

The center of the nation's Silicon Prairie is seeking visionary developers to be a part of Downtown Lincoln's exciting future.

The Pershing Center Site is strategically-located along Lincoln's newly-renovated Centennial Mall. This seven-block park and thoroughfare through the heart of town connects Nebraska's iconic State Capitol building to the University of Nebraska-Lincoln Campus. With Lincoln residents now enjoying a new arena just a few blocks away, it's time for the Pershing Center site to generate exciting, new possibilities. Pershing Center was the City's main auditorium, hosting a variety of events for more than 50 years. However, the facility is now considered by many, particularly those in the entertainment industry, to be significantly functionally challenged. In 2010, the residents of the City of Lincoln passed a bond issue in support of the construction of the West Haymarket Arena, a \$340 million dollar investment in infrastructure, parking, and a 16,000-seat arena in Downtown Lincoln. The ground breaking for the Arena occurred in the summer of 2011 and the project was completed in September 2013.

The Arena project created the opportunity for the redevelopment of the Pershing Center block. The site has many possibilities, from public to private uses, from one user to multiple users, from the reuse of the existing building to new construction. Whatever the project, Downtown Lincoln is a good investment to make.



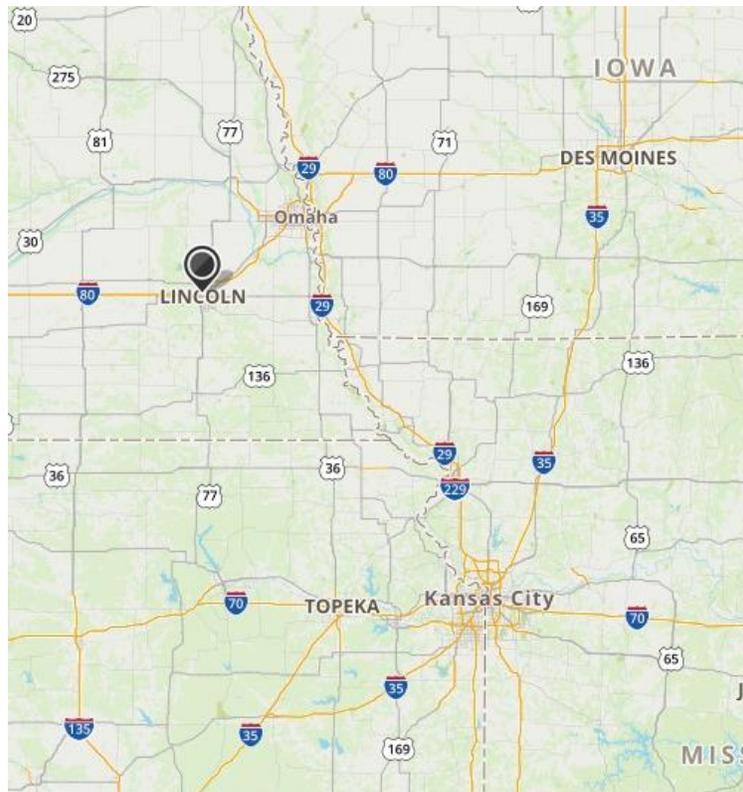
WHY LINCOLN?

Lincoln is a growing City of over 285,000, up over 10 percent from 2010. The City has enjoyed a steady annual growth rate of over one percent for the past 30 years.

Lincoln has a diversified economic base, excellent school system with high graduation rates, a burgeoning startup community, and access to a number of different higher education opportunities. The City has targeted several goals to take advantage of its assets, including developing its workforce and talent, nurturing a globally competitive entrepreneurial ecosystem, and strengthening collaboration among key economic assets.

Lincoln is located on Interstate 80, midway between Denver and Chicago, and is part of the Silicon Prairie, due to its rapidly growing tech industry, connections to top ranked colleges and University of Nebraska Lincoln, and supportive entrepreneurial spirit.

Pershing Center Site IFRP



The City consistently earns top national rankings for its quality of life and its economy. This State Capital and college town offers the excitement of a big city with the convenience and friendliness of small town living. Residents are proud of the city's 131-mile trail network, excellent educational system, low crime rate, high-tech infrastructure, and great climate for job seekers and entrepreneurs.

The City of Lincoln has recently received a variety of national accolades, including

- Lincoln is one of the Happiest Places in the U.S., #1 in 2013, Gallup
- Best Place to Start a Business, 16th out of 150 Cities, WalletHub, 2017
- "Best Job Markets for 2018," Sixth Place Ranking by Ziprecruiter
- "Cities with the Best Work-Life Balance," Second Place Ranking by Smart Asset, 2018
- 2018 Top 100 Best Places to Live, 16th, Livability.com
- 2nd Most Caring City, WalletHub, 2017
- Best Place to Raise a Family, 10th out of 150 Cities, WalletHub, 2017
- Lincoln is in the Top Ten of Most Beautiful Cities, Culture Trip, 2017

Not only is Lincoln a great place to live and invest, but Downtown Lincoln is central to Lincoln's success.



DOWNTOWN LINCOLN

Downtown Lincoln is envisioned as “The Center of Opportunity.” Lincoln’s Downtown is a thriving, mixed-use district with approximately 41,000 employees and 1,700 businesses. One-third of Downtown’s employees are in the public sector, including City, University and other State, and Federal employment. Lincoln is part of the “Silicon Prairie.” The community’s startup, tech, and innovation cluster is centered in Downtown Lincoln.

The City sees over two million visitors annually. There are seven hotels with 1,200 rooms in the Downtown area and the construction of a new boutique hotel underway. Downtown is the City’s arts, cultural, and entertainment center, with sports and entertainment facilities, including UNL’s Memorial Stadium, Haymarket Park, Pinnacle Bank Arena, a 14-screen movie complex, the Lied Center for Performing Arts, numerous galleries and other performance art venues, several museums, and a diverse mix of restaurants and bars. Downtown is the home to a substantial display of public art, as well and regular arts events, including the First-Friday Art Walk. The 14th and O area of the Downtown has a rich history of live music that is growing. The non-profit arts and culture sector generates approximately \$99 million per year in total economic activity, and supports nearly 3,000 full-time equivalent jobs.

Pershing Center Site IFRP

The Downtown main library, Bennett Martin Public Library, has over 200,000 visits annually. The Lincoln Library Board has undertaken efforts to replace the existing library with a 21st – century facility. In 2012, a Main Library Vision and Concept Study was completed which specifies the size necessary to accommodate a number of services appropriate for a Main Library. The list of potential sites for the new Central Library included the Pershing Site. This study can be found at <http://lincolnlibraries.org/main-library-vision-and-concept-study/>.

Downtown Lincoln has over 12,500 residents, and has been growing at a faster pace (1.9%) than the City. Downtown has seen a 24 percent growth in housing units since 2010. Many of these units have been marketed to the growing student population. However, there is a healthy, burgeoning market for higher-end condominium units, as well.

The Downtown has several districts that surround its central business district. The Haymarket is on the west side of Downtown, home to many bars and restaurants, as well as the Arena. The southern boundary includes the architecturally significant State Capitol building, as well as other state and local government campuses, and a historic residential neighborhood. The University of Nebraska-Lincoln Campus forms the northern boundary of the Downtown. On the east side of Downtown is a major \$200 million urban revitalization project, Antelope Valley, which has expanded the boundaries of Downtown.

Recently completed public and private reinvestment in Downtown Lincoln totals over \$1 billion. The Downtown Master Plan Background Report shows over 60 public, private, and joint projects that have recently been completed or are underway. Projects include office and mixed use redevelopment projects, like Assurity, Color Court, 3 Landmark Centre, Olsson Headquarters, Hudl, Salvation Army, Swanson Russell, Telesis, and Telegraph District. Residential projects are becoming more common, such as the Cadillac Lofts, Shin Building, Case, Case, & Case Project, 1222 P Street, Schwarz Building Condominiums, Raymond Bros. Condominiums, Hobson Place Condominiums, Canopy Row Apartments, Canopy Lofts, and Arena Lofts. Student housing projects like 50/50, Aspen, 8N Lofts, and Latitude, have also increased the number of people living Downtown.

The project site is located at the intersection of two significant public investments totaling over \$12 million: the recent substantial rehabilitation of the Centennial Mall and the construction of Nebraska's first protected, on-street bike facility on N Street. Other substantial public investments have included the construction of the Pinnacle Bank Arena and related infrastructure, design and construction of Tower Square at 13th and P Streets, completion of the Antelope Valley Roadway and flood mitigation project, 11th Street Streetscape, the P Street Retail Corridor, the Haymarket Street and Streetscape Project, and numerous other street, streetscape, and infrastructure improvement projects.

The West Haymarket Arena project is the largest public investment ever in Downtown Lincoln, which met with significant private investment as well. The development of the 16,000 seat arena allowed for the Pershing Site to be designated as a future site for private or public/private redevelopment.

RECENT PLANNING & MARKET STUDIES

The City began efforts in 2018 to revise the City of Lincoln Downtown Master Plan. The Background Report and Interactive Tour, as well as initial study findings, can be viewed at <http://lincoln.ne.gov/city/plan/long/downtown/downtown.htm>. The Plan is expected to be adopted by the end of 2018.

In the meantime, the existing 2005 Downtown Master Plan established a blueprint for the development of Downtown Lincoln for the next 20 years. The 2005 Downtown Master Plan shows future uses surrounding the Pershing block as Office, Government, Retail, Festival/Event Space and high density Residential. This Master Plan can be found on the City website at <http://lincoln.ne.gov/city/plan/reports/subarea/dmp/report/index.htm>.

In 2012, an update to the 2005 Lincoln Downtown Master Plan was completed, including a review of traffic and streetscape connections on N Street from South Haymarket to Antelope Valley. This update can be found at <http://lincoln.ne.gov/city/plan/reports/subarea/dmp/dmpupdate.pdf>.



WHY THIS SITE?

In a recent survey, the redevelopment of the Pershing Center Site and other undeveloped sites in Lincoln were voted as the most important action in creating the vision for Downtown Lincoln as The Center of Opportunity. The site is designated in the draft 2018 Downtown Lincoln Master Plan as the first catalyst site, identifying a mix of potential uses from civic to residential to office, with a first-floor active use, or a combination thereof. These ideas can be found at <http://lincoln.ne.gov/city/plan/long/downtown/ProjUpdate.pdf>.

The Pershing Center is located on an entire city block bounded by Centennial Mall and 16th Street, and M and N Street, in a prominent location in Downtown Lincoln. The parcel area is large, approximately 300 feet by 300 feet, for a total of 90,000 square feet of buildable area or approximately 2 acres. The block is approximately 333 feet by 349 feet, curb to curb. A dual protected bike lane on the south side of N Street was completed in 2015. The seven-block Centennial Mall renovation on the City's was completed in 2016.

The Pershing Center was constructed between 1955 and 1957. The floor plate of the existing building is 50,000 square feet. As the City's auditorium, this building has provided the City with many wonderful memories; however, the useful life of the structure is limited. Current estimates for demolition and remediation of the building are approximately \$2 million. However, the basement may be able to be repurposed for an underground parking facility.

Pershing Center Site IFRP

The site is located within four blocks of 6,100 parking spaces - including seven covered parking garages. A new 900-stall parking facility is planned to be constructed only one block away. The site is close to other Downtown office buildings and other key employment centers, retail shops and restaurants, hotels, and tourist attractions.

ZONING AND DESIGN STANDARDS

The Pershing Center block is within a “P” (Public Use) zoning area which runs parallel to Centennial Mall. This area is surrounded by a “B-4” zoning district (Center Business District) to the west and east and an “O-1” zoning district (Office District) to the south. Rezoning of the area would be dependent upon the proposed uses. The site is also within the Capitol Environs District, the district immediately surrounding the State Capitol and four axial corridors, including Lincoln Mall and Centennial Mall.

City of Lincoln Downtown Design Standards and Capitol Environs District Design Standards protect the area’s design aesthetic. Within the City of Lincoln Zoning Ordinance, special considerations are also made to preserve the view corridors of the State Capitol Building. The requirements that specifically impact the Pershing block for any new construction are:

- The minimum height for new construction is 30 feet. High-density, multi-story development is encouraged over low-density, single-story development.
- The maximum height for new construction is 57 feet.
- Durable, high quality building materials are encouraged.
- Overall compatibility with surrounding buildings and interrelationships within each setting is encouraged.

Factors to consider in the compatibility of design include: alignment, setback, spaces between buildings, massing and scale, shade and shadow patterns, scale and proportion of openings for doors and windows, ornamentation and detail, cornice heights, landscaping, etc.

The zoning in this general area encourages “build to” development where the entire lot is built out to the property line.

The Capitol Environs Commission is the review and enforcement authority. This body reviews conformance for any proposed project and its overall impact.

City of Lincoln Downtown Design Standards and Capitol Environs Design Standards can be found on the City’s website at <http://lincoln.ne.gov/city/attorn/designs/ds376.pdf> and <http://lincoln.ne.gov/city/attorn/designs/ds385.pdf> respectively.

LOCATION TO OTHER IMPROVEMENTS

The Project Site is near a renewed interest in redevelopment. Other than the recently completed improvement projects of Centennial Mall, the N Street Bikelane, Antelope Valley, and the P Street Retail Corridor, there are also private improvements underway. The Telegraph District is a few blocks from the Pershing Center Site. Together, the Pershing Site and Telegraph District are seen as a potential set of bookends to an East Downtown corridor along 16th and 17th Streets and Antelope Valley Parkway.



PROPOSAL OBJECTIVES

Developers are invited to consider the wide range of possibilities for the Pershing Center project site and submit redevelopment proposals. Possible options include: use of all or part of the site, public/private partnerships, one user or multiple users, and demolition with new construction or reuse of all or a portion of the existing building. The redevelopment of the site should:

- Create significant value for the community, both economic (e.g., total investment, tax valuation, purchase price of the land, enhanced employment,) and civic (e.g., improved access, quality, and/or efficiency in public or non-profit services)
- Enhance Downtown, the Centennial Mall, and the State Capitol Environs through compatible design and uses.
- Strengthen Downtown as the Residential/Employment/Entertainment/Cultural District of the City.
- Create opportunities for and encourage redevelopment of adjacent blocks, as a catalyst project.

The City is currently listing the Pershing Center Site as a Catalyst Project for the 2018 Downtown Master Plan. The Comprehensive Plan, Downtown Master Plan, Plan Update, and the Lincoln Center Redevelopment plan serve as guides for the redevelopment of Downtown. Proposed projects that create significant value for the immediate area, Downtown, and community as a whole will be the most welcome.

SUBMITTAL REQUIREMENTS

Each developer submitting a proposal for the Pershing Center Site must submit documentation as identified in the following material. The documentation submitted will be used to evaluate proposals and select the preferred developer(s) with whom the City intends to negotiate a land lease or purchase and/or negotiate a redevelopment agreement. Although it is understood that the nature and size of the project being proposed will affect the complexity of the submittal, the documentation should be at a level of detail that provides an opportunity for an accurate evaluation of the proposal.

In assembling the required documentation, reference should be made to the criteria that will be used in the selection process. Those criteria are outlined in this IFRP. The selected developer(s) will be required to provide more detailed information during the negotiation process.

A. THE DEVELOPER/DEVELOPMENT TEAM

A developer may include the traditional developer of property, or may be the owner(s) of a business(es), director of a non-profit or public entity, or any combination of the above. The development team may include the developer, architecture firm, engineering firm, financial institution and/or funding entities, etc. The more defined the developer and the development team is before the submittal of the proposal, the greater the City's ability to understand with whom we will negotiate.

As part of the proposal, clearly identify the developer(s), including all members of a team or teams of developers, roles, and background experience of members, including identification of comparable successful projects completed by team members.

B. PROJECT PLANS

The plans described in the proposal should include the following:

- Identification of the intended reuse of the existing building, the construction of a new building(s), or a combination of the two;
- Identification of proposed uses and, as far as possible, quantification of uses (e.g., number of square feet of commercial space, number and size of residential units);
- Narrative description of design proposed and the manner in which the objectives of the IFRP and the design guidelines identified in the Downtown Design Standards, Capitol Environs Design Standards, and Downtown Master Plan will be addressed; and
- Preliminary schematic designs of the project, including site plans.

All proposals are subject to the Lincoln/Lancaster County Comprehensive Plan, City of Lincoln Downtown Master Plan, City of Lincoln Downtown Design Standards and Capitol Environs Design Standards, applicable City codes and ordinances, and other guidelines. If the developer expects or requires any variances to these plans, codes, or guidelines, please list them in the submittal. Each can be found on the City's website at:

Comprehensive Plan: <http://lincoln.ne.gov/city/plan/lplan2040/index.htm>
2005 Downtown Master Plan and 2012 Update:

- <http://lincoln.ne.gov/city/plan/reports/subarea/dmp/report/index.htm>
- <http://lincoln.ne.gov/city/plan/reports/subarea/dmp/dmpupdate.pdf>

And, the **2018 Downtown Master Plan:**

- <http://lincoln.ne.gov/city/plan/long/downtown/downtown.htm>

Design Standards: <http://lincoln.ne.gov/city/attorn/designs/contents.htm>,
specifically:

- Downtown Design Standards: <http://lincoln.ne.gov/city/attorn/designs/ds376.pdf>
- Capitol Environs Standards: <http://lincoln.ne.gov/city/attorn/designs/ds385.pdf>
- City Code: <http://lincoln.ne.gov/city/attorn/lmc/index.htm>

As part of the review process, the developer(s) may be required to submit additional architectural detail. Models are not a required component of the plan submittal.

C. PROJECT FINANCIAL PLAN

The following information is necessary for the City to evaluate the viability of the project and to analyze the developer's ability to complete and operate the project.

The project proposal should include a project proforma that provides a detailed preliminary financial statement, to the extent possible, of the projected development and future operating cash flows and fiscal impact of the project, as well as the requested public investment. At a minimum the proforma should include:

- a development summary identifying the hard and soft costs associated with the development;
- the financing structure of the development, including anticipated debt financing, both construction and permanent;
- the amount of equity (or financial contribution) and likely sources;
- the revenues and expenses expected from project operations (or expected operational budget); and,
- the return on investment for the developer with and without public investment (for private entities).

Other financial information that will provide the City with a better understanding of the proposed investment, including references, participating banks, or other information is welcomed.

Tax Increment Financing may be available if the developer(s) can demonstrate clearly that without the financial assistance from the City, the project would not be feasible. The use of Tax Increment Financing is at the discretion of the City. The proposal should include a specific explanation of the type of financial assistance the developer(s) is requesting from the City. If the City is being asked to finance construction of public improvements, then the estimated value of that commitment should be stated. For public investment, projects will need to show economic viability that insures repayment of debt service.

Pershing Center Site IFRP

If additional financial support or public action is required in order to make the project feasible, the proposal should include a specific explanation of the type and amount of financial assistance requested, a justification for such assistance, and/or a description of the public action required.

Following the selection of the developer(s), updated financial projections may be required for the negotiation of a redevelopment agreement and prior to the execution of the agreement.

D. SCHEDULE OF PERFORMANCE

The developer(s) should be prepared to implement the project in an expeditious manner. A proposed performance schedule should be provided that includes design, securing equity and debt financing, construction, lease-up, and any other critical milestones. This information can be presented in a simple bar chart.

E. AFFIRMATIVE ACTION PLAN

As part of doing business with the City, the developer(s) will be asked to demonstrate a commitment to equitably use minority and women-owned businesses. Therefore, as part of this proposal, the developer(s) should provide an affirmative action plan that details the specific steps intended to insure that contracting opportunities are made available to the MBE/WBE community.

F. CONTINGENCIES OF DEVELOPER

The developer(s) should state explicitly in the proposal any qualifications or limitations of the proposal and any and all known and anticipated contingencies that might affect the ability of the developer(s) to perform under the terms of the proposal.

SELECTION PROCESS

PROCEDURE FOR SELECTION OF THE DEVELOPER(S)

In general, the City will use the following selection procedure:

Proposal Submission

The City will accept proposals at any time. Twelve (12) copies of each proposal must be submitted to David Landis, Director, Urban Development Department, City of Lincoln, 555 South 10th St., Suite 205, Lincoln, Nebraska 68508.

Preliminary Review

Upon receipt of a proposal, the City will conduct a preliminary review of all the materials submitted. If the proposal is incomplete, the City will determine whether to consider the proposal for continued review.

If the proposal contains all of the requested information, the City will perform preliminary due diligence on the developer(s) and submitted financial information; and, determine if further studies are required in conjunction with the project.

After the review, the City has the option of announcing receipt of the proposal and leaving the IFRP Process open for a defined period of time or closing the process to other submittals.

Selection Advisory Committee

The Mayor will appoint a Selection Advisory Committee to evaluate the proposal(s). For each proposal, the committee will examine the civic value, fiscal impact to both private and public sectors, contextual integrity, and other review criteria. The committee will be comprised of city staff and community representatives.

Interviews

The City, through the Selection Advisory Committee, may require that the developer(s) participate in on-site interviews prior to recommending a developer for this project.

Selection Recommendation

Once the developer(s) has addressed needed milestones or additional studies (if any are identified), the committee will make comments and a recommendation on the proposal(s) to the Mayor for his consideration.

The Mayor, upon receipt of the recommendations from the Selection Advisory Committee, may select a developer of record at his discretion.



POST-SUBMISSION CHANGES OR TRANSFERS

At any time after submission of a proposal for Pershing Center Site, the developer(s) may make substantial changes in the project or transfer or assign the proposal or any interest therein to another developer(s) with the written consent of the City. The City reserves the right to withhold consent or to impose conditions on such consent. As a condition to any consent, the original developer(s) of the project and the transferee may be required to demonstrate or certify to the City that, except for the reimbursement of out-of-pocket expenses incurred in connection with the submission of the proposal, no compensation, remuneration, transfer fee or similar payment has been made in conjunction with such transfer or assignment.

AGREEMENT

If the City enters into a redevelopment and/or purchase agreement with the selected developer(s), the agreement may include provisions addressing the following:

- Description of the project and the City's rights regarding design approval and access;
- Design of the building, materials, and signage;
- Project construction and schedules of performance;
- The City's and the developer's financing;
- The City's fees and participating interest in the project;
- Continuing financial disclosure relating to the project;
- Easements;
- Insurance;
- Indemnification of the City;
- Anti-discrimination and affirmative action;
- Default and termination;
- Requirements of and restrictions on use;
- Restrictions on assignment and transfer; and,
- Other customary and appropriate provisions.

After notification of selection, the developer(s) will have exclusive negotiation rights for a period of up to 180 days in order to execute an agreement with the City. During the negotiation period, either the City or the developer(s) may withdraw from negotiations, if either party determines that a satisfactory agreement is not likely to be reached. The City may extend the 180 days at its sole discretion.

CRITERIA FOR EVALUATING PROPOSALS

The City has established the following criteria upon which it will evaluate the proposals, and will select the developer(s) and proposal(s) which best meets these criteria. The City's determination of satisfactory compliance with the selection criteria will be conclusive.

Relationship to General Objectives

- Manner in which the proposal conforms to the City's goals as described in this Invitation for Redevelopment Proposals, including the creation of significant economic and civic value;
- The manner in which the proposal conforms to the objectives in the Lincoln/Lancaster Comprehensive Plan and the goals outlined in the 2005 Downtown Master Plan and/or 2018 Downtown Master Plan; and,
- Conformance with all applicable building and zoning ordinances and all other applicable City ordinances.

Background and Experience of the Developer(s)

- Experience of the proposed developer who will be responsible for the project;
- The success of the developer's past projects, especially projects which are similar to the proposed project;
- The developer's property management experience including other similar projects;
- The overall architectural and design quality of prior projects of the developer;
- The developer's experience in working with public entities;
- The developer's history of the timeliness and completion of prior projects;
- The developer's history of completing projects as originally proposed; and,
- Status of any litigation regarding the developer's past projects.

Financial Capability of the Developer(s)

- The developer's ability to provide sufficient equity/financial support for the proposed project;
- The developer's ability to secure any necessary debt financing;
- Evidence of the developer's ability to fund the project until its completion; and,
- Closing of permanent financing and project stabilization.

Project Specific Criteria

- The overall architectural and design quality of the project;
- The relationship to the Downtown and Capitol Environs;
- The type and extent of public support, investment, and/or involvement required of the project;
- The manner in which the proposed project responds to existing and future market/community needs;
- Anticipated success and viability of the proposed project;
- The extent to which the project will serve as a catalyst for other reinvestment in Downtown Lincoln;
- Projects similar to the proposed development in which the developer(s) was involved and the success of such projects; and,
- The extent to which the developer(s) exhibits a commitment to implementing the project in a timely manner.

Affirmative Action Criteria

The demonstrated willingness, ability, and commitment to involve minority and women-owned businesses at all levels of the development process.

REJECTION OF THE PROPOSALS

Any and all proposals may be rejected at any time at the sole discretion of the City and the City's decision will be final. Automatic rejection will occur if the proposal has not been selected by the City within 180 days of the submission date. In addition, the proposal may be rejected for any of the following reasons:

- The proposal was incomplete upon submission; or,
- The City and the developer(s) fail to execute a redevelopment agreement within 180 days of the date the developer(s) is selected.

MISCELLANEOUS INFORMATION

The purpose of this document is solely to solicit proposals for the Pershing Center Site in Downtown Lincoln. The City does not agree to assume, pay or reimburse any cost, expense or fees incurred by the developer(s) in connection with this solicitation.

THANK YOU

Thank you for your interest in this invitation and the Pershing Center Site. Questions concerning the proposal submittal should be directed to: David Landis, Urban Development Department, City of Lincoln, 555 South 10th Street, Suite 205, Lincoln, Nebraska 68508. Questions will be accepted by Phone: (402) 441-7606 or e-mail: dlandis@lincoln.ne.gov. We look forward to hearing from you.