

AMENDMENT TO THE LINCOLN CENTER REDEVELOPMENT PLAN 2 Landmark Centre Redevelopment Project

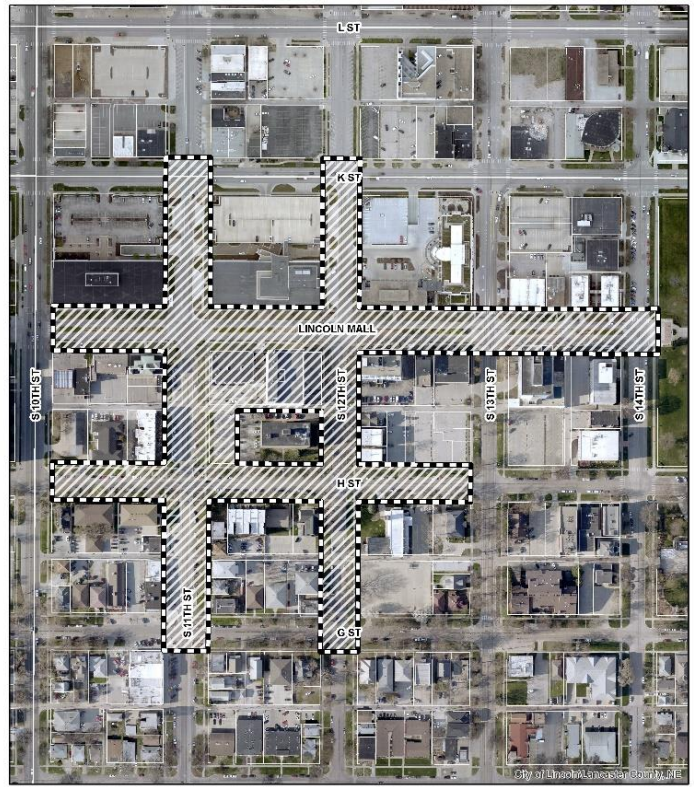
Project Description

The 2 Landmark Centre Redevelopment Project (the "Project") is located on the north half and the west 75 feet of the south half of Block 127 bounded by H Street, 11th Street, Lincoln Mall, and 12th Street in Downtown Lincoln, as shown on the attached Exhibit "A" (the "Project Site"). The Project Area includes the Project Site and the adjacent rights of way as shown on the project area map on the right.

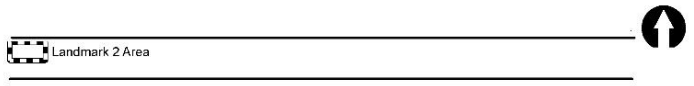
The Project includes the construction of a three-story, premier office building with architectural features complementary to the 1 Landmark Centre and 3 Landmark Centre buildings on the north side of Lincoln Mall, as well as those seen in the historic State Capitol Building and the mid-20th Century modern architectural features seen in the County-City Building to the west. The Project will involve the demolition of the existing office buildings located at 1111 Lincoln Mall and 601 S. 12th Street and the surface parking lot at 1106 H Street. The condition of the 1111 Lincoln Mall building is dated; floorplates are inefficient and do not meet the standards for Class A office space. The 601 S. 12th building was destroyed by fire in 2020. Neither building is deemed to be historically significant.

The overall goals of the Project are to strengthen the Downtown Lincoln business community, remove extremely blighted and substandard conditions, enhance the architectural character of the Capitol Environs District, and make a positive contribution to the continued revitalization of Downtown Lincoln and, in particular, Lincoln Mall.

The proposed uses fit well with surrounding land uses, which include office, parking and residential on the same block as the Project Site, as well as the surrounding City blocks. See the Current Land Use Map and Future Land Use Map below.



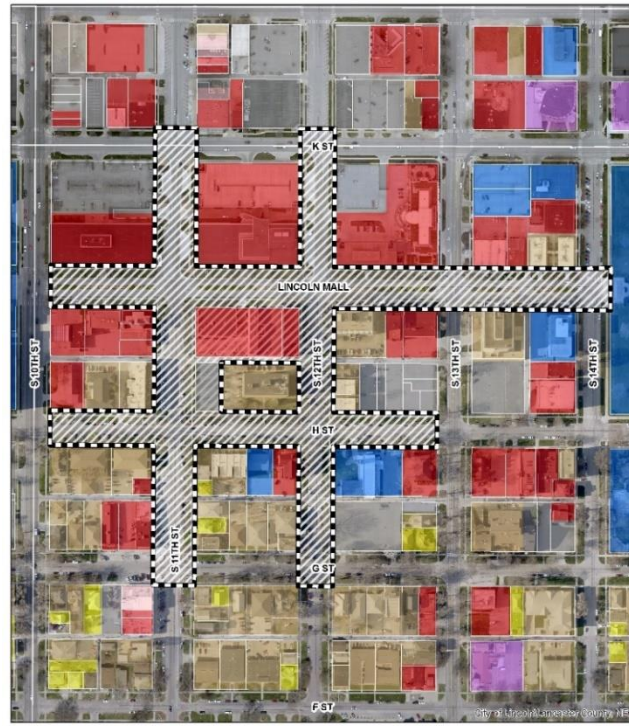
Landmark 2 Redevelopment: Project Area





Landmark 2 Redevelopment: Current Land Use

Landmark 2 Area	Apartments	Light Industrial	Parking Lot
Single Family Detached	Commercial w/Res	Public	Parking Garage
Duplex	Commercial	Religious	



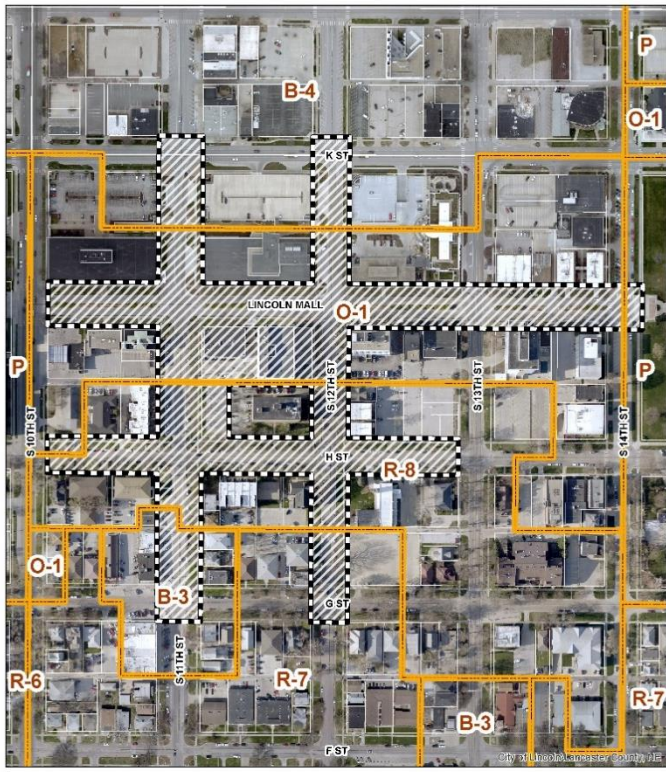
Landmark 2 Redevelopment: Future Land Use

Landmark 2 Area	Apartments	Light Industrial	Parking Lot
Single Family Detached	Commercial w/Res	Public	Parking Garage
Duplex	Commercial	Religious	

Section 18-2113 of the Community Development Law requires the City to review the Project and find that the proposed land uses and building requirements for the Project Area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its environs, which will, in accordance with the present and future needs, promote health, safety, morals, order, convenience, prosperity, and general welfare, as well as efficiency and economy in the process of development. The Project is consistent with *LPlan 2040, the Lincoln-Lancaster County 2040 Comprehensive Plan*. One of the overarching goals of *LPlan 2040* is to enhance Downtown's role as the heart of the City. The *Comprehensive Plan's* chapter on Business and Economy lays out strategies for Downtown, including the preservation and enhancement of Downtown's role as the major office and employment center. The *Comprehensive Plan* also encourages commercial development in underdeveloped or redeveloping commercial areas in order to remove blighted conditions and to more efficiently utilize existing infrastructure.

The Project is consistent with the *Lincoln Center Redevelopment Plan*. The primary goal of the *Redevelopment Plan* is to enhance Downtown Lincoln as the dominant mixed-use/multi-use center of activity within the region. The Project meets the redevelopment standards set forth in the *Lincoln Center Redevelopment Plan*, including, but not limited to: intensifying and strengthening Lincoln's central business district as the employment hub of the community; utilizing underdeveloped lots and removing blight; enhancing the aesthetics of Downtown to improve the pedestrian environment; encouraging private development in the project area that supports and enhances the architectural character of both the Capitol Environs District and Capitol view corridor; and, integrating streetscape and landscape improvements in the Project Area with existing cultural landmarks (State Capitol, Lincoln statues).

The Project Site is located within the “O-1” Office zoning district and “R-8” Residential zoning district. The O-1 District includes the north half of Block 127 and provides for the proposed office uses. The R-8 District includes the west 75 feet of the south half of Block 127 and is subject to a special permit permitting a parking lot to support the office uses. Existing zoning is in the map below.



Landmark 2 Redevelopment: Zoning

Landmark 2 Area Zoning



The Project is consistent with the *2018 Lincoln Downtown Master Plan*. The *Plan* encourages the reuse or redevelopment of vacant or underutilized spaces as opportunities arise. The *Downtown Master Plan* includes the goal of maintaining Downtown as the economic engine and employment hub for the greater Lincoln region.

The Project represents a significant private investment in the Lincoln Center Redevelopment Area. Publicly funded redevelopment activities may include site demolition and preparation, façade/building enhancements, energy efficiency enhancements, streetscape improvements, and other public improvements, enhancements, and expenses as permitted under Neb. Rev. Stat § 18-2117.03, and the Community Development Law in the Lincoln Center Redevelopment Area.

Statutory Elements

Property Acquisition, Demolition, and Disposal: The City does not intend to acquire property, nor would it use eminent domain if it did acquire property for this Project. The redeveloper currently owns the land and buildings in the Project Area that will be improved. The existing structures will be demolished, and the land prepared for the new structure.

Population Density: The Project will not impact population density in the Lincoln Center Redevelopment Area.

Land Coverage: Land coverage will be altered as it is expected that the new office building will cover the entire north half of Block 127. The Project will comply with the applicable land-coverage ratios and zoning requirements of the City of Lincoln.

Traffic Flow, Street Layouts, and Street Grades: The Project may marginally increase traffic flow resulting from an increase in tenants and employees of the office space traveling to and from the Project Site. The redeveloper may seek to make changes in the rights of way to accommodate access to the site. The Project does not include vacating any streets or alleys.

Parking: Currently, there are 24 underground parking stalls and 22 surface lot stalls. The project proposes a total of 60 new underground parking stalls and the surface stalls will remain at twenty-two. Private parking will be provided under the proposed office building and surface parking on the west 75 feet of the south half of Block 127. Changes to the existing configuration of on-street parking around the site may occur due to coordinated planning with LTU, Parking Services, and StarTran.

Zoning, Building Code, and Ordinances: The Project is a permitted use in the O-1 zoning district and a special permitted use in the R-8 zoning district. No other subdivision or rezoning of the Project Site is expected to be required as part of the Project. The Development Services Center will work with the development to ensure that applicable building code requirements and ordinances will be satisfied.

Proposed Costs and Financing

The estimated total cost to implement the Project is expected to exceed \$20 million, which includes approximately \$3,500,000 in public funding. The Project cost will be finalized as construction costs are determined. The source of public funds for these improvements will be the tax increment generated from the private developments on the Project Site. Funding sources and uses will be negotiated and identified in the redevelopment agreement, subject to approval by the Mayor and City Council.

Lincoln Public Schools

The project, because it does not include any residential dwelling units, and should have no impact on student populations in Lincoln Public Schools.

Cost-Benefit Analysis

As required by Nebraska Community Development Law (Neb.Rev.Stat. §18 2113), the City has analyzed the costs and benefits of the proposed Project, including:

Tax Revenues

The 2021 assessed value of the Project Site is approximately \$4.5 million. The final assessed valuation of the Project Site is anticipated to be approximately \$17 million. The Project is expected to generate approximately \$250,000 in annual TIF revenue to assist with the cost of the construction of public improvements and enhancements related to the Project. The public investment will leverage approximately \$16.5 million in private sector resources. The TIF funds will be subject to further adjustment as Project costs are defined.

The City will forgo approximately 15.78 percent of these annual collections over 15-20 years to support the Project. The tax increment gained from this Project Area would not be available for use as City general tax revenues over that time but be used toward bond repayment. After the debt has been retired, the increase in annual taxes paid will be split among the taxing jurisdictions according to the tax levy.

Public Infrastructure and Community Public Service Needs Impacts

Public infrastructure will be enhanced to support the continued redevelopment of Downtown Lincoln. City involvement may include demolition, site preparation, and remediation; utility improvements and/or relocation; the construction of street and streetscape amenities; other public right-of-way improvements; energy efficiency and sustainability improvements; façade

improvements; on-street parking and related amenities; public art, and, other related public improvements.

These improvements are expected to enhance the Capitol Environs District, parking availability, traffic flow, utility services, and the aesthetic appeal of the area, benefiting both Downtown and the adjacent residential neighborhood.

Employment within the Project Area

Currently occupancy of the building is 25 employees. While all tenants have not been secured for this building, the additional commercial capacity has the potential to generate additional full-time equivalent (FTE) positions. Construction employment will also be supported/generated related to the construction and renovation of the private property and related public improvements. When the building is at full capacity, there could be as many as 350 employees.

Employment in the City outside the Project Area

Approximately 143,596 people were employed in 8,659 private business establishments in Lancaster County in 2018, according to the Census, County Business Patterns, North American Industry Classification System. The 2018 median household income for the City of Lincoln was \$55,224, according to the 2014-2018 American Community Survey 5-year estimates.

The Project is not expected to adversely affect employment in the City outside the Lincoln Center Redevelopment Area. Instead, the removal of extremely blighted and substandard conditions from the Project Site and the Lincoln Center Redevelopment Area is anticipated to enhance the aesthetics of downtown Lincoln and Capitol Environs District. As a result, it is anticipated that the Project will support current retail and services in the area, which will support jobs in the Lincoln Center Redevelopment Area and the City of Lincoln as a whole.

Other Impacts

While the use of tax increment financing will defer the majority of the incremental ad valorem real property taxes generated by the Project for up to 20 years, there will be additional revenue generated by the Project from, for example, sales taxes generated by the commercial tenants of the Project, as well as income taxes paid by those working in the Project Area. Upon completion of the 20-year TIF period, the Project will benefit the community through higher property tax revenue.

Finding of Need for TIF

Section 18-2116 of the Community Development Law requires the City Council to make the following findings before authorizing the use of Community Development Financing:

- the redevelopment Project and plan as proposed would not be economically feasible without the use of Tax Increment Financing; and,
- the redevelopment project as proposed would not occur in the Community Development area without the use of Tax Increment Financing.

The Urban Development Department believes that the private and public improvements proposed in this Plan Amendment would not occur “but for” the utilization of tax increment financing in the Lincoln Center Redevelopment Area. It would not be economically feasible for the redeveloper to construct the Project improvements without tax increment financing because the existing site conditions constitute a barrier to development that cannot be adequately remedied without the use of tax increment financing.

Project Schedule and Implementation

Following the approval of the Plan Amendment, the following steps will occur in the implementation of the Project:

- The City will negotiate a redevelopment agreement with the redevelopers and submit it to City Council for approval.
- Following agreement approval, the City may issue and sell Community Improvement Financing bonds or notes to fund the public improvements related to the Project.
- Construction drawings of public and private improvements will be reviewed.
- TIF-funded public improvements will be identified and competitively bid, as needed and required by the Purchasing Department.
- The private and public improvements and enhancements will be constructed.
- Reimbursement for eligible public improvements and enhancements will occur when invoices have been approved, and the increment is received.