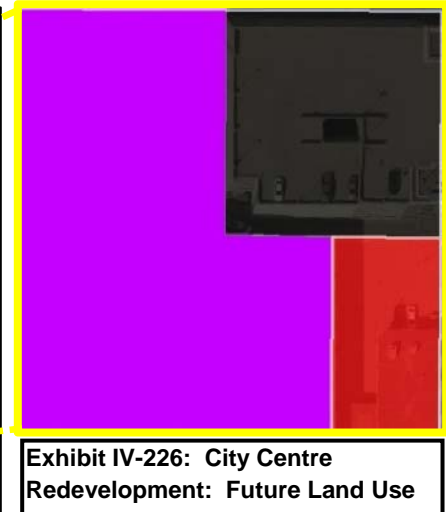
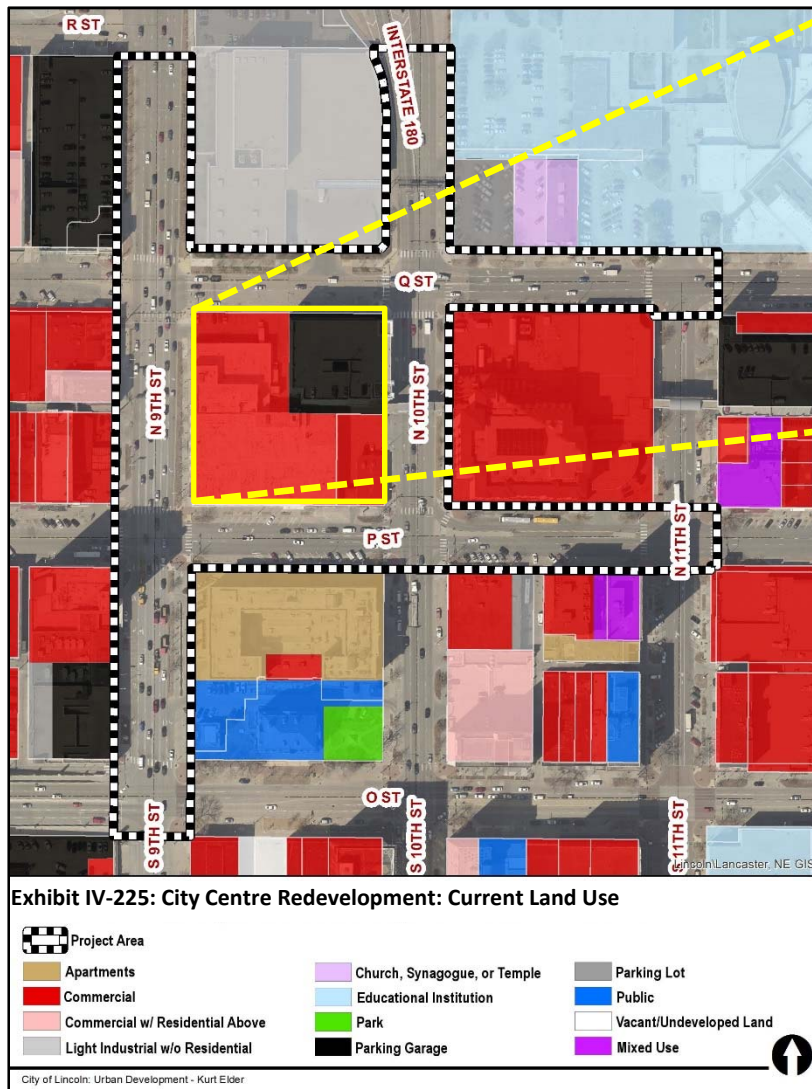


pedestrian-friendly retail corridor between the downtown central business district and the Haymarket, in furtherance of the purposes set forth in the Lincoln Center Redevelopment Plan and Downtown Master Plan. Further, the Project will satisfy the objective of improving vistas coming into downtown Lincoln, particularly for incoming traffic on Interstate 180.

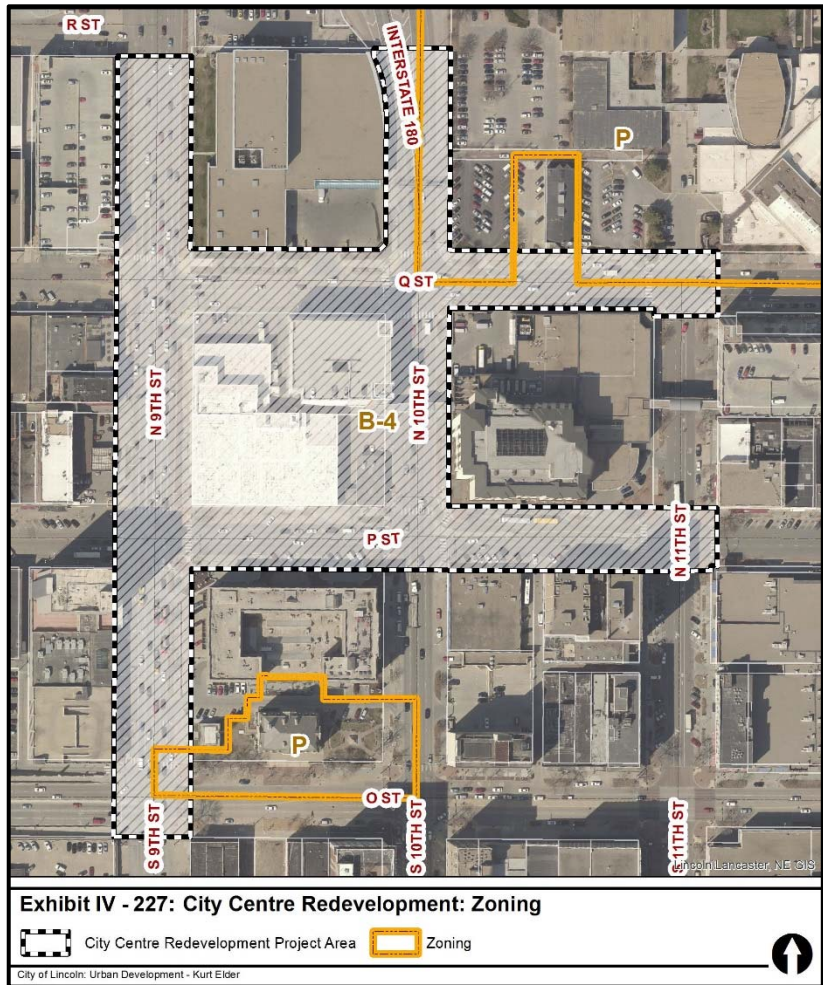
A Journal-Star Printing Co. facility is currently located on the Project Site, as well as the City of Lincoln Market Place Garage. The Journal-Star Printing Co. facility will be demolished as a part of the Project, while the Market Place Garage will remain. Surrounding land uses are primarily commercial, although residential and educational uses are located within the vicinity. See the current land use map to the left, below and future land use map to the right, below.

The Project Site is located in the “B-4” Lincoln Center Business zoning district. The B-4 District provides for the proposed uses, and is designed to encourage Downtown to remain the dominant multi-use center and key focal point of business, social, and cultural activity in the City of Lincoln. The land use in the Project Area is almost exclusively zoned B-4, but also includes the P Public Use District to the northeast and south. Existing zoning is shown on the following page.



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 in 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 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 the *LPlan 2040*, the Lincoln-Lancaster County 2040 Comprehensive Plan. One of the overarching goals of *LPlan 2040* is to promote downtown Lincoln as a vibrant mixed-use neighborhood, offering choices for residential lifestyles and daily needs commerce in a walkable environment. The addition of a large, market-rate rental project helps fill a void in the downtown housing opportunities, in further the goal of creating additional residential opportunities in Downtown. In addition, *LPlan 2040* emphasizes enhancement of entryways to the City of Lincoln when development occurs adjacent to those corridors, and encourage development of connectivity between developing or existing neighborhoods and commercial centers. The Project is also consistent with the *Lincoln Center Redevelopment Plan* and is intended to support high-density, private-sector mixed-use development in the *Lincoln Center Redevelopment Area*.



The Project is consistent with the *2005 Lincoln Downtown Master Plan* as well, which indicates that P Street should be a center for retail activity and should offer a pedestrian-friendly connection between Tower Square and the Haymarket. Redevelopment of the Project Site into a mixed-use building with retail uses fronting P and Q Streets is also consistent with the *2005 Downtown Master Plan Future Land Use Framework*.

The Project represents a significant private investment in the Lincoln Center Redevelopment Area. Publicly funded redevelopment activities may include: site acquisition, site preparation and grading, demolition, environmental remediation, streetscape and street improvements, public area enhancements, public parking, energy efficiency improvements, façade enhancements, and associated costs, and other public improvements and enhancements permitted under the Community Development Law in the Lincoln Center Redevelopment Area.

2. Statutory Elements

- **Property Acquisition, Demolition, and Disposal:** The City does not intend to acquire property, nor would the City use eminent domain if the City did acquire property for this project. The proposed redeveloper currently controls the Project Site through a contract with the owner. The Project will require demolition of the existing Journal-Star Printing Co. facility. The Journal-Star Printing Co. will relocate as a result of the Project. However, the cost of relocation has been factored into the acquisition price negotiated between the redeveloper and Journal-Star Printing Co., and Journal-Star Printing Co. has signed an acknowledgment and waiver providing that no further relocation assistance is needed. All relocation requirements will be followed, as outlined in the Lincoln Center Redevelopment Plan. Should relocation assistance be required as a result of the project, TIF funds will be used to relocate businesses.
- **Population Density:** The Project consists of the construction of up to 245 residential units and 89,000 square feet of commercial office space. As a result, the Project is anticipated to increase population density in the Lincoln Center Redevelopment Area, consistent with objectives of the City's plans for downtown Lincoln.
- **Land Coverage:** The Project is expected to slightly increase land coverage on the Project Site. The Project consists of demolition of the existing Journal-Star Printing Co. facility and construction of a new mixed-use building in its place. The footprint of the new building will mirror that of the Journal-Star Printing Co. facility, except for the addition of retail space along Q Street in place of an existing parking lot. 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 is likely to increase traffic flow on account of tenants, employees, residents, and customers of the commercial, retail, and residential space constructed as part of the Project traveling to and from the Project Site. The developer may seek to make changes to the rights of way to accommodate uses on the site, as well as encourage pedestrian traffic along P Street to bridge the barriers of 9th and 10th Streets. The Project does not include vacating any streets or alleys.
- **Parking:** The redeveloper contemplates that it will construct an approximately 100-stall below grade parking area and an approximately 140-stall second floor parking deck as part of the Project. Redeveloper further envisions being able to use up to 340 parking stalls of the City's adjacent parking garage to meet the needs of the tenants.
- **Zoning, Building Code, and Ordinances:** The Project is a permitted use in the B-4 District. However, the Project may require the redeveloper to apply for and obtain a special permit or similar approval to exceed the maximum height permitted for the northwest portion of the block, which is subject to a height limitation in the B-4 Lincoln Center Business District zone. No other subdivision or rezoning of the Project Site is expected to be required as part of the Project. All applicable building code requirements and ordinances will be satisfied.

3. Proposed Cost and Financing

The estimated total cost to implement the Project is approximately \$92,000,000, which includes approximately \$12,000,000 to \$14,000,000 in public financing. The project cost will be finalized as construction costs are determined. The source of the public funds for these improvements will be the tax increment generated from the private developments on the Project Site.

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:** At current estimates of a final assessed value of approximately \$65.7 million, the project is expected to generate approximately \$13.5 million in TIF revenue for the construction of public improvements and enhancements related to the project.

City Centre Redevelopment Project - TIF Analysis		Amount
Base Value	<i>Current Assessed Value</i>	\$1,369,000
Not to Protest Value	<i>Not to Protest Value</i>	\$65,696,000
Increment Value	<i>= New Assessed Value - Base Assessed Value</i>	\$64,327,000
Annual TIF Increment Generated	<i>= Increment x 0.02036758</i>	\$1,310,185
Bond Note Issue	<i>= Adjusted Increment x 14 years @ 4.5%</i>	\$13,443,912
Estimated Funds Available - Bond		\$13,443,912

Upon completion of the Project, the assessed value of the Project Site will increase by an estimated \$64.3 million as a result of the private investment for the Project. This will result in an increase in estimated annual property tax collections during the 15-year TIF period of approximately \$1.3 million, which will be available to finance the costs of construction of the public improvements related to the Project. The public investment of up to \$13.5 million in TIF funds will leverage approximately \$78.5 million in private sector financing. The TIF funds shall be subject to further adjustment as project costs are defined.

The City will forgo 16.38 percent of these collections or approximately \$214,608 per year over 14 or more years to support the project. The tax increment gained from this redevelopment project area would not be available for use as City general tax revenues over that time. After the 15-year period or the debt has been retired, the increase in annual taxes paid will be split among the taxing jurisdictions according to the tax levy.

Tax District 1, Property Tax Allocations as a Percentage of All Allocations, 2016

Description	Percentage
Lancaster County	13.52
Public Building Commission	.83
City of Lincoln	16.38
Lincoln Public Schools	60.87
Educational Service Unit 18	.74
Lower Platte South Natural Resource District	1.65
Railroad Trans. Safety District	.93
Southeast Community College	3.69
Lancaster County Agricultural Society	.07
Lancaster County Agricultural Society Joint Public Authority	.15
Lancaster Co Correctional Facility Joint Public Authority - County	.42
Lancaster Co Correctional Facility Joint Public Authority - Lincoln	.75

- Public Infrastructure and Community Public Service Needs Impacts:** The Project will have a positive impact on existing public infrastructure. TIF increment will be used to make improvements to rights-of-way, including street and streetscape improvements, among other potential public infrastructure improvements in the Lincoln Center Redevelopment Area. It is not anticipated that the Project will have an adverse impact on City services, but instead will generate additional revenue providing support for those services.
- Employment within the Project Area:** It is anticipated that the Project will generate additional employment within the Project area boundaries, with employment on the first floor retail level, two floors of commercial office, and management and maintenance of the housing units. Up to an estimated 600 jobs are expected to be located within the project area, depending upon the types of businesses that are operated by the tenants that lease the retail spaces and office floors. Up to approximately 150 employees currently working within the existing Journal Star Printing Co. facility will be relocated to a new location. Upon completion, the net new jobs in the project area are estimated to be up to 450 new jobs in the project area. Further, the construction of up to 245 residential units as part of the Project will create expanded housing opportunities for employers and employees of firms locating on the block and/or within the Lincoln Center Redevelopment Area.
- Employment in the City outside the Project Area:** Approximately 139,267 persons were employed in 8,759 total establishments in the City of Lincoln, Metropolitan Statistical Area, according to the 2015 Census, County Business Patterns, North American Industry Classification System. The 2015 median household income for Lancaster County was \$51,830, according to the 2011 – 2015 American Community Survey 5-Year estimates.

While the impact of this Project on city-wide employment would be minimal, housing would support commercial employment, as well as the provision of employment-supportive services in the Downtown and City-wide.

The Project is not expected to adversely affect employment in the City outside the Lincoln Center Redevelopment Area. Instead, the removal of blight and substandard conditions from the Project Site and the Lincoln Center Redevelopment Area is anticipated to enhance the aesthetics of downtown Lincoln, particularly for incoming traffic on Interstate 180 and on P Street, and to strengthen downtown Lincoln as a focal point for regional development. As a result, it is anticipated that the Project will attract further commercial, retail, and residential development, which will both create and support additional jobs in the Lincoln Center Redevelopment Area and the City of Lincoln as a whole. The Project should increase the need for services and products from existing businesses in and around the Lincoln Center Redevelopment Area.

- ***Other Impacts:*** The Project supports the intent of the 2005 Downtown Lincoln Master Plan and 2012 Downtown Master Plan Update, which calls for an increase in high-density, mixed-use development and active first-floor retail uses on P Street and the secondary retail corridors.

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 15 years, there will be additional revenue generated by the Project from, for example, sales taxes generated by the commercial and residential tenants of the Project, as well as income taxes paid by those working in the project area. Upon completion of the 15-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 redevelopment agreement with the developers and submit 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 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 increment is received.