

Phase IV - The Grainger Building Sub Project

1. Revitalization Project Description

The Grainger Building Sub Project involves Lots 15, 16, 17 and 18 of Block 45 (Exhibit IV-79), which contains the Grainger Building, currently a warehouse including 27 space gravel parking lot, and will include the following activities/improvements:

"Grainger Building" - A five-story, 36,210 square feet, excluding basement, warehouse building that is being converted/rehabilitated by a private developer to house one floor of commercial space, 5,100 square feet, (office/retail); four floors of 26 units of rental housing; and 3,800 square feet basement storage space.

Exterior Building Treatment (Historic Requirements) - Department of Interior requirements for historic structures: clean brick facade of the east and south elevations, and sign restoration.

Vault Areas - The boiler and associated piping that exists under the dock structure will undergo asbestos abatement and then the lower level access to the vault area below the dock will be sealed off.

Dock Area - The current loading dock walking surface will be resurfaced with a slip resistant quarry tile or porcelain ceramic panels. New painted steel pipe railings will be installed along the perimeter edge of the dock, the design of which will be sympathetic and compatible with the historic warehouse character of the district.

The exterior canopy will be entirely resurfaced and translucent panels will be added at the main entry to allow natural light to accent this portion of the building. The fascia edges and supporting tension rods will be refurbished and repainted. Additional exterior lighting will be added to the underside of the canopy to provide ambiance and security.

Street Paving - Installation, construction or reconstruction of 8th Street ("O" to "P"), including necessary intersection/traffic improvements, sidewalk and curb/gutter improvements and utility/drainage improvements, etc.

A map of the Grainger Building Sub Project and the site improvements are presented in Exhibit IV-80.

2. Statutory Elements

(a) Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses or sale of property is necessary to accomplish the Grainger Building Sub Project. Demolition activities involve removal of the existing dock slab, sealing off underground vault and filling in vault area and installing/constructing a new dock slab. Accomplishing the Grainger Building Sub

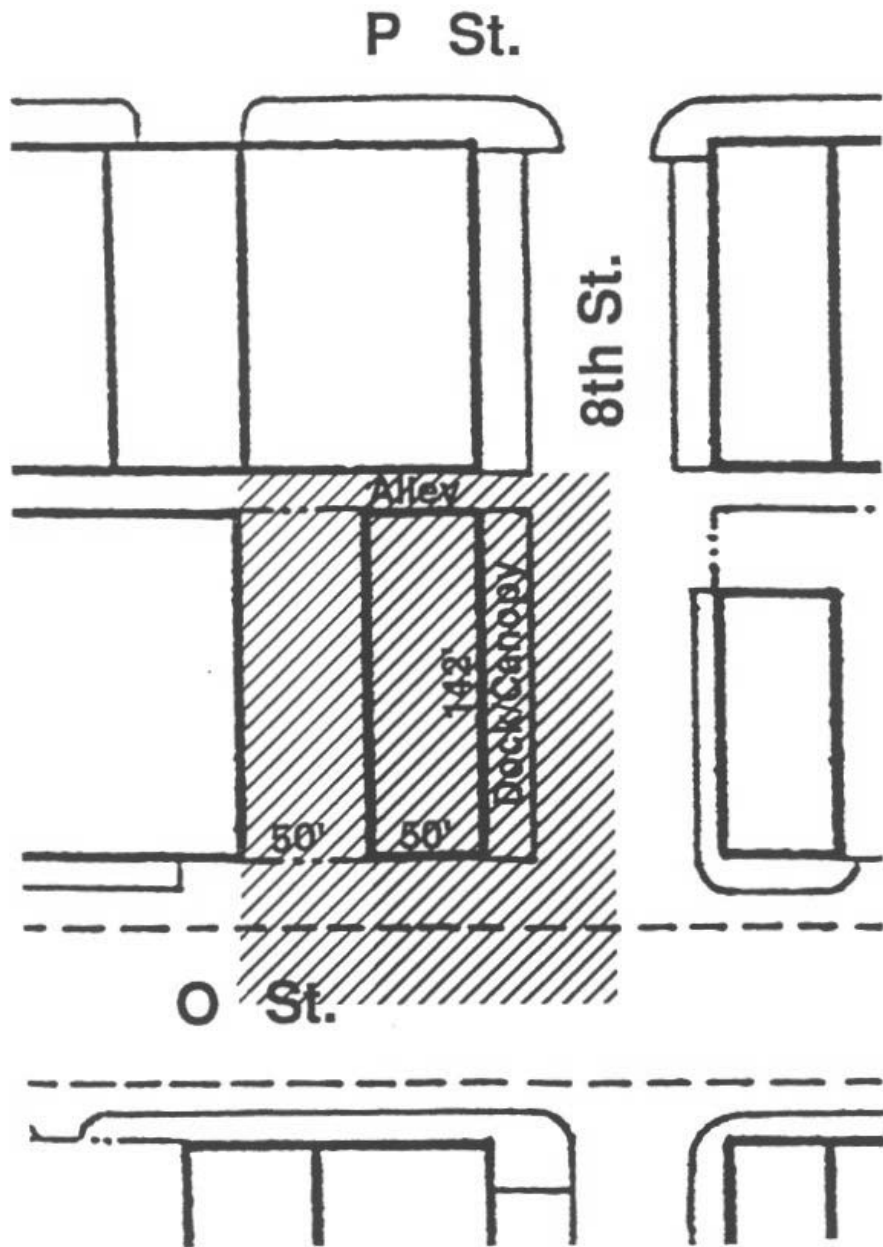


Exhibit IV-79
Proposed Site Plan

////// Grainger Building Sub Project

Lincoln Center
Redevelopment Plan



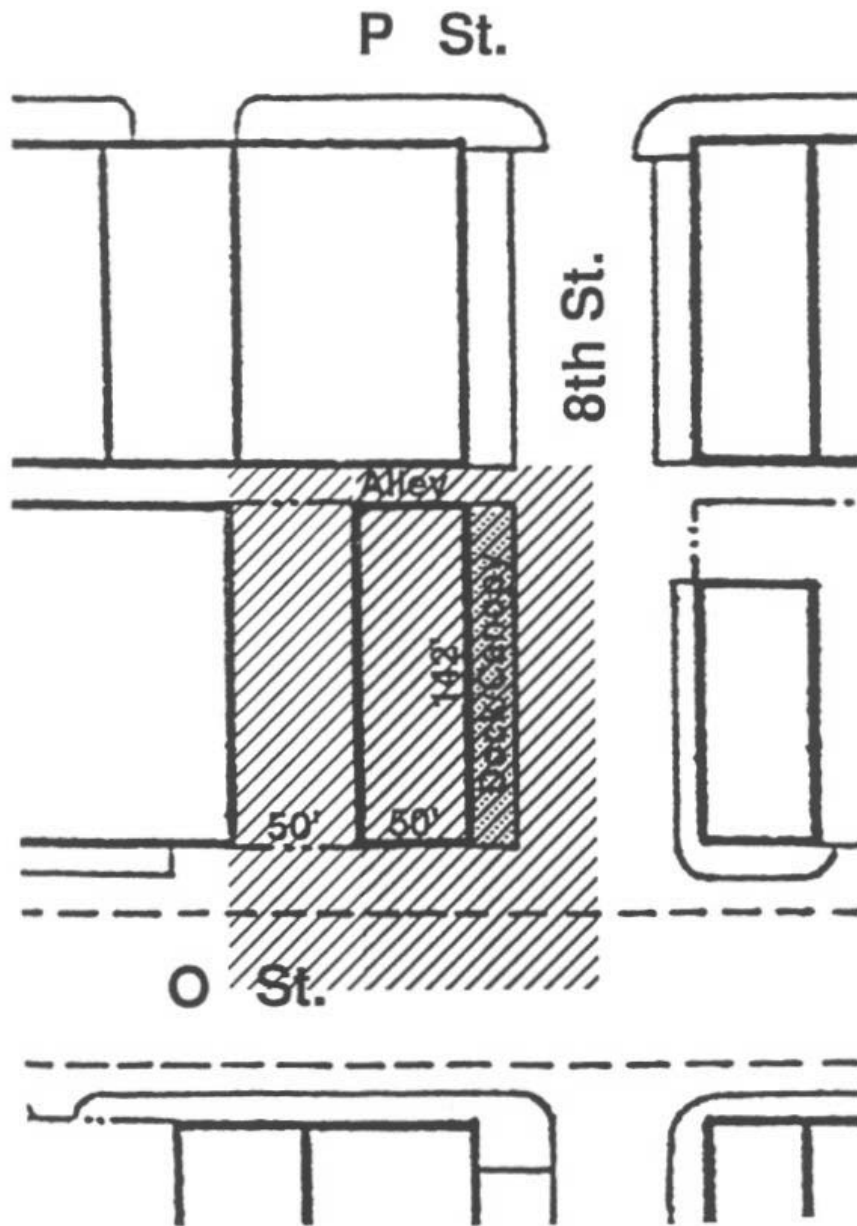


Exhibit IV-80
Proposed Site Improvements

////// Grainger Building Sub Project
 ■■■■■ Proposed Site Improvements

Lincoln Center
Redevelopment Plan



Project may require public action to secure a construction easement and other property rights to complete the described dock vault demolition activity and the east and south facade exterior (historical) building treatments. The property rights may be acquired by way of voluntary negotiations (see Land Acquisition Policy, Appendix 3).

(b) Population Density

The existing development on Lots 15, 16, 17 and 18, Block 45, contains no residential units. Through building conversion/renovation/rehabilitation, approximately 26 units of rental housing will be provided and thereby the population density in the project area will increase.

(c) Land Coverage

The present land coverage and building density will remain the same.

(d) Traffic Flow, Street Layouts and Street Grades

It is anticipated that redevelopment activities contemplated on Block 45 will cause an increase in pedestrian and automobile traffic.

The street layout in the area may be modified. Consideration is being given to a reconfiguration/improvement of the "O" Street underpass area right-of-way from 7th to 9th Streets.

(e) Parking

B-4 zoning requirements do not require parking be provided. However, 23 parking spaces will be provided as part of the Grainger Building Sub Project. Additional parking is available in public and private parking facilities in the adjacent and surrounding area.

(f) Zoning, Building Codes and Ordinances

The present zoning in the Haymarket Area is B-4 zoning, which allows for the type of development proposed. Likewise, the City's adoption of the Uniform Code for the Abatement of Dangerous Buildings, the Uniform Building Code and their specific City amendments will properly protect the public health, safety and welfare of the community/area. At this time, there are not contemplated changes in the City's zoning laws or buildings codes needed to implement this project. It may be necessary, however, to adopt ordinances to issue special assessment and community improvement financing bonds for streetscape, paving, dock/sidewalk, and other improvements.

3. Proposed Cost and Financing of Grainger Building Sub Project

Total cost for the Grainger Building Sub Project is estimated to be \$1,923,176. Exhibit IV-81 contains a breakdown of the public's and developer's estimated expenditures.

The rehabilitation of Grainger Building will require both public and private financing. Sources of financing include a private first mortgage loan, equity from the sale of historic tax credits, a Federal Home Loan Bank Affordable Housing Loan and public funding through the Fed. Sec. 312 Loan Program, CDBG funding, and Energy Overcharge Funding. The increased property taxes generated by these private/public improvements will be utilized to fund a portion of the public's expenditures through the utilization of Community Improvement Financing.

On Lots 15, 16, 17, and 18, Block 45, the existing property produces an annual ad valorem tax of \$3,974. With the new housing, office/retail rehabilitation completed, there will be a net increase of \$21,454 a year in taxes generated by the project portion of Block 45.

Therefore, vault construction and renovation of the dock/sidewalks, and canopy improvements will be funded by the public using the following sources:

- (a) Any ad valorem tax levied upon real property in the redevelopment project on Lots 15, 16, 17 and 18, Block 45, 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:
 - (i) 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 public body in the same proportion as are all other taxes collected by or for the body; and
 - (ii) That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allotted to and, when collected, paid into a special fund of the authority to pay principal of, and interest on, and any premiums due in connection with the bonds of loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise such development for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest in premiums due, have been paid, the authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon taxable real property in such redevelopment project shall be paid into the funds of the respective public bodies.

The Grainger Building Community Improvement Financing Determination is summarized in Exhibit IV-82

The Grainger Building Sub Project financing, including expenditures and funding, is summarized in Exhibit IV-82.

The effective date for the Community Improvement Financing provisions of the Grainger Building Sub Project is declared to be the 20th day of May, 1991.

4. Implementation Steps

The Grainger Building Sub Project is an example of what can be accomplished when the private sector and government work together towards a common redevelopment goal. Utilizing the Community Redevelopment Law (Neb. Rev. Stat. 18-2101 et al), as amended in 1979, the City of Lincoln can now offer new financing capabilities for public improvement.

Under the Community Development Law, the first step in redeveloping an area is for the City to declare the area blighted and substandard, and in need of redevelopment. The Lincoln City Council completed this first step by declaring the Haymarket Area blighted on June 20, 1983 and the Downtown Area blighted on October 22, 1984 and affirmed by resolution in 1987 the area as "blighted and substandard." The City Council determined that private enterprise could not redevelop this area without the assistance provided by the Community Development Law (see Resolutions, Appendix 1 and Appendix 9).

The implementation steps for the Grainger Building Sub Project include:

- Negotiate redevelopment and operating agreements with developers.
- Use private developers architect services to design the public improvements.
- Approve the public facilities and improvements design.
- Acquire a construction easement and other necessary property rights in the area adjacent to the underground dock vault, necessary for construction of public improvements.
- Competitively select contractor to perform vault, dock and canopy improvement activities.
- Construct public and private facilities and improvements.
- Issue and sell community development notes or bonds.

EXHIBIT IV-81

GRAINGER BUILDING SUB PROJECT EXPENDITURES

<u>Sources of Cash</u>	<u>Total</u>	<u>Public</u>	<u>Private</u>
312 Housing Loan	871,000	871,000	
312 Commercial Loan	100,000	100,000	
Affordable Housing Program	225,356		225,356
Tax Increment Financing	110,296	110,296	
Energy Overcharge Funds	29,000	29,000	
CDBG Funds	349,369	349,369	
Equity:			
Limited Partners	238,155		238,155
General Partner	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$1,923,176</u>	<u>\$1,314,665</u>	<u>\$608,511</u>
 <u>Use of Cash</u>			
Hard Costs:			
Site Acquisition			
Land:	\$77,000		
Building:	\$214,750		
	\$291,750	\$204,369	\$87,381
Rehab Construction Costs:			
Construction:	1,220,233		
Builder Risk Ins.:	5,000		
Const. Cost Veri.:	7,000		
Personal Property:	26,000		
Contingency:	89,038		
	1,347,271	1,035,296	311,9785
Architectural	<u>75,000</u>	<u>75,000</u>	
	<u>\$1,714,021</u>	<u>\$1,314,665</u>	<u>\$399,356</u>
Soft Costs:			
Long Term Loan	\$4,350		
Short Term Loan: Fees	1,450		
Interest	19,185		
	20,635		
Title Insurance	2,500		
Appraisal	5,000		
Syndication Fee	23,815		
Legal Fees General	7,500		
Legal (Syndication)	15,000		
Accounting (Syndication)	2,500		
Printing (Syndication)	2,000		
Consulting Fee	75,000		
Historic Fees	2,500		
Marketing/Advertising	10,000		
Operating Reserves	15,000		
P & I 3-Month Reserve			
Sec. Fed	4,107		
312 Comm	1,702		
312 Res	14,821		
	20,630		
Real Estate Taxes during construction	<u>2,725</u>		
	<u>\$209,155</u>	<u> </u>	<u>\$209,155</u>
TOTAL USES	<u>\$1,314,66</u>	<u>\$608,511</u>	

EXHIBIT IV-82

GRAINGER BUILDING SUB PROJECT COMMUNITY IMPROVEMENT FINANCING

SOURCES:

Community Improvement Financing Bonds

Future Assessment Value	\$ 970,000
1990 Assessment Value	145,975
Assessment Increase	824,025
Tax Rate	0.027459
Annual Tax Increment	22,626
Debt Service (1.25 Coverage)	18,101
C.I.F. Collection-13 years	235,319
Bond Issue (8.00, @ 13 Years)	143,070
Less Issue Expense	
Capitalized Interest (6 mo.)	- 5,983
Bond Reserve (1 Year)	- 18,141
Issuance & Underwriting expenses (.025)/legal	- 5,578
	<u>Sub-Total</u> \$ 29,702
Estimated for Construction Use	\$ 113,368

USES:

Expenditure Summary

Public Cost

Exterior Building (Historical) Treatment - Cleaning east and south facade and sign restoration	\$ 21,500
Dock & Vault Area - Boiler-Piping, Asbestos Removal, Resurfacing and Installation of Railing	31,700
Canopy - Refurbishment of existing canopy and installation of lights	27,750
Pedestrian Amenities - Including lighting, bike racks, benches, and sidewalks	15,000
Contingency	9,346
Architecture and Engineering	<u>5,000</u>
TOTAL	\$ 110,296