

## MEETING RECORD

**NAME OF GROUP:** PLANNING COMMISSION

**DATE, TIME AND PLACE OF MEETING:** Wednesday, August 5, 2015, 1:00 p.m., Hearing Room 112 on the first floor of the County-City Building, 555 S. 10<sup>th</sup> Street, Lincoln, Nebraska

**MEMBERS IN ATTENDANCE:** Tracy Corr, Michael Cornelius, Maja V. Harris, Chris Hove, Dennis Scheer, Lynn Sunderman, and Ken Weber (Jeanelle Lust and Cathy Beecham, absent); David Cary, Steve Henrichsen, Brian Will, Paul Barnes, Ed Zimmer, Brandon Garrett, Geri Rorabaugh and Amy Huffman of the Planning Department; media and other interested citizens.

**STATED PURPOSE OF MEETING:** Regular Planning Commission meeting

Acting Chair Chris Hove called the meeting to order and acknowledged the posting of the Open Meetings Act in the back of the room.

Hove requested a motion to suspend the rules to delay the regular biennial election of the Planning Commission officers until September 2, 2015. Cornelius moved to delay the election of officers, seconded by Harris and carried 7-0: Corr, Cornelius, Harris, Hove, Scheer, Sunderman, and Weber voting 'yes'; Lust and Beecham absent.

Hove requested a motion approving the minutes for the regular meeting held July 22, 2015. Cornelius moved approval, seconded by Weber and carried 7-0: Corr, Cornelius, Harris, Hove, Scheer, Sunderman, and Weber voting 'yes'; Lust and Beecham absent.

### **CONSENT AGENDA**

#### **PUBLIC HEARING & ADMINISTRATIVE ACTION**

##### **BEFORE PLANNING COMMISSION:**

**August 5, 2015**

Rorabaugh noted that Commissioner Scheer declared a conflict of interest on **Item 1.2, Special Permit No. 15041**, and will therefore exit the chambers during the Consent Agenda action.

Members present: Corr, Cornelius, Harris, Hove, Sunderman, and Weber; Scheer (conflict of interest on Special Permit No. 15041), Lust and Beecham absent.

The Consent Agenda consisted of the following items: **COMPREHENSIVE PLAN CONFORMANCE NO. 15008, SPECIAL PERMIT NO. 15041, and SPECIAL PERMIT NO. 15042.**

There were no ex parte communications disclosed.

Cornelius moved to approve the Consent Agenda, seconded by Harris and carried 6-0: Scheer (conflict of interest on Special No. 15041), Lust and Beecham absent.

Note: This is final action on Special Permit No. 15042, unless appealed to the City Council within 14 days.

**COMPREHENSIVE PLAN AMENDMENT NO. 15002**  
**TO AMEND THE 2040 COMPREHENSIVE PLAN,**  
**BY CHANGING FROM O MIXED USE OFFICE TO N NEIGHBORHOOD CENTER**  
**ON PROPERTY GENERALLY LOCATED AT**  
**THE NORTHWEST CORNER OF SOUTH 70<sup>TH</sup> STREET AND YANKEE HILL ROAD.**  
**PUBLIC HEARING BEFORE PLANNING COMMISSION:** August 5, 2015

Members present: Corr, Cornelius, Harris, Hove, Scheer, Sunderman, and Weber; Lust and Beecham absent.

Staff recommendation: Approval.

There were no ex parte communications disclosed.

Staff presentation: **Brandon Garrett of Planning Staff** came forward to state this is an atypical land use change. The Comprehensive Plan includes a future land use map which shows use designations such as residential or commercial, among others. There is also a future centers map which defines and designates future center types. At this time, there are no specific proposed use permits, planned unit developments, or comments about what may occur at the site.

The definition of a mixed-use office center would allow approximately 250,000 square feet., primarily office and some retail. Flipping this use to neighborhood center allows for more retail and a smaller center size of approximately 150,000 square feet, unless the applicant pursues the incentive criteria which would allow and increase up to 225,000 square feet. A neighborhood center with focus on retail will still have office and support uses. With uncertainty in the commercial real estate market in general, and a weaker office market, it may be appropriate to make this change as requested. It potentially changes the land use area as the site develops out, but it could also allow a greater mix of uses, including multi-family dwellings, town homes, and senior living.

DaNay Kalkowski, Seacrest & Kalkowski, came forward on behalf of 1640, LLC and White, LLC, who have an option to purchase this corner. Since 2006, this area has been shown as commercial. The reason for this requested change is largely a function of the market and what these clients feel will be marketable for this corner. It has been a soft suburban office market the last several years and changing this designation allows for a higher composition of retail. There are no specific land use plans but this change could have an influence on the way the property is marketed; therefore, it is being requested up front.

**ACTION BY PLANNING COMMISSION:**

August 5, 2015

Corr moved approval, seconded by Cornelius.

Cornelius said this proposed area is largely surrounded by residential and green space. It is unlikely that a neighborhood center would have significantly more impact on the area than a large office development. He will support the motion.

Hove stated he agrees and this is the right thing to do in this fairly new area.

Motion carried 7-0: Lust and Beecham absent.

**CHANGE OF ZONE NO. 15021, VICTORY PARK PUD**  
**VETERANS ADMINISTRATION CAMPUS,**  
**ON PROPERTY GENERALLY LOCATED AT**  
**600 SOUTH 70<sup>TH</sup> STREET.**

**PUBLIC HEARING BEFORE PLANNING COMMISSION:**

August 5, 2015

Members present: Corr, Cornelius, Harris, Hove, Scheer, Sunderman, and Weber; Lust Beecham absent

Staff recommendation: Conditional Approval.

Hove disclosed an ex parte communication stating he met with Brad Korell of Olsson Associates recently and this application came up from the standpoint of understanding the relationship between Aging Partners, Seniors Foundation, and the Veterans Administration.

Staff Presentation: **Ed Zimmer of the Planning Department** came forward to say this item is related to Comprehensive Plan Conformance No. 15010, which was held over from the last meeting and is scheduled to have public hearing and action on this date as well.

Zimmer stated that this change of zone is the next step in a complex process. There are three categories of zoning that reflect the mix of uses that will develop over a long period of time. Up to 600 housing units are included in the final build-out. There is also office and commercial space adjusted by this plan and determined not by a cap but by available space and parking regulations.

This site plan includes buildings that have been set aside through the federal process of protecting historic resources, so while there are 60 acres total on site, the amount able to be developed is considerably less. The new development is carefully set to the back of the campus to maintain the vista of the historical character from the main road. The new development will also serve to maintain the necessary returns to support this property for the long-term lease that is involved. There is a strong team of people working on this project available today to answer questions. An amendment addressing some specific language will be presented. Planning Department is comfortable with the amendment and it is part of the recommendation for approval.

**PROPONENTS:**

**1. Brad Korell, Olsson Associates**, came forward and introduced various members of the development team, including the Mary Ann Stallings and Tammy Ward from Seniors Foundation; lead developer George Achola from America First; Craig Geis of Sampson Construction, DaNay Kalkowski, legal representative with Seacrest & Kalkowski, and lead engineer Mark Palmer with Olsson Associates. Also present, Duncan Fallon, current Site Director for the Lincoln Veterans Administration.

Korell stated that for the last 85 years the site has been home to the Veterans Hospital and hundreds of thousands of veterans from Nebraska and Iowa have received mental and medical and health care here. This year alone, over 15,000 veterans will make over 100,000 visits to this campus for medical care. However, the day is near when that will no longer be the case. The old hospital building was never designed to provide the scope of outpatient services needed by veterans today. The VA has been planning for several years for a new state-of-the-art outpatient clinic for Lincoln. Funding has been approved and the search for a new 100,000 square foot clinic to be located within City limits is underway. Soon the old hospital and the companion buildings will no longer be in service by the VA and they do not have the funding to repurpose and maintain the buildings and the grounds. Without a plan, those buildings will go dark.

Korell indicated that this plan will serve to keep the campus a vibrant and active part of the community, which preserves and respects the iconic historic nature of the original buildings and creates a center that provides housing and services to veterans and seniors who represent two of the fastest growing segments of the population. It envisions an investment of over \$72 million in new and repurposed buildings and infrastructure, provides over 400 units of new housing for vets and seniors, and adds significantly to the tax base while leveraging the current investment in infrastructure.

This project is extremely complex. There are approximately a dozen agencies involved who must sign off at various stages. October 1, 2015, is an important commencement date that must be met to preserve funding for veterans' housing from the Department of Housing and Urban Development. The project will evolve in phases. The exact details and dates of each phase are unknown at this time and it is difficult to say which parts might move ahead faster than others, though there is a clear picture of what phase one consists of.

Tax Increment Financing is critical to the success of this project. When the VA moves out, the development team assumes full liability of operations and maintenance of 170,000 square feet of building space and 59 acres of property. This represents a significant financial undertaking. In addition, over \$2 million will be spent to build infrastructure. The team has worked closely with the City, stakeholders, historic preservation agencies, and neighbors to enter into an agreement that ensures the redevelopment respects and maintains the historic and iconic nature of the VA Campus. Substantive changes were made based on input from neighbors. There were three town hall meetings and dozens of conversations to address concerns as well as possible.

The federal legislation authorizing this type of development by the VA has expired. This may be the only opportunity for a campus-wide redevelopment for many years. Korell thanked City staff for the tremendous amount of work spent on this project.

**2. George Achola, America First Real Estate Group,** came forward to state America First is a national development company based in Omaha who has developed, owned, and managed property in 38 states and has significant experience developing affordable housing, market rate housing, student housing, and military and veterans housing, including the military housing in Bellevue and an award-winning project for veterans in Omaha. This project is the type America First seeks to do, and involves extensive partnerships with different groups who bring different resources, abilities and experiences to the table. Lincoln is going to benefit tremendously from this project. Most importantly, even though the VA is leaving the campus in its old form, it is hoped they remain in some capacity. This campus was dedicated for services to veterans and that will continue to be the primary focus.

Korell returned to say the first town hall meeting was held on June 16<sup>th</sup> with veterans. The second meeting included over 100 neighbors. Based on input received, there were three main issues, including the placement of the Veteran's Affairs Supportive Housing (VASH) which was initially proposed in the southeast corner. Neighbors felt it was too close and did not provide adequate transition from residential to the rest of the campus. Another issue of the neighbors involved the buffer zone between the neighbors along the south edge of the campus and the commercial parking and medical office buildings. The third issue relates to drainage and storm water runoff. There have been subsequent meetings and substantive changes have been made in the design plan based on them.

3. **Craig Geis, Sampson Construction**, came forward and stated that Sampson has been working for a number of years with the Seniors Foundation. Community involvement and interest in this project is tremendous. Plans were presented as soon as they were available and enough detail had been confirmed at the federal level. Adjustments were made based on neighbor input. The development group has responded to each and every question posed by neighbors and responses have been posted online. Many raised concerns about the view from individual yards; each homeowner with this concern was visited in person and concerns were discussed. It was obvious that the original position of the VASH housing was a legitimate concern. The buffer zones as originally proposed were enough by zoning standards but they were extended farther to save as many existing trees as possible.

During the second meeting, Geis noted that the neighbors on southeast were much more comfortable with the adjustments but the people on the south were concerned about how the medical office would block views. Elevations were created to show how the building is set much lower from yards so while it will still be visible, it will not be as big an obstruction as first imagined. The concerns of neighbors have been anticipated and incorporated as the design has developed. There is no doubt it is not the green space that existed before but as much sensitivity as possible is being given to these matters. Of course, not everyone agrees, but there has been civil discussion on the part of both parties.

4. In response to a request of Commissioner Corr, **Mark Palmer of Olsson Associates** came forward to review the elevation drawings that were shown to the neighbors on the south. Korell said the building has not been designed specifically, however, the illustration shows where it will be located in proximity to the houses, the change in slopes, and that the building is approximately seven feet lower. There were also concerns about parking lot lights so the parking area points away from neighbors. There is a 40-foot buffer where no construction will occur. The building is approximately 100 feet from neighbors.

**5. DaNay Kalkowski, Seacrest & Kalkowski**, offered proposed amendments to the staff report, stating the proposed amendment was reviewed with staff and is intended to provide further clarity on a few items. The first note to Item 1.2 reflects that Outlot A will be constructed as a public street to the satisfaction of the Public Works and Utilities Department. This allows for more flexibility while it is being constructed. Item 1.3 addresses a request to provide a landscape plan prior to construction. The landscaping along the perimeter will be provided, which is the area of most concern. As the applicant comes forward for building permits for interior sites, specific plans will be provided at that time, which is fairly standard. They are also proposing a change to Items 1.5 and 1.15, relative to signage on the property. There are two existing center-identification signs that the development team would like to maintain. The amendment clarifies that they will be identified on the plan and the wording indicates all additional signing will comply with the sign ordinance. Item 1.14 provides clarification of the PUD notes being amended for parking – noting that it should be 3 "c" instead of 3 "b".

Hove clarified that the existing signs are along on 70<sup>th</sup> Street rather than O Street. Kalkowski confirmed.

Corr asked if Outlot A is currently a circular drive. Kalkowski said yes.

Harris asked about the public process for neighbors in the future, since the plan is largely conceptual at this point. Zimmer said this sets the broad framework for the project. Whether or not there is a public process depends on the substance of changes, noting that some future development could be handled administratively, but significant changes would come through a public process. The project also goes through City Council. The diminution of comments over the course of successive public meetings demonstrates how many concerns were addressed.

Corr asked if compromise was reached and both sides were happy with the outcome. Zimmer said he could not speak for all of the neighbors, but it is fair to say substantial changes were made to the plan in response to neighborhood concerns. The redevelopment plan also had public airing before Historic Preservation Commission and will go on to City Council, so this has had a significant public process.

Hove suggested that as a veteran, he hopes that the development team considers including veterans on the board to make sure their input is represented.

6. **Mary Ann Stalling, Seniors Foundation**, came forward to state that there are three veterans on the board. In 2011, a veteran appeared before the board in favor of the lease because it was seen as a way to combine forces with other agencies to provide more services.

**ACTION BY PLANNING COMMISSION:**

August 5, 2015

Harris moved approval, seconded by Sunderman.

Hove said this is a good use of the facility, the zoning changes make sense. He supports it.

Corr expressed appreciation for the team for working with the neighbors. The unknowns of the project cause her some nervousness. It could be helpful if a neighborhood representative also served on the board as a liaison. Maintenance was not kept up in these buildings; hopefully, that will not happen again so the life of the buildings can be extended as long as possible.

Harris said this is great project and a needed one. She added that neighbors and citizens who still have concerns have another opportunity to appear before City Council.

Zimmer pointed out that the motion was made without the amendment offered by the applicant.

Harris made a friendly revision to her motion to include the amendment as suggested by the applicant. Motion carried 7-0: Lust and Beecham absent.

**COMPREHENSIVE PLAN CONFORMANCE NO. 15010,**  
**VICTORY PARK REDEVELOPMENT PLAN,**  
**ON PROPERTY GENERALLY LOCATED AT**  
**600 SOUTH 70<sup>TH</sup> STREET.**

**PUBLIC HEARING BEFORE PLANNING COMMISSION:**

August 5, 2015

Members present: Corr, Cornelius, Harris, Hove, Scheer, Sunderman, and Weber; Lust Beecham absent

Staff recommendation: Conformance.

There were no ex parte communications to be disclosed.

Staff Presentation: **Ed Zimmer of the Planning Department** came forward to state nothing has changed from two weeks ago. Staff is available for questions.

**OPPOSITION:**

1. **Richard Halvorson, 6311 Inverness Road**, came forward to state he is not necessarily against the project but has questions. Based on the Seniors Foundations website, they brought in less than \$50,000 in contributions last year. He wondered what their qualifications are and how a small organization will be able to oversee a \$72 million project. In addition, the plan does not show a use for the four brick buildings and he wondered if that meant they would be demolished.

Applicant Rebuttal:

Korell came forward and stated that the observation about Seniors Foundation is correct; they are a non-profit organization and not a real estate developer. In the agreement, America First takes on the primary role of performance under the enhanced use lease, so the VA is looking through Seniors Foundation to America First as the developer. The four buildings mentioned are all designated historic buildings. The exact use is unknown at this time. There are some offices there now. These buildings are not ADA accessible and will require quite a bit of work. There is hope that the smallest building could become a veterans' museum but money would need to be raised. Two of the buildings could potentially be retrofitted back into living quarters or office space for small non-profit services to complement those that will already be offered.

**ACTION BY PLANNING COMMISSION:**

August 5, 2015

Scheer moved approval, seconded by Weber.

Cornelius said the vote of approval on the prior item implies the approval on this item, so in some sense, it is a formality based on the logistics of the agenda. Commissioners had an extensive briefing on this two weeks ago and today was a continuation for new information only. He intends to support this as he did the previous application.

Hove said this is in conformance with the comprehensive plan and he intends to support it.

Motion carried 7-0: Lust and Beecham absent.

There being no further business to come before the Commission, the meeting was adjourned at 1:50 p.m.

*Note: These minutes will not be formally approved by the Planning Commission until the next regular meeting on Wednesday, August 19, 2015.*