

LINCOLN/LANCASTER COUNTY PLANNING COMMISSION STAFF REPORT

FROM THE LINCOLN/LANCASTER COUNTY PLANNING DEPARTMENT, 555 S. 10TH STREET, SUITE 213, LINCOLN, NE 68508

APPLICATION NUMBER Change of Zone #25007 FINAL ACTION? No DEVELOPER/OWNER District 33 LLC, Terry Lage

PLANNING COMMISSION HEARING DATE May 14th, 2025 RELATED APPLICATIONS

PROPERTY ADDRESS/LOCATION S. 33rd and "A" Street

RECOMMENDATION: CONDITIONAL APPROVAL

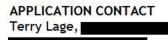
BRIEF SUMMARY OF REQUEST

This is a request for a change of zone for a proposed PUD (Planned Unit Development) in the general area of S. 33rd Street and "A" Street. This request has a change of zone for existing B-3, R-2, and O-2 zoning to proposed B-3 PUD, R-2 PUD, and R-4 PUD zoning. The total area of the proposed PUD is 12.78 acres. The proposed PUD boundary includes property spanning from just south of Mohawk Street to Normal Blvd and 32nd Street to slightly west of 35th Street. The proposed PUD has 44 lots zoned for B-3 PUD allowing for a commercial node for the surrounding residential neighborhood. The proposed PUD also includes 16 lots R-4 PUD and 2 lots R-2 PUD. The PUD will follow uses allowed in B-3, R-4, and R-2 zoning, including additional uses and not permitted uses, reduction in alcohol separations, reduced setbacks, and reduced parking requirements.

JUSTIFICATION FOR RECOMMENDATION

The associated PUD intends to rezone the area to allow for a future mix of commercial and residential uses that permits a more viable commercial node for the surrounding community.





STAFF CONTACT Ayden Johnson, (402) 441-6334 or ayden.johnson@lincoln.ne.gov

COMPATIBILITY WITH THE COMPREHENSIVE PLAN

The future land use map designates the proposed area as a neighborhood commercial node with surrounding residential. This change of zone is consistent with this designation and fits the established pattern of land uses on all sides of the general location.

WAIVERS

1.	LMC 27.06.130 - Allow for off-sale of alcoholic beverages in B-3 PUD zoning	
	without restrictions on spacing and other conditions for local businesses.	(Recommend Approval)
2.	LMC 27.06.140 - Allow for on-sale alcoholic beverages in B-3 PUD zoning	
	without restrictions on spacing and other conditions to attract business to the area.	(Recommend Approval)
3.	LMC 27.72.020 - Reduce minimum front yard setback to 5' in R-4 PUD to	
	increase density.	(Recommend Approval)

4.	LMC 27.67.020 - Reduce parking minimum to 1 parking space per		
	dwelling unit in R-4 PUD zoning to eliminate congestion with increasing density.	(Recommend Approval)	
	LMC 27.67.020 - No parking required for non-residential uses in B-3 zoning to allow for more business types in the area. LMC 27.06.070 - Allow three dwelling units per building in R-2 PUD zoning to	(Recommend Approval)	
0.	increase density in the area.	(Recommend Approval)	

KEY QUOTES FROM THE 2050 COMPREHENSIVE PLAN

Introduction Section: Growth Framework

Figure GF.b: 2050 - This site is shown as future Residential and Commercial on the 2050 Future Land Use Plan.

Land Use Plan -

Commercial - Areas of retail, office, service and residential mixed uses. Commercial uses may vary widely in their intensity of use and impact. Individual areas designated as commercial in the land use plan may not be appropriate for every commercial zoning district.

Residential- to provide a stable area of gross density in the range of three to five dwelling units per acre. It is anticipated that some redevelopment will occur in this district. The use of the district includes single- and two-family dwellings, plus support facilities, such as schools, parks, community buildings, and places of religious assembly.

Fundamentals of Growth in Lancaster County

The City of Lincoln's present infrastructure investment should be maximized by planning for well-designed and appropriately placed residential and commercial development in existing areas of the city with available capacity. This can be accomplished by redeveloping underutilized commercial centers into areas that include a mix of uses and encouraging higher-density residential redevelopment in appropriate locations, including missing middle housing. New infrastructure investments to serve growth areas can be maximized by encouraging a higher density of both residential and commercial uses in these areas.

The Community in 2050

The following assumptions provide the framework for growth in the 2050 plan.

Lancaster County is projected to add approximately 53,000 households by 2050, with 48,000 of those new households in Lincoln (roughly 1,600 new households per year).

25 percent of all new dwelling units in Lincoln will be infill, meaning they will be located within the existing city. This equates to roughly 12,000 infill units over the next 30 years.

New growth areas will have an average gross residential density of 4.0 du/acre.

The population age 65 and above is projected to increase from 45,600 (14.2 percent of total) in 2020 to 74,900 (17 percent of total) in 2050.

Benefits of Well-Planned Growth

Continued investment within the city ensures that our existing neighborhoods and commercial areas remain vibrant and desirable locations. More "rooftops" near existing commercial areas help to support continued commercial investment.

Goals Section

G2: Complete Neighborhoods. Lincoln and Lancaster County will support complete neighborhoods within both developing and redeveloping areas of Lincoln. A complete neighborhood is one where residents are able to get the goods and services to meet daily needs within 15 minutes of their residence including a variety of housing options, grocery stores and other commercial services, quality public schools, public open spaces and recreational facilities, affordable active transportation options, and civic amenities. Housing variety should include townhomes, senior living facilities, low/no maintenance condominiums, accessory dwelling units, multi-family development, and even small lot single-family.

G4: Economic Opportunity. Lincoln and Lancaster County will have high-quality jobs in an economic environment that supports business creation, innovation, and expansion. Quality-of-life attributes, such as diverse and accessible housing, good shopping, restaurants and entertainment, quality schools and healthcare, a sense of safety, and amenities such as parks and trails are important to ensuring that skilled individuals want to remain or relocate to our community.

Elements Section

E1: Complete Neighborhoods and Housing

A complete neighborhood is more than housing - great neighborhoods combine all the elements of parks, education, commercial areas, environmental resources, and housing together in one place. A complete neighborhood is one where residents have safe and convenient access to goods and services needed for daily life activities.

Figure E1.a: Strategies for Design, Sustainability and Complete Neighborhoods in Developing Areas

- 1. Encourage a mix of compatible land uses to develop more complete neighborhoods:
 - a. Similar uses on the same block face: residential faces residential.
 - b. Similar housing densities developed near each other: single-family and "missing middle" residential (3-12 units) scattered throughout with higher density residential (more than 12 units) near the neighborhood edge or clustered near commercial centers.
 - c. Non-residential uses, including parking lots, should be screened from residential areas.
 - d. Locate Commercial Centers so as residents can safely access essential goods and services (i.e. not located across arterial streets) and no more than a 15-minute walk from all residences.
- 2. Plan for elementary or middle schools to be within a 15-minute walking distance to residences.
- 3. Provide adequate curb space to allow for on-street parking.
- 4. Encourage alley access and shared driveways to reduce interruptions to pedestrians, to preserve on street parking capacity, and to reduce automobile conflict points.

Existing Neighborhoods

The diversity of architecture, housing types and sizes are central to what make existing neighborhoods great places to live. New construction should continue the architectural variety, but in a manner that is sensitive to the existing neighborhoods.

Infill and redevelopment is supported and must respect the street pattern, block sizes, and development standards of the area, such as parking at the rear and porches, windows, and doors on the front street side. The City's primary strategy for residential infill and redevelopment outside of the Greater Downtown is to encourage the redevelopment and reuse of sites and buildings in commercial areas in order to create new mixed use centers that are compatible and complementary to adjacent neighborhoods.

Modest opportunities for redevelopment may also be appropriate along "neighborhood edges." Neighborhood edges include arterial streets and transition zones between lower density residential and commercial areas.

E2: Infill and Redevelopment

Mixed Use Redevelopment Nodes and Corridors

The City's primary strategy for residential infill and redevelopment outside of the Greater Downtown is to encourage the redevelopment and reuse of sites and buildings in underutilized commercial and industrial areas.

Location Criteria

Mixed Use Redevelopment Nodes and Corridors should be located based on the following criteria:

- In proximity to planned or existing neighborhoods and community services, to facilitate access to existing community services or to address a deficiency by providing services such as grocery stores, childcare centers, and restaurants.
- residents can drive, bike, or walk to a transit stop, go to work, and then shop for their daily needs before they return home.
- In areas that minimize floodplain and other environmental impacts. Areas within the floodplain that already have buildings and fill are appropriate for redevelopment; projects that receive public assistance should meet a higher standard to preserve flood storage. This criterion encourages redevelopment while protecting sensitive environmental areas. Preservation or restoration of natural resources within or adjacent to mixed use redevelopment areas should be encouraged

Neighborhood Edges

Neighborhood edges present an opportunity for missing middle housing, which can help expand affordable housing options and overall housing choice in the community. Missing middle housing includes "house-scale" buildings that provide typically 3 to 12 units and fit in with the character of single-family neighborhoods. Criteria to consider when locating and designing neighborhood edge redevelopment should include:

- Provide direct or adjacent access to an arterial street to minimize traffic impacts on neighborhood streets.
- In some cases a transition zone may be needed when creating higher-density redevelopment adjacent to lower density neighborhoods.
- Target legacy commercial sites and abandoned, vacant, or blighted parcels for new missing middle housing.
- Consider the character of adjacent built environment in both the design and location of buildings.

Existing Neighborhoods

Infill of housing in existing neighborhoods should respect the existing pattern of development. Infill redevelopment should include housing for a variety of incomes and households and should complement the character of the existing neighborhood by including appropriate transitions, scale, and context.

P2: Existing Neighborhoods - Continue our commitment to strong, diverse, and complete neighborhoods.

Action Steps

- 1. Promote the preservation, maintenance, and renovation of existing housing and supporting neighborhood uses throughout the City, with special emphasis on low and moderate income neighborhoods.
- 2. Maintain and enhance infrastructure and services, commensurate with needs, in existing neighborhoods.
- 3. Encourage well-designed and appropriately placed density, including within existing apartment and group living complexes and in redeveloping commercial or industrial centers, where there is land available for additional buildings or expansions. Provide flexibility to the marketplace in siting future residential development locations. This includes appropriately placed infill in prioritized Nodes and Corridors, neighborhood edges, and underutilized commercial or industrial sites.
- 4. Recognize that broad economic diversity within existing neighborhoods encourages reinvestment and improves quality of life for all residents while acknowledging the need for affordable housing.
- 5. Preserve, protect and promote the character and unique features of urban neighborhoods, including their historical and architectural elements.
- 6. Promote the continued use of residential dwellings and all types of buildings, to maintain the character of neighborhoods and to preserve portions of our past. Building code requirements for the rehabilitation of existing buildings should protect the safety of building occupants, while recognizing the need for flexibility that comes with rehabilitating existing buildings.
- 7. Retain and encourage a mix of housing in existing and new neighborhoods in order to provide a mix of housing types at a variety of price points.

- 8. Implement elements of Complete Neighborhoods for existing neighborhoods.
- 9. Develop and utilize a measurement tool to evaluate neighborhoods in terms of how well they achieve PlanForward's goals for design, sustainability, and Complete Neighborhoods goals.
- 10. Encourage public and private investment in neighborhood infrastructure and services to support economic diversity that improves the quality of life for all residents.
- 11. Balance expanding housing options and neighborhood character. Infill development should include housing for a variety of incomes and households and should complement the character of the existing neighborhood by including appropriate transitions, scale, and context.
- 12. Develop and propose zoning text amendments that will allow platted, nonconforming lots to be buildable.
- 13. Examine current residential zoning districts and propose modifications to encourage 'missing middle' units (single-family attached, cottage courts, townhomes, live-work, and a variety of three- and four-plex configurations), including affordable units, to people with a range of incomes. Neighborhood edges in particular present an opportunity for missing middle housing.
- 14. Encourage a variety of housing types including townhomes, multi-family development, and small lot single-family units.

P6: Nodes and Corridors - Facilitate the redevelopment of prioritized Nodes and Corridors to create high-quality mobility-focused neighborhoods. Focus efforts on supporting additional jobs and residential development, including a variety of housing types and price points.

Action Steps

- 1. Develop design standards to be utilized across all Mixed Use Redevelopment Nodes and Corridors. Design standards should be clearly written and allow for an efficient, expeditious review process, while especially focusing on the interface with residential neighborhoods, attractive streetscapes, and safe and comfortable movement of people whatever their mode of travel.
- 2. Implement nodes and corridor principles as discussed in the Infill and Redevelopment element.

CLIMATE ACTION PLAN SPECIFICATIONS:

- p. 8 Strategic Vision Lincoln will reduce net greenhouse gas emissions 80% by 2050 (relative to 2011 levels). This ambitious goal will serve as a guiding target for municipal operations, the Lincoln Electric System, local businesses and institutions, and our entire community in the years to come. Lincoln joins scores of cities across the country who have set a similar "80x50" goal to reduce emissions. A myriad of strategies in the plan speak to achieving this target, from increasing energy efficiency, generating more electricity from renewable energy, switching to electric vehicles and active commuting modes, and employing natural climate solutions.
- p. 11 Key Initiative Transition to Low-Carbon Energy.
 - Continue incentive-based (residential, commercial, or industrial) programs promoting the installation of
 renewable energy systems. Incentives may include offering rebates on purchasing equipment, attractive
 net metering pricing, tax incentives, height allowances, setback, and area-based incentives, expedited
 permitting, and others.
- p. 14 Key Initiative Build a Decarbonized and Efficient Transportation System.
 - Continue to encourage mixed-use development in the Comprehensive Plan.
 - Consider Transit Oriented Development policies in the update of the Comp Plan 2050.
- p. 19 Key Initiative Improve Protections for and with Lincoln Residents
 - Maintain the Community Rating System (CRS) rating that allows for a 25% reduction in flood insurance premiums for property owners in floodplains.
 - Continue to encourage installation of green infrastructure strategies where appropriate, to include grants and incentives. Examples of green infrastructure strategies include rain gardens, bioswales, and permeable pavement to reduce stormwater runoff.

p. 25 Key Initiative - Maximize Natural Climate Solutions

• Continue to support prairie restoration and protection of natural resources.

Continue to use a Rain-to-Recreation model to utilize floodplain for appropriate recreational activities.

ANALYSIS

- 1. The proposed Planned Unit Development (PUD) for the area known as "District 33", located at 33rd and "A" Street, originated from a local business owner's effort to create a community-supporting service area. This business owner's building permit was initially denied under the existing B-3 zoning, which led them to inquire with other businesses in the area about their own challenges with the zoning. It was discovered that many business owners had similarly been constrained by the B-3 zoning. These businesses, referred to as "champions" in this project, became instrumental in advocating for a zoning change to enhance the local commercial area.
- 2. In March 2025, a pre-application meeting was held to discuss potential changes that could transform the 33rd and "A" Street area into a more viable and vibrant central commercial node for the surrounding neighborhood. Following this, the city of Lincoln facilitated a neighborhood meeting at Randolph Elementary School on March 27, 2025, inviting stakeholders within the proposed PUD boundary and property owners within the surrounding 200-foot radius. Local business owners, or "champions," presented their vision for the area, detailing the proposed changes and how the PUD would benefit the community. After addressing public comments and concerns, adjustments were made to the plan to reflect a balanced approach between the business owners and neighboring residents.
- 3. The applicant has submitted a request for a zoning change to establish a PUD in the District 33 area. This change is intended to accommodate future commercial development and promote missing middle housing density, aligning with the City of Lincoln's Comprehensive Plan. This area, which has not previously been subject to similar zoning changes, is seen as a promising location for mixed-use development that supports both business and residential growth. The proposed PUD seeks to provide a central commercial hub for the neighborhood and enhance the area's image, activating the site with new development and amenities.
- 4. The proposed PUD area includes a mix of existing properties and vacant land, offering a prime location for future commercial and residential uses. The district's proximity to key transportation routes, such as major roadways and pedestrian/bicycle trails, supports the viability of development. The area is well situated to benefit from increased connectivity and accessibility, making it an ideal location for higher-density residential units, including multifamily housing, alongside commercial services.
- 5. The proposed PUD is consistent with the City of Lincoln's Comprehensive Plan, which supports the development of commercial and residential uses in areas like District 33. The plan also emphasizes the importance of creating a more walkable, mixed-use neighborhood that provides opportunities for both commercial services and higher-density residential living. The future development under the PUD would contribute to the goals of revitalizing the area and enhancing its role as a key commercial node for the neighborhood.
- 6. The proposed PUD will allow for a variety of uses, including commercial and residential. The flexibility provided by the PUD zoning will enable future development to adapt to the evolving needs of the neighborhood, with provisions for parking, density, and building height designed to integrate well with the surrounding environment. The proposed development will enhance the character of the area while offering a more compatible and sustainable mix of uses that benefit both current and future residents.

The District 33 PUD is divided into six Planning Areas. Each area has a different character and type of change proposed:

- 7. Planning Area 01: The Proposed R-4 PUD rezoning is a change from the current R-2 zoning. This Planning Area is on the north side of A Street, between S 32nd Street and Chautaqua Avenue. It is currently occupied by six houses adjacent to A Street currently used as a single family residence and one duplex. The change in zoning will allow lot of 50 feet in width to be converted to a duplex use. The PUD adds a requirement that parking for all uses shall be located in the rear yard. In addition, any redevelopment shall relinquish access to "A" Street.
- 8. Planning Area 02: The proposed R-4 PUD rezoning is a change from the current R-2 zoning. This area is adjacent to Normal Blvd. between A Street and S 33rd Street. The lots are primarily served by an unusual "frontage" drive. The lots themselves don't take access directly to Normal Blvd. These lots are between the four lane Normal Blvd. and the commercial zoning to the northeast. They are viewed as a good candidate for redevelopment to a more intensive residential use in the future. In order to encourage redevelopment, parking would be reduced to one stall per dwelling unit. Parking is not permitted in front or side yards. Parking would be required to be oriented towards "A" Street when frontage to "A" Street exists.
 - i. The existing homes in this Planning Area, have front yard setbacks around 5 feet, due to the added frontage drive. The PUD would reduce the front yard setback to five feet for buildings along Normal Blvd. Garage doors facing Normal Blvd to follow 22 foot setback. The 22 foot setback to garages would leave adequate space for a vehicle to park in front of the garage and not overhang the frontage drive.

- ii. In this Planning Area, there is an existing home at 3210 Normal Blvd. that would be allowed for commercial use. This property is triangular in shape with arterial streets on two sides. The small lot impacted by traffic is less suitable for residential use. However, it is too small with limited access for any intensive commercial use. The PUD would allow this one lot in the Planning Area 02 to be used for personal services, retail sales, and office uses in addition to residential.
- 9. Planning Area 03: This small area includes only three houses on the east side of S 33rd Street, north of Normal Blvd. This area is a transition from the commercial uses to the west and north to the single family uses along Washington Street. The proposed R-2 PUD zoning only adds the PUD designation, but does not change the underlying R-2 zoning. The only change proposed is that three dwelling units would be allowed on the lots in this Planning Area as part of the transition to the residential area to the east.
- 10. **Planning Area 04:** This subarea is the largest and includes the existing commercial zoning. The proposed B-3 PUD rezoning includes several modifications to the standard B-3 zoning:
 - i. The proposed PUD would eliminate the parking requirements for non-residential uses. For residential uses, all dwellings shall provide one parking stall per dwelling unit.
 - ii. The list of permitted uses is expanded to include urban gardens, multi-family dwellings, short-term rentals, townhomes, residential, healthcare facilities, private schools, off-sale alcoholic beverages, outdoor retail sales, parking lots, services and repair facilities, veterinary facilities, on-sale alcoholic beverages, and social halls are permitted uses, rather than conditional or special uses. Currently, residential uses are not allowed on the first floor in the B-3 district. The PUD would allow first floor uses in order to encourage a mix of uses within the district.
- iii. This change would permit off-sale alcoholic beverages and on-sale alcoholic beverages without the spacing limitations of the conditional uses. There are numerous conditions today which effectively limit any on and off sale of alcoholic beverages. The condition of 100 foot spacing to a residential district is the main impediment to these two uses. Property owners have expressed interest in these uses which are found widely spread throughout the city. In order to be a viable restaurant, grocery store or liquor store, these uses are necessary. The PUD would allow these uses within this small mixed-use district. The grocery store at 3300 A Street has interest in providing a small selection of alcoholic beverages for off sale. However, the spacing restrictions prohibit the use. This puts the small grocery store at a further disadvantage to other grocery stores in Lincoln. The impact of this use should be minimal on the nearby residential uses. Most of the property is bordered by commercial zoning, but there are three residential lots adjacent that are outside of the PUD.
- iv. Moran's Liquor Works has been selling off premise alcohol for decades at 3400 A Street. It is a grandfathered use. It also sold alcohol for on premise consumption for many years via the Growler Shop in the rear of the store. However, during a change in ownership in 2024, it was discovered that the on premise consumption was not grandfathered. The PUD would allow the on premise use to continue.
- v. Motor Vehicle Repairs and Sales would be listed as prohibited uses. In the B-3 district these two uses are required to be 100 feet from any residential use or residential zoning district. Nearly every commercial property doesn't meet this condition. So this is not a significant change. Since these uses could have a negative impact on District 33 district they would be prohibited within the PUD. For clarity, they are prohibited versus having a condition that can't be met.
- vi. The maximum building height is proposed to be 45 feet for all uses. The existing zoning allows 45 feet in height but is 35 feet when abutting residential zoning. Since most lots abut residential zoning, this requirement would effectively limit the height to 35 feet for most of the District 33 PUD. The PUD would permit every lot to have a 45 foot height limit to encourage redevelopment and aid in the development of apartments above commercial uses.
- 11. **Planning Area 05:** The proposed B-3 PUD rezoning keeps the current B-3 zoning. The zoning agreement approved by resolution A-90342 will need to be repealed. The PUD conditions in the notes would apply instead. Parking shall follow Planning Area 04 provisions. Permitted uses shall follow permitted uses in Planning Area 04. Not permitted uses include convenience stores, motor vehicle repair and sales, motor vehicle fuel sales, and drive thru facilities are not permitted. Maximum height shall follow Planning Area 04.

12. Planning Area 06: These two small areas are the only lots proposed to be changed from R-2 Residential to B-3 PUD Commercial District. Parking shall follow Planning Area 04. Since these lots are the closest to residential uses, several more intensive uses would be prohibited including convenience stores, motor vehicle repair and sales, motor vehicle fuel sales and drive thru facilities. Redevelopment of these lots will facilitate the development of District 33 overall.

CONDITIONS OF APPROVAL: See attached.

EXISTING LAND USE & ZONING: Commercial; B-3, Office District; O-2, and Residential; R-2

SURROUNDING LAND USE & ZONING

North: Commercial; B-3 South: Commercial; B-3, Office District; O-2 East: Residential; R-2 West: Residential; R-2

APPROXIMATE LAND AREA: 12.78 acres, more or less

LEGAL DESCRIPTION:

B-3 to B-3 PUD

Lots 5-19, Block 1, Ellendale Addition, SW ¼ Section 30-10-07 Lots 151 -152, Boulevard Heights, SE ¼ Section 30-10-07 Lots 209-218, Boulevard Heights, SE ¼ Section 30-10-07 Lots 1-2, Block 15, East Lawn Terrace, NW ¼ Section 31-10-07 Lots 3-4, Except that portion which is currently zoned O-2, Block 15, East Lawn Terrace, NW ¼ Section 31-10-07 Lots 5-7, Block 15, East Lawn Terrace, NW ¼ Section 31-10-07 Lots 9-12, Block 4, Marydell, NE ¼ Section 31-10-07

0-2 to B-3 PUD

Lots 3-4, Except the portion that is currently zoned B-3, Block 15, East Lawn Terrace, NW 1/4 Section 31-10-07

R-2 to B-3 PUD

Lots 207-208, Boulevard Heights, SE ¼ Section 30-10-07 Lots 219-220, Boulevard Heights, SE ¼ Section 30-10-07

R-2 to R-4 PUD

Lots A-D, Subdivision of Lot 8 Block 15, East Lawn Terrace, NW ¼ Section 31-10-07 Lots 9-15, Block 15, East Lawn Terrace, NW ¼ Section 31-10-07 Lots 14-19, Block 2, Ellendale Addition, SW ¼ Section 30-10-07

R-2 to R-2 PUD

Lot 13, Block 4, Marydell, NE ¹/₄ Section 31-10-07 Lot 11, Block 5, Marydell, NE ¹/₄ Section 31-10-07

Prepared by Ayden Johnson, Planner (402) 441-6334 or <u>ayden.johnson@lincoln.ne.gov</u> Applicant Contact:

District 33 LLC - Terry Lage

Date: May 5th, 2025

https://linclanc.sharepoint.com/sites/PlanningDept-DevReview/Shared Documents/DevReview/CZ/2500/CZ25007 staff report .docx

CONDITIONS OF APPROVAL - CHANGE OF ZONE #25007

This approval permits the District 33 PUD Change of Zone to amend LMC Chapter 27.06 Use Groups, 27.67 Parking, 27.69 Signs and 27.72 Height and Lot to allow for new uses, add prohibited uses, reduce parking requirements and adjust setbacks for the District 33 PUD to benefit the surrounding neighborhood as per the provisions of the District 33 PUD General Notes (see attached).

These revisions include, but are not limited to, the following revisions to the zoning requirements:

- a. Revision to LMC Chapter 27.06.130 for Retail Sales and Services to allow for off-sale of alcoholic beverages in the B-3 PUD zoning as a permitted use.
- b. Revision to LMC Chapter 27.06.140 for Food and Drink Establishments to allow for on-sale alcoholic beverages in the B-3 PUD zoning as a permitted use.
- c. Revision to LMC Chapter 27.06 to permit urban gardens, multi-family dwellings, short-term rentals, townhomes, residential, healthcare facilities, private schools, outdoor retail sales, parking lots, services and repair facilities, veterinary facilities, and social halls as permitted uses, rather than conditional or special permitted uses in the B-3 PUD zoning.
- d. Revision to LMC Chapter 27.06 to prohibit motor vehicle repair and motor vehicle sales in the B-3 PUD zoning.
- e. Revision to LMC Chapter 27.06 to prohibit motor vehicle repair, motor vehicle sales, motor vehicle fuel sales, convenience stores, and drive thru facilities in the B-3 PUD zoning in Planning Area 06.
- f. Waiver to LMC Chapter 27.72.020 for Height and Lot Regulations R-1 through R-8 Zoning District to allow for a reduced minimum front yard setback to 5 feet in the R-4 PUD zoning in Planning Area 02.
- g. Revision to LMC 27.67.020 for Parking to allow for reduced parking minimum to one stall per dwelling unit in R-4 PUD.
- h. Revision to 27.72.030 to allow a 45 foot height limit for all lots in the B-3 PUD zoning.
- i. Revision to LMC 27.67.020 for Parking to eliminate the parking requirements for non-residential uses in the B-3 PUD zoning.
- j. Revision to LMC 27.06.070 for Household Living to allow for three dwelling units per building in R-2 PUD zoning in Planning Area 03.
- k. Revision to LMC 27 to permit revisions to the signage requirements for center signs and district identification signs as per administrative approval of the Director of Planning.
- 1. Before receiving building permits the developer shall cause to be prepared and submitted to the Planning Department a revised and reproducible final plot plan including **2** copies upon approval of the PUD by the City Council.

Standard Conditions:

- 2. The following conditions are applicable to all requests:
 - 2.1 Before occupying the buildings, all development and construction shall substantially comply with the approved plans.
 - 2.2 The physical location of all setbacks and yards, buildings, parking and circulation elements, and similar matters must be in substantial compliance with the requirements of the PUD.
 - 2.3 The terms, conditions, and requirements of the ordinance shall run with the land and be binding upon the developer, its successors and assigns.
 - 2.4 The site plan as approved with this ordinance voids and supersedes all previously approved site plans, however all ordinances approving previous permits remain in full force and effect unless specifically amended by this ordinance.
 - 2.5 For Planning Area 05, the zoning agreement approved by Resolution A-90342 will need to be repealed by the City and the property owner for the provisions of the General Notes for Area 05 to be in effect.

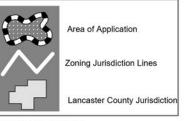


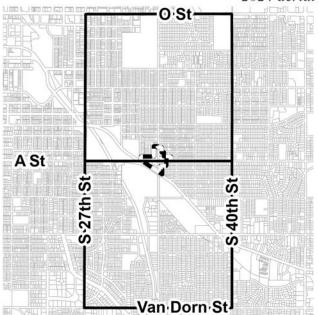
Change of Zone #: CZ25007 District 33 PUD S 33rd St & A St

Zoning:

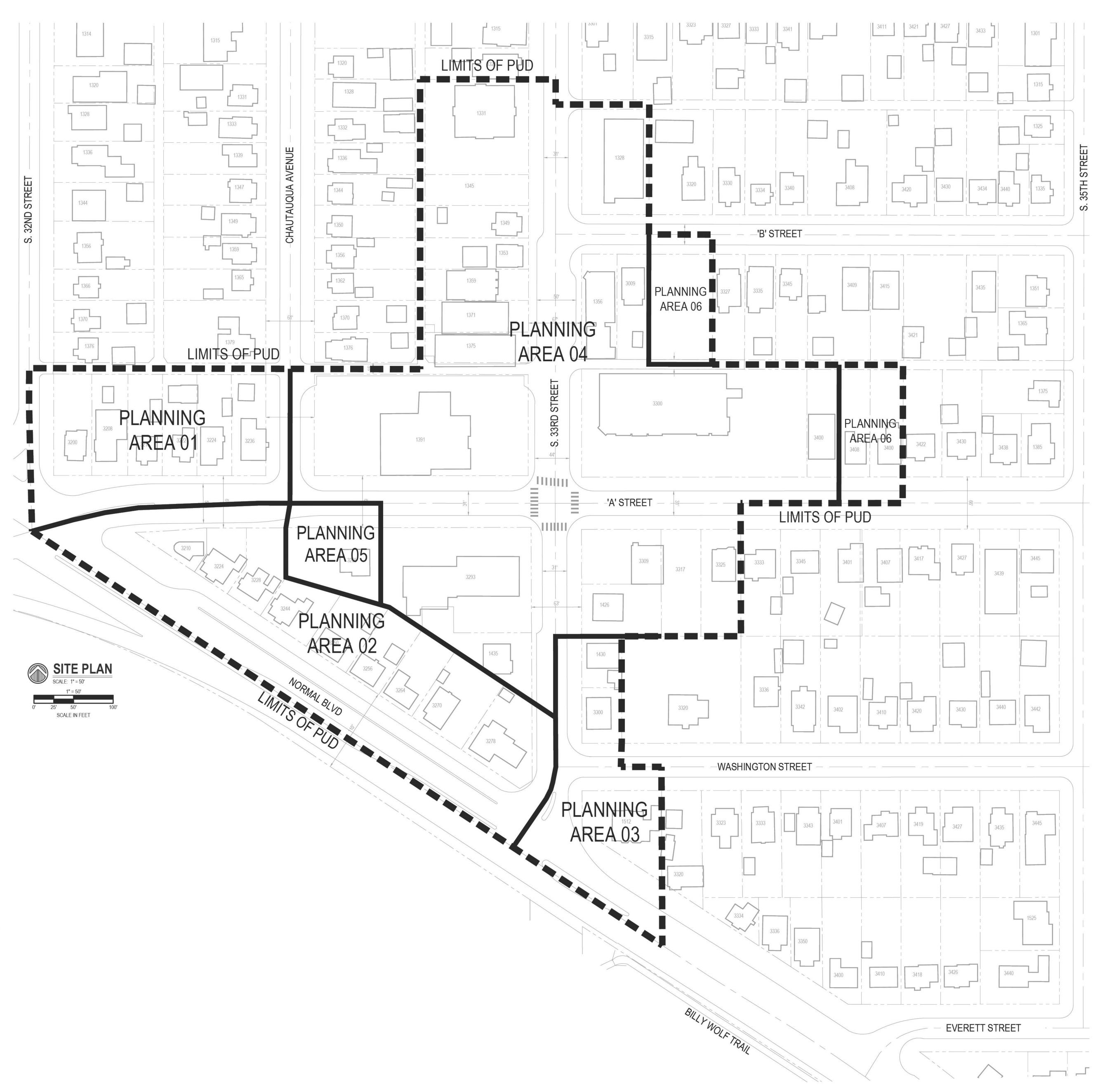
R-1 to R-8	Residential District
AG	Agricultural District
AGR	Agricultural Residential District
0-1	Office District
0-2	Suburban Office District
0-3	Office Park District
R-T	Residential Transition District
B-1	Local Business District
B-2	Planned Neighborhood Business District
B-3	Commercial District
B-4	Lincoln Center Business District
B-5	Planned Regional Business District
H-1	Interstate Commercial District
H-2	Highway Business District
H-3	Highway Commercial District
H-4	General Commercial District
I-1	Industrial District
1-2	Industrial Park District
1-3	Employment Center District
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Two Square Miles: Sec.31 T10N R07E Sec.30 T10N R07E

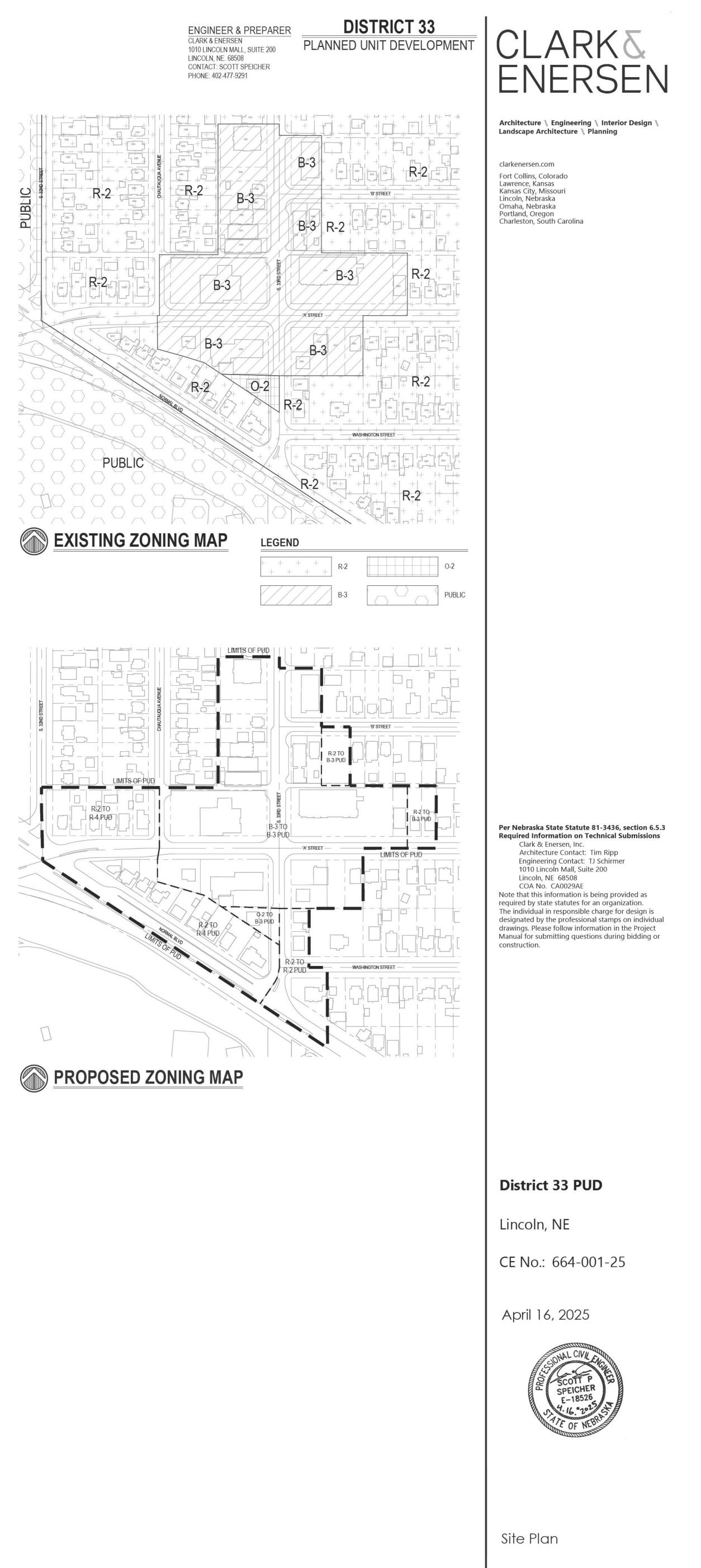




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District 33 Planned Unit Development

General Notes

All properties within the boundaries of the Planned Unit Development (PUD) shall conform with the underlying zoning, except where modified by this Planned Unit Development (PUD) as follows:

- 1. Planning Area 01 (underlying zoning R-4)
 - a. Parking
 - i. Parking for all uses shall be located in the rear yard
 - b. Access
 - i. Any redevelopment shall relinquish access to 'A' street
- 2. Planning Area 02 (underlying zoning R-4)
 - a. Parking
 - i. Parking reduced to 1 stall per dwelling unit
 - ii. Parking is not permitted in front or side yards
 - iii. Parking shall be oriented towards 'A' Street when frontage to 'A' Street exists
 - b. Setbacks
 - i. Front yard setbacks reduced to 5-ft for buildings with front yards along Normal Blvd
 - ii. Garage doors facing Normal Blvd to follow 22 foot setback
 - c. Uses
 - i. 3210 Normal Blvd is permitted for the following additional uses
 - 1. Personal services, retail sales, and office uses
- 3. Planning Area 03 (underlying zoning R-2)
 - a. Uses
 - i. 3-plexes are permitted
- 4. Planning Area 04 (underlying zoning B-3)
 - a. Parking
 - i. No parking requirements for non-residential uses
 - ii. For residential uses, all dwellings shall provide 1 parking stall per dwelling unit
 - b. Uses
 - i. All B-3 uses are permitted with the following additions
 - 1. Urban gardens, multi-family dwellings, short-term rentals, townhomes, residential healthcare facilities, private schools, off-sale alcoholic beverages, outdoor retail sales, parking lots, service and repair facilities, veterinary facilities, on-sale alcoholic beverages, and social halls are permitted uses, rather than conditional or special uses
 - ii. Not permitted
 - 1. Motor Vehicle Repair and Sales
 - c. Height
 - i. Maximum height allowed shall be 45 feet

5. Planning Area 05 (underlying zoning B-3)

- a. Notes
 - i. The zoning agreement approved by resolution A-90342 is hereby rescinded with approval of PUD
 - ii. Prior to any building permit, the east driveway shall be removed and curb constructed on the site
- b. Parking
 - i. Parking shall follow Planning Area 04
- c. Uses
 - i. Permitted uses shall follow permitted uses in Planning Area 04
 - ii. Not permitted
 - 1. Convenience stores, motor vehicle repair and sales, motor vehicle fuel sales, and drive thru facilities are not permitted
- d. Height
 - i. Maximum height shall follow Planning Area 04
- 6. Planning Area 06 (underlying zoning B-3)
 - a. Parking
 - i. Parking shall follow Planning Area 04
 - b. Uses
 - i. Permitted uses shall follow permitted uses in Planning Area 04
 - ii. Not permitted
 - 1. Convenience stores, motor vehicle repair and sales, motor vehicle fuel sales, and drive thru facilities are not permitted

7. Signs

District identification signage can be installed in the right-of-way along arterial frontages within in the PUD. Signage shall be approved by the Planning Director administratively in consultation with LTU and LES for signage in the right-of-way. District identification banners are allowed for district specific signage, but commercial advertisement and business names cannot be displayed on banners.

8. Design Standards

- a. Drive-through lanes, if used, must be located behind or besides buildings, and are prohibited between the building and street
- b. Lots with alley access or are at least 50 feet or wider must set buildings on property line with parking on the side or back part of lot.
- c. Parking shall be setback from the property line pursuit to Section 7.13 of Chapter 3.50, *Design Standards for Screening and Landscaping*.
- d. On corner lots, the front six feet landscape area shall be required along each street unless the distance between street right-of-way and the opposite lot line is less than 150 feet.
- e. Parking and driveways between a building and the street are prohibited except that:
 - i. Hotels may offer drop-off lanes at their principal entrance; and
 - ii. Buildings situated on a parcel occupying an entire block face may be built to one corner (fronting two streets) and may offer screened parking behind are/or besides the building

Planning Department 555 S10th Street Suite 213 Lincoln, NE 68508

April 16, 2025

This letter is associated to the attached application for the requested Change of Zone for properties located in the general area of S.33rd Street and "A" Street as shown in the attached site plan. The applicant is requesting a Change of Zone from existing B-3, R-2, and O-2 zoning to proposed B-3 PUD, R-2 PUD, and R-4 PUD zoning. The total area of the proposed PUD is 12.78 acres. The associated PUD intends to rezone the area to allow for a future mix of commercial and residential uses that are more compatible with the surrounding residential and commercial zoning today and the desires of this neighborhood node.

The proposed PUD will require uses that follow their underlying zoning, except were modified by the General Notes, which is submitted with this proposal. Refer to the General Notes document, which lists modifications and notes to access, height, setbacks, uses, parking, signage, and design standards in the proposed PUD. The PUD is organized by Planning Areas (01 – 06), as shown on the associated Site Plan, which corresponds with General Notes.

If you have questions of need additional information, please contact

District 33 Planned Unit Development

Purpose & Need

The S. 33rd & 'A' Street business district has been a place for local small businesses for nearly a century. The area has been home to bakers, retailers, barbers, wholesalers, grocers, and repair shops to serve the nearby community. Recent small businesses like Bike Pedalers, Home and Closet, Sips and Subs, Nelsons Dry Cleaners, and Downtown Boot and Shoe repair have been replaced with a new set of artisan small businesses. The business district appeals to startups and small ventures due to its economical rents and attractive, prime location. It includes anchoring businesses like Members Own Bank and A Street Market grocery store.

However, the business district has suffered due to lack of investment by many of the existing and previous property owners. Several properties have been allowed to remain vacant, poorly maintained, or lack the type of business that activates the area. In 2022, the properties at 1356 S. 33rd. 1366 S. 33rd, 3309 'B' Street, and two vacant lots were purchased by District 33, LLC, a small property investment company, whose hope and purpose for buying the property is to increase the visibility of the area and invest in it, personally and commercially, to provide an inviting, walkable and livable business district.

Since the purchase, they have invested in their properties through upgraded facades and slowly converting the outdated mechanical and electrical equipment throughout the buildings. Also, you can find them frequently working outside maintaining the sidewalks, alleys, and greenspace making sure the public spaces are safe and clean. It is their hope that other owners will follow suit with their properties and possibly open the area to investment. They began engaging with the other small business owners and property owners throughout the district to share their hopes and vision for the area. Through this active participation with all business owners, they have coined the area as "District 33" to help create a sense of place that represents the small business area.

In 2023, they led the development and promotion of a community event called "Back Alley Social" that marketed the business district to small pop-up vendors and the community at large to visit the area. It resulted in 15 small business vendors popping up along their building storefronts on 33rd street and food vendors offering their specialty in the vacant lots behind the A Street Market. In addition, they collaborated with Eric and Travis Bahm, previous owners of Moran's Liquor Works, to put on an Oktoberfest event on their property making the community event a full day of shopping, eating, and socializing at and around the 33rd and A business district. The event was successful for all the vendors and well attended

by the nearby community bringing their kids to participate in games, patronize truck vendors, and play in the bounce house. It showed that the neighborhood is ready and willing to be involved at community events.

In response to this momentum, District 33, LLC initiated collaboration with City of Lincoln Planning Department officials to outline the next steps to turn this vision into a reality. The outcome was to establish a Planned Unit Development (PUD) for the area. The Lincoln Municipal Code 27.60 (LMC) defines a PUD as a zoning mechanism that provides permit flexibility to implement the City of Lincoln Comprehensive Plan goals. As outlined in the LMC, a PUD is to provide regulatory flexibility, encourage innovation in land use, and encourage the economy and efficiency of land uses. Thus, the **District 33 PUD** project was created as the first major step in bringing this vision into reality.

Goals

The goal is this PUD is to create an enhanced "sense of place" by:

- Attracting and enabling redevelopment and investment into the area
- Reducing barriers to allow a greater mix of commercial and residential uses
- Prioritizing neighborhood serving and pedestrian friendly designs and businesses

Additional Information

- A meeting was conducted on March 7, 2025 with four (4) business owners within the proposed PUD
 - This evolving group of business/property owners are referred to as the project "champions"
 - This group of champions have helped lead the direction of the proposed project
- A public open house was held on March 27, 2025 from 6pm 8pm.
 - All property owners in and within 200 feet of the proposed project boundary were notified via mailer.
 - An informative presentation by the applicant and City staff was delivered to attendees
 - Public feedback was gathered, documented, and considered in the proposed project
- Tax Increment Financing is not being considered
- Future amendments to this plan are anticipated as the larger vision of District 33 develops