

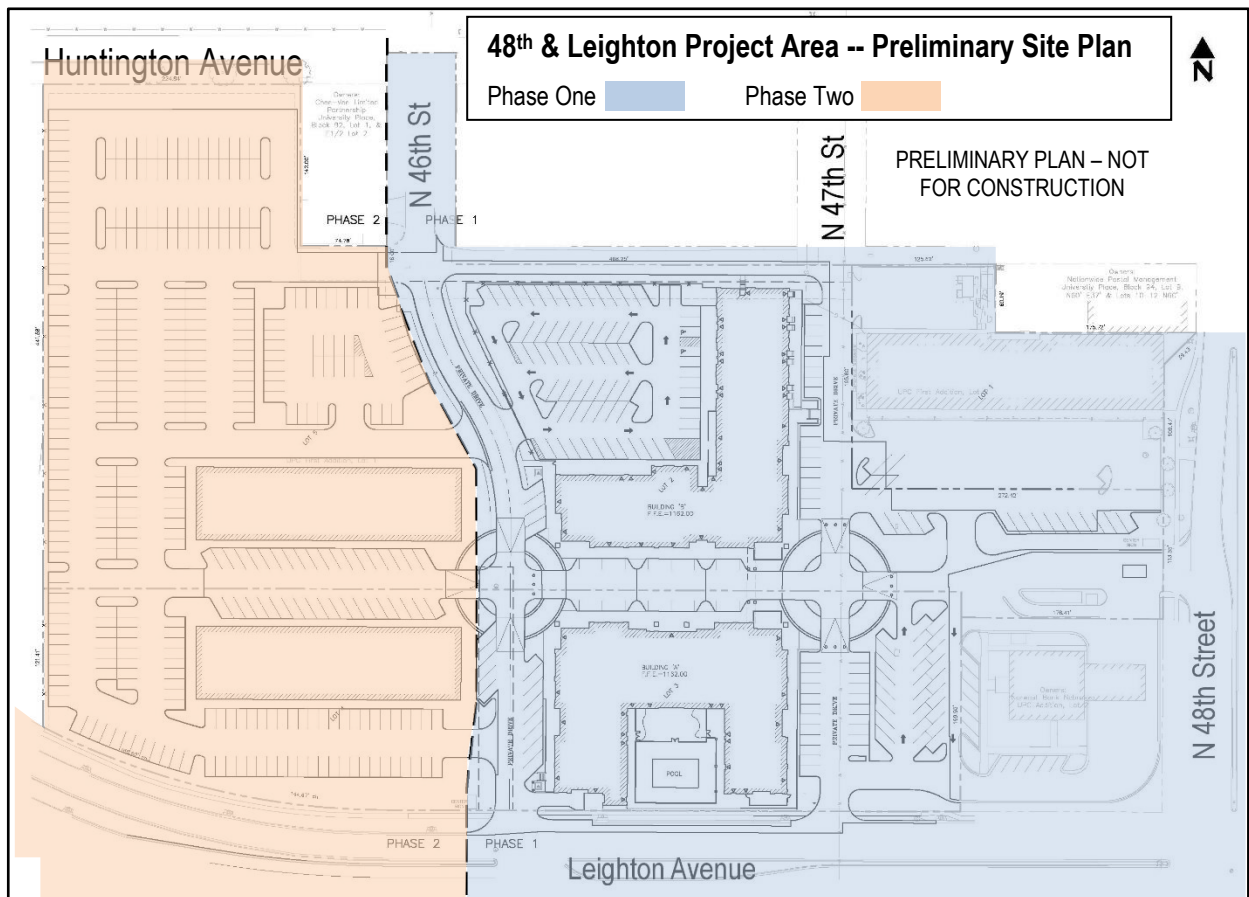
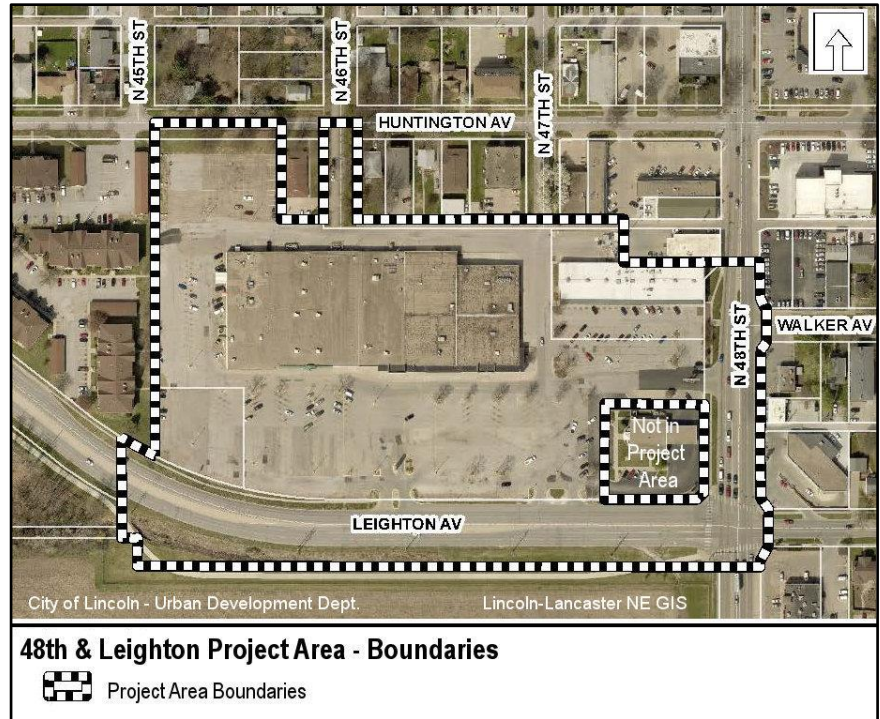
## **48th & Leighton Mixed-Use Redevelopment Project**

### **1. Project Description**

The 48th & Leighton Mixed-Use Redevelopment Project (the “Project”) includes the redevelopment and rehabilitation of three underutilized parcels with existing surface parking lots and deteriorating structures into a mixed-use development including market-rate residential units and first floor commercial space. The project area is generally located between Huntington Avenue on the north, Leighton Avenue on the south, N. 44th Street on the west and N. 48th Street on the east.

More specifically, the project area includes Lots 1, 2, and 3, UPC First Addition, Lincoln, Lancaster County, Nebraska. The Project area covers approximately 10.56 acres.

The Project consists of at least two phases. Phase One will consist of one (1) new five-story building and one (1) new four-story building, which will collectively contain approximately 184 market-rate residential units. The buildings will contain approximately 28,000 square feet of first floor commercial uses which may be retail and/or office. Phase One may also include the exterior renovation of an existing commercial building. Phase Two will likely consist of additional mixed-use buildings containing first floor commercial uses and market rate residential dwelling units. Depending on parking requirements, Phase Two may also contain a parking structure.

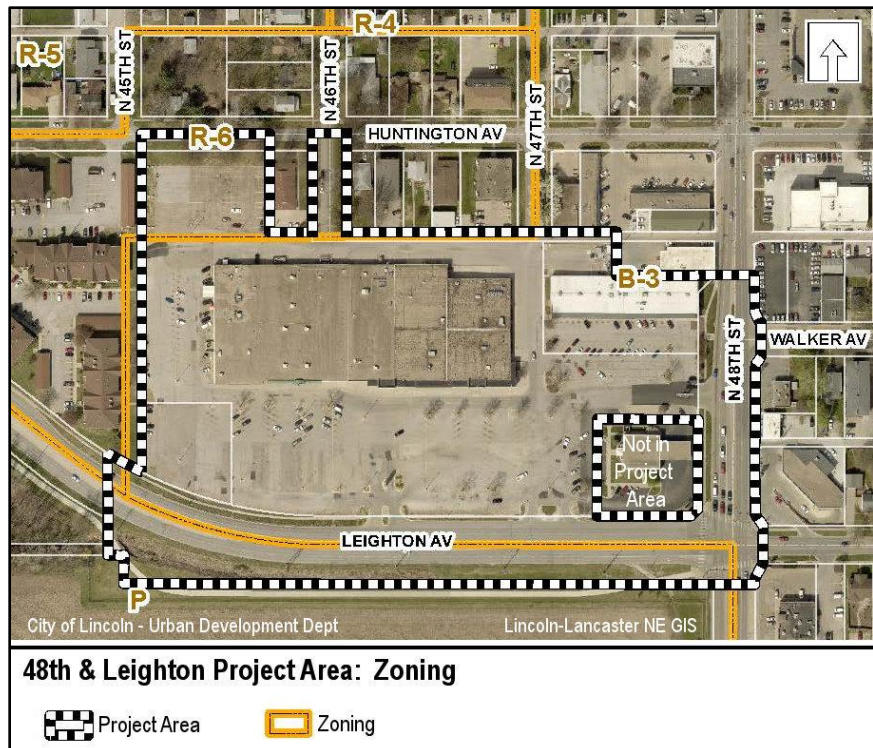
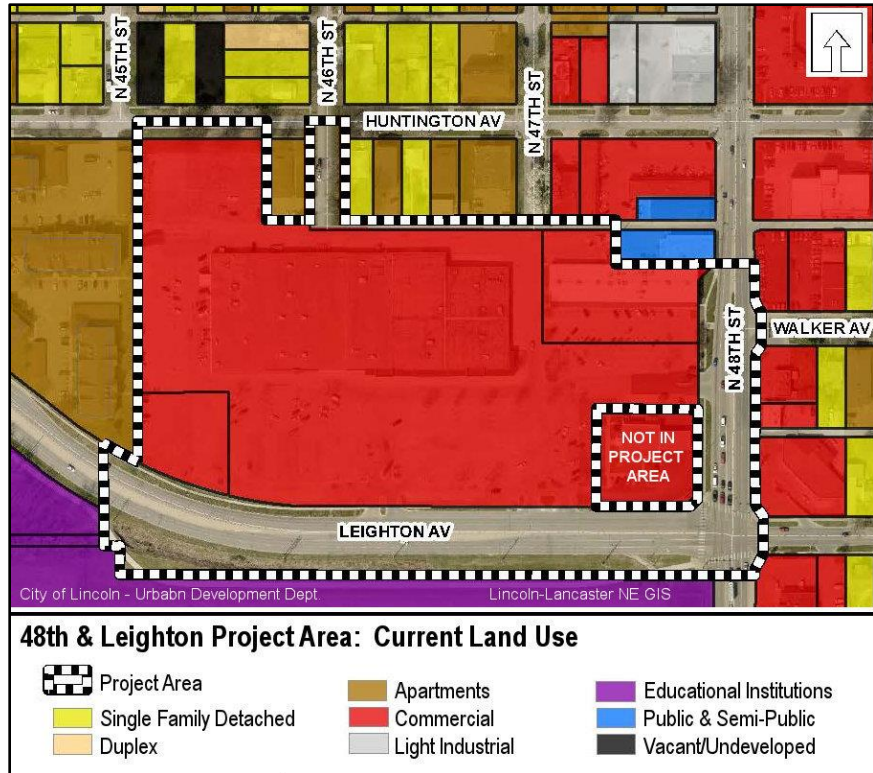




The goal of this Project is to strengthen the Lincoln community by providing in-fill residential dwelling units and commercial spaces through the redevelopment of existing underutilized and deteriorating property in northeast Lincoln. The Project will remove blighted and substandard conditions from an old shopping center and will make positive contributions to the continued revitalization of Lincoln's University Place neighborhood. The Project will increase the security and safety in the Redevelopment Area through the removal and redevelopment of blighted and substandard conditions.

Existing land uses are commercial and vacant commercial. Surrounding land uses include residential, primarily multi-family west and north, and commercial to the east. The University of Nebraska East Campus is located to the south with their farm fields adjacent to Leighton Avenue. Nebraska Wesleyan University is located approximately three blocks northeast.

The entire project site is currently zoned B-3 Commercial District. This district provides for local commercial uses in a redeveloping neighborhood generally located in established retail centers of those neighborhoods. Surrounding the Project site is R-6 Residential District to the west and north which is intended to



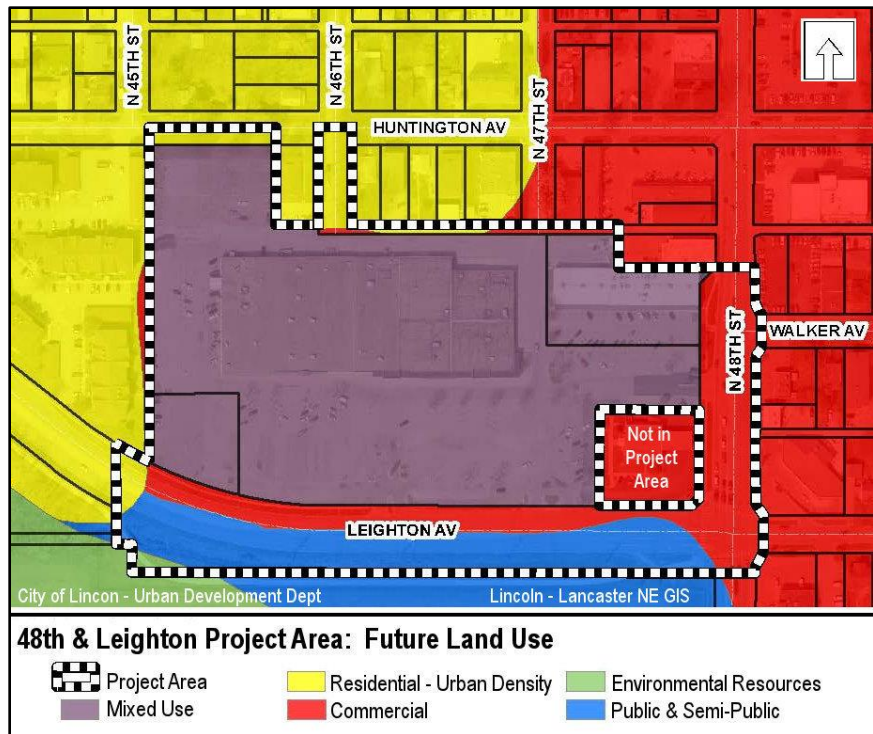


provide moderately high residential density between 11 and 14 dwelling units per acre. Zoning to the east and northeast is B-3, and the University of Lincoln East Campus is zoned Public.

The Project is consistent with the goals of the *University Place Redevelopment Plan* and is intended to support private sector residential and commercial development in this redevelopment area. The Project is also consistent with *LPlan 2040*, the *Lincoln-Lancaster County 2040 Comprehensive*

*Plan*. Guiding principles in Chapter 6, Mixed Use Redevelopment, include targeting existing underdeveloped or redeveloping commercial and industrial areas in order to remove blighted conditions and more efficiently utilize existing infrastructure; and encouraging residential mixed use for identified corridors and redeveloping Regional, Community, Neighborhood, and Mixed Use Office Centers identified as nodes. *LPlan 2040* identifies the Project area as a node. Further, the Project will increase residential density, an additional goal of *LPlan 2040*.

The Project represents significant private investment in the University Place Redevelopment Area. Publicly funded redevelopment activities may include site acquisition, site preparation, streetscape and



other public area enhancements, energy efficiency improvements, façade enhancements, and other public improvements in the project area.

## **2. Statutory Elements**

- **Property Acquisition, Demolition, and Disposal:** The proposed redeveloper currently controls the entire project area. Demolition will include clearing structures on the property, including any required environmental remediation and any necessary capping, removal or replacement of utilities and site preparation. The Site will involve significant preparation costs to comply with existing floodplain management issues.
- **Population Density:** The Project will have an impact on and will increase the project area's population density, as Phase One alone will likely replace the existing commercial uses with approximately 184 market rate residential dwelling units and 28,000 square feet of commercial/office uses.
- **Land Coverage:** Land coverage and building density will be altered with construction of the Project. Phase One will construct two (2) buildings holding approximately 28,000 square feet of commercial and/or office uses and approximately 184 market rate residential dwelling units. Additionally, Phase Two will likely construct additional mixed-use buildings. However, the Project's overall land coverage will decrease from approximately 96% impervious to 87% impervious surface. The project site will be re-platted based on the design and phasing of the Project.
- **Traffic Flow, Street Layouts, and Street Grades:** The Project is not likely to result in a significant increase in traffic and does not include vacating any streets or alleys. However, the Project does include the construction of a private drive running north from Leighton Avenue to the existing N. 46th Street.
- **Parking:** The Project will meet the requirements for parking as each phase is developed.
- **Zoning, Building Code, and Ordinances:** As a part of the Project, the project area will be rezoned to a B-3 Commercial District with a Planned Unit Development overlay, which will allow for the proposed residential, first-floor commercial, and office uses. The Project will require that the project area be re-platted. All applicable building codes will be met.

## **3. Financing and Cost Benefit Analysis**

The estimated total cost to implement Phase One of the Project is approximately \$35,000,000.00, which includes approximately \$4,350,000.00 in public financing. The project cost will be finalized as construction costs are firmed up. The source of the public funds for these improvements will be Community Improvement Financing (more commonly known as Tax Increment Financing) generated from the private developments within the project area.

Funding sources and uses will be negotiated as part of the redevelopment agreement, subject to approval by the Mayor and City Council.

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:

- **Public Tax Revenues**

### Tax Increment Financing Analysis

48th & Leighton Mixed Use Redevelopment Project—Phase One		Amount
Base Value		\$3,550,000
Estimated New Assessed Value		\$24,365,000
Increment Value	= <i>New Assessed Value - Base Assessed Value</i>	\$20,815,000
Annual TIF Generated (Estimated)	= <i>Increment x 0.02027922 (2015 Tax Rate)</i>	\$422,112
<b>Funds Available</b>	= <i>Annual TIF Generated x 14 years @ 4.5%</i>	<b>\$4,350,000</b>

Upon completion of the Project's Phase One, the assessed value of the property within the Project Area will increase by an estimated \$20,815,000 as a result of the private investment. This will result in an estimated annual property tax collections increase during the fourteen (14) year TIF period of approximately \$422,112 that will be available for the construction of public improvements related to the Project. The public investment of a currently projected \$4,350,000 in TIF funds will leverage approximately \$30,650,000 in private sector financing for Phase One, resulting in a private investment of approximately \$7.05 for every TIF dollar spent.

The Urban Development Department believes that the public improvements and enhancements proposed in this plan amendment would not occur "but for" the Tax Increment Financing generated by private redevelopment within the project area. Project improvements would not be achievable to the extent shown without TIF, as the site conditions constitute barriers which could not be remedied without the use of tax increment financing.

Public investment may assist in site acquisition, demolition, and site preparation; design and construction of utility improvements; design and construction of streetscape and right-of-way improvements; façade enhancements; energy enhancements; and other public improvements and enhancements allowed under the Community Development Law.

- **Public Infrastructure and Community Public Service Needs Impacts:** It is not anticipated that the Project will have an adverse impact on existing public infrastructure. The Project entails the capture of the incremental tax revenues for eligible public purposes including, but not limited to site acquisition, site preparation, façade enhancements, streetscape and public area enhancements, and other eligible improvements. The Project will also encourage private investment in the University Place Redevelopment Area and will increase security and safety in the area by the removal of certain blighted and substandard areas that are conducive to such problems.

It is not anticipated that the Project will have any adverse impact on City services, but will generate additional revenue providing support for those services.

- **Employment within the Project Area:** It is not anticipated that the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project will add mixed uses to a site that previously held existing and vacated commercial uses. Additionally, the proposed commercial spaces are a positive benefit for firms locating or expanding in the area. Further, additional housing opportunities should positively affect employers and employees in the area.

- ***Employment in the City outside the Project Area:*** Approximately 142,161 persons living in the City of Lincoln are employed, according to the 2010-2014 American Community Survey. The median household income for the City between 2010 and 2014 was \$49,794. While the impact of this project on city-wide employment would be minimal, a strong residential presence and available commercial spaces are essential to the attraction, retention, and expansion of retail and commercial services and employment. The Project should increase the need for services and products from existing businesses in and around the Redevelopment Area.