

City of Lincoln

University Place Redevelopment Plan

Prepared by:

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Approved:

December 7, 1998

Amended:

September 17, 2001

April 14, 2003

June 21, 2004

October 24, 2005

October 24, 2016

June 16, 2023 _____, 2024

N. 48th & Madison Avenue Mixed-Use Redevelopment Project (“Plan Amendment”)

1. The Fire

In 2003, University Place and the corner of N. 48th Street and Madison Avenue suffered a tremendous fire and the loss of a long time major business anchor. The fire caused more than \$1 million in damage and the building was a total loss.

Unfortunately, the char-burned site did not initially rebound like the plumbing business it housed for more than 60 years. Instead, the seared building was removed, the City acquired the site in 2006, and turned around and offered the site for redevelopment. Other than the University Place Community Market and periodic short term uses, the site has remained vacant, and the important University Place corner has remained anchorless for over 20 years.



Lincoln firefighters try to contain a five-alarm fire at Green's at N. 48th and Madison Avenue on Thursday, January 16, 2003. Journal Star file photo

2. Project Description

The N. 48th & Madison Street Mixed-Use Redevelopment Project (“**Project**”) contemplates construction of a three-story mixed use building (commercial and multi-unit dwellings) with onsite parking. The Project is generally located on the north half of the block bordered by N. 48th Street, Madison Avenue, and N. 47th Street (former Green's Plumbing site), consisting of five parcels (PID 1717120003000, 1717120002000, 1717120001000, 1717120012000, 1717120011000) (“**Project Site**”), more particularly described as:

Lots 1, 2, 3, 4, 5 and 6, Beecher's Subdivision, Lincoln, Lancaster County, Nebraska.

The north-south alley between 47th and 48th Street south of Madison Avenue located in Block 68, University Place abutting Lots 3 and 4, Block 68, University Place, Lincoln, Lancaster County, Nebraska as vacated by Ordinance No. 11473 passed by the City Council on September 29, 1975.

Lots 3, 4, 5 and 6, Block 68, University Place, Lincoln, Lancaster County, Nebraska.

The east-west alley adjacent to Lots 3, 4, 5 and 6, Block 68, University Place, Lincoln, Lancaster County, Nebraska; Lot 6, Beechers Subdivision, Lincoln, Lancaster County, Nebraska; and Lots A, G, H, and I, Langs Subdivision, of Lots 9-12, Block 68, University Place, Lincoln, Lancaster County, Nebraska; except for the 1-foot by 51-foot portion of the east-west alley abutting Lot A, Lang's Subdivision of Lots 9-12, Block 68, University Place, Lincoln, Lancaster County, Nebraska as more particularly described as



Firefighters douse a five-alarm fire at Green's, 2747 N. 48th St., in January 2003. Journal Star file photo



The intersection of N. 48th Street and Madison Avenue is deserted after the January 16, 2003, fire at Green's.

follows: beginning at the Northeast corner of Lot A, Lang's Subdivision, said point also being the point of intersection of the westerly right-of-way line of North 48th Street and the southerly right-of-way line of said East/West Alley; Thence S89°59'59"W (assumed bearing) along the northerly line of said Lot A, said line also being the southerly right-of-way line of said East/West Alley, a distance of 51.00 feet; Thence N00°17'12"E, a distance of 1.00 feet; Thence N89°59'59"E, a distance of 51.00 feet to a point on the westerly right-of-way line of North 48th Street; Thence S00°17'12"W along the westerly right-of-way line of North 48th Street, a distance of 1.00 feet to the point of beginning. Said tract of land contains 51.15 square feet, more or less, as vacated by Ordinance No. 21544 passed by the Lincoln City Council on December 11, 2023. The Project Site is approximately .96 acres in size. Currently the Project Site is owned by the City of Lincoln. As part of the redevelopment process, it is anticipated that the ownership of the Parcel Site will be transferred to New Generation Properties, LLC d/b/a Speedway Properties ("**Redeveloper**"). The project area ("**Project Area**") includes the Project Site and is approximately two acres in size, including the abutting rights of way and the east-west alley in the block. See *Project Area Map below*.



N. 48th & Madison Street Mixed-Use Redevelopment: Project Area



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The remaining south half of the block is comprised of N. 48th Street commercial buildings, a parking lot, and open space.

The first floor may include commercial businesses (approximately 4,780 leasable square feet), 12 residential units and related residential tenant amenities that will activate both N. 48th Street and Madison Avenue, including lobby, community room/kitchenette, recreation, exercise room, restroom, elevator/stair, and bike storage. There will also be approximately 68 onsite parking stalls on the first level, along with approximately 18 on-street parking stalls. The Project's upper two floors will consist of additional residential units, including approximately 42 units. The Project will maintain the affordability of housing in the area by keeping 20 percent of the approximately 57 total units (approximately 11 units) affordable to persons making 60 percent or less of area median income (AMI).



Proposed Southeast View: The proposed design includes public outdoor space to activate the area.



Proposed Northeast View: The proposed design anchors the corner, is aesthetically pleasing and will be constructed with brick and other long term durable materials.



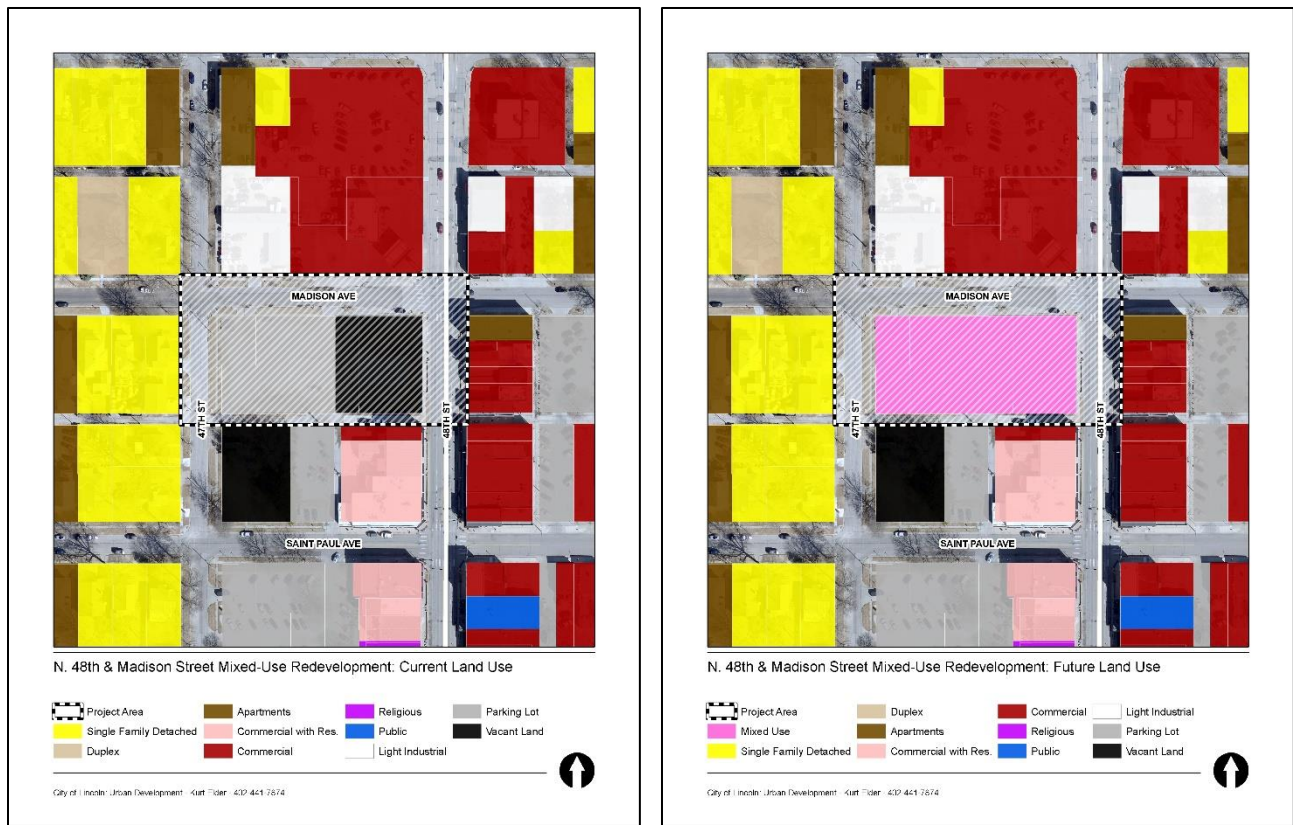
Proposed Northwest View: The proposed design provides large balconies and other tenant amenities.



Proposed Birds Eye View: The proposed development provides off-street parking located behind the building to ensure an activated street.

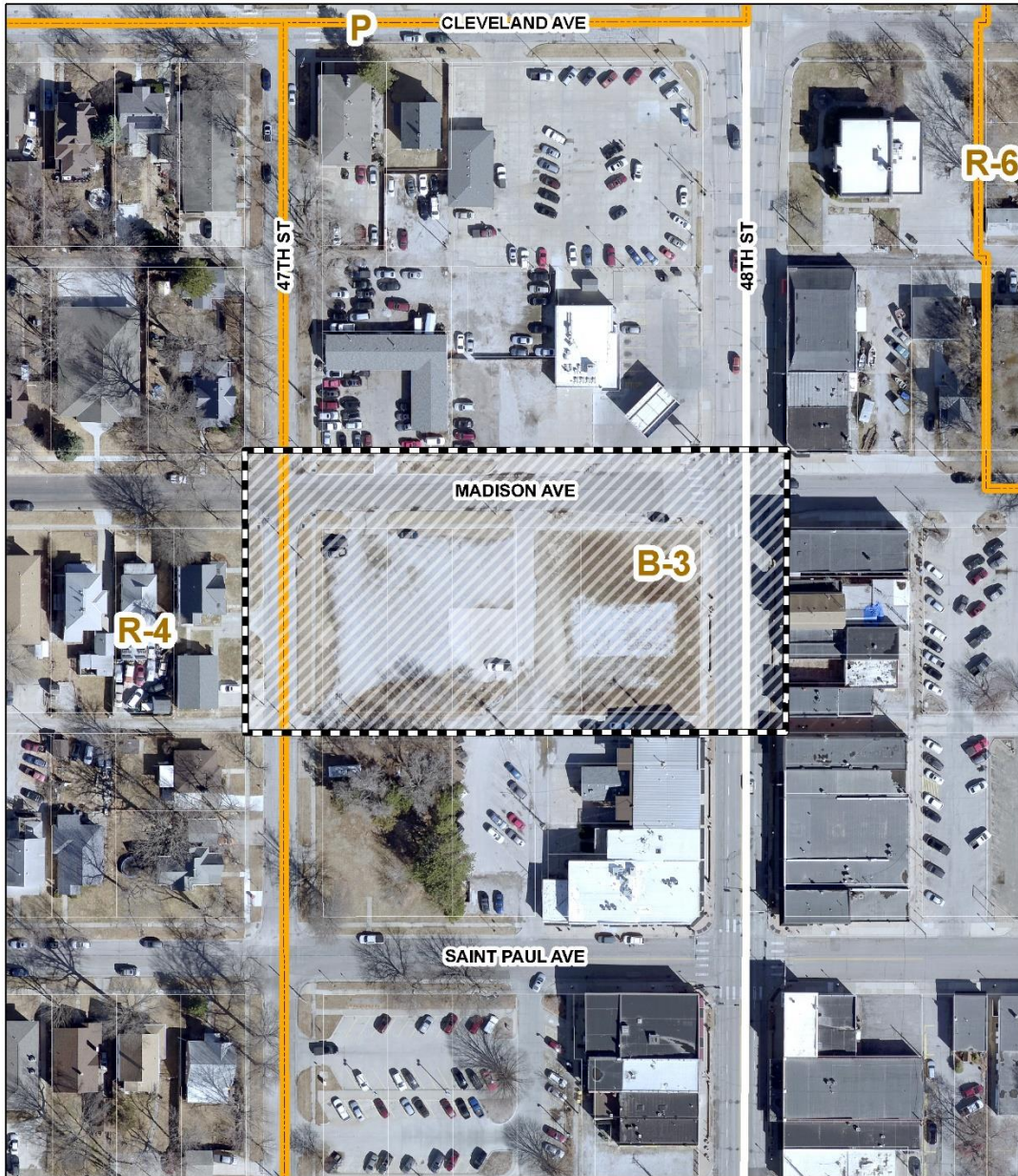
The Project will also include updated streetscape designs along the abutting N. 48th Street, Madison Avenue and N. 47th Street. The two current Project Site driveways may be removed.

The Project is part of the University Place Redevelopment Area (Redevelopment Area) and is proximate to the Nebraska Wesleyan University and University of Nebraska East Campus. The Project is in an area that is experiencing pockets of revitalization through previous redevelopment activities. The Project will enhance the surrounding commercial and residential land uses which include retail, commercial, and dining. See the *Current Land Use* and *Future Land Use* maps.



The overall goal of the Project is to increase residential and commercial density in the Redevelopment Area, as well as strengthening the long-term viability of University Place and improve the pedestrian environment within the Redevelopment Area. The Project represents significant private investment in the Redevelopment Area and further enhances the connectivity to adjacent University Place redevelopment areas, while enhancing housing affordability.

The Project is in the B-3 Commercial District Planned Unit Development, as amended (B-3 PUD). The B-3 PUD allows for mixed-use commercial and multiple-family dwellings. The B-3 PUD seeks to ensure University Place remains one of the dominant multi-use centers and key focal points of business, social, and cultural activity in northeast Lincoln. As illustrated in the *Existing Zoning* map, land adjacent to the Project is also in the B-3 PUD.

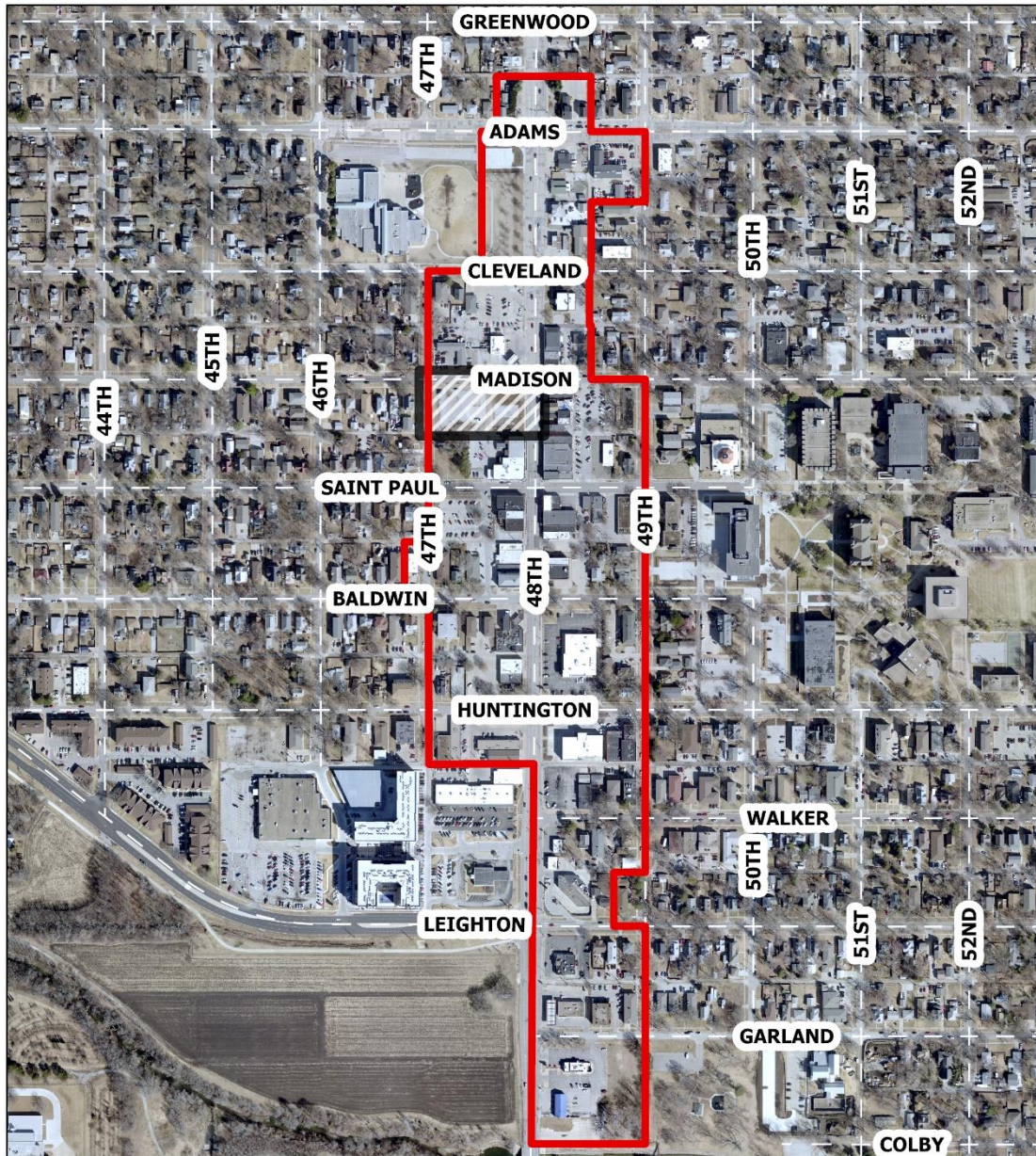


N. 48th & Madison Street Mixed-Use Redevelopment: Zoning

 Project Area
  Zoning



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N. 48th & Madison Street Mixed Use Redevelopment: Context Map

-  Project Area
-  University Place PUD

Map Prepared by Kurt Elder: City of Lincoln: Urban Development 402-441-7874



The Project is consistent with *PlanForward, Lincoln-Lancaster County 2050 Comprehensive Plan* (Comprehensive Plan). One of the Comprehensive Plan's overarching goals is to promote neighborhood mixed use areas. The Comprehensive Plan envisions adding 25 percent of the additional dwelling units within the Existing Urban Area.

The Project is also consistent with the *University Place Redevelopment Plan* (Redevelopment Plan). The Redevelopment Plan encourages the development of vacant or underutilized space as opportunities arise. The Redevelopment Plan supports the creation of housing at higher densities with diverse price points and encourages increasing University Place residential density to drive improvements to nearby retail, office, entertainment, and restaurants and to create a more vibrant N. 48th Street corridor. All façade and window treatments are expected to be consistent with the objectives of the Revitalization Plan.

The Project is also consistent with the City's *Affordable Housing Coordinated Action Plan*, which states that the city will need an estimated 17,000 housing units to support population growth over the next decade. The Project contributes to the development of the needed housing units by adding approximately 11 affordable units to the market.

The Project is consistent with the City's *Climate Action Plan* as well. The Climate Action Plan prioritizes the adoption of transit-oriented development (TOD) policies with Lincoln's growth and redevelopment. It also emphasizes the alignment of economic development goals with climate realities, through the growth of climate smart businesses and the development of a climate ready workforce. The Project is in line with the Climate Action Plan's ideal redevelopment project as the Project provides for a walkable housing option that furthers the goals of climate-smart innovation and economic development.

Publicly funded redevelopment activities may include the following: site acquisition, demolition and site preparation, grading, environmental remediation, stormwater enhancements, streetscape improvements, street improvements, utilities, façade enhancements, energy enhancements, street trees, irrigation, and other expenses as permitted under the Community Development Law (Act) (Nebraska Revised Statutes section 18-2101 to 18-2155, as amended) and in an approved Redevelopment Agreement.

3. 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 the Project. The City intends to convey the Project Site to the Redeveloper in exchange for a downtown property owned by B & J Partnership LTD which is a parent entity of the Redeveloper and is located at 226 S. 9th Street (a portion of Block 69, Original Plat, Lincoln, Lancaster County, Nebraska).

Population Density: The Project consists of constructing approximately 57 residential units. This will inherently increase the population density. However, this increase in population density is consistent with the Comprehensive Plan and the Redevelopment Plan.

Land Coverage: Land coverage will increase as the Project Site is currently open space/surface parking. The Project will comply with the applicable land-coverage ratios and zoning requirements of the City.

Traffic Flow, Street Layouts, and Street Grades: By creating additional housing and commercial land uses, the Project will likely increase traffic flow to and from the Project Area and the Redevelopment Area. However, N. 48th Street is an arterial street that can manage the influx of traffic. The Project is also located in a very walkable area and is served by #48 N. 48th Street Bus Route. These factors may lessen the impact on traffic flow. The Project may include vacating the public alley and replace it with a public one-way west-east driveway with abutting on-site parking and a public pedestrian route connecting N. 47th and N. 48th Streets.

Parking: For new construction, the B-3 PUD requires one parking space per dwelling unit if part of a mixed-use development. Nonresidential uses parking requirements are reduced by 50% due to the availability of on-street parking and City-owned off-street parking lots. In addition, parking requirements may be met within 600 feet of the property line. This Project should meet all its required parking with approximately 68 on-site parking spaces.

Zoning, Building Code, and Ordinances: The Project is a permitted use in the B-3 PUD. The Redeveloper may seek amendments to the B-3 PUD to enable restaurants serving full meals to have an expanded opportunity to enhance alcohol beverage services and permit pool tables, dart boards, keno, etc. The Redeveloper may also seek the City's approval of a consolidated subdivision plat of the Project Site. The Redeveloper will work with the City to ensure that applicable building code requirements and ordinances are satisfied, and to the highest degree possible, the Redevelopment Plan is followed.

Public Facilities and Utilities: Public infrastructure improvements may be required to implement the Project including improvements to Lincoln Electric System (LES) transformers or other equipment. Additional improvements may be required to implement this Project, including but not limited to improvements to the water, sanitary sewer, storm sewer, and rights-of-way including alleys and streets, and public driveway and pedestrian access easements. As the Project is further developed, the Lincoln Transportation and Utilities Department will work with the Redeveloper to ensure that the systems can support the additional capacity requirements of the Project.

4. Proposed Cost and Financing

The estimated total assessed property value to implement the Project is approximately \$9,247,525. To support these expenses, the Project seeks up to \$2,292,163 million in tax increment financing (TIF) generated from the proposed private development in the Project Site. The TIF will be used to fund public improvements and enhancements. In addition, the Redeveloper has been awarded a 2022 Qualified Census Tract Affordable Housing Program (Primary Class) Impact Fund Grant of \$1,112,232 for affordable rental housing assistance. The Redeveloper will finalize the Project public improvement costs as construction design and expenses are determined.

The City designated portions of the Redevelopment Area, including the Project Area, extremely blighted and substandard. This designation allows the division of taxes for up to 20 years for TIF purposes. The City intends to use 20-year TIF to the extent feasible to facilitate the Project, and this Plan Amendment authorizes the City to do so in accordance with the Act.

The Project seeks to satisfy the goals established by the City for the use of TIF in extremely blighted areas by meeting housing affordability requirements. The Project will create a mixture of affordable and market rate housing units by increasing the residential density on an underutilized but highly visible and important parcel in University Place.

5. Cost Benefit Analysis

As required by the Act, the Redeveloper has analyzed the costs and benefits of the proposed Project including:

Tax Revenues

The Project Site has an assessed property value of \$435,200 for 2023. Upon completion of the Project, Redeveloper anticipates the assessed value of the Project Site will increase by approximately \$8,812,325 with an estimated assessed property value of \$9,247,525. This will generate approximately \$2,292,163 in available TIF funds over 20 years for principal and interest payments.

The city will forgo approximately 14 percent of the project increase in property tax collections, or approximately \$22,050 per year, for up to 20 years to support the Project. The tax increment gained from the Project Site will not be available for use as City general tax revenues over that time because Redeveloper will use those funds for bond or loan repayment. After the 20-year period or when the Redeveloper retires the debt, the increase in annual taxes paid will be split among the taxing jurisdictions according to the tax levy.

| Tax Increment Finance Analysis | | |
|--------------------------------|---------------------------------------|-------------|
| Description and Assumptions | | Amount |
| Base Value | = <i>Current Assessed Value</i> | \$435,200 |
| New Assessed Value | = <i>Incremental Value</i> | \$9,247,525 |
| Increment Value | = <i>New Assessed Value - Base</i> | \$8,812,325 |
| Annual TIF Generated | = <i>Increment x 0.17873</i> | \$150,003 |
| Bond Note Issued | = <i>Annual TIF x 20 years @ 4.5%</i> | \$2,292,163 |

Public Infrastructure and Community Public Service Needs Impacts

Redeveloper does not anticipate that the Project will adversely impact city infrastructure or services, but instead will generate additional revenue providing support for those services in the future. There are adequate recreational and community facilities to service the residents in the Redevelopment Area.

Employment Within the Project Area

The Project will generate minimal additional employment within the Project Area boundaries with the need for management and maintenance of common areas within the building and employees for the first-floor commercial spaces. Further, the Project will create expanded housing opportunities for employees working within or around University Place.

Employment in the City Outside the Project Area

There are approximately 146,580 persons employed in 8,721 total establishments in Lancaster County according to the United States Census Bureau's County Business Patterns 2020 data. The median household income for the city was \$60,063 according to the 2016-2020 American Community Survey 5-Year estimates. While the impact of the Project on city-wide employment would be minimal, housing would support construction and permanent commercial employment as well as provide potential employees outside and within the Project Area.

Impact on Student Populations of School Districts

It is anticipated that the Project may increase the student population of Lincoln Public Schools. However, the Project will meet the demand for additional housing in the city. The Project will create approximately 57 multi-family dwelling units. Certain assumptions can be made about the resulting increase in student population from this Project:

- According to statistics from the National Association of Home Builders, in Nebraska, the average number of public-school children in renter-occupied units for multifamily buildings with 20 or more units is 0.096 per unit.
- According to the most recent 2018 American Community Survey (ACS) data of national averages, the average number of public-school children in multi-family buildings with 20 or more units is 0.14 per unit.

Based on the forgoing data, approximately 5.1 to 7.6 public school children can be anticipated living in an apartment complex like the Project. It is not anticipated that the Project will have an adverse impact on the student population.

Additionally, Lincoln Public Schools will have the benefit of property taxes paid after the TIF period.

Other Impacts

Though utilizing TIF will defer the majority of the incremental ad valorem real property taxes generated by the Project for up to 20 years, there will be potential additional revenue generated by the Project from sales taxes generated by the construction of the Project and from sales taxes and occupation taxes generated from the commercial businesses and also paid by the residential tenants of the Project. Upon completion of the 20-year TIF period, the Project will benefit the community through higher property tax revenue.

Finding of Need for TIF

Section 18-2116 of the Act requires the City Council to make the following findings before authorizing the use of TIF:

- the Project and plan as proposed would not be economically feasible without the use of TIF; and
- the Project as proposed would not occur in the Redevelopment Area without the use of TIF.

The City's Urban Development Department believes that the private and public improvements proposed in this Plan Amendment would not occur "but for" the utilization of TIF in the Redevelopment Area. The cost to provide affordable units in a newly constructed multi-family residential unit are prohibitive and it would not be economically feasible for Redeveloper to construct the Project improvements without TIF.

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 a redevelopment agreement with Redeveloper and submit said redevelopment agreement 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.
- The City will review construction drawings of public and private improvements for conformance with the Redevelopment Agreement.
- Redeveloper will competitively bid TIF-funded public improvements according to city standards, as needed and with assistance from the City's Purchasing Department.
- Redeveloper will construct the private and public improvements and enhancements.
- City will reimburse Redeveloper for eligible public improvements and enhancements, as described in the Redevelopment Agreement, after it receives required documentation from Redeveloper and the City receives the increment.

All illustrations and images shown above in the Plan Amendment are illustrative and may be subject to change.