

AMENDMENT TO THE LINCOLN CENTER REDEVELOPMENT PLAN

Central at South Haymarket Redevelopment Project.

1. Project Description

The Central at South Haymarket Redevelopment Project (the “Project”) is located generally at 205 S 10th Street, on the north half of the city block bounded by 9th, 10th, M, and N Streets, together with the adjacent alley, totaling approximately one acre (the “Project Area”). The full legal description is attached. The Project Area is depicted on the map, below:



Central at South Haymarket: Project Area

Project Area Project Site

100 Feet

Created by the City of Lincoln Urban Development Department, Kurt Elser 4/24/15-7674



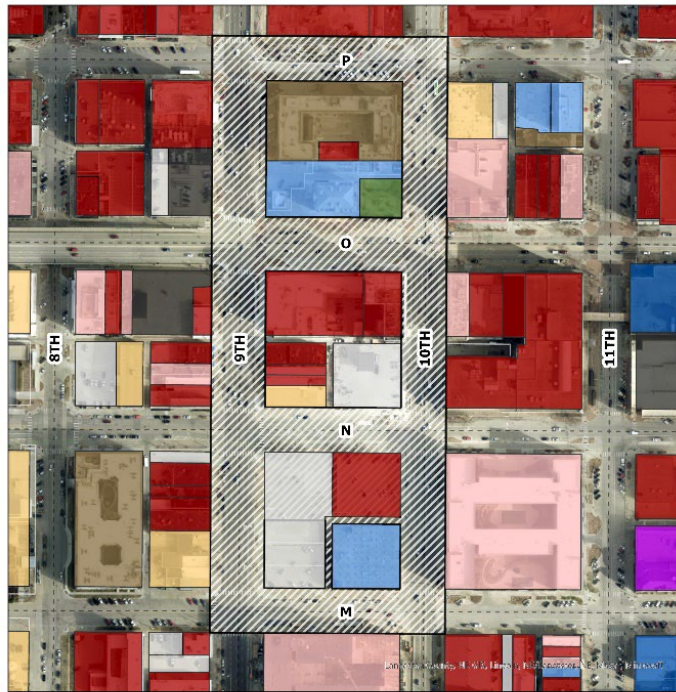
The Project consists of the development and construction of a multi-family residential building with approximately 173 residential units with affordable rental rates, consisting of approximately 74 one-bedroom, 65 two-bedroom units, 30 three-bedroom units, and 4 four-bedroom units, along with typical amenities for multi-family residential developments. The building will be 3 stories.

The goal of the Project is to strengthen the Lincoln community by providing affordable residential units through the redevelopment of existing underutilized real property. The Project will remove extremely blighted and substandard conditions and will make positive contributions to the Area. The Project will provide safe,

quality, affordable housing in Downtown Lincoln, specifically the South Haymarket Area.

The Project is anticipated to be partially funded with Low Income Housing Tax Credits (LIHTC), and other state and federal programs supporting affordable housing. By meeting the programmatic design of these financing mechanisms, the Project will consist of residential units targeted to households of a restricted income level, likely between 50% and 70% of area median income.

The proposed use is consistent with the surrounding land uses, which include commercial, multi-family residential, and public/semi-public space. The Project's location in Downtown Lincoln makes it an ideal location for a higher density housing project. There are multi-family residential developments on the city blocks directly to the north, south, east, and west of the Project Area. See the Current Land Use Map and Future Land Use Map below.



Central at South Haymarket: Current Land Use



Created by the City of Lincoln Urban Development Department, Kurt Eder 402-443-7674

150 Feet



Central at South Haymarket: Future Land Use

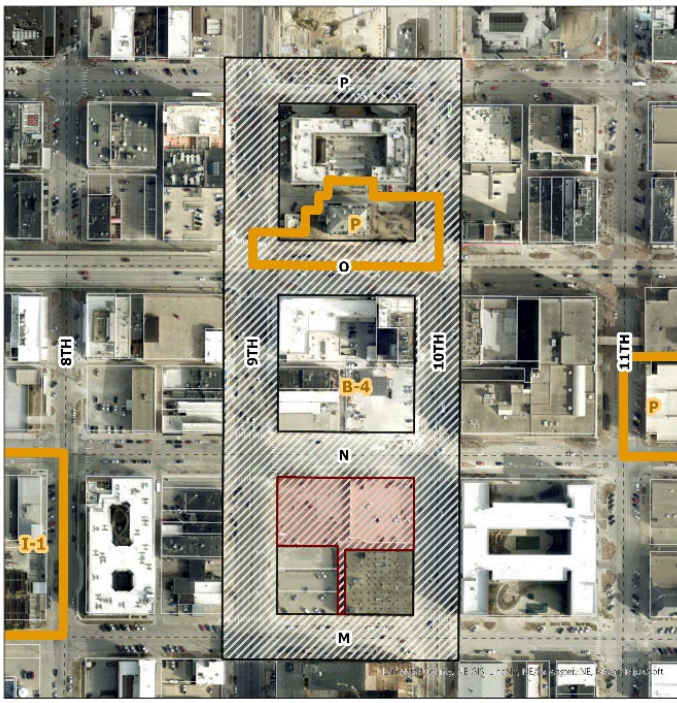


Created by the City of Lincoln Urban Development Department, Kurt Eder 402-443-7674

150 Feet



The Project Area is currently zoned B-4. The B-4 Lincoln Center Business District allows a large variety of activities, including multi-family housing. The proposed use of the Project Area will not require a change of zoning district.



Central at South Haymarket: Zoning

Project Area Project Site Zoning

Created by the City of Lincoln Urban Development Department, Kurt Dier 10/24/13-7/2/14

The Project is consistent with the goals of this *Lincoln Center Redevelopment Plan* and is intended to support private sector residential development in the Redevelopment Area. The Project meets the redevelopment standards set forth in the *Lincoln Center Redevelopment Plan*, including expanding housing opportunities to foster 24-hour activity.

The Project is also consistent with *PlanForward*, the Lincoln-Lancaster County 2050 Comprehensive Plan, and sub-area plans including the *South Haymarket Neighborhood Plan* and the *2018 Downtown Lincoln Master Plan*. *PlanForward* encourages mixed-use redevelopment, and well-designed and appropriately placed infill development. The

Plan also encourages higher density development.

The Project is consistent with the *2018 Lincoln Downtown Master Plan*. The Master Plan encourages the redevelopment of vacant or underutilized spaces as opportunities arise. The Master Plan also supports the creation of housing at higher densities at diverse price points and encourages increasing Downtown residential density to drive improvements to retail, restaurants, and to create a more vibrant Downtown. The project will also help link Central Downtown with the South Haymarket Neighborhood by further reducing pedestrian barriers in crossing 9th and 10th Streets.

The Project is consistent with the City's *Climate Action Plan*, as it will help reduce reliance on automobiles by further developing pedestrian improvements along 9th and 10th Streets and access to alternate transportation resources, including the N Street protected cycle track. The Project will also improve access to affordable housing resources by the workforce. The Project is also expected to use TIF to improve energy efficiencies in a residential building.

The Project represents a significant investment in the Redevelopment Area. Publicly funded redevelopment activities may include: site acquisition, demolition, site preparation, environmental remediation, utility improvements, streetscape improvements, façade and energy efficiency enhancements, and other public improvements in the Project Area.

2. Statutory Elements

Property Acquisition, Demolition, and Disposal: The redeveloper currently controls the Project Area. Demolition will include clearing structures on the property, including any required environmental remediation, and any relocation, removal or replacement of utilities.

Population Density: The Project will have an impact on and will increase the Project Area's population density, as approximately 173 residential units will be constructed on a vacant lot.

Land coverage: Land coverage and building density will be altered with construction of the Project, which will construct one building with approximately 173 residential units on a vacant lot. The building to be constructed as part of this project is anticipated to be approximately 180,270 square feet. The Project will comply with the applicable land-coverage ratios and zoning requirements of the City of Lincoln.

Public Facilities and Utilities: Public infrastructure improvements will be required to implement this project. 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. 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.

Traffic Flow, Street Layouts, and Street Grades: It is anticipated that the Project will increase traffic flow generated to the Project Area from an increased number of residents. The existing streets are anticipated to be sufficient for the Project.

Parking: There is no required parking in the B-4 district. The developer is exploring options of onsite parking, but anticipates the need to lease stalls in the Center Park Garage for the residential tenants.

Zoning, Building Code, and Ordinances: The Project Area is zoned B-4 Lincoln Center Business District, and the Project is a permitted use in this zoning district. All applicable building codes will be met. The Project Area may need to be replatted as part of the Project. The redeveloper shall be responsible for

compliance with City Zoning and Subdivision Ordinances and all applicable building codes.

3. Proposed Cost and Financing

The estimated total cost to implement the Project is approximately \$47,300,000, which includes approximately \$5,594,000 in public financing. The project cost will be finalized as construction costs are determined. The source of public funds for these improvements will be the tax increment generated from the private developments on the Project Site. Funding sources and uses will be negotiated and identified in the redevelopment agreement, subject to approval by the Mayor and the City Council.

The Project is currently located in the Greater Downtown Principal Corridors TIF district. Upon substantial completion, the project will be removed from that district and its own district created. The project will contribute to the public improvements identified as part of the Downtown Corridors Project.

4. Cost Benefit Analysis

Housing at the price points intended for workforce and low-income occupants cannot be built without additional financial assistance provided by the use of tax increment financing on this project. As required by the Nebraska Community Development Law (Neb. Rev. Stat. § 18-2113), the City has analyzed the costs and benefits of the proposed Project.

Public Tax Revenues

Tax Increment Financing Analysis

TIF Sources		
Base Value		\$1,687,200
Estimated New Assessed Value		\$27,019,425
Increment Value		\$25,332,225
Annual TIF Generated (Estimated)		\$503,749
Total TIF Available	-PV of 20 years at 6.50%	\$5,594,000

The 2023 assessed value of the Project Site is \$1,687,200. Upon completion of the Project, the assessed value of the Project Site will increase by an estimated \$25,332,225 as a result of the private investment for the Project. The Project will result in an increase in estimated annual property tax collections during the 20-year TIF period of approximately \$503,749 annually, which is expected to be available to finance the costs of construction of the public improvements and enhancements related to the Project. The public investment

will leverage approximately \$41,706,000 in private sector financing and state and federal tax credits.

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 involves the capture of the incremental tax revenues for public improvements in the Redevelopment Area. Public investment may assist with site acquisition, demolition, site preparation, design and construction of utility improvements, utility relocation, streetscape improvements, façade and energy efficiency enhancements, and other public improvements and enhancements allowed under the Community Development Law.

The Project will encourage additional private investment in the Redevelopment Area by removing blighted and substandard conditions in the Area. It is not anticipated that the Project will have an adverse impact on City services, but instead 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 Project. Instead, it is anticipated that the construction of approximately 173 multi-family dwelling units as part of the Project will create additional needed housing for the workforce population in the area of the Project. The Project will provide lower-income workers new safe and secure housing. Additionally, the Project will support temporary construction jobs during the redevelopment of the Project Site.

Employment in the City outside the Project Area

The anticipated job creation resulting from the construction of the Project is not expected to adversely affect employment in the City outside the area of the Project. The Project should increase the need for services and products from existing business in and around the Redevelopment Area. The Project will help to meet the low-income and affordable housing goals of the City of Lincoln as a whole.

Impacts on Student Populations of School District

It is anticipated that the Project will increase the student population of Lincoln Public Schools. However, the Project will meet the demand for additional housing in the City, and the school district should have the capacity to handle any population increase from the Project.

The Project will create approximately 173 multi-family dwelling units. Certain assumptions can be made about the resulting increase in student population from this Project:

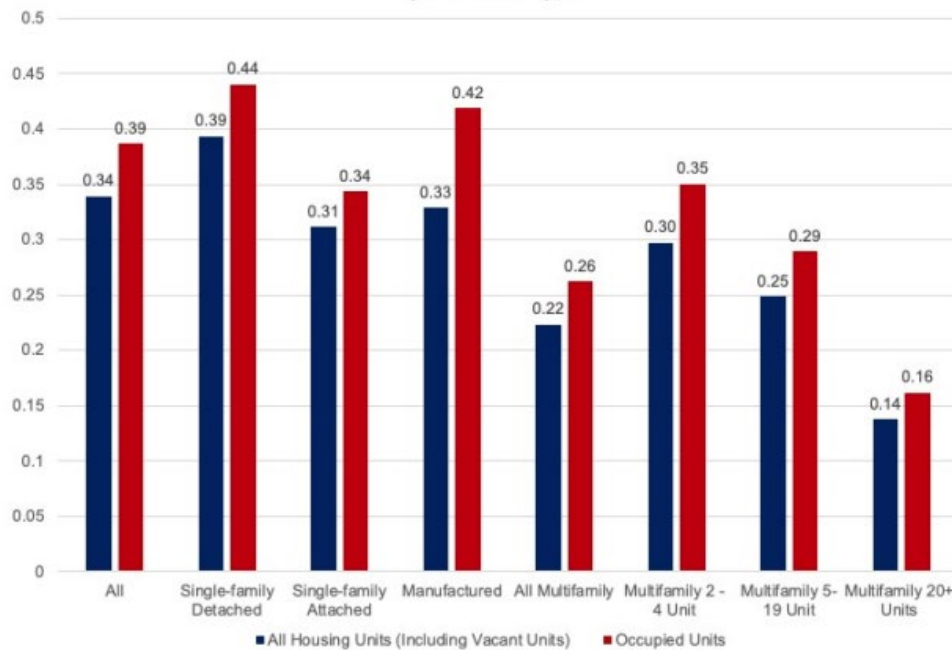
- According to statistics from the National Association of Home Builders, in Nebraska, the average number of public school children in renter-occupied units for multifamily buildings with 20 or more units is 0.096.
- According to the most recent 2018 American Community Survey (ACS) data of national averages,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

Table 1: NAHB – Nebraska data

Nebraska								
	All	Single-family Detached	Single-family Attached	Manufactured	All Multifamily	Multifamily 2 to 4 Units	Multifamily 5 to 19 units	Multifamily 20+ Units
All Housing Units	0.385	0.448	0.296	0.521	0.154	0.255	0.158	0.084
New Construction	0.290	0.458	***	***	***	***	***	***
Existing Homes	0.386	0.448	0.303	0.522	0.156	0.255	0.158	0.085
All Occupied Units	0.425	0.488	0.324	0.745	0.172	0.283	0.177	0.093
Recent Movers	0.365	0.562	0.576	***	0.190	0.258	0.177	0.160
Into New construction	0.410	0.583	***	***	***	***	***	***
Into Existing Homes	0.364	0.561	0.611	***	0.191	0.258	0.177	0.163
Non-movers	0.435	0.481	0.262	0.815	0.162	0.296	0.178	0.057
Owner Occupied Units	0.440	0.450	0.050	0.749	0.020	0.045	***	***
Recent Movers	0.492	0.560	0.109	***	0.103	0.180	***	***
Into New construction	0.437	0.488	***	***	***	***	***	***
Into Existing Homes	0.440	0.449	0.051	0.750	0.020	0.045	***	***
Non-movers	0.437	0.443	0.043	0.803	***	***	***	***
Renter Occupied Units	0.401	0.757	0.628	0.778	0.179	0.303	0.184	0.096
Recent Movers	0.321	0.578	0.750	***	0.194	0.267	0.183	0.161
Into New construction	***	***	***	***	***	***	***	***
Into Existing Homes	0.403	0.757	0.647	0.778	0.181	0.304	0.184	0.097
Non-movers	0.439	0.816	0.576	0.946	0.171	0.323	0.184	0.059

Table 2: ACS national data

Figure 1. Number of Public School Children
By Structure Type



Based on the foregoing data, approximately 17 to 25 public school children can be anticipated living in a multifamily building like the Project. With 43% of the units anticipated to be one-bedroom units and a total of 81% of the units anticipated to be either one-bedroom or two-bedroom units, the student population is likely to be on the lower side of the estimates. It is not anticipated that the Project will have an adverse impact on the school district, but instead will serve the families of its students.

Other Impacts

The Project will create additional housing in the City. The Project is consistent with the policy of *PlanForward*. It provides additional safe housing options in the City. Further, the Project provides appropriately placed density.

The development of the Project will eliminate the existence of blight and substandard conditions and will attract residents and businesses to the Redevelopment Area and the City of Lincoln.

The Project will be developed in an environmentally conscious manner. The building will be constructed utilizing sustainable design practices.

The Project should have a positive impact on private sector businesses in the Redevelopment Area and in the City. It should attract additional private investment in and around the Redevelopment Area.

While the use of tax increment financing will defer receipt of a majority of the incremental ad valorem real property taxes generated by the Project for up to 20 years, there will be additional revenue generated by the Project from, for example, sales tax paid by the residents of the apartment complex. Upon completion of the TIF period, the Project will benefit the community through higher property tax revenue.

Finding the Need for TIF

Section 18-2116 of the Community Development Law requires the City Council to make the following findings before authorizing the use of tax increment financing:

- The redevelopment project as proposed would not be economically feasible without the use of tax increment financing; and
- The redevelopment project as proposed would not occur in the community redevelopment area without the use of tax increment financing.

The Urban Development Department believes, based on the representations made by the proposed developer, that the private and public improvements proposed in this Redevelopment Plan Amendment would not occur “but for” the utilization of tax increment financing in the Redevelopment Area. Further, it would not be economically feasible for the Redeveloper to construct the Project improvements without tax increment financing because the existing site conditions constitute a barrier to development that cannot be adequately remedied without the use of tax increment financing.