



East Gateway Mall Redevelopment Plan

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Planning Commission 3/27/2024

City Council 4/22/2024

East Gateway Redevelopment Plan

INTRODUCTION

The East Gateway Redevelopment Plan (“Redevelopment Plan”) is a guide for redevelopment activities within the East Gateway Redevelopment Area (“Redevelopment Area”) in the City of Lincoln (“City”). The Redevelopment Area is located in one of the City’s most prominent commercial shopping districts and is generally bounded by O Street to the south, North 66th Street to the east, Deadmans Run Creek to the north, and North 63rd Street to the west.

The East Gateway Redevelopment Area Map illustrates the location of the



Redevelopment Area within the broader context of the City. The Redevelopment Area includes seven parcels, 1721400027000, 1721322003000, 1721400010000, 1721412004100, 721412004200, 721412003000, and 1721412004000, and contains approximately 58 acres.

The Redevelopment Area includes the former Sears Department Store building, four additional commercial buildings, two large parking areas, and the vacated former Meginnis Ford Company Auto Dealership property. The buildings are a part of the Gateway shopping area but are separate from the Gateway Mall.

Built in 1960 and expanded thereafter, Gateway Mall is a destination commercial area for Lincoln and its surrounding trade area. Gateway Mall has been a significant economic engine in

the City, providing key goods and services, creating numerous jobs, and generating important City and State tax receipts.

Not every retail venture within the Gateway shopping area has been successful. Meginnis Ford Company Auto Dealership closed thirteen years ago. Anderson Ford bought Meginnis Ford in 2008 and opened a new dealership near South 33rd Street and Yankee Hill Road in 2011. In turn, Southview Holding Company, Inc. acquired the former car dealership in 2018. This portion of the Redevelopment Area has

remained vacant. Likewise, Sears closed their doors in 2019 and the building has remained vacant.

The majority of the Redevelopment Area is both functionally and economically obsolete, including unused parking areas in poor condition, vacant deteriorating buildings, complicated vehicular travel routes, very little pedestrian accessibility to businesses, and an overall antiquated land use pattern that prohibits both development and redevelopment opportunities.

As a result of this persistent lack of redevelopment, Hanna:Keelan Associates P.C. (the “Consultant”) completed a Blight and Substandard Determination Study in November 2023 (the “Blight Study”). The Blight Study concluded that the number, degree, and distribution of blight and substandard factors warrant designating the Redevelopment Area blighted and substandard. The City Council declared the Redevelopment Area blighted and substandard on February 12, 2024, via Resolution A-94450.

The City recognizes that continuing blight and deterioration is a threat to the stability and vitality of the Redevelopment Area and that revitalization efforts cannot reasonably occur without public action. This Redevelopment Plan represents the City’s efforts to guide public and private redevelopment of the area.

THE DECLINE OF AMERICAN SHOPPING MALLS

The first fully enclosed indoor mall was located in a Minneapolis, Minnesota suburb in 1956. Four years later there were 4,500 large shopping malls in the United States. Focus shifted to food courts and a place for the younger generation to socialize. Shopping Centers were generating 33% of all US retail sales by the mid-1970s. Ten years later, 52% of US retail sales were in shopping malls and the number of shopping malls grew to 25,000. The 1990s saw the opening of megamalls with over 500 stores, theme parks and a vast array of entertainment.

Thereafter, shopping habits shifted with one-stop stores like Walmart and Target. Mall anchor department stores were threatened by category busters, such as Best Buy, Home Depot, Toys R Us, Barnes & Noble, and PetSmart. Shoppers were turning to catalogs and TV shopping channels. The older malls started to look and feel dated. When the country was faced with the 2008 Great Recession, sales plummeted, and mall vacancies rose. In a four-year period (2010-2013) mall visitors dropped 50%. In 2017, the country experienced 7,000 retailers closing their stores, including several major anchors such as JCPenney and Sears. “Dead malls” started to appear. Next, online shopping became a new way of shopping. The shoppers preferred cheaper retailers, such as Kmart, Costco, Kroger, Dollar General and Family Dollar.

In the 2022 Christmas season, there were only 1,100 shopping malls in the nation. Fortunately, to date, Lincoln has been able to buck this trend and retain its major

shopping malls. Gateway Mall, like other Lincoln shopping centers, continues their successful operations, despite these major retail shifts and key store closures.

PLAN REQUIREMENTS

Redevelopment activities are guided by the Nebraska Community Development Law, Nebraska Revised Statutes sections 18-2101 through 18-2155, as amended (the “Act”). The Act indicates the governing body must first declare the project area substandard and blighted to prepare a redevelopment plan for the designated redevelopment area.

The City authorized its Urban Development Department to act as the community redevelopment authority within the meaning of section 18-2101.01 of the Act. The Urban Development Department formulated for the City a workable program utilizing appropriate private and public resources to:

- Utilize appropriate private and public resources;
- Eliminate or prevent the development or spread of urban blight;
- Encourage needed urban rehabilitation;
- Provide for the redevelopment of substandard and blighted areas, including provisions for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning and occupancy controls and standards;
- Rehabilitate or conserve substandard and blighted areas or portions thereof by re-planning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and
- Clear and redevelop substandard and blighted portions thereof.

The Act defines a “redevelopment plan” as “a plan, as it exists from time to time for one or more community redevelopment areas, or for a Project, which (a) conforms to the general plan for the municipality as a whole and (b) is sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area, zoning and planning changes, if any, land uses, maximum densities, and building requirements.” Nebraska Revised Statutes section 18-2103(27).

Section 18-2111 of the Act defines the minimum requirements of a redevelopment plan as follows:

A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements, and the proposed land uses and building requirements in the Project area.

Section 18-2111 of the Act also outlines six elements that must be included in all redevelopment plans:

1. The boundaries of the Project area, with a map showing the existing uses and condition of the real property therein;
2. A land-use plan showing proposed uses of the area;
3. Information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment;
4. A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances;
5. A site plan of the area; and
6. A statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment. Any redevelopment plan may include a proposal for the designation of an enhanced employment area.

In making its recommendation to approve this plan, the Urban Development Department considered the land uses and building requirements and determined that they are in accordance with the general plan for redevelopment of the City and represent a coordinated, adjusted, and harmonious development of the City and its environs. These determinations are in accordance with:

- Present and future needs to promote health, safety, morals, order, convenience, prosperity;
- The general welfare; and
- Efficiency and economy in the process of development.

Factors considered in the determination included among other things:

- Adequate provision for traffic, vehicular parking;
- The promotion of safety from fire, panic, and other dangers;
- Adequate provision for light and air;
- The promotion of the healthful and convenient distribution of population;
- The provision of adequate transportation, water, sewerage, and other public utilities;
- Schools, parks, recreational and community facilities, and other public requirements;
- The promotion of sound design and arrangement;
- The wise and efficient expenditure of public funds; and
- The prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

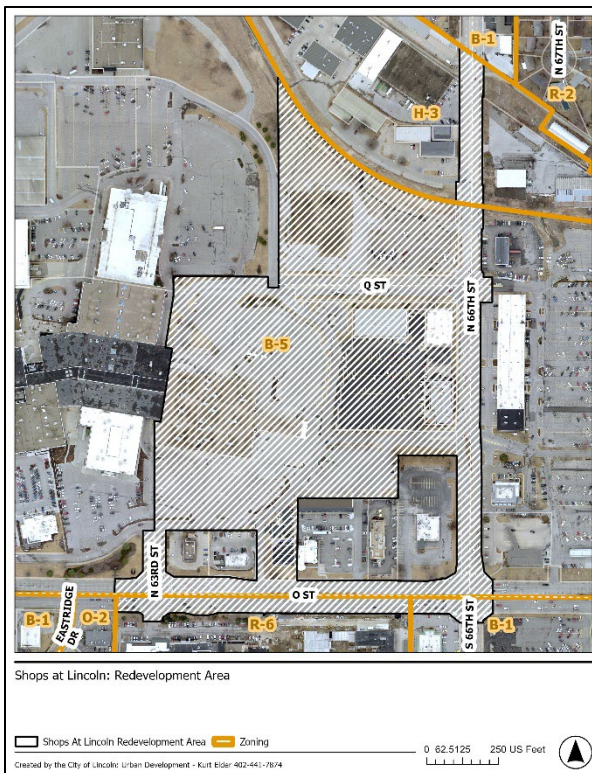
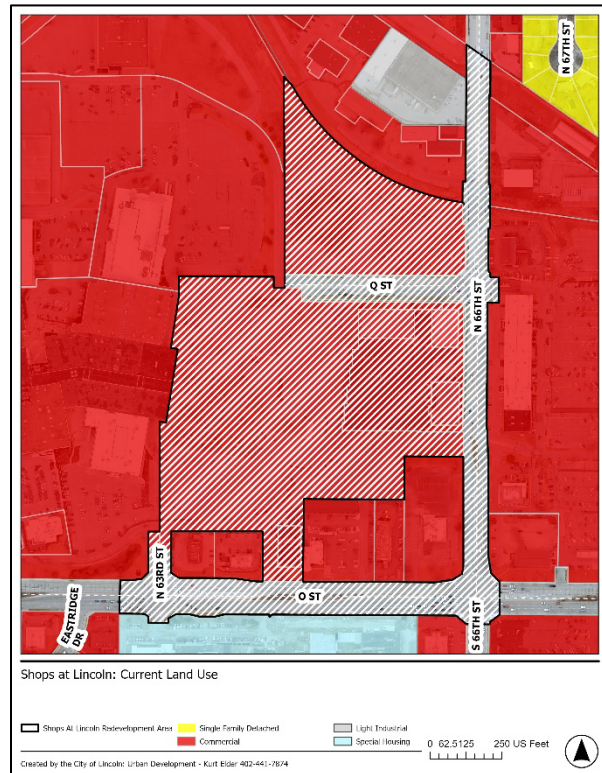
EXISTING CONDITIONS

Land Use

The Redevelopment Area consists of approximately 58 acres, of which approximately 86% is developed. The primary existing land use throughout the Redevelopment Area is commercial. Other uses in the Redevelopment Area include public streets and vacant/underdeveloped tracts of land. There are a total of five primary structures, all of which are commercial.

The Redevelopment Area is in an aging commercial area of the City. Four of the five total structures in the Redevelopment Area are over 40 years of age. With the average estimated age of the commercial structures in the Area being 42 years.

The Current Land Use Map is shown to the right.



Zoning

The entire Redevelopment Area is zoned B-5. The Zoning Map is shown to the left.

B-5 Planned Regional Business District:

The regulations set forth in this chapter are established to permit the development of regional retail shopping facilities and related activities which will provide for planned and controlled consumer services for all segments of the population, promote healthful economic growth, create a desirable environment, best complement the general land use pattern of the community, and assist in implementing the established goals and policies of the community.

Floodplain

The majority of the Redevelopment Area is located within the Deadmans Run Creek watershed but is outside the current designated floodplain. However, a small portion of the Redevelopment Area is in

Deadmans Run Creek's 100-year floodplain. Typically, flooding along Deadmans Run Creek has long durations with ample warning times prior to peak flows. Consideration should be given to mitigate floodplain.

Parks and Recreational Facilities and Trails

There are no parks located within the Redevelopment Area. However, Bethany Park is located just to the north of the Redevelopment Area and Taylor Park is located just to the south.

Bethany Park is a nine-acre park connecting to the MoPac in the southwest corner of the park. The community park improvements include playground equipment, enclosed and open shelters, picnic tables, a sand volleyball court, and open green space used for informal play.

Taylor Park is a 19-acre neighborhood park abutting Eastridge Elementary School. It includes playground equipment, open shelters, picnic tables, pollinator friendly plantings, and open space.

Although there are no commuter trails within the Redevelopment Area, the Mopac Trail follows Deadmans Run Creek along the northern edge of the Redevelopment Area. There are also multiple shared lane biking opportunities near the Redevelopment Area. These shared lanes provide access to other parts of the City from the Redevelopment Area.

Transportation

Traffic Circulation

The Redevelopment Area is generally bounded by O Street to the south, North 66th Street to east, Deadmans Run to the north, and North 63rd Street to the west. The Average Daily Traffic Volume ("ADT") count on O Street from North 63rd Street to North 66th Street is approximately 35,750 (2021) daily trips according to the Lincoln Transportation and Utilities Department ("LTU"). O Street is a major arterial per the City of Lincoln Access Management Policy. North 66th Street is a minor arterial. It is unlikely that the intensity of potential development in the Redevelopment Area will negatively impact traffic circulation in the Redevelopment Area.

The North 66th Street and Q Street intersection is adequately served with a dedicated north to west left turn lane and a shared right (south to west) and thru turn lane. Currently, there is another North 66th Street right-in, right out turn access point near the northwest corner of the Redevelopment Area. However, a pre-existing Use Permit Amendment PEUP3AH requires the closure of this right-in, right out turn access as a condition to redevelopment efforts in the Redevelopment Area. The surfaces of both Q Street and North 66th Street within the Redevelopment Area may benefit from improvements and doing so would serve to ameliorate and prevent the recurrence of blighted and substandard conditions in the area.

Street Layout

The Redevelopment Area is primarily served by the Gateway Mall ring road and does not have a standard street pattern. The internal shared ring road connects many driveways and parking lots associated with the commercial areas.

The street layout in the Redevelopment Area is inadequate and lacks an overall safe vehicular and pedestrian travel network. Q Street connects to North 66th Street but terminates at the eastern frontage road within the Redevelopment Area, thus making the public street system in the Redevelopment Area incomplete and not conducive to further development of the Redevelopment Area. A private, unnamed four-lane access road connects North 66th Street to the former Sears Department Store property.

Street and Driveway/Parking Conditions

Street conditions throughout the Redevelopment Area are generally good but resurfacing of North 66th Street and Q Street would promote further redevelopment within the Redevelopment Area. Many of the parking lots are in deteriorating condition.

Access and Parking

A large majority of the land in the Redevelopment Area is used as surface parking. However, the irregular shapes of the lots and the deteriorating conditions of the parking lots make the available parking inefficient thereby calling into question whether the Redevelopment Area is served adequately by existing parking. Likewise, the layout of access to the public streets throughout the Redevelopment Area inhibits redevelopment and use of the Redevelopment Area.

Sidewalk and Pedestrian Activity

The sidewalk system throughout the Redevelopment Area needs proper design and upgrading for safe pedestrian travel. The limited number of sidewalks that are currently located in the Redevelopment Area are in good to fair condition. Any redevelopment that occurs in the Redevelopment Area will comply with all sidewalk requirements including ADA accessibility improvements to ensure connectivity throughout the Redevelopment Area.

Public Transportation

StarTran provides public transportation services in the Redevelopment Area via the #44 – “O” Street Weekday Service route, which generally drops off at the intersection of O Street and North 63rd Street and runs to and from Downtown to Southeast Community College and #48/54 – North 48th Veteran’s Hospital, which is a combined route with stops at Gateway Mall and Victory Park while primarily serving North 49th Street and A Street corridors to Downtown.

StarTran’s VANLNK provides on-demand door-to-door transportation services anywhere within City limits, including the Redevelopment Area. VANLNK is a shared ride service that uses software to optimize the route for all users who schedule a ride using a smartphone app. All VANLNK vehicles are lift or ramp accessible.

Being able to utilize public transportation with dignity is a vital component for ridership. The bus stops in the Redevelopment Area lack the general necessities to wait for the bus with dignity. As redevelopment occurs in the Redevelopment Area, complete bus stop buildouts, including benches and shelters, should be constructed to provide a pleasant, safe, and efficient waiting area for riders.

Streetscape and Street Lighting

Streetscapes and street lighting will include amenities for visual interest and safety, including seating, trees for shade, and green buffers.

Public Utilities

Water Systems

The water distribution mains in the Redevelopment Area are in generally good to very good condition according to the City's Public Works staff.

There are 12" PVC water mains laid parallel to both O Street and North 66th Street and an 8" main along Q Street constructed of ductile iron pipe. The O Street and North 66th Street water lines were installed in 2000 and 1982, respectively. Private lines connect to each of the structures in the Redevelopment Area.

Sanitary Sewer

A sanitary sewer main exists along North 66th Street and another line cuts a diagonal path through the Redevelopment Area, which significantly limits development on several parcels. The sanitary sewer mains range from 8" to 15" in size and were constructed in 1963 of Vitrified Clay Pipe (VCP).

As the sanitary sewer mains in the Redevelopment Area continue to age, breakage and repeated maintenance become more likely. To support future development in the Redevelopment Area, rehabilitation of the existing sanitary sewer mains or installation of new sanitary sewer mains may be required.

HISTORICAL SIGNIFICANCE

According to *PlanForward*, the Lincoln/Lancaster County Comprehensive Plan ("Comprehensive Plan"), the Redevelopment Area is not situated within any historic district. Nor are there any buildings or locations within the Redevelopment Area with historical significance.

BLIGHT AND SUBSTANDARD DETERMINATION

For a project in the City to be eligible for tax increment financing (“TIF”) resources under the Act, the project must be in an area that has been designated as “blighted” and “substandard,” as those terms are defined in the Act.

The City, through its Urban Development Department, contracted with the Consultant to conduct the Blight Study. The Blight Study was completed in November 2023. This section of the Redevelopment Plan is taken directly from the Blight Study.

The Blight Study determined each of the factors identified in the statutory definitions of “blight” and “substandard” to determine whether each were present in the Redevelopment Area, and if so, to what extent. The Consultant’s evaluation included a detailed exterior and interior structural survey of seven structures, field inventory, conversations with City staff and property owners and management, and a review of available reports and documents which could substantiate the existence of blight and substandard conditions.

The Consultant concluded that the number, degree, and distribution of blight and substandard factors in the Redevelopment Area, as documented in the Blight Study, are beyond remedy and control solely by regulatory processes in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aid provided in the Act. Further, the Consultant opined that the findings in the Blight Study warrant designating the Redevelopment Area as blighted and substandard. The City Council concurred and adopted Resolution A-94450 declaring the Redevelopment Area blighted and substandard on February 12, 2024.

REDEVELOPMENT PLAN GUIDING PRINCIPLES

The Comprehensive Plan identifies several policies for mixed use areas. The following guiding principles are taken directly from the Comprehensive Plan and should be used as a guide for redevelopment activities.

E2: Infill and Redevelopment

Infill and Redevelopment Approach

The Infill and Redevelopment Approach seeks to fulfill the following objectives:

- To provide flexibility to the marketplace in siting future redevelopment locations;
- To offer existing neighborhoods, present and future residents, developers, other businesses, and infrastructure providers a level of predictability as to where such redevelopment concentrations might be located; and
- To promote high-quality, durable design for Projects, including TIF projects, that enhance the surrounding neighborhood.
- To encourage and provide incentives for residential mixed use in redeveloping commercial and industrial areas.

PlanForward identifies the potential for 12,000 new dwelling units to be located within the existing built-out portion of the City, roughly 25 percent of the projected 48,000 new dwelling units to be built citywide by 2050. The scale and intensity of new dwelling units will vary based on context of the surrounding area. This section provides a guide for infill housing types within different districts of the existing City.

Infill District: Primary Mixed Use Redevelopment Nodes and Corridors

Primary Mixed Use Redevelopment Nodes and Corridors provide the opportunity for large-scale infill redevelopment, and the creation of new urban neighborhoods that function as “villages within the city” with a mix of uses and amenities that are accessible through multiple modes of transportation.

Existing Regional Centers, discussed in the Business, Economy, and Workforce Element, are identified as Primary Mixed Use Redevelopment Nodes. They present unique opportunities for large-scale mixed-use redevelopment given their size, prominent location, and shared B-5 Planned Regional Business zoning district. O Street is a Primary Mixed Use Redevelopment Corridor. It is Lincoln’s “main street” and a key transportation route that provides connections through the heart of the community. The O Street corridor includes a mix of residential and commercial uses and features prosperous commercial areas alongside underutilized commercial properties that present strong opportunities for redevelopment.

O Street is also expected to be Lincoln’s first candidate for an enhanced mass transit option, such as Bus Rapid Transit (BRT). Dense concentrations of jobs and housing are necessary for BRT or other enhanced transit options to be effective. Focusing efforts on the O Street corridor, and the nodes along the corridor, will help to extend Lincoln’s high-density urban core beyond Downtown.

An example of a Primary Mixed Use Redevelopment opportunity is the Gateway Mall area. A long-term implementation of the nodes and corridors concept could transform the area into a mixed-use neighborhood with higher density residential that supports a variety of commercial uses, high-quality transit options, and pedestrian and bicycle connectivity.

E-3 Business, Economy, and Workforce

Commercial Infill; Commercial Infill Design Strategies

- Encourage a Floor Area Ratio that exceeds existing/previous commercial uses on the site.
- Face existing residential uses with new residential uses rather than the backs of commercial buildings unless existing residential faces the opposite direction such as along an alley.
- Discourage commercial driveways that interrupt the block face of a residential street, especially when residences face the street.

- Encourage shared driveways and interconnected parking lots where possible.
- Orient buildings to the street, especially corners.
- Maintain or adaptively reuse existing structures (especially historical structures) where possible.
- Encourage a vertical mix of residential and commercial use types.
- Encourage shared parking between land uses with different peak demand periods.
- Maintain or enhance on-street parking resources, especially in established/historic commercial districts.

REDEVELOPMENT ACTIVITIES

The redevelopment activities to be undertaken in the Redevelopment Area will be identified as redevelopment projects occur.

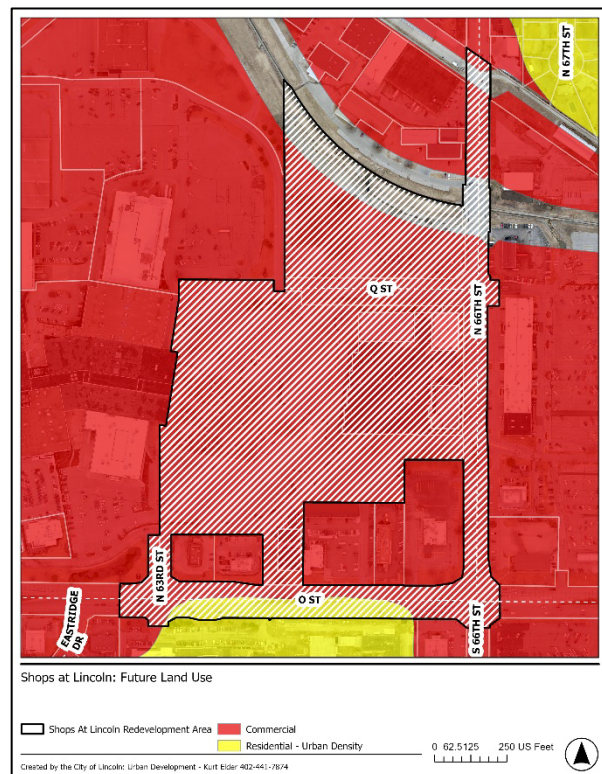
FUTURE LAND USE

The Future Land Use Map shows the intended future land uses within the Redevelopment Area. The future land use of the Redevelopment Area, as set forth in the Comprehensive Plan, is commercial including some multifamily residential.

REDEVELOPMENT PROCESS

The City anticipates construction of public improvements and other redevelopment activities in the Redevelopment Area could require construction easements, acquisition of public driveway easements and site preparation (including rerouting/upgrading of underground utilities, as needed). The process for these redevelopment activities are as follows:

- Property Acquisition. Redeveloper has interest in dedicating a public driveway easement over all or portions of the internal driveway ring road to facilitate



certain landscaping improvements. The City may acquire other necessary and desirable fees, easements, property, and covenants through voluntary negotiations. The City of Lincoln Land Acquisition Policy Statement is on file at the Urban Development Department, 555 S. 10th Street, Suite 205, Lincoln, NE 68508. However, if voluntary agreement is not possible, the City may institute eminent domain proceedings.

- Relocation – Relocation may involve the temporary or permanent relocation of families, individuals, or businesses to complete redevelopment activities. Relocation will be completed according to local, state, and federal relocation regulations. The City of Lincoln Relocation Assistance is on file at the Urban Development Department, 555 South 10th Street, Suite 205, Lincoln, NE 68058.
- Demolition – Demolition will include clearing sites on property proposed for public improvements; necessary capping, removal or replacing utilities; site preparation; securing insurance and bonds; and taking other necessary measures to protect citizens and surrounding properties. Measures to mitigate environmental findings may also be necessary, if determined by site testing.
- Disposal/Disposition – Sub-area projects may include the sale of land to private developers for redevelopment purposes. Developers will be selected in an equitable, open, and competitive proposal process according to the Land Disposition Procedures on file at the Urban Development Department, 555 South 10th Street, Suite 205, Lincoln, NE 68058.
- Requests for Proposals – Architects and engineers will follow the City’s standard selection processes to design the public facilities and improvements. Primary contractors will also be competitively selected.

ESTIMATED EXPENDITURES

Estimates of the costs associated with each project will be determined as projects occur, and a cost-benefit analysis for each such project will be conducted to determine the costs and the benefits of the proposed project prior to implementation. Necessary public improvements will be prioritized and constructed as TIF dollars are generated.

PLAN CONFORMANCE

PlanForward, the City’s 2050 Comprehensive Plan, adopted November 22, 2021, as amended, represents the local goals, objectives, and policies of the City. The Redevelopment Plan was developed in accordance with, and is consistent with, the Comprehensive Plan. All opportunities for redevelopment of the Redevelopment Area shall be considered and implemented in conformity with the Comprehensive Plan.

This Redevelopment Plan contemplates infill redevelopment and revitalization of a long vacant commercial space.

The City's Climate Action Plan prioritizes the continuation of mixed-use development, the adoption of pedestrian-oriented development, and the adoption of transit-oriented development ("TOD") policies regarding the City's growth and redevelopment.

The Climate Action Plan 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. Thus, ideal projects will provide for walkable, mixed-use housing options and/or will incorporate businesses, institutions, or public services which further the goals of climate-smart innovation and economic development. This Redevelopment Plan meets those goals by utilizing TIF to promote the reuse of an existing vacant commercial building and energy-efficiencies in commercial buildings.

The City's Affordable Housing Coordinated Action Plan identifies strategies which could influence the future land use and zoning within redevelopment areas, such as increasing the percentage of land zoned for multi-family and missing middle housing, expanding the number for affordable units through the Low-Income Housing Tax Credits ("LIHTC") funding product, and encouraging infill redevelopment in existing neighborhoods. Projects formed by these strategies are more likely to increase the density of housing units and population within redevelopment areas.

Effective redevelopment proposals will also aim to minimize any adverse effects on existing residents.

All development or projects in the Redevelopment Area should be consistent with the goals set forth in the Comprehensive Plan, Climate Action Plan, and Affordable Housing Coordinated Action Plan.

FINANCING

The private sector will provide primary financing for revitalization of the Redevelopment Area. The City shall participate where necessary in the redevelopment process, including providing public services and public improvements. However, the scope of the work necessary to eliminate blight and substandard conditions in the Redevelopment Area is beyond the City's capacity to accomplish alone. Financing of proposed improvements will require participation by both the private and the public sectors.

Projects undertaken in the Redevelopment Area will be subject to the limits and sources of funding authorized and approved by the Mayor and the City Council. Where appropriate, the City may participate by providing financial assistance for the rehabilitation of structures.

Sources of funding may include:

1. Special Assessments – Business Improvement Districts.
2. Private Contributions.

3. Sale of Land (Proceeds from the sale of land acquired for redevelopment, as identified in the Redevelopment Plan, shall be invested in the Redevelopment Area.
4. Municipal Infrastructure Redevelopment Fund (MIRF).
5. Municipal Infrastructure Redevelopment Funds (CDBG).
6. Home Investment Partnership Act (HOME).
7. HUD Section 108 Loan Program.
8. Community Improvement (Tax Increment) Financing (Ad Valorem Tax).
9. Capital Improvements Program Budget.
10. Federal and State Grants.
11. Interest Income.
12. Advance Land Acquisition Fund – property rights/easements, public facility site acquisition.
13. Occupation Taxes

According to the Act, any ad valorem tax levied upon real property, or any portion thereof, in a Project shall be divided for a period not to exceed the statutorily permitted period after the effective date as identified in the project redevelopment contract or in the resolution of the authority authorizing the issuance of bonds pursuant to the Act, as follows:

- That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each public body upon the Project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body (“Base Tax Amount”); and
- That portion of the ad valorem tax on real property, as provided in the redevelopment contract or bond resolution, in the Project in excess of the Base Tax Amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, the Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such Project shall be paid into the funds of the respective public bodies.

The effective date for the Community Improvement Financing provisions of the Redevelopment Plan for each sub-project shall be identified in the project redevelopment contract.

THE SHOPS AT LINCOLN/FORMER MEGINNIS FORD SITE REDEVELOPMENT PROJECT

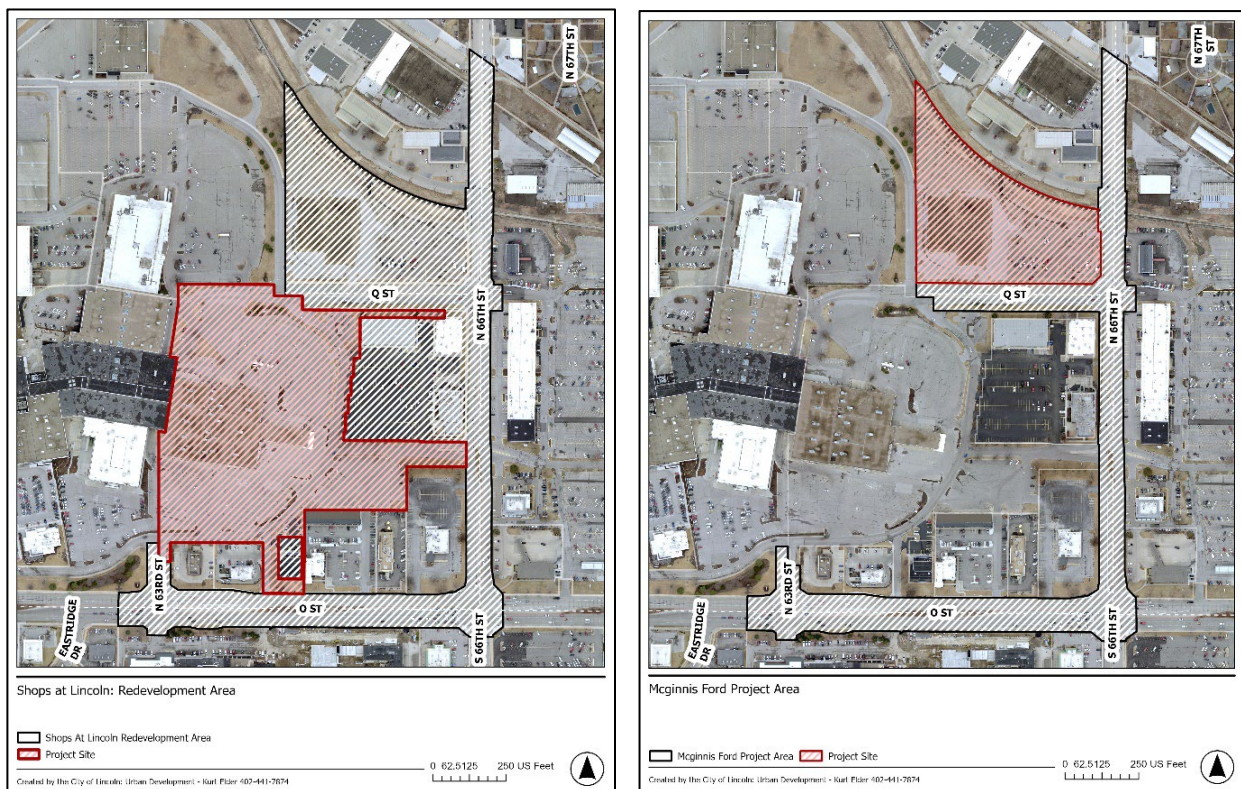
Exhibit A – Project Sites Legal Description

Exhibit B – Enhanced Employment Description

Project Description

Project Sites

This Redevelopment Plan and the redevelopment activities are guided by Community Development Law, Neb. Rev. Stat., Section 18-2101, et. seq. (as amended) (“Act”). Pursuant to the Act, the two Redevelopment Projects, each comprising an independent “Project Site” are legally described on Exhibit A and are shown below:



Shops at Lincoln Project Site:

6400 “O” Street (former Sears), Shops At Lincoln, LLC, Parcel ID: 17-21-322-003-000, 14.05 acres (812,214 SF), building size; Level 1: 80,427 SF, Level 2: 35,108 SF, and Service Center (5,096 SF); total building size: 120,631 SF

Former McGinnis Ford Project Site:

6400 “Q” Street (former McGinnis Ford auto dealer), Southview Holding Company, Inc., Parcel ID: 17-21-400-010-000, 5.72 acres (249,151 SF), no existing building

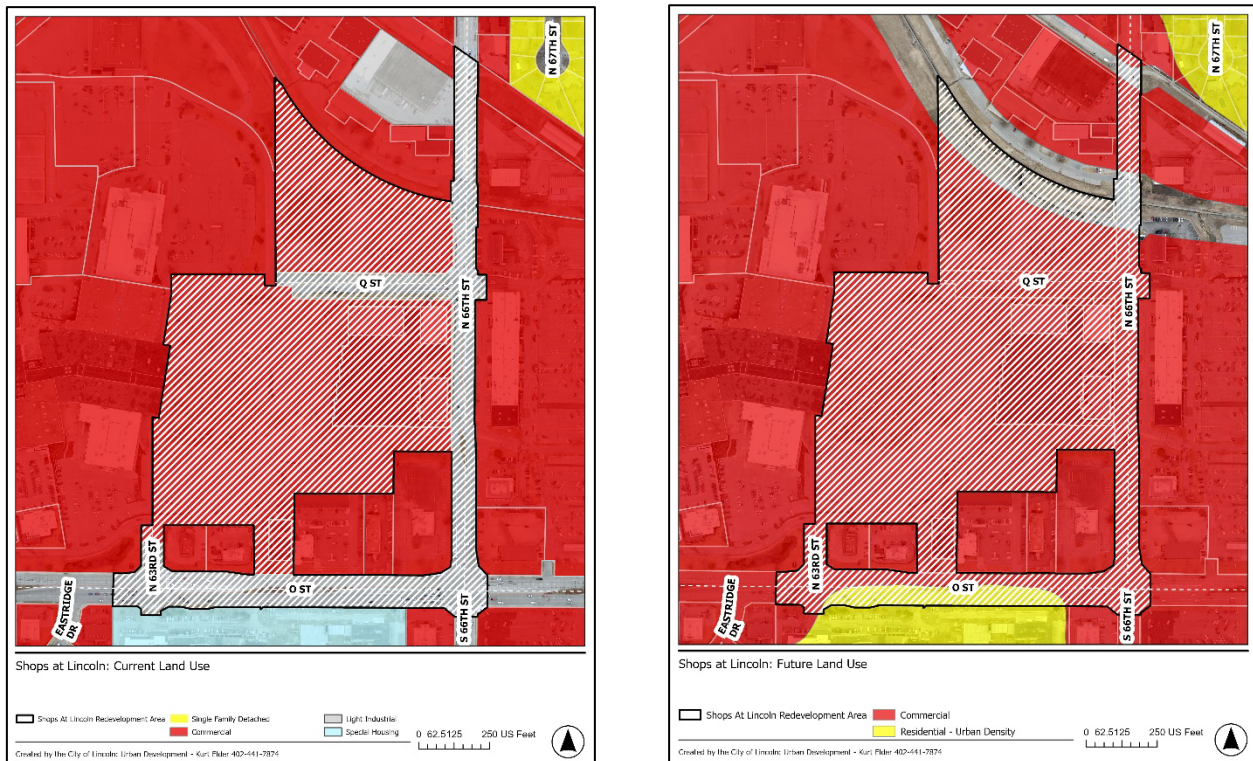
The two proposed Redevelopment Projects are extremely important to help sustain Gateway Mall. The two Redevelopment Projects seek to capture the increase in

property taxes within the two Project Sites and use the property tax increment to help fund the removal of blight and substandard conditions and implement public improvements. In addition, the Shops at Lincoln Redevelopment Project seeks to use an enhanced employment area / occupation tax financing to provide additional funding to remove blight and substandard conditions and implement public improvements.

The City recognizes continuing blight and deterioration as a threat to the stability and vitality of Gateway Mall and the surrounding areas. Revitalization efforts cannot reasonably occur without public action. The Redevelopment Plan provides a guide for the public and private partners as redevelopment efforts move forward.

Shops at Lincoln Redevelopment Project

One of the major Gateway Mall expansions occurred in 1971 with the opening of Sears as an additional anchor department store.

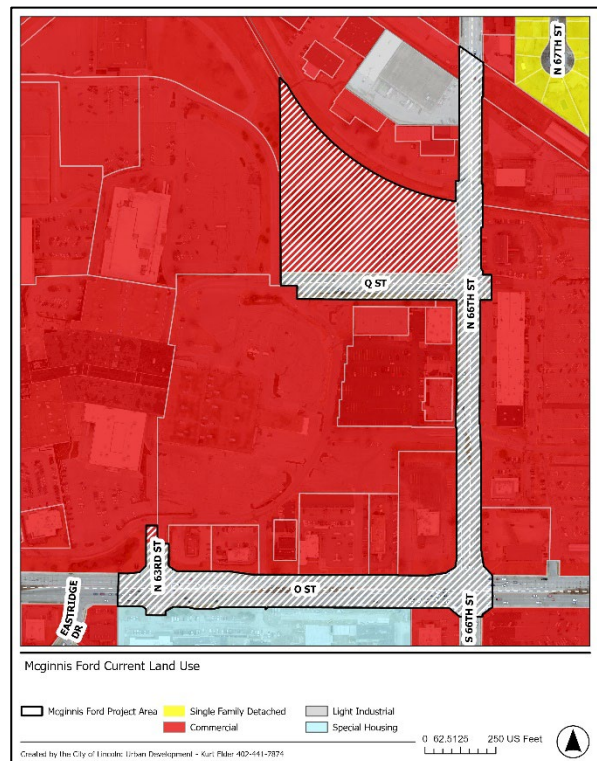
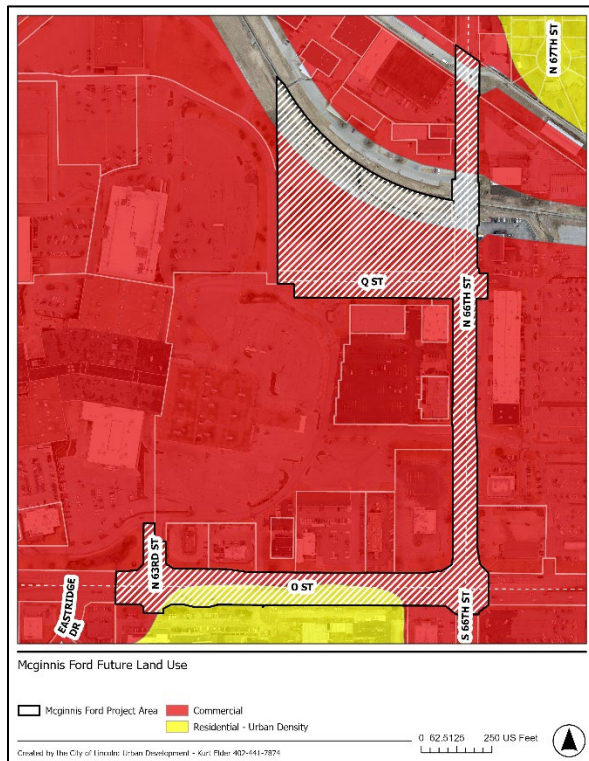


With shifting retail trade, Sears closed their doors in 2019 and the building has remained vacant since. Reserve Development acquired the former department store and the building currently occupied by A.T. Thomas Jewelers in 2023. As described in this Redevelopment Plan, Reserve Development is proposing a complete renovation of the former Sears building. Reserve Development is an established commercial real estate developer from Dallas, Texas that has developed many urban centers and repurposed several former big box retailers into successful smaller retailers. Reserve Development plans to convert the former Sears building into upscale tenant space for three new to Lincoln retailers. A.T. Thomas Jewelers would continue to serve the Lincoln community.

- **Private Improvements:** Reserve Development plans to convert the former Sears building into newly renovated tenant space for three new to Lincoln retailers.
- **Public Improvements:** The Blight Study concluded existing conditions are beyond remedy and control solely by regulatory police power processes and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided in the Act. Thus, eligible public purpose expenditures authorized by the Act that could assist in the redevelopment of the Project Area (defined below) include acquisition assistance, site preparation, closure of an O Street access, sidewalk improvements, exterior façade and energy enhancements, and utility improvements, streetscape, landscape, street trees and irrigation.
- **Estimated Expenditures:** The preliminary estimate for private investment for the Shops at Lincoln Redevelopment Project is approximately \$36 million. Public improvements (approximately \$7.5 million) will be constructed primarily using TIF funds (approximately \$4.5 million) and Occupation Tax Financing (approximately \$3.0 million). Any remaining public improvements will be funded with other public funds or directly by the redeveloper.

Former Meginnis Ford Redevelopment Project

Another major retailer departed the Gateway Mall area thirteen years ago. Anderson Ford bought Meginnis Ford in 2008 and opened a new dealership near South 33rd Street and Yankee Hill Road in 2011. In turn, Southview Holding Company, Inc. acquired the former car dealership in 2018 and through its subsidiary, Commercial Investment Properties, submitted preliminary plans to redevelop the nearly six-acre tract.



In 2018, the City Council approved a use permit amendment (Pre-existing Use Permit Amendment PEUP3AH) to transform the former car dealership site into a mixed-use project with a 300-unit apartment building, 70,000 square feet of commercial space, or a combination of apartments and commercial space with maximum building heights of 55 feet tall.

Based upon the approved Pre-existing Use Permit Amendment, Southview Holding Company, Inc. hopes to finalize the details of its redevelopment project in the near future. Next, Southview Holding Company, Inc. would finalize a redevelopment agreement with the City and start its design and construction when economic conditions improve from the current high interest rates and construction prices.

- **Private Improvements:** Southview Holding Company, Inc. plans to implement the Pre-existing Use Permit Amendment PEUP3AH to transform the former car dealership site into a residential/commercial mixed-use project. Approved plans would allow up to 300 apartment units, 70,000 square feet of commercial space or a combination thereof. The Southview Holding Company, Inc. team expects the residential portion to be similar to the successful 153 apartment complex called Haven at Uptown that was built in 2020 and is located on the other side of Gateway Mall at N. Cotner & “P” Street. The upscale Haven at Uptown, has a multitude of amenities, including, underground parking, EV charging stations, bike repair stations, recycling center, high tech-controlled access system, swimming pool and hot tub and on-site maintenance and management personnel.
- **Public Improvements:** To help alleviate the blight and substandard conditions, a public-private partnership effort is needed. The following are eligible public purpose expenditures that are authorized by the Act that could provide needed public assistance in the redevelopment of the Redevelopment Project Area: public improvements could include acquisition assistance, grading, environmental remediation, site preparation, stormwater enhancements, public sidewalks, façade and energy enhancements, affordable housing assistance, closure of a N. 66th Street access, utility improvements, streetscape, landscape, street trees and irrigation.
- **Estimated Expenditures:** The estimated private investment range for the Former Meginnis Ford Redevelopment Project is approximately \$35-\$68.4 million. Public improvements will be constructed primarily using Tax Increment Financing (TIF) funds and any remaining public improvement funding gap will be funded by other public funds or directly by the redeveloper.

Enhanced Employment Area

To fund the Project, the Shops at Lincoln Redevelopment Project includes the creation of an Enhanced Employment Area (“EEA”). The EEA will enable the levy of a .5% occupation tax on the businesses located within the Shops at Lincoln Project Site, which is sometimes called “Occupation Tax Area”. The proposed EEA land area is approximately 812,214 SF and is legally described in Exhibit C. The EEA is the same area as the Shops at Lincoln Project Site.

The occupation tax would be similar to a sales tax on purchases and rental goods but would exclude: (i) wholesalers of alcohol beverages, (ii) motor fuel, (iii) cigarettes and tobacco products, and (iv) food (except for prepared food). The .5% occupation tax would be applied to the EEA for up to twenty (20) years to help provide monetization of that revenue stream in order to fund public improvements within the Shops at Lincoln Project Site.



The EEA is located within the Blighted and Substandard Area. To designate the Shops at Lincoln Project Site as an EEA pursuant to the Act, the Redevelopment Project Area cannot exceed 600 acres. In addition, the EEA will need to result in at least twenty-five new employees and new investment of at least \$2,000,000.00. The Shops at Lincoln Project Site is 18.6 acres in size and is projected to have approximately 180 new employees and an investment over \$30 million. The Act also requires any business that has 135,000 square feet or more and annual gross sales of \$10,000,000 or more must provide an employer-provided health benefit of at least \$3,000 annually to all new employees who are working 30 hours per week or more on average and have been employed at least six months [§18-2116]. The EEA does not include any business with 135,000 square feet and annual gross sales of \$10,000,000.00.

The EEA is comprised of the Shops at Lincoln Project Site, which is described below:

6400 “O” Street (former Sears): Shops at Lincoln, LLC, Parcel ID: 17-21-322-003-000, 14.05 acres (812,214 SF), building size; Level 1: 80,427 SF, Level 2: 35,108 SF, and Service Center (5,096 SF); total building size: 120,631 SF

Statutory Elements

Public improvements and redevelopment activities may require construction easements; public driveway easements; vacation of street and alley right-of-way; temporary and permanent relocation of businesses and residences; demolition; disposal/sale of property; site preparation; and may include driveway easements; paving driveways, arterial street driveway closures with the public right-of-way, approaches and sidewalks outside property lines; relocation of utility lines. The process for these activities includes the following:

Property Acquisition, Demolition, and Disposal: The two Redevelopment Projects’ implementation do not require the City to acquire property. The City may acquire the necessary fees, easements, property and covenants for infrastructure improvements through voluntary negotiation. If voluntary agreement is not possible, the City may institute eminent domain proceedings. No temporary or permanent relocation of any existing businesses, individual or families is anticipated with the Shops at Lincoln Redevelopment Project or Former Meginnis Ford Redevelopment Project. If relocation is required, it will be completed according to local, state, and federal relocation regulations (see Relocation Assistance, on file at the Urban Development Department and available on request). Demolition may include clearing interior portions of the former Sears building and site preparation of the two Redevelopment Projects proposed for public and private improvements; necessary capping, removal or replacing utilities; securing insurance and bonds; and taking other necessary measures to protect citizens and surrounding properties. Measures to mitigate environmental findings may also be necessary if determined by site testing. Sometimes, nearby public rights-of-way and other City properties may no longer be needed for public streets and utilities and transfer could improve a redevelopment

project. The current preliminary designs of the two Redevelopment Projects do not include the sale of any City land to private developers for redevelopment purposes.

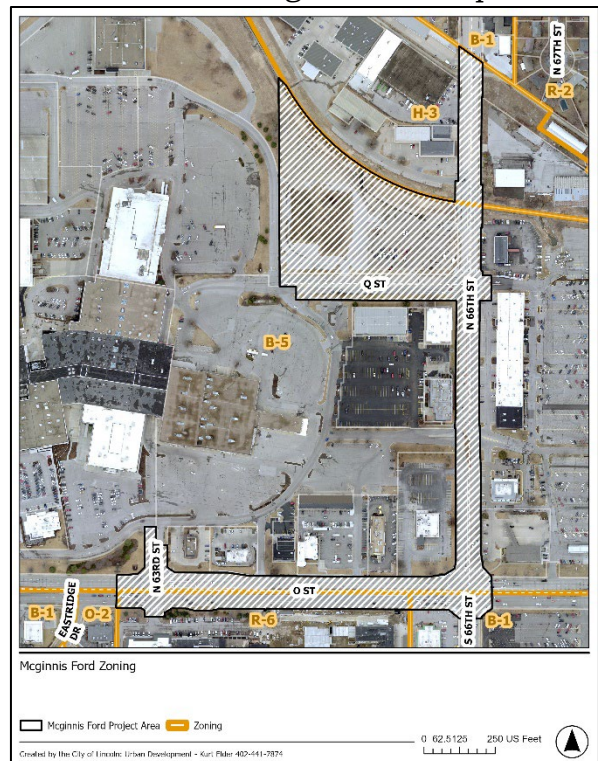
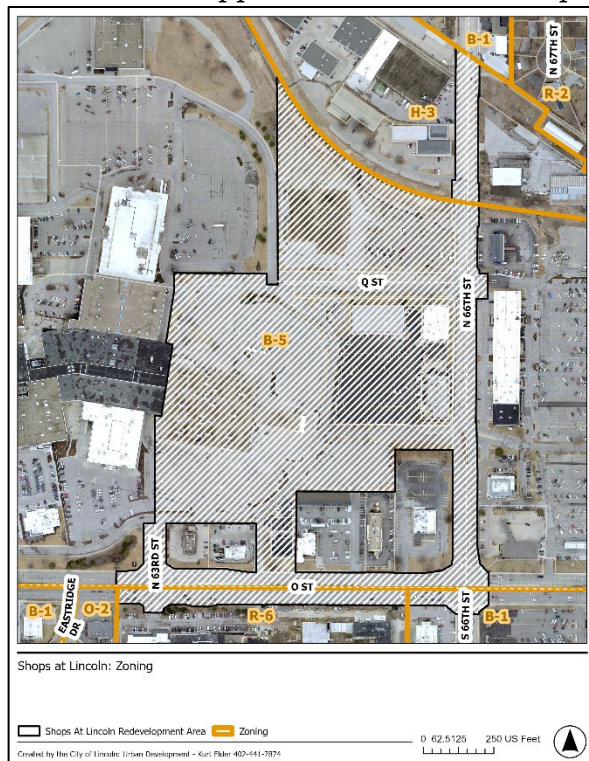
Population Density: Upon completion of the Project, there will be a slight increase in the potential population density due to the construction of multi-family housing constructed on the Former Meginnis Ford Redevelopment Project Site. The increase in population density is consistent with (and will achieve the goals of) the Comprehensive Plan as well as the City of Lincoln Coordinated Affordable Housing Action Plan by providing for additional housing opportunities at varying price points in the city.

Land Coverage: The Former Meginnis Ford Redevelopment Project will change land coverage within the Redevelopment Project Area, with the construction of new and higher density building(s). The two Redevelopment Projects will comply with the applicable land-coverage ratios and zoning requirements of the City of Lincoln.

Traffic Flow, Street Layouts, and Street Grades: Despite the increase in land coverage, the traffic report for the Shops at Lincoln Project Site shows that there will not be an increase in motor vehicle trip counts. The Redevelopment Projects do not include any changes to street layouts and grades, except for the two proposed closures of the O Street and North 66th Street right-in and right-out access points.

Parking: The Redevelopers proposed parking design will meet the City's zoning requirements and the Pre-existing Use Permit Amendment PEUP3AH and PEUP3AI.

Zoning, Building Code, and Ordinances: There are no anticipated changes to the current B-5 Planned Regional Business District. If a land use or site plan changes, the redeveloper will seek the appropriate amendments to the Pre-existing Use Permit Amendment. Approval of this Redevelopment Plan does not change the Developer's



requirement to obtain all necessary land use approvals. The Development Services Center will work with the Developer to ensure that applicable building code requirements and ordinances will be satisfied.

Cost Benefit Analysis

Nebraska Community Development Law (Neb. Rev. Stat. §18-2147) requires the completion of a cost benefit analysis for redevelopment projects. As required by Nebraska Community Development Law (Neb. Rev. Stat. §18-2113), the City has analyzed the costs and benefits of the proposed Shops at Lincoln Redevelopment Project and Former Meginnis Ford Redevelopment Project.

Tax Increment Financing	Shops at Lincoln Project Site	Former Meginnis Ford Project Site- Commerical	Former Meginnis Ford Project Site-Residential
2023 Assessed Value	\$3,897,000	\$1,012,500	\$1,012,500
New Estimated Value	\$28,920,738	\$30,000,000	\$65,000,000
Increment Value	\$25,023,738	\$28,987,500	\$63,987,500
Annual TIF Tax Generated	\$425,951	\$518,094	\$1,094,400
Available TIF Proceeds	\$4,459,848	\$5,457,645	\$12,047,298

Shops at Lincoln:

Upon completion of the Shops at Lincoln Redevelopment Project, the assessed value of the property within the Shops at Lincoln Redevelopment Site will increase by an estimated \$28,920,738 as a result of the private investments. This will result in an estimated annual increase of \$425,952 in property tax collections that will be available for the construction and implementation of public improvements related to the Shops at Lincoln Redevelopment Project during the 15-year TIF period. The public investment of a projected \$4.5 million in TIF funds will leverage \$36 million in private sector financing, resulting in a private investment of more than \$8 for every City TIF dollar spent. The available TIF funds shall be subject to further adjustment as Redevelopment Project costs are defined.

The City will forgo approximately 14.89 percent of these annual collections (estimated at \$63,424 per year), up to 15 years to support the Shops at Lincoln Redevelopment Project. The tax increment gained from the Shops at Lincoln Project Site would not be available for use as City general fund tax revenues over that time but will be used toward bond repayment. After the 15-year period or the debt has been retired, the increase in annual taxes paid will be split among the taxing jurisdictions according to the tax levy shown below.

Description	Tax Rate
AG SOCIETY	0.0012280%
AG SOCIETY JPA	0.0016760%
CITY OF LINCOLN	0.2661020%
EDUC SERV UNIT 18	0.0150000%
JAIL JPA COUNTY	0.0048430%
JAIL JPA LINCOLN	0.0066080%
LANCASTER COUNTY	0.2223470%
LINCOLN AIRPORT AUTHORITY	0.0167500%
LINCOLN PUBLIC SCHOOL	0.9347860%
LOWER PLATTE NRD	0.0225250%
PUBLIC BLDG COMM	0.0150500%
RAILROAD SAFE DIST	0.0222170%
SE COMM COLLEGE	0.0937000%
*CITY POLICE FIRE PENSION	0.0292320%
*LPS 2006 BOND	0.0425260%
*LPS 2014 BOND	0.0241930%
*LPS 2020 BOND	0.0521120%
*LPS CAPITAL PURPOSE	0.0164050%
Total Tax Rate:	1.7873000%

Former Meginnis Ford:

Upon completion of the Former Meginnis Ford Redevelopment Project, the assessed value of the property within the Former Meginnis Ford Redevelopment Site could increase by an estimated \$28,987,500 to \$63,987,500 as a result of the private investments. This will result in an estimated annual increase of approximately \$495,783 to \$1,094,400 in property tax collections that will be available for the construction and implementation of public improvements related to the Former Meginnis Ford Redevelopment Project during the 15-year TIF period. The public investment of a projected to range from \$5.5 million to \$12.1 million in TIF funds will leverage approximately \$35.0 to \$68.4 million in private sector financing, resulting in a private investment of \$5.20 for every City TIF dollar spent. The available TIF funds shall be subject to further adjustment as Redevelopment Project costs are defined.

The City will forgo approximately 14.89 percent of these annual collections (estimated range of \$73,822 to \$162,956 per year), up to 15 years to support the Former Meginnis Ford Redevelopment Project. The tax increment gained from the Former Meginnis Ford Project Site would not be available for use as City general fund tax revenues over that time but will be used toward bond repayment. After the 15-year period or the debt has been retired, the increase in annual taxes paid will be split among the taxing jurisdictions according to the tax levy shown above.

Tax Revenues: Enhanced Employment Area / Occupation Tax Financing Analysis

This Redevelopment Plan includes a proposal for the designation of the Shops at Lincoln Project Site as an Enhanced Employment Area (“EEA”). The Act authorizes the City to implement and provide grants for public improvements, public enhancements, and redevelopment project improvements in order to accomplish the proposed Shops at Lincoln Redevelopment Project within the EEA in accordance with the Redevelopment Plan. The City believes that the redevelopment of the Shops at Lincoln EEA is in the vital and best interest of the City and is in furtherance of the health, safety, and welfare of its residents, and is in accordance with the public purposes and provisions of applicable laws.

Occupation Tax Financing	Shops at Lincoln Project Site
Annual Sales Revenues	\$46,165,200
Annual .5% Occupation Tax	\$230,826
City Collection Fee 2%	\$4,617
Annual Occupation Tax	\$226,209
Available Occupation Tax Proceeds	\$2,928,691

The Redeveloper is seeking Occupation Tax Financing in the amount of up to \$3.0 million. The Occupation Tax Proceeds will be used to pay for the design and installation of the above-described public improvements and public enhancements.

The City may levy a general business occupation tax upon categories of businesses within the EEA for the purpose of paying all or any part of the costs of the eligible public improvements and enhancements. The City will pledge the EEA / Occupation Tax generated from the EEA to repay the Occupation Tax Financing indebtedness.

The Redeveloper expects the build out of the Project Site as one phase.

The EEA/Occupation Tax indebtedness will be paid off on the earlier date of twenty years after the applicable effective date of Shops at Lincoln Redevelopment Project Area or whenever the applicable EEA / Occupation Tax indebtedness is repaid (“EEA/Occupation Tax Period”). The EEA / Occupation Tax indebtedness will not be backed by the City’s property tax authority. In the event the EEA / Occupation Tax is not sufficient to pay off the EEA / Occupation Tax indebtedness, then the Redeveloper (or its lender) will be liable and not the City. This Redevelopment Plan does not provide for the capture of the EEA / Occupation Tax from business located on any real estate other than the Shops at Lincoln Project Site.

Public Infrastructure and Community Public Service Needs Impacts: It is not anticipated that the Redevelopment Projects will have an adverse impact on existing public infrastructure. TIF will be utilized to make any improvements to streets, sidewalks, utilities, and public spaces in the Redevelopment Area required by these Redevelopment Projects. It is not anticipated that the Redevelopment Projects 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 around the Redevelopment Projects. In fact, it will create new employment opportunities inside the Redevelopment Area. The Redevelopment Projects will also create opportunities for additional compatible businesses. Additionally, the Redevelopment Projects will support temporary construction jobs during the redevelopment of the Project Sites.

Employment in the City Outside the Project Area: Approximately 146,580 persons were employed in 8,721 total establishments in Lancaster County, according to the 2020 Census, County Business Patterns, North American Industry Classification System. The Redevelopment Projects are not expected to adversely affect employment in the City. Instead, the reuse of the Sears building and increase building density will help address blight and substandard conditions in the Redevelopment Project Area and help encourage further redevelopment of property within the Redevelopment Project Area.

Impact on Student Populations of School Districts: It is anticipated that the Former Meginnis Ford Redevelopment Project may increase the student population of the Lincoln Public Schools. However, the project will meet the demand for additional housing in the City, the school district should have the capacity to handle any population increase from the Former Meginnis Ford Redevelopment Project. To the extent that job opportunities may encourage the relocation of families with school-age students to the City, these students would likely be located across attendance areas and would have the benefit of the property taxes paid toward residential units in the district. Additionally, Lincoln Public Schools would have the additional benefit of property taxes paid after the TIF period.

Other Impacts: Both Redevelopment Projects are consistent with the policy of the Comprehensive Plan. The development of the two Redevelopment Projects will eliminate the existence of blight and substandard conditions and will attract residents and businesses to the Redevelopment Area and the City of Lincoln. Both Redevelopment Projects will be developed in an environmentally sustainable manner.

The Former Meginnis Ford Redevelopment Project will create additional housing in the City. It will provide additional safe housing options in the City. Further, the Redevelopment Project provides appropriately placed density.

While the use of tax increment financing will defer the majority of the incremental ad valorem real property taxes generated by the Redevelopment Projects for up to 15 years, there will be additional revenue generated by the Redevelopment Projects. For example, income taxes paid by those working in the Project Sites, as well as sales

tax paid by new construction, employees and neighbors dining and shopping in the Redevelopment Project Area. Upon completion of the 15-year TIF period, the Redevelopment Projects will benefit the community through higher property tax revenue. The Redevelopment Projects should have a positive impact on the neighborhood and the local private business sector by offering enhanced site location options for new or existing businesses. The Redevelopment Projects will also increase the tax base without an adverse effect on either public or private entities.

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 Community Development Financing:

- The redevelopment project and plan 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 Development area without the use of Tax Increment Financing.

The 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 East Gateway Redevelopment Area. It would not be economically feasible for the Developer to construct the Project improvements without TIF because the existing site conditions, when combined with housing market dynamics, constitute a barrier to the development of mixed-income housing that cannot be adequately remedied without the use of tax increment financing.

Project Schedule and Implementation

Following the approval of the Redevelopment Plan, the following steps will occur in the implementation of the project:

- The City will negotiate individual redevelopment agreements for Shops at Lincoln Redevelopment Project and Former Meginnis Ford Redevelopment Project with the redevelopers and submit to City Council for approval.
- The City Council will review and approve a tax increment financing bond ordinance for the Shops at Lincoln Redevelopment Project and Former Meginnis Ford Redevelopment Project.
- The City Council will review and approve an Enhanced Employment District for the Shops at Lincoln Project Site and review and approve an Occupation Tax and associated bonding ordinance.
- Following the redevelopment agreement approvals, the City may issue and sell Community Improvement Financing bonds or notes to fund the public improvements related to the Shops at Lincoln Redevelopment Project and Former Meginnis Ford Redevelopment Project.
- Following Redevelopment Agreement approval, the City may issue and sell Enhanced Employment Area / Occupation Tax bonds or notes to fund the public improvements related to the Shops at Lincoln Redevelopment Project.
- Construction drawings of public and private improvements will be reviewed.

- TIF-funded and EEA /Occupation Tax funded public improvements will be competitively bid, as needed and required by the Purchasing Department.
- The private and public improvements and enhancements will be constructed. Reimbursement for eligible public improvements and enhancements will occur when invoices have been approved and tax increment and occupation tax receipts are received.
- Reimbursement for eligible public improvements and enhancements will occur when invoices have been approved and increment is received.

Exhibit A

Project Sites Legal Description

Shops at Lincoln Project Site:

Lot Three (3), GATEWAY SHOPPING CENTER SUBDIVISION, EXCEPT that part conveyed to the City of Lincoln, Nebraska, in Special Warranty Deed recorded as Document No. 2002-62130, Lincoln, Lancaster County, Nebraska.

Former Meginnis Ford Project Site:

Lot Two Hundred Twelve (212), Irregular Tract, located in the Southeast Quarter (SE¼) of Section Twenty-One (21), Township Ten (10) North, Range Seven (7) East of the 6th P.M., Lincoln, Lancaster County, Nebraska; EXCEPT that portion taken by the City of Lincoln, Nebraska for road as described in the Report of Appraisers recorded October 17, 1996 as Inst. No. 96-42114, records of Lancaster County, Nebraska.

Exhibit B

Enhanced Employment Area Legal Description

Lot Three (3), GATEWAY SHOPPING CENTER SUBDIVISION, EXCEPT that part conveyed to the City of Lincoln, Nebraska, in Special Warranty Deed recorded as Document No. 2002-62130, Lincoln, Lancaster County, Nebraska.
