

AMENDMENT TO THE LINCOLN CENTER REDEVELOPMENT PLAN

Gold's Building Redevelopment Project

Project Description

The Gold's Building Redevelopment Project ("the Project") includes the redevelopment of the Gold's Building located generally at 1033 O Street and removal of the adjacent building located generally at 1023 O Street, which properties are more particularly described on the attached and incorporated Exhibit "A" (the "Project Site"). The Project Area includes the Project Site and the adjacent rights of way as shown on the project area map below.



Golds Redevelopment: Project Area

The Project involves the redevelopment and rehabilitation of the existing Gold and Company Store Building, a historic building designated on the National Register and a landmark in Lincoln's downtown business area. The Gold and Company Store Building is historically significant to Lincoln through its important contributions to the City's commercial growth and architectural history. The oldest section at the corner of 11th and O, which is six stories high and displays Gothic Revival detailing, was designed by Davis & Wilson and erected in 1924, exemplifying "period revivalism" as employed in commercial architecture. Additions were made in 1929, 1947, and 1951. The store was closed in 1980 and the building was rehabilitated for retail and office space.



The Gold's Building currently requires substantial renovation and redevelopment to maintain habitability and continue as a functioning building. The Gold's Building Redevelopment Project includes the renovation and rehabilitation of both the six-story, approximately 115,000 square foot north tower, and the adjacent four-story, approximately 207,000 square foot south tower, for primarily multifamily residential use, with commercial and/or office uses on the ground floor and the basement. The floors above ground level in both the north tower and the adjacent south tower of the Gold's Building will be rehabilitated and converted to

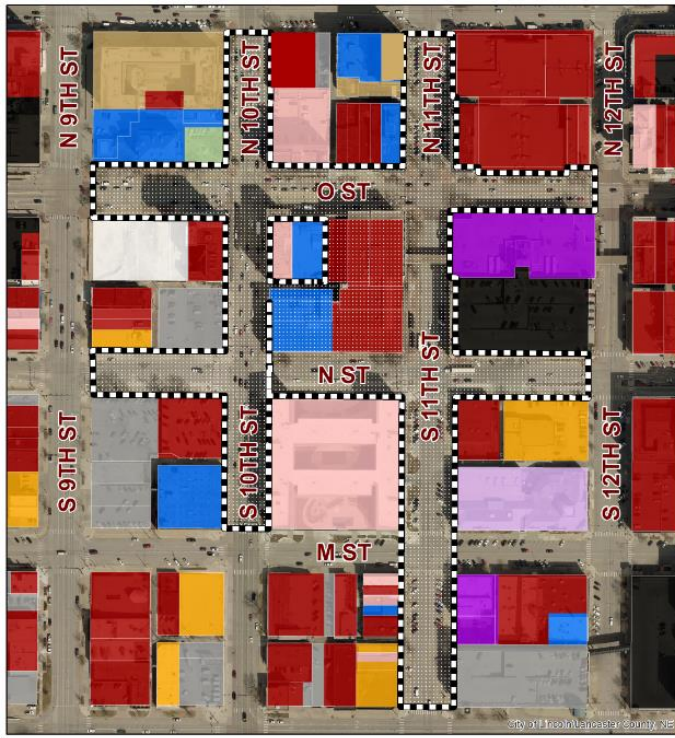


residential use, including approximately 183 multifamily housing units comprised of mostly one bedroom apartments, with some studio, two bedroom, and three bedroom apartments. The use of the ground floor will be determined with more specificity once tenants are identified, and the basement is expected to be used for self-storage for the benefit of the residential tenants and other downtown residents/businesses.

The Project also includes the potential acquisition and redevelopment of the building located at 1023 O Street. The building located at 1023 O Street is currently uninhabitable and would be demolished. The building, while having stood for over 100 years, is generally not considered to be historically significant and is only a fragment of the original building. The structure has been mostly vacant for several decades. Several attempts have been made by developers and engineers to determine a way to preserve the façade and/or rehabilitate the building and build a skywalk connection between Gold's and Aging Partners, but the interior elevations and poor structural condition of the building made the renovation too costly, even with the use of TIF funding. The cleared site would be used as a park, open space, or similar amenity for the residents of the Gold's Building.

The overall goals of the Project are to strengthen the long-term viability of Downtown Lincoln, provide additional housing to support the 24/7 vibrancy of Downtown, remove blighted and substandard conditions, support the revitalization of O Street as a principal Downtown corridor, and preserve the valuable character of the existing historic buildings in the district. The Project will accomplish these goals by increasing the availability of housing in Downtown Lincoln and revitalizing the interface between the building and the street through first-floor and streetscape improvements.

The mix of proposed uses would fit well with surrounding land uses, which includes mixed-use commercial and residential on the same city block as the Project Site, as well as the city blocks directly north and south of the Project Site. The surrounding land uses also include commercial, educational, and parking uses. See the Current Land Use map and Future Land Use map below.



Golds Redevelopment: Current Landuse

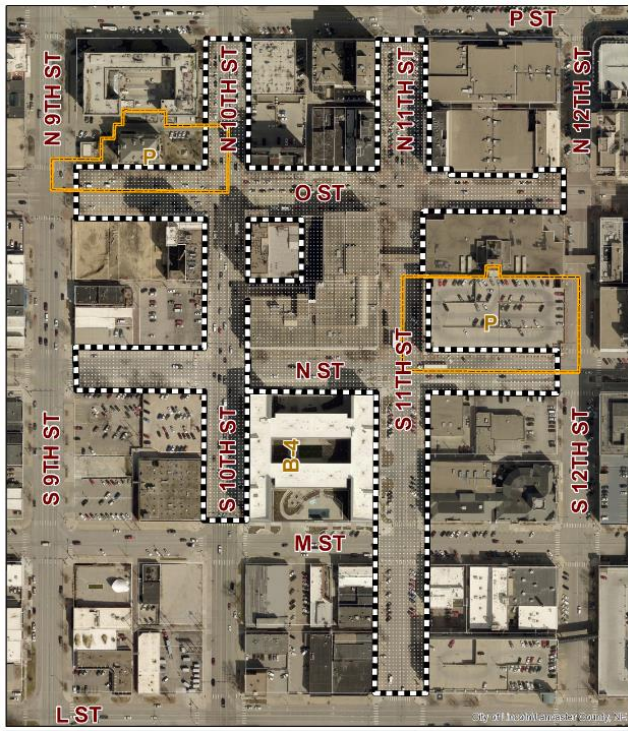


Golds Redevelopment: Future Landuse



The Project Site is located in the “B-4” Lincoln Center Business District zoned area, which covers much of Downtown. The B-4 District permits the proposed residential, commercial and/or office uses of the Project Site, and conditionally permits the self-storage use. The B-4 District is designed to encourage Downtown to remain the dominant multi-use center and key focal point of business, social, and cultural activity in the City of Lincoln. It is intended to include a variety of activities, including retail and office functions, as well as housing and commercial services.

Section 18-2113, of the Community Development Law requires the City to review the project and find that the proposed land uses and building requirements in the Project Area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its environs, which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and general welfare, as well as efficiency and economy in the process of development. The Project is consistent with the LPlan 2040, the Lincoln-Lancaster County



Golds Redevelopment: Zoning

 Gold Redevelopment  Zoning



2040 Comprehensive Plan. One of the overarching goals of LPlan 2040 is to promote downtown Lincoln as a vibrant mixed-use neighborhood. The Comprehensive Plan's Chapter on Mixed-Use Redevelopment lays out the guiding principles for mixed-use redevelopment, including targeting underdeveloped commercial areas, encouraging and providing incentives for mixed-use redevelopment, enhancing adjacent entryways, and improving connectivity.

The Project is also consistent with the Lincoln Center Redevelopment Plan. The primary goal of the Redevelopment Plan is to enhance Downtown Lincoln as the dominant mixed-use/multi-use center of activity within the region. The Project meets the redevelopment standards set forth in the Lincoln Center Redevelopment Plan, including but not limited to: encouraging expanded housing opportunities and types to foster 24-hour activity and lively streets; encouraging

development of mixed-use projects that attract and maintain commercial activity and residential development in the Downtown area; and, encouraging rehabilitation/renovation of existing structures and the preservation of the architectural integrity and historic character of the area.

The Project is consistent with the 2018 Lincoln Downtown Master Plan. The Downtown Master Plan identifies Gold's as a significant building and its strategies specifically include working with the Owner of the Gold's building to rehabilitate the building into mixed-used office and/or residential. The Plan also supports adaptive reuse of buildings as a more sustainable approach than new construction, and as a way to restore historic buildings, sustain their useful life, and support the significance of the past. One of the catalyst projects stated in the Downtown Master Plan involves the revitalization of the "O" Street corridor and this project will provide an opportunity to further that goal. Another catalyst project is the 11th Street Greenway, which will be enhanced by this project. Further, one of the top priorities identified in the Downtown Master Plan is to attract a variety of new housing types and price points and increase Downtown residential density to drive retail and commercial improvements and create a more vibrant downtown. Finally, the Project may assist with the transportation planning goals of the Downtown Master Plan, by making improvements to the existing Downtown transfer station.

The Project represents a significant private investment in the Lincoln Center Redevelopment Area. Publicly funded redevelopment activities may include: site acquisition, site preparation, demolition, utility and right of way improvements, façade/historic building enhancements,

energy efficiency enhancements, costs associated with alterations to the StarTran transfer station, streetscape improvements, and other public improvements, enhancements, and expenses as permitted under Neb. Rev. Stat § 18-2117.03, and the Community Development Law in the Lincoln Center Redevelopment Area.

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 this project. The proposed redeveloper has the property under contract to purchase, contingent upon approval of the Project. Should relocation assistance be required with respect to any existing tenants of the Project Site, all relocation requirements will be followed, as outlined in the Lincoln Center Redevelopment Plan.

Population Density: Upon completion of the Project, the primary use of the Project Site will be multifamily residential, so it will inherently increase population density in the Redevelopment Area by an estimated 220 residents. Nonetheless, the increase in population density is consistent with and will achieve the goals of the Comprehensive Plan and the Lincoln Center Redevelopment Plan by providing for additional housing opportunities in Downtown Lincoln.

Land Coverage: The Project is not expected to change land coverage on the Gold's Building portion of Project Site, as it will make use of the existing building. However, it is expected that the dilapidated 1023 O Street Building will be demolished to provide greenspace for the residents of the Gold's Building. The Project will comply with the applicable land-coverage ratios and zoning requirements of the City of Lincoln.

Traffic Flow, Street Layouts, and Street Grades: The Project may marginally increase traffic flow resulting from an increase in tenants, employees, and customers of the residential, commercial, and/or retail space travelling to and from the Project Site. The Project does not include vacating any streets or alleys. Tax Increment Financing from the project may also be used to assist with the costs of reconfiguring the StarTran transfer station located within the Project Area. TIF funding is also expected to improve mobility within the project area as a result of streetscape improvements.

Parking: The redeveloper will seek parking rights for residential tenants in the Center Park City parking lot. The redeveloper anticipates the need for approximately 220 parking stalls for such residential tenants. Changes to on-street parking may occur within the project area and as a result of coordinated planning with both Parking Services and StarTran.

Zoning, Building Code, and Ordinances: The Project Site is currently zoned B-4 Lincoln Center Business District. The Project is a permitted use in the B-4 District, except for the self-storage component, which is a conditional use. No other subdivision or re-zoning of the Project Site is expected to be required as part of the Project. The Development Services Center will work with the development to ensure that applicable building code requirements and ordinances will be satisfied.

Proposed Cost and Financing

In addition to the purchase of the land and existing building, the estimated total cost to implement the Project is approximately \$35,000,000, which includes approximately \$5,173,000 to \$6,126,000 in public financing. The project cost will be finalized as construction costs are determined. The source of the 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 City Council.

Cost Benefit Analysis

As required by Nebraska Community Development Law (Neb. Rev. Stat. §18-2113), the City has analyzed the costs and benefits of the proposed Project including:

Tax Revenues

The 2020 assessed value of the Project Site is \$2,681,000. The final assessed valuation of the Project Site is anticipated to be approximately \$27,209,000. The Project is expected to generate approximately \$494,250 in annual TIF revenue to assist with the cost of the construction of public improvements and enhancements related to the project. The public investment will leverage approximately \$35 million in private sector resources. The TIF funds shall be subject to further adjustment as project costs are defined.

Tax Increment Financing Analysis		
Description		Amount
Base Value	current valuation	\$2,681,200
Not to Protest Value	Anticipated completed valuation	\$27,209,300
Increment Value	= completed value - base value	\$24,528,100
Annual TIF Increment	= Increment x est. levy (2.015115)	\$494,300
TIF Indebtedness Amount	= TIF Increment x 15 years @ 5%	\$5,173,000
TIF Indebtedness Amount	= TIF Increment x 20 years @ 5%	\$6,126,000

The City will forgo approximately 15.78 percent of these annual collections over 15 to 20 years to support the project. The tax increment gained from this redevelopment project area would not be available for use as City general tax revenues over that time, but be used toward bond repayment. After the debt has been retired, the increase in annual taxes paid will be split among the taxing jurisdictions according to the tax levy.

Public Infrastructure and Community Public Service Needs Impacts

The Project will have a positive impact on existing public spaces. The Project will facilitate the preservation of the historic building on the Project Site, maintaining the history and character of the Downtown area and the City of Lincoln. Improvements to the StarTran hub on the Project Site would have a positive impact on public transportation in the City. 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 in the area of the Project. Instead, it is anticipated that the construction of approximately 183 multifamily housing units as part of the Project will create additional housing options and types to house employees of firms locating or expanding within the Lincoln Center Redevelopment Area. Additionally, the Project will support temporary construction jobs during the redevelopment of the Project Site.

Employment in the City outside the Project Area

Approximately 136,325 persons were employed in 8,427 total establishments in Lancaster County, according to the 2016 Census, County Business Patterns, North American Industry Classification System. Though the impact of this Project on city-wide employment would be minimal, the additional housing units in Downtown Lincoln may create or support additional jobs in the City of Lincoln, as well as increase the need for services and products from existing businesses in the City.

Impact on Student Populations of School Districts

This project is not anticipated to materially impact the student population of Lincoln Public Schools. Although the Project includes construction of approximately 183 multifamily housing units, the units will be primarily targeted for empty-nesters and young professionals, which should not result in a material increase in the student populations of local schools.

Other Impacts

The Project is consistent with LPlan 2040 – 2016 Update, the 2018 Downtown Lincoln Master Plan, and the Lincoln Center Redevelopment Plan. The Project supports the strategies set forth in the 2018 Downtown Lincoln Master Plan, which includes increasing Downtown residential density to create a more vibrant Downtown. The addition of approximately 183 multifamily housing units in the area will support the Downtown as a 24/7 community. The Project will also help preserve a historically significant building in the Downtown.

While the use of tax increment financing will defer receipt of the incremental ad valorem real property taxes generated by the Project for the period allowed under the law, there will be additional revenue generated, including sales taxes and income taxes paid by those living and working in the project area. Upon completion of the collections and repayment of the bond, the Project will benefit the community through higher property tax payments.

Finding of 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 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 tax increment financing in the Lincoln Center Redevelopment Area. 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.

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 the developers and submit 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.
- Construction drawings of public and private improvements will be reviewed.
- TIF-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 increment is received.