

### **C. BLOCK 55 REDEVELOPMENT PROJECT**

The Block 55 Redevelopment Project incorporates the existing Gold's Galleria Redevelopment Project, redesignated by reference herein, as Phase I - Gold's Galleria Sub Project, and a new Phase II - Gold's Galleria/Block Balance Sub Project, herein described as part of a two-phase revitalization/ redevelopment and preservation effort of the Lincoln Center Redevelopment Plan therein covering the entire block (Block 55) as a single planned project (See Exhibit IV-55).

Note: The City Council adopted a Gold's Galleria Redevelopment Plan on November 15, 1982, Resolution A-68489, which incorporated a first phase project "Phase One Gold's Galleria Redevelopment Project" with a boundary covering approximately 75% of Block 55 as shown on Exhibit IV-55a. The 15-year financing expiration term being the last tax collection of 1997.

Golds Galleria 1982: Renovation of 360,000 square feet building to first class retail and office space. Included construction of a LTS Transportation Center to accommodate 87 seated and 262 standing patrons with information boards; sidewalks extending 12 feet into an existing traffic lane with new curbs, drains, and wheelchair ramps; "pedestrian amenities" including: landscaping, ornamental lighting, benches, bike racks, and trash receptacles; and utility location and graphics.

The redevelopment/revitalization of the Phase II Sub Project will require a combination of public and private sources, detailed in this section.

The primary goals and objectives of the redevelopment plan are to maintain the considerable public and private partnership investments that exists in the downtown area and to provide:

- (a) incentives which make it attractive for businesses to locate and/or remain in Downtown Lincoln, and
- (b) entrepreneurs the opportunity to undertake real estate development ventures both in new construction and restoration of existing buildings. Areas such as downtown are not able to provide comparable investment opportunities with undeveloped areas. Without public support, revitalization/redevelopment will most likely not occur.

### **Phase II - Gold's Galleria/Block Balance Sub Project**

#### **1. Revitalization Project Description**

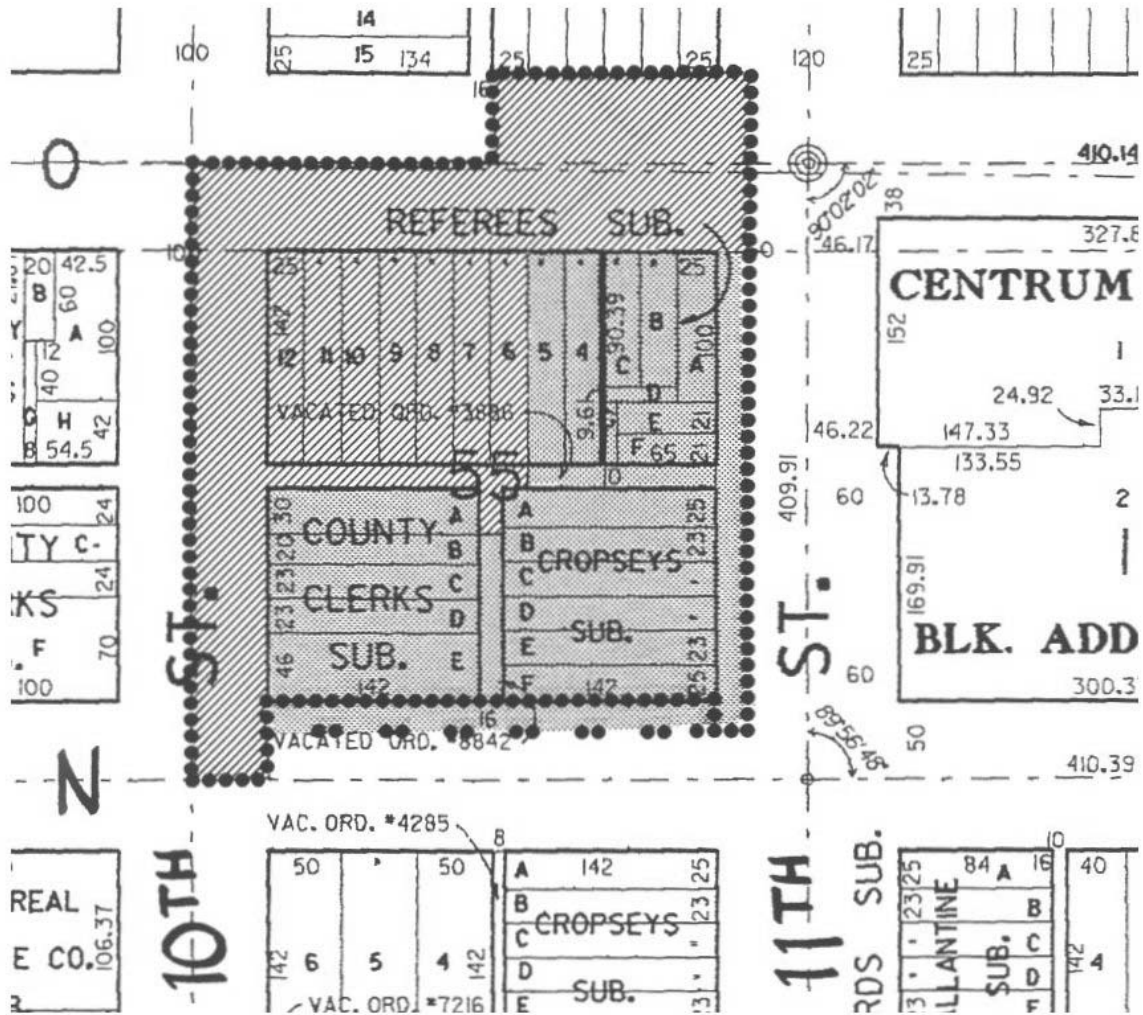
This Gold's Galleria/Block Balance Sub Project - Phase II involves all of Lots 6 thru 12, Block 55, Original Plat, Lincoln, Lancaster County, Nebraska, and certain abutting/adjacent street rights-of-way.

The Phase II - Gold's Galleria/Block Balance Sub Project contains the privately-owned Cabela/St. George and the Dragon Property (Lots 6 and 7) and Lincoln Building (Lots 11 and 12), and the publicly-owned Lincoln Senior Center (Lots 8, 9, and 10). See Exhibit IV-56. The Lincoln Building is a local historic structure with consideration being proposed to secure a national historic designation. This designation opens avenues for historic tax credits.

The public (city/county) and private property ownerships of the Gold's Galleria/Block Balance Sub Project on Block 55 propose a joint undertaking to accomplish the unifying revitalization/redevelopment of all structures on the block. The sub project will include the following activities/improvements:

**Lincoln Building** - An 8-story building (53,524 square feet) with basement (11,620 square feet), and mezzanine (2,140 square feet), having a total of 67,284 square feet. The

building is currently a vacant office structure. The Lincoln Building has been vacant for over two years with asbestos and structural deficiencies, and is considered economically and functionally obsolete. Major/substantial restoration and rehab is required. The city anticipates developers to propose to complete first-class historic restoration with marble staircases, decorative plaster molding and walnut woodwork, all being restored to its original condition. The purpose is to provide for a new "Class A" commercial/office space or housing development downtown.



**Exhibit IV- 55**  
**Project / Subproject Boundaries**

- Block 55 Project Boundary
- ▨ Gold's Galleria Subproject-- Phase I Boundary
- ▨ Gold's Galleria / Block Balance Subproject -- Phase II Boundary

# Lincoln Center

## Redevelopment Plan



**Cabela/St. George and the Dragon Building** - A 2-story building (14,200 square feet) with basement 7,100 square feet) totalling 21,300 square feet. The building is currently a vacant commercial structure. Some rehabilitation/restoration work was completed on the first floor store front and interior. Rehabilitation/restoration work is necessary on the second floor and roof if occupancy is to occur.

**Lincoln Senior Center Building** - A 3-story building (25,573 square feet) with basement (9,000 square feet) totalling 34,573 square feet. The building is owned jointly by the City of Lincoln and Lancaster County and is occupied by the Downtown Lincoln Senior Center. The basement, first and second floors have been completely restored with the third floor unfinished and in need of rehabilitation/restoration subject to availability of funding. Upon completion of the third level, a second elevator is proposed.

**Skywalk** - A skywalk corridor is proposed and may be constructed between the Phase I - Gold's Galleria Sub Project and the Phase II - Gold's Galleria/Block Balance Sub Project as shown on Exhibit IV-55 subject to agreement of the property owners and submittal of a formal request to the City of Lincoln pursuant to skywalk guidelines.

**Public Improvements/Amenities** - Installation, construction or reconstruction of streets, curbs, sidewalks, drives, vaults, streetscape amenities/landscaping improvements, may be accomplished as or where necessary.

**Design** - The proposed skywalk location (Exhibit IV-57) is for illustration purposes only. The actual space size and layout design of improvements are subject to change after the City secures the services of professional engineers/architects.

## 2. **Statutory Elements**

### (a) **Property Acquisition, Relocation, Demolition, and Disposal**

Accomplishing the Gold's Galleria/Block Balance Sub Project, in particular, the skywalk corridor, will require public action on a portion of Block 55 indicated on Exhibit IV-56, including the existing building improvements and such property rights/easements necessary to be acquired for construction of the skywalk corridor and the buildings' connections demolitions work by the city of Lincoln.

In addition, the city and property owners may need to provide access from and to other buildings for pedestrian use to any future skywalk (bridge) system extension.

(i) The city of Lincoln may acquire such property rights/easements as necessary to construct the skywalk corridor on the following portions of the Block 55:

- portions of Lot 4 and 5, Original Plat
- portions of Lots 6 and 7, Original Plat
- portions of Lots 11 and 12, Original Plat

The city may acquire the necessary easements, property rights, covenants, and/or leases by way of voluntary purchase/negotiations.

(ii) **Demolition of Indicated Portions of Block 55 and Relocation of Occupants** -

After the city of Lincoln has acquired property rights on the portions of Block 55, it will prepare the property for skywalk corridor redevelopment/revitalization. Site preparation will include: interior wall, ceiling, and floor material removal for renovation purposes. Further securing insurance and bonds, and taking other necessary measures to protect citizens and surrounding properties. No relocation of occupants is proposed or anticipated.

(iii) **Disposition** - No disposition of property is anticipated as part of this sub project.

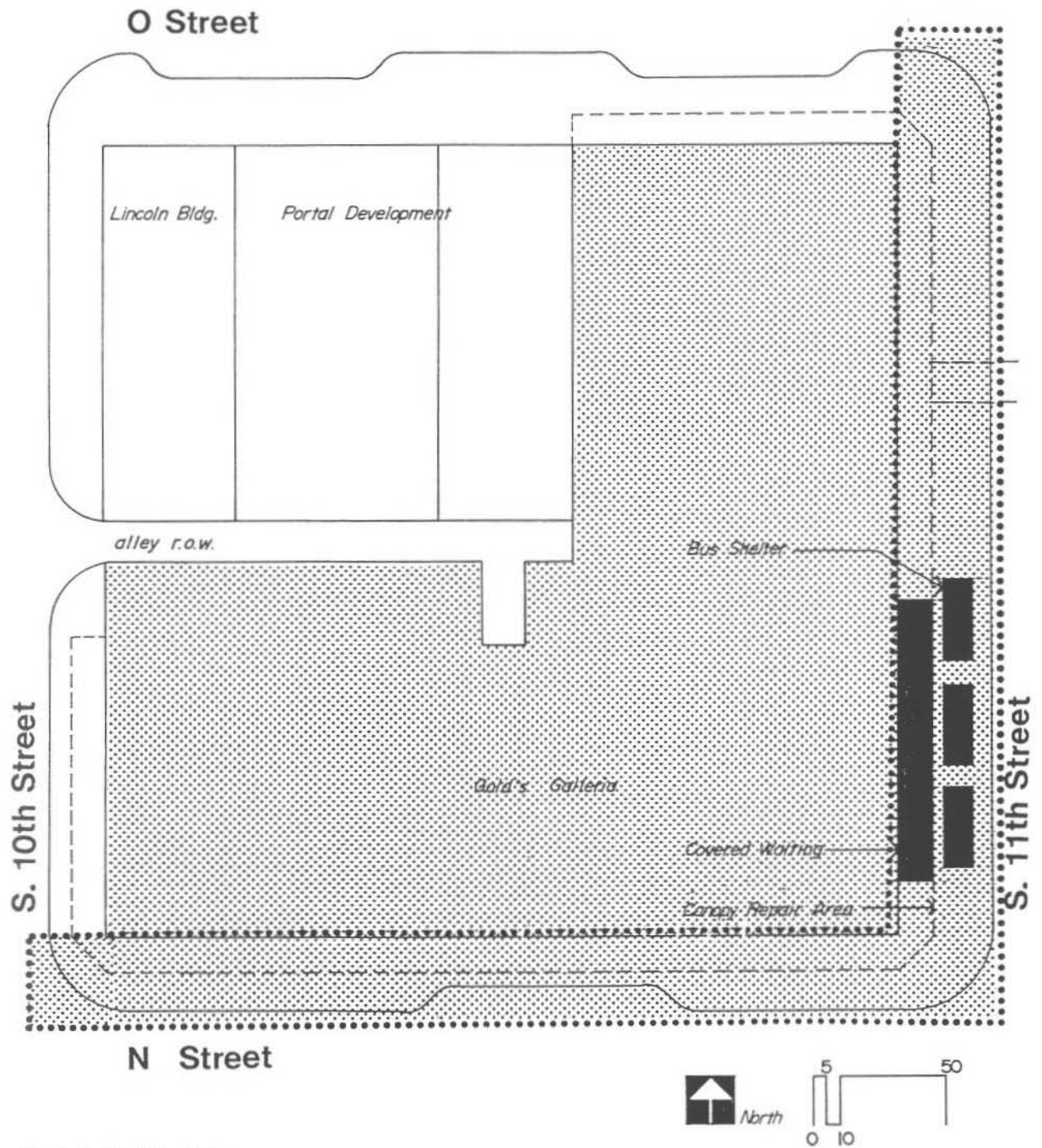
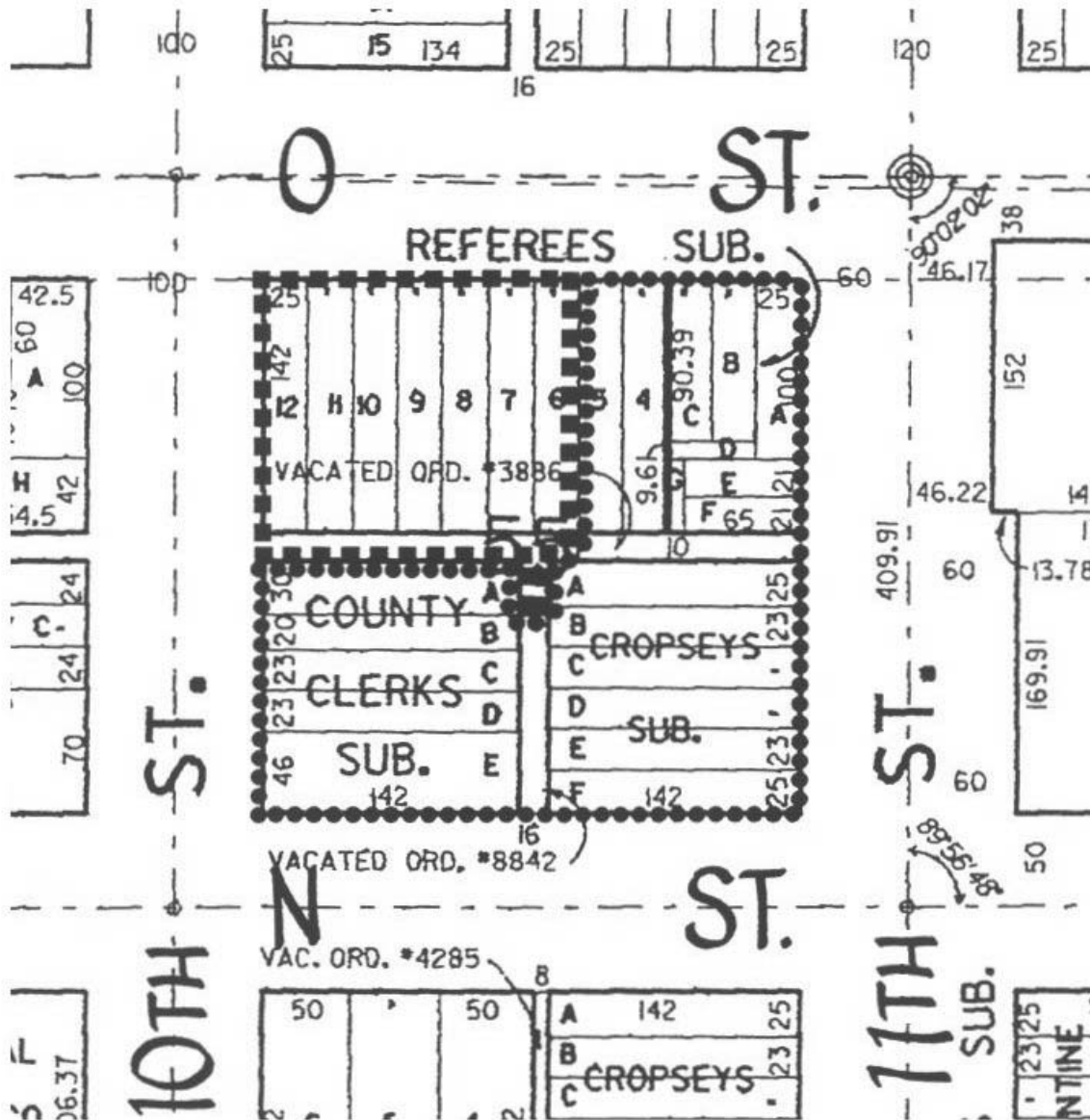


Exhibit IV- 55a  
 Gold's Galleria Subproject -- Proposed Site Plan

 Public Improvement Area

# Lincoln Center Redevelopment Plan



**Exhibit IV-56  
Existing Plat Map**

Parcels included within sub-projects, excluding street R.O.W.:

- Gold's Galleria--Phase I
- ■ ■ ■ Gold's Galleria / Block Balance--Phase II

**Lincoln Center  
Redevelopment Plan**



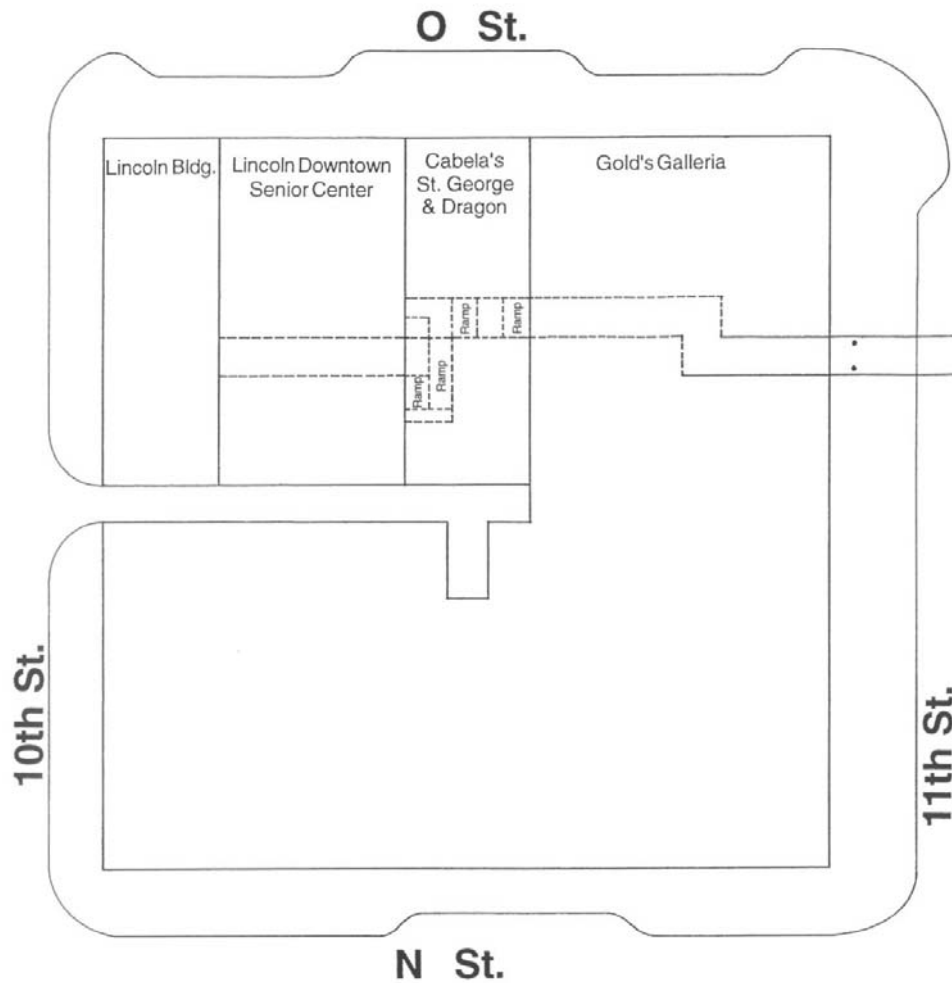
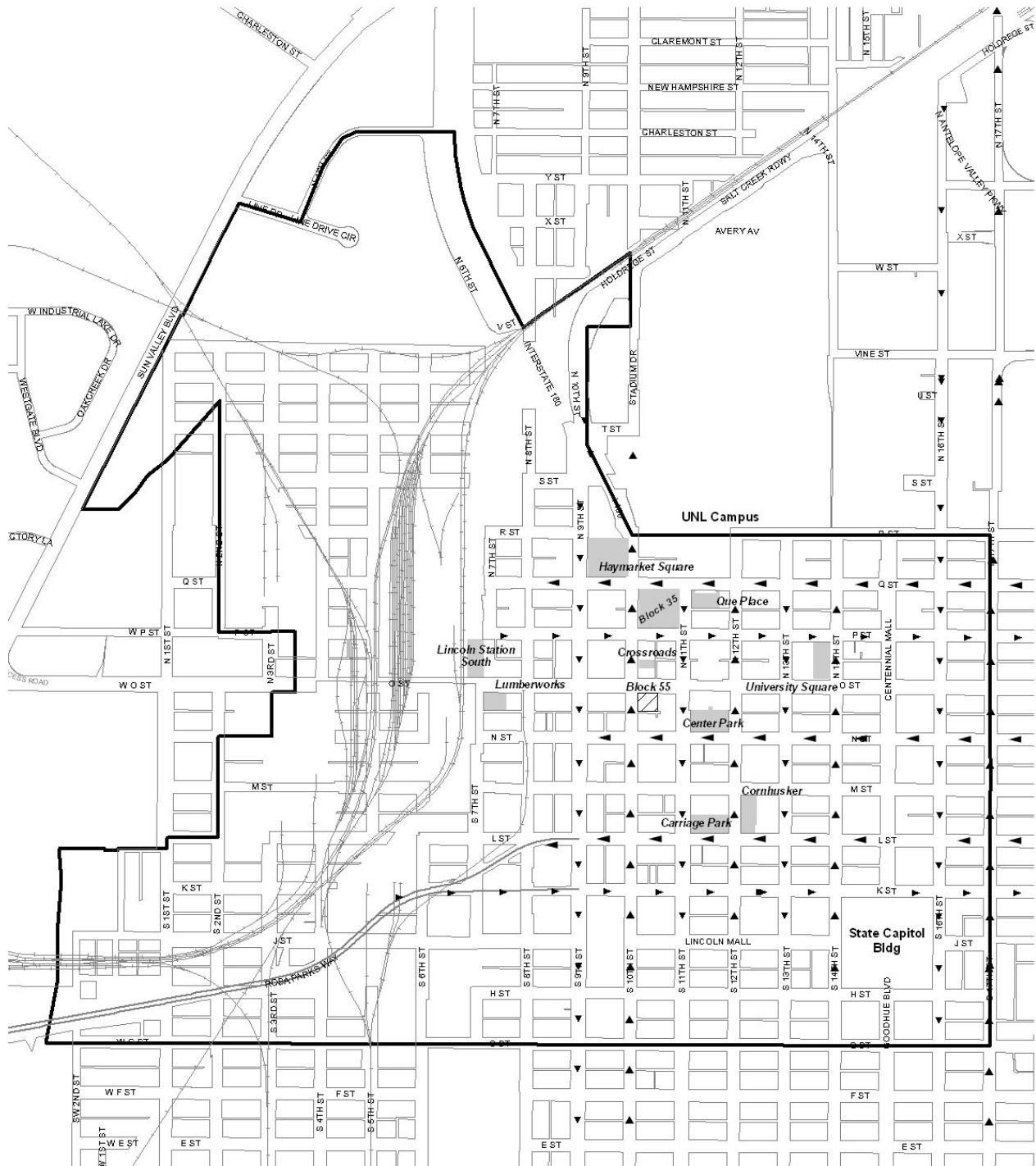


Exhibit IV-57  
Proposed Skywalk Corridor (approximate location)






**Lincoln Center**  
**Redevelopment Plan**



- (b) Population Density  
No population density exists in the Gold's Galleria/Block Balance Sub Project - Phase II and will remain unchanged.
- (c) Land Coverage and Building Density  
The present land coverage and building density will remain the same.
- (d) Traffic Flow, Street Layouts, and Street Grades  
It is anticipated that redevelopment activities contemplated on Block 55 will increase the pedestrian and automobile traffic.  
The street layout in the area will remain as is.



**Exhibit IV-57a  
Public Parking Facility Locations**

-  Redevelopment Plan Boundary
-  Public Parking Facility Location
-  Block 55 - Project/Sub-Project Location
-  Traffic Direction
-  Railroad

**Lincoln Center  
Redevelopment Plan**



(e) Parking

The redevelopment project area/sub project is served by several existing public parking facilities (See Exhibit IV-57a - Location Map):

Center Park	1,048 spaces	-	1 block
Cornhusker Square	405 spaces	-	6 blocks
Block 35	253 spaces	-	2 blocks
Que Place	598 spaces	-	3 blocks
Carriage Park	710 spaces	-	5 blocks
University Square	436 spaces	-	5 blocks
Haymarket Square	266 spaces	-	2/3 block
Lumber Works	64 spaces	-	3 blocks
Lincoln Station South	96 spaces	-	4 blocks

Also, approximately 73 spaces of the new public (Housing Authority) parking garage will be available to support the proposed Lincoln Building, including the surrounding area adjacent to the sub project.

(f) Zoning, Building Codes and Ordinances

The present Lincoln Central Business District (B-4) zoning allows for the type of development proposed. Likewise, the city's adoption of the Uniform Code for the Abatement of Dangerous Buildings, the Uniform Building Code, and their specific city amendments will properly protect the public health, safety, and welfare of the people. At this time, there are no contemplated changes in the city's zoning laws or building codes to implement this sub project other than to seek certain replatting of lots. It may be necessary, however, to adopt ordinances to special assess pedestrian bridges and public improvements; and to issue community improvement financing bonds.

(g) Public Utilities

No new public utilities are expected to be needed to serve the sub project area; however, some utilities may need to be relocated, replaced, or increased in size.

**3. Proposed Cost and Financing**

The total expenditure for the Gold's Galleria/Block Balance Sub Project - Phase II is estimated to be \$3,882,000; public (city) \$982,000 and private \$2,900,000. Exhibit IV-58 contains a breakdown of the public's and the private developer's estimated expenditures. Exhibit IV-58 shows a breakdown of funding by type and by source of funds.

The effective date of the community improvement financing provisions of the Gold's Galleria/Block Balance Sub Project is declared to be the 16th day of December, 1996, (City Council approval date of the project).

The acquisition of property rights/easement, the demolition of the buildings' interiors for and construction of the skywalk corridor, streetscape improvements and professional service fees will be funded by the public using the following sources, including:

- (a) Any ad valorem tax levied upon real property in the redevelopment/revitalization of Gold's Galleria/Block Balance Sub Project on Block 55 for the benefit of any public body shall be divided for a period not to exceed 15 years after the effective date if the such provision by the governing body as follows:



- (i) That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the redevelopment sub 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; and
  - (ii) That portion of the ad valorem tax on real property in the redevelopment sub project in excess of such amount, if any, shall be allocated to, and, when collected, paid into a special fund of the authority to pay the principal of, and 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 development for financing or refinancing, in whole or part, a redevelopment sub project. When such bonds, loans, notes, advances of money, or indebtedness, including interest in 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 a redevelopment project shall be paid into the funds of the respective public bodies.
- (b) Community improvement financing fund balances from the Gold's Galleria Redevelopment Project/Sub Project.
  - (c) Lancaster County - 50% of skywalk cost (per CIP).
  - (d) Earned Interest.
  - (e) Community Development Block Grant - Facade Improvement Program.
  - (f) Community Development Block Grant - Redevelopment.

#### **4. Implementation Steps**

Under the Nebraska Community Development Law, the first step in redeveloping an area is for the city to declare the area blighted and in need of redevelopment. The Lincoln City Council completed this first step by declaring the downtown area blighted on October 22, 1984, and affirmed, by resolution in 1987, the area as "blighted and substandard", and further amended thereafter. The City Council determined that private enterprise could not redevelop this area without the assistance provided by the Community Development Law (see Blight Resolutions, Appendix 1 and Appendix 9).

The implementation steps for the Gold's Galleria/Block Balance Sub Project are:

- Obtain private owners' skywalk corridor executed documents for processing through City Council.
- Obtain property right/easements for skywalk corridor.
- Competitively select architect/engineer to design skywalk corridor.
- Competitively select primary contractor to demolish and construct skywalk corridor.
- Competitively select architects/engineers to complete final designs and plans and specs for the public streetscape improvements.

- Approve the public streetscape improvements design.
- Competitively select primary contractors to construct public streetscape improvements.
- Construct public and private facilities and improvements.

**EXHIBIT IV-58**

**GOLD'S GALLERIA/BLOCK BALANCE SUB PROJECT - PHASE II**

**Public Expenditures**

Property Rights/Easements	\$ 40,000
Public Improvements - Utility/Relocation/Streetscape/Vault, etc.) ("O" Street, north and south sides, 10th - 11th; 10th Street, east side; "N" Street, north side)	475,000
Skywalk Corridor Connection Construction	145,000
Architecture, Engineering, Design and Inspection	70,000
Contingency (5%)	<u>35,000</u>
	\$ 765,000

**Private Expenditures**

Private Development	<u>\$2,900,000</u>
<b>TOTAL</b>	<b>\$3,665,000</b>

**Funding Summary - Public**

Community Development Block Grant - Redevelopment	\$ 200,500
Community Improvement Financing - Gold's Galleria Project/Sub Project	330,000
Lancaster County - Skywalk Share	112,500
<u>Community Improvement Financing - Gold's Galleria/Block Balance Sub Project</u>	<u>122,000</u>
<b>TOTAL</b>	<b>\$ 765,000</b>

*Note: Prioritization of public activities may be required.*

**EXHIBIT IV-59**

**GOLD'S GALLERIA/BLOCK BALANCE SUB PROJECT  
COMMUNITY IMPROVEMENT FINANCING**

Estimated Property Assessment (Upon Completion)	\$2,072,042
1996 Assessment Value (3 parcels \$155,000 + \$669,000 + \$0)	824,000
Increment Increase Tax Rate 0.020	1,148,042
Annual Property Tax	22,960
Tax Increment Annual Increase (1.50 coverage)	15,300
Bond/Note Issue (14 years)	214,300
Available Funds - 14 years @ 6.25%	140,000
Debt Service Reserve/Capitalized Interest/Issuance and Underwriting Expense, etc. (13%)	<u>-18,000</u>
Available for Construction	\$122,000