

W. TELESIS MEADOWGOLD REDEVELOPMENT PROJECT

1. Revitalization Project Description

The Telesis Meadowgold Redevelopment Project area includes the entirety of Block 84 and the surrounding rights-of-way in the South Haymarket area of Downtown Lincoln. The surrounding rights-of-way include M Street north to the property line, 7th Street west to the property line, L Street south to the property line, and 8th Street east to the property line. The existing land use in the area is industrial.

The goal of this project is to strengthen South Haymarket in the redevelopment of the former Meadowgold manufacturing complex into a complex of mixed-use industrial and commercial buildings, and a residential/commercial building. The project will remove blighted and substandard conditions and will make a positive contribution to the continued revitalization of Downtown Lincoln.

The project is consistent with the goals of the Lincoln Center Redevelopment Plan and Downtown Master Plan and is intended to support private sector industrial, residential, and commercial development in this redevelopment area. The project, including both public and private improvements made, will address the goals of the Lincoln Center Redevelopment Plan in the following ways:

- encouraging the preservation of the architectural integrity and historic character of the area by supporting development that reuses existing buildings or facades and that is designed to fit the context in which the development will occur;
- intensify and strengthen Lincoln's central business district as the employment hub of the community;
- encourage development of mixed use projects that attract and maintain commercial activity and residential developments in the Downtown and Haymarket areas;
- encourage expanded housing opportunities and types to foster 24-hour activity;
- utilizing underdeveloped lots and removing blight; and,
- enhancing the aesthetics of Downtown and Haymarket to improve the pedestrian environment.

The project is located on the block south of M Street, and will be consistent with plans for the M Street corridor improvements expected to be implemented with West Haymarket and reflect the intent of the Downtown Master Plan.

The project is divided into four phases for redevelopment financing purposes as shown on Exhibit 169. Phase I is expected to be implemented immediately after the adoption of the corresponding redevelopment agreement. Phases II to IV are expected to be implemented over the next four to ten years.

Phase I – Telesis Meadowgold Industrial

The Industrial/Warehouse phase (shown as Phase I on Exhibit 169) includes the redevelopment of two buildings (Buildings E and F on Exhibit 170) located on the northwest corner of the block. Approximately 18,840 square feet will be renovated immediately to allow for the relocation of Data Security, Inc. from the Haymarket to South Haymarket. Further renovation of Building E will provide an additional 6,000 to 12,000 square feet of space for the expansion of Data Security, Inc. over the next two to three years.

Phase II – Telesis Meadowgold Brew House

Phase II includes the redevelopment of the southeastern buildings on the block (Buildings A and B) as a brew house, to create increased brewing capacity, additional fermentation tanks, and a more advanced packaging line for Empyrean Brewing Co. The renovation will provide a 24,290 square feet manufacturing facility for existing capacity and future growth.

Phase III – Telesis Meadowgold Mixed-Use Residential

Phase III includes the redevelopment of a building on the southwest corner of the block (Building D) to allow for a four-story mixed-use residential complex with commercial on the first floor. Approximately 30 to 35 studio/one-bedroom units are planned to be constructed.

Phase IV – Telesis Meadowgold Mixed-Use Commercial/Warehouse

Phase IV includes the redevelopment of Buildings G, H, I, J, and possibly part or all of L to allow for the use of these buildings as commercial/retail spaces, and the redevelopment of Building K as warehouse space. Additional cleanup and the removal of a freezer (a portion of Building L) may take place to allow for movement between manufacturing operations and to preserve existing historically significant buildings.

Additional improvements to the block will take place over these four phases to create other opportunities for the interim reuse of buildings on this site. The renovation of 8,494 square feet of warehouse space (Building K) will allow for the relocation of Empyrean Brewing Company's warehousing operations from Waverly to Lincoln. Other renovations may occur to allow for the temporary use of buildings for storage, to preserve existing infrastructure, and to separate building uses.

2. Statutory Elements

The developer currently owns the land and buildings in the project area that will be improved, except for vacant railroad property on the southeast corner of the block. Land coverage may be altered with the possible demolition of Buildings C and G, and the removal of the freezer (Building L) behind Building G. Currently, there are no plans by the City to acquire, relocate, or dispose of any real property. Should any of these occur, the City will follow policy outlined in the Redevelopment Plan.

The block is zoned I-1. The developer will file for a zoning change on the block from I-1 to B-4.

There are no residential units within the proposed project boundaries, or immediate vicinity.

The developer will work with City staff to address any changes in the existing street system to accommodate the project, including streetscape pedestrian improvements and on-street parking.

Telesis will provide parking on site and on the block south of the project area. There are no parking requirements in the B-4 district. The developer will work with the Public Works Department to maintain on-street parking adjacent to the project.

Investment by the City may assist in acquisition, demolition, site preparation, and remediation; utility relocation and improvements; street and streetscape improvements; preservation of existing structures; and, and other eligible expenditures under the Nebraska Community Development Law within the project area. The streetscape improvements could include sidewalk construction, curb and gutter construction, parking reconfiguration, landscape enhancements, public art, and installation of pedestrian lighting, signage, and other street amenities.

Phase I – Telesis Meadowgold Industrial

The uses under the Industrial Phase I project are allowable in both the I-1 and B-4 districts.

Phase II – Telesis Meadowgold Brew House

The development and operation of the brew house is not allowable under the I-1 zoning regulations; rezoning will allow the brew house use by right. Land coverage may be altered during this phase through demolition, if needed, to preserve historic structures.

Phase III – Telesis Meadowgold Mixed-Use Residential

The mixed-use residential building proposed to be redeveloped as phase III of the project is expected to include 30 to 35 residential units. Land coverage may be altered during this phase through demolition, if needed, to preserve historic structures.

Phase IV – Telesis Meadowgold Mixed-Use Commercial/Warehouse

The redevelopment of the commercial/warehouse space is likely to require adjacent on-street parking. Land coverage may be altered during this phase through demolition and/or removal of structures.

3. Proposed Costs and Financing

At this time, the estimated total cost to implement the redevelopment project is expected to be over \$15 million, over \$13.9 million of which will be privately funded and over \$8.9 million of which will be hard construction costs. The source of funds for public

improvements will be Community Improvement Financing (commonly referred to as Tax Increment Financing or TIF), estimated to be \$1.4 million, generated from the private improvements within the project area. The project may receive additional assistance from recovery zone bonds, as well as historic tax credits.

Phase I – Telesis Meadowgold Industrial

In addition to the purchase of the land, the construction investment in the industrial phase of the project is estimated to cost approximately \$2.3 million and is expected to generate over \$352,000 in TIF funds to be used toward public improvements.

Phase II – Telesis Meadowgold Brew House

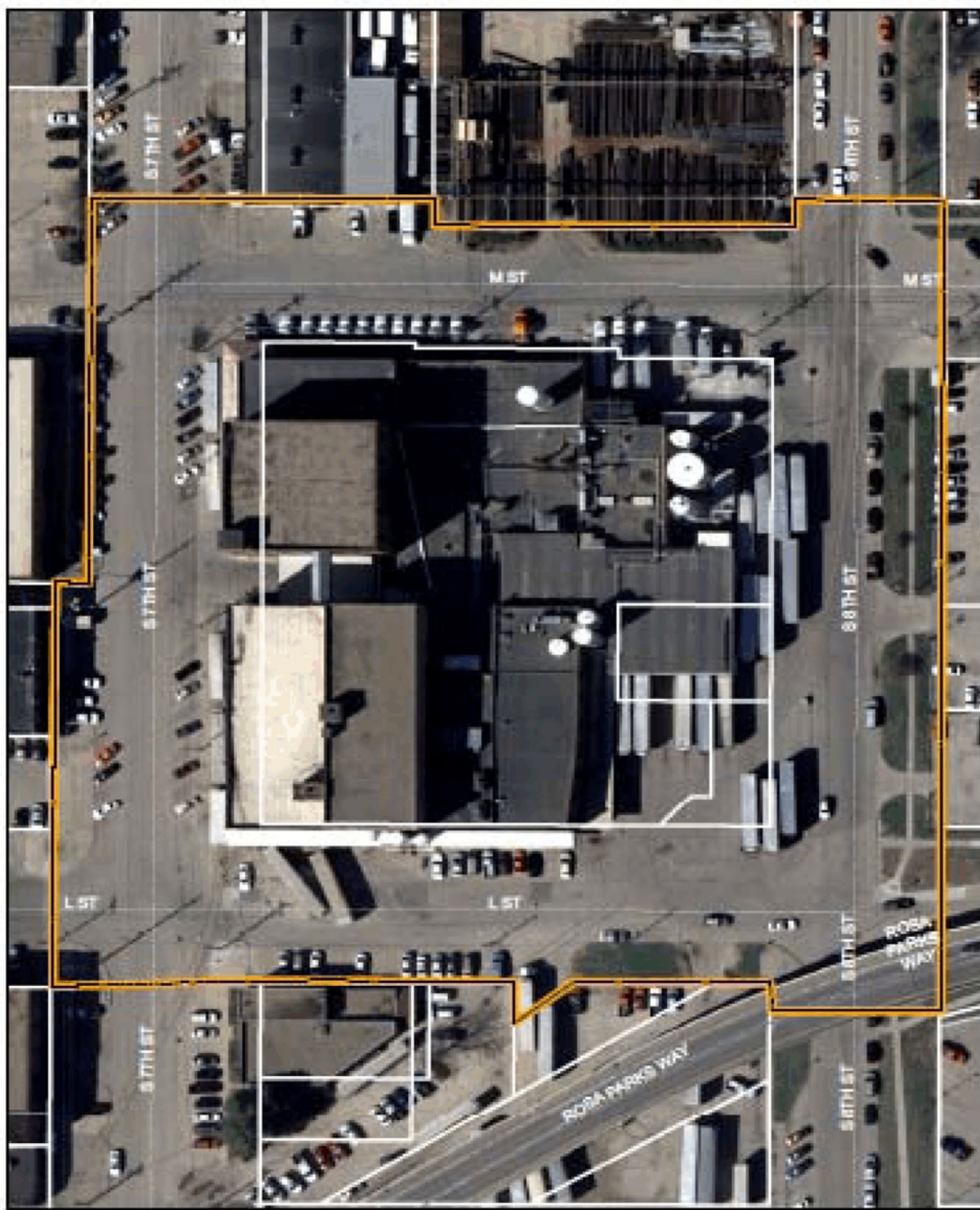
Phase II is expected to cost approximately \$1.3 million in hard construction dollars, and generate over \$210,000 in TIF funds.

Phase III – Telesis Meadowgold Mixed-Use Residential



Phase III is expected to cost \$4 to \$4.8 million in hard construction dollars, and generate \$623,000 to \$748,000 in TIF funds.

Phase IV – Telesis Meadowgold Mixed-Use Commercial/Warehouse

Phase IV is expected to cost approximately \$1.3 million in hard construction dollars, and generate over \$208,000 in TIF funds.



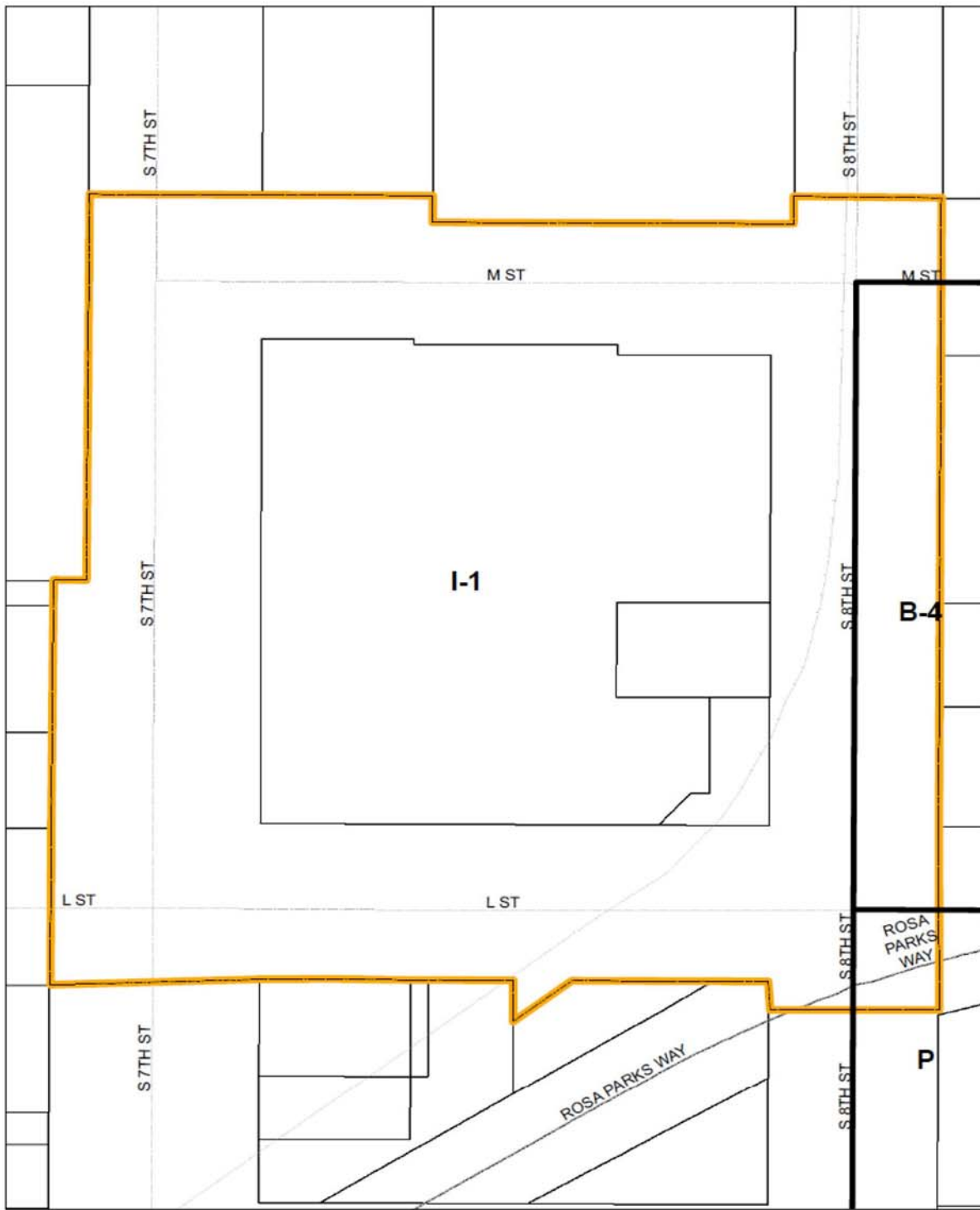
Current Parcel Layout: Exhibit 164

- | | |
|--|---|
|  Project Boundary |  Major Streets |
|  Parcels |  Streets |
| |  RR |

Telesis Meadowgold Redevelopment Project

Created/Compiled by
The City of Lincoln, LLC
Created/Compiled on: 09/07/2010





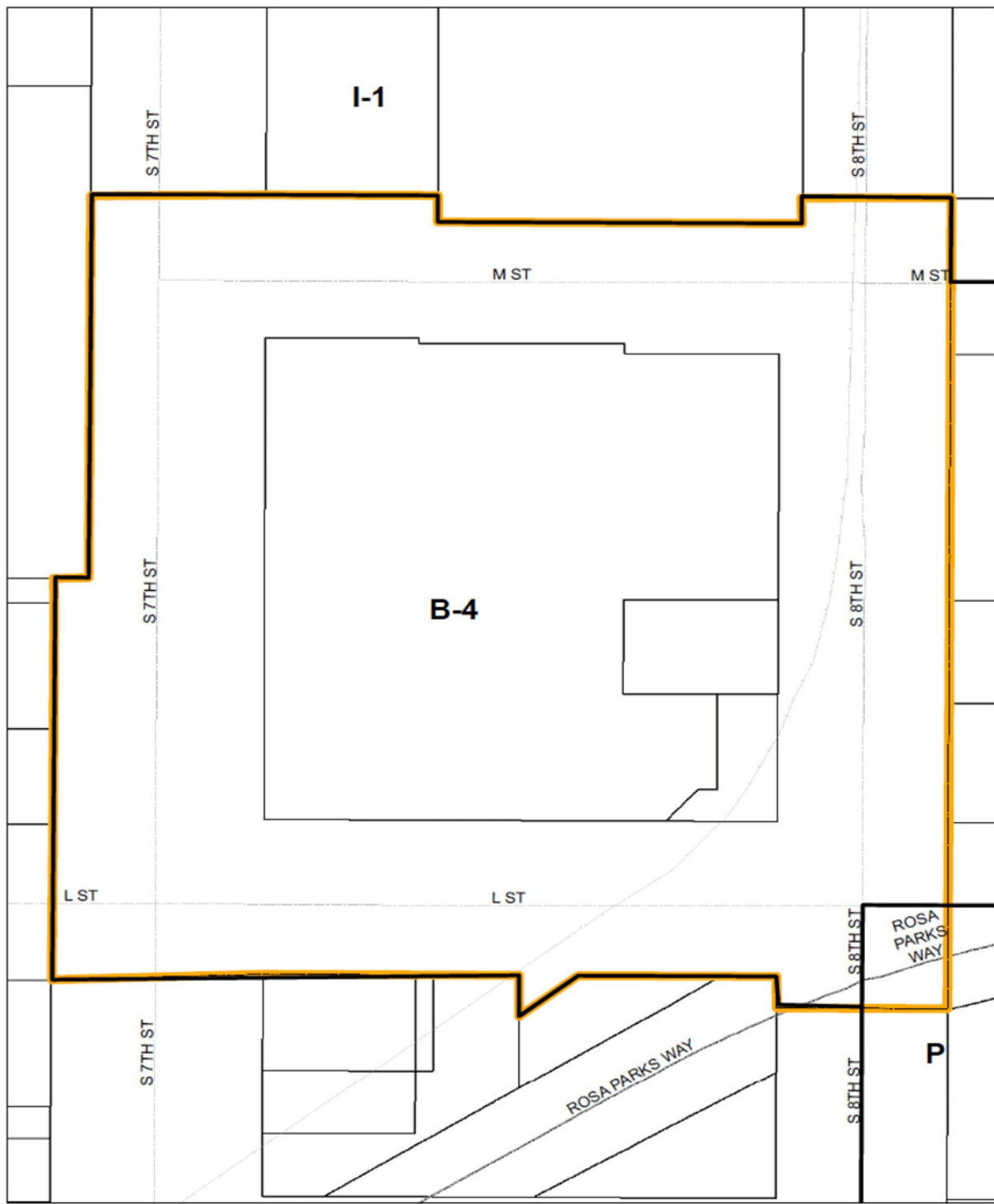
Current Zoning: Exhibit 165









Telesis Meadowgold Redevelopment Project

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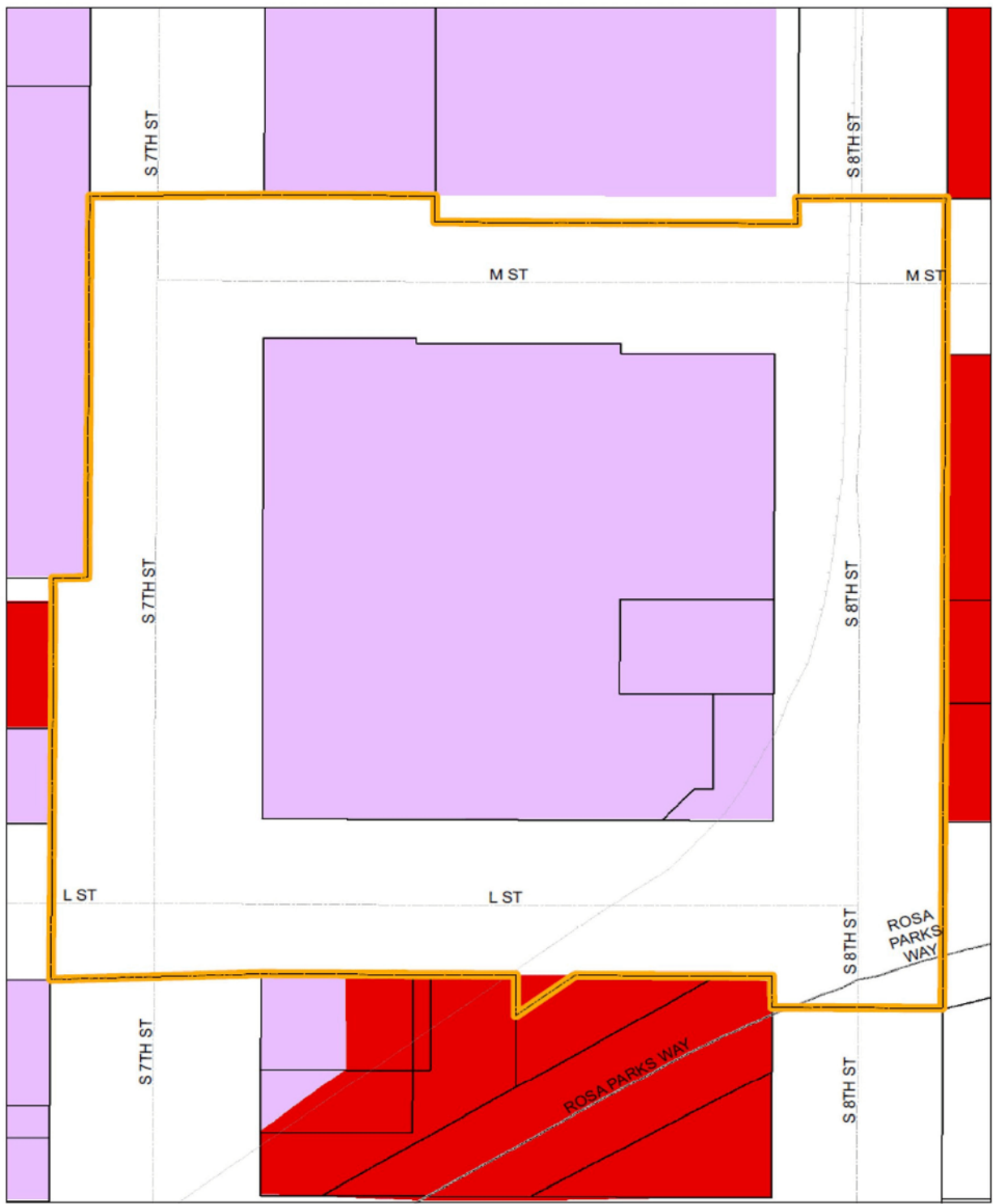
Future Zoning: Exhibit 166

- | | |
|--|---|
|  Project Boundary |  Major Streets |
|  Future Zoning |  Streets |
|  Parcels |  RR |

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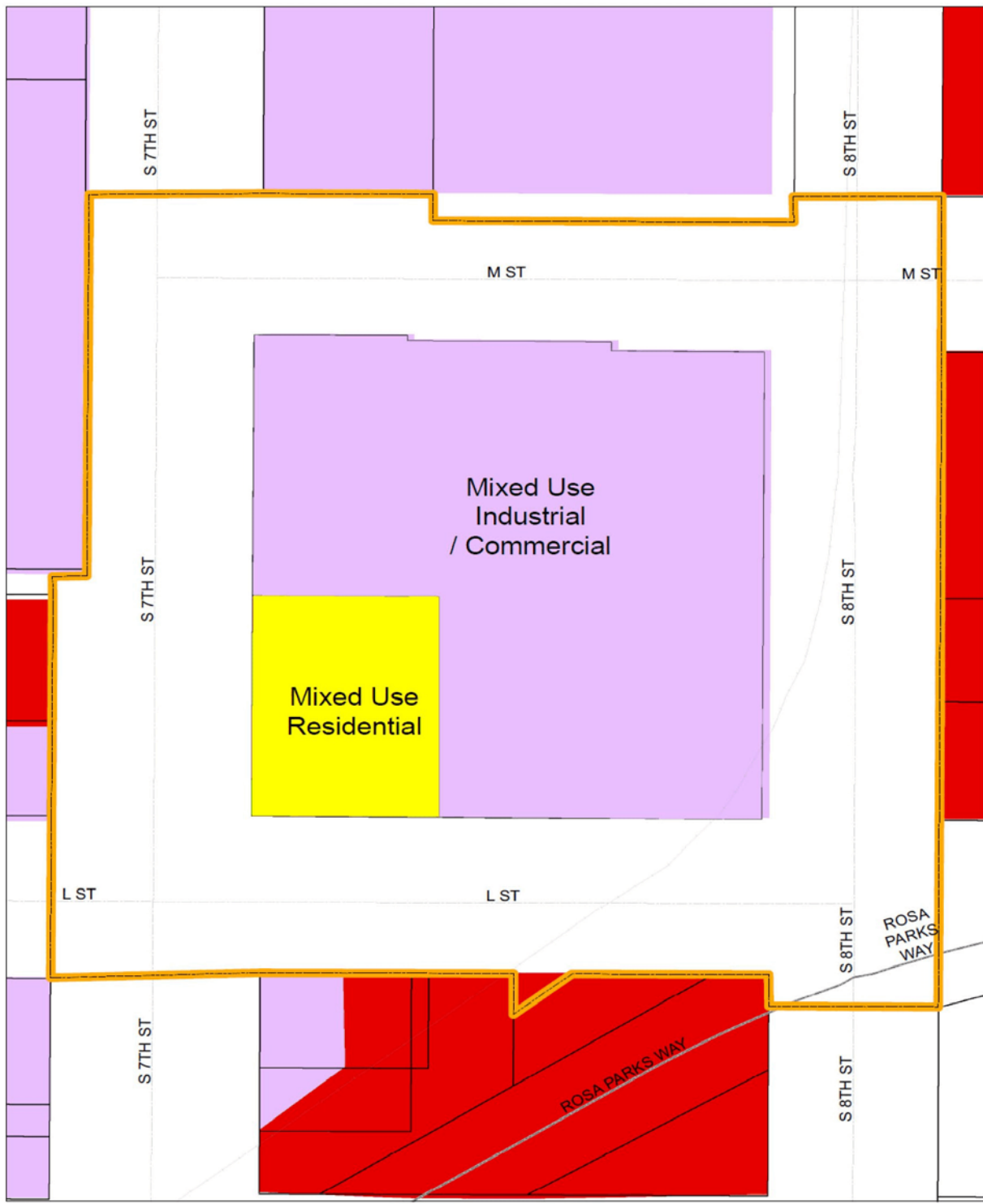
Current Land Use: Exhibit 167



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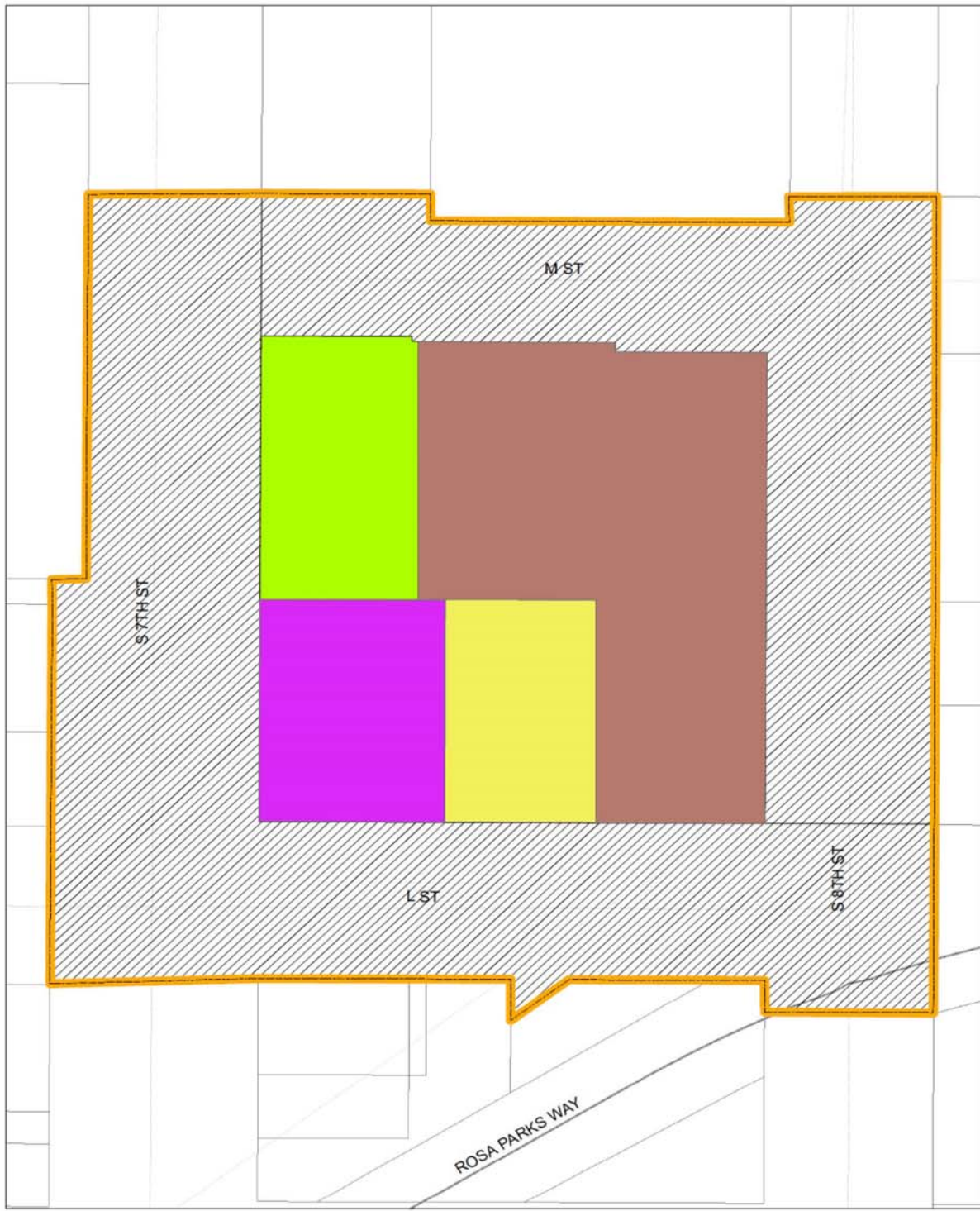
Future Land Use: Exhibit 168



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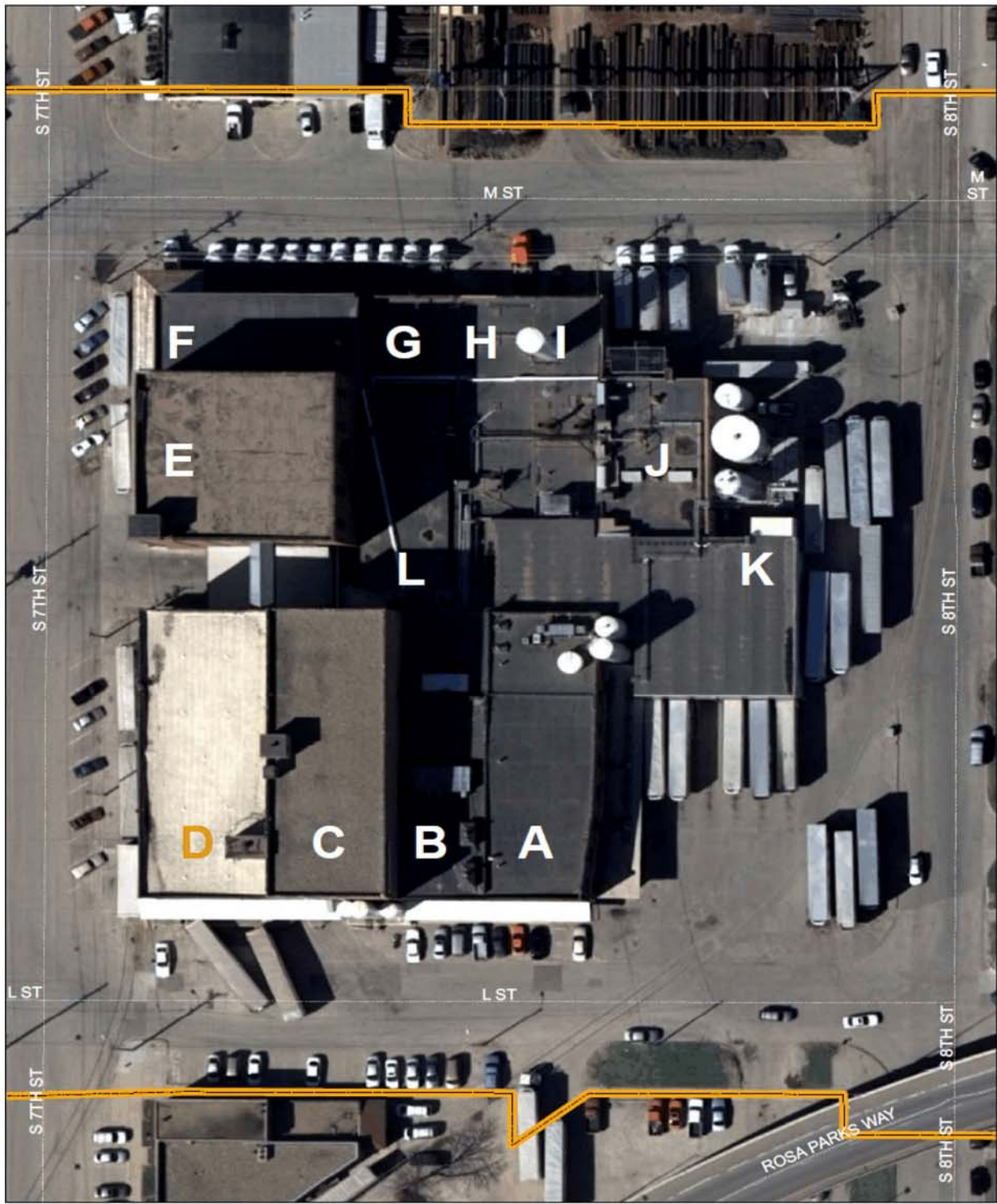
Project Phases: Exhibit 169



Telesis Meadowgold Redevelopment Project

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Current Building Layout: Exhibit 170

- Project Boundary
- Major Streets
- Streets
- RR

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