

# WYUKA REDEVELOPMENT PLAN / GATEHOUSE ROWS PROJECT

## A. INTRODUCTION

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Wyuka Cemetery was formed in 1869 by the Nebraska legislature to provide a cemetery and place of internment for the City of Lincoln. Wyuka Cemetery is a Nebraska nonprofit corporation formed by the State as a public charitable corporation to own and operate the Wyuka Cemetery located between Vine Street and O Street, located primarily east of approximately 36<sup>th</sup> Street. In 1982, the Wyuka Cemetery was listed on the National Registry of Historic Places to preserve the rich history of the original grounds. Currently, the Wyuka Cemetery is comprised of approximately 91 acres of land.

On its western border, a meandering creek is located which feeds into a pond on cemetery grounds. The Wyuka Cemetery owns approximately eight acres located west of the creek which are underutilized by the corporation. The corporation does not plan to use this area for places of internment due to the cost associated with providing creek crossings.

Wyuka Cemetery is governed by Trustees appointed by the State. The Board of Trustees has determined that this excess land, located west of the creek, should be sold for a use consistent the charitable purpose of the corporation. Gatehouse Rows, LP has an option to acquire the excess land to be developed into much needed affordable housing providing housing opportunities for the “missing middle” of income earners where housing opportunities are strained. The Trustees of the Wyuka Cemetery support the Blight Study, this Redevelopment Plan and the proposed Gatehouse Rows Project (henceforth referred to as the Project) for the excess land located on its western border.

## B. EXISTING CONDITIONS

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### 1. Land Use

Since Wyuka Cemetery is a nonprofit corporation established by the State of Nebraska, it is a public entity and the Wyuka cemetery is zoned for land use purposes in the *P-Public* district. The Future Land Use Map contained in the *LPlan 2040* identifies the Wyuka Cemetery for a public use.

### 2. Zoning

The Wyuka Cemetery land is zoned in the *P-Public* district. The adjacent neighborhoods and residential areas are zoned in the *R-4 Residential* district. The Redevelopment Plan envisions that the redevelopment project site shall also be changed to the *R-4 Residential* zoning district. Further, due to the density and clustering of the dwelling units, the Gatehouse Rows project will seek city approval for a Special Permit approving a Community Unit Plan for the approximately eight-acre site. The density proposed for the Gatehouse Rows project would remain below the density cap for the *R-4 CUP Design Standard*.

### **3. Subdivision**

Wyuka Cemetery owns a parcel which is over 90 acres in size. The project redeveloper has an option to acquire approximately eight (8) acres of the larger parcel. The redeveloper, working in cooperation with Wyuka Cemetery, will be required to obtain subdivision approval to separate the eight acre parcel from the larger Wyuka parcel. The dwelling units will not be individually platted and will not be structured for separate ownership of the units. While the subdivision plat has not been prepared, it is probable that the development will be comprised of one or more buildable lots of record for the structures containing the dwelling units and one or more outlots for the location of the common areas of the development which could include the pedestrian trail, playground, detention pond facility and perhaps even the creek bed. The subdivision will be required to comply with the requirements of the City of Lincoln subdivision ordinance.

### **4. Parks & Recreation Facilities and Trails**

As depicted on the project site plan, the Project will have a pedestrian trail located on its eastern side for the use of the project residents and the local neighborhood. The pedestrian trail will also connect with pedestrian trails and sidewalks adjacent to the development and the neighborhood. The Project also envisions a detention facility which will capture the storm water drainage and provide an amenity to the Project.

The Project will contain an area for a community garden for use by the residents and a playground area for the use of the younger residents.

### **5. Transportation**

The infrastructure for the Project on this western edge of Wyuka Cemetery needs improvements for the existing built environment and the proposed project, which will include additional pavement of affected streets. The project will gain its primary access from 35<sup>th</sup> and O Streets on the southern edge of Wyuka Cemetery. Internally, 36<sup>th</sup> Street from R Street to S Street will need surfaced in accordance with the Street Design Standards of the City of Lincoln. Additionally, Q Street from 35<sup>th</sup> Street to 36<sup>th</sup> Street will need surfacing as it will be used for providing access to the project site.

The Project is conveniently located near both Vine Street on the north and O Street on the south, both of which are bus routes and will provide project residents with access to the public transportation systems.

### **6. Public Utilities**

The Wyuka Redevelopment Area is located with ready access to sanitary sewer connections and water mains. Public utilities are available to provide service to the project site.

## 7. Watershed Management

The Redevelopment Area includes the drainage way on the western edge of Wyuka Cemetery. The storm water discharge from the site will be managed on site with the installation of a detention facility on the project site which is coordinated with the existing stormwater facilities located on Wyuka Cemetery.

## 8. Historical Significance

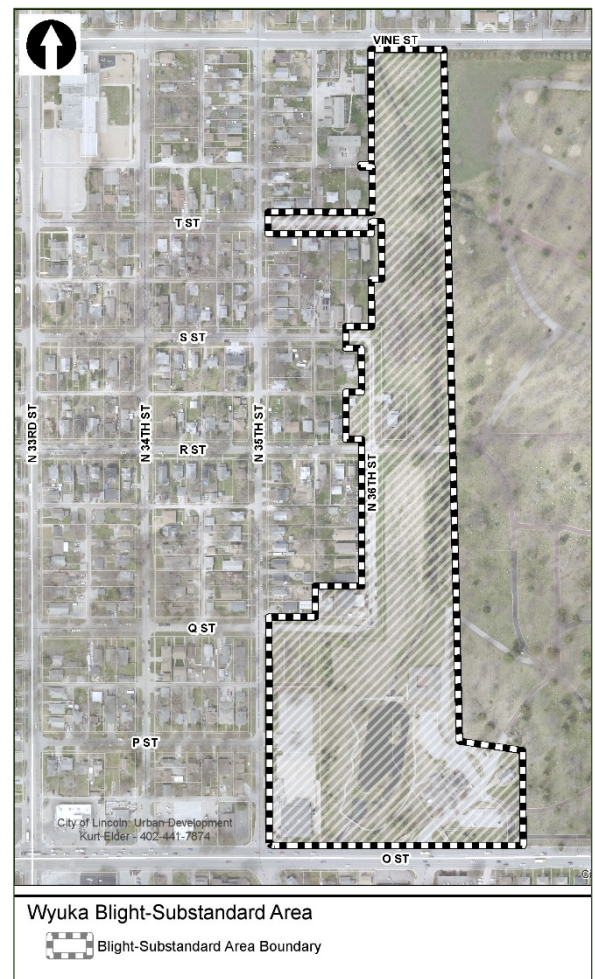
As noted above, Wyuka Cemetery was listed on the National Registry of Historical Places in 1982 to preserve its rich history. The sale and transfer of the excess western portion of Wyuka enables the Board of Trustees to activate this otherwise unusable parcel and obtain an economic benefit for the furthering the purposes of Wyuka. The Redevelopment Project also contains plans which further the historical significance of Wyuka by acquiring and repurposing the original gatehouse or caretaker house located at 3600 O Street. The gatehouse has been in ownership of third parties unrelated to the purposes of Wyuka. The Redevelopment Project envisions that the former gatehouse will be converted into a clubhouse and leasing office as part of the housing project. The intention is to also preserve the historic wrought iron gate, the white brick pillars and historic fencing along the western border. The west entrance to Wyuka contains a cobblestone driveway which serves the area and is proposed to be restored as part of the project.

## C. BLIGHT STUDY

The Board of Trustees of Wyuka Cemetery engaged Hanna:Keelan Associates, P.C. to prepare a Blight Study for the western region of Wyuka Cemetery to determine if the area qualifies as “blighted” and “substandard” within the meaning of the Nebraska Community Development Law. The efforts resulted in a *Blight and Substandard Determination Study for the Wyuka West Redevelopment Area*, dated December 2019 (the *Blight Study*). The *Blight Study* examines all the statutory requirements for declaring the area to be blighted and substandard.

The *Blight Study* contains the following conclusion:

*It is the conclusion of the Consultant that the number, degree and distribution of **Blight and Substandard Factors**, as documented in this **Executive Summary**, 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 aids provided in the **Nebraska Community Development Law**. It is also the opinion of the Consultant that the findings of this **Blight and Substandard Determination Study** warrant designating the **Wyuka West Redevelopment Area** as "**substandard**" and "**blighted**."

The conclusions presented in this **Study** are those of the Consultant engaged to examine whether conditions of **blight and substandard** exist. The Lincoln City Council should review this **Study** and, if satisfied with the summary of findings contained herein, may adopt a resolution making a **finding of blight and substandard** and this **Study** a part of the public record.

This Redevelopment Plan is intended and designed to implement a strategy to remove the blighted and substandard conditions described in the *Blight Study* and put the Wyuka Redevelopment Area to a productive and beneficial use. In addition, the housing provided by the proposed redevelopment project helps address many of the objectives contains in the Comprehensive Plan of the City of Lincoln and its affordable housing goals.

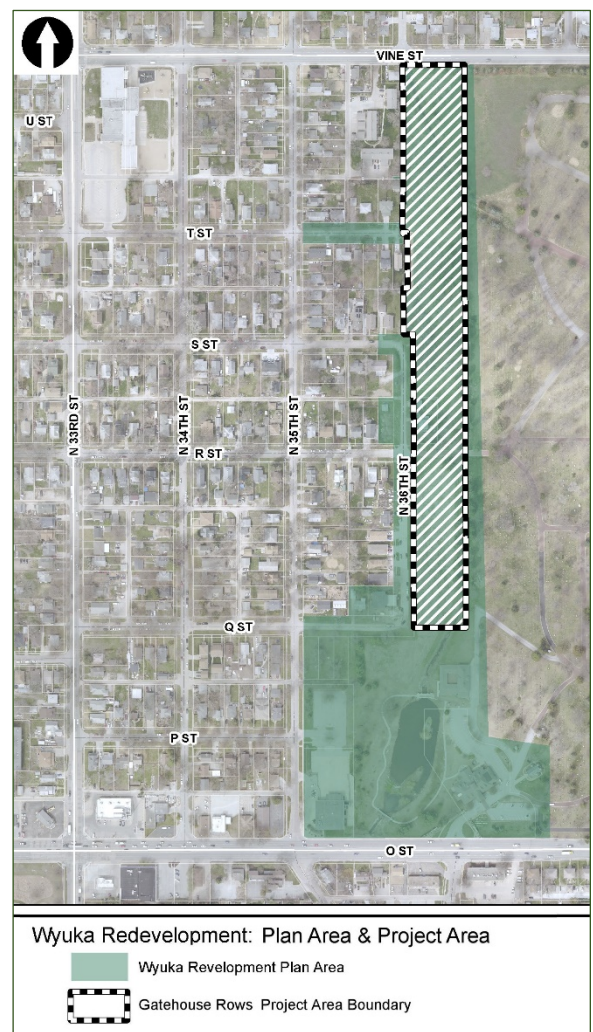
## D. GATEHOUSE ROWS REDEVELOPMENT PROJECT

### 1. Project Description

The Gatehouse Rows Redevelopment Project (the "Project") includes the redevelopment and rehabilitation of approximately eight (8) acres located on the west edge of Wyuka Cemetery into affordable residential units. The parcels comprising the proposed project site are generally located between 36<sup>th</sup> Street on the west, Wyuka Cemetery on the east, R Street on the south and Vine Street on the North (the "Project Site"). The Project Site is depicted on the map, right.

The goal of the Gatehouse Rows Project is to revitalize and strengthen the residential community in the Wyuka Redevelopment Area by providing affordable residential dwelling units through the redevelopment of existing underutilized real property located east of downtown Lincoln but located conveniently to services available in the city. The Project will increase security and safety in the Wyuka Redevelopment Area cause the removal of blight and substandard conditions on the Project Site and in the Wyuka Redevelopment Area.

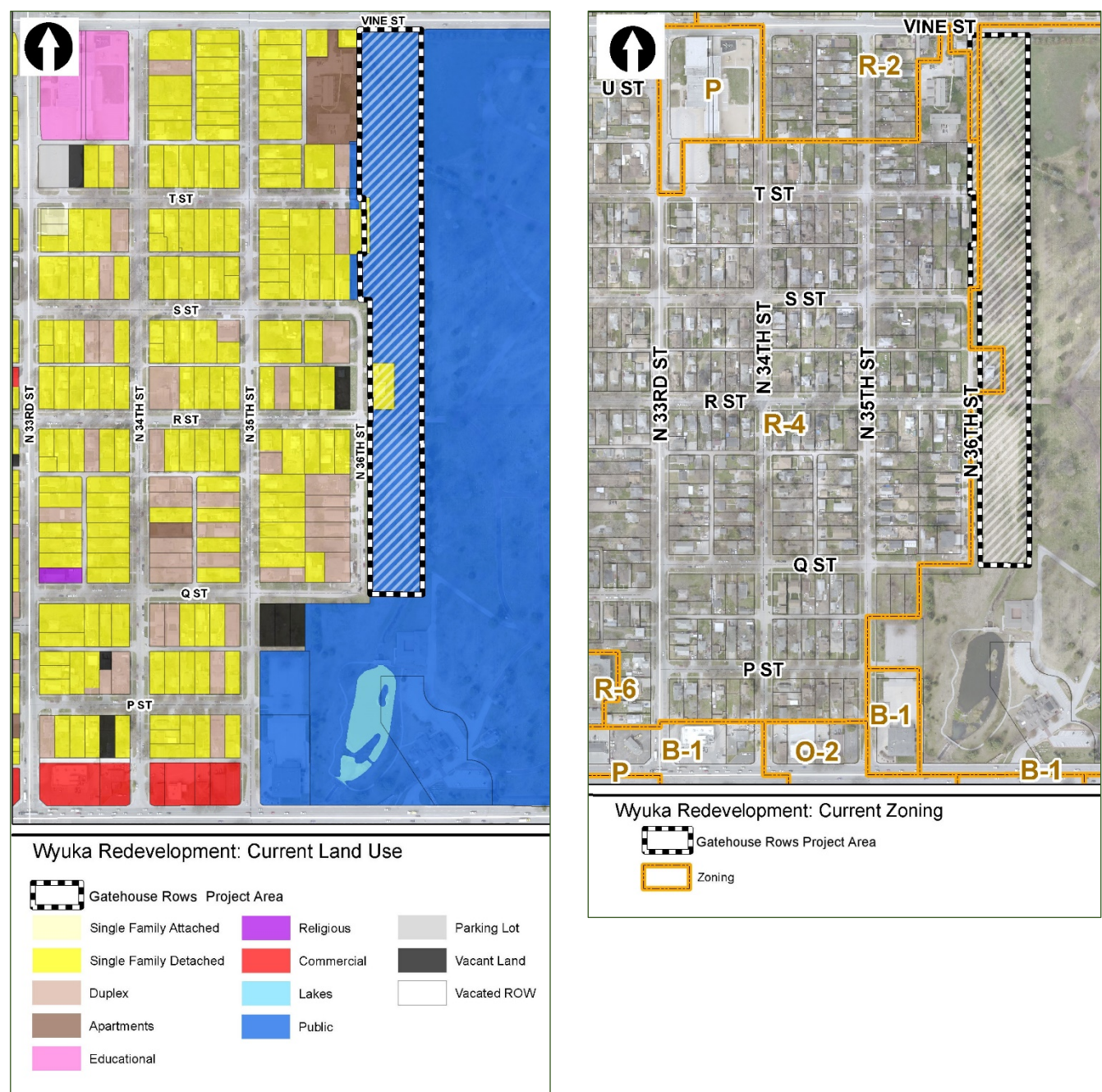
The Project Site is vacant. Surrounding land uses include: a) Wyuka Cemetery to the east of the Project





Site; b) Hartley neighborhood to the west, c) Vine Street to the north; and d) O Street to the south. See the current land use map, below.

The Project Site is currently *P-Public District*, which provides for governmental use which provides to the use of the property by Wyuka Cemetery Association which is a Nebraska nonprofit corporation and a state-chartered corporation. The Hartley neighborhood is zone for the *R-4-Residential* zoning classification which would permit the development of multi-family residential uses. The Gatehouse Rows Redevelopment Project proposes a change to the *R-4* zoning district coupled with the approval of a Special Permit Community Unit Plan to facilitate the redevelopment project. Current zoning is shown below.



The Gatehouse Rows Project is consistent with the Wyuka Redevelopment Plan and is intended to strengthen the Hartley neighborhood and provide direction for shaping infill development in along O Street and the surrounding residential neighborhoods while supporting private sector commercial and residential development in the Wyuka Redevelopment Area.

The Project is also consistent with the *LPlan 2040*, the *Lincoln-Lancaster County 2040 Comprehensive Plan* and the recently adopted *Affordable Housing Coordinated Action Plan*:

- Guiding principles in Chapter 7, Neighborhoods & Housing, include providing safe and decent affordable housing for low-and moderate-income households and encouraging well-designed and appropriately placed density.
- Guiding principles in Chapter 12, Plan Realization, include encouraging higher density, and according to Chapter 10, Transportation, this higher density should be emphasized especially along major transportation corridors and provide housing options in a variety of neighborhood settings.
- The Project is in accord with and promulgates the *Lincoln Affordable Housing Coordinated Action Plan* in that it creates new affordable housing units targeted to households with incomes at or below 60% medium income in a low income housing tax credit project with bond financing. A consortium of Lincoln banks will both buy the bonds, do the construction financing and buy and hold the equity of the project. Gap financing is provided by the Lincoln Community Foundation. Such a combination for financing meets both the goals and criteria of the Plan. The project is an infill use designed in the "Missing Middle" concept of clustered higher density pods along the east edge of the Harley neighborhood.

The Project represents a significant private investment in the Wyuka Redevelopment Area. Publicly funded redevelopment activities may include: site acquisition, site preparation



and grading, extension or replacement of utilities, energy efficiency enhancements, façade enhancements, landscaping in the right-of-way, and other public improvements in the Wyuka Redevelopment Area.

## 2. Statutory Elements

- **Property Acquisition, Demolition, and Disposal:** The proposed redeveloper currently controls the Project Site. The Project has two existing structures, a garage and the west gatehouse of Wyuka Cemetery. While the garage may be replaced or moved, the gatehouse will be renovated to provide a community space and offices for the operation of the apartment complex. In that the gatehouse will be sold as part of the land acquisition, no relocation of families or businesses will occur as a result of the Project.
- **Population Density:** The Project includes the renovation of the existing gatehouse and construction of dwelling units in row home-like clusters along the length of the project site. As a result, the Project will have an impact on and will increase the Wyuka Redevelopment Area's population density to the maximum level of density for an *R-4* residential CUP.
- **Land Coverage:** Land coverage will increase as the Project Site is currently vacant but for the gatehouse property. The Project will include the construction of the dwelling units and parking in an approximate 1.4 stalls to the unit ratio. The Project will comply with the applicable land-coverage ratios of the zoning requirements of the City of Lincoln.
- **Traffic Flow, Street Layouts, and Street Grades:** The Project is serviced by 36<sup>th</sup> Street between Q and S. Other than this project the street only services the residential units on its west side between Q and R. By creating additional housing units, the project will likely result in an increase in traffic on 36<sup>th</sup>, Q, R and S streets. The Project will also involve the vacation of a portion of the right-of-way on the east side of 36<sup>th</sup> Street between Q and S and require the paving of Q Street between 36<sup>th</sup> Street and 35<sup>th</sup> Street and 36<sup>th</sup> Street between R and S streets.
- **Parking:** The redeveloper may acquire the right of way on the east side of 36<sup>th</sup> Street and have right angle parking served by the street. Additional on-site parking will be constructed for a total stall count of no less than 1.4 per unit requiring a parking waiver in the Community Unit Plan.
- **Zoning, Building Code, and Ordinances:** The Project Site is currently zoned *P-Public Use*. The Redevelopers will change the zone to *R-4* matching the adjoining Hartley Neighborhood. The Project will be expressed in a Community Unit Plan and its density and layout is a permitted use in such district. The Project will seek a special permit to exceed the minimum height requirement, the parking ratios and approval for the parking layout. All applicable building code requirements and ordinances will be satisfied. The Project will require the Project Site to be subdivided from Wyuka and re-platted.



### 3. **Proposed Cost and Financing**

The estimated total cost to implement the Project is anticipated to be up to approximately \$19,500,000, which includes approximately \$1,650,000 in tax increment financing. Up to approximately \$17,400,000 of the funds will be provided by housing development bonds issued without recourse by the City generating 4% Low Income Housing Tax Credits under section 42 of the Internal Revenue Code. The gap in funding the project will be filled by a soft second loan from the Lincoln Community Foundation. The project cost will be finalized as construction costs are determined. The source of the public funds for the eligible public improvements will be the tax increment generated from the private developments on the Project Site. However, funding sources and uses will be negotiated and identified in the redevelopment agreement, subject to approval by the Mayor and City Council.

#### **Tax Increment Financing Analysis**

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

- **Public Tax Revenues:**

<b>Gatehouse Rows Project</b>	<b>Amount</b>
<b>(a)</b> Base Value	\$50,000
<b>(b)</b> Estimated New Assessed Value	\$6,400,000
<b>(c)</b> Increment Value = $(b) - (a)$	\$6,350,000
<b>(d)</b> Annual TIF Generated (Estimated) = $(c) \times 2.0129860\%$	\$127,868
<b>Funds Available</b> = $(d) \times 19 \text{ years @ } 4.5\%$	\$1,610,000

Upon completion of the Project, the assessed value of the Project Site will increase by an estimated \$6,400,000, as a result of the private investment for the Project. Nebraska law contains a statutory proscribed valuation method for LIHTC projects which results in a tax liability based on the restricted rental structure. This will result in an increase in estimated annual property tax collections during the 20- year TIF period of approximately \$127,868, which will be available to finance the costs of construction of the public improvements related to the Project. The public investment of approximately \$1,610,000 in TIF funds will leverage the private sector financing: a private investment of over \$11 for every TIF dollar spent.

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 Wyuka 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.



Public investment may assist with the costs of site acquisition, site preparation and grading, extension or replacement of utilities, energy efficiency enhancements, façade enhancements including relocation of the historic cemetery fencing , landscaping in the right-of-way, renovation of the existing building and other public improvements and enhancements permitted under the Community Development Law in the Wyuka Redevelopment Area. It is anticipated that the property will be determined to be extremely blighted and extend Tax Increment Financing will be used after enabling legislation.

- **Public Infrastructure and Community Public Service Needs Impacts:** It is not anticipated that the Project will have an adverse impact on existing public infrastructure. In fact, the Project involves the capture of the incremental tax revenues for installation of utilities and other public infrastructure improvements in the Wyuka Redevelopment Area. It is not anticipated that the Project will have an adverse impact on City services, but instead will generate additional revenue providing support for those services.
- **Employment within the Redevelopment Project Area:** It is not anticipated that the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the Project. It is anticipated that the construction of the Project will create jobs and the low-income housing will provide lower income workers new, safe, and secure housing.
- **Employment in the City outside the Redevelopment Project Area:** The anticipated job creation resulting from the construction of the Project is not expected to adversely affect employment in the City outside the Redevelopment Project Area. Instead, the removal of blight and substandard conditions from the Hartley Redevelopment Area and the Gatehouse Rows Project Area is anticipated to enhance the east Hartley neighborhood and by creating low income housing units which will help meet the low income housing goals of the City of Lincoln as a whole. The Project should increase the need for services and products from existing businesses in and around the Wyuka Redevelopment Area.
- **Other Impacts:** The development of the Gatehouse Rows Project will eliminate the existence of blight and substandard conditions and will attract residents and businesses to the Wyuka Redevelopment Area and the City of Lincoln. The Project is consistent with the policy of *LPlan 2040*, the *Affordable Housing Coordinated Action Plan*, and the *Wyuka Redevelopment Plan*.

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

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

will benefit the community through higher property tax revenue while maintaining its low income housing target for 30 years.