

FACTSHEET

TITLE: Amendment to the ANTELOPE VALLEY REDEVELOPMENT PLAN: "23RD and O Street Redevelopment Project".

BOARD/COMMITTEE: Planning Commission

APPLICANT: David Landis, Director of the Urban Development Department

RECOMMENDATION: A finding of conformance with the Comprehensive Plan (7-0: Beecham, Corr, Hove, Cornelius, Weber, Harris and Lust voting 'yes'; Scheer declared a conflict of interest; Sunderman absent)

STAFF RECOMMENDATION: A finding of conformance with the Comprehensive Plan

OTHER DEPARTMENTS AFFECTED: Urban Development

SPONSOR: Planning Department

OPPONENTS: None

REASON FOR LEGISLATION:

To approve a proposed amendment to the Antelope Valley Redevelopment Plan to add the "23rd and O Street Project" which includes the rehabilitation and expansion of an existing retail building to be used for providing health services, on approximately 2.0 acres, more or less, generally located between O Street on the north, N Street on the south, South 23rd Street on the west and the north-south alley on the east. The project area includes adjacent rights-of-way of O Street, N Street and South 23rd Street. The Antelope Valley Redevelopment Plan area north of Downtown is generally bounded by Salt Creek on the north, by the BNSF Railroad tracks on the south, by Antelope Creek on the east and by Interstate I-180 on the west; and the area east of Downtown is generally bounded by 17th Street on the west, 27th Street on the east, the BNSF Railroad tracks on the north and "D" and "E" Streets on the south, Lincoln, Lancaster County, Nebraska.

DISCUSSION / FINDINGS OF FACT:

1. The staff recommendation to find the proposed amendment to the Antelope Valley Redevelopment Plan to be in conformance with the 2040 Comprehensive Plan is based upon the "Analysis" as set forth on p.3-4. The staff presentation is found on p.5-6.
2. Testimony in support on behalf of the owner of the building is found on p.6-7.
3. There was no testimony in opposition.
4. On October 29, 2014, the Planning Commission agreed with the staff recommendation and voted 7-0 to find the proposed amendment to the Antelope Valley Redevelopment Plan to be in conformance with the 2040 Comprehensive Plan (**Comprehensive Plan Conformance No. 14022**). Commissioners Beecham and Corr were interested in seeing improvements to the N Street side of the building in conjunction with this amendment (See p.6-7).

FACTSHEET PREPARED BY: Jean Preister, Administrative Officer

DATE: November 10, 2014

REVIEWED BY: Stephen Henrichsen, Land Use Planning Manager

DATE: November 10, 2014

LINCOLN/LANCASTER COUNTY PLANNING STAFF REPORT

for October 29, 2014 PLANNING COMMISSION MEETING

PROJECT #: Comprehensive Plan Conformance No. 14022

PROPOSAL: To review as to conformance with the 2040 Lincoln-Lancaster County Comprehensive Plan, to add the "23rd & O Street Project" area on property generally located at 2301 O Street in Downtown Lincoln.

The Antelope Valley Redevelopment Plan area north of Downtown is generally bounded by Salt Creek on the north, by the BNSF Railroad tracks on the south, by Antelope Creek on the east and by Interstate I-180 on the west; the area east of Downtown is generally bounded by 17th Street on the west, 27th Street on the east, the BNSF Railroad tracks on the north and "D" and "E" Street on the south, Lincoln, Lancaster County, Nebraska.

LOCATION: 2301 O Street and adjacent rights-of-way

LAND AREA: 2 acres, more or less

CONCLUSION: The redevelopment plan is in conformance with the Comprehensive Plan.

<u>RECOMMENDATION:</u>	In conformance with the Comprehensive Plan.
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GENERAL INFORMATION:

LEGAL DESCRIPTION: Lots 1-18, Field & Harrison's Addition, the adjacent vacated east/west alley, and the adjacent rights-of-way of O Street, N Street and S. 23rd Street.

EXISTING ZONING: B-4, Lincoln Center Business District

EXISTING LAND USE: Retail

SURROUNDING LAND USE AND ZONING:

North: Commercial; B-4
South: Park/School; P
East: Commercial; B-3
West: Non-profit/Social Services; B-4

HISTORY:

This property was rezoned from K, Light Industrial, to B-4, Lincoln Center Business District, in the 1979 zoning update.

June 1983 The Planning Commission approved a special permit on this property to authorize construction of two roof signs.

The Antelope Valley Redevelopment Plan was first adopted in 2004 and has added several project areas. Projects areas include a variety of housing and office developments including the Eleven Hundred Y Street Project and Antelope Village.

COMPREHENSIVE PLAN SPECIFICATIONS:

P. 1.9 - This site is shown as Commercial on the Future Land Use Map.

P. 1.2 - A strong, vital Downtown provides a common center for all of Lincoln and Lancaster County and will be a catalyst for future growth.

P. 5.3 - Lincoln's health care providers serve a larger region than just the city. Expansions of existing locations are expected and a wide variety of new facilities will likely come forward over time.

P. 8.7 - New medical office buildings have been constructed in many areas of the city. This trend is likely to continue into the immediate future as the demand for health care services increases as a result of the community's growing and aging population.

ANTELOPE VALLEY REDEVELOPMENT PLAN SPECIFICATIONS:

P. 49 - The (Antelope Valley) Redevelopment Plan assumes a projected build-out as shown below. Office - 954,200 sq. ft.

P. 54 - This property is shown as Mixed-Use on the Future Land Use Map.

P. 55 - As a major entrance to Traditional Downtown, the "O" Street Corridor between S. 17th and 27th Streets needs to be strengthened. A new streetscape and general street appeal are needed, along with stronger general and neighborhood retail and other mixed-uses.

P. 57 - The Mixed Use area east of traditional downtown is intended to accommodate a wide variety of land uses compatible with adjacent residential areas and supportive of downtown as the community's center. Within this wider area, certain subdistricts should be encouraged through incentives and regulations.

P 58 - The Mixed-Use designation along O" Street is intended to provide an attractive entry corridor to and from downtown as well as a central neighborhood amenity within the Antelope Valley Area. Due to the amount of traffic within the corridor, auto oriented land uses are predominant and will likely continue. Public streetscape improvements can upgrade the appearance of the area and should be matched by higher design standards for private improvements, including building materials, locations, and landscaping.

ANALYSIS:

1. This is a request to review an amendment to the Lincoln Center Redevelopment Plan for a determination of conformity with the Lincoln and Lancaster County 2040 Comprehensive Plan.
2. The concept of this project is to rehabilitate and expand an existing retail building to be used for providing health services. The project will be an integrated community health clinic providing outpatient care. A small pharmacy is also proposed. The project area is bounded by O Street, N Street, 23rd Street and the north/south alley on the east. The project area includes the adjacent rights-of-way.

3. The language in the Antelope Valley Redevelopment Plan shows Mixed-Use as a future use. Mixed-use at this location should support the adjacent residential uses as well as Greater Downtown. Health Services is an appropriate use for this location.
4. The Antelope Valley Redevelopment Plan also says this area of "O" Street intended to provide an attractive entry corridor to and from Downtown. Public streetscape elements should be incorporated adjacent to this site as well as higher design standards for private improvements, building materials and landscaping.

This project area is zoned B-4 and is subject to the Downtown Design Standards. The redevelopment plan amendment states that facade and window treatments will be consistent with Downtown Design Standards on the "O" Street facade. The Downtown Design Standards will also require parking lot screening with plant materials or masonry walls. Improvements within the public right-of-way should include a streetscape zone with a planting area for street trees and a sidewalk.

5. A large box culvert is located under the building and the parking lot. The location of the culvert will limit where tree planting and extensive digging can occur. The language in the redevelopment plan amendment should be modified to meet the satisfaction of the Watershed Management Division.
6. The source of funds for public improvements will be Tax Increment Financing generated by this project. If this project receives TIF assistance, the design details of the development will be reviewed by the Urban Design Committee.

Prepared by:

Paul Barnes, Planner
402-441-6372
pbarnes@lincoln.ne.gov

DATE: October 14, 2014

APPLICANT: Dave Landis
555 S. 10th Street, Suite 205
Lincoln, NE 68508

CONTACT: Wynn Hjernstad
555 S. 10th Street, Suite 205
Lincoln, NE 68508

OWNER: Apples Way, LLC
6333 Apple Way, Suite 115
Lincoln, NE 68516

COMPREHENSIVE PLAN CONFORMANCE NO. 14022

PUBLIC HEARING BEFORE PLANNING COMMISSION:

October 29, 2014

Members present: Weber, Beecham, Cornelius, Corr, Harris, Hove and Lust; Scheer declared a conflict of interest; Sunderman absent.

Staff recommendation: A finding of conformance with the 2040 Comprehensive Plan.

There were no ex parte communications disclosed.

Staff presentation: **David Landis, Director of the Urban Development Department,** presented the proposed amendments as the moving party. This amendment alters the existing Antelope Valley Redevelopment Plan to describe a project which then would be the basis upon which the City would bring forward a redevelopment agreement with a developer. The purpose of this amendment is that the project must be sufficiently described in the redevelopment plan as a basis to proceed forward.

The location is at 23rd and O Street, currently the "Office Max" building. There is a developer who wishes to make use of the building and who is negotiating now for clinic space which would be well located in this area.

Landis showed a rendering which was also provided by Clark Enersen to the Urban Design Committee. Landis believes the response of the Urban Design Committee was generally positive, although there is opportunity to go back to that committee when the design is further along.

This project would be subject to the downtown design standards, meaning transparency of windows, buffering of the parking lot, etc. The intent would also be to add some street trees on O Street. The plan on the back side of the building is yet to be determined. There has been talk about softening the back of that building. Urban Development has suggested a mural of some kind. To replace the entire wall with brick would be very expensive.

Landis then described the project that is currently being discussed which will be \$5.3 million in private investment, yielding \$500,000 of TIF (tax increment financing). The City has made the desire for significant landscaping very clear; however, it would be valuable to allow a clinic to be successful at this location. There is a sewer line or sanitation line under this building. It wasn't something that would have normally been done, or something that would be done now; however, it is a fact on this location and must be dealt with. If you brought the whole building down, it would need to have a different footprint.

Landis believes that the project is consistent with the downtown design standards and the Comprehensive Plan.

Beecham inquired about the Urban Design Committee (UDC) discussion. **Wynn Hjermsstad of Urban Development** came forward since Landis did not attend that meeting. She recalled that the UDC had concerns about N Street and would like to see something done there. One of the considerations for the back of the building, in addition to the mural, was the removal of one of the two loading docks that are there now, which would make room for more landscaping on the N Street side. The UDC was also interested in landscaping and building materials. They did like what was shown by the developer, i.e. brick facade. In fact, the UDC suggested that perhaps they would not need to use as much brick and do something a little bit “splashier” on the front. The UDC did mention the downtown design standards and would like the developer to follow those regulations as much as possible. There were no red flags, but the UDC did ask to see the project again when the design is a little bit further along.

Beecham wondered whether there has been discussion about putting an entrance on the N Street side. Landis did not know whether that discussion has been had. The existing building is at the property line, so it is not uncommon to need more space with an entrance or exit. Having the building at the property line really limits what you can do. Beecham also wondered about a sidewalk all the way around the building. She wants there to be a nice way for people to approach on foot.

Hove inquired about environmental issues with the sewer line underneath the building. Landis did not know of any. The situation does not occasion any kind of state or federal environmental review; however, the city would now allow this to be done a second time because it is too difficult to repair something underneath the building.

Support

1. **Mark Hunzeker** appeared on behalf of **Apple’s Way, LLC**, the owner of the building. He acknowledged that the owner is in discussions with Urban Development about moving forward. As to the exterior design, Hunzeker indicated that the developer will return to the UDC because the design is not yet final; however, the exterior design is secondary to making sure that the interior works for the prospective tenants, including asbestos removal and essentially rebuilding the entire interior at a price the developer can afford. The developer is dealing with nonprofit agencies and is trying very hard to help them to get something that will house them for quite some time at a rate they can afford to pay. The developer has also consulted with Ed Zimmer about the downtown design standards with respect to the building and he is confident the developer will be able to meet those design standards. Hunzeker stated that the developer is unwilling to spend any more money on the exterior design at this point because one thing undecided is whether or not there will be an addition to the building which could be 5,000 to 8,000 sq. ft. There are a lot of things yet to be determined.

In summary, Hunzeker stated that this plan is a general statement of intent and it fairly represents what will ultimately be done in accordance with a redevelopment agreement.

Corr wondered whether the expansion will go to the east. Hunzeker concurred, stating that it will have to go to the east. There is a very large sewer conduit which runs under the building. It has recently been realigned so he is confident that it will not need major repairs. The storm sewer runs through the middle of the building north and south.

There was no testimony in opposition.

ACTION BY PLANNING COMMISSION:

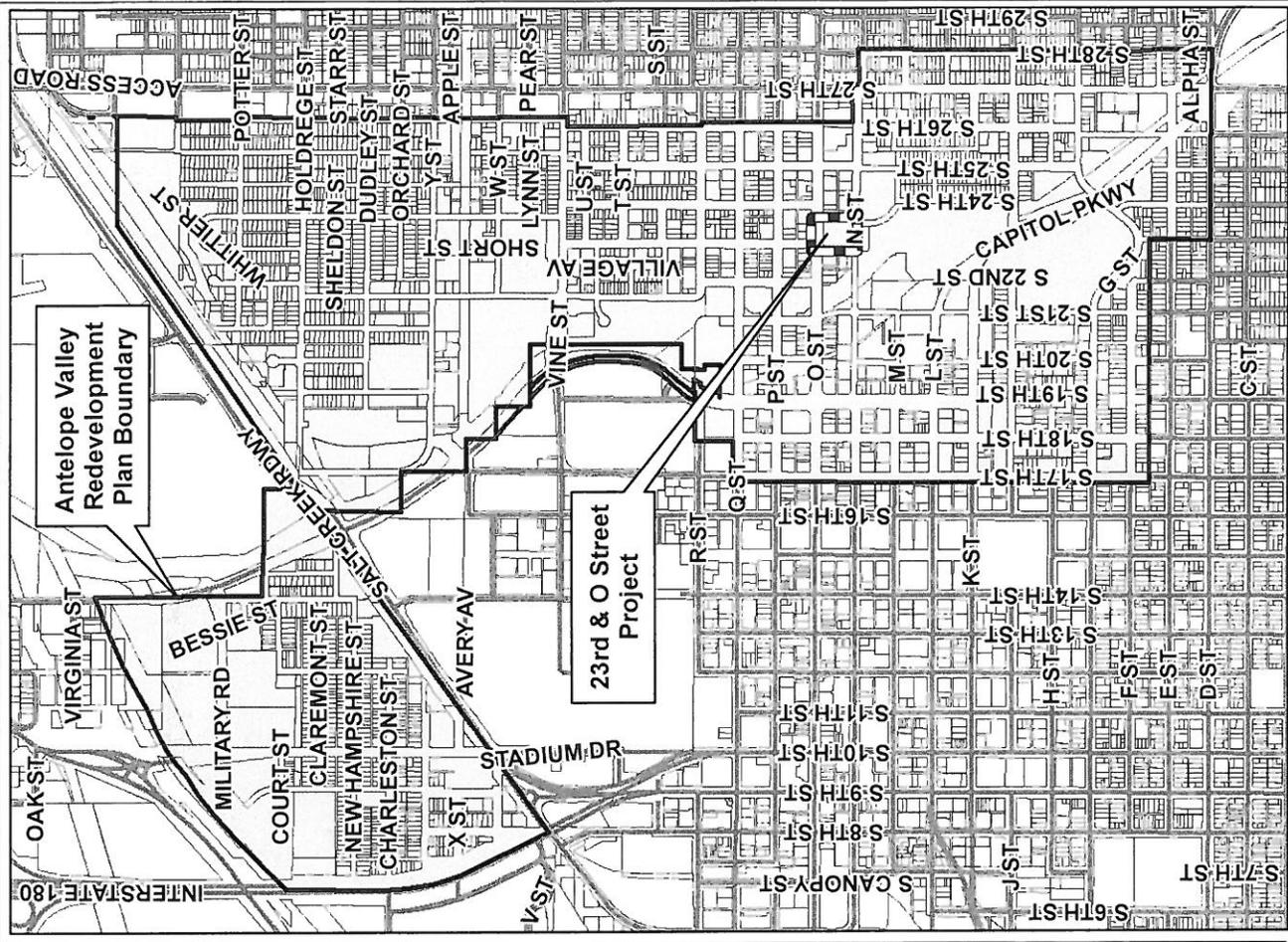
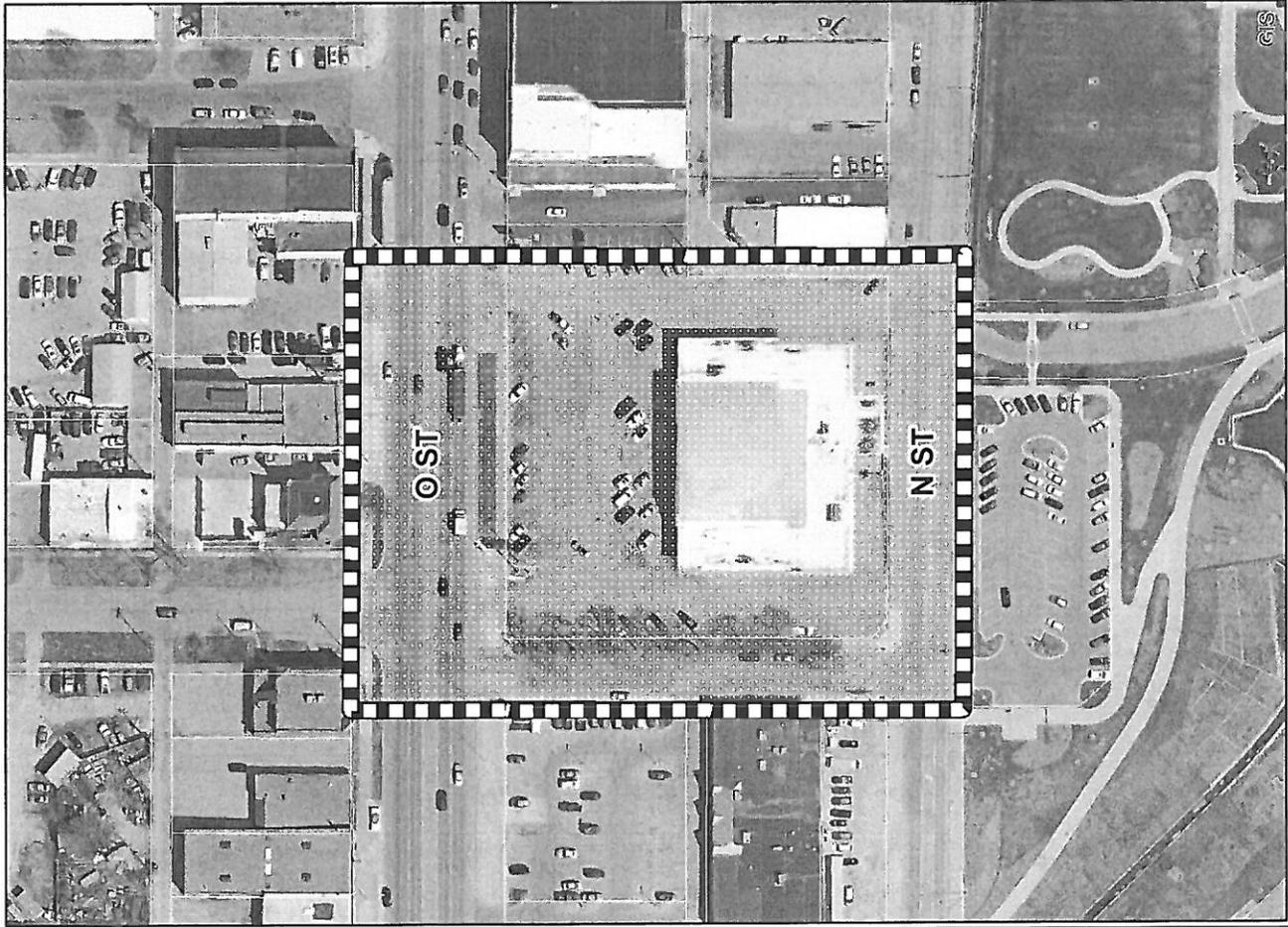
October 29, 2014

Beecham moved to approve a finding of conformance with the Comprehensive Plan, seconded by Hove.

Beecham commented that she has waited a long time for this building to be upgraded. They have done a nice job with the design, but she believes it is also fair to talk about the back of the building, especially with the potential of using TIF. There is a school on N Street and a lot of the other business that face N Street. She agrees that economy is important but she would love to see this side of the building improved. She appreciates the effort so far and will support it.

Corr agreed that the N Street facade is important, and since we are using TIF, we need to encourage some improvements on that side as well. The other businesses on the blocks on either side do face N Street, so it is important to have that continuity there as opposed to an uninviting blank wall.

Motion carried 7-0: Weber, Beecham, Cornelius, Corr, Harris, Hove and Lust voting 'yes'; Scheer declared a conflict of interest; Sunderman absent. This is a recommendation to the City Council.



2013 aerial

Comprehensive Plan Conformance #14022
 Antelope Valley Redevelopment Plan
 23rd & O Street Project

m:\plan\arcview\CPC\DevelopmentAreaDrawings.mxd (CPC14022)



CITY OF LINCOLN
NEBRASKA

MAYOR CHRIS BEUTLER
lincoln.ne.gov

Urban Development Department
David Landis, Director
555 S. 10th Street
Suite 205
Lincoln, Nebraska 68508
402-441-7606
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October 1, 2014

Marvin Krout, Director
City of Lincoln-Lancaster County Planning Department
555 S. 10th
Lincoln, NE 68508

Dear Marvin:

Enclosed is an amendment to the Antelope Valley Redevelopment Plan that identifies the 23rd and O Street Project. The project includes the rehab and expansion of an existing retail building to be used for providing health services. The site is approximately 2 acres, generally located between O and N, 23rd and the north-south alley on the east.

Please forward the Plan Amendment to the Planning Commission for their earliest consideration for Comprehensive Plan compliance. My understanding is that the Plan Amendment should be on the October 29, 2014 agenda.

If you have questions or need additional information, please contact me at 441-8211 or at whjermstad@lincoln.ne.gov. Thank you.

Sincerely,

Wynn S. Hjermstad, AICP
Community Development Manager

cc: Dave Landis, Director, Urban Development Dept.

10/28/14

screening from adjacent property. An R-8 CUP will allow the density and height requested as part of the Project and minimize impacts on neighboring properties through building design, setbacks and screening. A zoning text amendment will be necessary as CUPs are not currently permitted in the R-8 zoning district.

3. Financing and 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

Upon completion of the Project, the assessed value of the property will increase by an estimated \$4,213,676. This will result in an estimated \$691,250 in Tax Increment Financing (TIF) over 14 years for public improvements. The public investment of the projected \$691,250 will leverage private investment of approximately \$7,856,000 resulting in more than \$11.36 of private investment for every City TIF dollar spent.

♦ Public Infrastructure and Community Public Service Needs Impacts

It is not anticipated that the Project will have an adverse impact on existing public infrastructure or City services.

♦ Employment Within & Outside the Redevelopment Project Area

There are no employers with the Project Area. There will be no adverse impact on employment within or outside the Project Area.

♦ Other Impacts

As calculated from a 2009 report by the National Association of Home Builders, the additional annually recurring impact of building 127 rental apartments in a typical urban area would include \$2.92 million in local income, \$501,600 in taxes and other revenue for local government, and 41 local FTE jobs. These estimates, based on apartment occupants paying taxes and otherwise participating in the local economy, also take into account natural vacancy rates.

P. 23rd and O Street Project

1. Project Description

The 23rd and O Street Project is the rehab and expansion of an existing retail building to be used for providing health services. It is located between O Street

Project Area Context & Boundaries



on the north, N Street on the south, 23rd Street on the west and the north south alley on the east. See *Project Area Context & Boundaries*, above.

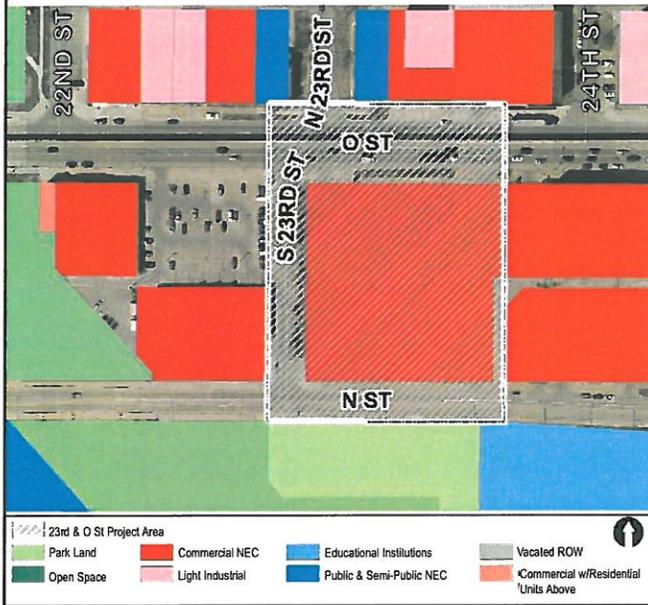
The site is approximately two acres and is currently comprised of a single story commercial building and associated parking. The building is deteriorating and functionally obsolete. The site lacks trees and landscaping and the parking lot is in poor condition. Surrounding land uses include retail to the north, east and west. Elliot Elementary School is southeast -- the school parking lot, which also contains a trail head, immediately to the south. The project is less than a block from the Antelope Valley waterway (See *Existing Land Use*). The site is zoned B-4



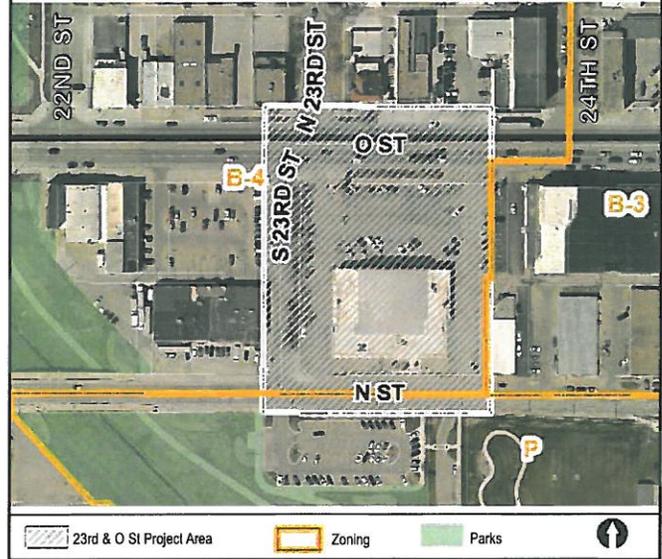
Existing building from 23rd & O Streets

Continues from the end of the previous amendment.

Existing Land Use



Existing Zoning



Lincoln Center Business District which includes Downtown Design Standards. As illustrated in *Existing Zoning*, other districts adjacent to the site include B-3 Commercial District to the east and P Public Use to the south, encompassing Elliot School and the Antelope Valley waterway.

The proposed project will be a general, integrated community health clinic providing outpatient medical care and behavioral health services, including mental health and substance abuse services. A small in-house pharmacy is proposed along with space for

office support. The existing building is a single story facility that will require complete indoor and outdoor renovation including asbestos removal. The current building footprint of 23,500 square feet may be expanded to include an 8,000 square foot addition on the east side of the building. Façade and window treatments will be consistent with downtown design standards on the front of the building facing O Street and on the expansion area, and to the degree possible on the other facades. The project will include a complete resurfacing and reconfiguration of the parking lot with landscaping and screening along O



Proposed Preliminary Site Plan

and 23rd Streets, consistent with City design standards. See *Proposed Preliminary Site Plan* on the previous page and a *Preliminary View of the North Façade* below.

The project area boundaries are defined in the *Project Area Context & Boundaries* map. Project area public improvements may include energy and façade enhancements, property acquisition, asbestos removal and demolition.

The project area is not in a flood plain; however, there is a large underground box culvert under the building and parking lot. Tree planting and other major landscaping or extensive digging over the top of the box culvert must be avoided. Use of large equipment involving outriggers over the box culvert should also be avoided unless a professional structural engineer can show no problems will occur.

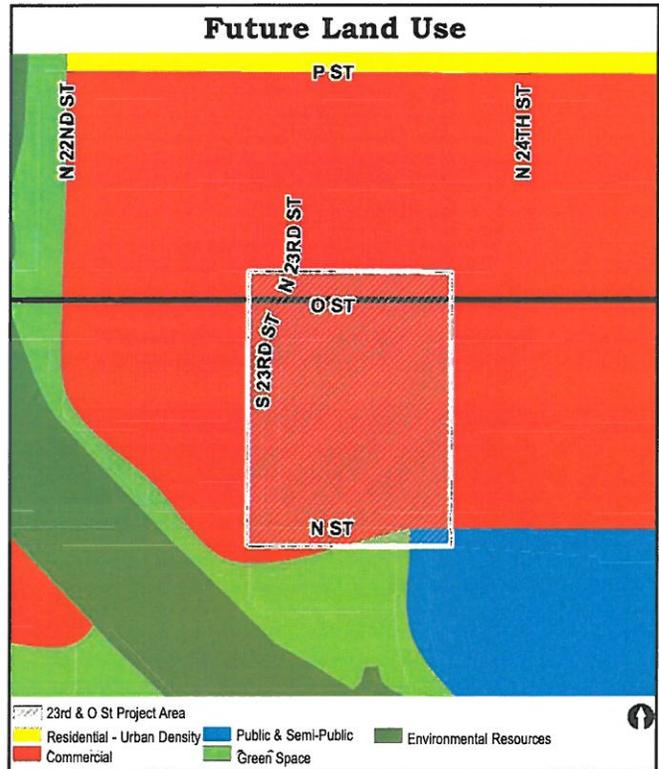
2. Statutory Elements

♦ Property Acquisition, Demolition, and Disposal: No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish this Project. The existing building will not be demolished although extensive internal and external demolition, including asbestos removal, will be necessary to completely renovate the structure.

♦ Population Density: The proposed development at the Project site contains no residential units and no residential units are envisioned. The Project consists of renovated commercial development which will not affect population density in the Project area.

♦ Land Coverage: Land coverage and building density will not be altered with construction of the Project. If the 8,000 square foot expansion occurs, land coverage will increase slightly. *Future Land Use* is shown below.

♦ Traffic Flow, Street Layouts, and Street Grades: The City’s Public Works and Utilities Department has indicated that the Project is not likely to result in a significant increase in traffic. Access points will be reduced and no turn lanes are required.



Prelimeinary View of the North Façade

- ♦ Parking: A private, approximately 120 stall at-grade surface parking lot will be constructed on site.
- ♦ Zoning, Building code, and Ordinances: Current zoning is B-4 with no re-zoning required. Applicable building codes will be met and, to the degree possible, downtown design standards.

3. Financing and 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: Upon completion of the Project, the assessed value of the property will increase by an estimated \$4,000,000. This will result in an estimated \$520,000 in Tax Increment Financing (TIF) over 15 years for public improvements. The public investment of the projected \$520,000 will leverage the private investment of approximately \$5,300,000 resulting in more than \$10.19 of private investment for every City TIF dollar spent.
- ♦ Public Infrastructure and Community Public Service Needs Impacts: It is not anticipated that the Project will have an adverse impact on existing public infrastructure or City services.
- ♦ Employment Within & Outside the Redevelopment Project Area: The Project will not have any adverse impact on employment within or outside the redevelopment project area. The number of current staff is 68 with anticipated staff growth to 96 by January 2018.
- ♦ Other Impacts: The clinic will assist in increasing medical homes in the community. It is anticipated that the number of patient visits by January 2016 will be 7,240 increasing to 23,040 by January 2018. This is not an unduplicated client count and represents clients that may be seen several times per year, but it demonstrates the need that can be accommodated and met with an integrated clinic at this location.

Benefits will focus on client outcomes specific to decreasing morbidity and mortality related to chronic conditions such as cardiovascular disease and diabetes as well as improved mental health status and physical health and well being. This will occur through a whole health team approach, through a shared knowledge base of providers providing comprehensive care (medical and behavioral) with care management/coordination support; all during the client encounter on site at one location.

From: Wynn S. Hjermstad
Sent: Tuesday, October 28, 2014 3:17 PM
To: Jean Preister; Paul D. Barnes
Subject: Fwd: Comprehensive Plan Conformance No. 14022

See below.

Sent from my iPhone

Begin forwarded message:

From: <rjmartin2@windstream.net>
Date: October 28, 2014 at 3:03:49 PM CDT
To: "Wynn S. Hjermstad" <WHjermstad@lincoln.ne.gov>
Cc: <archgarry2@windstream.net>
Subject: Re: Comprehensive Plan Conformance No. 14022

Wynn,

This letter is in support of Comp Plan Conformance No. 14022. We are very excited that the former Safeway, Dot Drug, Office Max building at 23rd & O is going to have a new facelift and will not sit empty. A non-profit medical facility will be a good fit for the area. Please let others know our support of the project.

Becky & Garry Martin
338 South 29th
Lincoln, NE 68510

402-435-0740