

FACTSHEET

TITLE: **CHANGE OF ZONE NO. 10020**, from I-1 Industrial District to B-4 Lincoln Center Business District, requested by The Dairy House, Inc., on property generally located at South 8th Street and M Street.

STAFF RECOMMENDATION: Approval.

ASSOCIATED REQUEST: Amendment to the Lincoln Center Redevelopment Plan (10R-295).

SPONSOR: Planning Department

BOARD/COMMITTEE: Planning Commission
Public Hearing: 10/20/10
Administrative Action: 10/20/10

RECOMMENDATION: Approval (8-0: Gaylor Baird, Partington, Taylor, Lust, Francis, Esseks, Larson and Sunderman voting 'yes'; Cornelius absent).

FINDINGS:

1. This proposed change of zone was heard before the Planning Commission in association with the amendment to the Lincoln Center Redevelopment Plan to add the Telesis Meadowgold Redevelopment Project.
2. This is a change of zone from I-1 Industrial District to B-4 Lincoln Center Business District to accommodate the redevelopment of underutilized buildings into mixed-use commercial buildings and residential buildings. This change of zone covers Block 84 (the former Meadowgold Dairy Building, currently vacant) and the north half of Block 103 (one office building and parking), all of which has been acquired by The Dairy House, LLC.
3. The staff recommendation of approval is based upon the "Analysis" as set forth on p.4-5, concluding that the extension of the B-4 zoning to the west and the mixed use project proposed for this site is generally in conformance with the Comprehensive Plan and the Downtown Master Plan. The staff presentations are found on p.6-9.
4. The applicant's testimony is found on p.9.
5. There was no testimony in opposition; however, the record consists of two e-mail messages from Midwest Steel Works in opposition (p.15-16).
6. On October 20, 2010, the Planning Commission agreed with the staff recommendation and voted 8-0 to recommend approval (See Minutes, p.10)
7. On October 20, 2010, the Planning Commission also voted 8-0 to find the proposed amendment to the Lincoln Center Redevelopment Plan to be in conformance with the Comprehensive Plan (Comprehensive Plan Conformance No. 10008, Bill #10R-295).

FACTSHEET PREPARED BY: Jean L. Preister

DATE: November 1, 2010

REVIEWED BY: _____

DATE: November 1, 2010

REFERENCE NUMBER: FS\CC\2010\CZ.10020+

LINCOLN/LANCASTER COUNTY PLANNING STAFF REPORT

for October 20, 2010 PLANNING COMMISSION MEETING

- PROJECT #:** Change of Zone No. 10020
- PROPOSAL:** From I-1 Industrial to B-4 Lincoln Center Business District
- LOCATION:** Generally located at S. 8th Street and M Street
- LAND AREA:** 3 acres more or less
- EXISTING ZONING:** I-1 Industrial
- CONCLUSION:** The extension of B-4 zoning to the west and proposed mix use project proposed for this site, is generally in conformance with the Comprehensive Plan and the Lincoln Downtown Master Plan.

RECOMMENDATION:	Approval
------------------------	----------

GENERAL INFORMATION:

LEGAL DESCRIPTION: See attached

EXISTING LAND USE: Block 84 is a former Meadowgold Dairy Building and is currently vacant. Block 84 is the area bounded by M Street on the north, L Street on the south, 8th Street on the east, and 9th Street on the west. Block 103 is directly south of Block 84. The north half of Block 103 houses 1 office building and parking. Rosa Parks Way is an elevated roadway thru the center of this block.

SURROUNDING ZONING / LAND USES:

North	I-1 (Industrial District)	Midwest Steel Works
East	B-4 (Lincoln Center Business District)	Commercial/ Office
	P (Public)	Parking
South	P (Public)	Office
West	I-1 (Industrial District)	Industrial

ASSOCIATED APPLICATIONS: CPC10008

HISTORY: This property was re-zoned from K Light Industrial District to I-1 Industrial District with the 1979 zoning update.

COMPREHENSIVE PLAN SPECIFICATIONS:

The 2030 Comprehensive Plan identifies this area as Commercial

“Maximize the community’s present infrastructure investment by planning for residential and commercial development in areas with available capacity.” (P. 9)

“Preservation and renewal of historic buildings, districts, and landscapes is encouraged. Development and redevelopment should respect historical patterns, precedents, and boundaries in towns, cities and existing neighborhoods.” (P.9)

“Encourage mixed-use redevelopment, adaptive reuse, and in-fill development including residential, commercial, and retail uses. ” (P. 10)

“The community actively encourages public-private partnerships, strategic alliances and collaborative efforts....as a means to accomplish its future economic objectives.” (P. 30)

“The City should preserve and enhance Downtown’s role as:

the major office and service employment center of the City

the focus of all levels of government

the City’s principal cultural, entertainment, and tourism center

the hotel and convention center for the City

the City’s financial center

the hub of higher education

a regional retail center geared toward employees, area residents, convention visitors and University population(P. 36)

“Development in the existing and expanded Downtown will maintain the urban environment, including a mix of land uses and residential types.”(P. 37)

“Encourage renovation and reuse of existing commercial centers. Infill commercial development should be compatible with the character of the area and pedestrian oriented.” (P. 36)

The Urban Design Committee should serve as an advisory board on the design of city buildings and other public projects, major public/private developments, and any private projects constructed on city right of way or other city property.(P. 129)

DOWNTOWN MASTER PLAN:

The 2005 Downtown Master Plan identifies this area as High Density Residential.

From “Guiding Principles”:

- 1. Enhance retail*
- 2. Provide additional housing*
- 3. Enhance aesthetics*
- 4. Enhance pedestrian safety (P. 4)*

“The framework encourages mixed use development wherever feasible.” (P. 20)

“Key Requirements

A vertical mix- housing over retail and/or parking

Transit - located within walking distance

Amenities - especially nearby parks and open spaces, also neighborhood retail services

Parking - on-site” (P. 31)

“High-density Housing

The south Haymarket District affords a unique opportunity to develop a significant amount of urban housing. The area - offers significant benefits: Industrial or warehouse buildings, Under-utilized or vacant parcels, Amenities such as planned transit, new parks, stores and services within easy walking distance, and Innovative housing opportunities.” (P. 32)

UTILITIES: Existing

TRAFFIC ANALYSIS: M Street west of S. 9th Street is a local street. Rosa Parks Way changes to L Street at this location and is classified as a one-way urban principal arterial. S. 7th and S. 8th Streets are local streets.

REGIONAL ISSUES: This area is part of the Lincoln Center Redevelopment Plan. It is just south of the West Haymarket Redevelopment Project area that includes the new arena.

AESTHETIC CONSIDERATIONS: If this property is re-zoned to B-4 this property will be subject to the Downtown Design Standards.

ALTERNATIVE USES: Remain zoned I-1 Industrial allowing uses per the I-1 zoning district which excludes any residential uses.

ANALYSIS:

1. This is a request for a change of zone from I-1 Industrial to B-4 Lincoln Center Business District.
2. The Dairy House, LLC recently acquired Block 84 (the Meadowgold complex) and half of Block 103. They intend to immediately expand two of their current manufacturing businesses, Data Security, Inc and Empyrean Brewing Company. In the long term, the applicant has a multi phase plan that will include light manufacturing, offices, mixed use retail and housing for this block.
3. I-1 zoning district requires all manufacturing operations involving alcohol to obtain a special permit. B-4 requires a special permit for the same purpose unless the use is a craft brewery, which is permitted by right. The change of zone from I-1 to B-4 will allow Empyrean to move their brewing operations to the Meadowgold complex without obtaining a special permit.
4. The change of zone would accommodate the redevelopment of underutilized buildings into mixed-use commercial buildings and residential buildings. Without the change of zone, the residential component of the redevelopment project would not be possible.
5. It makes sense to re-zone the north half of block 103 so that the re-zoning of block 84 doesn't leave a finger of I-1 zoning between the B-4 and P zoning to the south.
6. The project area is well served by city transit as it currently lies near a major bus route and is six blocks away from the main transfer station at 11th and N Streets.
7. A portion of this block is within the 100 year floodplain and will have to meet floodplain regulations.

8. There will be no parking requirements for this property if it is re-zoned to B-4. I-1 zoning requires 2 parking stalls per 3 persons on maximum shift or 1 per 1,000 square feet.
9. Per the recommendations of the adopted 2030 Comprehensive Plan, as a major public/private development, the Urban Design Committee should review this project as it goes through the design process.
10. The I-1 zoning district does not have any design standards. With the change of zone to B-4 this property will be subject to the Downtown Design Standards.
11. The Downtown Master Plan Land Use Map shows this area as high density residential with green space to the north and governmental or high density residential to the south.

Prepared by:

Christy Eichorn, Planner
402-441-7603
ceichorn@lincoln.ne.gov

DATE: October 7, 2010

APPLICANT / OWNER: The Dairy House, LLC
729 Q Street
Lincoln, NE 68508

OWNER: Samuel P Olson
410 S. 7th St
Lincoln, NE 68508

Burlington Northern Inc
PO Box 961089
Fort Worth, TX 76161-0089

CONTACT: Angie Tucci
729 Q Street
Lincoln, NE 68508
402-434-5959

COMPREHENSIVE PLAN CONFORMANCE NO. 10008, and CHANGE OF ZONE NO. 10020

PUBLIC HEARING BEFORE PLANNING COMMISSION:

October 20, 2010

Members present: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman (Cornelius absent).

Ex Parte Communications: None.

Staff recommendation: A finding of conformance with the Comprehensive Plan for the amendment to the Redevelopment Plan, and approval of the change of zone.

Staff presentations:

Dallas McGee of the Urban Development Department, addressed the redevelopment plan amendment. The Telesis Meadowgold project is a very exciting mixed-use redevelopment project. Last year, in 2009, the Meadowgold Dairy closed, leaving a block of buildings completely empty. Many developers have looked at this site and walked away thinking the only way to redevelop it is to demolish the buildings and start over. Telesis looked at the site and saw opportunity. They believe the existing buildings can be redeveloped. They would like to relocate many of their current facilities in the Haymarket to this site.

Telesis is proposing a phased project, including this amendment to the Redevelopment Plan which allows for the use of TIF (Tax Increment Financing). The vision that Telesis has is consistent with the Downtown Master Plan which recommends mixed-use, high density housing for south Haymarket. In looking back a number of years, the closing of Russell Stover Candies in the mid-80's had a similar impact on south Haymarket, where a number of buildings were left vacant. That area is a totally different area now and the redevelopment of these buildings on this block can also serve as that impetus for development in south Haymarket.

Hallie Salem of Urban Development discussed the phasing plan. The project is divided into four phases for redevelopment financing purposes and to maximize the use of TIF. All four phases include the surrounding right-of-way of the block and will allow for the investment in potential acquisition, demolition, site preparation, street and streetscape improvements and other right-of-way improvements, utility relocation, preservation of existing structures and other eligible expenditures under community development. The estimated cost is \$15,000,000, with \$9,000,000 being hard construction costs, and it is expected to generate about \$1.4 million in TIF over the life of the project.

The first phase is expected to be implemented immediately after the adoption of a redevelopment agreement and will be on the industrial and warehouse portion of the project for Data Security. Buildings E and F will be Phase I, and approximately 18,840 square feet will be renovated to allow Data Security to move from its existing location in the Haymarket to south Haymarket. Building E will be further renovated over the next few years to allow for the expansion of Data Security. That

project is estimated at \$2.3 million in hard construction costs and expected to generate \$352,000 in TIF.

The next three phases (II, III and IV) are expected to be implemented over the next 4 to 10 years, possibly longer, depending upon the market. Phase II is Buildings A and B, which will be to create a brew house, moving from north Haymarket to south Haymarket, and that will be about a 24,000 sq. ft. facility, and is expected to cost \$1.3 million and generate \$210,000 in TIF.

Phase III is proposed to be a four-story mixed used/residential complex with commercial on the first floor, costing \$4-5 million and generating \$600,000 to \$750,000 in TIF.

Phase IV is the renovation of buildings G, H, I and J, and possibly L and K, as warehouse space. That project is expected to cost \$1.3 million, and generate over \$200,000 in TIF.

Salem also pointed out that the land coverage may be altered somewhat, such as moving buildings L and C in order to conserve historic structures on the block.

Christy Eichorn of Planning staff discussed the change of zone from I-1 to B-4 on the block that Meadowgold is located upon as well as the half block directly south. I-1 to B-4 means some changes in parking because B-4 zoning does not have a parking requirement. All of the area is currently located in the floodplain, but the area is in the process of being re-mapped in February of 2011, and thereafter, only a portion of the property will be in the floodplain. There is a certain amount of fill that would be required with a new project in the floodplain. For this site, the Meadowgold building has a basement that is not and will not be utilized in the future. They will be working toward getting a National Register status which does not require them to do the regular floodplain mitigation. Without National Register, they will be required to fill all of the basements that are currently in the floodplain. The usable space in the building all sits above the flood level, including the proposed residential uses. The only difference in terms of how the floodplain will affect this property is whether they would have to fill the basements or not fill the basements.

The residential component is going to be on the southern portion of the site. It will be above the first floor and out of the floodplain. There is also B-4 to the east. The residential will be closer to the B-4 area than to the existing industrial zoned areas, thus reducing the impact of industrial zoning on residential.

In relation to impacts of industrial on residential, Eichorn explained that B-4 is primarily a commercial district that allows residences. One of the major factors is noise. When someone moves into a residential unit in B-4, the Health Department advises that they still have to meet the noise nuisance codes (55 at night and 65 during the day in B-4; 70 in commercial zoning districts). If you move into a commercial zoning district that allows residential, you would expect to have more noise.

Eichorn noted the letter received from Midwest Steel, stating that they have concerns about the residential portion and they were not satisfied with B-4 zoning for that reason. Their concerns include the potential noise impacts from industrial uses located near the property (anhydrous ammonia used by DEC). Eichorn advised that city staff has been working with the Health and

Urban Development Departments, and they have all communicated with DEC which has the anhydrous. DEC has money budgeted in 2011 to help mitigate any impacts that would potentially affect residents of this area or workers in this area.

Another issue has to do with parking. B-4 does not have parking requirements. Parking in the B-4 is completely market driven. B-4 zoning is strictly downtown. The issue of there being no parking requirements is facilitated with public and private parking garages to let the market drive what kind of development can happen. There aren't any specific parking requirements in the B-4 District west of 17th Street either.

Eichorn also pointed out that back in 2008, there was a change of zone as part of a redevelopment project near this area for Color Court, directly east of the Meadowgold property. It was rezoned from I-1 to B-4, including not only mixed use, but mixed use/residential, retail and offices.

Eichorn suggested that the only potential significant hazard to having residential in this area has to do with the anhydrous storage, and that entity is mitigating those impacts.

Gaylor Baird noted that the Comprehensive Plan contains a section called "Public Health and Industrial Use Principles" in terms of risk reduction for hazardous materials. It also talks about notification to the residents and workers so that they understand what materials are located nearby. It also talks about emergency management planning. Chris Schroeder of the Health Department, suggested that there is a need to think about the phasing of the residential development in this project – it is anticipated to be at least four years, and more like ten years, in the future. DEC has advised that they will have a mitigation system. Also, as far as emergency response plans, the DEC is a regulated facility, so they actually have developed an emergency response plan if there is a release of anhydrous ammonia. The Health Department would work with the residents on the emergency plan even if there is mitigation in place.

Lust confirmed that the anhydrous storage is not operated by Midwest Steel works. Eichorn agreed.

Lust sought further clarification on the noise ordinance issue. Is it correct that even though it might be zoned for residential, there is a possibility that residential would never go in there if it is too noisy? Eichorn explained that she was referring to residential zoning districts that have a commercial component – if they get a noise complaint and they have to measure the impact along the lot lines, the noise is higher in commercial areas that are primarily commercial that do allow residential than in areas that are strictly residential.

Lust posed the question: Are we saying that we will rezone so potential mixed use, including residential, is an option, but there is still an option that residential won't be located there? Eichorn agreed that that could be the potential. There are going to be challenges for the residential uses in meeting requirements, including the preservation of the building, building code issues – all kinds of issues and challenges. We are saying that the option to have residential on the property is appropriate.

But, Esseks observed that the neighbor immediately to the north is concerned that if it creates enough noise, the residents living half a block away in this residential project will be bothered and they will complain, or perhaps sue. So the business environment for the steel company could be

jeopardized. Eichorn responded with a question: How would this change of zone be any different than today's circumstance? There is approved residential in the Color Court redevelopment project, as well as B-4 zoning 150-200 feet to the north of Midwest Steel, and there is also B-4 150-200 feet directly to the east, all of which could have residential uses. To not allow B-4 zoning on this property for that reason will not have any more of an impact than the existing zoning surrounding the Midwest Steel property. We are talking about 30-35 dwelling units at this time.

Proponents:

1. Tom Huston, 233 South 13th Street, appeared on behalf of **Dairy House , LLC**, the applicant for the change of zone. He stated that he is also testifying in support of the redevelopment plan project.

Huston referred to page 2 of the staff report, wherein it states that the Comprehensive Plan "...Encourage(s) mixed-use redevelopment, adaptive reuse, and in-fill development including residential, commercial, and retail uses." Obviously, the Dairy House project is consistent with this objective. The real question today is whether the redevelopment plan amendment is consistent with the Comprehensive Plan, and he believes the answer is undoubtedly "yes".

Huston then discussed the change of zone to B-4. The objection letters from Midwest Steel Works dated October 19 and 20, 2010, focus on the residential component. Huston pointed out that the Downtown Master Plan shows the south Haymarket area being intended for high density residential. The Downtown Master Plan is to help guide the development in this south Haymarket area.

Huston also noted that there are no other objection letters.

Huston discussed the phasing of the redevelopment plan project and stated that Phases I and II are the only phases that have certainly. Phase III could be 4-10 years down the road. Most importantly, Phase III is designed for building D, which is in the very southwest corner of this entire block of the Meadowgold facility. It is far remote from Midwest Steel and the most buffered by the existing improvements. If the south Haymarket area is going to redevelop as envisioned by the Downtown Master Plan and the Comprehensive Plan, it is going to take awhile, but we ought not preclude that possibility by putting any artificial restrictions on this project. To the extent that we are seeing some private activity and making an adaptive reuse of these buildings speaks well of his client and their willingness to invest in Downtown Lincoln.

Esseks believes there will be an issue with parking. How many employees does this company expect to have? Eric Schafer, President of Telesis, stated that they currently have 40 employees in the main building that is already in the Haymarket. In moving the businesses, they would anticipate 60 employees in the near future. With regard to the parking possibilities, Huston pointed to the area south, in and around the K Street extensions. Schafer stated that the site currently offers enough parking to accommodate the existing employees and their current plans for expanding. He stated that Telesis will bear that responsibility, but it would be nice to avoid having to provide additional parking.

There was no testimony in opposition.

COMPREHENSIVE PLAN CONFORMANCE NO. 10008

ACTION BY PLANNING COMMISSION:

October 20, 2010

Larson moved to find the amendment to the Lincoln Center Redevelopment Plan in conformance with the Comprehensive Plan, seconded by Taylor.

Larson believes that encouraging investment in this area of the Haymarket is very important to our city. He agrees that we need to keep this historic building from becoming a dinosaur. He believes that Telesis has proven that it is a quality firm.

Taylor agreed with Larson.

Gaylor Baird pointed out that the Downtown Master Plan has a vision of connectivity between south Haymarket and the west portion of our city and Antelope Valley. This is another reason adaptive reuse is strong for this project and it seems like the applicant is taking the necessary precautions to address the stated concerns about hazards.

Sunderman commented about the concerns of Midwest Steel. He believes that it has as much to do with the residential as it does with the fact that they are a very viable and important industrial use that is now being surrounded by B-4. He appreciates their concern; however, if nothing was done and the building deteriorated, it would not help Midwest Steel nor the city.

Motion for a finding of conformance carried 8-0: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman voting 'yes'; Cornelius absent. This is a recommendation to the City Council.

CHANGE OF ZONE NO. 10020

ACTION BY PLANNING COMMISSION:

October 20, 2010

Larson moved approval, seconded by Francis, and carried 8-0: Lust, Gaylor Baird, Francis, Partington, Esseks, Taylor, Larson and Sunderman voting 'yes'; Cornelius absent. This is a recommendation to the City Council.

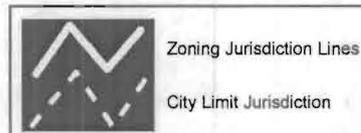


**Change of Zone #10020
S 8th & M St**

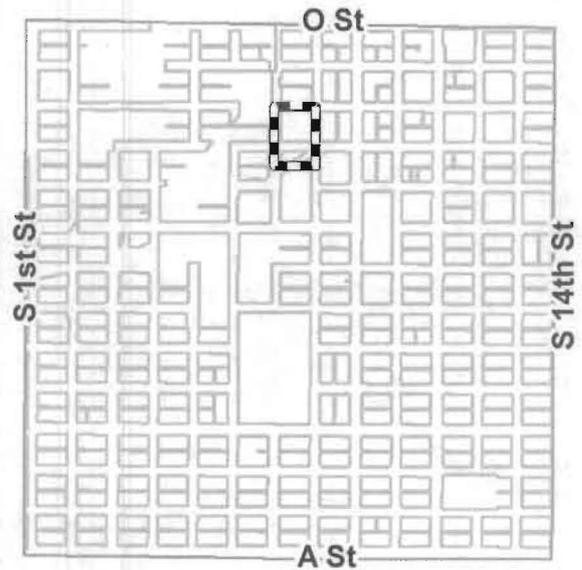
Zoning:

- R-1 to R-8 Residential District
- AG Agricultural District
- AGR Agricultural Residential District
- O-1 Office District
- O-2 Suburban Office District
- O-3 Office Park District
- R-T Residential Transition District
- B-1 Local Business District
- B-2 Planned Neighborhood Business District
- B-3 Commercial District
- B-4 Lincoln Center Business District
- B-5 Planned Regional Business District
- H-1 Interstate Commercial District
- H-2 Highway Business District
- H-3 Highway Commercial District
- H-4 General Commercial District
- I-1 Industrial District
- I-2 Industrial Park District
- I-3 Employment Center District
- P Public Use District

One Square Mile
Sec. 26 T10N R06E



2007 aerial



LEGAL DESCRIPTION

BLOCK 84

LINCOLN ORIGINAL, BLOCK 84, Lot 3 - 4, & 7-10 & LINCOLN LAND CO SUB (OF LTS 5 & 6) LTS 1-7 & LINCOLN LAND CO SUB (OF LTS 1 & 2) LTS 1-7 & LINCOLN LAND CO SUB (OF LTS 11 & 12) W55' LTS 4-6 & 840 SF IN W PT LT 7 & VAC ALLEYS & STS ADJ

LINCOLN LAND CO'S SUB OF L11,12 B84 ORIGINAL LINCOLN, Lot 1 - 3

LINCOLN LAND CO'S SUB OF L11,12 B84 ORIGINAL LINCOLN, Lot 4 - 6, E35' & THAT PART OF LOT 7 LYING EAST OF THE WESTERLY 12' ROW

BLOCK 103

LINCOLN LAND COMPANY SUB L5-6 B103 LINC, Lot 1 - 3, EX RR ROW AND ADJACENT 10 FEET OF VACATED ROW TO THE EAST

LINCOLN ORIGINAL, BLOCK 103, Lot 4, EX RR ROW & EX SOUTH PART & LINCOLN LAND CO SUB (OF ORIGINAL PLAT BLOCK 103 LOTS 5 & 6) LOTS 6 & 7 EX RR ROW & EX TRACT IN SE CORNER & S80' VAC N-S ALLEY ADJ EX TRACT IN SOUTH

LINCOLN LAND COMPANY SUB L5-6 B103 LINC, Lot 4 - 5

LINCOLN ORIGINAL, BLOCK 103, Lot 3, EX RR ROW & EX TRACT CONDEMNED & LINCOLN LAND CO SUB (OF ORIGINAL PLAT B103 LOTS 1 & 2) LOTS 1-6 EX TRACT CONDEMNED & ALL LOT 7 & VAC ALLEY EX FOR TRACT CONDEMNED

LINCOLN ORIGINAL, BLOCK 103, Lot 3 - 4, A PART OF & LINCOLN LAND CO SUB (OF ORIGINAL PLAT BLOCK 103 LOTS 5 & 6) A TRACT IN SOUTH PART OF LOTS 6 & 7 & LINCOLN LAND CO SUB (OF ORIGINAL PLAT BLOCK 80 LOTS 1 & 2) PART OF LOTS 1 THRU 6



729 Q Street, Lincoln, NE 68508
(402) 434-5959 • FAX (402) 434-3291
www.telesisis-inc.com

September 22, 2010

Mr. Marvin Krout
Planning Director
Lincoln/ Lancaster County Planning Department
555 South 10th Street
Lincoln, NE 68508

Dear Mr. Krout:

I am writing to request a zoning change for the area of the former Meadow Gold Dairy factory located at 726 L Street. The Dairy House, LLC, a Nebraska limited liability company which is an affiliate of Telesisis, Inc. recently acquired this property to immediately expand two of its current manufacturing businesses, Data Security, Inc. and Emphyrean Brewing Co. In addition, we have a multi-phase plan to create light manufacturing, offices, mixed use retail, and housing that are aligned with the City of Lincoln's master plan.

The Meadow Gold facility currently is located with the I-1 Industrial zone. We are requesting a change to the B-4 Lincoln Center Business district. This change will permit The Dairy House, LLC to move Emphyrean Brewing Co. from its current North Haymarket location at 729 Q Street, address the parking requirements of the zoning ordinance, and more easily develop the property for the desired mixed use.

Emphyrean Brewing Co. produces and distributes ales and lagers throughout Nebraska, South Dakota, and Iowa. Our current manufacturing facility is located near the Haymarket Arena site. Our plan is to move Emphyrean to the Meadow Gold facility; a better location for light manufacturing. The I-1 zone requires a special use permit for the manufacture of alcohol. Changing the zoning to B-4 district will facilitate the efforts of The Dairy House, LLC to convert the facility to a mixed use development..

The Dairy House, LLC also contemplates entering into a Redevelopment Agreement with the City of Lincoln for the redevelopment of this former Meadow Gold facility. The Dairy House, LLC contemplates that the redevelopment agreement will be negotiated in sufficient time so that the agreement and this change of zone application will be in front of the City Council as a package to ensure that the entire story is told.

Telesisis, Inc. has a multi-phase plan to create light manufacturing, offices, mixed use retail, and housing. These phases are aligned with the City of Lincoln's master plan; changing to B-4 district will make this transition easier.

013



729 Q Street, Lincoln, NE 68508
(402) 434-5959 • FAX (402) 434-3291
www.telesis-inc.com

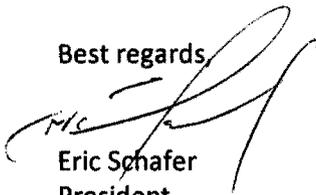
Attached to this letter are:

- 1.) The City of Lincoln Zoning Application
- 2.) The legal description of the property attached as Exhibit "A"
- 3.) A check in the amount of \$300 representing the filing fee made payable to the City

The site plan of the existing improvements will be submitted using ePlan.

Thank you for considering our request. Please find the supporting documentation attached to this request. Contact me at (402) 434-5959 if you have questions.

Best regards,



Eric Schafer
President

014

Jean Preister

From: Christy J. Eichorn
Sent: Wednesday, October 20, 2010 7:56 AM
To: Jean Preister
Cc: Marvin S. Krout; Steve S. Henrichsen; Hallie E. Salem
Subject: FW: Change of Zone NO. 10020

From: Doug Lienemann [<mailto:dlienemann@midweststeelworks.com>]
Sent: Tuesday, October 19, 2010 4:54 PM
To: Christy J. Eichorn
Cc: Hallie E. Salem; 'Rob Ediger'; 'Rex R. Schultze'; eschafer@telesis-inc.com; 'Terry Uland'
Subject: Change of Zone NO. 10020

Christy Eichorn,

Midwest Steel Works, Inc. would like to have this e-mail placed as part of the public record and submitted to the Planning Commission for their meeting October 20, 2010.

Agenda items 2.2a & 2.2b are the items with which we have an objection.

Item 2.2a Comprehensive Plan Conformance No. 10008 document Section IV, Revitalization Project Description states the goal of the project is to strengthen South Haymarket in the redevelopment of the former Meadow Gold manufacturing complex into a complex of mixed-use industrial and commercial buildings, and a residential/commercial building. The document describes phase III as including 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 and approximately 30-35 studio/one-bedroom units above.

Item 2.2b Change of Zone No. 10020 from I-1 Industrial District to B-4 Lincoln Center Business District. This change of zoning will permit future residential usage of the property.

Our objection to both agenda items is due to the residential portion of the project. Residential usage in our industrial area is incompatible with our manufacturing operations here at Midwest Steel. Additionally the Lincoln Lancaster County Health Department (LLCHD) utilizes anhydrous ammonia as a refrigerant for a cooling system in the area. This is classified as an extremely hazardous substance and is also incompatible with residential usage in the area. Midwest Steel Works is concerned that the introduction of residential living in an industrial area is one that will ultimately lead to **conflict** between industrial users and residential users in our confined space in the South Haymarket. We have been in continuous operation at our location for over 60 years and have no intention of moving our operations now or in the future. We would like to have the zoning around our location to be compatible with our operations which begin and 6:00 am and end at 5:30 pm Monday through Saturday and involves the movement of and cutting of large steel shapes and the loading and unloading of semi trailer trucks during those hours of operation. This type of activity would not be compatible in any way with residential living.

We request that you not approve a change of zoning from I-1 to B-4. Urban Development desires to have the zoning a consistent B-4 which is the same as the downtown the North Haymarket areas but we find that to be an insufficient reason to accept that zoning designation if another zoning designation will achieve the primary intended usage of the property as Telesis Industrial and Telesis Brew House. We have no objection to any of the redevelopment plan except the residential portion and would not object to a zoning change that would permit all other aspects of the project except residential.

If you have any questions please feel free to contact me at any time.

Sincerely,

Douglas E. Lienemann
CFO, Midwest Steel Works, Inc.

015

Jean Preister

From: Christy J. Eichorn
Sent: Wednesday, October 20, 2010 9:40 AM
To: Jean Preister
Subject: FW: Change of Zone NO. 10020

From: Doug Lienemann [<mailto:dlienemann@midweststeelworks.com>]
Sent: Wednesday, October 20, 2010 9:05 AM
To: Christy J. Eichorn
Cc: 'Shawn Dontigney'; 'Rex R. Schultze'; 'Rob Ediger'; eschafer@telesis-inc.com; 'Terry Uland'
Subject: RE: Change of Zone NO. 10020

Christy,

Based on our phone conversation concerning the various zoning options I would like to have you also include this e-mail as part of the public record and submit it to the Planning Commission.

We request that the Planning Commission reject the change of zone request No. 10020 from I-1 Industrial District to B-4 Lincoln Center Business District.

We would then ask that the owner of the property consider a zone change from I-1 to B-4 with a zoning agreement that would prohibit residential development on that site.

We would be favorable to a B-4 zoning with a zoning agreement.

We will have Shawn Dontigney, Perry Law Firm, at the Commission meeting to represent our interests in the ongoing zoning process.

Thanks for your assistance,

Douglas E. Lienemann
CFO
Midwest Steel Works, Inc.