

F. EAGLES/RUNZA REDEVELOPMENT PROJECT

1. Revitalization Project Description

The Eagles/Runza Project involves Lot 62, S.W. Littles Subdivision (Exhibit IV-93) which is presently occupied by three structures, one of which the former Eagles Building and will include the following activities/improvements:

The Eagles Building - a two-story plus basement structure of approximately 7,000 sq. ft. per level, plus two adjacent single story structures of approximately 2,000 sq. ft. are being converted/rehabilitated/redeveloped by a private developer to encompass over 9,000 sq. ft. of floor space for a Runza restaurant in the Eagles Building and a walk-up "Diner" and bakery in the northern buildings. A building drive-thru pick-up window is proposed. The 2nd floor of the main structure will provide 7,000 sq. ft. for future growth/expansion.

Building Requirement - Notwithstanding Section 4507 of the Uniform Building Code, the exit door serving the stairway from the second floor of the proposed project, exiting onto 14th Street, may project up to 18 inches beyond the property line.

The basic project plan is to recreate the original look of the main building. The building is to be made accessible to disabled and handicapped persons. A mural may be considered for the north wall of the main structure.

Sidewalk/Curb/Street/Alley - Installation, construction or reconstruction, including necessary intersection/property access traffic improvements, alley, sidewalk, curb/gutter, and utility/drainage improvements may be included.

Pedestrian Amenities - Existing landscaping, and amenities such as benches, bike racks, and trash receptacles may be replaced along "P" and 14th Streets, if and where necessary. Other amenities may include installation, construction or reconstruction of public spaces, lighting, kiosk/panels/markers and other public improvements as necessary.

Mural - A large mural is being planned for the upper part of the north wall of the main structure.

A map of the Eagles/Runza Project and the site improvements are present in Exhibit IV-92.

2. Statutory Elements

(a) Property Acquisition, Demolition and Disposal

Accomplishing the Eagles Runza Project of the Lincoln Center Redevelopment Plan may require public action on a portion of the block.

To accomplish the desired improvements in connection with the Project, it may be necessary for the City to acquire an interest/easement in a portion of the north wall of the main structure for installation of a wall mural. It is anticipated the City would acquire the necessary property rights by way of voluntary negotiations.

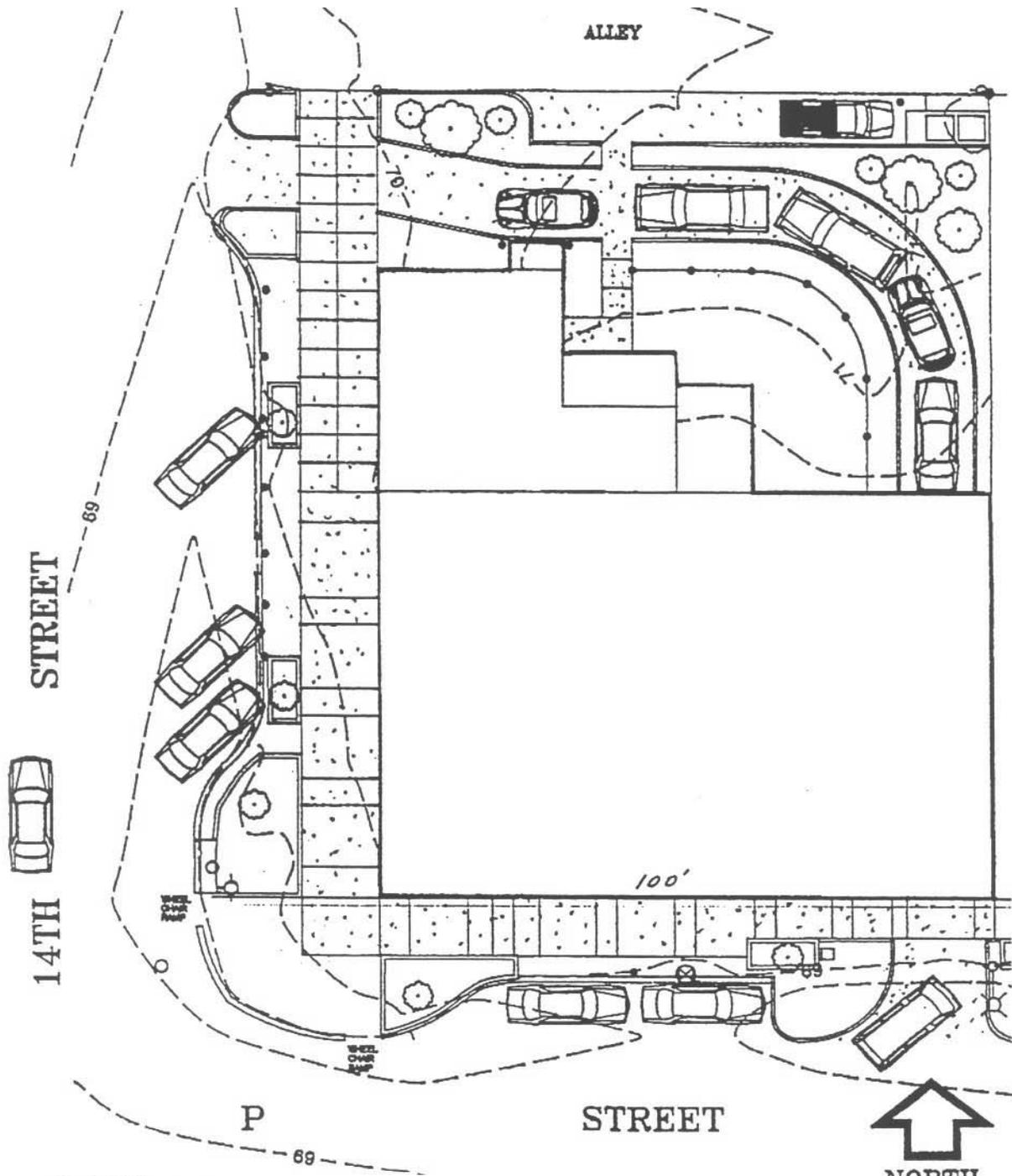


Exhibit IV-92
 Proposed Site Plan - Eagles / Runza Project

Lincoln Center
 Redevelopment Plan

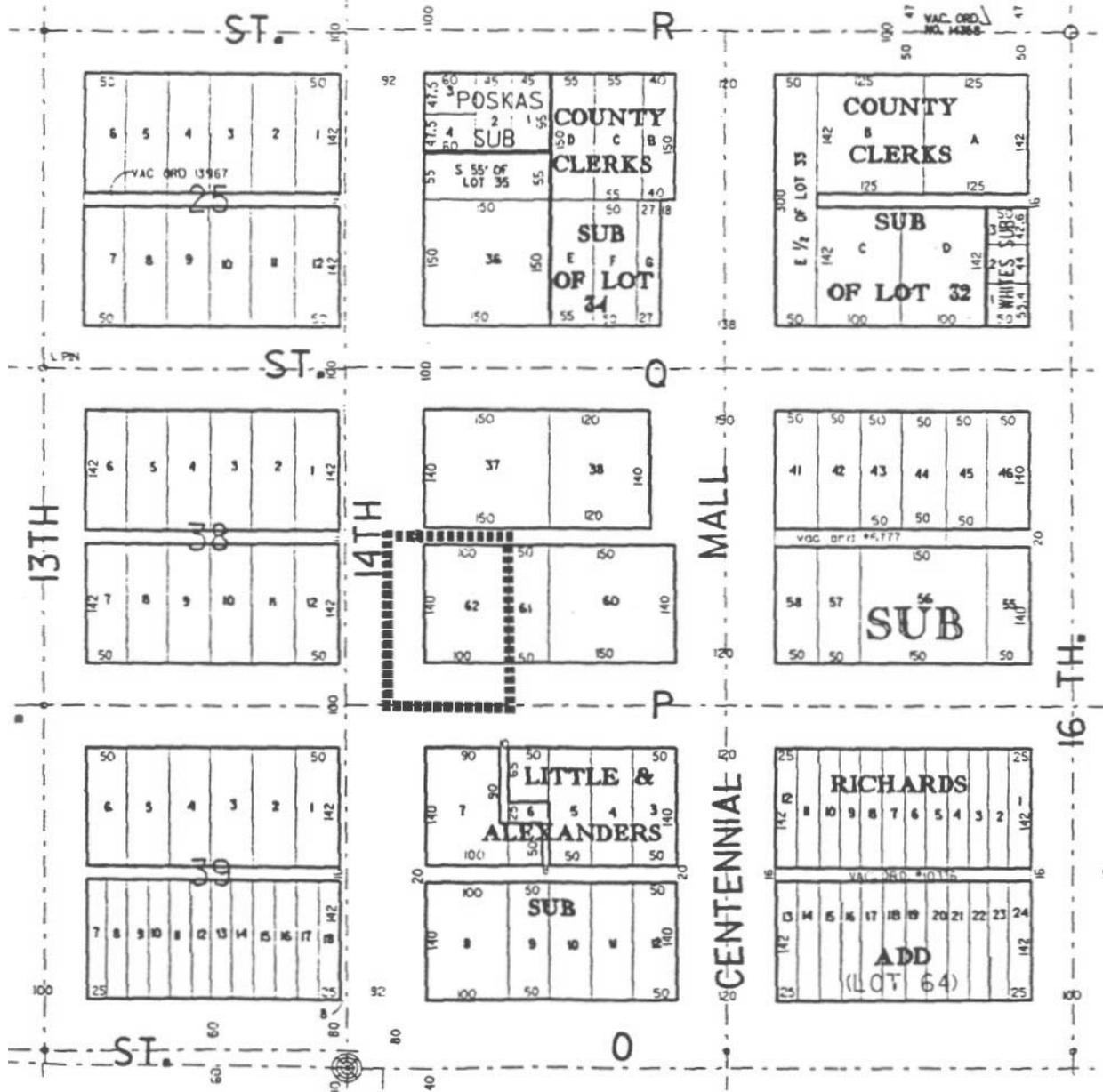


Exhibit IV-93
Existing Plat Map

----- Project Boundary - Eagles / Runza Project

Lincoln Center Redevelopment Plan



- (i) Acquisition - The City of Lincoln may acquire property rights for the following portion of the main structure:

Interest/easements/rights in the north wall of the main structure on Lot 62.

The City would acquire the necessary fees, easements, covenants and leases by way of voluntary negotiations (see Land Acquisition Proposals, Appendix 3).

- (ii) Demolition of Indicated Portion of Block 62 - The City would prepare the site for construction of public improvements within the public right-of-way.

(b) Population Density

The existing development of Lot 62 contains no residential units. Through building conversion/renovation/rehabilitation, 9,000 sq. ft. of commercial restaurant space will be provided. The population density in the project area will not change.

(c) Land Coverage

The present land coverage and building density will remain the same.

(d) Traffic Flow, Street Layouts and Street Grades

It is anticipated that redevelopment activities contemplated will cause an increase in pedestrian and automobile traffic.

The street layout in the area may be modified to accommodate access for a building drive-thru pickup window.

(e) Parking

Parking will not be provided (other than three employee spaces) within the project area itself, but be served by an extensive inventory of public and private parking facilities in the adjacent surrounding area.

(f) Zoning, Building Codes and Ordinances

The present Lincoln Central Business District (B-4) zoning allows for the type of development proposed. Likewise, the City's adoption of the Uniform Code for the Abatement of Dangerous Buildings, the Uniform Building Code and their specific City amendments will properly protect the public health, safety and welfare of the people. At this time, there are not contemplated changes in the City's zoning laws or building codes in and to implement this project. It may be necessary, however, to adopt ordinances to issue special assessment and community improvement financing bonds for sidewalk, curb, street, streetscape amenities, and other improvements.

3. Proposed Cost and Financing of Eagles/Runza Project

Total cost for the Redevelopment Project-is estimated to be \$1,652,771. This includes \$1,580,000 for the rehabilitation/construction of the buildings and \$72,771 for the public improvements. Exhibit IV-94 contains a breakdown of the public's and developer's estimated expenditures.

The rehabilitation of the Eagles/Runza Development (commercial/retail) will be totally financed from private sources. In turn, the increased property taxes generated by these private improvements can be utilized to fund the public's expenditures.

On Lot 62, S.W. Littles Subdivision, the existing property produces an annual ad valorem tax of approximately \$6,946. With the commercial/retail rehabilitation completed, there will be a net increase of \$16,331 a year in taxes generated by the project portion of the block.

Reconstruction/construction of the curbs, alley, sidewalks, pedestrian amenities and mural may be funded by the public using the following sources:

- (a) Any ad valorem tax levied upon real property in the redevelopment project on Lot 62 S.W. Littles Subdivision for the benefit of any public body shall be divided, for a period not to exceed 15 years after the effective date of such provision by the governing body as follows:
 - (i) That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the redevelopment project valuation shall be paid into the funds of each public body in the same proportion as are all other taxes collected by or for the body; and
 - (ii) That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allotted to and, when collected, paid into a special fund of the authority to pay principal of, and interest on, and any premiums due in connection with the bonds of loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise such development for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest in premiums due, have been paid, the authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon taxable real property in such redevelopment project shall be paid into the funds of the respective public bodies.
- (b) Alley Improvements - Special assessments may be levied upon the properties of the benefiting property owners.
- (c) Sidewalk, Curb and Pedestrian Amenities - Community Improvement Financing, Special Assessments if necessary.

The Project financing, including expenditures and funding, is summarized in Exhibit IV-95.

The effective date for the Community Improvement Financing provisions of the Eagles/Runza Redevelopment Project is declared to be the 20th day of May, 1991.

4. Implementation Steps

The Project is an example of what can be accomplished when the private sector and government work together towards a common redevelopment goal. Utilizing the Community Redevelopment Law (Neb. Rev. Stat. 18-2101 et al), as amended in 1979, the City of Lincoln can now offer new financing capabilities for public improvement.

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

The implementation steps for the Project include:

- Issue and sell community development notes or bond.
- May acquire an interest/easement/property rights in the north wall of the main Eagles Building necessary for construction/installation of a public mural.
- Negotiate redevelopment and operating agreements with developers.
- Select architects and engineers to determine location and design the public facilities and improvements.
- Approve the public facilities and improvements design.
- Competitively select contractors to construct/install public facilities and improvements.
- Construct public and private facilities and improvements.

EXHIBIT IV-94

EAGLES/RUNZA PROJECT EXPENDITURES

Public Expenditures

1.	Property Public Access Rights/Easements	\$	1
2.	Sidewalks and Curbs/Pedestrian Amenities - landscaping, signage/graphics, art/mural, street furniture, etc.		44,000
	Mural		20,000
	Architect/Engineer Inspection & Other Fees		6,000
	Contingency		<u>2,770</u>
	GROSS PUBLIC EXPENDITURES	\$	72,771

Developer's Cost

	Retail/Commercial Rehabilitation	\$	1,580,000
	GROSS DEVELOPER'S COST	\$	<u>1,580,000</u>
	GRAND TOTAL OF EXPENDITURES	\$	1,652,771

EXHIBIT IV-95

EAGLES/RUNZA PROJECT COMMUNITY IMPROVEMENT FINANCING

Community Improvement Financing Bonds

Estimated 1992 Property Assessment (upon completion)	\$ 855,000
1989 Assessment Value (2 Parcels)	255,135
Incremental Increase	599,865
Tax Rate	0.0272253
Annual Property Tax Increase	16,331
Tax Increment Annual Increase (1.25 coverage)	13,065
Bond/Note Issue - 13 years	169,845
Available Funds - 13 years @ 9 5/8	94,636
Debt Service Reserve	13,065
Capitalized Interest	4,554
Issuance and Underwriting Expense	<u>4,110</u>
Available for Construction	\$ 72,771

EAGLES/RUNZA FUNDING SUMMARY

Expenditure Summary

Public's Cost

Property Public Access Rights/Easements	1
Sidewalks/Pedestrian Amenities	44,000
Mural	20,000
Architect/Engineer Inspection & Other Fees	6,000
Contingencies	<u>2,770</u>
CITY EXPENDITURE TOTAL	\$ 72,771

Developer's Cost

Retail/Commercial Rehabilitation	<u>1,580,000</u>
TOTAL	\$1,652,771

Funding Summary

Public Funding

Community Improvement Financing Bonds	<u>72,771</u>
TOTAL	\$ 72,771

<u>Developer's Funding</u>	<u>1,580,000</u>
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DEVELOPER'S TOTAL	\$1,652,771
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