

**DIRECTORS' MEETING
MONDAY, APRIL 9, 2007
11:00 AM
COUNTY/CITY BUILDING
CONFERENCE ROOM 113**

I. MAYOR

1. Tickets on Sale for the Mayor's Interfaith Prayer Breakfast, Thursday, May 3, 2007.
2. NEWS ADVISORY. News Conference with Mayor Seng Discussing Energy Conservation, Energy Costs. Thursday, April 5, 2007, 10:00 a.m. County-City Building.
3. City of Lincoln Proclamation. National Telecommunicator's Week.
4. NEWS RELEASE. City Conducts Street Light Test for Possible Money and Energy Savings.
5. NEWS RELEASE. Lincoln Awarded \$1.5 Million in Homeless Grants.
6. Results of Drinking Water Samples Tested for Total Coliform and E. Coli Bacteria by the Colilert® Method of Analysis.
6. NEWS RELEASE. Hours Extended for Waste Disposal Sites.
7. NEWS RELEASE. Clean Your Files Week Begins April 22, 2007.
8. Washington Report, March 30, 2007.

II. DIRECTORS

COUNTY COMMISSIONERS

1. Letter to Dr. Susan Gourley, Lincoln Public Schools, from County Commissioner Larry Hudkins. Prospective Schools Location Map.

FINANCE

1. Budget Information Comparing Forecasted Budget Amounts to Final Adopted Budget Amounts Requested by Councilwoman Robin Eschliman.

HEALTH

1. NEWS RELEASE. Help Keep Lincoln and Lancaster County Clean.
2. Physician Advisory on 2006-2007 Influenza Season.
3. NEWS RELEASE. Recognizing National Public Health Week (April 2-8) and Local Preparations for Public Health Emergencies.
4. Health Department to Target Low-Income Uninsured for Flu Shots.

PLANNING COMMISSION

1. Stone Ridge Estates 4th Addition, Final Plat #07011, Generally Located at Andrea Place and Hollynn Lane.
2. Letter of Withdrawal. Waiver No. 06009, Bill #07R-18. Currently on Council Pending List.

PLANNING COMMISSION FINAL ACTION

1. Special Permit No. 07005. Yankee Hill Townhomes Community Unit Plan. 84th and Yankee Hill Road.

WOMEN'S COMMISSION

1. Director's Report for March 2008.

III. CITY CLERK

IV. COUNCIL REQUESTS/CORRESPONDENCE

1. Letter from Lincoln City Council to the Public Service Commission. Concerns about recent increase in order to subsidize telephone service in rural areas.
2. Correspondence from Pierson Fitchett Law Firm to Roy and Carolyn Wolgamott regarding Sid Dillon Lighting with attachment letter from Marvin Krout, Planning Director.

ROBIN ESCHLIMAN

1. Request to ~~Don Herz, Finance Director~~ - RE: Keno Funds (Eschliman RFI#7 - 04/03/07) - **SEE RESPONSE FROM DON HERZ, CITY FINANCE DIRECTOR ON ESCHLIMAN RFI#7.**

ANNETTE MCROY

1. Letter from Kim Sturzenegger. Process of Selection Design and Developer for Project at 14th and "Q" Streets.

V. MISCELLANEOUS

1. Email from Wayne Boles. FireWorks Egress. Traffic Signs Needed.
- 2a. Email from Shannon McGovern. Drag Strip in Cass County?
- 2b. Email from Shannon McGovern. Omaha World Herald article.
3. Letter from business owners in the area of Plum to South Streets, 14th to 15th Streets. Construction parking decisions affecting business owners.
4. Newspaper article and note with locations regarding graffiti from anonymous contributor.
5. Interline Action Center. Correspondence from Terri Vrchota. Problems with Time Warner.
6. Email from Nebraska Economic Support Team. Motorsports locations consultants.

VI. ADJOURNMENT

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**DIRECTORS' MEETING
MINUTES
MONDAY, APRIL 9, 2007
11:00 AM
COUNTY/CITY BUILDING
CONFERENCE ROOM 113**

Council Members Present: Patte Newman, Chair; Dan Marvin, Vice-Chair; Annette McRoy, Ken Svoboda (arrived at 11:11 a.m.) Jon Camp, Jonathan Cook, Robin Eschliman

Others Present: Mayor Coleen Seng, Mark Bowen, Ann Harrell, Lin Quenzer, Darl Naumann, Mayor's Office; City Clerk Joan Ross; Dana Roper, City Attorney; Directors and Department Heads; Tammy Grammer, City Council Staff; Deena Winter, Lincoln Journal Star Representative, and Coby Mach, LIBA.

Meeting convened at 11:03 a.m.

Location Announcement of the Nebraska Open Meetings Act: A Copy of the Nebraska Open Meetings Act is Located on the Wall at the Rear of this Room.

I. MAYOR -

Mayor Coleen Seng reported in yesterday's transfers Hy-Vee has purchased other property on "O" Street.

Mayor Seng called on Directors. Marc Wullschleger (Urban Development Director) stated this week is National Community Development Week. As we speak, the Governor is giving out awards and our nominations this morning are Liberty Village, Heartland Optical Center, Lincoln Police Northeast Team Station at 49th & Huntington Avenue, and Antelope Park Creek Stream Channel Stabilization. In the past five years, Lincoln has used \$20 million of federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Act (HOME) funds to leverage over \$75 million in private investments. In the past five years, we have purchased 26 vacant lots and built new houses on them, we've created 416 full-time equivalent jobs, 85 micro-enterprise entrepreneurs and businesses that have received loans and 16 businesses have received facade improvement, 1,146 adults received employment and training services and the list goes on and on.

Lynn Johnson (Parks & Recreation Director) stated he talked to Dan (Marvin) last week and he wanted an update on the projects that happened in Peterson Park located at 21st & Hwy 2 south of Hwy 2 of Southwood Drive. Two projects are happening there, one is that we've worked with Watershed Management to do a water quality project to define the drainage and stabilize the curve of the pond. This project is essentially finished except some grading and erosion control map that's got to go down. If you have pass it recently they are beginning to stage for extension of the Beal Slough trunk sewer

that will extend through the park. The impacts on the park as part of this project the playground, there was an old playground that we were planning to replace that playground has been removed at this point. The trunk sewer comes through the location of the old parking lot and so there will be a new parking lot which will shift a little further to the east to make it more accessible for the ballfields. This project is supposed to be finished by the end of June. The special specification for the project will be the contractor maintain access so the ballfields can be used in programs this summer. We will come in late this summer or early fall and construct a new playground with combination of Parks & Recreation Capital Improvement funding and Storm Sewer funding. There is actually an old playground that does not meet any sort of standards but on the south side of channel there were two playgrounds in the park previously. As the new playground is constructed we are going to phase the old one out on the south side of the channel so that we maintain one playground in that park.

Ms. Newman stated she has a question for Lynn Johnson regarding Item 9, she received a couple of emails and some have said don't close our Recreation Center. What is going on? Lynn Johnson stated we have been working with Lincoln Public Schools for about the last 4 years to design a new HVAC system in that building which we knew that we were going to have to replace the system. There's a single HVAC system that serves the Recreation Center and the School and actually the last two summers the air conditioning pretty much has not worked. So, we have been working with LPS to design a new system for the building and Jon (Camp) had a question about the cost. It's going to be a new ground coupled heat pump system so it will be like the new schools and that's why it's so expensive of putting it in but it will save us money over time. We were working towards banking towards funding this and over the past couple of years we have accumulated \$250,000 fortunately with the budget situation we were not able to accumulate more than that. We now know our share of the project is \$750,000 and the agenda item this afternoon is a request to the City Council to enter into an Interlocal Agreement that would essentially commit \$500,000 out of next year's budget. LPS will be bidding the project this month and will start right after school starts so the timing is on us right now. Ms. Newman asked Mr. Johnson if he will be at the meeting this afternoon to explain? Mr. Johnson replied yes. Ms. Newman commented so as far as the rumors of closing the Calvert Recreation Center is that just something that's flying out there. Mr. Johnson replied yes, he thinks the issue is if the City portion is not funded because it's a single plant the Recreation Center would not have heating or air conditioning. Ms. Newman asked what's the break down between LPS and the City? Mr. Johnson replied he can get those numbers, it's based on square footage, it's a proportion that's shared. There's some additional cost, one of the things that has happened the cost has gone up in the last year, we share the gym, we have half the gym and the school has half the gym. Also, the rubber band grader over time has dropped and its pulled the walls on top of the gym so the City's portion is about \$50,000 worth of repair work to replace the rubber band grader and replace the walls that is being pulled in by the existing one. Mr. Camp requested a break down of all the items because it's now expending from just a HVAC system and to be prepared to talk about it this afternoon. Mr. Johnson commented he thinks J.J. Yost has that information. Ms. Eschliman commented maybe too if you could bring this afternoon

information about other alternatives because it kind of sounds from the emails like another alternative is to just not have a Recreation Center at all. Also, tell us what other alternatives they considered and how they got to the \$500,000. Mr. Johnson stated they did not really give much help because with it being a single system and being a LPS building they pretty much vacated what the HVAC system is going to be and they've been talking about it for 4 years and we knew going into this that we were going to a ground coupled heat pump system. Mr. Cook asked how many square feet does the Recreation Center cover? Mr. Johnson replied he thinks between 20,000 - 24,000. Mr. Johnson stated he will have more detailed information this afternoon. [*#9, 07R-81, Approving an Interlocal Agreement between the City and Lincoln Public Schools for joint funding of an indoor air quality project at Calvert Elementary School/Calvert Recreation Center.*]

Darl Naumann (Economic Development Coordinator) stated the April edition of Forbes magazine came out, it showed Lincoln ranked #15 in the United States for the best places for careers and jobs. In the Lincoln Journal Star of Saturday's newspaper there was a small article announcing it. Mayor Seng commented this is really good for Lincoln and she passed the article around to Council.

Bruce Dart (Health Director) stated regarding Item 8 on their Agenda today which is our lease agreement with American Red Cross. We've had that since we have had the vehicle in 2002, the only difference in the agreement, we will extend it from a one year agreement to a three year agreement. [*#8, 07R-80, Approving a lease agreement between the American Red Cross and the City of Lincoln for the Lincoln-Lancaster County Health Department to lease space for the Hazardous Materials Vehicle for a three year term.*]

[*Material handed out to Council regarding 'Tax Increment Financing Policy'.*] Mayor Seng stated this is a document that we are about finished with regarding the Tax Increment Financing Policy. She asked Dallas McGee to come this morning, if they have any questions and Mark Bowen is present as well the two of them have worked a long time on this plus quite a few other folks. She wanted Council to know this has been shared with the school administration and the Chamber of Commerce and with some of them that have been up for meetings we have shared all the pieces of it. She knows there are two or three of them that have missed their monthly meeting so they have not seen it. The reason for bringing it this morning is so they can see the Tax Increment Financing (TIF) Policy. Dallas McGee (Urban Development Department) went over the handout with Council. Ms. Eschlman asked if they could receive this information by email? Mr. McGee replied yes. [*See Attachment 'A'*]

1. Tickets on Sale for the Mayor's Interfaith Prayer Breakfast, on 05/03/07. — NO COMMENTS
2. NEWS ADVISORY - RE: News Conference with Mayor Seng Discussing Energy Conservation, Energy Costs on 04/05/07 at 10:00 a.m. — NO COMMENTS

3. City of Lincoln Proclamation - National Telecommunicator's Week. — NO COMMENTS
4. NEWS RELEASE - RE: City Conducts Street Light Test for Possible Money and Energy Savings. — NO COMMENTS
5. NEWS RELEASE - RE: Lincoln Awarded \$1.5 Million in Homeless Grants. — NO COMMENTS
6. Results of Drinking Water Samples Tested for Total Coliform and E. Coli Bacteria by the Colilert® Method of Analysis. — NO COMMENTS
6. NEWS RELEASE - RE: Hours Extended for Waste Disposal Sites. — NO COMMENTS
7. NEWS RELEASE - RE: Clean Your Files Week Begins 04/22/07. — NO COMMENTS
8. Washington Report, March 30, 2007. — NO COMMENTS

II. DIRECTORS -

COUNTY COMMISSIONERS -

1. Letter to Dr. Susan Gourley, Lincoln Public Schools, from County Commissioner Larry Hudkins. Prospective Schools Location Map. — NO COMMENTS

FINANCE -

1. Budget Information Comparing Forecasted Budget Amounts to Final Adopted Budget Amounts Requested by Councilwoman Robin Eschliman. — NO COMMENTS

HEALTH -

1. NEWS RELEASE - RE: Help Keep Lincoln and Lancaster County Clean. — NO COMMENTS
2. Physician Advisory on 2006-2007 Influenza Season. — NO COMMENTS
3. NEWS RELEASE - RE: Recognizing National Public Health Week (April 2-8) and Local Preparations for Public Health Emergencies. — NO COMMENTS

4. Health Department to Target Low-Income Uninsured for Flu Shots. — NO COMMENTS

PLANNING -

1. Stone Ridge Estates 4th Addition - Final Plat #07011 - Generally Located at Andrea Place & Hollynn Lane. — NO COMMENTS
2. Letter of Withdrawal - Waiver #06009, Bill #07R-18 - Currently on Council Pending List. — NO COMMENTS

PLANNING COMMISSION FINAL ACTION

1. Special Permit #07005 - Yankee Hill Townhomes Community Unit Plan. 84th & Yankee Hill Road. — NO COMMENTS

WOMEN'S COMMISSION -

1. Director's Report for March 2008. — NO COMMENTS

III. CITY CLERK -

City Clerk Joan Ross stated on their Agenda today the Mayor's Award of Excellence.

Under 'Public Hearing-Liquor Resolutions' Items 1 & 2 will be called together. *[#1, Application of LMM, Inc. dba Libations and Grand Room for a Class C liquor license at 317 S. 11th Street.; and #2, Manager application of Harlan R. Musil for LMM, Inc. dba Libations and Grand Room at 317 S. 11th Street.]*

Items 3 & 4 will be called together. *[#3, Application of K-Sara Enterprises, Inc. dba Kevin Meier Imports for a Class C liquor license at 3540 Village Drive, Suite 200.; and #4, Manager application of Kevin R. Meier for K-Sara Enterprises, Inc. dba Kevin Meier Imports at 3540 Village Drive, Suite 200.]*

Item 14, you have a Motion-To-Amend #1. *[#14, 07R-86, Approving the hiring of an auditor in the Finance Department of the City of Lincoln to identify areas of savings to the city in the preparation of the 2007-2008 budget.]*

Item 26, we had the amended version on the internet. *[#26, 07R-79, Approving the Woodlands at Yankee Hill Conditional Annexation and Zoning Agreement between Carl and Vickie Schmidt, SAP-SE LLC, Midwest Net Lease Investors SE LLC, and Calrubby LLC, and the City of Lincoln, relating to the annexation of approximately 194 acres of property generally located on the east side of 70th Street south of Yankee Hill Road.]*

For Item 39, she received a request from ESP to withdraw this item. Apparently, they have worked out or compromised with City Departments. *[#39, 07R-18, Waiver 06009-Application of Geico Development to waive the Design Standards and Subdivision Ordinance requirements for stormwater associated with Use Permit No. 04008 on property generally located at S.W. 17th Street and West A Street.]*

For Item 45, they probably saw the request to withdraw this item. *[#45, 07-44, Amending Sections 10.12.030 and 10.14.220 of the Lincoln Municipal Code to add a definition for Red Arrow and to prohibit right-hand turns by vehicles facing a steady red turn arrow.]*

Ms. Newman asked City Clerk Joan Ross if they received any information back on Item 25? Ms. Newman commented Steve Carper said that he would report back about the meeting. Mr. Camp noted Dallas (McGee) sent the email to us the other day. Nobody had no new information on this item. Ms. Newman commented it was brought forward by League of Human Dignity, Mike Schaefer. Nicole Fleck-Tooze stated Public Works is handling the alley re-paving district part of it. Ms. Newman commented can you contact Steve Carper and find out if they had their meeting that they talked about. Mr. Camp commented maybe as a backup check with Mike Schaefer from League of Human Dignity as well. Ms. Tooze stated okay. *[#25, 07-40, Creating Alley Re-paving District #48 in the east/west alley of O to P Streets, 17th to 18th Streets and assessing the costs thereof against the benefitted properties.]*

IV. COUNCIL REQUESTS/CORRESPONDENCE -

COUNCIL -

1. Letter from Lincoln City Council to the Public Service Commission - RE: Concerns about recent increase in order to subsidize telephone service in rural areas. — NO COMMENTS
2. Correspondence from Pierson Fitchett Law Firm to Roy & Carolyn Wolgamott - RE: Sid Dillon Lighting with attachment letter from Marvin Krout, Planning Director. — NO COMMENTS

JON CAMP - No Comments

JONATHAN COOK - No Comments

ROBIN ESCHLIMAN - No Comments

1. Request to ~~Don Herz, Finance Director~~ - RE: Keno Funds (Eschliman RFI#7 - 04/03/07) - **1.) SEE RESPONSE FROM DON HERZ, CITY FINANCE DIRECTOR ON ESCHLIMAN RFI#7.** — NO COMMENTS

DAN MARVIN -

Mr. Marvin stated he would like to speak with Karl Fredrickson (Public Works & Utilities Director) after the Directors' Meeting today.

ANNETTE McROY - No Comments

1. Letter from Kim Sturzenegger - RE: Process of Selection Design and Developer for Project at 14th & "Q" Streets. — NO COMMENTS

KEN SVOBODA - No Comments

PATTE NEWMAN - No Comments

V. MISCELLANEOUS -

1. Email from Wayne Boles - RE: FireWorks Egress - Traffic Signs Needed. — NO COMMENTS
- 2a. Email from Shannon McGovern - RE: Drag Strip in Cass County? - NO COMMENTS
- 2b. Email from Shannon McGovern - RE: Omaha World Herald article. — NO COMMENTS
3. Letter from business owners in the area of Plum to South Streets, 14th to 15th Streets - RE: Construction parking decisions affecting business owners. — NO COMMENTS
4. Newspaper Article & Note with locations - RE: Graffiti from anonymous contributor. — NO COMMENTS
5. Interline Action Center E-Mail from Terri Vrchota - RE: Problems with Time Warner. — NO COMMENTS
6. Email from Nebraska Economic Support Team - RE: Motorsports locations consultants. — NO COMMENTS

ADDENDUM - (For April 9th)

I. MAYOR -

1. NEWS RELEASE - RE: Candidate Debate Set For April 10 - Debates to be taped and rebroadcast on 5 City-TV. — NO COMMENTS
2. NEWS ADVISORY - RE: Mayor Seng's Public Schedule Week of April 7 through April 13, 2007 - Schedule subject to change. — NO COMMENTS

II. CITY CLERK - NONE

III. CORRESPONDENCE

A. COUNCIL REQUESTS/CORRESPONDENCE -

ROBIN ESCHLIMAN -

1. E-Mail from Kevin Burklund - RE: City Auditor. — NO COMMENTS

B. DIRECTORS AND DEPARTMENT HEADS - NONE

C. MISCELLANEOUS -

1. E-Mail from Tom Wanser - RE: City Auditor. — NO COMMENTS
2. E-Mail from John Davis - RE: Resolution to save tax dollars-City Auditor. — NO COMMENTS
3. E-Mail from Mark Duggan - RE: Internal City Auditor. — NO COMMENTS
4. E-Mail from John DuPont - RE: City Auditor. — NO COMMENTS
5. E-Mail from R. Weigel - RE: City Auditor. — NO COMMENTS

[End of Addendum]

VI. MEETING ADJOURNED - Approximately at 11:23 a.m.

dm040907/tjg

DRAFT

TAX INCREMENT FINANCING POLICY

LINCOLN, NEBRASKA

March 30, 2007

STATEMENT OF PURPOSE

This policy outlines the use of Tax Increment Financing (TIF) in the City of Lincoln. Lincoln's purpose in the use of TIF is to remove blight, stimulate investment in deteriorating areas and stimulate job creation.

Tax increment financing (TIF) is a state authorized public funding mechanism for cities to use to help pay for public improvements associated with redevelopment projects in blighted and substandard areas. The Nebraska Community Development Law, Chapter 18, Article 21, Section 18-2103(11), enacted in 1980 allows communities to designate blighted and substandard areas that have a preponderance of deteriorating buildings, high unemployment, old structures, unimproved land, low-income residents, and/or a declining population as eligible for the use of TIF. State statutes limit Nebraska communities from declaring more than 35 percent of a city's geographic area to be declared blighted or substandard for the purpose of TIF financing.

WHO IS IN CHARGE OF TIF DETERMINATIONS

The Urban Development Department is designated as the Redevelopment Authority for the City of Lincoln. As the Redevelopment Authority for the City, the Urban Development Department is the project manager for all projects involving TIF. Lincoln began TIF projects in 1982 and it has been used in more than 30 local projects. All projects are subject to final review and approval by the Mayor's office.

HOW IS THE TIF DETERMINED

To be eligible to use TIF, the property must be in an area that has been declared blighted and substandard and must have a redevelopment plan that is recommended by the Urban Development Department and approved by the City Council.

The assessed value of the property in a TIF District as it existed one year before the project begins is the "base tax year value". An estimate, based on an appraisal, is made to determine the future assessed value of the property after the redevelopment. The difference between the original assessed value and the redeveloped assessed value is called the "tax increment." If the assessed value of the property after the redevelopment is less than the estimated "tax increment", it is the developer's obligation to pay the difference between the estimated "tax increment" and the actual "tax increment."

Property taxes are paid by the property owner on the new assessed value of the redeveloped property. All property taxes on the base year value continue to be distributed to the local tax authorities (LPS, City, County, NRD, SCC, etc.) The property tax collected on the tax increment is commonly used to finance bonds issued by the City to pay for public improvements. When the TIF district expires, not to exceed 15 years after inception, the local tax authorities then receive the additional property tax revenue resulting from the redevelopment.

WHERE IS TIF ELIGIBLE TO BE USED

Lincoln blighted/substandard districts and TIF redevelopment projects are categorized into those inside the 1950 city limit called the "Core Area" and those outside the 1950 city limit called "Outer Area". In the "Core Areas" TIF is generally used to rehabilitate or replace deteriorated buildings and public infrastructure, while TIF is used in "Outer Areas" to provide public infrastructure to unimproved areas.

"Core Area" TIF Redevelopment Projects.

In 1982 downtown was the first area in Lincoln to be declared as blighted and substandard and eligible for redevelopment TIF projects to encourage private investors to redevelop deteriorating structures. Redevelopment plans have since been implemented primarily in the urban core or oldest areas of the City, including Clinton Neighborhood, Malone Neighborhood, North 27th Street, Havelock, University Place, Antelope Valley, 48th and O Streets, and South Street.

"Outer Area" TIF Redevelopment Projects.

In 2005, the City began also using TIF in unimproved areas. The post 1950 limit development sites, known, as "Outer Area" projects are generally located near the City's perimeter and are usually unimproved areas that lack infrastructure and stymie private redevelopment.

WHAT PROJECT IS ELIGIBLE FOR TIF FUNDING

To be considered eligible for TIF financial support ALL projects must meet the following criteria:

1. The project must be located in an area declared blighted and substandard by the City Council.
2. The project must be in conformance with the City's Comprehensive Plan.
3. The developer must demonstrate that the project would not be economically feasible without TIF. This is commonly called the "but for" test, meaning the project would not occur, "but for" the availability of the TIF funding.

In addition "Core Area" and "Outer Area" TIF projects must also meet separate criteria to be eligible for TIF financing.

Core Area TIF Project Criteria.

All Core Area TIF projects must be located inside the 1950 Lincoln city limits (see attached). The Project must achieve at least one of the following goals:

- Benefits low and moderate-income people or areas.
- Redevelops a building or site that displays a preponderance of substandard conditions or blight as defined by Nebraska state law.
- Redevelops a site that has displayed a pattern of declining real property assessments, as measured by the Lancaster County Assessor's Office.
- Rehabilitates a designated city landmark, a building listed on or eligible for listing on the National Register of Historic Places, or a building located within a local landmark district.

- Shows exceptional potential to attract additional reinvestment in adjacent blighted or substandard areas.
- Develops new housing opportunities in downtown or a low-to-moderate income neighborhood.
- The project relocates an existing business from an area where it: is incompatible with existing or proposed zoning; improves traffic flow; or addresses other conflicts that require relocation.
- The project involves a new businesses or the expansion of existing businesses that add to Lincoln's existing tax base by generating new primary employment. (Primary employers are businesses that have out-of-county sales greater than 50% of their total sales and will have a median wage for its new employees equal to or in excess of 110% of the average wage for Lancaster County.);

“Outer Area” Project TIF Criteria.

All “Outer Area” TIF projects must be located outside the geographic 1950 Lincoln city limits. “Outer Area” TIF projects shall not include existing or newly developing residential areas within their boundaries. Residential areas shall not be used to generate funds for TIF projects.

Reimbursement of TIF Funds: The redevelopment agreement must provide for reimbursement of some or all TIF funds to the City in the event that the goal of attracting the qualifying business(es) is not met, and one or more non-qualifying businesses actually occupy the project.

Outer Area TIF Projects must achieve at least one of the following goals:

- The project involves a new businesses or the expansion of existing businesses that add to Lincoln's existing tax base by generating new primary employment. (Primary employers are businesses that have out-of-county sales greater than 50% of their total sales and will have a median wage for its new employees equal to or in excess of 110% of the average wage for Lancaster County.); or
- The project relocates an existing business from an area where it: is incompatible with existing or proposed zoning; improves traffic flow; or addresses other conflicts that require relocation.

WHAT CAN THE TIF INCREMENT BE USED FOR

1. Acquisition and site preparation of redevelopment sites including demolition, grading, environmental remediation and related work prior to construction of the project and costs associated with relocation.
2. Public improvements associated with a redevelopment project, including the design and construction of public arterial streets, sidewalks, alleys, water, sewer, street lights, the design and construction of public parking; the design and installation of public streetscape amenities; and the preservation of historic facades.