City Council Introduction: **Monday**, November 8, 2010
Public Hearing: **Monday**, November 15, 2010, at **3:00** p.m.

Bill No. 10R-295

# FACTSHEET

**TITLE**: Amendment to the **LINCOLN CENTER REDEVELOPMENT PLAN,** requested by the Director of the Urban Development Department, to add the "***Telesis Meadowgold Redevelopment Project"*** on property located between L and M Streets and 7th and 8th Streets.

**STAFF RECOMMENDATION**: A finding of conformance with the Comprehensive Plan.

**ASSOCIATED REQUEST**: Change of Zone No. 10020 (10-144)

**SPONSOR**: Planning Department

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

**RECOMMENDATION**: A finding of conformance with the Comprehensive Plan (8-0: Gaylor Baird, Partington, Taylor, Lust, Francis, Esseks, Larson and Sunderman voting 'yes'; Cornelius absent).

**FINDINGS**:

1. This proposed amendment to the **Lincoln Center Redevelopment Plan** was heard before the Planning Commission in association with Change of Zone No. 10020.

2. This proposed amendment to the **Lincoln Center Redevelopment Plan** is to add the "Telesis Meadowgold Redevelopment Project" to redevelop the former Meadowgold manufacturing complex into a complex of mixed-use industrial buildings and a residential/commercial building. The Project Area includes the entirety of Block 84, Original Lincoln, and the surrounding rights-of-way in the South Haymarket area of Downtown Lincoln, including M Street north to the property line, 7th Street west to the property line, L Street south to the property line, and 8th Street east to the property line.

3. The staff recommendation to find the proposed amendment to be in conformance with the Comprehensive Plan and the Downtown Master Plan is based upon the "Analysis" as set forth on p.4-5, concluding that the proposed Telesis Meadowgold Project will strengthen South Haymarket by redeveloping a vacant block into a mixed use complex including manufacturing, retail and residential uses. The staff presentations are found on p.6-9.

4. Testimony in support 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 (See p.15-16 of the Factsheet for Change of Zone No. 10020, Bill #10-144).

6. On October 20, 2010, the Planning Commission agreed with the staff recommendation and voted 8-0 to find the proposed amendment to the Lincoln Center Redevelopment Plan to be in conformance with the Comprehensive Plan (See Minutes, p.10)

7. On October 20, 2010, the Planning Commission also voted 8-0 to recommend approval of the change of zone from I-1 to B-4 Lincoln Center Business District (Change of Zone No. 10020, Bill #10-144).

**FACTSHEET PREPARED BY:** Jean L. Preister **DATE**: November 1, 2010

**REVIEWED BY**:_____ **DATE**: November 1, 2010

**REFERENCE NUMBER**: FS\CC\2010\CPC.10008+ Redev Plan

**LINCOLN/LANCASTER COUNTY PLANNING STAFF REPORT**

**for October 20, 2010 PLANNING COMMISSION MEETING**

**PROJECT #:** Comprehensive Plan Conformance No.10008

**PROPOSAL:** Amendment to Lincoln Center Redevelopment Plan for the establishment of the Block 84 Redevelopment Project Area to determine conformity with the *Lincoln City/Lancaster County 2030 Comprehensive Plan*.

**LOCATION:** Block 84, between L and M Streets and 7th and 8th Streets

**LAND AREA:** Approximately 2 acres more or less

**CONCLUSION:** This project is in conformance with the Comprehensive Plan, Downtown Master Plan and the Lincoln Center Redevelopment Plan. It will strengthen South Haymarket by redeveloping a vacant block into a mixed use complex including manufacturing, retail and residential uses.

**RECOMMENDATION:** In conformance with the Comprehensive Plan.

**GENERAL INFORMATION:**

**LEGAL DESCRIPTION:** See Attached

**EXISTING ZONING:** I-1 Industrial district

**EXISTING LAND USE:** Vacant building, former Meadowgold Dairy

**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 | I-1 (Industrial District) | Parking/ Office |
| West | I-1 (Industrial District) | Industrial |

**ASSOCIATED APPLICATIONS:** CZ10020

**HISTORY:**
May 8,1979 This area was re-zoned from K Light Industrial to I-1 Industrial with the 1979 zoning update.

The Lincoln Center Redevelopment Plan was first adopted in 1975 and has had more than 25 revisions for specific projects since its major update in 1985. Emphasis shifted to smaller,

incremental redevelopment efforts, as summarized in "Downtown Master Plan" of 1989. Major benchmarks have been the 1993 revisions to approve parking structures, the Burnham Yates Conference Center, a childcare center, and the O Street Skywalk, utilizing proceeds from a bond issue of 1985. Subsequent redevelopment projects over the past ten years were included by amendment of the Lincoln Center Redevelopment Plan: Cornhusker Square, Lincoln Star Building, Old Federal Building, Lincoln Mall, and Haymarket 7th & 8th Street Core Redevelopment Projects. The 2005 "Downtown Master Plan" highlights the development of a mix of uses in the South Haymarket area with High Density Residential, Restaurant/Entertainment, Office, Parks and Open Space, and Government land uses.

## 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)*

*"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 City's principal cultural, entertainment and tourism center*
- *a regional retail center geared toward employees, area residents, convention visitors and University population" (P. 36)*

*"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)*

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

And from the 2005 Lincoln Downtown Master Plan:

*From "Guiding Principles":*

- *Enhance retail*
- *Provide additional housing*
- *Enhance aesthetics*
- *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)*

**ANALYSIS:**

1. This is a request to review a proposed amendment to the Lincoln Center Redevelopment Plan for a determination of conformity with the Comprehensive Plan. The amendment includes Block 84 which 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, set forth more specifically on the attached map.

2. The Dairy House, LLC recently acquired Block 84 (the Meadowgold complex) and half of Block 103 to the south of L Street. 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.

3. The goal of this project is to strengthen South Haymarket by removing blighted and substandard conditions on the block recently vacated by Meadowgold Dairy.

4. Total cost of this project is estimated to be over $15.1 million. Over $13.9 of the $15.1 million will be privately funded and over $8.9 million of the $13.9 will be hard construction costs. The source of these public funds, approximately $1.4 million will be Community Improvement Financing (Tax Increment Financing) generated from private development within the project area. The project may receive additional assistance from recovery zone bonds, as well as historic tax credits.

5. The project will preserve the architectural integrity and historic character of the area by supporting development that reuses existing buildings or facades and that is designed to fit the context in which the development will occur.

6. This block appears eligible for listing on the National Register of Historic Places and the Planning Department has been requested to proceed with preparation of a nomination, along with application for status as a Certified Historic Rehabilitation, providing access to federal income tax credits for historic rehabilitation of income-producing property. The subsequent Redevelopment Agreement, like the Redevelopment Plan amendment, should reflect the intention to maintain the historic character of the property while enhancing its maintenance and viability.

7. Public Works commented "Public Works finds redevelopment of this block to be satisfactory. The redevelopment project will need to identify specific public works and utility needs that may need construction or reconstruction, including water sewer and pavement."

8. LES commented “LES will work with the developer to determine costs for relocations after final plans are received. LES has existing transmission and distribution facilities in the Block 84 boundary.”

9. Although the Health Department expressed concern about residential uses with 300 feet of a use containing hazardous materials, their evaluation showed only one use containing hazardous materials within 300 feet of the proposed project and the Health Department has been discussing mitigation of that hazard. See attached comments from the Health Department.

10. A portion of the property is within the 100 year floodplain and any substantial improvements to the existing buildings will have to meet all floodplain regulations according to 27.52.03 of the Lincoln Municipal Code.

11. 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.

12. Attached is a description of the proposal and the phasing plan that will be incorporated into a future redevelopment agreement.

Prepared by:

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**DATE:** October 7, 2010

**APPLICANT:** David Landis
Director of Urban Development
808 “P” Street, Ste. 400
Lincoln NE 68508

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# 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 completed 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 or 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.

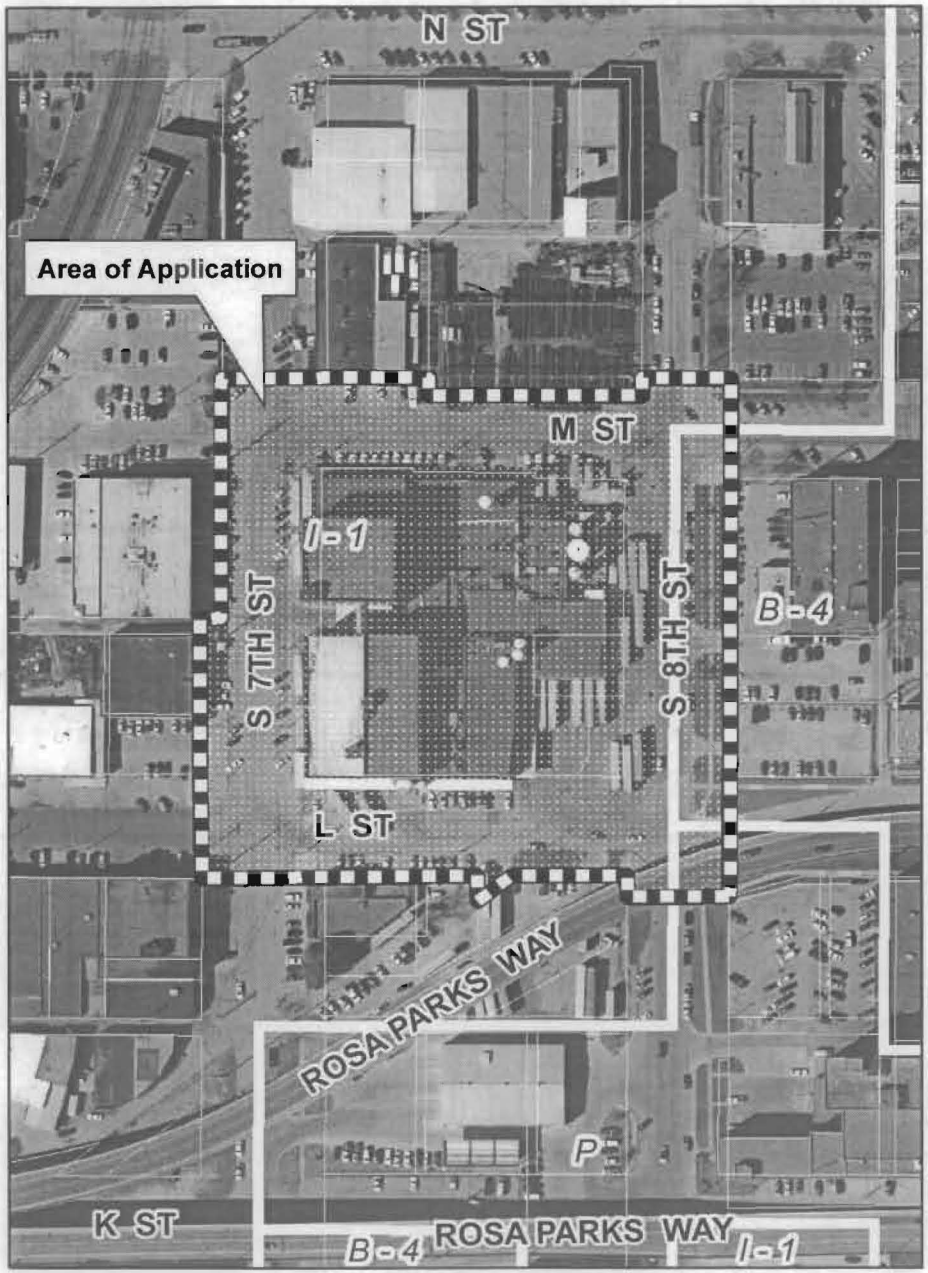
Gaylor Baird pointed out that the Downtown Master Plan has a vision of connectivity between south Haymarket and the west portion of our city and Antelope Valley. This is another reason adaptive reuse is strong for this project and it seems like the applicant is taking the necessary precautions to address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

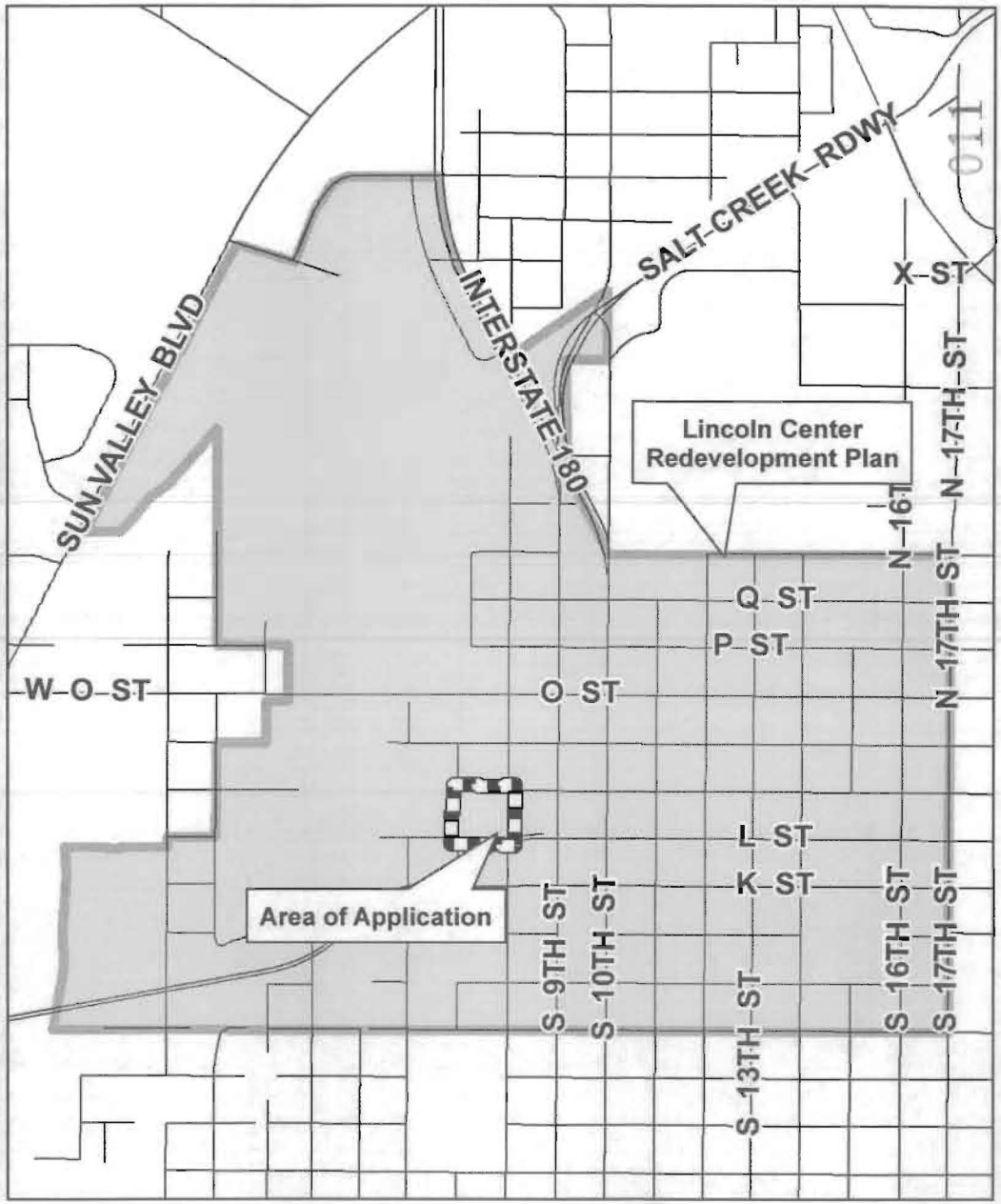
Sunderman commented about the concerns of Midwest Steel. He believes that it has as much to do with the residential as it does with the fact that they are a very viable and important industrial use that is now being surrounded by B-4. He appreciates their concern; however, if nothing was done and the 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.




# Comp Plan Conformance #10008
# Lincoln Center Redevelopment Plan
# BLock 84 - Meadowgold

m:\plan\arcview\CPCRevelopmentAreaDrawings.mxd (CPC10008)

N

2007 aerial

Zoning Jurisdiction Lines

City Limit Jurisdiction

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

AND INCLUDING THE ASSOCIATES RIGHT OF WAY OF S. 8TH STREET, S. 7TH STREET, M STREET AND L STREET

**Lincoln-Lancaster County Health Department (LLCHD) comments:**

- Developers are responsible for all mosquito control issues during the building process and all outlots, green-spaces, and/or natural corridors subsequently controlled by the owner, tenant, occupant, lessee, or otherwise, for that subdivision would be responsible for vectors of zoonotic disease in those areas.

- All wind and water erosion must be controlled during construction. The Lower Platte South Natural Resources District should be contacted for guidance in this matter.

- During the construction process, the land owner(s) will be responsible for controlling off-site dust emissions in accordance with Lincoln-Lancaster County Air Pollution Regulations and Standards Article 2 Section 32. Dust control measures shall include, but not limited to application of water to roads, driveways, parking lots on site, site frontage and any adjacent business or residential frontage. Planting and maintenance of ground cover will also be incorporated as necessary.

- Relative to the Phase III - Telesis Meadowgold Mixed-Use Residential, the LLCHD notes that 30 to 35 residential units are proposed for the southwest corner of this redevelopment project. Industrial zoning is located directly west, south, and north of this proposed project. The LLCHD has historically advocated for at least a 300 foot separation between occupied residential structures and industrial zoning. However, the distance between occupied residential structures and extremely hazardous substances is the important factor when determining separation distances. At this time, aside from the District Energy Corporation (DEC) located at the southwest of corner of 9th and Rosa Parks, the LLCHD has not identified any business which uses and/or stores extremely hazardous substances in the vicinity. In addition, regarding the surrounding industrial zoning, it is hoped that in the future this area will transition into a more commercial use focus.

- The DEC currently utilizes anhydrous ammonia as a refrigerant for a cooling system. Anhydrous ammonia is classified as an extremely hazardous substances. The LLCHD has consulted with the DEC's director to discuss potential methods of mitigating anhydrous ammonia's toxic inhalation risk in the event of a release. The DEC's director has indicated that the DEC's board of directors will meet and discuss the specifics for installing an on-site anhydrous ammonia leak mitigation system. The LLCHD is amenable for supporting this proposed redevelopment project's mixed-use residential based upon the assumption that the anhydrous ammonia risk at the DEC will be addressed prior to the construction of the residential units.

**Proposed Amendments to the Lincoln Center Redevelopment Plan for the Telesis Meadowgold Redevelopment Project**

**Section III**
**Telesis Meadowgold Redevelopment Project**

The Telesis Meadowgold Redevelopment Project area includes the entirety of Block 84 and the surrounding rights-of-way in the South Haymarket area of Downtown Lincoln. The surrounding rights-of-way include M Street north to the property line, 7th Street west to the property line, L Street south to the property line, and 8th Street east to the property line. The goal of this project is to strengthen South Haymarket in the redevelopment of the former Meadowgold manufacturing complex into a complex of mixed-use industrial buildings, and a residential/commercial building. The project will remove blighted and substandard conditions and will make a positive contribution to the continued revitalization of Downtown Lincoln. City support may include the construction of project-related public improvements and enhancements.

**Section IV**
**W. Telesis Meadowgold Redevelopment Project**

**Revitalization Project Description**

The Telesis Meadowgold Redevelopment Project area includes the entirety of Block 84 and the surrounding rights-of-way in the South Haymarket area of Downtown Lincoln. The surrounding rights-of-way include M Street north to the property line, 7th Street west to the property line, L Street south to the property line, and 8th Street east to the property line. The existing land use in the area is industrial.

The goal of this project is to strengthen South Haymarket in the redevelopment of the former Meadowgold manufacturing complex into a complex of mixed-use industrial and commercial buildings, and a residential/commercial building. The project will remove blighted and substandard conditions and will make a positive contribution to the continued revitalization of Downtown Lincoln.

The project is consistent with the goals of the Lincoln Center Redevelopment Plan and Downtown Master Plan and is intended to support private sector industrial, residential, and commercial development in this redevelopment area. The project, including both public and private improvements made, will address the goals of the Lincoln Center Redevelopment Plan in the following ways:

- encouraging the preservation of the architectural integrity and historic character of the area by supporting development that reuses existing buildings or facades and that is designed to fit the context in which the development will occur;
- intensify and strengthen Lincoln's central business district as the employment hub of the community;
- encourage development of mixed use projects that attract and maintain commercial activity and residential developments in the Downtown and Haymarket areas;
- encourage expanded housing opportunities and types to foster 24-hour activity;
- utilizing underdeveloped lots and removing blight; and,

- enhancing the aesthetics of Downtown and Haymarket to improve the pedestrian environment.

The project is located on the block south of M Street, and will be consistent with plans for the M Street corridor improvements expected to be implemented with West Haymarket and reflect the intent of the Downtown Master Plan.

The project is divided into four phases for redevelopment financing purposes as shown on Exhibit 169. Phase I is expected to be implemented immediately after the adoption of the corresponding redevelopment agreement. Phases II to IV are expected to be implemented over the next four to ten years.

***Phase I – Telesis Meadowgold Industrial***

The Industrial/Warehouse phase (shown as Phase I on Exhibit 169) includes the redevelopment of two buildings (Buildings E and F on Exhibit 170) located on the northwest corner of the block. Approximately 18,840 square feet will be renovated immediately to allow for the relocation of Data Security, Inc. from the Haymarket to South Haymarket. Further renovation of one of Building E will provide an additional 6,000 to 12,000 square feet of space for the expansion of Data Security, Inc. over the next two to three years.

***Phase II – Telesis Meadowgold Brew House***

Phase II includes the redevelopment of the southeastern buildings on the block (Buildings A and B) as a brew house, to create increased brewing capacity, additional fermentation tanks, and a more advanced packaging line for Empyrean Brewing Co. The renovation will provide a 24,290 square feet manufacturing facility for existing capacity and future growth.

***Phase III – Telesis Meadowgold Mixed-Use Residential***

Phase III includes 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. Approximately 30 to 35 studio/one-bedroom units are planned to be constructed.

***Phase IV – Telesis Meadowgold Mixed-Use Commercial/Warehouse***

Phase IV includes the redevelopment of Buildings G, H, I, J, and possibly part or all of L to allow for the use of these buildings as commercial/retail spaces, and the redevelopment of Building K as warehouse space. Additional cleanup and the removal of a freezer (a portion of Building L) may take place to allow for movement between manufacturing operations and to preserve existing historically significant buildings.

Additional improvements to the block will take place over these four phases to create other opportunities for the interim reuse of buildings on this site. The renovation of 8,494 square feet of warehouse space (Building K) will allow for the relocation of Empyrean Brewing Company's warehousing operations from Waverly to Lincoln. Other

renovations may occur to allow for the temporary use of buildings for storage, to preserve existing infrastructure, and to separate building uses.

**Statutory elements**

The developer currently owns the land and buildings in the project area that will be improved, except for vacant railroad property on the southeast corner of the block. Land coverage may be altered with the possible demolition of Buildings C and G, and the removal of the freezer (Building L) behind Building G. Currently, there are no plans by the City to acquire, relocate, or dispose of any real property. Should any of these occur, the City will follow policy outlined in the Redevelopment Plan.

The block is zoned I-1. The developer will file for a zoning change on the block from I-1 to B-4.

There are no residential units within the proposed project boundaries, or immediate vicinity.

The developer will work with City staff to address any changes in the existing street system to accommodate the project, including streetscape pedestrian improvements and on-street parking.

Telesis will provide parking on site and on the block south of the project area. There are no parking requirements in the B-4 district. The developer will work with the Public Works Department to maintain on-street parking adjacent to the project.

Investment by the City may assist in acquisition, demolition, site preparation, and remediation; utility relocation and improvements; street and streetscape improvements; preservation of existing structures; and, and other eligible expenditures under the Nebraska Community Development Law within the project area. The streetscape improvements could include sidewalk construction, curb and gutter construction, parking reconfiguration, landscape enhancements, public art, and installation of pedestrian lighting, signage, and other street amenities.

***Phase I – Telesis Meadowgold Industrial***

The uses under the Industrial Phase I project are allowable in both the I-1 and B-4 districts.

***Phase II – Telesis Meadowgold Brew House***

The development and operation of the brew house is not allowable under the I-1 zoning regulations; rezoning with allow the brew house use by right. Land coverage may be altered during this phase through demolition, if needed, to preserve historic structures.

***Phase III – Telesis Meadowgold Mixed-Use Residential***

The mixed-use residential building proposed to be redeveloped as phase III of the project is expected to include 30 to 35 residential units. Land coverage may be altered during this phase through demolition, if needed, to preserve historic structures.

***Phase IV – Telesis Meadowgold Mixed-Use Commercial/Warehouse***

The redevelopment of the commercial/warehouse space is likely to require adjacent on-street parking. Land coverage may be altered during this phase through demolition and/or removal of structures.

**Proposed Costs and Financing**

At this time, the estimated total cost to implement the redevelopment project is expected to be over $15 million, over $13.9 million of which will be privately funded and over $8.9 million of which will be hard construction costs. The source of funds for public improvements will be Community Improvement Financing (commonly referred to as Tax Increment Financing or TIF), estimated to be $1.4 million, generated from the private improvements within the project area. The project may receive additional assistance from recovery zone bonds, as well as historic tax credits.

***Phase I – Telesis Meadowgold Industrial***

In addition to the purchase of the land, the construction investment in the industrial phase of the project is estimated to cost approximately $2.3 million and is expected to generate over $352,000 in TIF funds to be used toward public improvements.

***Phase II – Telesis Meadowgold Brew House***

Phase II is expected to cost approximately $1.3 million in hard construction dollars, and generate over $210,000 in TIF funds.

***Phase III – Telesis Meadowgold Mixed-Use Residential***

Phase III is expected to cost $4 to $4.8 million in hard construction dollars, and generate $623,000 to $748,000 in TIF funds.

***Phase IV – Telesis Meadowgold Mixed-Use Commercial/Warehouse***

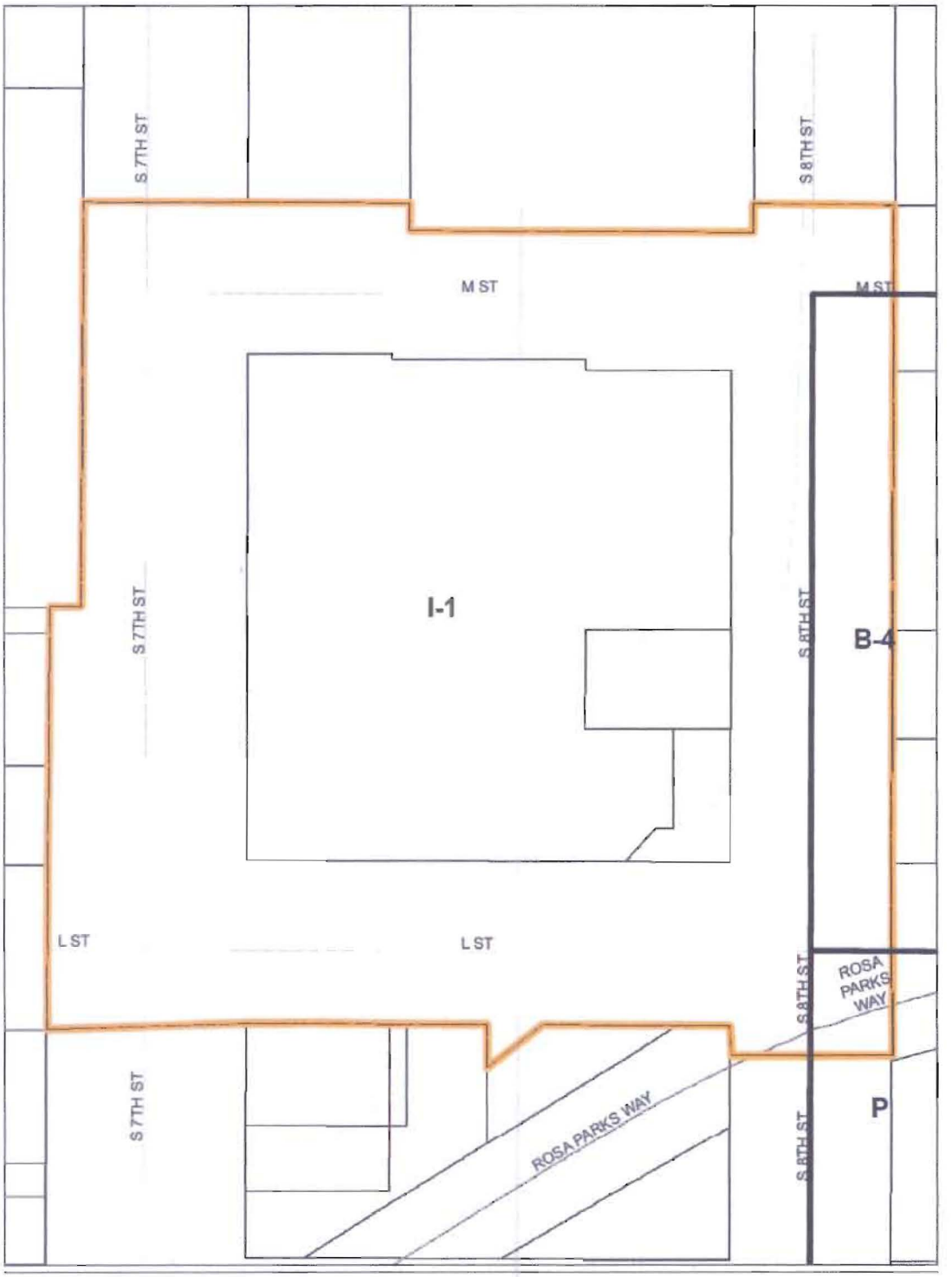
Phase IV is expected to cost approximately $1.3 million in hard construction dollars, and generate over $208,000 in TIF funds.

## Current Parcel Layout: Exhibit 164

Project Boundary
Parcels
Major Streets
Streets
RR

**Telesis Meadowgold Redevelopment Project**

Created/Compiled by:
The City of Lincoln, LCD
Created/Compiled on: 09/07/2010

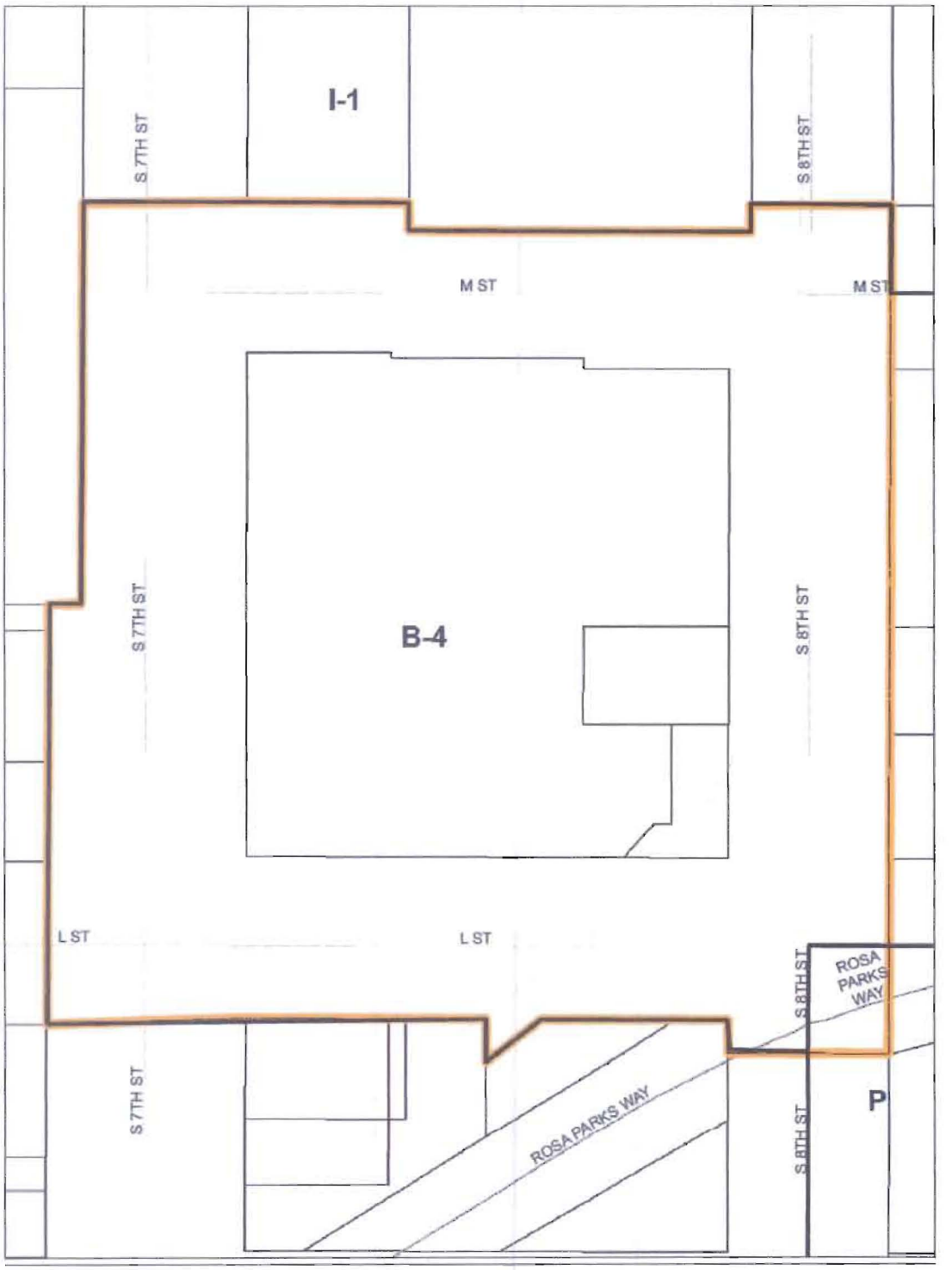



## Current Zoning: Exhibit 165

Zoning
Project Boundary
Parcels
Major Streets
Streets
RR

Telesis Meadowgold Redevelopment Project

Created/Compiled by:
The City of Lincoln: UDD
Created/Compiled on: 09/07/2010

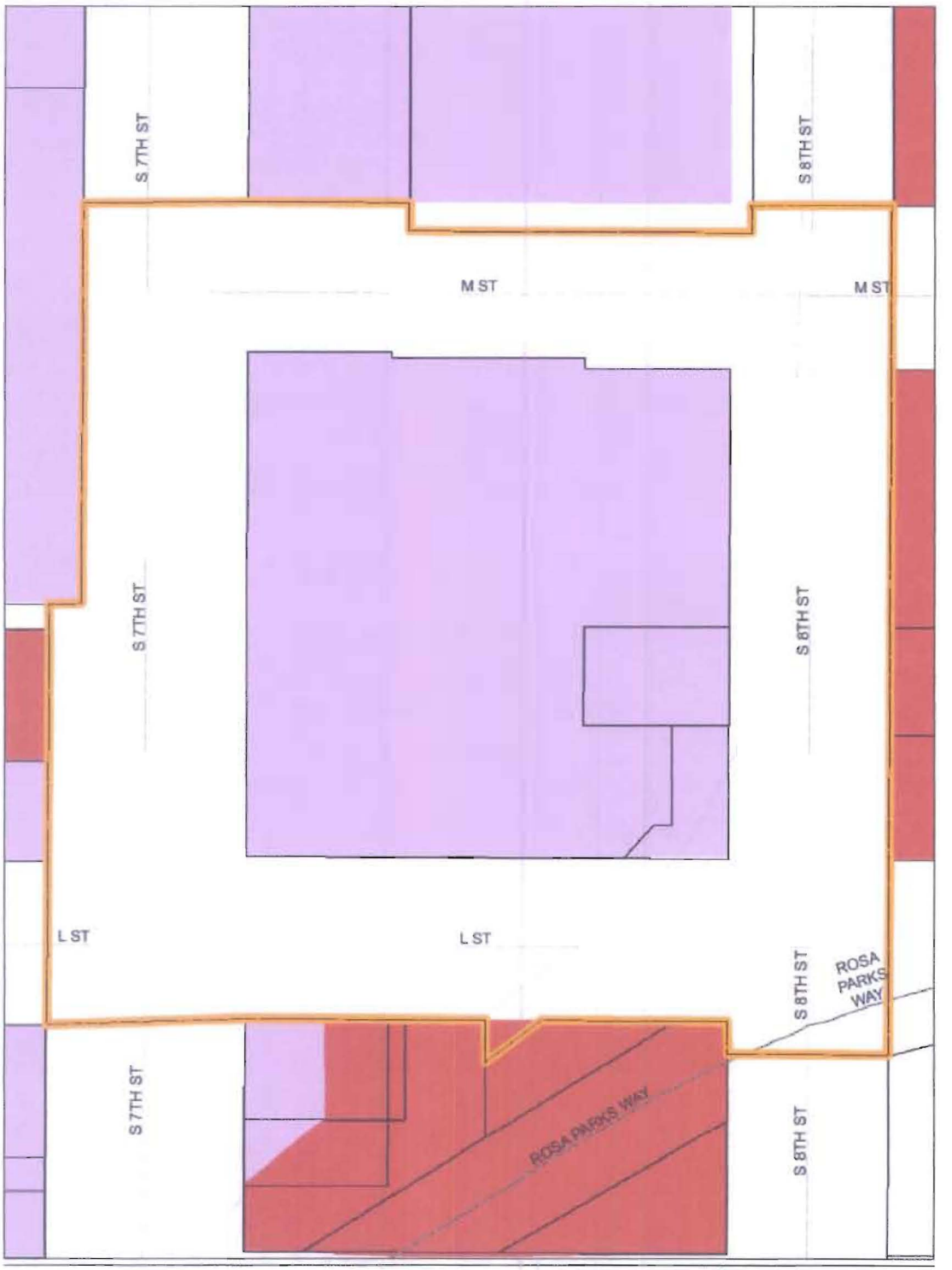



## Future Zoning: Exhibit 166

- Project Boundary
- Future Zonning
- Parcels
- Major Streets
- Streets
- RR

Created/Compiled by:
The City of Lincoln: UDD
Created/Compiled on: 09/07/2010

**Telesis Meadowgold Redevelopment Project**



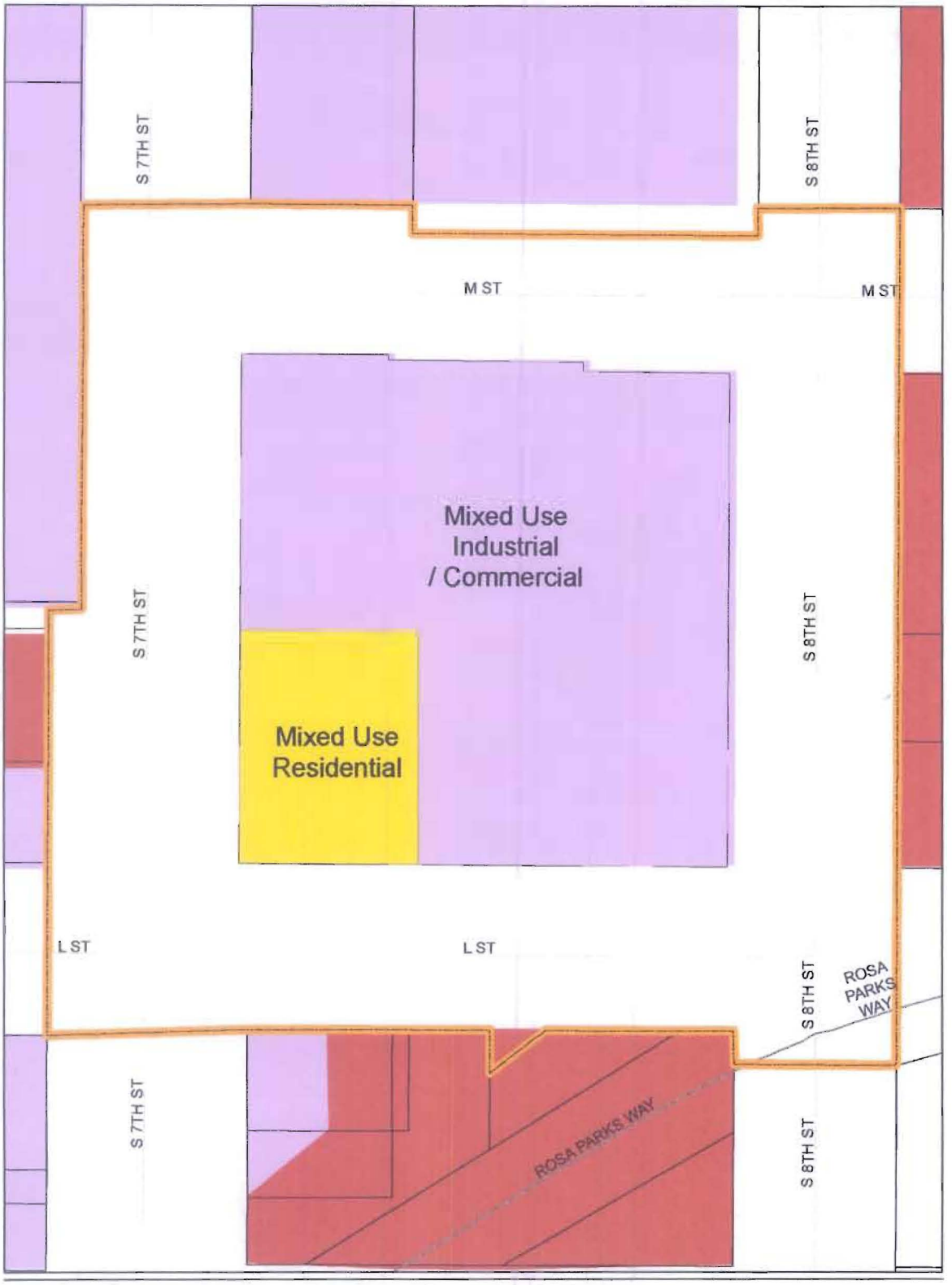

## Current Land Use: Exhibit 167

Project Boundary
Major Streets
Streets
RR
Parcels

**Landuse**
Residential
Commercial
Industrial

Telesis Meadowgold Redevelopment Project

Created/Compiled by:
The City of Lincoln: UDD
Created/Compiled on: 09/07/2010




## Future Land Use: Exhibit 168

Project Boundary

Major Streets
Streets
RR
Parcels

**Future Landuse (Base)**
Residential
Commercial
Industrial

**Telesis Meadowgold Redevelopment Project**

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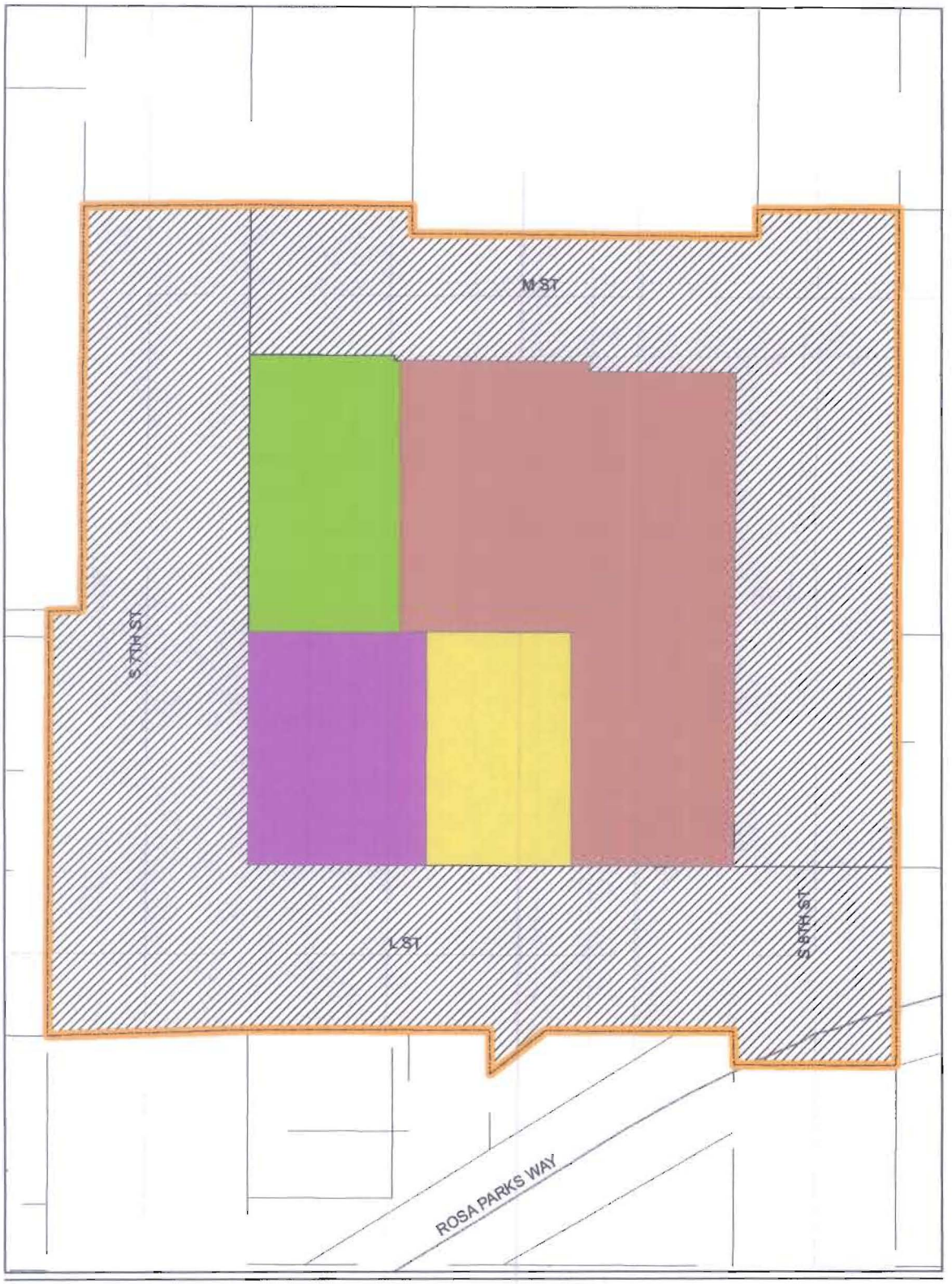
The City of Lincoln: UDD
Created/Compiled on: 09/07/2010




# Project Phases: Exhibit 169

Project Boundary
Area Parcels

**Project Phases**
All Three Phases
Phase One
Phase Two
Phase Three
Phase Four

Major Streets
Streets
RR

## Telesis Meadowgold Redevelopment Project

Created/Compiled by:
The City of Lincoln: UDD
Created/Compiled on: 09/07/2010

## Current Building Layout: Exhibit 170

Project Boundary — Major Streets
Streets
RR

**Telesis Meadowgold Redevelopment Project**

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