



**CITY OF LINCOLN**  
**NEBRASKA**

**MAYOR CHRIS BEUTLER**

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To: Lincoln City Council Members  
From: David Landis, Director *DL*  
Date: September 12, 2012  
Subject: 3 Landmark Centre Project Amendment to the Lincoln Center  
Redevelopment Plan

Submitted for your review is an amendment to the Lincoln Center Redevelopment Plan to reflect the addition of the 3 Landmark Centre Redevelopment Project and the removal the south half of block 120 from the Lincoln Mall Capitol Environs Redevelopment Project area.

Section 18-2113, of the Community Development Law requires the City to review the project and find that the proposed land uses and building requirements in the Project Area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its environs, which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and general welfare, as well as efficiency and economy in the process of development. On August 22, 2012, the new Project Area and project components, including proposed land uses and buildings, and amended project area were found to be in conformance with the Comprehensive Plan, the City's guiding plan for the protection of public health and safety and sound planning. The Urban Development also finds that the project is in conformance with the existing Lincoln Center Redevelopment Plan, which outlines the redevelopment goals and activities planned for the prevention and elimination of blight in Downtown Lincoln, and Downtown Master Plan.

Section 18-2114 of the Community Development Law requires that proposed amendments to the plan be accompanied with a statement that addresses the following areas: 1) Proposed method and costs of acquisition, 2) proposed methods and costs of redevelopment of the project area; 3) estimated proceeds or revenue from disposal to developers; 4) methods proposed for financing projects; and 5) feasible method proposed for relocating families to be displaced by the project.

1. The project is not expected to include the public acquisition of private property. If this project requires the City to acquire property, the City would not use eminent domain to acquire property. If tax increment financing is used to acquire property, the City would follow or require the developer to follow all appropriate regulations regarding acquisition.
- 2 & 3. The total estimated public cost of the project is approximately \$1.5 to \$2.5 million. This may be a more conservative estimate than a financing entity may calculate on the developer's behalf. The total public cost will be funded through tax increment financing generated by the private development within the project area.

4. Following City Council approval of the redevelopment agreement negotiated between the City and developer(s), the City will issue and sell Community Improvement Financing bonds or notes to fund the public improvements related to these projects and/or permit the developer to finance the project through a Developer-Purchased debt instrument.
5. There is expected to be no relocation of families as a result of the project. Should relocation be required as a result of the project, TIF funds will be used to relocate residents and/or businesses.

In addition, Section 18-2116 of the Community Development Law requires the City Council to make the following findings before authorizing the use of Community Development Financing:

- the redevelopment project and plan as proposed would not be economically feasible without the use of Tax Increment Financing; and,
- the redevelopment project as proposed would not occur in the Community Development area without the use of Tax Increment Financing.

Per Section 18-2116, the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed and found to be in the long-term best interest of the City. The Urban Development Department believes that the public improvements and enhancements proposed in this plan amendment would not occur “but for” the Tax Increment Financing generated by private redevelopment within the project area. The attached cost benefit analysis of the 3 Landmark Centre Project shows the TIF funds estimated to be generated by the project.

The revitalization of Downtown Lincoln is in the best interest of the entire Lincoln community. The public investments in infrastructure, amenities, and other public enhancements will complement and encourage future redevelopment projects. The Urban Development Department recommends your approval of the Lincoln Center Redevelopment Plan Amendment adding the 3 Landmark Centre Project and amending the Lincoln Mall Capitol Environs Redevelopment Project Area.

Following the approval of the Plan Amendment, the following steps will occur in the implementation of the project:

- Negotiate redevelopment agreement with the developers and submit to City Council for approval.
- Request approval from City Council for the issuance of Community Improvement Financing bonds or notes, and issue and sell bonds or notes, if needed.
- Select architects/engineers pursuant to city standard practice to design public improvements.
- Approve the public improvement design.
- Competitively select primary contractor to construct public improvements.
- Construct public improvements and enhancements.

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**Cost Benefit Analysis  
3 Landmark Centre Redevelopment Project**

As required by Nebraska Community Development Law (Nebr. Res. Stat # 18-2147), the City has analyzed the costs and benefits of the proposed 3 Landmark Centre Redevelopment Project including:

**A. Property Tax Revenues**

The 3 Landmark Centre Redevelopment Project Area is located between 11th, 12th, K Street, and Lincoln Mall, and includes adjacent right-of-way. The area has a 2012 assessed value of just over \$1.29 million. The parcels to be redeveloped are owned by the developer.

The assessed value of the property within the project area will increase by an estimated \$10 to \$16 million as a result of a projected \$13.5 to \$17.5 million private investment. This will result in an estimated increase of \$174,000 to \$294,000 in property tax collections that will be available for the construction of public improvements related to these projects during the 15-year TIF period, for a total of \$1.5 million to \$2.5 million in TIF funds available for construction. For every public dollar expected to be invested in this project, approximately \$7 to \$9 private dollars will be invested.

The City will forgo 15.59 percent of these collections (or approximately \$27,000 to \$46,000 per year) to support the private investment. The tax increment gained from this redevelopment project area would not be available for use as City general tax revenues over that time, but would be used for eligible public improvements to enable the project to be realized.

**Tax District 1, Property Tax Allocations  
as a Percentage of All Allocations, 2011**

| Description                            | Percentage |
|--|------------|
| Lancaster County                       | 13.25      |
| Public Building Commission             | .84        |
| City of Lincoln                        | 15.59      |
| Lincoln Public Schools                 | 61.53      |
| Educational Service Unit 18            | .74        |
| Lower Platte South NRD                 | 1.97       |
| Railroad Trans. Safety District        | 1.28       |
| Southeast Community College            | 3.10       |
| LC Agricultural Society                | .08        |
| LC Agricultural Society JPA            | .18        |
| Lanc Co Correctional Facility JPA-Co   | .52        |
| Lanc Co Correctional Facility JPA-Linc | .92        |

## **B. Public Infrastructure and Community Public Service Needs**

Public infrastructure will be enhanced to support the continued redevelopment of Downtown Lincoln. City involvement may include property acquisition; demolition, site preparation, and remediation; utility improvements and/or relocation; the construction of street and streetscape amenities; other public right-of-way improvements; energy efficiency and sustainability improvements; façade improvements; on-street parking and related amenities; public art, and, other related public improvements. The improvements will be financed with tax increment financing generated from the project area.

These improvements are expected to enhance the Capitol Environs District, parking availability, traffic flow, utility services, and the aesthetic appeal of the area, benefiting both Downtown and the adjacent Everett Neighborhood.

The use of TIF is being pursued, because the developer is choosing to redevelop in an area with existing blighted and substandard conditions. Without the use of TIF, the City feels that a developer would not choose to develop the project as proposed.

## **C. Employment within the Project Area**

In 2010, there were approximately 16,517 persons employed by 860 non-governmental establishments (not including federal, state, local government or the University) within the Downtown and Haymarket (68508 zip code area) according to the Census, County Business Patterns, North American Industry Classification System.

While all tenants have not been secured for this building, the additional commercial capacity has the potential to generate additional full-time equivalent (FTE) positions. Construction employment will also be supported/generated related to the construction and renovation of the private property and related public improvements.

## **D. Employment in City outside the Project Area**

Approximately 130,287 were employed in 8,222 private business establishments in the City of Lincoln, Metropolitan Statistical Area, according to the 2010 Census, County Business Patterns, North American Industry Classification System. The 2010 median household income for Lancaster County was \$51,092 (in 2010 inflation-adjusted dollars), according to the American Community Survey 2006 – 2010 estimates. The impact of this project on city-wide employment would be minimal.

## **F. Other Impacts**

There are expected to be many district- and city-wide benefits resulting from the 3 Landmark Centre Redevelopment Project. This redevelopment project will strengthen Downtown, by eliminating blight and utilizing underdeveloped property along a major view corridor of Lincoln. This project will increase density consistent with the Lincoln Lancaster County LPlan 2040, as well as improve the pedestrian experience surrounding the block.

City-wide benefits also include the generation of additional sales tax and other revenues to the City as a whole through construction and construction employment. An increased need for services and products from existing and new businesses will benefit not only Downtown business, but businesses city-wide, during and after construction.