

**DOWNTOWN MANAGEMENT
BUSINESS IMPROVEMENT DISTRICT**

ORDINANCE NO. _____

1 AN ORDINANCE creating a business improvement district under the authority of the
2 Business Improvement District Act (Neb. Rev. Stat. § 19-4015, et seq.) and based upon the
3 recommendations received from the duly appointed Downtown Business Improvement Board to
4 be known as the Downtown Management Business Improvement District for the purpose of
5 guiding downtown Lincoln’s evolution as a vibrant mixed use center, positioning downtown
6 Lincoln as a hub for innovation and entrepreneurship, and making downtown Lincoln more
7 livable and workable through economic development activities, advocacy, and special projects
8 that affect downtown Lincoln within the exterior boundaries of an area generally extending from
9 N Street on the south and Pinnacle Arena Drive on the west; thence north and northeasterly
10 along Pinnacle Arena Drive to 9th Street; thence southeasterly along 9th Street and I-180 to a
11 point approximately mid-block between R Street and Q Street; thence east along said mid-block
12 point to 14th Street; thence south along 14th Street to Q Street; thence east along Q Street to
13 17th Street; thence south along 17th Street to K Street; thence west along K Street to 14th Street;
14 thence south along 14th Street to a point approximately mid-block between Lincoln Mall and H
15 Street; thence west along said mid-block point to 10th Street; thence south along 10th Street to K
16 Street; thence west along K Street to 8th Street; thence north along 8th Street to N Street; thence
17 west along N Street to Pinnacle Arena Drive (“Exterior Boundary Area”); providing for special
18 assessments to be imposed within the district based upon the benefits conferred; and providing
19 maximum limits upon such assessments.

20 BE IT ORDAINED by the City Council of the City of Lincoln, Nebraska:

21 Section 1. Business Improvement Board Recommendation. That the Downtown
22 Business Improvement Board appointed by the Mayor with City Council approval by Resolution
23 No. A-89434 has recommended that the City Council create a management business

1 improvement district within the boundaries of the business area as declared by Resolution No.
2 A-89434 to be known as the Downtown Management Business Improvement District to be
3 funded by special assessments levied based upon actual valuation and based on special
4 benefits to the property within the Downtown Management Business Improvement District as
5 the same may be fairly and equitably adjusted by the City Council of Lincoln, Nebraska sitting
6 as a Board of Equalization.

7 Section 2. Notice of Public Hearing. That on Friday, May 6, 2016 notice that the City
8 Council intended to consider this Ordinance to establish the Downtown Management Business
9 Improvement District was given by (a) publication of a Notice of Public Hearing in the Lincoln
10 Journal Star, a newspaper of general circulation in the City of Lincoln, setting forth the time,
11 date, place, and purpose of the public hearing to be held on May 16, 2016 regarding the
12 establishment of the Downtown Management Business Improvement District and (b) mailing a
13 copy of the Notice of Public Hearing, postage prepaid, to each owner of taxable property as
14 shown on the latest tax rolls of the County Treasurer for Lancaster County. A copy of said
15 Notice of Public Hearing is attached hereto marked as Attachment "A" and incorporated herein
16 by this reference.

17 Section 3. Public Hearing. That during the regular City Council meeting commencing at
18 3:00 p.m. on May 16, 2016 in the City Council Chambers on the first floor of the County-City
19 Building, 555 South 10th, Lincoln, Nebraska the City Council held a public hearing on this
20 Ordinance to create the Downtown Management Business Improvement District; that at such
21 public hearing, the City Council heard all protests and received evidence for and against the
22 creation of the proposed Downtown Management Business Improvement District; that the City
23 Council ruled upon all written protests (if any) to the creation of such district which were
24 received prior to the close of the hearing, and hereby finds that protest (if any) was not made by
25 the record owners representing over 50% of the assessable units in the proposed district.

26 Section 4. Creation of District; Improvements. That the Downtown Management
27 Business Improvement District is hereby created and established effective on September 1,

1 2016 for the purpose of guiding downtown Lincoln’s evolution as a vibrant mixed use center,
2 positioning downtown Lincoln as a hub for innovation and entrepreneurship, and making
3 downtown Lincoln more livable and workable through economic development activities,
4 advocacy, and special projects that affect downtown Lincoln (“Management Activities”). The
5 Management Activities to be performed in such business improvement district shall consist of:

- 6 a. Economic Development, including:
 - 7 • Business recruitment and support;
 - 8 • Parking planning and management to support economic development;
 - 9 • Programming to recruit and retain a young skilled workforce and
10 foster a culture of innovation;
 - 11 • Neighborhood services and retail to support downtown living.

- 12 b. Advocacy and Special Projects, including:
 - 13 • Ongoing support for DLA to provide leadership on issues, policies,
14 and civil investments that affect the downtown;
 - 15 • Special projects capacity that could change from year-to-year.
 - 16 • Examples of special projects include containing/reducing
17 homelessness, beautification planning and furnishings, mobility
18 improvements to promote more walking and biking, amenities to
19 support down town living, research and development to stay on top of
20 trends and national best practices.

21 Section 5. District Boundaries. The properties included within the district are those
22 properties lying within the Exterior Boundary Area. Commonly owned properties that are
23 intersected by a boundary line establishing the district shall be considered as entirely within the
24 district unless otherwise determined by the City Council when sitting as a Board of Equalization.
25 The Exterior Boundary Area and the properties included therein are shown on the map attached
26 hereto marked as Attachment “B” and incorporated herein by this reference.

27 Section 6. Special Assessment; Method of Assessment. That the costs and
28 expenses for the Management Activities proposed to be performed within this business
29 improvement district will be funded through special assessments against the property in the
30 district based upon the special benefits to the property as fairly and equitably equalized by the
31 City Council sitting as a board of equalization. The special assessments on each commercial
32 property will be levied annually as a percentage of the property’s assessed valuation compared
33 to the assessed valuation of all taxable property in the district. Since Management Activities

1 within the Downtown Management Business Improvement District will convey less direct benefit
2 to residential uses than commercial uses within the district, the following adjustments will apply
3 to all residential property, both owner occupied and rental:

4 Residential uses are deemed to receive only 45% of the full benefit from Management
5 Activities. Therefore the special assessment on each property used for residential purposes will
6 be levied annually as a percentage of the property's assessed valuation compared to the
7 assessed valuation of all taxable property in the district times 45 percent. For income assisted
8 residential properties that provide low-to-moderate income owner-occupied and/or rental
9 housing, the residential assessment rate will be 50% of the full residential rate, or 22.5% of the
10 commercial property assessment rate for the purpose of assessments. The income-assisted
11 adjustment will apply only to units that are restricted to occupancy by "low-to-moderate income
12 households." For mixed use buildings that combine residential and other uses, the property
13 owner may submit evidence supporting a percentage split of the assessed value between
14 residential and commercial uses for the City Council to consider when sitting as a board of
15 equalization.

16 Section 7. Annual Budget and Limitations. The first year estimated total annual
17 costs and expenses for the Management Activities to be performed within the Downtown
18 Management Business Improvement District during the September 1, 2016 through August 31,
19 2017 fiscal year are \$410,000 (\$225,000 for Economic Development and \$185,000 for
20 Advocacy and Special Projects); provided that the maximum amount of the first fiscal year's
21 annual assessment for the district shall not exceed the total costs and expenses thereof or
22 \$410,000, whichever is less. In each succeeding fiscal year, the City Council shall estimate the
23 total annual costs and expenses for the Management Activities and, after public hearing, shall
24 approve by resolution an annual budget for the Management Activities. The Management
25 Activities annual assessment for such succeeding fiscal year shall not exceed the total costs
26 and expenses thereof or the maximum amount budgeted for said activities in the approved
27 annual budget, whichever is less.

1 Section 8. Contributions. That based on the recommendation of the Downtown
2 Business Area Improvement Board, all owners of property exempt from ad valorem taxes within
3 the district shall be invited to contribute annually to the City of Lincoln to support the
4 Management Activities. Any contributions shall be allocated to reduce assessment rates in the
5 district.

6 Section 9. Enforcement and Penalties. That the special assessments provided
7 herein shall be a lien on the property assessed superior and prior to all other liens except
8 general taxes and other special assessments which shall be of equal priority. Liens for special
9 assessments may be foreclosed and are subject to interest at the statutory rate when payment
10 of the assessment is delinquent as provided by law. No special assessment made hereunder
11 shall be void for any irregularity, defect, error, or informality in procedure, in levy or equalization
12 thereof.

13 Section 10. Effective Date of Ordinance. Pursuant to Article VII, Section 7 of the City
14 Charter, this ordinance shall be posted on the official bulletin board of the City, located on the
15 wall across from the City Clerk's office at 555 S. 10th Street, in lieu of and in place of
16 newspaper publication with notice of passage and such posting to be given by publication one
17 time in the official newspaper by the City Clerk. This ordinance shall take effect and be in force
18 from and after its passage and publication as herein and in the City Charter provided.

Introduced by:

Approved as to Form & Legality:

City Attorney

Approved this ___ day of _____, 2016:

Mayor