Invitation for Redevelopment Proposals for the Pershing Center Project in Downtown Lincoln, Nebraska

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City of Lincoln
Urban Development Department

Pershing Center Project
INVITATION FOR REDEVELOPMENT PROPOSALS

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I. INTRODUCTION

The Urban Development Department of the City of Lincoln, serving as the City's Community Redevelopment Authority and pursuant to State Community Development Law, Chapter 18, Article 21 of Nebraska Revised Statutes, is seeking redevelopment proposals to redevelop the Pershing Center Site on a full block in a prominent location in Downtown Lincoln. Interested developers or development teams are encouraged to submit proposals for the redevelopment of the entire block.

The City owns the Pershing Center Block located between Centennial Mall and 16th Street and M and N streets (see Figure C). Pershing Center is the City's main auditorium and has hosted a variety of events from concerts to sporting events to trade shows for more than 50 years. However, the facility is now considered by many, particularly those in the entertainment industry, to be significantly functionally challenged. In 2010, the residents of the City of Lincoln passed a bond issue in support of the construction of the West Haymarket Arena, a $340 million dollar investment infrastructure, parking, and a 16,500 seat arena in Downtown Lincoln. The ground breaking for the Arena occurred in the summer of 2011. The Arena project will be complete by the fall of 2013.

The Arena project has created the opportunity for the redevelopment of the Pershing Center block. By the time the West Haymarket Arena is complete, the City hopes to have an agreement in hand for the Pershing Center Project, and plans construction to begin in 2014. The site has many possibilities, from public to private uses, from one user to multiple users, from the reuse of the existing building to new construction. Whatever the project, Downtown Lincoln is a good investment to make.

Background
Lincoln is a City of 258,373, up over 14 percent from 2000. The City has generally enjoyed a steady annual growth rate of over one percent for the past 20 years.

The City is located on Interstate 80, midway between Denver and Chicago. (See Figure A.)

The City of Lincoln has received a variety of national accolades recently, including

- One of the ten “Best Places in the U.S. to Locate a Company,” from Expansion Management magazine
- #5 for the “Best Small Places for Business & Careers” from Forbes.com, 2010
- One of the “50 Best Small Metro Areas for Growing & Starting a Business,” by Inc. magazine
- #4 for "Best Overall Business Climate Among Smaller Metro Areas," Forbes Magazine
- One of the Ten “Best Places to Launch a Small Business,” Fortune, 2009
- #1 for job prospects in the Employment Outlook Survey, Manpower, fourth-quarter 2009
- The Second-Happiest City in the U.S., Gallup, 2011
- #9 for “America’s Most Livable Cities” from Forbes, 2010
- “Five Star Community” from the editors of Expansion Management magazine

- One of the Top 25 Most Literate Cities, Central Connecticut State University, 2009
- One of "LHJ's Best Cities for Women," Ladies Home Journal
- One of the "Best Cities for Families," from Child magazine
- One of the "Best Sports Cities," by Sporting News
- #2 in best prospects for a housing recovery, Forbes, 2009
- #3 in the most affordable market for first-time home buyers, Cyberhomes.com, 2009

Lincoln's Downtown is a thriving, mixed-use district with approximately 27,000 employees and two million visitors annually. The site is near the center of a Downtown district bounded to the west by Downtown Lincoln's premier destination district, the Historic Haymarket. The southern boundary includes the architecturally significant State Capitol building, as well as other state and local government campuses. To the east of Downtown is a major $200 million urban revitalization project, the Antelope Valley Project, which has expanded the boundaries of Downtown. The University of Nebraska-Lincoln Campus forms the northern boundary of the site. Many University facilities, including Memorial Stadium, Haymarket Park, the Lied Center for Performing Arts, Love Library, Sheldon Memorial Art Gallery, Wick Alumni Center, numerous dormitories and student housing units, and teaching and research facilities are located within a few blocks of the project site. The site is close to other Downtown office buildings and other key employment centers, retail shops and restaurants, hotels, and tourist attractions. (See Figure B.)

Recently completed private reinvestment in Downtown Lincoln totals over $125 million. Included in this total are a 250-room Embassy Suites Hotel opened in 2000; the Lincoln Children's Museum opened in 2001; the Grand Theater, a 14-screen movie complex opened in 2004; and, several new housing developments that offer rental and ownership opportunities. Another $145 million in additional private reinvestment is currently underway in Downtown, including the Assurity office building in Antelope Valley, Marriot hotel in North Haymarket, Color Court office building and Telesis/Meadowgold office and industrial complex in South Haymarket, Catalyst One residential/commercial/parking structure in central Downtown, Farmer's Mutual Office Building, and numerous other housing and commercial investments. Additional public investments in process include the substantial rehabilitation of the Centennial Mall, one block of which is adjacent to the Pershing Center block, design and construction of the Civic Plaza at 13th and P Streets, completion of the Antelope Valley Roadway and flood mitigation project, and numerous other street, streetscape, and infrastructure improvement projects. (See Figure D.)

The West Haymarket Arena project will be the largest public investment ever in Downtown Lincoln, which will be met with significant private

investment as well. While the City saw a brief hiatus from the financing of private projects in 2008 and 2009, the City has since rebounded dramatically. From 2000 to 2015, the City is expecting to have had over **$1 billion** in public and private investment in the Downtown area alone, and we expect the Pershing Center project to be part of that total.

Recent Planning / Market Studies

In September 2005, the City of Lincoln adopted a Downtown Master Plan. This was the first comprehensive planning process undertaken in Downtown Lincoln since 1975 and establishes a blueprint for the development of Downtown Lincoln for the next 20 years. The Master Plan identified the Pershing building as a candidate for a new Downtown Library. The City has further explored this site as a location for the library and a study is currently underway. The study is expected to be completed prior to the release of this IFRP. If the study shows that the Pershing site is an acceptable location for the Downtown Library, the City expects that the library will submit a proposal either as a stand-alone library or in collaboration with other organizations.

The 2005 Downtown Master Plan also identified space to the west of Pershing on Centennial Mall as a candidate for an expanded festival space, where the street could be partially closed at times when needed or converted to a pedestrian mall. The Downtown Master Plan shows future uses surrounding the Pershing block as Office, Government, Retail, Festival/Event Space and high density Residential. This Master Plan can be found on the City web site at www.lincoln.ne.gov/city/plan/dt_plan/report/index.htm.

In conjunction with the Downtown Master Plan, Economics Research Associates conducted a long term market analysis for the next 20 years of Downtown Lincoln's growth. The report projected a demand for more than 2,200,000 square feet of office space, 600,000 square feet of retail space, 1,000 new hotel rooms, and 2,000 new residential units in the Downtown area by 2020. ERA's Market analysis can be found at www.lincoln.ne.gov/city/plan/dt_plan/mtg/101304/era.pdf

In February of 2009, the City of Lincoln completed the Pershing Adaptive Reuse and Site (PARS) Study. The PARS was a first step in examining the possible reuses of the building and site. The study may help developers explore the many ways this site could be developed. The PARS Study can be found at http://lincoln.ne.gov/city/plan/pershing/parsreport.pdf.

In 2011, the City of Lincoln began a process to update the Downtown Master Plan, including a review of traffic and streetscape connections on M Street from South Haymarket to Antelope Valley. This update is planned to be adopted by January of 2012.

II. DESCRIPTION OF SITE

The Pershing Center is located on an entire city block bounded by Centennial Mall and 16th Street, and M and N Streets, in a prominent location in Downtown Lincoln. The Pershing Center was constructed between 1955 and 1957. This fifty year old building has provided the City with many wonderful memories.

Current Building and Site Data

The parcel area is approximately 300 feet by 300 feet, for a total of 90,000 square feet of buildable area or approximately 2 acres. The floor plate of the building is 50,000 square feet, leaving approximately 40,000 in buildable area. The block is approximately 333 feet by 349 feet, curb to curb. Plans for Centennial Mall and M Street preserve the existing rights of way.

The existing building has 4,526 permanent auditorium seats and 2,000 moveable seats. The arena floor is 16,000 square feet, and can accommodate 7,500 seats. The stage floor is another 4,200 square feet. The building has a 28,000 square foot exhibit hall. The auditorium parapet height is 58 feet, 6 inches, and fly loft parapet height is 75 feet. The building height is currently above the 57 foot height limit for buildings constructed in the Capitol Environs District and could remain at that height if the building was reused.

The site is located within four blocks of 6,100 parking spaces - including seven covered parking garages.

Zoning and Design Standards

The Pershing Center block is within a “P” (Public Use) zoning area which runs parallel to Centennial Mall. This area is surrounded by a “B-4” zoning district (Center Business District) to the west and east and an “O-1” zoning district (Office District) to the south. The site is also within the Capitol Environs District, the district immediately surrounding the State Capitol and four axial corridors, including Lincoln Mall and Centennial Mall.

The project is also subject to City of Lincoln Downtown Design Standards and Capitol Environs District Design Standards. Within the City of Lincoln Zoning Ordinance, special considerations are also made to preserve the view corridors of the State Capitol Building. The requirements that specifically impact the Pershing block for any new construction are:

- The minimum height for new construction is 30 feet. High-density, multi-story development is encouraged over low-density, single-story development.
- The maximum height for new construction is 57 feet.
- Durable, high quality building materials are encouraged.

- Overall compatibility with surrounding buildings and interrelationships within each setting is encouraged. Factors to consider in the compatibility of design include: alignment, setback, spaces between buildings, massing and scale, shade and shadow patterns, scale and proportion of openings for doors and windows, ornamentation and detail, cornice heights, landscaping, etc.

The zoning in this general area encourages "build to" development where the entire lot is built out to the property line.

The Capitol Environs Commission is the review and enforcement authority. This body reviews conformance for any proposed project and its overall impact.

City of Lincoln Downtown Design Standards and Capitol Environs Design Standards can be found on the City's website at http://lincoln.ne.gov/city/attorn/designs/ds376.pdf and http://lincoln.ne.gov/city/attorn/designs/ds385.pdf respectively.

III. PROJECT OBJECTIVES

The reuse or redevelopment of the site should:

- Create significant value for the community, whether economic (e.g., total investment, tax valuation, purchase price of the land, enhanced employment,) and/or civic (e.g., improved access, quality, and/or efficiency in public or non-profit services)
- Enhance Downtown, the Centennial Mall, and the State Capitol Environs through compatible design and uses.
- Strengthen Downtown as the Residential/Employment/Entertainment/ Cultural District of the City.

The Downtown Master Plan and the Lincoln Center Redevelopment plan serve as guides for the redevelopment of Downtown. These documents may be found at www.lincoln.ne.gov/city/plan/dt_plan/report/index.htm and http://lincoln.ne.gov/city/urban/reports/Lincoln-center.htm respectively.

The Pershing Center Project is expected to be a catalyst for reinvestment in the surrounding area. While not originally shown as one of the catalyst projects in the Downtown Master Plan, the Pershing Center Project is vitally important to Lincoln based upon the location of the project and the relationship to landmarks within the City. Therefore, projects that create significant value for the immediate area, Downtown, and community as a whole will be the most welcome.

IV. SUBMITTAL REQUIREMENTS

Each developer submitting a proposal for the Pershing Center Site must submit documentation as identified in the following material. The documentation submitted will be used to evaluate proposals and select the preferred developer(s) with whom the City intends to negotiate a land lease or purchase and/or negotiate a redevelopment agreement. Although it is understood that the nature and size of the project being proposed will affect the complexity of the submittal, the documentation should be at a level of detail that provides an opportunity for an accurate evaluation of the proposal.

In assembling the required documentation, reference should be made to the criteria that will be used in the selection process. Those criteria are outlined in Section VI in this IFRP. The selected developer(s) will be required to provide more detailed information during the negotiation process.

A. THE DEVELOPER / DEVELOPMENT TEAM

A developer may include the traditional developer of property, or may be the owner(s) of a business(es), director of a non-profit or public entity, or any combination of the above. The development team may include the developer, architecture firm, engineering firm, financial institution and/or funding entities, etc. The more defined the developer and the development team is before the submittal of the proposal, the greater the City's ability to understand with whom we will negotiate.

Identify the developer(s), including all members of a team or teams of developers, role and background experience of members, including identification of comparable successful projects completed by team members.

B. PROJECT PLANS

- Identification of the intended reuse of the existing building, the construction of a new building(s), or a combination of the two.

- Identification of proposed uses and, as far as possible, quantification of uses (e.g., number of square feet of commercial space, number and size of residential units).

- Narrative description of design proposed and the manner in which the objectives of the IFRP and the design guidelines identified in the

Downtown Design Standards, Capitol Environs Design Standards, and Downtown Master Plan will be addressed.

- Preliminary schematic designs of the project, including site plans.

  All proposals are subject to the Lincoln/Lancaster County Comprehensive Plan, City of Lincoln Downtown Master Plan, City of Lincoln Downtown Design Standards and Capitol Environs Design Standards, applicable City codes and ordinances, and other guidelines. If the developer expects or requires any variances to these plans, codes, or guidelines, please list them in the submittal. Each can be found on the City's website at:

Comprehensive Plan: http://lincoln.ne.gov/city/plan/lplan2040/index.htm
Downtown Master Plan: www.lincoln.ne.gov/city/plan/dt_plan/report/index.htm
Design Standards: http://lincoln.ne.gov/city/attorn/designs/contents.htm
specifically:
Downtown Design Standards: http://lincoln.ne.gov/city/attorn/designs/ds376.pdf
Capitol Environs Standards: http://lincoln.ne.gov/city/attorn/designs/ds385.pdf
City Code: http://lincoln.ne.gov/city/attorn/lmc/index.htm

As part of the review process, the developer(s) may be required to submit additional architectural detail. Models are not a required component of the plan submittal.

C. PROJECT FINANCIAL PLAN

The following information is necessary for the City to evaluate the viability of the project and to analyze the developer's ability to complete and operate the project:

1. **Pro forma statement** – The project proposal should include a preliminary financial statement that provides a detailed outline, to the extent possible, of the projected development and operating cash flows and fiscal impact of the project and the requested public investment. At a minimum the pro forma should include:
   a. a development summary identifying the hard and soft costs associated with the development;
   b. the revenues and expenses expected from project operations (or expected operational budget);
   c. the financing structure of the development, both construction and permanent;
   d. the amount of equity (or financial contribution) and likely sources;

e. the return on equity for the developer with and without public investment (for private entities).

2. **Other financial information** that will provide the City with a better understanding of the proposed investment, including references – banks and anticipated debt financing, if any.

3. **Justification for City's financial assistance** – Tax Increment Financing may be available if the developer(s) can demonstrate clearly that without the financial assistance from the City, the project would not be feasible. The use of Tax Increment Financing is at the discretion of the City. The proposal should include a specific explanation of the type of financial assistance the developer(s) is requesting from the City. If the City is being asked to finance construction of public improvements, then the estimated value of that commitment should be stated. For public investment, projects will need to show economic viability that insures repayment of debt service.

4. **Other Actions Requested** - If additional financial support or public action is required in order to make the project feasible, the proposal should include a specific explanation of the type and amount of financial assistance requested, a justification for such assistance, and/or a description of the public action required.

   Following the selection of the developer(s), updated financial projections may be required for the negotiation of a redevelopment agreement and prior to the execution of the agreement.

D. SCHEDULE OF PERFORMANCE

The developer(s) should be prepared to implement the project in an expeditious manner. The City's proposed timeline for this project is to select the developer(s) within 90 days of the date proposals are due. The City and the developer(s) will begin negotiations with a goal of securing an agreement by Summer/Fall 2013. A proposed schedule of performance should be provided that includes design, securing equity and debt financing, construction, lease-up, and any other critical milestones. This information can be presented in a simple bar chart.

E. AFFIRMATIVE ACTION PLAN

As part of doing business with the City, the developer(s) will be asked to demonstrate a commitment to equitably use minority and women-owned businesses. Therefore, as part of this proposal, the developer(s) should provide an affirmative action plan that details the specific steps intended to insure that contracting opportunities are made available to the MBE/WBE community.

F. CONTINGENCIES OF DEVELOPER

The developer(s) should state explicitly in the proposal any qualifications or limitations of the proposal and any and all known and anticipated contingencies that might affect the ability of the developer(s) to perform under the terms of the proposal.

VI. SELECTION PROCESS

A. PROCEDURE FOR SELECTION OF THE DEVELOPER(S)

In general, the City will use the following selection procedure:

1. Proposal submission - The City will accept proposals at any time up to and including the submittal deadline of noon, October 1, 2012. **Ten copies of each proposal must be submitted to Mr. David Landis, Director, City of Lincoln Urban Development Department, 555 South 10th St., Lincoln, NE 68508.**

2. **Preliminary Review** - Upon receipt of the proposals, the City will conduct a preliminary review of all the materials submitted. If the proposal contains all of the requested information, the City will

a. perform preliminary due diligence on the developer(s) and submitted financial information; and,

b. determine if further studies are required in conjunction with the project.

If the proposal is incomplete, the City will determine whether to consider the proposal for continued review.

3. **Selection Advisory Committee** –The Mayor will appoint a Selection Advisory Committee to evaluate the proposals. The committee will examine the proposals' civic value, fiscal impact to both the private and public sectors, contextual integrity, and other factors as deemed relevant by the Mayor.

The committee will be comprised of city staff and community representatives.

4. **Interviews** - The City, through the selection committee, may require that the developer(s) deemed most worthy of consideration participate in on-site interviews prior to recommending a developer for this project.

5. **Selection Recommendation** - Once the developer(s) has addressed any milestones to be identified with the project and any additional studies, if needed, the selection committee will make comments and a recommendation on the proposals to the Mayor for his consideration.

6. **Project Selection** – The Mayor, upon receipt of the recommendations from the selection advisory committee, may select a developer of record at his discretion.

B. POST-SUBMISSION CHANGES/TRANSFERS

At any time after submission of a proposal for Pershing Center Project, the developer(s) may make substantial changes in the project or transfer or assign the proposal or any interest therein to another developer(s) with the written consent of the City. The City reserves the right to withhold consent or to impose conditions on such consent. As a condition to any consent, the original developer(s) of the project and the transferee may be required to demonstrate or certify to the City that except for the reimbursement of out-of-pocket expenses incurred in connection with the submission of the proposal, no compensation, remuneration, transfer fee or similar payment has been made in conjunction with such transfer or assignment.

C. AGREEMENT

If the City enters into a redevelopment and/or purchase agreement with the selected developer(s), the agreement may include provisions addressing the following:

1. Description of the project and the City's rights regarding design approval and access;
2. Project construction and schedules of performance;
3. The City's and the developer(s)'s financing;
4. The City's fees and participating interest in the project;
5. Continuing financial disclosure relating to the project;
6. Signage;

7. Easements;
8. Insurance;
9. Indemnification of the City;
10. Anti-discrimination and affirmative action;
11. Default and termination;
12. Restrictions on use;
13. Restrictions on assignment and transfer; and,
14. Other customary and appropriate provisions.

The developer(s) will have exclusive negotiation rights after notification of selection for a period of up to 180 days in order to execute an agreement with the City. During the negotiation period, either the City or the developer(s) may withdraw from negotiations, if either party determines that a satisfactory agreement is not likely to be reached. The City may extend the 180 days at its sole discretion.

D. CRITERIA FOR EVALUATING PROPOSALS

The City has established the following criteria upon which it will evaluate the proposals, and will select the developer(s) and proposal(s) which best meets these criteria. The City's determination of satisfactory compliance with the selection criteria will be conclusive.

1. **Relationship to general objectives**
   - Manner in which the proposal conforms to the City's goals as described in this Invitation for Redevelopment Proposals, including the creation of significant economic and/or civic value.
   - The manner in which the proposal conforms to the objectives in the Lincoln/Lancaster Comprehensive Plan and the goals outlined in the Downtown Master Plan.
   - Conformance with all applicable building and zoning ordinances and all other applicable City ordinances.

2. **Background and experience of the developer(s)**
   - Experience of the proposed developer who will be responsible for the project.
   - The success of the developer's past projects, especially projects which are similar to the proposed project.
   - The developer's property management experience including other similar projects.
   - The overall architectural and design quality of prior projects of the developer.
   - The developer's experience in working with public entities.

- The developer's history of the timeliness and completion of prior projects;
- The developer's history of completing projects as originally proposed; and,
- Status of any litigation regarding the developer's past projects.

3. **Financial capability of the developer**
   - The developer's ability to provide sufficient equity/financial support for the proposed project;
   - The developer's ability to secure any necessary debt financing;
   - Evidence of the developer's ability to fund the project until its completion; and,
   - Closing of permanent financing and project stabilization.

4. **Project specific criteria**
   - The overall architectural and design quality of the project;
   - The relationship to the Downtown and Capitol Environs;
   - The type and extent of public support, investment, and/or involvement required of the project;
   - The manner in which the proposed project responds to existing and future market/community needs;
   - Anticipated success and viability of the proposed project;
   - The extent to which the project will serve as a catalyst for other reinvestment in Downtown Lincoln;
   - Projects similar to the proposed development in which the developer(s) was involved and the success of such projects; and,
   - The extent to which the developer(s) exhibits a commitment to implementing the project in a timely manner.

5. **Affirmative Action Criteria**
   - The demonstrated willingness, ability, and commitment to involve minority and women-owned businesses at all levels of the development process.

E. REJECTION OF THE PROPOSALS

Any and all proposals may be rejected at any time at the sole discretion of the City and the City's decision will be final. Automatic rejection will occur if the proposal has not been selected by the City within 180 days of the submission date. In addition, the proposal may be rejected for any of the following reasons:

1. The proposal was submitted past the deadline of 12:00 p.m. on October 1, 2012.
2. The proposal was incomplete upon submission; or
3. The City and the developer(s) fail to execute a redevelopment agreement within 180 days of the date the developer(s) is selected.

F. MISCELLANEOUS INFORMATION

1. NON-REIMBURSEMENT OF COSTS

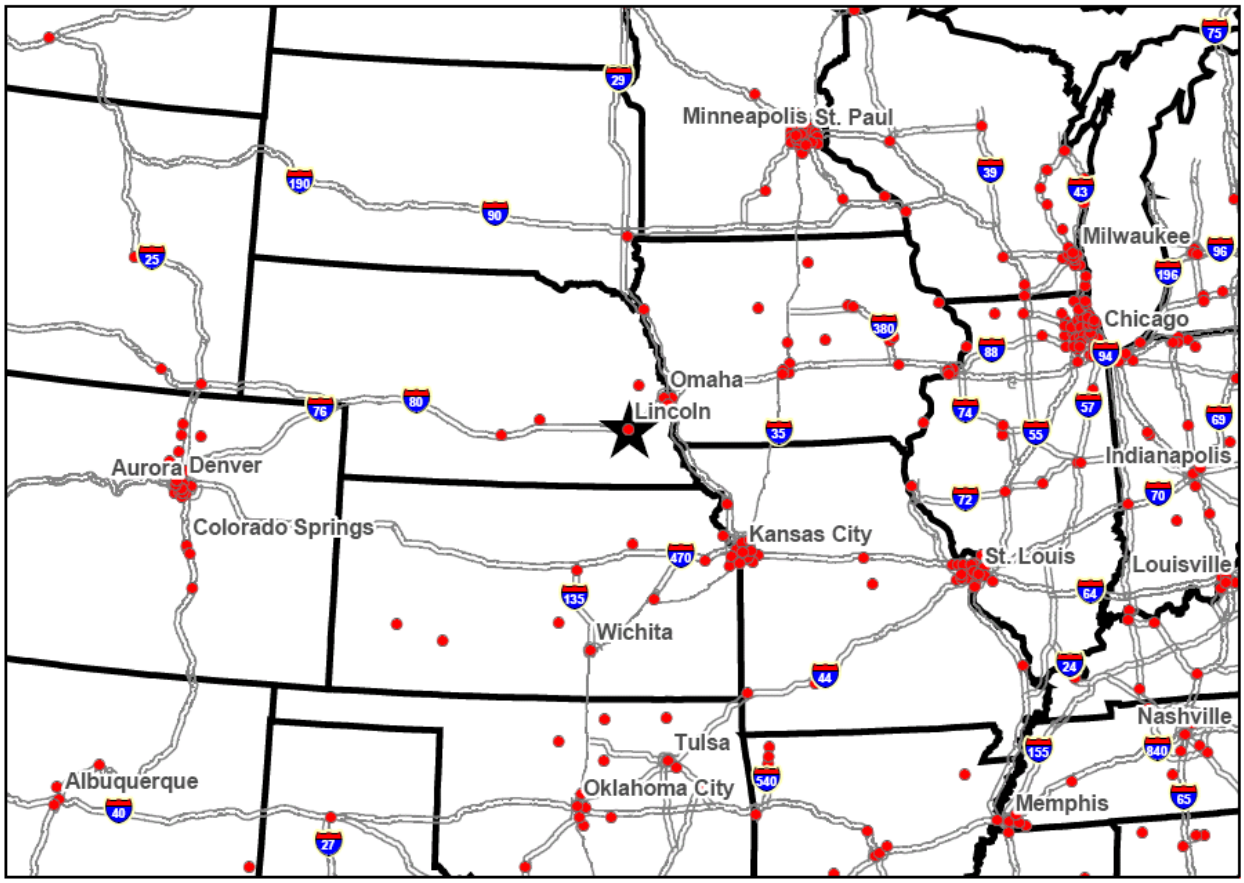
The purpose of this document is solely to solicit proposals for the Pershing Center Project in Downtown Lincoln. The City does not agree to assume, pay or reimburse any cost, expense or fees incurred by the developer(s) in connection with this solicitation.

Questions concerning the proposal submittal should be directed to: Urban Development Department, 555 South 10th Street, Lincoln, NE 68508. Questions addressed to David Landis will be accepted by Mail / Phone: (402) 441-7606 / Fax: (402) 441-8711 / e-mail: dlandis@lincoln.ne.gov.

APPENDIX

Figure A

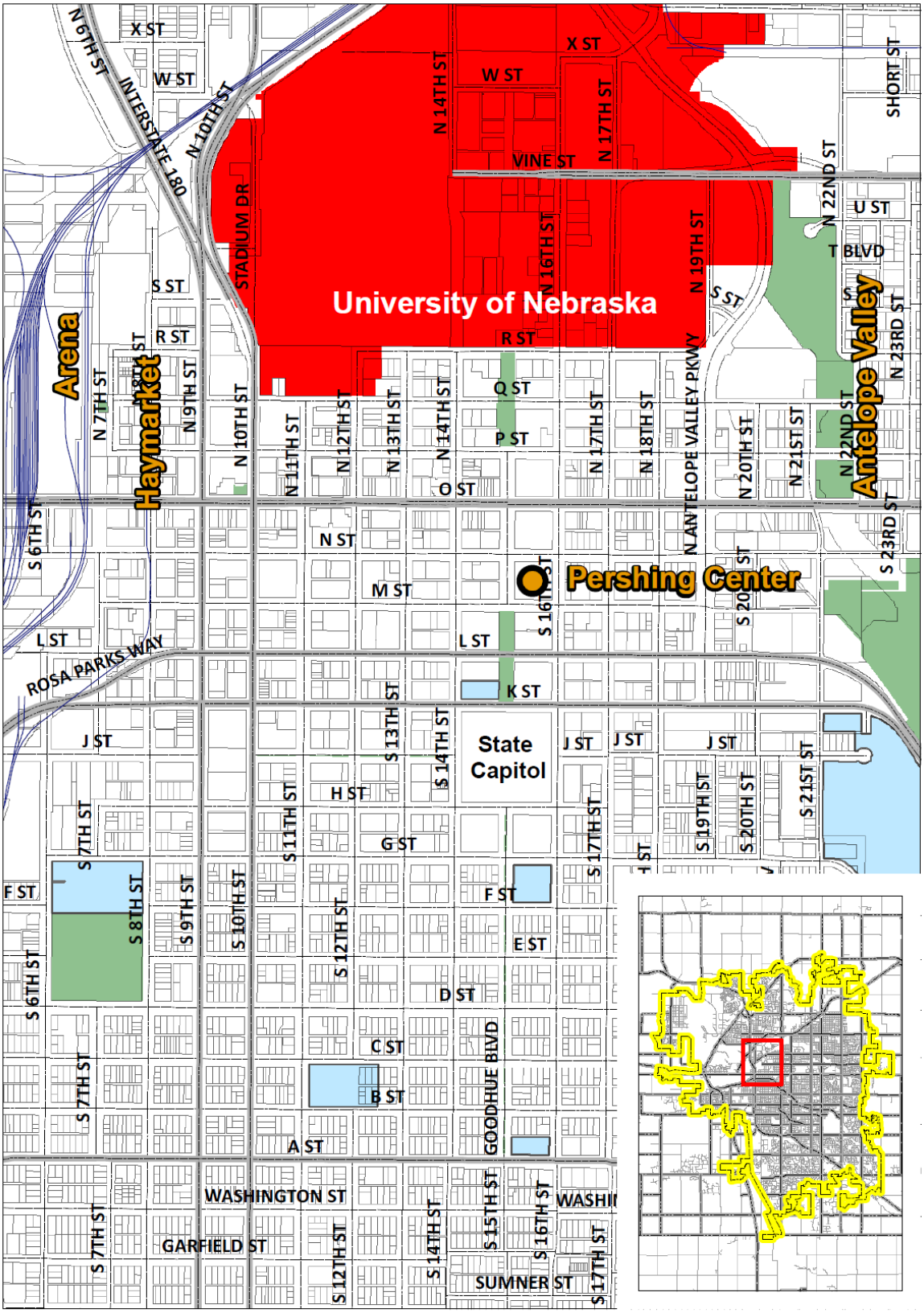
Lincoln's Regional Context



Legend

- Cities over 25,000
- Freeway System (State)
- State Boundary

City of Lincoln
Urban Development GIS
Printed 12/2006



Pershing Center Project - Context Lincoln Nebraska

Figure B

RR UNL Schools Parks Pershing Center

City of Lincoln - Urban Development Department

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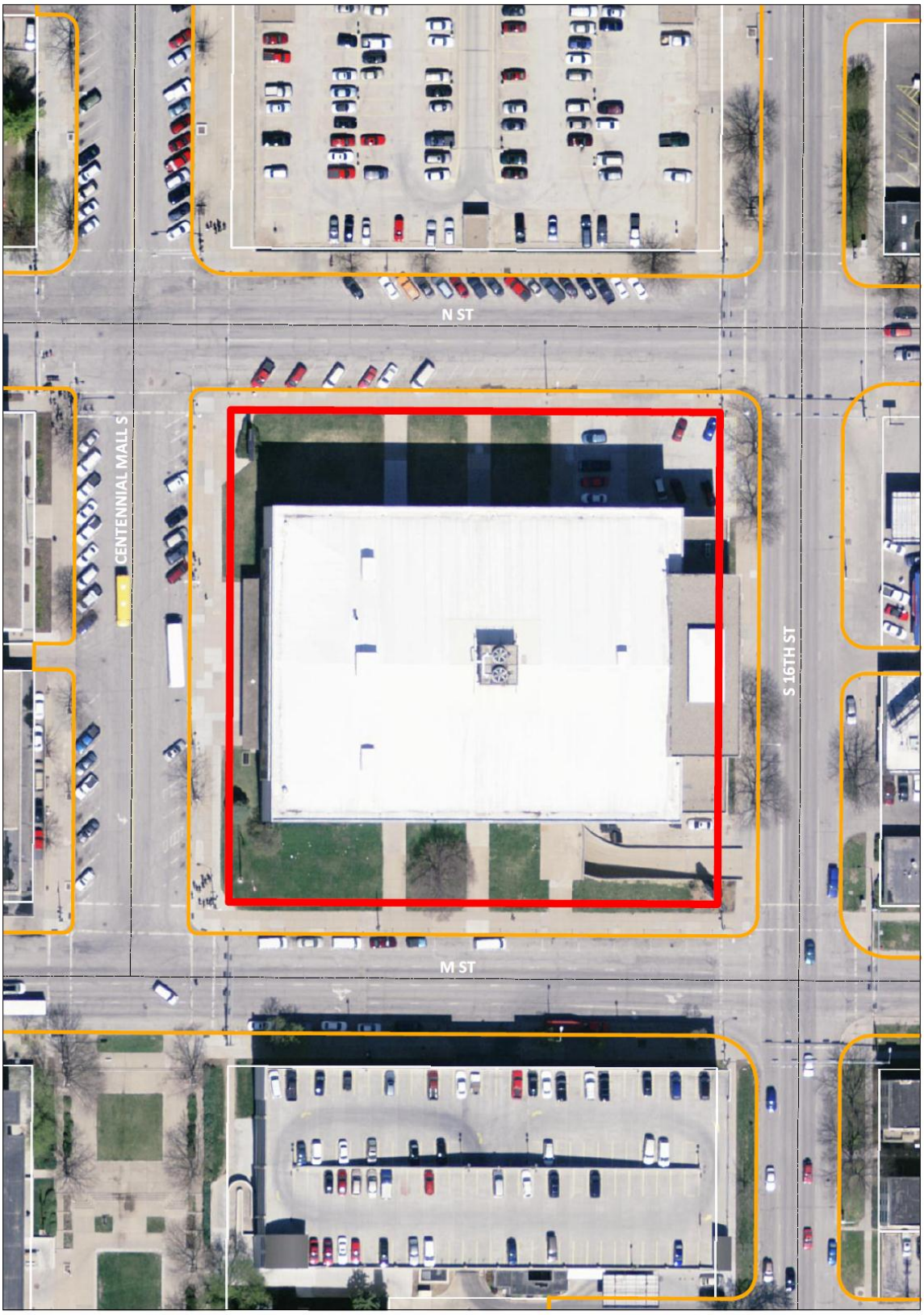
Created on: 09/01/2011



Pershing Center Project

Figure C

Curblines Pershing Block

City of Lincoln - Urban Development Department

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