City Council Introduction: March 21, 2016
Public Hearing: March 28, 2016, at 5:30 p.m.

Bill No. 16R-55

FACTSHEET

TITLE: Comprehensive Plan Conformance 16001 - Amendment to the **Lincoln Center Redevelopment Plan:** to add the "9th & O Redevelopment Project".

BOARD/COMMITTEE: Planning Commission

APPLICANT: David Landis, Director of the Urban Development Department

RECOMMENDATION: A finding of conformance with the Comprehensive Plan (8-0: Cornelius, Sunderman, Corr, Lust, Harris, Weber, Scheer, and Hove voting 'yes'; Beecham Absent).

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

OTHER DEPARTMENTS AFFECTED: Urban Development

SPONSOR: Planning Department

OPPONENTS: None present at hearing.

REASON FOR LEGISLATION: To approve and adopt a proposed amendment to the "Lincoln Center Redevelopment Plan" to add the "9th & O Redevelopment Project". The Project area is generally located on the north half of the block between 9th, 10th, O and N Streets including adjacent rights-of-way, in Lincoln, Lancaster County, Nebraska. The Redevelopment Project includes the construction of a new, mixed-use building of approximately 12 stories consisting of residential, hotel and parking uses. The Lincoln Center Redevelopment Plan area is generally bounded by Salt Creek, Interstate 180 and "R" Street on the north, 17th Street on the east, "G" Street on the south and Salt Creek, 2nd Street and Sun Valley Boulevard on the west.

DISCUSSION / FINDINGS OF FACT:

1. The staff recommendation to find the proposed amendment to the Lincoln Center Redevelopment Plan to be in conformance with the 2040 Comprehensive Plan is based upon the "Analysis" set forth on pp.4-6.

2. Testimony by the Director of the Urban Development Department is found on pp.7-8.

3. Testimony on behalf of the developer is found on p.8.

4. There was no testimony in opposition.

6. This application will be discussed and reviewed at a Joint Meeting of the Historic Preservation Commission and the Urban Design Committee tentatively scheduled for April 2016.

6. On March 2, 2016, 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 2040 Comprehensive Plan (Comprehensive Plan Conformance No. 16001).

FACTSHEET PREPARED BY: Geri Rorabaugh, Administrative Officer **DATE:** March 14, 2016

REVIEWED BY: David R. Cary, Director of Planning **DATE:** March 14, 2016

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LINCOLN/LANCASTER COUNTY PLANNING STAFF REPORT

for March 2, 2016 PLANNING COMMISSION MEETING

PROJECT #: Comprehensive Plan Conformance No. 16001

PROPOSAL: To review as to conformance with the 2040 Lincoln-Lancaster County Comprehensive Plan, to add the "9th & O Redevelopment Project" on property generally located on the north half of the block bounded by 9th, 10th, O and N Streets in Downtown Lincoln.

The Lincoln Center Redevelopment Plan area is generally bounded by Salt Creek, Interstate 180 and "R" Street on the north, 17th Street on the east, "G" Street on the south, and Salt Creek, 2nd Street and Sun Valley Boulevard on the west, Lincoln, Lancaster County, Nebraska.

LOCATION: 901-935 O Street, Generally located on the north ½ of the block bounded by O Street, 10th Street, N Street and 9th Street including all adjacent rights-of-way

LAND AREA: 5 acres, more or less

CONCLUSION: The redevelopment plan amendment is in conformance with the Comprehensive Plan.

RECOMMENDATION: In conformance with the Comprehensive Plan.

GENERAL INFORMATION:

LEGAL DESCRIPTION: Lots 7-12, Block 54, Lincoln Original & Lots D-F, County Clerks Subdivision of Lots 1-6 Block 54 Lincoln, including adjacent rights-of-way, all located in the NE 1/4 of Section 26-10-6, Lincoln, Lancaster County, Nebraska.

EXISTING ZONING: B-4, Lincoln Center Business District

EXISTING LAND USE: Commercial/Vacant/Undeveloped

SURROUNDING LAND USE AND ZONING:

North: Public Offices/Commercial/Residential; P/B-4
South: Commercial/Surface Parking; B-4
East: Office/Commercial; B-4
West: Parking Garage/Commercial; B-4

CPC #16001 9th & O Project

HISTORY:

May 1979	This area was rezoned from J, Business District, to B-4, Lincoln Center Business District, with the 1979 Zoning Update.
December 2010	The building at 921 O Street was destroyed by fire.
December 2015	The City Council adopted the South Haymarket Neighborhood Plan which includes this block.

COMPREHENSIVE PLAN SPECIFICATIONS:

P. 1.2 - The community continues its commitment to a strong Downtown. A strong, vital Downtown provides a common center for all of Lincoln and Lancaster County and will be a catalyst for future growth. LPlan 2040 acknowledges Downtown's unique role and will guide decisions that will maintain Downtown's vitality and enhance its contribution to the quality of life of all Lincoln and Lancaster County.

P. 1.3 - Downtown Lincoln is the heart of our community, a unique common ground for all Lincoln and Lancaster County residents. It is also emerging as an attractive place to live, becoming an increasingly vibrant mixed use neighborhood. At the same time, Downtown Lincoln belongs to all residents of Nebraska because "downtown" is synonymous with the University of Nebraska, state government and the State Capitol building. LPlan 2040 will ensure that downtown remains a special place.

P. 1.3 - Downtown Lincoln is promoted as a vibrant mixed use neighborhood, offering choices for residential lifestyles and daily needs commerce in a walkable and bicycle-friendly environment.

P. 1.9 - This area is shown as Commercial on the 2040 Comprehensive Plan Future Land Use Map.

P. 4.6 - Major entryways to Lincoln should be studied, protected and enhanced to create and express community pride.

P. 4.8 - This property is located at the intersection of two Primary Entryway Corridors; eastbound on W. O Street and southbound on I-180/9th Street.

P. 6.1 - Greater Downtown: A major focus for new residential reuse, infill and redevelopment is in the Greater Downtown area. The Plan envisions an additional 3,000 dwelling units in this core area by 2040. This area is the main hub of employment, entertainment, and higher education. Over the years, there have been significant public and private investments in new building construction, renovations, and infrastructure. In order to capitalize on these collective investments, further development in the Greater Downtown should be realized.

P. 6.1 - Strategies for Greater Downtown:

- Support development and implementation of the Downtown Master Plan and the Antelope Valley Redevelopment Plan.
- Ensure that new development is compatible with the existing Downtown and is pedestrian-oriented.
- Maintain the urban environment, including a mix of land uses with a major focus on residential uses.
- Encourage higher density development with parking areas at the rear of buildings, below grade, or on upper floors of multi-use parking structures.

DOWNTOWN MASTER PLAN AND DOWNTOWN MASTER PLAN UPDATE SPECIFICATIONS:

P. 20 - The project area is shown as "Office" in the Downtown Master Plan Land Use Framework.

P. 29 - Build-to Lines: 9th Street on the west side of this block is shown with a build-to line. This build-to line prohibits forecourts, gardens or other setbacks and buildings should be constructed up to the right-of-way line.

P. 35 - This property is shown in the Employment Framework and should provide new office development sites to attract Class A tenants. This framework also supports nontraditional live-work job opportunities within renovated or new mixed-use buildings.

P. 51 - The most significant condition that has impacted O Street has been heavy auto and truck traffic. Typically, the maximum number of average daily trips (ADT) that still allows a pedestrian-friendly street environment is 15,000; O Street has an average current ADT of 20,000. Thus a traditional pedestrian street-design for O Street is not achievable.

SOUTH HAYMARKET NEIGHBORHOOD PLAN SPECIFICATIONS:

P. 2.51 - This property lies within the 9th & 10th Street Corridor. Development in this corridor has the potential to create an enhanced transition between South Haymarket and Downtown Proper.

P. 2.52 - Redevelopment in the mixed-use area should increase in height from west to east.

P. 2.52 - On the blocks located north of L Street, commercial and office uses are generally appropriate on the first and possibly second floors with residential uses on the remaining floors above. Active uses are encouraged on the first floor of all buildings.

P. 2.60 - 9th Street Streetscape. The planting areas buffer the pedestrians from motorists and create defined spaces along the sidewalks. The right-of-way width for 9th Street is 120 feet, and most sidewalks are 25 feet wide. This streetscape incorporates bump outs, on-street parking and landscaping amenities.

P. 2.62 - Preserve Historic Resources. The Terminal Building at the corner of 10th & O is listed on the National Register of Historic Places. The Terminal Building anchors the core-downtown edge of the South Haymarket Neighborhood at the intersection of O Street and 10th Street. The Mission Arts Gallery is a picturesque example of the early automotive services buildings on the west edge of downtown and is NRHP-eligible. Efforts should be made to retain and repurposes these historic resources while also achieving the goal of increasing height and density within this corridor.

P. 3.4 - This property is shown as Mixed-Use on the Future Land Use Map. The mixed-use land use category describes a combination of residential, commercial or other uses This mix of uses should be spread both horizontally among blocks and vertically within one building.

P. 3.15 - The South Haymarket Neighborhood Plan encourages the use of painted wall signs, integrated buildings signs, roof signs and projecting signs.

P. 3.35 - 9th Street Streetscape. With enhanced landscaping along 9th Street a sense of enclosure would be created along the curb. Improvements should be made at key intersections to increase pedestrian safety. Shortening lane pavement at crosswalks by adding bump outs is one way to appeal to pedestrians.

P. 3.41 - Develop Additional On-Street Parking. The streetscape design elements include sidewalk, street trees, street lighting and on-street parking that can be accommodated within varying widths of right-of-way. These improvements are considered substantial and should be implemented on a block-by-block basis when redevelopment occurs and funds are available (i.e. TIF).

ANALYSIS:

1. This is a request to review an amendment to the Lincoln Center Redevelopment Plan for a determination of conformity with the Lincoln and Lancaster County 2040 Comprehensive Plan.

2. The general concept is to redevelop several existing buildings and undeveloped property into a 12-story mixed-use building. The building would include three stories of residential, five stories of hotel, four stories of parking (including below ground) and first floor retail. The estimated cost of this project is estimated at $45 to $55 million which would generate an estimated $8 to $10 million in funding for public improvements and enhancements.

3. This property is zoned B-4, Lincoln Center Business District. The B-4 district is intended to provide for a wide variety of uses at higher densities to support Downtown as the dominant multi-use center and key focal point. The mix of uses proposed in this development is appropriate and allowed in the B-4 zoning district.

   The B-4 district also has varying height maximums for buildings. This area of the B-4 district allows buildings up to 275 feet tall. Given the proposal is for a 12-story building, the redevelopment will be within the height limits of the district.

4. The Lincoln and Lancaster County 2040 Comprehensive Plan states that Downtown Lincoln should be promoted as a vibrant mixed use neighborhood that offers residential daily needs choices. Incorporating three floors of residential and first floor commercial in this development further implements this recommendation. The Comprehensive Plan also notes that Downtown Lincoln should be a walkable and bikeable place. Any changes to the public rights-of-way with this project should aim to enhance the pedestrian and bicyclist areas.

5. This property lies at the intersection of two Primary Entryway Corridors. This is a highly visible corner for southbound traffic on 9th Street and eastbound traffic on O Street. Any redevelopment on this corner should be an enhancement to create and express community pride.

6. The language in the Downtown Master Plan related to this site shows office uses on this block. The Land Use Framework encourages a mix of uses in Downtown wherever feasible with housing on upper floors to support commercial uses below. The mix of uses outlined in the redevelopment plan are supported by the Downtown Master Plan.

7. The South Haymarket Neighborhood Plan shows this property within the 9th & 10th Street Corridor. Properties within this Corridor should increase in height and density as a transition from the South Haymarket Neighborhood to the west and Downtown Proper to the east. The proposal for a 12-story mixed use building will serve as an appropriate transition within this corridor.

8. The source of funds for public improvements will be Tax Increment Financing generated by this project. If this project receives TIF assistance, the design details of the development will be reviewed jointly by the Historic Preservation Commission and the Urban Design Committee since this property is within 300 feet of the

Terminal Building, Old City Hall, Mission Arts and the Haymarket District. The developer anticipates submitting material for the March 17th Historic Preservation Commission meeting.

9. A site plan was not submitted as part of this proposal, so the development details will need further review. At a minimum the development will need to meet the Downtown Design Standards. Important items to review include building design, streetscape enhancements, driveway/drop-off access points and modifications to the abutting streets and alleys.

Prepared by:

Paul Barnes, Planner
402-441-6372
pbarnes@lincoln.ne.gov

DATE: February 12, 2016

APPLICANT/CONTACT: City of Lincoln
Dallas McGee
555 S. 10th Street, Suite 205
Lincoln, NE 68508

OWNER: Kelley & Tyrell, Inc.
901 O Street
Lincoln, NE 68508

Party Wall Properties, LLC
2101 Wilderness Ridge Dr.
Lincoln, NE 68512

Hotel Land Investments, LLC
927 O Street
Lincoln, NE 68508

COMPREHENSIVE PLAN CONFORMANCE NO. 16001

COMPREHENSIVE PLAN CONFORMANCE NO. 16001
TO CREATE THE 9TH & O REDEVELOPMENT PROJECT
GENERALLY LOCATED ON THE NORTH HALF OF THE BLOCK
BETWEEN 9TH & 10TH AND O & N STREETS.
PUBLIC HEARING BEFORE PLANNING COMMISSION: March 2, 2016

Members present: Cornelius, Corr, Harris, Hove, Lust, Scheer, Sunderman and Weber present; Beecham absent.

Staff recommendation: Conformance with the Comprehensive Plan.

There were no ex parte communications disclosed.

Staff presentation: David Landis, Director of the Urban Development Department, stated this is an amendment to the Lincoln Center Redevelopment Plan. Amendments are made to make sure that projected projects are already included in the plan when the City moves to actually redevelop a project along with a developer. In this case, the City is now in contact with a developer who is looking to do a project in this area.

There are three plans that we have to conform to. The first is the Comprehensive Plan. The Staff Report lays out the multiple ways in which this proposed project meets the vision of that plan, including land uses appropriate to downtown, height, and increase in density. The second plan is the Downtown Master Plan, which currently shows this site as office uses. The land use framework encourages a mix of uses in downtown and, whenever feasible, housing on upper floors to support commercial uses below; that is the case here. The final plan is the South Haymarket Neighborhood Plan which shows this site in the 9th & 10th Street Corridor. According to the plan, properties within this corridor should increase in height and density as a transition from the South Haymarket neighborhood to the west and downtown to the east. A proposal for a 12-story, mixed-use building serves as an appropriate transition for the corridor and fits into the plan.

The proposed project is well within the 275-foot height limitation for the area. There will be retail on the corner, which is something you want on the first floor of a downtown building. It will include two hotels which will share some facilities, then residential units on top. Rights-of-way are included in the project area designation because occasionally, there are implications for streetscape and landscape within those areas.

Many will recall that this area was ravaged by fire. Several buildings were removed and as viewed from the alley, it is clear that this is an area well deserving of redevelopment. The land acquisition has been accomplished, and the City is in continuing conversations with the developer to see if it is possible to do a $45 - $55 million project. One interesting thing in the design so far is the incorporation of parking in the facility itself. Downtown parking is a premium commodity, so for a development to bring its own parking to the

table is both unique and very valuable. The parking should allow some public uses, in addition to the uses in the location itself, and that would be another advantage for the City, again consistent with the general direction of the development of the city. This amendment fits well within all of the existing plans.

Corr asked which buildings will be torn down. Landis said all of the remaining buildings in the specific site area, from the building that included the former Sidetrack Tavern through the corner Knickerbocker's building. All of them come down and we build up from there. Historic Preservation Planner, Ed Zimmer, was consulted to see if there are issues of historical significance on this run of buildings and he said there are not. There is a significant historical building nearby but it is to the south; the Mission Building that houses Gallery 9 is noted in the history of Lincoln as being a brothel of the early 20th Century.

Proponents:

1. Derek Zimmerman, Baylor Evnen Law Firm, came forward representing the applicant. He stated there are no specific details on the project today, but they are forthcoming. A finding of conformance today would be the first step of many. The developer is very excited and this is critical to continuing the forward movement of the project. It falls well within the definition of removing blight and is in conformance with the Comprehensive Plan, the South Haymarket Neighborhood Plan, and the Downtown Master Plan.

Opponents:

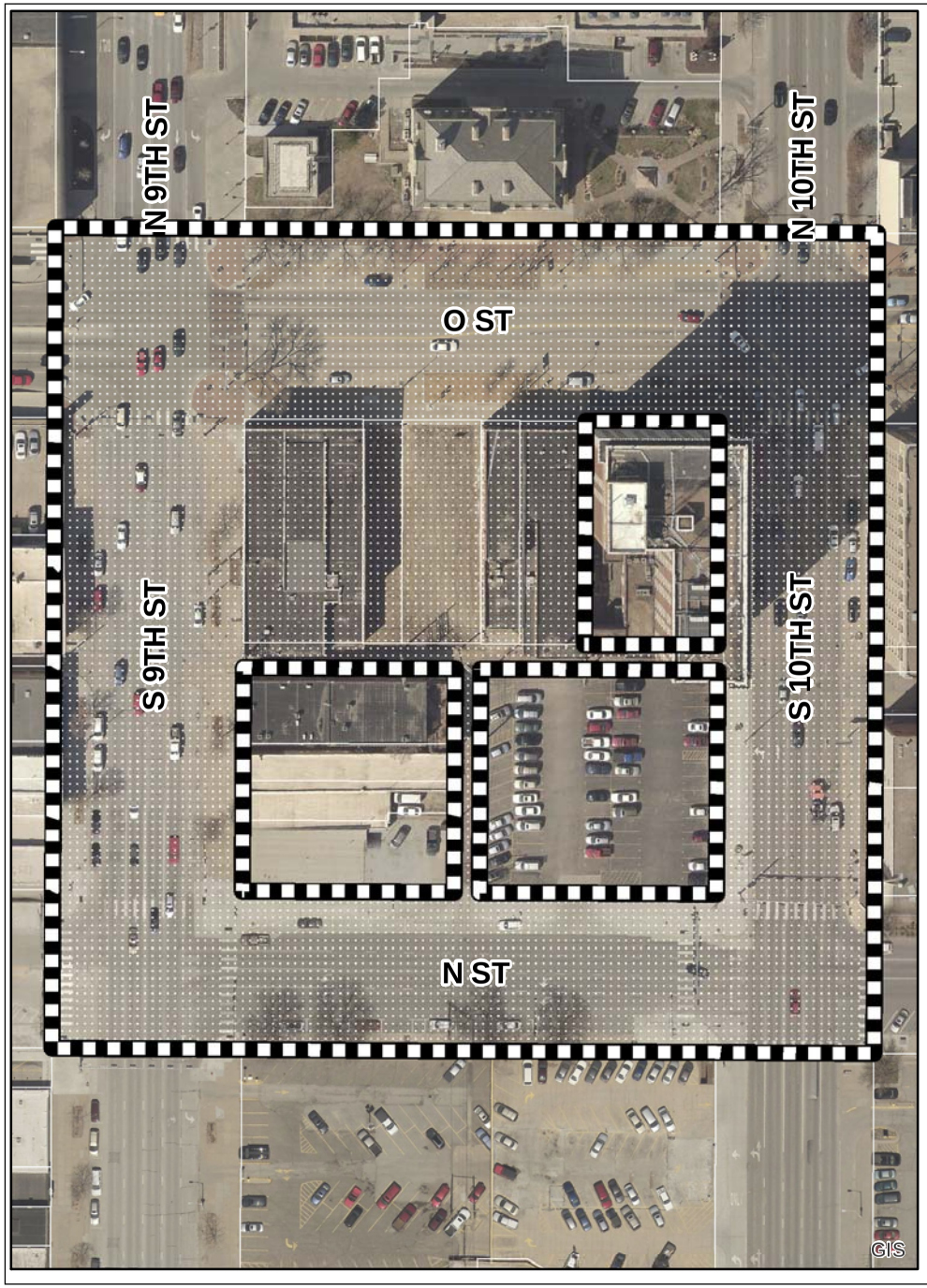
There was no testimony in opposition.

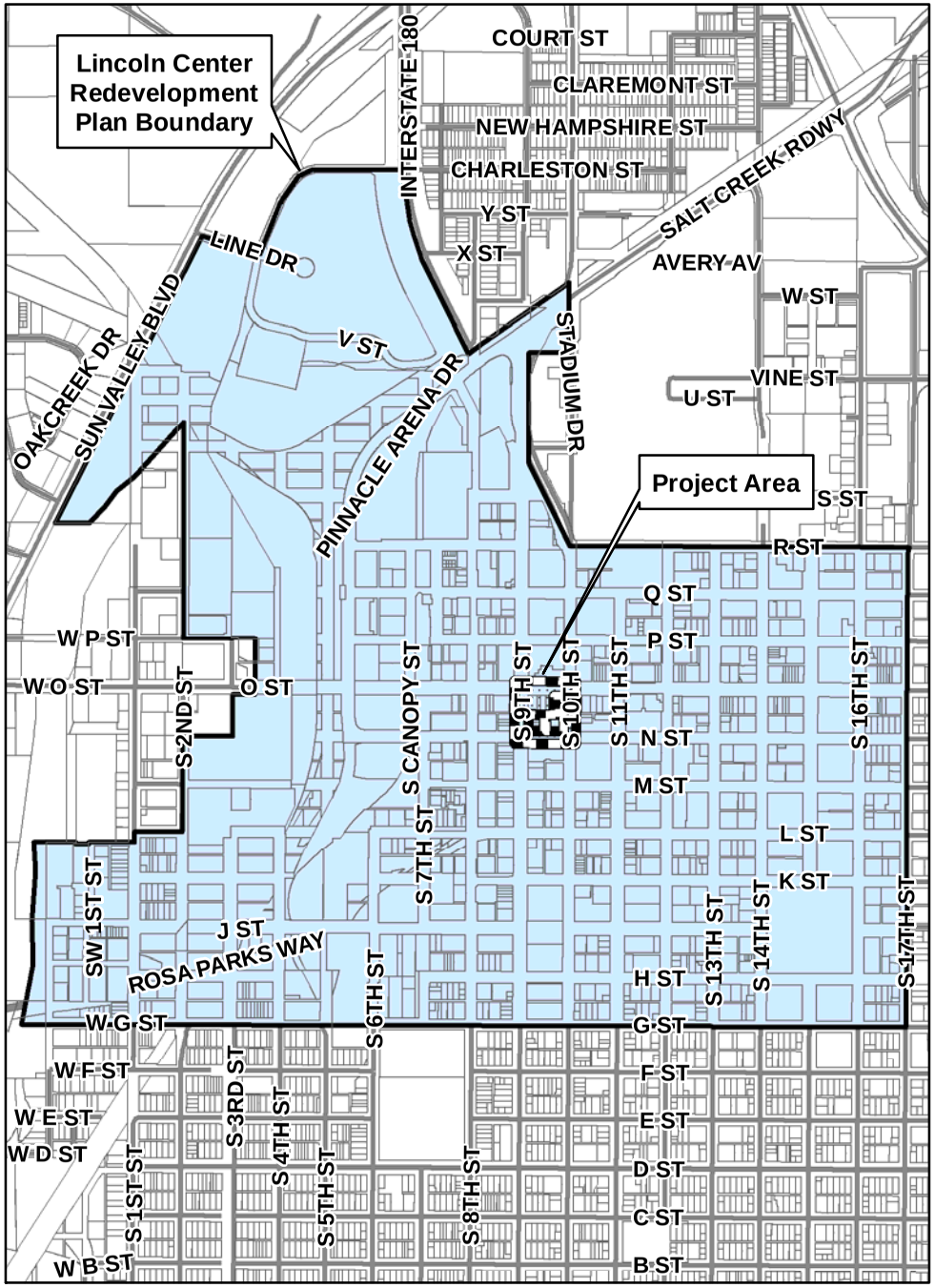
COMPREHENSIVE PLAN CONFORMANCE NO. 16001
ACTION BY PLANNING COMMISSION: **March 2, 2016**

Corr moved Conformance with the Comprehensive Plan; seconded by Weber.

Hove stated this will be a great project that eliminates blight and it is exciting for downtown to see this moving forward.

Motion for approval carried 8-0: Beecham, Cornelius, Corr, Harris, Lust, Sunderman, Weber, and Hove voting 'yes'; Scheer absent. This is a recommendation to the City Council.





2013 aerial

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Comprehensive Plan Conformance #16001

Lincoln Center Redevelopment Plan

9th & O Project

CITY OF LINCOLN NEBRASKA

URBAN DEVELOPMENT DEPARTMENT
555 South 10th Street Suite 205 Lincoln, Nebraska 68508
402-441-7606 fax: 402-441-8711 lincoln.ne.gov

February 3, 2016

Paul Barnes
Planning Department
City / County Building
555 S 10th Street
Lincoln, NE 68508

Dear Paul:

Please find the proposed 9th & O Redevelopment Project amendment application attached, which proposes to amend the Lincoln Redevelopment Plan to create a new project area.

Once submitted through Project Dox, please forward the proposed amendment to the Planning Commission for their consideration of its consistency with the Comprehensive Plan at the March 2, 2016 public hearing. We request that the amendment also be scheduled at City Council for introduction on March 21, 2016 and public hearing on March 28, 2016.

If you have any questions about the plan amendment or schedule, please contact me at 441.7866 or hsalem@lincoln.ne gov.

Best Regards,

Hallie Salem
Planner II

DEVELOPMENT SERVICES CENTER DSC

AG. 9th & O REDEVELOPMENT PROJECT

Revitalization Project Description

The 9th & O Redevelopment Project Area is east of the Historic Haymarket and in the Central Business District, generally located on the north half of the block between 9th and 10th Streets and O and N Streets and adjacent rights-of-way. Exhibit IV-212 identifies the boundaries of this project area.

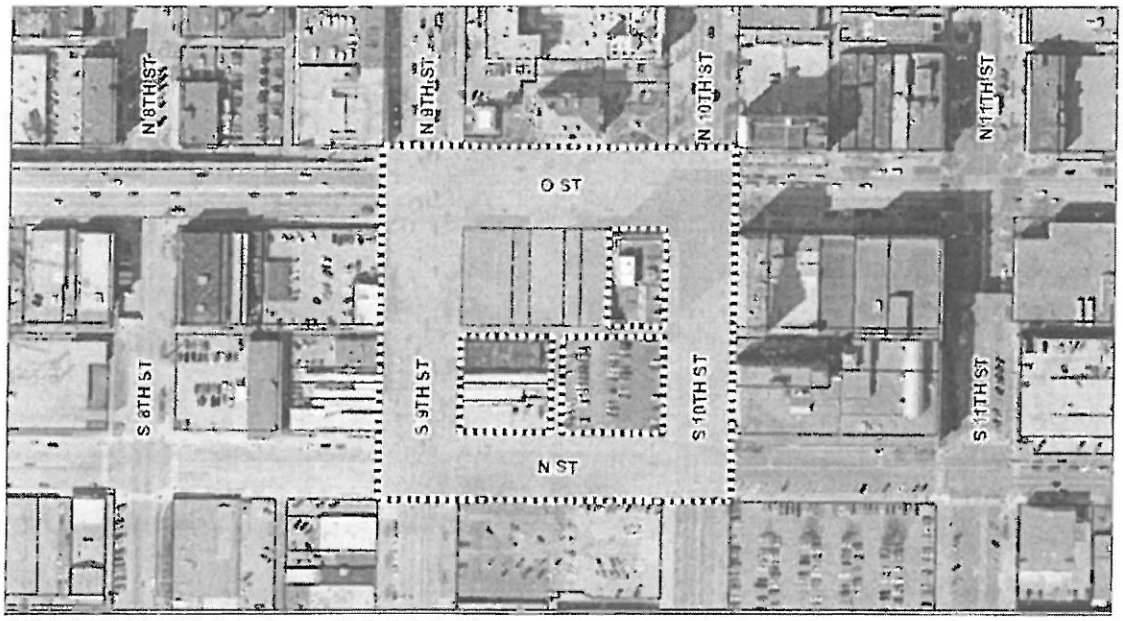

Exhibit IV 212: 9th & O St Redevelopment Project: Project Area

9th & O Redevelopment Project

The overall goals of this project are to strengthen the long-term viability of Downtown Lincoln and support the 24/7 vibrancy of Downtown. The project will remove blighted and substandard conditions and will make positive contributions to the continued revitalization of Downtown Lincoln.

The project includes the construction of a new, mixed-use building adjacent to the Terminal Building on the south side of O Street. The project is expected to be approximately 12 stories, with three stories of residential, five stories of hotel, four stories of parking (including sub-level), and first-floor retail and lobby. Publicly funded redevelopment activities may include acquisition, site preparation and remediation, utility improvements, energy efficiency improvements, façade enhancements, street and streetscape improvements, and other public improvements in the Project Area.

The project is consistent with the goals of the Lincoln Center Redevelopment Plan and Downtown Master Plan. The proposed improvements correspond to several of the Downtown Redevelopment Goals identified in the Plans. The redevelopment project addresses these goals by accomplishing the following:

- encouraging development that is consistent and complementary to existing land uses, architectural styles, and building materials found Downtown and in the Haymarket;
- redeveloping an underdeveloped parcel;

- encouraging expanded housing opportunities and types to foster 24-hour activity and lively streets;
- encouraging development of mixed-use projects that attract and maintain commercial activity and residential developments in the Downtown and Haymarket areas;
- providing additional off-street parking facilities;
- minimizing the impact of parking needs from new development on supply of parking to other uses; and,
- enhancing the corridor's pedestrian-friendly, street-level orientation.

Statutory Elements

The City does not intend acquire or dispose of additional property as a result of this project. Should the City vacate or dispose of real property, the standard City procedures for vacation and/or sale of surplus property will be followed. Should the City acquire, relocate, or demolish the real property, the City will follow standard City procedures outlined in the Plan. If acquisition is needed, the City intends to use voluntary negotiations to acquire necessary property rights. If the project includes the relocation of tenants, such relocation assistance shall comply with the Nebraska Community Development Law, including Neb. Rev. Stat. §18-2154, and will follow the policy outlined in the Lincoln Center Redevelopment Plan.

Existing land uses in the 9th & O Redevelopment Project Area include two-story commercial buildings (see images to the right) and vacant land (see Exhibit IV-213 below). Future land uses will include mixed-use (commercial, residential, and parking), as shown on Exhibit IV-214. Land coverage and building density will be altered with the construction of a new building on five parcels, three of which have existing two-story buildings that will be demolished. Two of the parcels are vacant due to the damage caused by a fire in 2010.

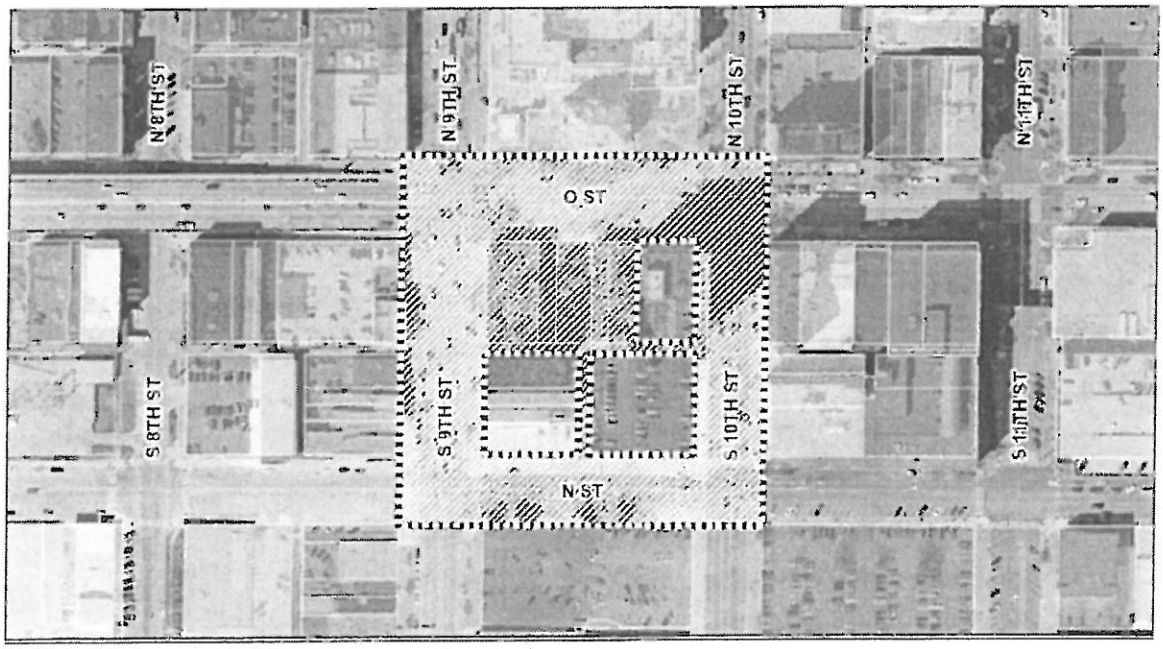

Exhibit IV 213: 9th & O St Redevelopment Project: Existing Landuse

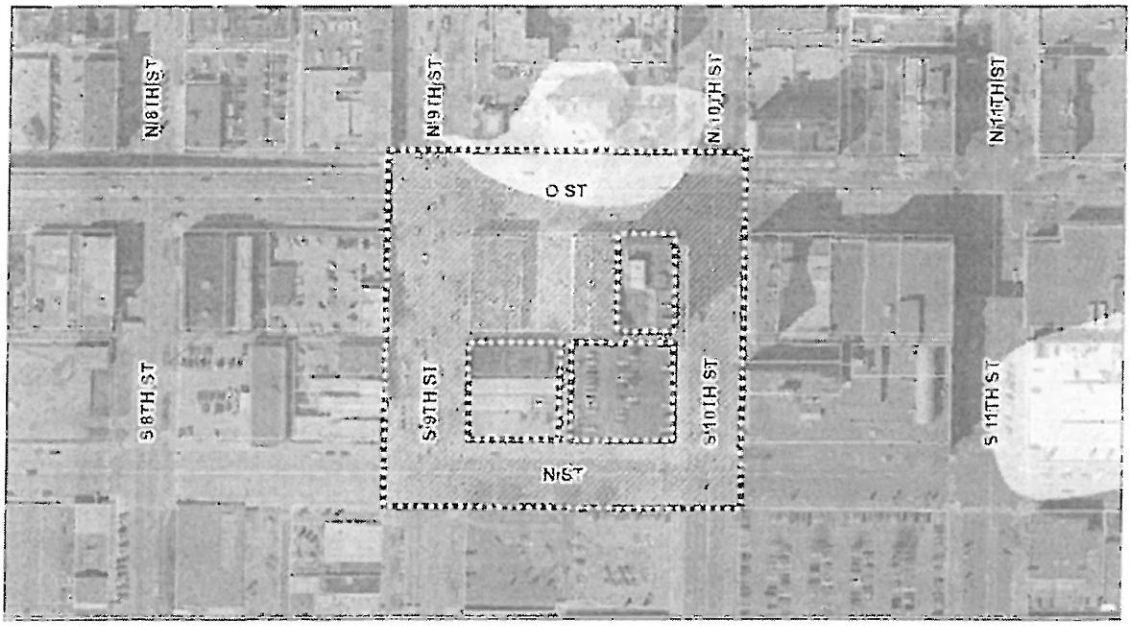

Exhibit IV 214: 9th & O St Redevelopment Project: Future Landuse

The privately-owned area is zoned Downtown Business District B-4, which allows for a wide range of uses including the residential, commercial, and other mixed-use development. Area to the north is zoned P (Public), as shown on Exhibit IV-215 below. No changes to zoning are planned.

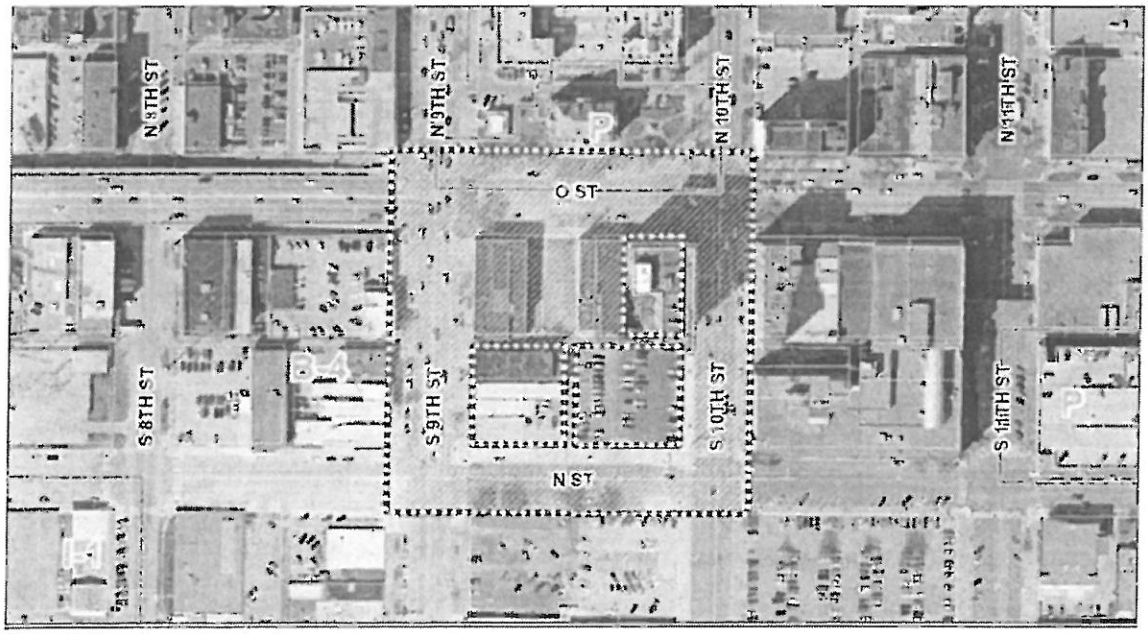

Exhibit IV 215: 9th & O St Redevelopment Project: Zoning

The existing street system within the project area is expected to be changed as a result of new parking and loading configurations and changing curb lines. There are approximately ten on-street parking stalls that are expected to change as the result of this project. The use of the east-west alley is also expected to change, but remain open and publically-owned. Changes to the street configuration and on-street parking will be reviewed and negotiated as part of the redevelopment process.

There are currently 1,921 parking stalls in the three public garages within two blocks of the development. There are other private parking garages and surface lots in the area. The project is currently expected to include the construction of 250 to 350 privately-owned parking stalls.

Proposed Costs and Financing

The private investment expected to implement this project is estimated at $45 to $55 million, which will generate an estimated $8 to $10 million in funding for public improvements and enhancements. The source of funds for public improvements made in this area will be Community Improvement Financing (commonly referred to as Tax Increment Financing or TIF) generated from the private development within the project area. Funding sources and uses will be negotiated as part of the redevelopment agreement, which will be subject to approval by the Mayor and City Council.