

**DOWN
TOWN**
LINCOLN
ASSOCIATION

2016-2017 Proposed

Maintenance and Management
BID Budgets
&
Program of Work

Downtown Lincoln Association
July 2016

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STRATEGIC PLAN | 2014-2017

MISSION STATEMENT:

“The Downtown Lincoln Association provides services and champions initiatives for maintaining and enhancing our vibrant downtown.”

OUR VISION:

“Create an energetic downtown environment where we live, learn, work, invest and play.”

Objectives	Strive to exceed the expectations of downtown Lincoln patrons.	Seek opportunities to nurture new and energetic downtown initiatives.	Build and sustain a dynamic downtown that serves as a catalyst for long-term regional development.
Timeline	Today	Tomorrow	Future
Strategies	<ul style="list-style-type: none"> ◆ Address the transportation needs relating to downtown. ◆ Ensure a clean, safe and inviting downtown. ◆ Strengthen existing and future downtown establishments. ◆ Enhance communication with downtown constituents. ◆ Strengthen downtown's position as Lincoln's "event and entertainment center." 	<ul style="list-style-type: none"> ◆ Encourage new retail development. ◆ Evaluate opportunities to increase residential development. ◆ Evaluate opportunities to increase commercial development. ◆ Develop marketing initiatives to support existing and new businesses. ◆ Contingency Plan for current and upcoming economic factors. 	<ul style="list-style-type: none"> ◆ Support new development initiatives such as the 2015 Vision projects. ◆ Evaluate opportunities to better integrate the Central Business District with Haymarket and Antelope Valley. ◆ Review long-term need and funding sources for enhancing downtown's infrastructure. ◆ Ensure DLAs actions are consistent with and supportive of the short and long-term objectives of the Downtown Master Plan.



WE ARE DOWNTOWN



DLA Board of Directors

Dear Downtown Stakeholder,

We are nearing the culmination of several months' work on the upcoming renewal of the two downtown management business improvement districts (BIDs). Near the time you receive this information, property owners will also receive notification from the City of the May 16th public hearing for the ordinances to re-establish the BIDs.

Over the last 10 years, the Downtown Lincoln Association (DLA) has worked to provide meaningful services to the business improvement districts in the areas of economic development, parking and transportation initiatives, marketing, advocacy, and streetscape beautification.

In order to understand the current dynamic in downtown, we asked for your feedback through surveys, stakeholder focus groups, and open house meetings. With your help we learned what is important to you as downtown continues its remarkable growth.

The valuable feedback you provided guided us in setting goals for our activity in the next steps of downtown development. Using three major categories, economic development, advocacy & special projects, and promotion & programming, we will work to achieve the following goals:

- Guide downtown's evolution as a vibrant mixed-use center
- Keep downtown clean, safe and welcoming
- Position downtown as a hub for innovation and entrepreneurship
- Invest in amenities that make downtown more livable, walkable, and bikeable
- Continue to be the champion and unified voice for downtown

The current proposal for renewal will be subject to a process of review and action through the City Council. The DLA has been in operation for nearly 50 years, and renewal of the BIDs allows us to continue to offer our services to an ever evolving downtown.

As you read through this update, you will see highlights of the significant growth in downtown during the last 10 years and how DLA has been a champion for progress.

Proposed boundaries and budget are also highlighted, with minimal changes suggested. Rates have been lower over the last 10 years, and we intend to continue prudent management of resources.

Thank you for your support in helping to create and sustain a welcoming, vibrant, and prosperous downtown. Please feel free to contact us with your questions.

Downtown Lincoln Association Board of Directors

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Phone 402.434.6900

Web www.downtownlincoln.org

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DOWNTOWN GROWTH

\$1.3 BILLION

invested



▲ **90%**
residents

▲ **47%**
hotel rooms

1,500,000 Website Visitors



1,000,000

visitor guides distributed

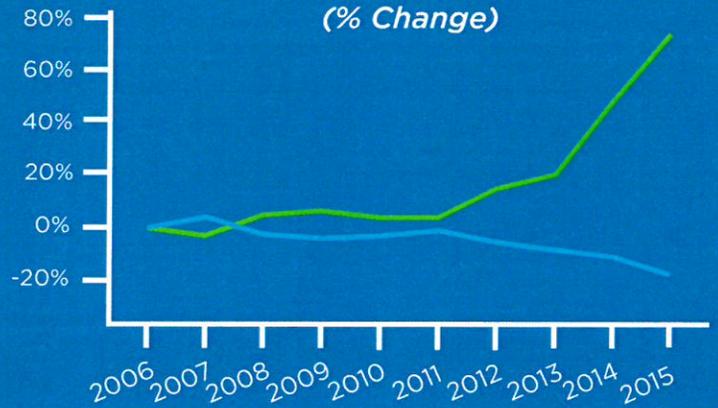


\$500,000

spent at Shop the Blocks retailers

INVESTMENT VALUE

(% Change)



— Property Value — BID Assessment Rate

109 EVENTS

 produced & supported

\$175,000

spent downtown with Gift Card Program



204,000

newsletters sent

TWITTER

13K

FOLLOWERS



New Businesses

FACEBOOK

17K

FOLLOWERS

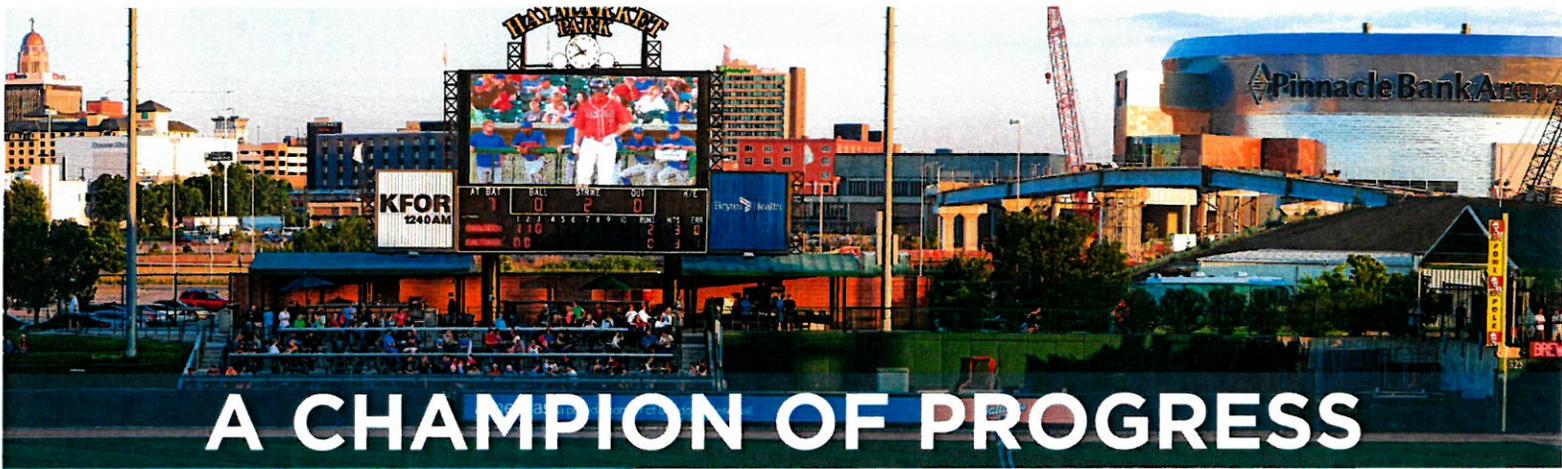
Breaking News



INSTAGRAM

5K

FOLLOWERS

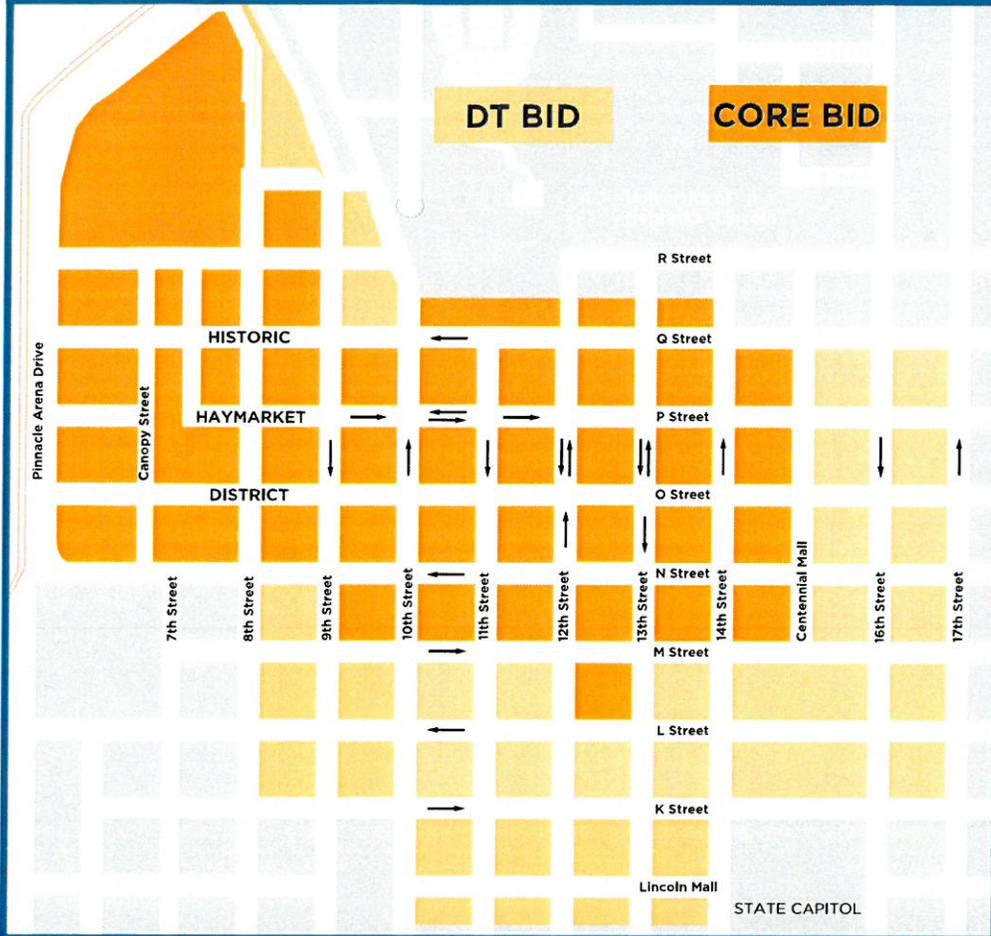


A CHAMPION OF PROGRESS



- 2006 DLA renews its BIDs, with plans for continued support of Downtown.
- 2007 DLA implements Panhandling Awareness Campaign.
- 2008 Downtown Design Guidelines created.
- 2010 Arena Bond Issue passed.
- 2010 First Hour Free begins in all City garages.
- 2011 Parking Ambassadors take over meter enforcement.
- 2011 Downtown Gift Card launches.
- 2011 DLA creates Shop the Blocks to promote Downtown retail.
- 2011 Pinnacle Bank Arena & Railyard projects break ground.
- 2012 City updates Downtown Master Plan.
- 2012 Downtown streets resurfaced in entire BID.
- 2012 Larson Building is built, completing a major Master Plan catalyst project.
- 2013 Downtown installs 1,300 credit card meters.
- 2014 DLA expands footprint, by adding West Haymarket area to the BID.
- 2014 Downtown Lincoln celebrates grand re-opening of pedestrian friendly P Street District & Tower Square.
- 2015 N Street Protected Bikeway opens for riders.
- 2015 Lincoln recognized nationally, named a Top 10 Downtown by Livability.

PROPOSED BID BOUNDARY



TESTIMONIALS



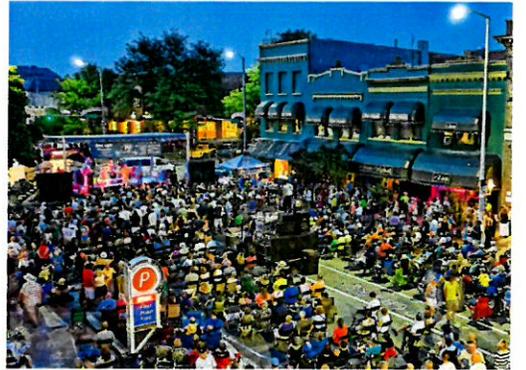
"More than anything, DLA provides a common voice for downtown."

-Clay Smith, Speedway Properties



"In the last 40 years, downtown and DLA have grown and strengthened together."

-Bob Campbell, Miller & Paine



"Downtown is such an active and lively place, thanks to the many DLA efforts."

-Ann Ringlein, Lincoln Running Co.

2016 Proposed Management Budget

Activity Annual Budget

Economic Development	\$225,000
Advocacy & Special Projects	\$185,000
Promotion & Programming (core)	\$265,000
TOTAL	\$675,000



2006 Assessment Rate: **\$1.90** 2016 Projected Assessment Rate: **\$1.54**
(Rates per every \$1,000 Property Value)

BID Renewal Process



Downtown Lincoln Business Improvement Districts: FRAMEWORK FOR RENEWAL

Prepared by Progressive Urban Management Associates, Inc.

Background

Downtown Lincoln receives enhanced services funded by business improvement districts (BIDs) that have been in place for nearly 40 years. Similar to BIDs now found in hundreds of cities, Lincoln's downtown BIDs were formed by the City of Lincoln at the request of affected property and business owners. The BIDs raise special assessments on property to fund a variety of supplemental services, including maintenance, economic development, parking management and marketing. Day-to-day oversight is provided by the Downtown Lincoln Association (DLA), a non-profit organization that represents downtown property and business owners, residents and civic partners.

Downtown Lincoln is currently served by a network of six BIDs that are managed together by DLA. The existing BIDs include:

- A Downtown Maintenance BID formed in 1978 supports daily sidewalk cleaning and landscape maintenance. Property owner assessments to the Maintenance BID are matched one-to-one by a city contribution.
- Two Downtown Management BIDs were formed in 1989 to help downtown compete with new suburban retail. The Management BIDs provided funds for a variety of promotions ranging from events to holiday décor. A Downtown Management BID supports marketing efforts for a broad swath of downtown, while a Core Management BID funds promotions in the retail and office core.
- The Downtown Management BIDs were renewed and restructured in 1999 to focus more on economic development and parking management. They were subsequently renewed in 2006.
- Three additional BIDs were formed in 2014 to extend services from each BID - Maintenance and Management - into the West Haymarket area.

Downtown Lincoln BID Funding: 2015-16

Management BIDs	
Assessments	\$ 655,000
Other Revenue	60,000
TOTAL	\$ 715,000

Maintenance BIDs	
Assessments	\$ 297,000
City Contribution	287,000
Other Revenue	133,000
TOTAL	\$ 717,000

For the original Management BIDs, a combination of increasing property values and budgetary restraint exercised by DLA has decreased rates of assessment in the years since the 2006 renewal:

Change in BID Assessment Rates: 2006 to 2014	2006-07 Assessment Rate	2014-15 Assessment Rate	Change
Downtown Management BID	1.04/\$1,000	0.86/\$1,000	(17.3%)
Core Management BID	0.86/\$1,000	0.84/\$1,000	(2.3%)

Plan Review Workshops: In November 2015, two plan review workshops were held to solicit stakeholder comments on the draft BID Framework for Renewal. Notice of public meetings was mailed to each of the nearly 500 property owners located within the existing BIDs. Owners include both commercial and residential uses. About 25 owners participated in one of the two forums.

In general, participants were supportive of the BID Framework for Renewal. Key issues that the Management BIDs should address moving forward included:

- Create more market-rate housing in downtown, particularly for owner-occupants and post-college age households.
- Retail recruitment efforts should focus on basic services, notably a downtown grocery.
- A new Resident's Council would be a good addition to help connect residents to the BIDs.
- Help spread economic vitality throughout the district.
- BID assessment rates need an annual cap - 3% was suggested.

Framework for BID Renewal

The Management BIDs have a ten year life and are set to be renewed in 2016. The BID renewal process allows downtown stakeholders to update the operating plan for the BIDs and align it with the market realities of today moving forward. This creates an opportunity for downtown stakeholders to take stock of recent development and evaluate trends that are guiding more investment into the downtown. In addition, Lincoln can incorporate “best practices” from other cities into the blueprint for BID renewal.

The following framework for BID renewal builds on the past successes of downtown Lincoln’s BIDs, plus responds to market opportunities and stakeholder priorities in 2015 and anticipated over the next ten years.

<p>Goals</p>	<ul style="list-style-type: none"> ○ Guide downtown’s evolution as a vibrant mixed-use center ○ Keep downtown clean, safe and welcoming ○ Position downtown as a hub for innovation and entrepreneurship ○ Invest in amenities and place-making improvements that make downtown more livable, walkable and bikeable ○ Continue to be the champion and unified voice for downtown
<p>Work Program</p>	<p>DOWNTOWN MANAGEMENT BID - STANDARD LEVEL OF SERVICE</p> <p>Economic Development, including:</p> <ul style="list-style-type: none"> ● Business recruitment and support; ● Parking planning and management to support economic development; ● Programming to recruit and retain a young skilled workforce and foster a culture of innovation; ● Neighborhood services and retail to support downtown living. <p>Advocacy and Special Projects, including:</p> <ul style="list-style-type: none"> ● Ongoing support for DLA to provide leadership on issues, policies and civic investments that affect the downtown; ● Special projects capacity that could change from year-to-year. ● Examples of special projects include containing/reducing homelessness, beautification planning and furnishings, mobility improvements to promote more walking and biking, amenities to support downtown living, research and development to stay on top of trends and national best practices. <p>CORE MANAGEMENT BID - PREMIUM LEVEL OF SERVICE</p> <p>Promotion and Programming to market downtown as a regional destination, including:</p> <ul style="list-style-type: none"> ● Sponsor and manage special events; ● Programming of public spaces; ● Holiday décor and other seasonal themes; ● Marketing and communications to support retail, hospitality and entertainment.

<p>Boundary Adjustments</p>	<p>Overall focus on bringing the boundaries of the BIDs in sync with 2015 market realities (last significant boundary adjustments were in 1999). Suggested adjustments include:</p> <p>Downtown Management BID:</p> <ul style="list-style-type: none"> • Consolidate current two Downtown Management BIDs (Downtown and West Haymarket) into one. <p>Core Management BID:</p> <ul style="list-style-type: none"> • Consolidate current two Downtown Core BIDs (Downtown and West Haymarket) into one. • Add the southwest corner of the Core Management BID to N Street north from 8th to 11th and M street north from 9th to 12th. <p>Future Expansion Areas - The Nebraska state BID statute has been amended to allow for BID expansion during a BID's existing term. Areas for consideration to be added to the Downtown Management BID over the next ten years include:</p> <ul style="list-style-type: none"> • South Haymarket, from N to H Streets • South downtown to include the State Capitol campus to H Street between 8th and 17th Streets • Antelope Valley to the east of the current Downtown Management BID • Expansion of the Downtown Maintenance BID to be contiguous with the Downtown Management BID 																				
<p>Suggested Year 1 Assessment Budget</p>	<table border="1"> <tr> <td colspan="3">Downtown Management BID</td> </tr> <tr> <td>Economic Development</td> <td></td> <td>225,000</td> </tr> <tr> <td>Advocacy & Special Projects</td> <td></td> <td>185,000</td> </tr> <tr> <td colspan="3">Downtown Core BID</td> </tr> <tr> <td>Promotion & Programming</td> <td></td> <td>265,000</td> </tr> <tr> <td>Total Downtown Management BIDs</td> <td></td> <td>\$675,000</td> </tr> </table>			Downtown Management BID			Economic Development		225,000	Advocacy & Special Projects		185,000	Downtown Core BID			Promotion & Programming		265,000	Total Downtown Management BIDs		\$675,000
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<p>Estimated Assessment Rates</p>	<table border="1"> <thead> <tr> <th>Commercial Properties</th> <th>Rate/\$1,000</th> <th>Change from Existing Rate</th> </tr> </thead> <tbody> <tr> <td>Downtown Management BID</td> <td>0.767</td> <td>(10.8%)</td> </tr> <tr> <td>Downtown Core BID Overlay</td> <td>0.774</td> <td>(7.9%)</td> </tr> <tr> <td>Total Downtown Core BID</td> <td>1.541</td> <td>(9.4%)</td> </tr> </tbody> </table> <p>Residential Properties: 45% of commercial rates in Management BID only Income-Assisted Residential: 50% of residential rates</p>			Commercial Properties	Rate/\$1,000	Change from Existing Rate	Downtown Management BID	0.767	(10.8%)	Downtown Core BID Overlay	0.774	(7.9%)	Total Downtown Core BID	1.541	(9.4%)						
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Downtown Lincoln Association
Downtown & West Haymarket Maintenance BID Proposed Budget
September 1, 2016 - August 31, 2017

Category	2015-16 Approved	2016-2017 Downtown	2016-17 West Haymarket	2016-17 <u>Totals</u>
INCOME				
Property Owner Assessment	297,152	245,117	57,978	303,095
City of Lincoln Maintenance Contribution	286,449	234,200	57,978	292,178
City of Lincoln/Tree Replacement	50,723	51,737	0	51,737
Additional Contracts				
GSA Contract	9,312	9,312	0	9,312
Parking Garage Landscape Service Agreement	17,401	14,315	3,434	17,749
LHDC Farmers' Market Service Agreement	7,036	7,177	0	7,177
Pinnacle Arena Drive Service Agreement	21,600	0	22,447	22,447
Centennial Mall Service Agreement	21,400	22,251	0	22,251
Tower Square Service Agreement	5,300	5,410	0	5,410
Total Maintenance BID Income	\$716,373	\$589,519	\$141,837	\$ 731,356

EXPENSES				
Personnel Salaries	335,403	270,837	65,163	336,000
Benefits, Payroll Taxes & Work Comp	146,289	118,271	28,456	146,727
Community Alternatives/Temp Labor	40,000	32,243	7,757	40,000
Uniforms	1,000	725	175	900
Federal/PO/LHA Share Special Assessments	16,102	12,172	2,928	15,100
Holiday Repair & Maintenance	6,000	4,836	1,164	6,000
Insurance	8,671	7,129	1,715	8,844
Administrative Costs to DLA	25,000	20,152	4,848	25,000
Professional Development	2,000	1,612	388	2,000
Landfill/Refuse	7,000	8,625	2,075	10,700
Rent	21,544	28,696	6,904	35,600
Utilities	16,000	14,509	3,491	18,000
Repairs/Supplies	35,000	28,212	6,788	35,000
Replacement Plantings	31,485	25,379	6,106	31,485
Equip Capital Replacement	25,000	16,121	3,879	20,000
Total Maintenance BID Expense	\$716,494	\$589,519	\$141,837	\$ 731,356

**DOWNTOWN LINCOLN ASSOCIATION
MANAGEMENT BID BUDGET PROPOSED
September 1, 2016 - August 31, 2017**

2016-2017

CATEGORY	MGMT PROPOSED
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INCOME

Property Owner Assessment-Downtown BID	410,000
Property Owner Assessment-Core Overlay BID	265,000
Transfer from Maintenance	25,000
Nonprofit Contributions	35,000
Interest Income	50
TOTAL MANAGEMENT BID INCOME	\$ 735,050

EXPENSES

ECONOMIC DEVELOPMENT

Personnel	
Total Personnel	\$ 137,013
Admin	
Total Admin	\$ 45,301
Activities/Products	
Marketing & Advertising	53,214
Economic Development	15,000
Business Support	8,000
Total Activities/Products	\$ 76,214
TOTAL ECONOMIC DEVELOPMENT	\$ 258,528

ADVOCACY & SPECIAL PROJECTS

Personnel	
Total Personnel	\$ 112,102
Admin	
Total Admin	\$ 37,064
Activities/Products	
Residential & Street Amenities	20,000
Directories & Maps	15,000
Annual Meeting/Annual Report	5,000
Media & Communications	7,000
Special Projects	8,356
Parking & Transportation	7,000
Total Activities/Products	\$ 62,356
TOTAL Advocacy & Special Projects	\$ 211,522

PROGRAMMING & PROMOTION

Personnel	
Total Personnel	\$ 140,444
Admin	
Total Admin	\$ 46,435
Activities/Products	
Visitor & Hotel Promotions	15,121
Holiday Displays & Lights	38,000
Programming & Events	25,000
Total Activities/Products	\$ 78,121
TOTAL Programming & Promotion	\$ 265,000

TOTAL MANAGEMENT BUDGET	\$ 735,050
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