

VA CAMPUS REDEVELOPMENT PLAN



Image from Google Earth

PREPARED BY:

City of Lincoln, Nebraska
Chris Beutler, Mayor

Urban Development Department
Dave Landis, Director

APPROVED BY:

Planning Commission: xxx, 2015
City Council: xxx, 2015

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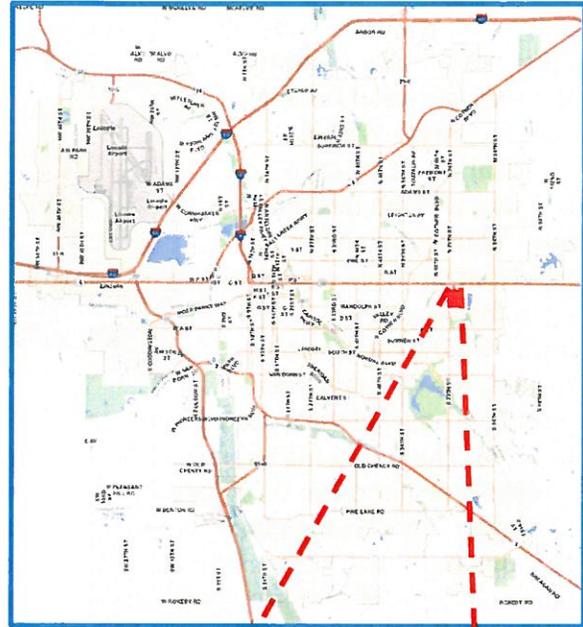
INTRODUCTION

The *VA Campus Redevelopment Plan* is a guide for redevelopment activities within the Redevelopment Area. Exhibit 1 shows the location of the area within the context of the city of Lincoln. The site is generally located east of S. 70th Street and south of O Street at 600 South 70th Street. Including the 70th Street right-of-way, the area covers approximately 65 acres: the largest percentage is open space (57.3%) followed by public use at 27.5%. The area legal description, excluding 70th Street, is Lot 66, Irregular Tract in the Northwest $\frac{1}{4}$ of Section 27, Township 10 North, Range 7 East of the 6th P.M., Lincoln, Lancaster County, Nebraska, consisting of 59.9 acres. The 70th Street right-of-way along the western boundary of the VA Campus consists of 5.3 acres.

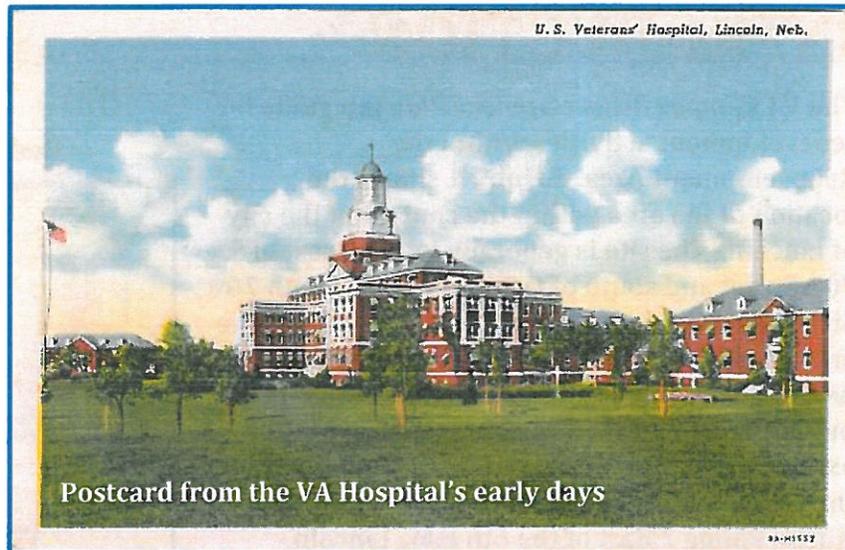
The entire parcel, with the exception of the 70th Street right-of-way, is currently owned and used by the U.S. Department of Veterans Affairs as part of the Veterans Administration Nebraska-Western Iowa Health Care System. The Lincoln VA facility was originally built in 1930 as an inpatient acute care hospital. The central, monumental main building served as a hospital and the primary focus of the campus. The facility's mission was to provide general medical and surgical care to veterans. Several additional buildings were constructed to support that mission. The VA Hospital complex was placed on the National Historic Registry September 10, 2012.

The Lincoln VA Hospital continues to serve as a medical facility and retains much of its original appearance. However, now at 86-years-old, the hospital's design and construction no longer meet the needs of modern acute health care delivery. Clinical room layout, technology and the size of modern equipment require a facility design that can no longer be accommodated inside the structure of the original hospital in an efficient manner. The substantial nature of the original construction make renovations cost prohibitive. Also, the delivery of patient care has changed. Many medical procedures that 30

**Exhibit 1:
Redevelopment Area within City**



years ago required extended inpatient stay are now performed on an outpatient basis, through tele-health technology, and a shift to a focus on preventive healthy lifestyles has significantly reduced the need for acute care facilities. With a regional VA acute care hospital located in Omaha, the declining need for inpatient services, and the prohibitive cost of modernizing the Lincoln facility, the decision was



made to consolidate acute care delivery in Omaha and convert Lincoln to an outpatient facility in 1998. The following year, the Lincoln, Omaha, and Grand Island VA facilities were consolidated into the VA Nebraska-Western Iowa Health Care System. Although no longer serving as an inpatient facility, the facility continues its mission to the nation's veterans through outpatient care. The Lincoln VA location continues to serve over 15,000 veterans from across Nebraska providing over 108,000 patient visits annually. Based on most recent data, 58 percent of patients served by the Lincoln campus came from outside Lancaster County.

Under the Veterans Choice Act, Veterans Affairs was approved for a capital lease for a new 100,000 square foot state of the art outpatient clinic to be located in Lincoln. The process for siting the clinic is underway. All the VA's land holdings are deemed to be held in trust for the benefit of our country's veterans. As such, the VA is offering a long term lease so that existing facilities and excess land on the Lincoln Campus can be redeveloped. The redevelopment must respect and preserve the historical significance of the VA campus and its contribution to Lincoln and to those who have served our country.

The VA Campus has shown signs of physical decline over the years. Existing development and public facilities and utilities are old, in need of updating and, in some cases, in need of replacement. These conditions, in conjunction with the VA making the site available for redevelopment, led to a *Blight and Substandard Determination Study*, which confirmed the number and degree of blighting and substandard factors. The Study was completed in April 2015.

The City recognizes continuing blight and deterioration as a threat to the stability and vitality of the area. Revitalization efforts cannot reasonably occur without public action. The *VA Campus Redevelopment Plan* provides a guide for public and private partners as redevelopment efforts move forward.

Throughout this document, the terms VA Campus, redevelopment area, VA hospital, and Lincoln VA are used interchangeably and are synonymous.

Plan Requirements

Redevelopment activities are guided by Community Development Law, Neb. Rev. Stat., Section 18-2101, et. seq. (as amended). The statutes indicate the governing body must declare the project area substandard and blighted in order to prepare a redevelopment plan.

The City has authorized its Urban Development Department to act as the redevelopment authority under applicable Law. The Urban Development Department has developed a plan for guiding appropriate private and public resources to:

- eliminate or prevent the development or spread of urban blight;
- encourage urban rehabilitation;
- provide for the redevelopment of substandard and blighted areas including provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards;
- rehabilitation or conservation of substandard and blighted areas or portions thereof by re-planning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and
- clear and redevelop substandard and blighted areas or portions thereof.

The Community Development Law section 18.2111 defines the minimum requirements of a redevelopment plan as follows:

“A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements, and the proposed land uses and building requirements in the redevelopment project areas...”

Section 18.2111 also outlines six elements that must be included in all redevelopment plans:

1. The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property area;
2. A land-use plan showing proposed uses of the area;
3. Information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment;
4. A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances;
5. A site plan of the area;
6. A statement as to the kind and number of additional public facilities or utilities, which will be required to support the new land uses in the area after redevelopment.

In making the recommendation to approve this plan, the Urban Development Department has considered the land uses and building requirements of the VA Campus Redevelopment Area,

generally located east of 70th and south of O Streets, and determined they are in conformance with the general plan for redevelopment in the city and represent a coordinated, adjusted, and harmonious development of the city and its environs.

These determinations are in accordance with:

- present and future needs to promote health, safety, morals, order, convenience, prosperity;
- the general welfare; and
- efficiency and economy in the process of development.

Factors considered in the determination included among other things:

- adequate provision for traffic, vehicular parking;
- promotion of fire safety and prevention of other dangers;
- adequate provision for light and air;
- promotion of the healthful and convenient distribution of population;
- provision of adequate transportation, water, sewerage, and other public utilities;
- schools, parks, recreational and community facilities, and other public requirements;
- promotion of sound design and arrangement;
- efficient expenditure of public funds; and
- prevention of insanitary or unsafe dwelling accommodations or conditions of blight.

EXISTING CONDITIONS

Land Use

The VA Campus Redevelopment Area consists of approximately 63.5 acres of land. The largest amount of land, 36.3 acres is open space, followed by federal VA public uses at 18.2 acres. The only public street is south 70th, comprising 5.3 acres. Private streets account for 3.7 acres. The VA Campus was created by a master planning process and developed upon one irregular tract of land.

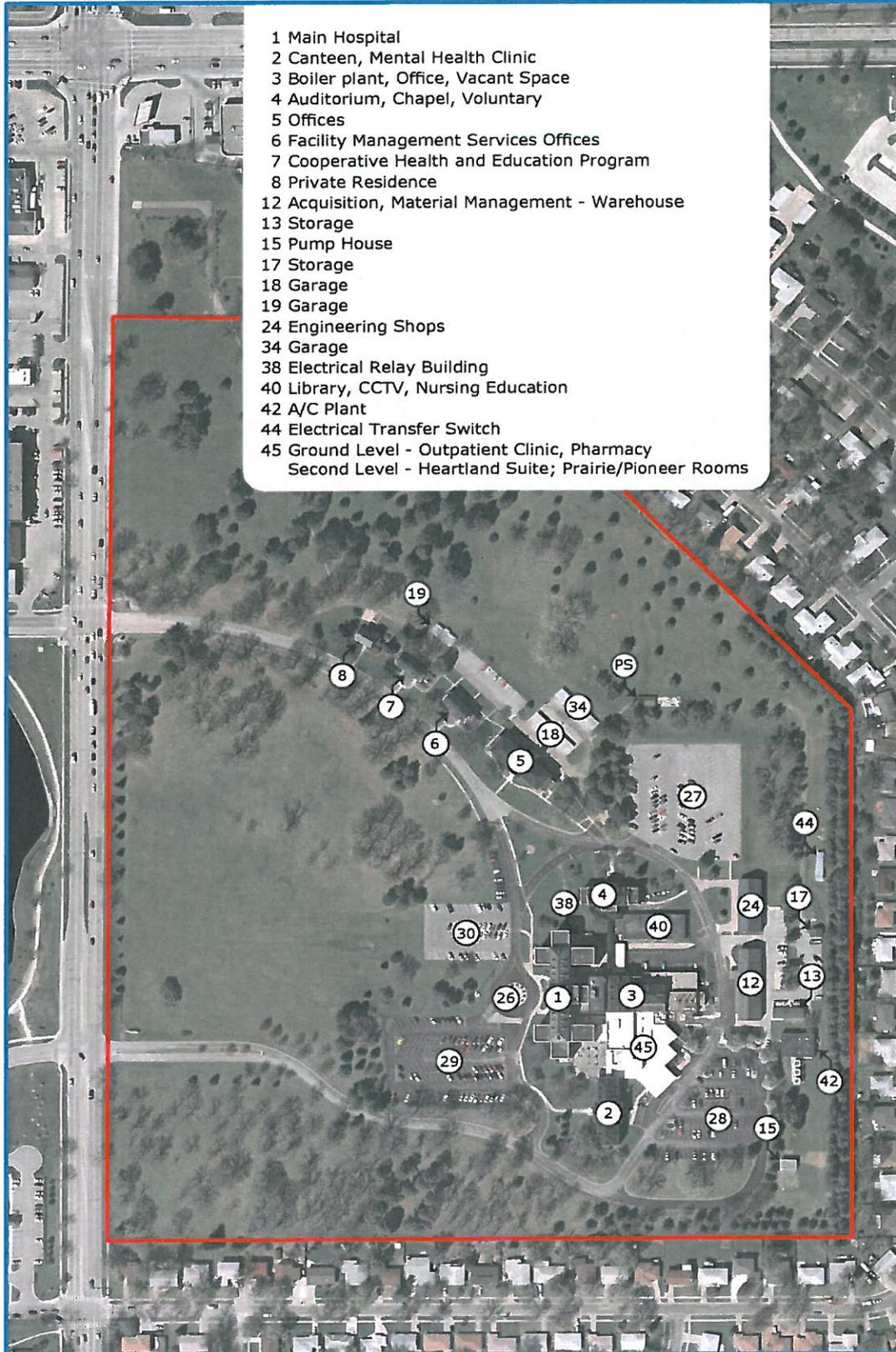
Land uses are all related to the original purpose of the site, to provide medical services to veterans. There are 20 buildings within the Redevelopment Area located on one parcel of land. The monumental main

building that once functioned as an in-patient hospital now contains an outpatient clinic. Other buildings include a recreation building, general medical building, kitchen/dining hall/ boiler plant plant/garage, storehouse, utility shops building, an education building, and chiller plant (see Exhibit 3, Existing Campus Site Map).

Exhibit 2: Current Land Use



Exhibit 3: Existing Campus Site Map



The campus setting consists of relatively level topography which slopes slightly upward from South 70th Street, mature vegetation, and linear and curvilinear drives. The historic parade ground and flagpole provide the entrance corridor view to the front of the historic hospital building. A buffer between the VA Campus and the residential area along the southern boundary has remained undeveloped.

The table below includes existing land uses by type and acre for the area.

Land Use	Acres	Percent
Public	18.2	27.5
Private Street	3.7	5.8
Open Space	36.3	57.3
Public Street (S. 70 th)	5.3	8.3
Total	63.5	100.0%

Source: Hanna:Keelan Associates, P.C., 2015

Building and Site Conditions: As part of the Blight and Substandard Determination Study, a detailed exterior structural survey of the 20 structures in the Redevelopment Area and an area field survey were completed. The structural survey concluded that 11 structures are deteriorating with major defects and two are dilapidated. When not adequately maintained or upgraded to present-day occupancy standards, buildings in these conditions pose health, safety and sanitary problems. Masonry buildings with wooden structural elements or combustible materials were found to be deteriorating and in need of structural repair and fire protection. Only four structures were classified as structurally sound. Three structures were identified as deteriorating with minor defects, including the hospital building. Minor defects generally include loose or missing materials or holes and cracks over a limited area that can be corrected through the course of normal maintenance such as pointing masonry joints over a limited area or replacement of less complicated systems.

Functional obsolescent relates to the physical utility of a structure and economic obsolescence relates to a property’s ability to compete in the market place. Functional and economic obsolescence is apparent in several of the former VA Campus buildings, including garages and storage buildings. Due to the lack of adequate maintenance and upkeep, several of these structures are deteriorating or have become dilapidated. The size and condition of these structures may leave them incapable of being renovated for new uses and thus are functionally and economically obsolete.

Zoning

The entire Redevelopment Area is zoned P Public, described in Lincoln’s zoning code as:

P Public Use: This district is intended to provide a district essentially for mapping purposes which will identify real property presently owned and used by any governmental entity, including local, state, or federal governmental units, and put to some form of public use.

Parks, Recreational Facilities and Trails

• Parks

Three parks are located within approximately one mile of the entrance to the site. Taylor Park is the closest, located at Sunrise Road and Randolph, approximately one-half mile away. This 19.27 acre park includes a hiker-biker trail, picnic tables and playground equipment. Herbert Park is located north of O Street at 81st and Trail Ridge Road, approximately one mile from the Redevelopment Area. Facilities include a hiker-biker trail, picnic tables, playfield and playground equipment. Both of these neighborhood parks require crossing busy arterial streets, either 70th or O Street. Seacrest Park is classified as a community park. Located at 70th and A, this 45.75 acre park is about a mile from the entrance to the redevelopment site and includes the same types of facilities as the two neighborhood parks along with tennis courts. It is adjacent to Lincoln Public School’s Seacrest Field, located to the south, which contains fields for football, baseball and soccer. Lincoln East High School is adjacent to the north of the park. Access to the park requires traveling 70th Street south to A Street, both heavily traveled arterials.

The Parks and Recreation Department’s goal is to have a park within one-half mile of every residence. Taylor Park is the only facility that

Exhibit 4: Zoning

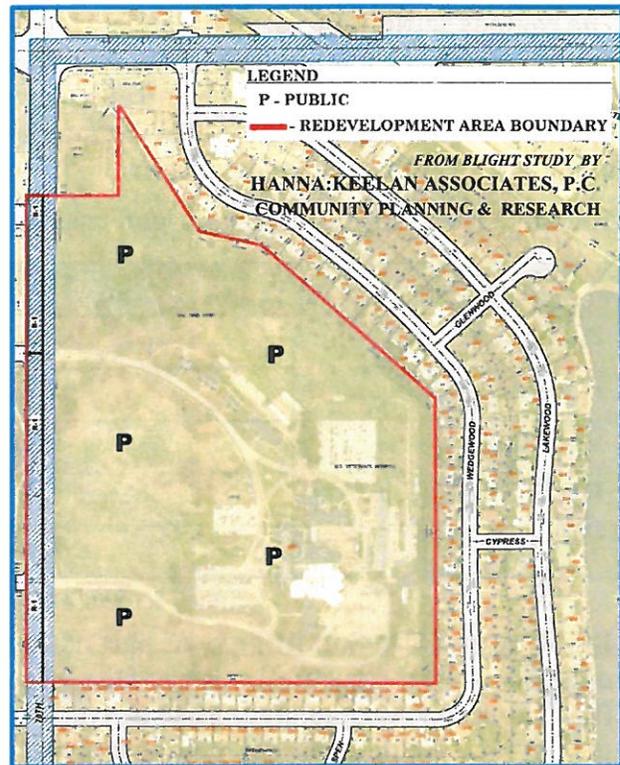


Exhibit 5: Parks and Trails



comes close to meeting this goal but is not easily accessible from the VA Campus. However, the vast amount of open green space within the site provides a park-like setting.

- ***Trails***

The MoPac Trail is the closest to the Redevelopment Area but not adjacent to the site. Trail users must travel approximately one-third of a mile north on 70th Street to access the trail at-grade.

Transportation

- ***Traffic***

South 70th Street and A Street are classified as minor arterials. O Street has a functional classification of Principle Arterial (major). Current traffic counts indicate:

- The intersection of 70th Street and 'O' Street has Average Daily Traffic (ADT) of 53,900.
- South 70th Street, 'O' Street to 'L' Street has an ADT of 28,700.
- South 70th Street, 'L' Street to Teton Drive has an ADT of 32,400.
- South 70th Street, Teton Drive to 'A' Street has an ADT of 32,350.

With the amount of traffic on South 70th, significant redevelopment will require the construction of right turn lanes into the site.

A review of crash data for a three year period reveals that this segment of roadway, 70th Street from O to A is average in comparison to other roadway segments sharing similar characteristics.

- ***Access and Parking Issues***

Access to the Campus exists at two locations along 70th Street. The north intersection has traffic signals while the southern intersection has stop signs for traffic leaving the Campus. There are no designated turning lanes on 70th for access to the Campus.

The Blight and Substandard Determination Study concluded that three of the five parking lot areas are in fair condition.

- ***Public Transportation***

The Redevelopment Area is served by StarTran, Lincoln's City-owned and operated bus system. As illustrated in Exhibit 6, Route #54 – Veteran's Hospital - leaves downtown on weekdays beginning at 6:35 a.m. and generally ranges from 30 to 45 minutes thereafter. Trip time is approximately 25 minutes. The last bus leaves the Campus at 5:35 p.m. Saturday service is not provided to the Campus but does service St. Elizabeth Regional Medical Center, across 70th Street, on an hourly basis. StarTran does not operate on Sundays.

Street conditions within the VA Campus are generally in fair to poor condition. All streets, sidewalks and parking lots within the VA Campus are privately owned and maintained. In preparation of the *Blight and Substandard Determination Study*, street conditions were assessed and revealed that approximately 87% of the street surfaces are poor to fair. Streets are impacted by “alligator cracking” and settling. Streets in this condition are in need of repair and/or resurfacing. The majority of streets in this condition are located in the north and northwest portions of the Campus. Throughout the area, curbs have diminished to approximately one-half their original height due to asphalt overlays.

- ***Sidewalk and Pedestrian Activity***

Sidewalks are lacking in many areas throughout the site. Of those that do exist, an estimated 75 percent are in fair condition. Few, if any, effective pedestrian/vehicular safety control devices exist within the Redevelopment Area. The lack of designated pedestrian crossings between parking lots and the primary buildings forces pedestrians to walk within the private access streets. Additional traffic control measures are needed within the Campus to increase motor and pedestrian safety.

Parking areas in the north and northwestern portions of the area are asphalt and in deteriorated condition, creating a potentially hazardous situation for pedestrians utilizing these areas to access the buildings within the Campus.

- ***Street Layout***

The street pattern within the Redevelopment Area consists of curvilinear private roads. The 70th Street corridor is located on the western edge of the Campus. The curvilinear roadway network is in fair condition and is close to meeting typical City design standards.

Public Utilities

- ***Water and Sanitary Sewer Systems***

Public water and sanitary sewer systems at the perimeter of the Campus were constructed in the mid-1960s and are adequately sized and in good condition, according to City Public Works and Utilities staff. The location of the VA Campus in 1930 was developed an estimated two miles east of the corporate limits of the City of Lincoln. This required the Campus to utilize its own water and sanitary sewer system. No documentation exists for the underground infrastructure throughout the Campus. Photos during the construction of Lincoln East High School, south of the Redevelopment Area, during the mid-1960s show a water tower was located on the Campus but it has since been demolished.

Within the VA Campus, water, sanitary sewer and storm water distribution/collection mains and services lines are privately owned and maintained connecting to the municipal mains beyond the Campus. Constructed in the 1930s, these private utility systems are approximately 85 years of age. Maintenance and Operations Staff at the VA Campus estimate these mains were constructed with outmoded materials. Due to age and materials, these facilities will need to be replaced to support redevelopment.

- ***Watershed Management***

The VA Redevelopment Area has a large extent of urban grass area. The complex is on a hill with some of the ancillary facilities at a lower grade. Drainage off the complex area and parking is through the grounds and storm drainage systems in all directions except for south. The prominent flow is westerly to 70th Street directly and through various storm drain systems. Other drainages are to the south and north where it flows directly through residential lots along Wedgewood Drive and through storm drain systems. All the storm drain systems (open and closed) eventually drain north to Dead Man's Run.

The storm drain systems have not recently been restudied but from the relative amount of acreage flowing to some of the drainage systems in 70th Street, and the pipe sizes, it appears that some the drainage systems along 70th Street may be undersized. The Watershed Management Division of Public Works is not aware of any drainage issues from the runoff through the residential lots along Wedgewood Drive or the drainage systems on 70th Street.

Upon redevelopment, the downstream drainage systems will need to be evaluated and there will be a need for detention to bring the two, ten, and 100 year flow events to pre-development levels, at a minimum. Water quality Best Management Practices go into effect February 1, 2016. An erosion and sediment control permit from both the City and the State will be required.

- ***Electrical/Street Lighting***

The VA Campus is currently primary metered. These meters are located along the eastern boundary of the site. Within the Campus, all existing equipment is owned by the VA, other than the primary cable to the primary meter. Lincoln Electric System (LES) facilities are capable of providing permanent electric service should redevelopment occur. Easements will be required for the installation of any new LES facilities. There are no new LES projects planned for the area.

Historic Significance

The "Lincoln Veterans Administration Hospital Historic District" (hereafter referred to as the Lincoln VA Hospital) is listed on the National Register of Historic Places on the statewide level for its significance in the areas of Government, Health/Medicine, and Architecture during the historic period of 1930-1950. Nineteen buildings and other features of the property (such as the west lawn) are regarded as contributing to the historic character of the site, while six more modern buildings or structures are identified as "noncontributing."

The Lincoln VA Hospital campus is the remaining portion of the 320-acre Leavitt farm bounded by A, O, 70th, and 84th Streets, which was acquired for a veterans hospital in 1929, assisted by \$100,000 raised locally towards the purchase. Construction began in 1930 and the major structures of the campus were built that year, with the hospital accepting patients before the year's end. The formal dedication was held in April 1931.



Red brick is the predominant exterior material of the Lincoln VA Hospital buildings, with limestone-colored terra cotta ornament on

the front rank of buildings facing S. 70th Street (denominated by the VA as Buildings 2, 1, 4, 5, 6, 7, and 8, from south to north – see Exhibit 3). The main hospital building (Building 1) has Neo-classical Revival ornament, while the buildings flanking it to the south and north are more Colonial Revival in detailing. The hospital originally was topped with a tall wood-framed cupola, which was removed in 1956. The main hospital and its cupola were sited to align with the Nebraska State Capitol, four miles due west. Building 2 to the south was originally the General Medical Building. The Recreation Building/auditorium (Building 4), attached by corridors to the north end of the main hospital building was completed a few years later, around 1934. Buildings 5 through 8, located some distance north of the core hospital, were originally a nurses' residence (#5), two duplexes for medical staff (#s 6 and 7), and a single-family residence for the hospital manager (#8). Red brick service buildings located east of the main rank of buildings are more utilitarian in design but some retain fine and durable materials such as slate roofs.

An education building was attached to the northeast side of the main hospital in 1973. The largest addition to the site after the historic period was the current VA Outpatient Clinic, added to the original main hospital on the southeast corner in 1983. Neither of these additions impinges on the principal, west facades of the historic campus. Although in-patient services ceased in 1998, the Lincoln facility continues to provide out-patient services in 2015.

The former Leavitt family farm house at the northwest corner of the original campus, built of concrete block with a tile roof in the 1910s, was used by the VA Hospital until the 1980s, then sold by the General Service Administration in the 1990s. Several years later the house was relocated to a more rural setting at 2400 S. 148th St. in Lancaster County, where it was extensively rehabilitated as Prairie Creek Bed & Breakfast Inn. The original site of the Leavitt House is no longer federal property nor is it part of the National Register nomination.

Blight & Substandard Determination Study

For a project to be considered eligible for redevelopment in Lincoln, the area must qualify as both “Blighted” and “Substandard” based on Nebraska Community Development Law. The *VA Campus Redevelopment Area Blighted and Substandard Determination Study* was undertaken to determine whether existing conditions warrant designation of the area as blighted and substandard. The study includes formal investigation of the existence and extent of blighting and substandard factors as outlined in the Nebraska Community Development Law. The study was completed in April 2015 by Hanna:Keelan Associates, P.C.

- ***Process***

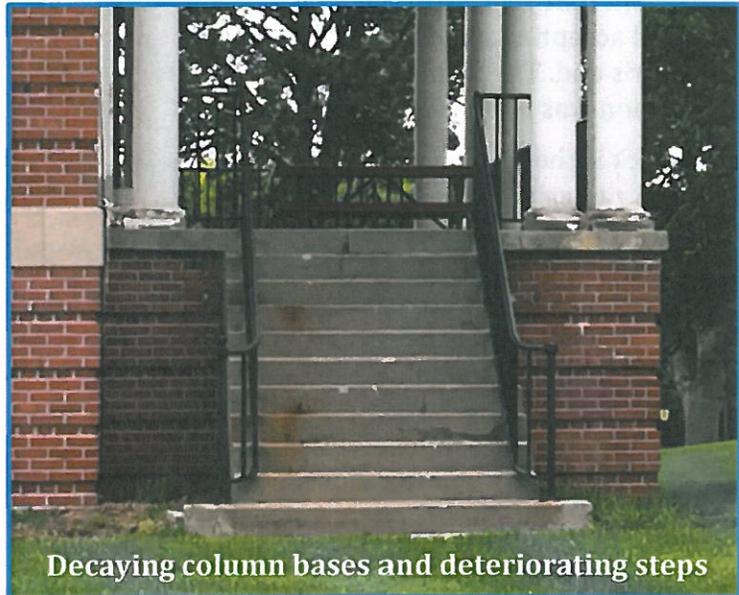
The consultant’s evaluation included a detailed exterior structural survey of the 20 structures in the Redevelopment Area and an area field survey. Research on ownership and public record research was completed. Conversations with City staff from the Public Works and Utilities Department provided additional information.

- ***Analysis Findings***

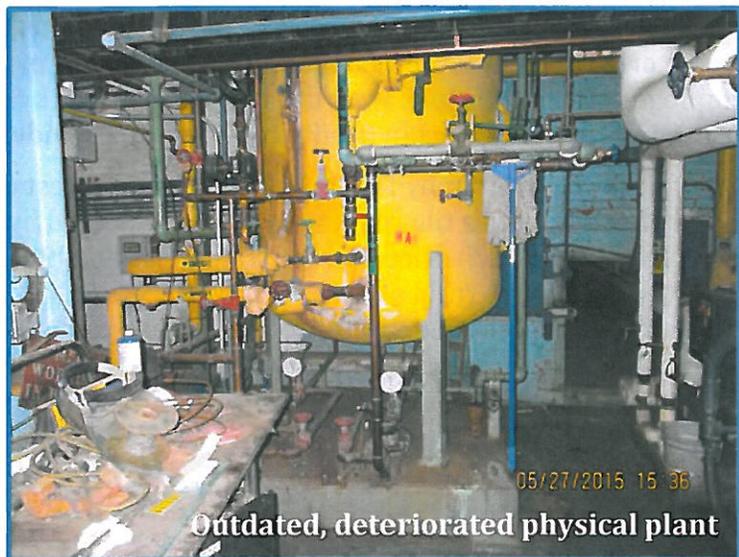
Two of the four substandard factors identified in Nebraska Community Development law represent a “strong presence” and are reasonably distributed throughout the Redevelopment Area :

- Dilapidated/deterioration. The field survey identified 13 structures, or 65%, of the 20 total structures in the Redevelopment Area as being in a deteriorating condition.
- Age or obsolescence. Approximately 15, or 75%, of the 20 buildings are 40+ years of age.

The Factor, “Inadequate provision for ventilation, light, air, sanitation or open spaces” has a “reasonable presence” due to age and materials of the private sewer and water lines. The field analysis also determined that the Factor, “Existence of Conditions Which Endanger Life or Property by Fire or Other Causes” is also reasonably present. The primary contributing elements include deteriorating buildings and the existence of masonry buildings containing combustible elements and



Decaying column bases and deteriorating steps



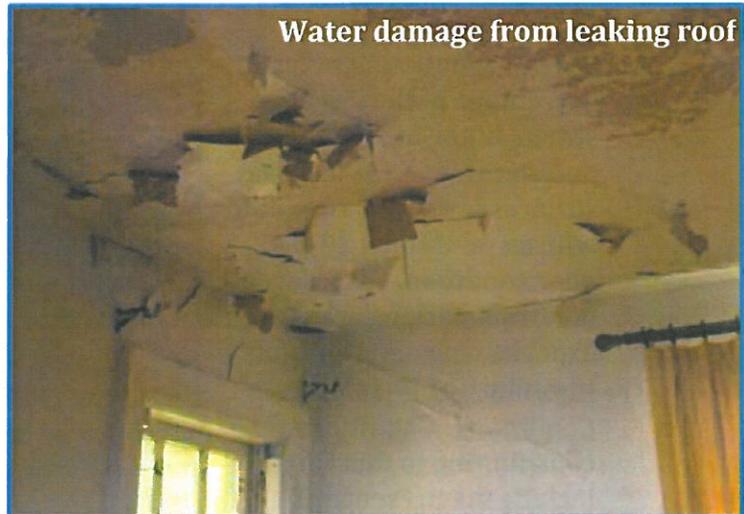
Outdated, deteriorated physical plant

fixtures. The age and condition of sewer and water lines also contribute to this finding.

Five of the 12 blight factors identified in Nebraska Community Development Law were present with a “strong presence” and reasonably distributed throughout the area:

- Deteriorated or Dilapidated Structures. A total of 13 structures, 65%, of the 20 structures on-site were documented as deteriorated.
- Deterioration of Site or Other Improvements. An estimated 87% of the private street surfaces are in either poor or fair condition. Three of the five existing parking areas are in fair condition and sidewalks are experiencing deterioration and generally in fair condition.
- Existence of conditions which endanger life or property by fire or other causes. Conditions associated with this factor include the existence of masonry buildings containing combustible elements and fixtures. In addition, portions of the area have private water mains that were constructed of obsolete materials, are over 85 years of age and are undersized by current engineering standards.
- Other environmental and blighting factors. Economic and functional obsolescence is a strong presence throughout the area. Deteriorated buildings with outmoded infrastructure contribute to this finding. In addition, several buildings, primarily garages and storage buildings, are too small and not adequate to support modern uses or needs of the Campus.
- Two of the required five additional blighting conditions: Based on the field analysis, 62.4% of the 63.5 acre Redevelopment Area has been within the Lincoln corporate limits and undeveloped since at least 1967. The average estimated age of all buildings in the area is approximately 66 years.

The blight factors determined to have a “reasonable presence” are:



- Defective or Inadequate Street Layout. A significant percentage of the private streets in the area are deteriorated: 61% of street surfaces are in fair condition with an additional 26% in poor condition. Also, several off-street parking areas are experiencing deterioration.



- Insanitary or Unsafe Conditions. Conditions contributing to this Factor include the presence of deteriorating buildings over 40 years of age and the age and condition of sewer and water mains.



- Existence of Conditions Which Endanger Life or Property by Fire or other Causes. The existence of masonry buildings containing combustible elements and fixtures contribute to this finding, along with the age, size and condition of private water mains.

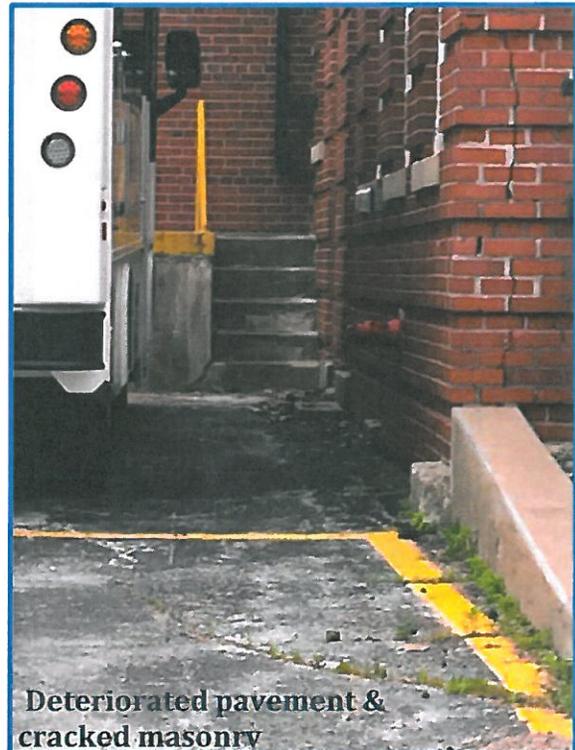
The consultant’s opinion is that the number, degree and distribution of blight and substandard factors, as identified in the study, are beyond remedy and control solely by regulatory processes in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided in the Nebraska Community Development Law. The consultant concluded that the findings of the *Blight and Substandard Determination Study* warrant designating the Redevelopment Area as “substandard” and “blighted.” The Lincoln City Council agreed and declared the area Blighted and Substandard on xxxx, 2015.

Identified Issues

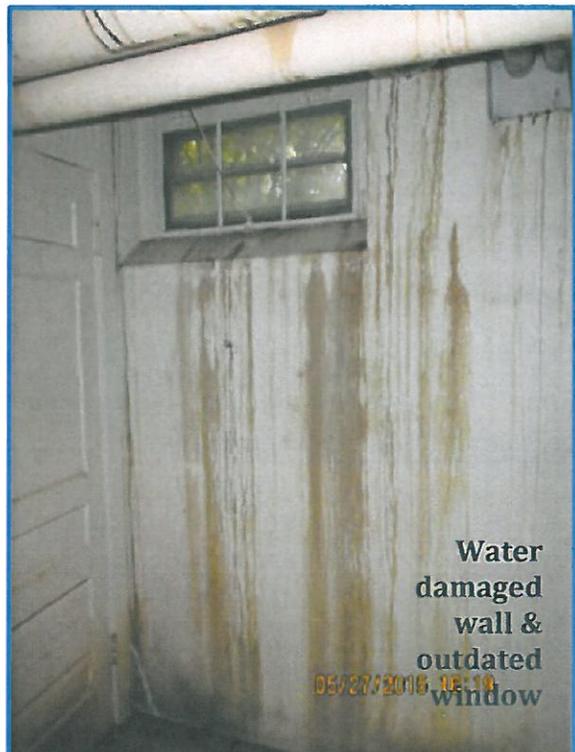
Based on the review of existing conditions, the following issues and concerns were identified and should be considered in conjunction with the Guiding Principles of this document (in the next section) to provide a framework for projects and project elements in the Redevelopment Area:

- The primary concern in the Redevelopment Area is the existing condition of buildings and associated property. 65% of the total 20 structures are deteriorating with major defects or dilapidated. Functional and economic obsolescence is apparent in several of the buildings including garages and storage buildings. Significant rehabilitation or demolition will be required.

- The site will need to be rezoned from P – Public when redevelopment occurs.
- Access to trails and the three closest City parks is limited due to distance and barriers created by 70th and O Streets; however, there is significant green space in the Redevelopment Area.
- Significant redevelopment will require construction of right turn lanes into the site.
- Existing parking lots are in fair condition and will likely require resurfacing.
- Existing private streets within the Redevelopment Area are generally in fair to poor condition. Repair and resurfacing will be necessary for redevelopment.
- Sidewalks are generally in fair condition; however, designated pedestrian crossings between parking lots and the primary buildings force pedestrians to walk within the streets. Deteriorated parking areas in the north and northwestern portions of the area create potentially hazardous situations for pedestrians utilizing these areas to access buildings within the Campus. Sidewalks are lacking in much of the area.
- Water, sanitary sewer and storm water mains and service lines are privately owned and maintained. These utility systems are approximately 85 years of age. Due to age and condition, these facilities will need to be replaced to support redevelopment.
- Downstream drainage systems will need to be evaluated and there will be a need for detention to bring the two, ten, and 100 year flow events to pre-development levels, at a minimum. An erosion and sediment control permit from both the City and the State will be required.



Deteriorated pavement & cracked masonry



Water damaged wall & outdated window

- Lincoln Electric System (LES) facilities are capable of providing permanent electric service should redevelopment occur; however, easements will be required for the installation of any new LES facilities.
- A Blight and Substandard Determination Study determined that Factors are present to warrant the blight and substandard designation. Issues include aging and deteriorated structures and infrastructure, and fair to poor street surfaces, parking lots, and sidewalks.



REDEVELOPMENT PLAN

LPlan 2040: Guiding Principles

LPlan 2040 is the Lincoln-Lancaster County 2040 Comprehensive Plan. **The Plan** embodies Lincoln and Lancaster County's shared vision for the future, to the year 2040. It outlines where, how and when the community intends to grow, how to preserve and enhance the things that make Lincoln special, and strategies for implementing the vision for how we will live, work, play and get around in the future.

The relevant principles listed below are taken directly from **LPlan 2040** and will be used as a guide for redevelopment activities in combination with the concerns identified in previous sections of the *VA Campus Redevelopment Plan*.

■ *Guiding Principles for Community Form – The Urban Environment*

- The community's present infrastructure investment should be maximized by planning for well-designed and appropriately-placed residential and commercial development in areas with available capacity. This can be accomplished in many ways including encouraging appropriate new development on unused land in existing neighborhoods, redevelopment of underperforming commercial areas into mixed use redevelopment areas that include residential, retail, office and entertainment uses, and encouraging a greater amount of commercial space per acre and more dwelling units per acre in new neighborhoods.
- Develop sustainable practices such as those for building and site design to maximize the preservation of our nonrenewable resources, including land and fossil fuels.
- Preservation and renewal of historic buildings, districts, and landscapes is encouraged. Development and redevelopment should respect historical patterns, precedents, and boundaries in towns, cities and existing neighborhoods.
- Natural and environmentally sensitive areas should be preserved within and between neighborhoods. Conservation areas and open lands should be used to define and connect different neighborhoods. The natural topography and features of the land should be preserved by new development to maintain the natural drainage ways and minimize land disturbance.
- Mixed use redevelopment, adaptive reuse, and well-designed and appropriately-placed infill development, including residential, commercial and retail uses, are encouraged. These uses may develop along transit routes, at major nodes, and near employment centers to provide residential opportunities for persons who do not want to or cannot drive an automobile.

■ *Business & Economy*

- Focus primarily on retention and expansion of existing businesses; attracting new business should also be encouraged.
- Promote and foster appropriate, balanced and focused future economic growth that maintains the quality of life of the community.

- Seek to efficiently utilize investments in existing and future public infrastructure to advance economy.
- Provide flexibility to the marketplace in siting future commercial and industrial locations.
- Strive for predictability for neighborhoods and developers.
- Encourage commercial areas and limited industrial areas to make available opportunities for individuals and/or organizations to raise and market local food.
- Encourage preservation or restoration of natural resources within or adjacent to commercial or industrial development.
- Encourage commercial centers to encompass a broad range of land uses with the integration of compatible land use types.

■ *Mixed-Use Redevelopment*

Mixed use redevelopment should:

- Target existing underdeveloped or redeveloping commercial and industrial areas in order to remove blighted conditions and more efficiently utilize existing infrastructure.
- Occur on sites supported by adequate road and utility capacity.
- Be located and designed in a manner compatible with existing or planned land uses.
- Preserve existing affordable housing and promote the creation of new affordable housing throughout the community.
- Provide a diversity of housing types and choices throughout each neighborhood for an increasingly diverse population.
- Encourage substantial connectivity and convenient access to neighborhood service (schools, parks, stores) from nearby residential areas.
- Create housing opportunities for residents with special needs throughout the city that are compatible with and integrated into residential neighborhoods.
- Incorporate and enhance street networks with multiple modes of transportation in order to maximize access and mobility options.
- Help to create neighborhoods that include homes, stores, workplaces, schools and places to recreate.
- Encourage residential mixed-use for identified corridors and redeveloping Regional, Community, Neighborhood, and Mixed-Use Office Centers identified as nodes.
- Mixed-use redevelopment nodes and corridors should strive to locate:
 - In areas where there is a predominance of commercial or industrial zoning and/or development, focusing on non-residential areas as opposed to existing neighborhoods.
 - In proximity to planned or existing neighborhoods and community services, to facilitate access to existing community services or to address a deficiency by providing services such as grocery stores, childcare centers, and restaurants.
 - Where there is existing potential for good access to transit, to enhance the public transit system by making it accessible to residents and to facilitate development of

neighborhood multimodal hubs where residents can drive, bike, or walk to a transit stop, go to work, and then shop for their daily needs before they return home.

- On at least one arterial street to help provide for traffic and utility capacity and access to transit.
- In areas appropriate for residential mixed use redevelopment, outside of areas identified as Industrial Centers and Highway Oriented Commercial Areas in LPlan 2040 to avoid conflicts with health and safety.
- In areas that minimize floodplain and other environmental impacts.

■ *Neighborhoods and Housing*

- Distribute and preserve affordable housing throughout the community to be near job opportunities and to provide housing choices within existing and developing neighborhoods.
- Make available a safe residential dwelling for all citizens.
- Provide a wide variety of housing types and choices for an increasingly diverse and aging population.
- Provide flexibility to the marketplace in siting future residential development locations.
- Preserve areas designated for multi-family and special needs housing in approved plans to support a distributed choice in affordable housing.
- Provide safe and decent affordable and special needs housing for low—and moderate-income households.

VA Campus Area Redevelopment Activities

- *Public Improvements*

1. No stand-alone public improvements are identified at this time.

- *Private Improvements*

1. *Victory Park*

The VA selected the Seniors Foundation in June 2011 to develop a mixed-use development at the Lincoln VA. This will be accomplished under an Extended Use Lease (EUL) project that envisions a mixed-use development and renovation enhancements to the existing campus. The VA will lease the entire campus, including numerous vacant buildings, to Seniors Foundation. The developer will be responsible for financing, designing, building, managing and maintaining the mixed-use development.

Overview

Victory Park is a proposed comprehensive planned redevelopment of the VA Campus into a vibrant community focused upon housing, medical care and services for seniors and veterans. When completed, the proposed development may be a national model serving two of the nation's fastest growing populations, senior citizens and veterans. Victory Park is intended to transform the campus into a new and exciting community while perpetuating the historical attributes of the campus.

Three Core Elements

Victory Park intends to focus on providing three core elements to a currently underserved group of senior citizens and veterans:

1. **Medical Care**-consistent with the campus' historical mission of providing high quality health care to the region's veterans, Victory Park's goal it to continue to provide a place for the delivery of medical care to seniors, veterans and the greater Lincoln community. The development plan optimizes this delivery system by leveraging the proximity to St. Elizabeth's Hospital and providing convenient access to the entire Lincoln region.
2. **Housing**-Victory Park is planned to provide over three hundred units of newly constructed housing specifically dedicated to seniors and veterans. The vision is to provide high quality, well maintained rental housing with immediate access to senior and veteran services and medical care.
3. **Senior Services**-the presence of Seniors Foundation and other senior citizen service providers is intended to create a holistic campus of living, learning and care experiences unique to Lincoln.

Proposed Phases

The Master Plan will be developed and redeveloped in phases over several years using the Planned Unit Development (PUD) concept. Exhibit 8 contains the proposed Master Plan. The proposed phases may develop in different order than shown below. A summary of the proposed phases are as follows:

Phase 1: Veterans Affairs Supportive Housing (VASH) - New Construction- approximately 70 units. 70 units of permanent supportive housing for veterans is proposed in a new four story building located in the southeastern corner of the campus. The VASH vouchers for this project have already been allocated by the Lincoln Housing Authority. Service based amenities are planned to be provided as part of this project (job training, life skills and addiction counseling).

Phase 2: Two (2) Medical Office Building(s) - New Construction- approximately 80,000 square feet. The proposed two two-story medical office buildings would comprise approximately 80,000 square feet of office space along with parking space for approximately 400 cars. The buildings would be situated on the southwest corner of the campus and located directly east of St. Elizabeth Hospital.

Phase 3: Senior Housing - New Construction - approximately 60 units. Sixty units of single story, four-plex design housing restricted to residents age 55+ is proposed to be located behind buildings 5, 6, 7 and 8 (refer to the Existing Campus Site Map, Exhibit 3).

Phase 4: Market Rate Apartments - New Construction - approximately 60 units. These 60 units are proposed to be market rate multifamily in a single three story building located directly

north of the VASH housing building. Veterans and seniors would be given a preference in renting these units.

Phase 5: Future Development - office, medical office, health, retail, and/or residential-New Construction- size to be determined. Although the ultimate use of the parcel on the northwest corner of the campus is yet to be determined, the potential project will build upon the core elements being provided by the Master Plan (Housing, Medical and Services) focused on seniors and veterans.

Phase 6: Rehab of Existing VA Hospital. The existing historic hospital comprising approximately 175,000 square feet would be repurposed to general office space for leasing to office users and for housing. A portion of the repurposed office space may be leased to senior citizen service providers.

Repurposed space could include space for locating service delivery centers for a variety of programs supporting veterans and senior citizens. Services could include health and wellness training and counseling, lifestyle resources, internet access and training, nutritional and exercise, behavioral health services, housing options, and service referral resources for veteran and senior citizens.

Additional office tenants would be pursued for placement in this space. Targeted tenants would likely include governmental and non-profit office users.

Residential Housing for Veterans and Seniors - Approximately 115 additional living units designed for independent living with easy access to onsite health and wellness services and convenient access to City public transportation. Housing would be targeted to veterans and seniors.

Phase 7: Rehab of Buildings 5 through 8 (refer to the Existing Campus Site Map, Exhibit 3) could be rehabilitated into offices for community, senior or veteran services, commercial or residential uses.

The above descriptions of the phases are projections and may vary based upon market conditions and needs of seniors and veterans. After Phase 1, the other phases may be implemented in any order.

The redevelopment proposes to utilize the 2 existing entrances off 70th street to serve the main campus. The main parade ground loop road will be connected to provide a loop between entrances and form the primary roadway on the campus. A network of private and/or public roadways is proposed to serve the new development areas. The roadways will maintain the curvilinear design. A third north access off 70th street specifically for access to the northern lot and combined to serve the private development to the north is also proposed.

Historic Parade Ground

The ellipse in front of the hospital extending to 70th Street will generally be maintained as “open space” as shown on the proposed Master Plan to protect the corridor view at the front of the historic hospital building. The Master Plan anticipates a modification to the loop driveway

bordering the historical parade grounds. This modification would soften the curvature of the driveway as it bends north in front of the main hospital making the driveway more aesthetic, efficient and consistent with City design standards. Such a modification would eliminate a portion of the existing south parking lot in front of the main hospital. Parking in front of the main hospital may be modified consistent with the driveway modifications and community parking standards and consistent with the overall development as shown in the Master Plan.

Public Improvements

Public improvements, in conjunction with the phases above, may include:

- Property acquisition
- Demolitions
- Environmental investigation and remediation
- Grading
- Site preparation
- Sanitary and storm sewer, and water mains.
- Streets and sidewalks
- Dry utilities (gas, electrical, fiber, telephone, cable)
- Public spaces
- Landscaping
- Lighting
- Energy management enhancement
- Façade enhancements
- replatting

Redevelopment of the site will require rezoning.

Exhibit 7: Proposed Master Plan



Estimated Expenditures

The preliminary estimate for public and private investment is approximately \$72 million. More detailed costs will be estimated when design is completed. Public improvements will be constructed using private sector funds and/or Tax Increment Financing (TIF) funds generated from private development. See Appendix A for a preliminary cost benefit analysis.

Future Land Use

Exhibit 8 shows the future land use for the area as proposed. Future land use is comprised of mixed-use housing, office, and commercial. The proposed Redevelopment Area activities will increase the overall density of the area with the construction of new multifamily housing and office buildings. Given the size of the area, however, the increased density will be easily accommodated.

Redevelopment Process

Public improvements and redevelopment activities may require construction easements; vacation of street and alley right-of-way; temporary and permanent relocation of businesses and residences; demolition; disposal/sale of property; site preparation (may include driveway easements; paving driveways, approaches and sidewalks outside property lines; relocation of overhead utility lines; and rerouting/upgrading of underground utilities as needed). The process for these activities includes the following:

- **Property Acquisition.** The City may acquire the necessary fees, easements, property and covenants through voluntary negotiations (See

Exhibit 8: Future Land Use



Land Acquisition Policy Statement, on file at the Urban Development Department and available on request).

- **Relocation.** Relocation may involve the temporary or permanent relocation of families, individuals, or businesses to complete redevelopment activities. Relocation will be completed according to local, state, and federal relocation regulations (see *Relocation Assistance*, on file at the Urban Development Department and available on request).
- **Demolition.** Demolition will include clearing sites on property proposed for public and private improvements; necessary capping, removal or replacing utilities; site preparation; securing insurance and bonds; and taking other necessary measures to protect citizens and surrounding properties. Measures to mitigate environmental findings may also be necessary if determined by site testing.
- **Disposal/Disposition.** Future sub-area projects may include the lease of land and buildings to private developers for redevelopment purposes. Developers will be selected in an equitable, open, and competitive proposal process according to City requirements.
- **Requests for Proposals.** Architects and engineers will follow the City's standard selection process for the design of public facilities and improvements. Primary contractors for public facilities and improvements will also be competitively selected.

Conformance with Comprehensive Plan

LPlan 2040, the Lincoln-Lancaster County Comprehensive Plan, adopted October, 2011, as amended, represents the local goals, objectives, and policies of the City of Lincoln. The ***VA Campus Redevelopment Plan*** was developed to be consistent with the ***LPlan 2040***.

Financing

The primary burden for revitalization of the Redevelopment Area must be on the private sector. The City must provide public services and public improvements and participate where necessary in the redevelopment process, but the needs of the area are beyond the City's capacity to do alone. Financing of proposed improvements will require participation by both the private and public sectors.

Sources of funding may include:

- Special Assessments – Business Improvement Districts
- Private Contributions
- Sale of Land (Proceeds from the sale of land acquired for redevelopment, as identified in the Redevelopment Plan, shall be reinvested in the Redevelopment Area)
- Municipal Infrastructure Redevelopment Fund (MURF)
- Community Development Block Grant Funds (CDBG)
- Home Investment Partnership Act (HOME)
- HUD Section 108 Loan Program
- Community Improvement (Tax Increment) Financing (Ad Valorem Tax)
- Capital Improvements Program Budget

- Federal and State Grants
- Interest Income
- Advance Land Acquisition Fund – property rights/easements, public facility site acquisition
- Impact Fees

Project activities will be undertaken subject to the limit and source of funding authorized and approved by the Mayor and City Council.

According to the Community Development Law, any ad valorem tax levied upon real property in the redevelopment project for the benefit of any public body shall be divided, for a period not to exceed 15 years after the effective date of such provision, by the governing body as follows:

That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and

That portion of the ad valorem tax on real property in the redevelopment project in such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of loan, of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, priority for financing or refinancing, in whole or in part, the redevelopment project.

When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and country treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies.

The effective date for the Community Improvement Financing for each Redevelopment Project shall be identified in the project redevelopment contract or in the resolution of the authority authorizing the issuance of bonds pursuant to Neb. Rev. Stat. Section 18-2124.

APPENDIX A: COST BENEFIT ANALYSIS

Nebraska Community Development Law (NE Res. Stat #18-2147) requires the completion of a cost benefit analysis for redevelopment projects. The City’s Law Department has interpreted the requirement to mean that the analysis must be completed in conjunction with the Redevelopment Plan. Since projects are not fully developed, the analysis will be cursory; however, more detailed analyses will be completed as projects develop and will be brought before the City Council in conjunction with redevelopment agreements when needed.

Victory Park Project

The Victory Park Project will redevelop approximately 58 acres into a mixed use center providing medical care, housing and services primarily for senior citizens and veterans.

The total cost of construction is estimated at approximately \$72 million.

As required by Nebraska Community Development Law (Neb. Rev. Stat. §18-2113), the City has analyzed the costs and benefits of the proposed Victory Park Project including:

Base Value	\$2,600,000
Estimated New Value	\$36,347,000
Increment Value	\$33,747,000
TIF Tax Generated	\$6,332,323

- ***Tax Revenues: Tax Increment Financing Analysis***

Upon completion of the Project, the assessed value of the property within the project area will increase by an estimated \$34,000,000 as a result of the private investment. This will result in an estimated annual increase of approximately \$674,940 in property tax collections that will be available for the construction of public improvements related to the project during the 15 year TIF period. The public investment of a projected \$6,332,323 in TIF funds will leverage \$66,095,000 in private sector financing, resulting in a private investment of more than \$10.43 for every City TIF dollar spent.

- ***Public Infrastructure and Community Public Service Needs Impacts***

It is not anticipated that the Project will have an adverse impact on existing public infrastructure. Tax Increment Financing toward the project may result in potential public infrastructure improvements including utilities, roadways, sidewalks, public spaces, landscaping and lighting.

It is not anticipated that the Project will have any adverse impact on City services, but will generate additional revenue providing support for those services. In addition, services provided on-site will increase the provision of services for senior citizens and veterans both on-site and in the community at large.

- ***Employment within the Project Area***

The Project will create approximately 500 to 600 new FTE jobs in Lincoln, including construction jobs. The Project will not have an adverse impact on employers and employees of

agencies or businesses locating or expanding within the boundaries of the redevelopment project.

- ***Employment in the City outside the Project Area***

Approximately 175,800 persons living in Lincoln were employed in March 2015, according to estimates by the U.S. Department of Labor, Bureau of Labor Statistics. The median household income in 2013 was \$52,381 according to the 2013 Census American Community Survey. The Project will have a positive impact on the overall employment in the City.

Other Impacts

This project has the potential to provide a significant economic impact for the city, to create construction and other job opportunities in the Lincoln area, preserve the historical context of the existing Lincoln VA campus, while providing needed living facilities and amenities for senior citizens and veterans. Creating housing and other uses on the campus enhances returns of existing community investment in utilities, streets, trails and other infrastructure in this area.

The economic impact of redeveloping the VA Campus was assessed in a 2012 study by the Bureau of Business Research, University of Nebraska-Lincoln. The study was completed while the proposed project was in the very early concept stage and assumed a higher level of development than is now deemed likely to occur. However, it does provide an indication of the potential economic impact of the redevelopment project. The impact was determined by analyzing the expenditures made during construction, ongoing operations of the redeveloped buildings and from visitors to the campus, should the new clinic be located at the site. The study methodology includes estimating the direct increase in spending and the multiplier effect at businesses throughout the city and county as the additional spending circulates within the local economy: for example, use of accounting services, legal services or supplies and through employees spending salaries on typical household expenditures.

The total economic impact during construction was found to be \$126.0 million, including labor earnings. Ongoing activities of the new buildings would have a yearly impact of \$65.66 million which includes \$33.7 million in labor income to support up to 604 jobs. Visitors to the VA clinic will contribute an annual economic impact of \$876,000. Average wages will likely be higher for employees working on the campus as many jobs will be related to the medical field which are generally higher paying. The study also estimates that property taxes will increase with the redevelopment to an estimated \$681,739 annually at full build-out. Again, these estimates are high due to assumptions of more development than is now planned, but it does demonstrate the potential for a significant economic impact for Lincoln.

In addition, the VA Campus development plan includes thoughtful reuse and continued maintenance of the iconic main hospital, its historic wings (Building 2 to the south and Building 4 to the north), and the residence row of Buildings 5 through 8, as well as the large green space of the front lawn. All of these features memorialize this nation's and this community's commitment to veterans of America's armed forces, as well as creating a distinctive and beautiful sense of place for neighbors, for passersby on South 70th Street, and for future users and residents of the campus.

The VA's obligation and the plan's commitment to following a Programmatic Agreement with the Advisory Council on Historic Preservation and the Nebraska State Historical Society will assure that both rehabilitation and maintenance will retain the essential character features of the buildings and the campus. Lincoln will also benefit by continued use of the materials and energy embedded in these historic buildings, by the skilled labor that will carry out the rehabilitation, and by avoiding the resources that would be consumed in demolishing and landfilling these substantial structures.

Another benefit to the project is the senior housing. Changing demographics demonstrate the need for senior housing. LPlan 2040, the Comprehensive Plan for the City and County, includes projections that help to illustrate the coming need for housing of various types for an aging population. Some key figures from LPlan 2040 projections include:

- In 2010, 15,639 persons were living in group quarters which include campus housing, prisons, and nursing homes. This population is estimated to increase to 19,039 persons in 2025 and 24,762 persons by 2040. City/County Planning Department staff estimate that the majority of the increase will be due to elderly housing/nursing homes.
- There were 19,032 households in 2010 headed by persons age 65 and over. In 2025, 35,873 households are projected, increasing to 46,696 by 2040.
- The total population over age 65 in 2010 was 31,371. The population is projected to increase to 57,005 in 2025 and 75,196 in 2040.

These increases in population clearly indicate the need for additional senior housing. It appears that the demand will nearly double, if not more than double, for various types of housing for the aging population over the next 25 years. Much of this will be supported in existing homes, modified existing homes, and newly built homes that are not necessarily age restricted, but built to accommodate an aging household.

Locating new senior housing and providing services at the project location is an additional benefit. In 1970, the highest percentage of people aged 65 and over (35%) lived predominantly in the core of the city. Since that time, the distribution has changed with the largest concentration of seniors, 48%, now living in the southeastern portion of the city. Providing additional housing choices, as well as services, at the Victory Park location is responsive to existing and projected population growth in the 65 and over demographic as well as geographic concentration.

The provision of housing for homeless veterans provides another benefit. The need for housing for low-income homeless veterans has been documented by Lincoln's Homeless Coalition. The Coalition conducts a Point-in-Time Count bi-annually to determine the number of homeless people in Lincoln. In January of 2015, 81 veterans were homeless in Lincoln: 12 were staying in emergency shelter, 65 in transitional housing, and four were unsheltered. Using these data, the U.S. Department of Housing and Urban Development (HUD) estimates the population of homeless veterans will increase to 401 by 2016 demonstrating the need for the new 70 unit VASH housing. The VASH program combines Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services.

In conclusion, the Victory Park project demonstrates a clear, positive benefit to the city of Lincoln, its seniors and veterans in all aspects: its positive economic and historic impacts, by

creating housing and providing services to seniors and veteran, all while using existing public infrastructure.