

66th and Highway 2 Commercial Center

Applicant	Location	Proposal
Tom Huston on behalf of Apple’s Way, L.L.C.	S. 60 th Street and south of Highway 2.	Change from Urban Residential to Commercial for approximately 39.13 acres.
<p>Recommendation: Denial This proposal for commercial use is contrary to the approved Southeast Lincoln/ Highway 2 Subarea Plan and will have a negative impact on nearby roads and the overall road network.</p>		

Status/Description

The applicant is proposing that the western 39 acres of the 62 acre site be designated for commercial land use. The remaining 23 acres are to retain the current residential designation. The applicant has submitted a plan that includes approximately 235,000 square feet of commercial floor, including a 138,000 square foot “big box” store.

Several applications to change the land use designation on this site have been presented over the last nine years and all have been denied for basically the same traffic impact and entry way appearance. The first comprehensive plan amendment was proposed in 1993, and included both Shopko and Menards as part of a 290,000 square foot commercial center. It was denied by the City Council in 1994. Several subsequent requests for the commercial designation were considered but rejected after the development of the 1994 Comprehensive Plan. The last request for the commercial designation was denied with the adoption of the Southeast Lincoln/Highway 2 Subarea Plan in March, 2001. This request was originally submitted in March, 2004, but was placed on pending at the request of the applicant to allow time to evaluate the traffic impacts and work with the Country Meadows neighborhood. The 2004 request has been modified by the applicant which is explained in the attached letter from Tom Huston.

Comprehensive Plan Implications

Page 11 of the Southeast Lincoln/Highway 2 Subarea Plan specifically notes that significant commercial development on this property could “impact Highway 2, the overall road network and adjacent residential properties.”

Another guiding principle of the subarea plan was to respect the character of the existing low density residential areas. This property was designated for urban residential uses, though, that did not mean the entire site would be appropriate for dense urban uses. The City approved R-1 Residential zoning on a small parcel adjacent to Country Meadows as an appropriate land use. The northwest corner of this site is designated as a potential site for “Special Residential”, which the Plan states includes “uses such as churches, domiciliary care facilities, retirement apartments, child care facilities, townhomes or other uses permitted by special

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permit... in more urban settings, which are further from existing single family residences, apartments may be also appropriate” (page 10 of Subarea Plan.).

A September, 2004 traffic study submitted by the applicant presented three development scenarios for the site. Scenario #1 assumed urban residential zoning with 248 single-family residences; Scenario #2 assumed R-3 zoning over 40 acres with 220 units and R-4 zoning over 22 acres with 308 units; and, Scenario #3 assumed 424,000 square feet of commercial and office floor area. Of the three scenarios, both #2 and #3 required a traffic signal at South 63rd Street and Highway 2, only #1 did not. Staff has supported development of the site in a manner consistent with the Comprehensive Plan. An application to change the zoning from AG to R-3 for the east half of the site (an area slightly larger than the proposed R-1) has been delayed at the Planning Commission for several months at the request of the applicant to allow them time to discuss the proposed development with the neighbors. Staff found the change of zone request in compliance with the Comprehensive Plan and is recommending approval.

The site plan accompanying the amendment provides a buffer of residential transition to the Country Meadows neighborhood. This proposal may provide an adequate buffer from the noise and light impacts of the project. However, the 235,000 square feet of commercial floor area will have an impact on the transportation network that the neighborhood depends on, and may also have an adverse impact on S. 66th Street through the neighborhood as well. The proposed plan shows a private roadway through the residential portion of the development with a connection to South 66th Street with a gate at the boundary between the R-1 and B-2. The gate is intended to restrict eastbound/southbound commercial traffic access to South 66th Street in an attempt to reduce the amount of traffic through Country Meadows to Pine Lake Road. However, the gate can be easily bypassed by executing two right-turns - one onto Highway 2 and then another onto South 66th Street. In reality, the gate will likely have a minimal impact upon the reduction of the number of vehicles using South 66th Street. The traffic generated by the proposed PUD as opposed to 250 residential units will result in several times more cars cutting through Country Meadows on South 66th Street. Additionally, the City has historically opposed gates such as the one proposed. Gates are contrary to the Comprehensive Plan which stresses connectivity between neighborhoods and increased accessibility between neighborhoods and adjacent commercial centers. The fact that the gate may inhibit public safety response is also a concern. Whether streets are in public rights-of-way or private roadways with public access easements, streets should remain open and unobstructed at all times.

A connection from this site to South 66th Street was anticipated with the Final Plat of Country Meadows 4th Addition. A portion of Outlot A in the plat was designated for right-of-way to allow the intersection with South 66th Street to be set back a safe distance from the Highway 2/South 66th Street intersection to allow for vehicle stacking. A second connection was also anticipated with the approval of original Country Meadows Addition. Outlot F was extended to the south edge of this tract to provide for a future street connection. However, this connection may no longer be feasible due to development constraints associated with Beal's Slough and potential wetlands.

To accommodate the commercial floor area proposed, the associated traffic study calls for specific off-site improvements in Highway 2. These improvements include an eastbound right-turn lane in Highway 2 at South 63rd Street, a traffic signal at the intersection of South 63rd Street and Highway 2, and a westbound left-turn lane in Highway 2 at South 63rd Street. Public Works and Utilities is opposed to a traffic signal at

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this location and have noted that the land use plan in the Comprehensive Plan designates this specific area as residential to reduce the need for a signal. This proposed commercial land use would significantly increase the number of vehicular trips generated, reduce the levels of service at nearby intersections, and encourage additional property owners along this corridor to make similar development requests.

The Comprehensive Plan (page F41) designates a Community Center in the vicinity of 56th and Highway 2. Community Centers are defined as centers with less than 1 million square feet of floor area. The 56th and Highway 2 commercial area actually contains approximately 1.5 million square feet of floor area and provides a wide variety of commercial services to this area of Lincoln. Adding another 235,000 square feet of floor area would further move this area into the Regional Center designation. The Plan states that Regional Centers should be spaced four to six miles apart. This intersection is within 2 miles of the regional centers at South 84th Street and Highway 2, and at South 27th Street and Pine Lake Road. There is considerable planned commercial floor area at South 84th Street and Highway 2 that has not yet been constructed at this time.

Staff has had several meetings over the last several months reviewing development scenarios for this site. For a time, the discussions had included a potential street connection from the south of the site over to South 56th Street to reduce the impact upon Highway 2. These discussions ceased November, 2004 after agreement could not be reached between staff and the developer. A letter from the Planning Director to the applicant's representative, Mark Hunzeker, summarizing the result of those meetings is attached.

Conclusion

It has been nearly twelve years since the first application requesting a commercial land use designation for this property. Since that time traffic on Highway 2, Old Cheney Road and South 56th Street has increased. As development in this area continues, projected traffic volumes on these roads are anticipated to increase, significantly impacting the functioning of the 56th - Old Cheney Road - Highway 2 intersections. One of the main reasons the original 290,000 SF Shopko proposal was denied was due to the significant traffic impact on the road network that the development represented. The residential land use designation was applied to this site (and subsequent attempts to change it have been defeated) primarily over concern for the traffic network in this area and the appearance of the entry way. The residential designation was intended to allow the site to be developed in a reasonable manner that would not significantly impact the traffic network and enhance the entry way.

Highway 2 will be at capacity in the future, even assuming that the South Beltway is open and a significant amount of through traffic uses the beltway. The traffic modeling done in 1993 and ever since that time have reinforced that additional commercial development near the intersection of Old Cheney Road, S. 56th and Highway 2 will have a negative impact. One of the main principles of the Southeast Lincoln/ Highway 2 Subarea Plan is to have "efficient use of the transportation network: land use decisions must consider the impacts on the transportation network." The traffic study submitted shows that additional improvements in Highway 2 will be required to support this development. These improvements will not increase the efficiency of the road network in the area, but will in fact contribute to increased delays and

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congestion in an area already near capacity. The traffic study also assumed that most of the commercial floor area will be used by a home improvement store, which is a relatively low traffic generator. Other permitted uses would further impact the road network. Approval of this request would be contrary to the goals of the Comprehensive Plan.

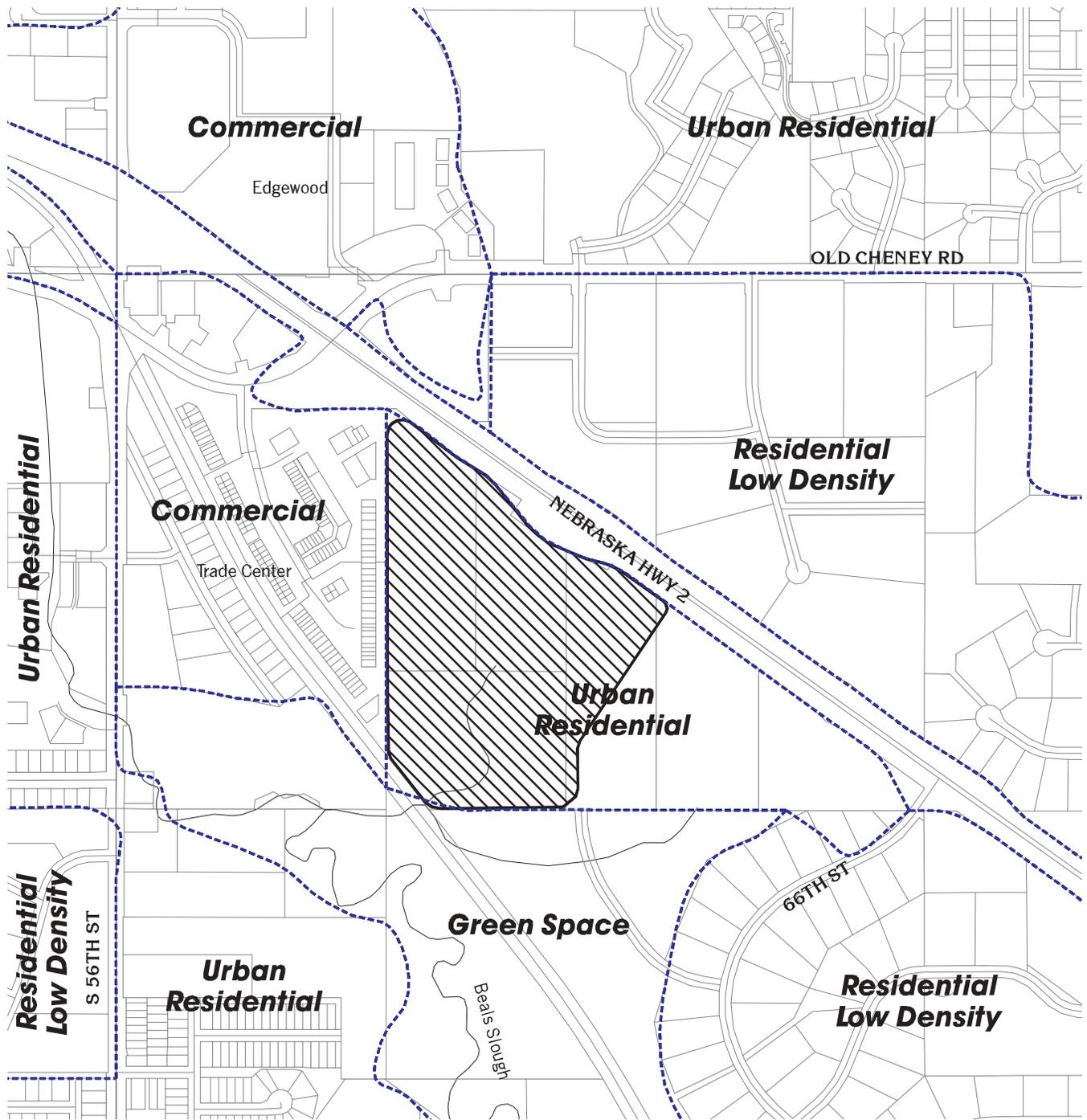
The public hearing on a request to rezone the approximate east one-half of the site from AG to R-3 has been delayed at the Planning Commission several times at the applicant's request. Staff found the request in compliance with the Comprehensive Plan and has recommended approval. Staff is also aware that there have been proposals for residential use of this land, however, interested buyers have stated that the property owner has refused to sell the land below commercial zoning value. This property is not zoned for commercial use and has never been approved or designated for commercial use. The property is zoned AGR Agricultural Residential. This property is suitable for urban residential uses at an overall density that will not require a new signal on Highway 2 and will minimize the number of vehicles that will use South 66th Street to and from Yankee Hill Road. Home builders are complaining about a shortage of residential lots. This site if allowed to develop residentially could provide additional residential lots. Due to the impact on the overall road network and nearby roadways, this property should remain for urban residential use and not commercial uses.

Prepared by:

Brian Will, 441-6362, bwill@lincoln.ne.gov
Planner

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March 29, 2005



S 60th & Highway 2

Proposed Comp. Plan Amendment 04010

- Future Service Limit
- - - - - Land Use Boundary
- Res** Land Use Category
-  From Urban Res to Commercial



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March 29, 2005

Teletcopy
441-6377

Mr. Brian Will
City of Lincoln
555 South 10th Street, Suite 213
Lincoln NE 68508

Re: Comprehensive Plan Amendment Application
Our File: MCB07-RE001

Dear Brian:

This firm represents UNO Properties, Inc., and Apple's Way, L.L.C. (collectively, the "Applicant") in this request for an amendment to the 2025 Comprehensive Plan and the Southeast Lincoln/Highway 2 Subarea Plan (the "Plans"). The Applicant owns the property located south of Highway 2, east of the Lincoln Trade Center and west of South 66th Street. In February of 2002, I had filed a Comprehensive Plan amendment on behalf of my client. The Planning Director agreed to hold the amendment in pending status as my client and I proceeded with resolution of neighborhood issues. I recently submitted a Change of Zone request seeking to change the zoning classification from AGR to PUD (R-1 and B-2). Thus, please accept this letter as a revised Comprehensive Plan Amendment.

In connection with Part 2 of the Application, I would provide the following description:

1. **Provide a detailed description and explanation of the proposed amendment. Include the Element (land use, transportation, etc.) to be amended. (Please attach map and legal description if proposal is for a specific tract of land.)**

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The Plans identify the subject property to be designated for "special residential" and "urban residential" uses. The Applicant requests that the Plans be amended to provide for the designation as commercial on the western portion of the site. The balance of the site is planned for urban residential development which is consistent with the Plan. The zoning map submitted in conjunction with the PUD draws a zoning line separating the uses and by reference is incorporated herein ("PUD Zoning Map"). The PUD Zoning Map can be referenced to determine the extend of this amendment request.

2. Describe how the proposal is currently addressed in the Comprehensive Plan.

As indicated above, the area is designated for special residential and urban residential uses. The only change sought is to designate the western portion adjacent to the Lincoln Trade Center as commercial rather than special residential, as such line is reflected on the PUD Zoning Map.

3. Describe the impacts (fiscal/CIP, environmental, phasing, etc.) caused the proposal, including the geographic area affected and the issues presented.

The Applicant does not envision any financial impact, at least adversely, to the City of Lincoln. The Applicant has funded a traffic study showing the effects to the traffic counts at the intersections of 56th and Old Cheney Road, 56th and Highway 2, and Old Cheney Road and Highway 2.

4. How would the proposed change comply with community vision statements, goals, principles, and policies of the Comprehensive Plan?

The vision for the Subarea Plan sets forth several objectives. The Applicant believes that the requested amendment is consistent with these objectives. These objectives are as follows:

- a. Land Use Transitions. One of the Subarea Plan's goals is to provide for effective land-use transition. The Subarea Plan recognizes that office uses, along with the appropriate buffer areas, should be developed as a

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transition to the adjacent residential area. The Applicant has had multiple meetings over the past three years with the adjoining neighborhood in Country Meadows to discuss a variety of land use options and transition and buffer amenities. The Applicant believes that the urban residential development planned for the eastern portion of the site provides an effective transition to the adjacent low-density residential development. Further, the subject property provides effective buffering opportunity due to the grade differential. The development plan envisions retaining the existing hill in the residential portion. The Applicant will be able to save and move the existing tree masses to provide additional buffering effects between the development and the adjacent Country Meadows neighborhood. Lastly, the separations from the adjacent residential uses provide the best buffering component.

- b. Transportation Network. The vision for the Subarea Plan further encourages the efficient use of the transportation network. As described above, the Applicant has funded a traffic study to determine the effect of the development. The off-site improvements recommended in the traffic study will help counter any adverse effect on base and future traffic counts. Further, the vision of the Subarea Plan promotes a desirable entryway into the City of Lincoln. The development of the subject property in accordance with the requested land uses provides ample opportunity to preserve an entry corridor separating the land uses from the entryway.

The Subarea Plan further addresses the following factors:

- a. Stormwater. Page 15 of the Subarea Plan describes floodplain and stormwater issues. The Applicant has had multiple meetings with representatives of the Public Works Department. Initially, the Applicant was

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encouraged to locate a regional detention cell on the southern portion of the subject property. Based upon the downstream flow objectives of the Beal Slough Master Plan, the Public Works Department determined that additional detention facilities would not have a positive impact on downstream flow targets. The Applicant plans to retain and possibly enhance the existing ponds in the residential portion.

- b. Public Utilities. Page 28 of the Subarea Plan describes the plan's vision for public utilities. All public utilities are available to the subject property. In fact, the sanitary sewer line that would serve this property is located directly adjacent to its southern border. The extension of the sanitary sewer line into this site will benefit the property located north of Highway 2.
- c. Transportation. Transportation issues within the subarea is discussed on page 35 of the Subarea Plan. The Applicant is aware of the need to make effective land use and transportation decisions in connection with the development of this property. It is envisioned that the Applicant would centrally locate the median break on Highway 2 to provide one entrance to the subject property. Further, the private road connecting through the property will also enable the adjacent Lincoln Trade Center to have alternative access to Highway 2, in addition to the land uses proposed for the subject property.

5. Is there public support for the proposed amendment (i.e., have you conducted community meetings)?

As mentioned, the Applicant has had multiple meetings with Country Meadows and the Lincoln Trade Center. As the land use options have become more refined over the last three years, a lot of the questions and concerns have been addressed. Most recently, the Applicant met with the Country Meadows

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Neighborhood Association on March 15, 2005. At that time, the Association voted that it was "not opposed" to the project. The Applicant will continue to work with the neighbors to address any additional concerns.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Thomas C. Huston
For the Firm

c: Apple's Way, L.L.C.
UNO Properties, Inc.
Tim Gergen



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December 15, 2004

COPY FOR YOUR INFORMATION

Mark Hunzeker
Attorney at Law
1045 Lincoln Mall, Suite 200
Lincoln, NE 68508

RE: Apple's Way Issues

Dear Mark:

This letter is in response to your request in behalf of your clients who own the Apple's Way property at Highway 2 and 66th Street. They are requesting an explanation as to why the City has terminated the discussions on their proposed development.

I have discussed your letter with Allan Abbott and the Mayor's office, because they have been kept informed of all the discussions and joined in the decision to end them. I think it would be most helpful for me to lay out the City's concerns by referring back to the chronology of our discussions since last spring.

Last April, your clients requested that the Comp Plan amendment to enable commercial development on this tract be placed on the Planning Commission's pending agenda. They were intending to undertake a traffic study, prepare a development plan, and work with the neighboring residents. We supported this request as a standard courtesy, and because we try to be open to considering new ideas. But that support for deferral should not have given your clients any assurance that the City would necessarily support a specific development proposal.

The traffic study was first submitted to City staff in June, but it did not include information on a critical question: what is the impact on Highway 2 traffic. The final, complete traffic study was not submitted until September 30. In a July meeting with you, however, I expressed my hesitancy in accepting the premise that, if the developers make turn lane and signal timing improvements to Highway 2 and the cross-streets, they should be allowed to use most or all the additional capacity for their proposed development. That may be an appropriate strategy in some other locations, but not on Highway 2, which presents some unique issues.

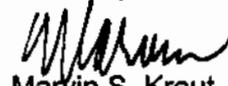
Highway 2 is designated in the Comprehensive Plan as a principal arterial. These roads are intended for carrying higher traffic volumes, at higher speeds, across the community. Highway 2 serves a special role for the south part of the city because it provides an option to driving on the numerous minor arterials that have only one through lane in each direction and are not proposed for widening. The section of Highway 2 south of 56th Street and Old Cheney Road is officially designated for "corridor preservation", which I think refers to preserving the traffic capacity as well as protecting the aesthetics of this entryway into the city. The Public Works Department is intending to undertake a corridor study that will identify potential improvements to Highway 2 and the intersecting streets which

Area Subarea Plan which is now an element of the Comprehensive Plan. It would encourage requests by other property owners along the highway corridor. The proposed new traffic signal on Highway 2 will delay Highway 2 traffic, however minor, allowing other property owners to claim that they also should be entitled to add in their own minor way to the delay. The incremental effect of numerous minor delays will become significant.

- 2) Park impact. The city park area would be bisected and altered by the proposed road connection. The damage to the value of the park, as well as the value of the land needed for right of way, is a significant factor. Loss of park land is always a sensitive issue in Lincoln.
- 3) Public benefit of proposed development. I believe we need to provide choice and convenient access to goods and services for Lincoln residents. But in this situation, with two new home improvement stores and a lumber store already available nearby, and land to accommodate another two million square feet of commercial floor area, it is difficult to place much weight on the proposed development filling unmet needs in the community.
- 4) Escalating improvement costs. As more information has become available, the estimated cost for all the needed "site-related" traffic improvements has climbed to nearly \$3 million, not including impact fees. It is difficult to see how your clients would be able to pay these costs with the reduced development program that we had previously discussed.

I can understand your clients' disappointment in our conclusion. But we should not be accused of bad faith. We kept an open mind and communicated our concerns as the discussions continued, and I think we owe it to your clients, who are rightly concerned about expenses, to let them know that we do not think further discussion or expense would be productive. If your clients have some new ideas for this property, more in keeping with the adopted Comprehensive Plan and the principles we discussed earlier, we would be glad to discuss this matter further.

Sincerely,



Marvin S. Krout
Director of Planning

i:\msk\Apple's Way letter

cc: Mayor Coleen Seng
Ann Harrell, Mayor's Office
Allan Abbott, Public Works & Utilities