

**LINCOLN/LANCASTER COUNTY PLANNING COMMISSION STAFF REPORT**

FROM THE LINCOLN/LANCASTER COUNTY PLANNING DEPARTMENT, 555 S. 10TH STREET, SUITE 213, LINCOLN, NE 68508

APPLICATION NUMBER Comprehensive Plan Conformance 18007 Raymond Brothers Redevelopment Project	FINAL ACTION? No	OWNER Curtis Kiner & Garland Eskey
PLANNING COMMISSION HEARING DATE March 28, 2018	RELATED APPLICATIONS None	PROPERTY ADDRESS/LOCATION 801 O Street

**RECOMMENDATION: IN CONFORMANCE WITH THE COMPREHENSIVE PLAN**

**BRIEF SUMMARY OF REQUEST**

This is an amendment to the Lincoln Center Redevelopment Plan that identifies the Raymond Brothers Redevelopment Project. The project is located at the southeast corner of O Street and S. 8<sup>th</sup> Street.

The Project area will include the project site and adjacent rights of way and will involve the development and rehabilitation of the existing four-story Raymond Brothers Building. Upon completion of the improvements, the building will include approximately 9,500 square feet of commercial uses on the first floor, and approximately 28,500 square feet of residential including 21 dwelling units proposed on the upper three floors.



**JUSTIFICATION FOR RECOMMENDATION**

The Project is justified as it involves the redevelopment of an existing building in Downtown Lincoln that will incorporate a vertical mix of land uses, including active commercial space and housing. The project proposes to restore or enhance many of the historic facade features of the building and will improve 8<sup>th</sup> Street and the entrance to the Historic Haymarket through streetscape enhancement.

**APPLICATION CONTACT**  
David Landis, (402)441-7126 or  
[dlandis@lincoln.ne.gov](mailto:dlandis@lincoln.ne.gov)

**STAFF CONTACT**  
George Wesselhoft, (402) 441-6366 or  
[gwesselhoft@lincoln.ne.gov](mailto:gwesselhoft@lincoln.ne.gov)

**COMPATIBILITY WITH THE COMPREHENSIVE PLAN**

The Project is consistent with goals in the Comprehensive Plan; specifically, mixed use, rehabilitation and renovation of existing buildings and expanded housing opportunities. The Project is also consistent with the South Haymarket Neighborhood Plan which is a subarea plan to LPlan 2040.

**COMPREHENSIVE PLAN SPECIFICATIONS:**

p. 1.9 The area is shown as Commercial on the Future Land Use map.

p. 2.8 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.

p. 2.8 Mixed use redevelopment, adaptive reuse, and well-designed and approximately-placed infill development, including residential, commercial and retail uses, are encouraged.

p. 5.1 Enhance Downtown’s role as the heart of the City. A strong downtown is important to the economic future of the community. Lincoln’s Downtown is unique in the community as the home of State government, the State Capitol Building, and the flagship campus of the University of Nebraska. Together with Antelope Valley, Haymarket and the surrounding neighborhoods, it forms a vital core for the City.

P. 6.3 Support development and implementation of the Downtown Master Plan, South Haymarket Neighborhood Plan and the Antelope Valley Redevelopment Plan.

**DOWNTOWN MASTER PLAN SPECIFICATIONS:**

p. 20 A Mix of Uses: The framework encourages mixed use development wherever feasible. Mixed-use buildings with housing on upper floors support the retail uses on their ground floors, and benefit from nearby transit services.

P. 26 of the Downtown Master Plan identifies 8<sup>th</sup> Street extending southward from the Harris Overpass as the emerging south Haymarket District.

P 31 The Housing Framework meets the current and future demands of downtown Lincoln. It brings economic vitality to downtown by fostering 24-hour activity and lively, vibrant streets. Urban dwellers financially help support downtown retail, restaurants and other services.

P. 31 Housing in downtown Lincoln - with its easy access to transit and a variety of other goods, services, and activities - is highly desirable to a new demographic....Key requirements for the Housing Framework including providing: A vertical mix - housing over retail and/or parking.

**LINCOLN CENTER REDEVELOPMENT PLAN SPECIFICATIONS:**

P III-8 Intensify and strengthen Lincoln’s central business district as a focal point for regional development;

P III-8 Provide for compact and interrelated development in order to increase the amount and variety of activity in the core while increasing pedestrian convenience and visual interest;

P III-8 Encourage rehabilitation/renovation of existing structures throughout the Community Redevelopment Area;

P III-9 Encourage the development of mixed use projects that attract and maintain commercial activity and residential developments in the Downtown and Haymarket areas;

P III-9 Encourage development that is consistent and complementary to existing land uses, architectural systems, and building materials found Downtown and in the Haymarket;

P III-9 Encourage expanded housing opportunities and types to foster 24-hour activity and a lively street;

P III-9 Encourage the development of a vibrant retail presence.

## ANALYSIS

1. This is an amendment to the Lincoln Center Redevelopment Plan that identifies the Raymond Brothers Redevelopment Project. The project is located at the southeast corner of O Street and S. 8<sup>th</sup> Street. The Project will involve the redevelopment and rehabilitation of the existing four-story Raymond Brothers Building which upon completion will include approximately 9,500 square feet of commercial uses on the first floor and approximately 28,500 square feet of residential including 21 dwelling units proposed on the upper three floors.
2. The Project Site is located in the B-4 Lincoln Center Business Zoning District which provides for the proposed uses and is designed to encourage the Downtown to remain the dominant multi-use center and key focal point of business, social, and cultural activity in the City of Lincoln.
3. Upon completion of the Project, the assessed value of the Project Site will increase by an estimated \$5.4 million as a result of the private investment for the Project. This will result in an increase in estimated annual property tax collections during the 15 year TIF period of approximately \$108,000 which will be available to finance the costs of construction of the public improvements related to the Project. The public investment will leverage approximately \$7.6 million in private sector financing. The project is expected to generate approximately \$900,000 to \$1 million in TIF revenue for the construction of public improvements and enhancements.
4. The TIF increment will be used to make improvements to the right-of-way, including street and streetscape improvements, among other potential public infrastructure improvements in the Lincoln Center Redevelopment Area.
5. The Project is consistent with the goals of the Downtown Master Plan which calls for mixed use development with housing over 1<sup>st</sup> floor active uses along with redevelopment of warehouse buildings.
6. The Project is consistent with goals in the Comprehensive Plan; specifically, mixed use, rehabilitation and renovation of existing buildings and expanded housing opportunities. The Project is also consistent with the South Haymarket Neighborhood Plan, a sub-area plan to LPlan 2040, including the preservation of historic buildings important to the character of South Haymarket, development of urban housing, and implementation of streetscape improvements on 8<sup>th</sup> Street.

**EXISTING ZONING:** B-4 Commercial

**EXISTING LAND USES:** Commercial

### **SURROUNDING LAND USE AND ZONING:**

North: Commercial; B-4 Lincoln Center Business District  
South: Parking Lot; B-4 Lincoln Center Business District  
East: Commercial; B-4 Lincoln Center Business District  
West: Light Industrial; B-4 Lincoln Center Business District

**APPROXIMATE LAND AREA:** 8,875 square feet

**LEGAL DESCRIPTION:** West ½ of Lot 10 and Lots 11 & 12, Block 53 Original Lincoln

Prepared by

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George Wesselhoft, Planner  
(402) 441-6366 or [gwesselhoft@lincoln.ne.gov](mailto:gwesselhoft@lincoln.ne.gov)

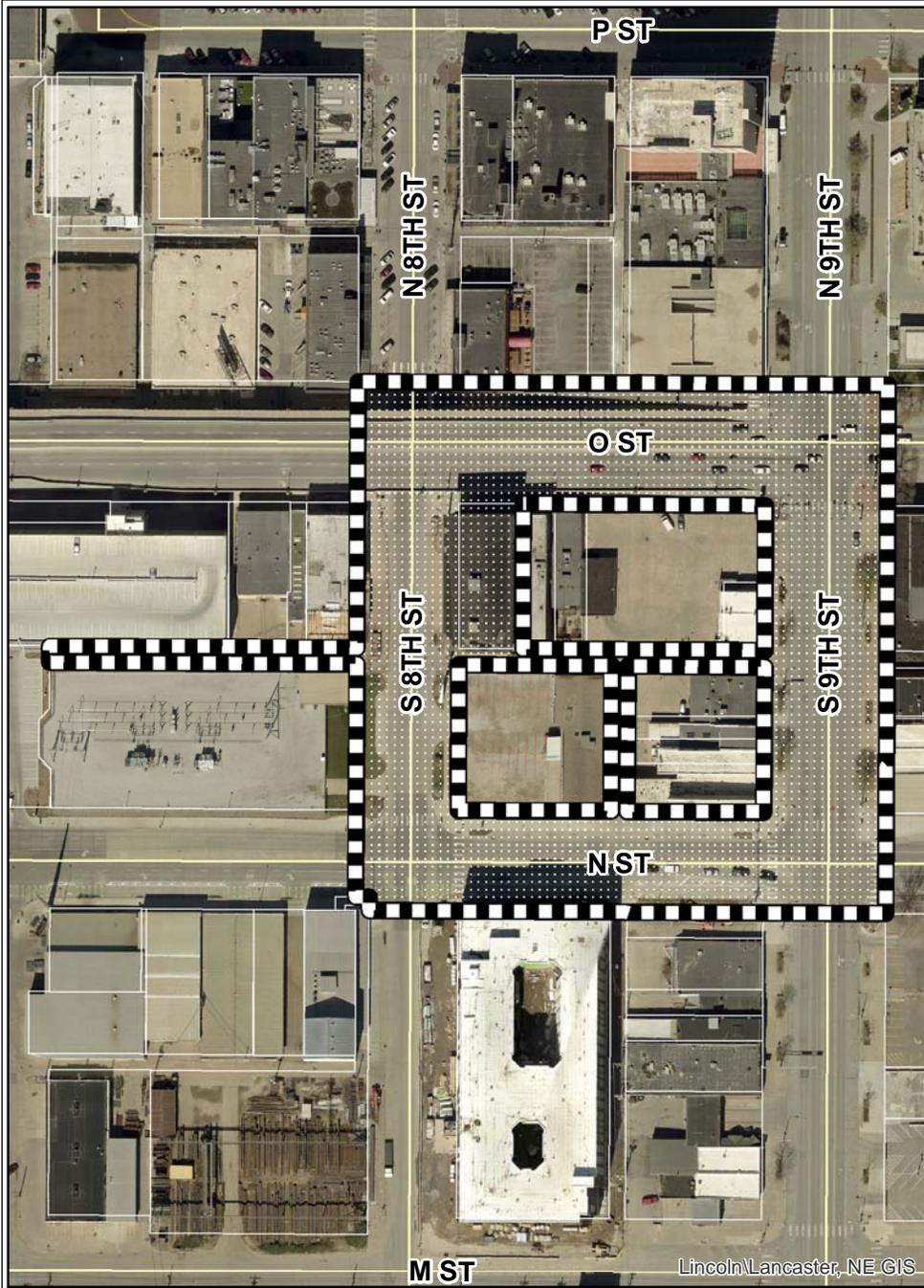
Date: March 15, 2018

Applicant: David Landis  
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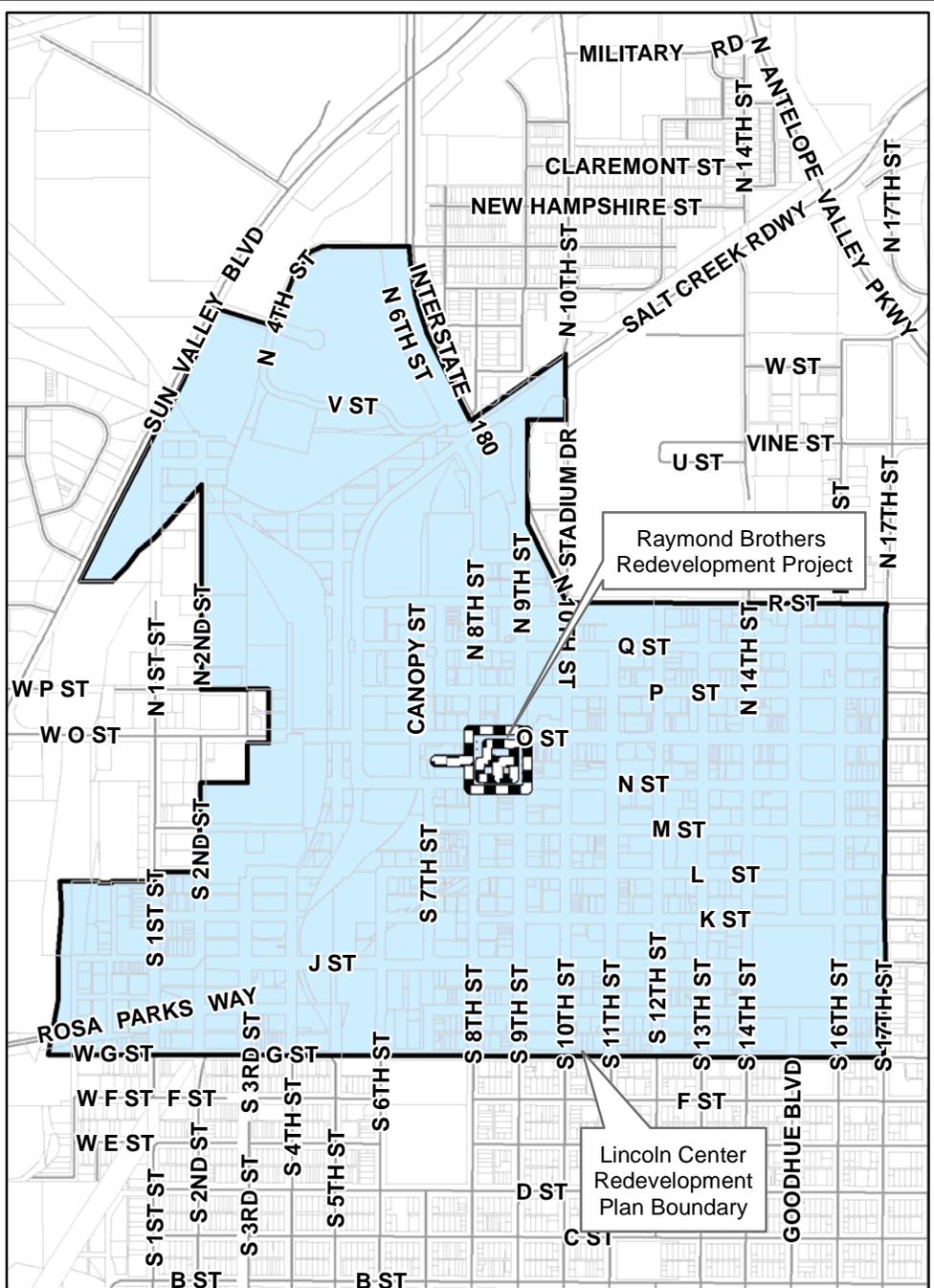
Contact: Hallie Salem  
555 South 10<sup>th</sup> Street, Suite 205  
Lincoln, NE 68508  
(402) 441-7866 or [hsalem@lincoln.ne.gov](mailto:hsalem@lincoln.ne.gov)

Owner: Curtis Kiner & Garland Eskey  
339 S. 7<sup>th</sup> Street  
Lincoln, NE 68501

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2016 aerial



m:\plan\arcview\CPCRedevlopmentAreaDrawings.mxd (CPC18007)

# Comprehensive Plan Conformance #18007

## Lincoln Center Redevelopment Plan Amendment Raymond Brothers Redevelopment Project



Urban Development Department  
555 South 10th Street Suite 205 Lincoln NE 68508  
402-441-7606 [lincoln.ne.gov](http://lincoln.ne.gov)

March 2, 2018

George Wesselhoft  
Planning Department  
City / County Building  
555 S 10th Street  
Lincoln, NE 68508

Dear George:

Please find the proposed Raymond Brothers Redevelopment Project application attached, which proposes to amend the Lincoln Center Redevelopment Plan to create a new project area.

Once submitted through Project Dox, please forward the proposed amendment to the Planning Commission for their consideration of its consistency with the Comprehensive Plan at the March 28, 2018 public hearing. We request that the amendment also be scheduled at City Council for introduction on April 16 and public hearing on April 23, 2018.

If you have any questions about the plan amendment or schedule, please contact me at 441.7866 or [hsalem@lincoln.ne.gov](mailto:hsalem@lincoln.ne.gov).

Best Regards,

A handwritten signature in black ink, appearing to read "Hallie Salem".

Hallie Salem  
Redevelopment Manager

# AMENDMENT TO THE LINCOLN CENTER REDEVELOPMENT PLAN

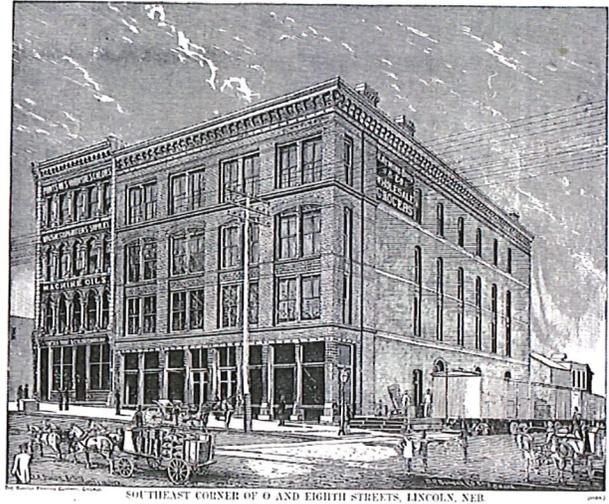
## AI. Raymond Brothers Redevelopment Project

### **Project Description**

The Raymond Brothers Redevelopment Project (the "Project") includes the redevelopment of the Raymond Brothers Building generally located at 801 O Street, and more particularly described as the West ½ of Lot 10, and Lots 11 and 12 on Block 53, City of Lincoln, Lancaster County, Nebraska (the "Project Site"). The Project Area will include the project site and adjacent rights of way. The Project Area is depicted on the Project Area Exhibit below.

The Project involves the redevelopment and rehabilitation of the existing four-story Raymond Brothers Building. Upon completion of improvements, the building is expected to include approximately 9,500 square feet of commercial uses on the first floor, and approximately 28,500 square feet of residential on the upper three floors.

The goals of the Project are to enhance Downtown Lincoln as the mixed-use center of the City of Lincoln and preserve the valuable historic character of existing buildings. The Project will accomplish these goals through redevelopment of an existing dilapidated structure incorporating a vertical mix of land uses, including active commercial space and housing units that will foster 24/7 activity. The project proposes to restore or enhance many of the favorable historic façade features of the building. The Project will further improve 8<sup>th</sup> Street through the enhancement of streetscape features and strengthen 8<sup>th</sup> Street as the entrance to the Historic Haymarket. Further, the Project will satisfy the objective of improving the vista coming into Downtown Lincoln along Harris Overpass.

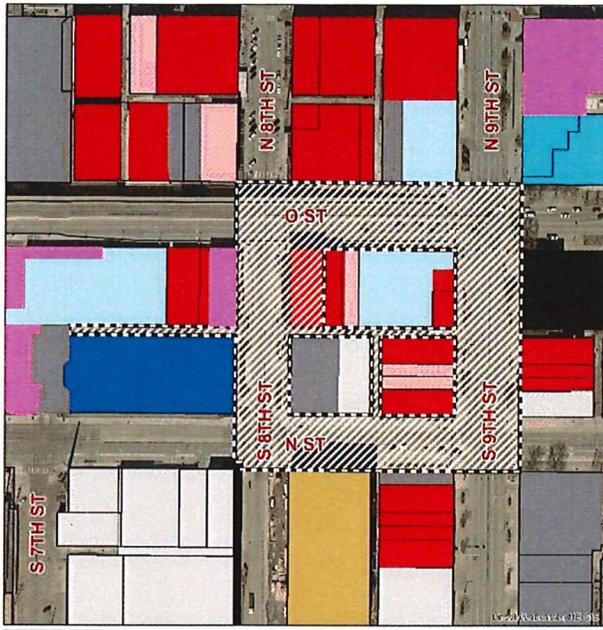


Raymond Brothers Redevelopment Project - Project Area

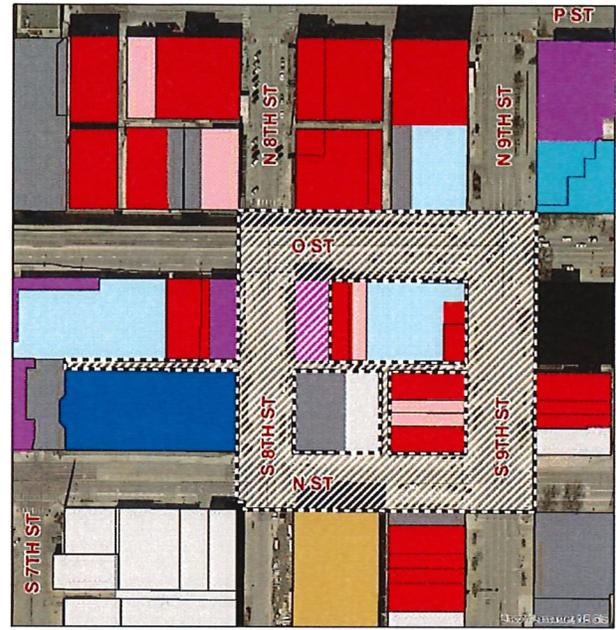
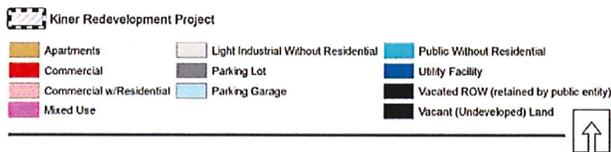
 Raymond Brothers Redevelopment Project



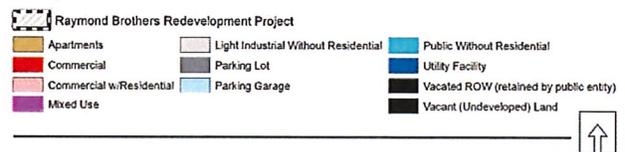
The mix of proposed uses would fit well with surrounding land uses, which are a mix of commercial and residential, as well as public and private parking. See the Current Land Use map and Future Land Use map below.



Raymond Brothers Redevelopment Project - Current Land Use

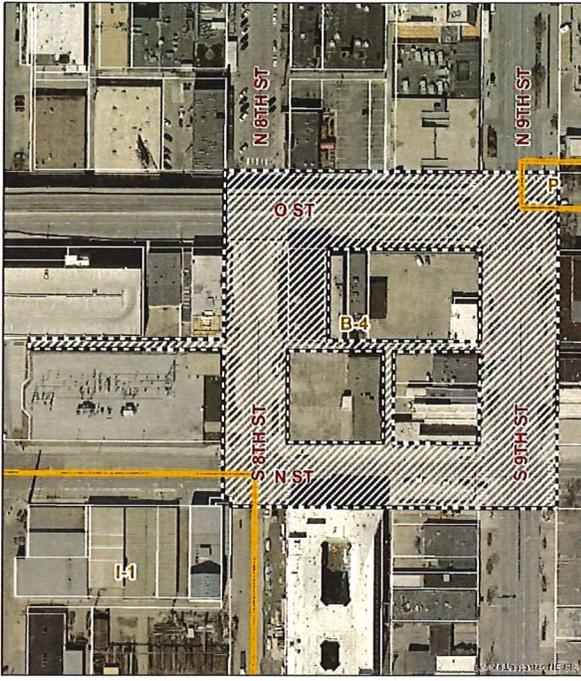


Raymond Brothers Redevelopment Project - Future Land Use



The Project Site is located in the “B-4” Lincoln Center Business zoning district. The B-4 District provides for the proposed uses, and is designed to encourage Downtown to remain the dominant multi-use center and key focal point of business, social, and cultural activity in the City of Lincoln. Industrial and Public Zoning Districts overlap the rights of way surrounding the project site. Existing zoning is shown below.

Section 18-2113, of the Community Development Law requires the City to review the project and find that the proposed land uses and building requirements in the Project Area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its environs, which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and general welfare, as well as efficiency and economy in the process of development. The Project is consistent with the LPlan 2040, the Lincoln-Lancaster County 2040 Comprehensive Plan. One of the overarching goals of LPlan 2040 is to promote downtown Lincoln as a vibrant mixed-use neighborhood, offering choices for residential lifestyles and daily needs commerce in a walkable environment.



Raymond Brothers Redevelopment Project - Zoning

 Raymond Brothers Redevelopment Project
  Zoning



The project is consistent with the South Haymarket Neighborhood Plan, a sub-area plan to LPlan 2040, including the preservation of historic buildings important to the character of South Haymarket, development of urban housing, and implementation of streetscape improvements on 8<sup>th</sup> Street. The Project is also consistent with the Lincoln Center Redevelopment Plan by providing a vertical mix of land uses including additional housing to foster 24/7 activity and lively, vibrant streets in the Lincoln Center Redevelopment Area. The goal of the project is to encourage street-level active spaces to enhance security and safety along a major corridor between South Haymarket and Historic Haymarket.

The Project is consistent with the 2005 Lincoln Downtown Master Plan, as well, which supports high-density housing in redevelopment warehouse buildings.

The Project represents a significant private investment in the Lincoln Center Redevelopment Area. Publicly funded

redevelopment activities may include: site acquisition, environmental remediation, streetscape and street improvements, alley improvements, utility improvements, energy efficiency enhancement, façade/historic building enhancements, and other public improvements and enhancements permitted under the Community Development Law in the Lincoln Center Redevelopment Area.

### Statutory Elements

**Property Acquisition, Demolition, and Disposal:** The City does not intend to acquire property, nor would the City use eminent domain if the City did acquire property for this project. The proposed redeveloper currently controls the Project Site through a contract with the owner. The building is vacant; therefore, there are no tenants on site needing relocation. Should relocation assistance be required, all relocation requirements will be followed, as outlined in the Lincoln Center Redevelopment Plan, and TIF funds will be used to relocate businesses.

**Population Density:** The Project consists of the construction of up to 20 residential units. As a result, the Project is anticipated to increase population density in the Lincoln Center Redevelopment Area, consistent with objectives of the Lincoln Downtown Master Plan.

**Land Coverage:** The Project is not expected to change land coverage on the Project Site, as it will make use of the existing building. Improvements may be made to the streetscape that include a dock and/or other related exterior amenities. The Project will comply with the applicable land-coverage ratios and zoning requirements of the City of Lincoln.

**Traffic Flow, Street Layouts, and Street Grades:** The Project is likely to increase traffic flow resulting from and increase in employees, residents, and customers of the commercial and residential space traveling to and from the Project Site. The developer may seek to make changes to the rights of way to accommodate access to the site. The Project does not include vacating any streets or alleys.

**Parking:** The redeveloper desires to use approximately 66 parking stalls from nearby private or public parking facilities. The existing configuration of on-street loading and parking around the site was constructed to support previous industrial uses. There is an expectation that right of way improvements will yield additional on-street parking.

**Zoning, Building Code, and Ordinances:** The Project is a permitted use in the B-4 District. No other subdivision or rezoning of the Project Site is expected to be required as part of the Project. The Development Services Center will work with the development to ensure that applicable building code requirements and ordinances will be satisfied.

### **Proposed Cost and Financing**

The estimated total cost to implement the Project is approximately \$8,600,000, which includes approximately \$900,000 to \$1 million in public financing. The project cost will be finalized as construction costs are determined. The source of the public funds for these improvements will be the tax increment generated from the private developments on the Project Site.

### **Cost Benefit Analysis**

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

#### **Tax Revenues**

At current estimates of a final assessed value of approximately \$5.6 million, the project is expected to generate approximately \$900,000 to \$1 million in TIF revenue for the construction of public improvements and enhancements related to the project.

Upon completion of the Project, the assessed value of the Project Site will increase by an estimated \$5.4 million as a result of the private investment for the Project. This will result in an increase in estimated annual property tax collections during the 15 year TIF period of approximately \$108,000 which will be available to finance the costs of construction of the public improvements related to the Project. The public investment will leverage approximately \$7.6 million in private sector financing. The TIF funds shall be subject to further adjustment as project costs are defined.

The City will forgo approximately 15.63 percent of these annual collections or approximately \$16,880 per year over 14 or more years to support the project. The tax increment gained from this redevelopment project area would not be available for use as City general tax revenues over that time, but be used toward bond repayment. After the 15 year period or the debt has been retired, the increase in annual taxes paid will be split among the taxing jurisdictions according to the tax levy shown below.

**Tax District 1, Property Tax Allocations  
as a Percentage of All Allocations, 2017**

<b>Description</b>	<b>Percentage</b>
Lancaster County	13.16
Public Building Commission	.84
City of Lincoln	15.63
Lincoln Public Schools	61.18
Educational Service Unit 18	.74
Lower Platte South NRD	1.58
Railroad Trans. Safety District	1.10
Southeast Community College	4.48
LC Agricultural Society	.07
LC Agricultural Society JPA	.14
Lanc Co Correctional Facility JPA-Co	.39
Lanc Co Correctional Facility JPA-Linc	.69

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

The Project will have a positive impact on existing public infrastructure. TIF increment will be used to make improvements to rights-of-way, including street and streetscape improvements, among other potential public infrastructure improvements in the Lincoln Center Redevelopment Area. It is not anticipated that the Project will have an adverse impact on City services, but instead will generate additional revenue providing support for those services.

***Employment within the Project Area***

It is anticipated that the Project will generate additional employment within the Project Area boundaries, with employment on the first floor commercial level and management and maintenance of the housing units. Current estimates for new employment in the Project Area is 36 FTEs. Further, the Project will create expanded housing opportunities for employers and employees of firms locating on the within the Lincoln Center Redevelopment Area.

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

Approximately 139,267 persons were employed in 8,759 total establishments in the City of Lincoln, Metropolitan Statistical Area, according to the 2015 Census, County Business Patterns, North American Industry Classification System. The 2015 median household income for Lancaster County was \$51,830, according to the 2011 - 2015 American Community Survey 5-Year estimates.

While the impact of this Project on city-wide employment would be minimal, housing would support commercial employment, as well as the provision of employment-supportive services in the Downtown and City-wide.

The Project is not expected to adversely affect employment in the City outside the Lincoln Center Redevelopment Area. Instead, the removal of blight and substandard conditions from the Project Site and the Lincoln Center Redevelopment Area is anticipated to enhance the aesthetics of

downtown Lincoln and Historic Haymarket. As a result, it is anticipated that the Project will support current retail and services in the area, which will support jobs in the Lincoln Center Redevelopment Area and the City of Lincoln as a whole.

### ***Other Impacts***

The Project supports the intent of the 2005 Downtown Lincoln Master Plan, which calls for an increase in high-density, mixed-use and residential development and active first-floor uses.

While the use of tax increment financing will defer the majority of the incremental ad valorem real property taxes generated by the Project for up to 15 years, there will be additional revenue generated by the Project from, for example, sales taxes generated by the commercial and residential tenants of the Project, as well as income taxes paid by those working in the project area. Upon completion of the 15-year TIF period, the Project will benefit the community through higher property tax revenue.

### ***Finding of Need for TIF***

Section 18-2116 of the Community Development Law requires the City Council to make the following findings before authorizing the use of Community Development Financing:

- the redevelopment project and plan as proposed would not be economically feasible without the use of Tax Increment Financing; and,
- the redevelopment project as proposed would not occur in the Community Development area without the use of Tax Increment Financing.

The Urban Development Department believes that the private and public improvements proposed in this plan amendment would not occur “but for” the utilization of tax increment financing in the Lincoln Center Redevelopment Area. It would not be economically feasible for the redeveloper to construct the Project improvements without tax increment financing because the existing site conditions constitute a barrier to development that cannot be adequately remedied without the use of tax increment financing.

### **Project Schedule and Implementation**

Following the approval of the Plan Amendment, the following steps will occur in the implementation of the project:

- The City will negotiate redevelopment agreement with the developers and submit to City Council for approval.
- Following agreement approval, the City may issue and sell Community Improvement Financing bonds or notes to fund the public improvements related to the project.
- Construction drawings of public and private improvements will be reviewed.
- TIF-funded public improvements will be competitively bid, as needed and required by the Purchasing Department.
- The private and public improvements and enhancements will be constructed.
- Reimbursement for eligible public improvements and enhancements will occur when invoices have been approved and increment is received.