Invitation for Redevelopment Proposals

Lumberworks Garage Liner Buildings
Downtown Lincoln, Nebraska

October 16, 2015
City of Lincoln
Urban Development Department
Lumberworks Garage Liner Building Project

INVITATION FOR REDEVELOPMENT PROPOSALS

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I. INTRODUCTION

The Urban Development Department of the City of Lincoln, serving as the City’s Community Redevelopment Authority and pursuant to State Community Development Law, Chapter 18, Article 21 of Nebraska Revised Statutes, is seeking redevelopment proposals to redevelop the Lumberworks Garage Liner Building Site adjacent to the Lumberworks garage between 8th and Canopy Street, south of O Street in Downtown Lincoln. Interested developers or development teams are encouraged to submit proposals for the redevelopment of the liner building(s).

In January 2014, the City opened the 470 stall Lumberworks Parking Garage at Canopy & O Streets. The five story garage was built to accommodate liner buildings on its west and north sides.

This IFRP is the newest opportunity for redevelopment in the Haymarket. The 16,000 seat Pinnacle Bank Arena at Canopy & R Streets opened in 2013 just three blocks north of this site.
Background

Lincoln is a city of 268,738 residents, an increase of over 14 percent from 2000. The city has generally enjoyed a steady annual growth rate of over one percent for the past 20 years.

The city is located on Interstate 80, midway between Denver and Chicago. (See Figure A.)

The City of Lincoln has received a variety of national accolades recently, including:

- #6 in “Best Places for Business and Careers,” from Forbes, 2014
- #8 on the list of Ten Most Affordable Big Cities in the U.S., from Kiplinger, 2014.
- #3 on list of Best Cities for Young Entrepreneurs, NerdWallet.com, 2014
- #6 on list of Cities with fewest fatal alcohol-related car crashes per capita, Nerdwallet.com, 2014
- 10th best place for freelancers, Nerdwallet.com, 2014
- #9 best places for renters, Nerdwallet.com, 2013
- #8 in Top 10 Cities for Affordable Health Care, Livability.com, 2014
- #37 in Top 100 Best Places to Live, Livability.com, 2014 ($81 in 2013)
- #7 in list of Top 10 DOWNTOWNS (among cities with populations between 100,000 and 300,000), Livability.com, 2012
- 7th best small metro area for college students, American Institute for Economic Research
- One of 8 Great Places You’ve (Maybe) Never Heard Of List, Mother Earth News, 2014
- Five great, lesser-known places to retire, USA Today, 2014
- One of the best College town in the U.S. for investing in real estate, #9 on list of best places to buy student real estate, #3 on list of best places to flip real estate, RealtyTrac website, 2014
- Top Ten “Good Place to Start Over”, MyLife, social media website, 2014
- Lincoln Electric System rates average 13th lowest among 106 cities surveyed, 2014
- #4 in “Best Run Cities in America”, 24/7 Wall Street, 2012
- #4 in list of “Cities Where Everyone Has a Job”, 24/7 Wall Street, 2012
- #5 in Top Ten Best U.S. Cities for Raising a Family, 24/7 Wall Street
- #7 on list of Most Beautiful and Underrated Cities and Towns, Escapehere.com, 2014
- Pinnacle Bank Arena named Best Arena in College Basketball, Athletic Business, 2014
- #15 on Modern Healthcare’s 2014 best places to work list, Talen Plus
- Third best small city (population 250,000-1 million) in which to start a business, CreditDonkey, 2013
- #6 in list of top small metro areas College Destination Index, American Institute for Economic Research, (2013 and 2012)
- Walk Friendly Communities, Honorable Mention 2012
Lincoln’s Downtown is a thriving, mixed-use district with approximately 27,000 employees and two million visitors annually. The site is adjacent to Downtown Lincoln’s premier destination district, the Historic Haymarket, which borders Downtown to the west. Downtown’s southern boundary includes the architecturally significant State Capitol building, as well as other state and local government campuses. To the east of Downtown is a major $200 million urban revitalization project, the Antelope Valley Project, which has expanded the boundaries of Downtown. The University of Nebraska-Lincoln Campus forms the northern boundary of the area. Many University facilities, including Memorial Stadium, Haymarket Park, the Lied Center for Performing Arts, Love Library, Sheldon Memorial Art Gallery, Wick Alumni Center, numerous dormitories and student housing units, and teaching and research facilities are located within a few blocks of the project site. The site is close to offices, retail shops and restaurants, hotels, and tourist attractions. See Figure B.
The 16,000 seat Pinnacle Bank Arena opened at Canopy & R Streets in 2013. Other recently completed private reinvestment in Downtown Lincoln totals over $300 million. Included in this total are a 250-room Embassy Suites Hotel opened in 2000; the Lincoln Children’s Museum opened in 2001; the Grand Theater, a 14-screen movie complex opened in 2004; the Assurity Office Building in 2011; the Larson Building mixed use project in 2012; the Marriot Courtyard hotel, the Hilton Garden Inn, the Railyard Entertainment District and Canopy Lofts apartments all opened in 2013 in Haymarket. Furthermore, the Hyatt Place hotel, Hobson Place Condominiums opened in the West Haymarket in 2013 with Arena lofts – which was part of the Tool House mixed-use project – opened in 2015. Additional, residential and retail development will continue to open through 2015 and into 2016. Next, several public investments have been completed/or are near completion. They include; a community art piece and gathering destination titled Tower Square at 13th & P St, the reconstruction of the supporting P St streetscape between 11th St and Centennial Mall and the substantial rehabilitation of the Centennial Mall from K to R St. Lastly recent planning efforts that emphasize urban residential have been ongoing in the ‘South Haymarket’ area.

The West Haymarket Arena project is the largest public investment ever in Downtown Lincoln, which will be met with significant private investment as well. While the City saw a brief hiatus from the financing of private projects in 2008 and 2009, the City has since rebounded dramatically. From 2000 to 2015, the City is expecting to benefit from over $1 billion in public and private investment in the Downtown area alone, and we expect the Lumberworks Liner Building project to be part of that total.

Recent Planning / Market Studies
In September 2005, the City of Lincoln adopted a Downtown Master Plan. This was the first comprehensive planning process undertaken in Downtown Lincoln since 1975 and establishes a blueprint for the development of Downtown Lincoln for the next 20 years. The Master Plan identifies South Haymarket as a future area for substantial reinvestment, including the extension of infrastructure to support the Pinnacle Bank Arena and West Haymarket Redevelopment Project. This Master Plan can be found on the City web site at www.lincoln.ne.gov/city/plan/dt_plan/report/index.htm.

In conjunction with the Downtown Master Plan, Economics Research Associates conducted a long term market analysis for the next 20 years of Downtown Lincoln’s growth. The report projected a demand for more than 2,200,000 square feet of office space, 600,000 square feet of retail space, 1,000 new hotel rooms, and 2,000 new residential units in the Downtown area by 2020. ERA’s Market analysis can be found at www.lincoln.ne.gov/city/plan/dt_plan/mtg/101304/era.pdf.

In 2011, the City of Lincoln began a process to update the Downtown Master Plan, including a review of traffic and streetscape connections on N Street from South Haymarket to Antelope Valley. This update was adopted in June of 2012. It lead to the development of a protected two lane cycle track through the core of downtown. It connects two major trail systems and makes downtown easily accessible via many transportation modes. It is scheduled to be completed in spring of 2016.
II. DESCRIPTION OF SITE

The Lumberworks Garage Liner Building will be located adjacent to the west and north sides of the Lumberworks Garage at Canopy & O Streets. See Figure C.

Current Building and Site Data

The Lumberworks Garage Liner Buildings is divided into four areas; Areas 1 and 2 on the West/Canopy Street side of the garage, Area 3 along the north side of the garage and Area 4 located directly to the south of the Lumberworks Garage. It is used as surface parking and provides vehicular access into and out of the garage. The City will consider allowing this developer to use the air rights above the parking as part of the Liner Building Development. Area 1 is generally 148 feet by 70 feet for a footprint of 10,253 square feet. Area 2 is generally 110 feet by 50 feet for a footprint of 5,594 square feet. The north liner building, Area 3, is generally 21 feet by 85 feet with a footprint of 1,767 square feet. Area 4 is approximately 63 feet by 158 feet with an additional 33 feet by 27 feet area above a transformer as shown on Figure C as Area 4 for an air right area of 10,770 square feet. The total footprint area is 28,385 square feet. The Lincoln zoning code permits 75 feet of height at this location “by right”, and also provides an opportunity, on a case by case basis, to request additional height through section 27.63.250”special permit for a permitted use to exceed the height in the district.” See Figure C for a general preliminary site plan & Figure D for a preliminary 3D/Max build out elevation.

The site is adjacent to west and north side of the 470 stall Lumberworks Parking Garage.

Zoning and Design Standards

The development site is located within the “B-4” (Lincoln Center Business District) zoning area. This portion of the B-4 district has a maximum height requirement of 75 feet. Development proposals are encouraged to maximize the development potential of the site up to the maximum height permitted by zoning. If a developer wishes to exceed the height limit the developer can request a special permit to exceed the 75 foot height limit. That request for special permit will be evaluated based on the overall merits of the development and the impact on the surrounding area.

The project is adjacent to the Historic Haymarket District. The Historic Preservation Commission is the advisory body to the Mayor for development at this site.

The project is subject to Downtown Design Standards. Additional requirements that specifically impact any new construction are:

- Durable, high quality building materials are encouraged. (brick, stone, glass)
- Overall compatibility with surrounding buildings and interrelationships within each setting is encouraged. Factors to consider in the compatibility of design include: alignment, setback, spaces between buildings, massing and scale, shade and shadow patterns, scale and proportion of openings
for doors and windows, ornamentation and detail, cornice heights, landscaping, etc.

- Incorporate streetscape elements adjacent to the site (sidewalks, curbs, street trees, street furniture, lighting, etc.)
- Create an urban environment by bringing the buildings close to the property lines.
- The canopy feature is a required element of the streetscape.

The zoning in this general area encourages “build to” development where the entire development is built out to the property line.

The City requires that the District Energy Corporation will supply heating and cooling to development on this site. Development proposals must indicate that the development on this site will utilize the heating and cooling as provided by the District Energy Corporation. Failure to acknowledge this in the proposal will result in disqualification from consideration by the City.

The West Haymarket Joint Public Agency financed the construction of a District Energy Plant to serve the needs of customers in the West Haymarket. The plant uses high-efficiency equipment to provide heating, cooling, and domestic hot water heating capacity and currently serves approximately 850,000 square feet of space of development, including the Pinnacle Bank Arena, Rail Yard, Canopy Lofts, Hyatt Place, and the Olsson Associates Headquarters. Primary advantages of connecting to the District Energy Plant include affordable energy rates, high-reliability, redundant equipment, advanced control systems, and a professional management team with extensive District Energy Plant experience.

As a prerequisite of IFRP submittal process, the City of Lincoln will require this redevelopment project to connect to the West Haymarket District Energy Plant. Heating and cooling service is provided by a four-pipe distribution network in close proximity to this site. Details relating to energy rates, service level agreement(s), and how to coordinate the installation of service are available from the City of Lincoln and District Energy Corporation. Figure E depicts the District Energy Plant. City of Lincoln Downtown Design Standards can be found on the City’s website at http://lincoln.ne.gov/city/attorn/designs/ds376.pdf

III. PROJECT OBJECTIVES

The redevelopment of the site should:

- Be compatible with the Lumberworks Garage. Stair towers and elevators that serve the garage and the anticipated liner building have been built with the garage.
- Provide active street-level uses, including first floor commercial retail.
- Enhance Downtown and the Historic Haymarket District through compatible design and uses.
- Strengthen Downtown as the Residential / Employment / Entertainment / Cultural District of the City.
- Meet the intent of the Lincoln Center Redevelopment Plan and Downtown Master Plan.
The Downtown Master Plan and the Lincoln Center Redevelopment Plan serve as guides for the redevelopment of Downtown. These documents may be found at www.lincoln.ne.gov/city/plan/dt_plan/report/index.htm and http://lincoln.ne.gov/city/urban/reports/Lincoln-center.htm respectively.

The project must be consistent with these two plans.

The Lumberworks Garage Liner Building Project is expected to be a catalyst for reinvestment in the surrounding area. The Lumberworks Garage Liner Building Project is important in its relationship between North Haymarket and South Haymarket.

IV. SUBMITTAL REQUIREMENTS

Each developer submitting a proposal for the Lumberworks Garage Liner Building Site must submit documentation as identified in the following material. Developers can submit for either or both of the north and west liner building sites. The documentation submitted will be used to evaluate proposals and select the preferred developer(s) with whom the City intends to negotiate a land lease or purchase and negotiate a redevelopment agreement. The documentation should be at a level of detail that provides an opportunity for an accurate evaluation of the proposal.

In assembling the required documentation, reference should be made to the criteria that will be used in the selection process. Those criteria are outlined in Section VI in this IFRP. The selected developer(s) will be required to provide more detailed information during the negotiation process.

A. THE DEVELOPER / DEVELOPMENT TEAM

The developer will be the one with whom the City will negotiate the sale of the land and the redevelopment agreement. The development team may include the developer, architecture firm, engineering firm, financial institution and/or funding entities, etc. The more defined the developer and the development team is before the submittal of the proposal, the greater the City’s ability to understand with whom we will negotiate and from whom we will request information.

Identify the developer(s), including all members of a team or teams of developers, role, and background experience of members, including identification of comparable successful projects completed by team members.

B. PROJECT PLANS

- Identification of the intended use of the proposed liner building(s).
- Quantification of uses (e.g., number of square feet of commercial space, number and size of residential units).
- Narrative description of design proposed and the manner in which the objectives of the IFRP and the design guidelines identified in the Downtown
Design Standards, Historic Preservation Standards, and Downtown Master Plan will be addressed.

- Preliminary schematic designs of the project, including site plans.

All proposals are subject to the Lincoln/Lancaster County Comprehensive Plan, City of Lincoln Downtown Master Plan, City of Lincoln Downtown Design Standards and Historic Preservation Design Standards, applicable City codes and ordinances, and other guidelines. If the developer expects or requires any variances to these plans, codes, or guidelines, please list them in the submittal. Each can be found on the City’s website at:


Additional design standards:
- City Code: [http://lincoln.ne.gov/city/attorn/lmc/index.htm](http://lincoln.ne.gov/city/attorn/lmc/index.htm)

As part of the review process, the developer(s) may be required to submit additional architectural detail. Models are not a required component of the plan submittal.

C. PROJECT FINANCIAL PLAN

The following information is necessary for the City to evaluate the viability of the project and to analyze the developer’s ability to complete and operate the project:

1. **Pro forma statement** – The project proposal should include a preliminary financial statement that provides a detailed outline, to the extent possible, of the projected development and operating cash flows and fiscal impact of the project and the requested public investment. At a minimum the pro forma should include:

   a. A development summary identifying the estimated hard and soft costs associated with the development;
   b. The revenues and expenses expected from project operations (or expected operational budget);
   c. The financing structure of the development, both construction and permanent;
   d. The amount of equity (or financial contribution) and likely sources;
   e. The return on equity for the developer with and without public investment (for private entities);
   f. Your outreach effort to gather additional investors.

2. **Other financial information** that will provide the City with a better understanding of the proposed investment, including references.
3. Justification for City's financial assistance – Tax Increment Financing may be available if the developer(s) can demonstrate clearly that without the financial assistance from the City, the project would not be feasible. The use of Tax Increment Financing is at the discretion of the City. The proposal should include a specific explanation of the type of financial assistance the developer(s) is requesting from the City. If the City is being asked to finance construction of public improvements, then the estimated value of that commitment should be stated. For public investment, projects will need to show economic viability that insures repayment of debt service.

4. Other Actions Requested - If additional financial support or public action is required in order to make the project feasible, the proposal should include a specific explanation of the type and amount of financial assistance requested, a justification for such assistance, and/or a description of the public action required.

Following the selection of the developer(s), updated financial projections may be required for the negotiation of a redevelopment agreement and prior to the execution of the agreement.

D. SCHEDULE OF PERFORMANCE

The developer(s) should be prepared to implement the project in an expeditious manner. The City’s proposed timeline for this project is to select or deny the developer(s) within 30 days of the date proposals are due. The City and the developer(s) will begin negotiations with a goal of securing an agreement in the summer of 2016.

A proposed schedule of performance should be provided that includes design, securing equity and debt financing, construction, lease-up, and any other critical milestones. This information can be presented in a simple bar chart.

E. AFFIRMATIVE ACTION PLAN

As part of doing business with the City, the developer(s) will be asked to demonstrate a commitment to equitably use minority and women-owned businesses. Therefore, as part of this proposal, the developer(s) should provide an affirmative action plan that details the specific steps intended to insure that contracting opportunities are made available to the MBE/WBE community.

F. CONTINGENCIES OF DEVELOPER

The developer(s) should state explicitly in the proposal any qualifications or limitations of the proposal and any and all known and anticipated contingencies that might affect the ability of the developer(s) to perform under the terms of the proposal.
VI. SELECTION PROCESS

A. PROCEDURE FOR SELECTION OF THE DEVELOPER(S)

In general, the City will use the following selection procedure:

1. Proposal submission - The City will accept proposals at any time up to and including the submittal deadline of noon, January 15, 2016. Ten hard copies and one digital copy of each proposal must be submitted to Mr. David Landis, Director, City of Lincoln Urban Development Department, 555 South 10th St., Suite 205, Lincoln, NE 68508.

2. Preliminary Review - Upon receipt of the proposals, the City will conduct a preliminary review of all the materials submitted. If the proposal contains all of the requested information, the City will
   A. Perform preliminary due diligence on the developer(s) and submitted financial information; and,
   B. Determine if further studies are required in conjunction with the project.

   If the proposal is incomplete, the City will determine whether to consider the proposal for continued review.

3. Selection Advisory Committee – The Mayor will appoint a Selection Advisory Committee to evaluate the proposals. The committee will examine the proposal’s fiscal impact to the private and public sectors, contextual integrity, and other factors as deemed relevant by the Mayor. A general criterion for evaluating developer(s) proposals is found section VI, Part D.

4. Interviews - The City, through the selection committee, will require that the developer(s) deemed most worthy of consideration participate in on-site interviews prior to recommending a developer for this project.

5. Selection Recommendation - Once the developer(s) has addressed any milestones to be identified with the project and any additional studies, if needed, the selection committee will make comments and a recommendation on the proposals to the Mayor for his consideration.

6. Project Selection – The Mayor, upon receipt of the recommendations from the selection advisory committee, may select a developer of record at his discretion.

B. POST-SUBMISSION CHANGES/TRANSFERS

At any time after submission of a proposal for Lumberworks Garage Liner Building Project, the developer(s) may make substantial changes in the
project or transfer or assign the proposal or any interest therein to another developer(s) with the written consent of the City. The City reserves the right to withhold consent or to impose conditions on such consent. As a condition to any consent, the original developer(s) of the project and the transferee may be required to demonstrate or certify to the City that except for the reimbursement of out-of-pocket expenses incurred in connection with the submission of the proposal, no compensation, remuneration, transfer fee or similar payment has been made in conjunction with such transfer or assignment.

C. AGREEMENT

If the City enters into a redevelopment and/or purchase agreement with the selected developer(s), the agreement may include provisions addressing the following:

1. Description of the project and the City’s rights regarding design approval and access;
2. Project construction and schedules of performance;
3. The City’s and the developer(s)’s financing;
4. The City’s fees and participating interest in the project;
5. Continuing financial disclosure relating to the project;
6. Signage;
7. Easements;
8. Insurance;
9. Indemnification of the City;
10. Anti-discrimination and affirmative action;
11. Default and termination;
12. Restrictions on use;
13. Restrictions on assignment and transfer; and,
14. Other customary and appropriate provisions.

The developer(s) will have exclusive negotiation rights after notification of selection for a period of up to 180 days in order to execute an agreement with the City. During the negotiation period, either the City or the developer(s) may withdraw from negotiations, if either party determines that a satisfactory agreement is not likely to be reached. The City may extend the 180 days at its sole discretion.

D. CRITERIA FOR EVALUATING PROPOSALS

The City has established the following criteria upon which it will evaluate the proposals, and will select the developer(s) and proposal(s) which best meets these criteria. The City’s determination of satisfactory compliance with the selection criteria will be conclusive.

1. Relationship to general objectives
   - Manner in which the proposal conforms to the City’s goals as described in this Invitation for Redevelopment Proposals.
- The manner in which the proposal conforms to the objectives in the Lincoln/Lancaster Comprehensive Plan and the goals outlined in the Downtown Master Plan.
- Conformance with all applicable building and zoning ordinances and all other applicable City ordinances.

2. **Background and experience of the developer(s)**
   - Experience of the proposed developer who will be responsible for the project.
   - The success of the developer’s past projects, especially projects which are similar to the proposed project.
   - The developer’s property management experience including other similar projects.
   - The overall architectural and design quality of prior projects of the developer.
   - The developer’s experience in working with public entities.
   - The developer’s history of the timeliness and completion of prior projects;
   - The developer’s history of completing projects as originally proposed; and,
   - Status of any litigation regarding the developer’s past projects.

3. **Financial capability of the developer**
   - The developer’s ability to provide sufficient equity/financial support for the proposed project;
   - The developer’s ability to secure any necessary debt financing;
   - Evidence of the developer’s ability to fund the project until its completion; and,
   - Closing of permanent financing and project stabilization.

4. **Project specific criteria**
   - The overall architectural and design quality of the project;
   - The relationship to the Downtown and Historic Haymarket;
   - The type and extent of public support, investment, and/or involvement required of the project;
   - The manner in which the proposed project responds to existing and future market/community needs;
   - Anticipated success and viability of the proposed project;
   - The extent to which the project will serve as a catalyst for other reinvestment in the Haymarket;
   - Projects similar to the proposed development in which the developer(s) was involved and the success of such projects; and,
   - The extent to which the developer(s) exhibits a commitment to implementing the project in a timely manner.

5. **Affirmative Action Criteria**
• The demonstrated willingness, ability, and commitment to involve minority and women-owned businesses at all levels of the development process.

E. REJECTION OF THE PROPOSALS

Any and all proposals may be rejected at any time at the sole discretion of the City and the City’s decision will be final. Automatic rejection will occur if the proposal has not been selected by the City within 180 days of the submission date. In addition, the proposal may be rejected for any of the following reasons:

1. The proposal was submitted past the deadline of 12:00 p.m. on January 15, 2016.
2. The proposal was incomplete upon submission; or
3. The City and the developer(s) fail to execute a redevelopment agreement within 180 days of the date the developer(s) is selected.

F. MISCELLANEOUS INFORMATION

1. NON-REIMBURSEMENT OF COSTS
   The purpose of this document is solely to solicit proposals for the Lumberworks Garage Liner Building Project in Downtown Lincoln. The City does not agree to assume, pay or reimburse any cost, expense or fees incurred by the developer(s) in connection with this solicitation.

Questions concerning the proposal submittal should be directed to: Urban Development Department, 555 South 10th Street, Lincoln, NE 68508. Questions addressed to Dallas McGee will be accepted by Mail / Phone: (402) 441-7857 / Fax: (402) 441-8711 / e-mail: dlandis@lincoln.ne.gov.
APPENDIX
Figure A
Lincoln's Regional Context

Legend
- Cities over 25,000
- Freeway System (State)
- State Boundary

Downtown Civic Plaza/Mixed Use Garage Project
Lumberworks GARAGE LINER BUILDINGS IFRP

Figure B

Lumberworks Liner Downtown Context

UNL  Schools  Parks  Liner Building Project Area

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Lumberworks Garage Liner Buildings IFRP

Figure C: Preliminary Site Plan

- Measurement Points
- Liner Building Areas - Standard
- Measurement Lines
- Liner Building Area - Air Rights

The City of Lincoln: Urban Development
Figure D: Preliminary 3D/ Maximum Build Out Elevation

Liner Building Areas - Standard  Liner Building Area – Air Rights
Figure E: District Energy Plant