P. WEST HAYMARKET REDEVELOPMENT PROJECT

1. Revitalization Project Description

The West Haymarket Redevelopment Project area is an irregularly bounded tract of land located to the west and northwest of the “Haymarket District” in Downtown Lincoln. The area is very generally bounded by the Burlington Northern Sante Fe (BNSF) and Union Pacific (UP) rail lines on the west, by approximately North 7th Street on the east, the south interior roadway of Haymarket Park and the Bereuter Pedestrian Bridge on the north, and ‘M” Street on the south. Along its eastern edge, the Project area includes the Lincoln Station and several city blocks (i.e., 48, 49, 50, 51, 72, 73, 74, 75, 76) south of ‘O’ Street (a.k.a., Harris Overpass.) Exhibit IV-141 identifies the boundaries for this area.

The existing land use in the West Haymarket Redevelopment Project area is primary railroad (including active and inactive rail lines, and railcar storage), light industrial, office, retail, wholesale, service, utilities, public, and surface parking. See Exhibit IV-142.
Exhibit IV-142
West Haymarket Redevelopment Project Area - Landuse

Project Area
Streets
Parcels

Landuse
Residential
Commercial

Industrial
Public/Semi-Public

Parks
Stream/Creek/Levee

Right-of-Way
Vacant Land

City of Lincoln
Urban Development GIS
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The goals of this project are to strengthen the long term economic and physical viability of the Haymarket district and Downtown Lincoln by removing existing blighting and substandard conditions; complement the current mixed use character of the area through the introduction of additional entertainment, recreational, lodging, convention space, services, office, and retail activities; expand the amount and quality of parking services and upgrade surface transportation access to the area; invigorate and enhanced pedestrian environment within and adjacent to the project area; further the cooperation of the private and public sectors in pursuing development opportunities for the area; celebrate the historic character and tradition of the area; and ameliorate devalued environmental conditions.

The West Haymarket Redevelopment Project will support the continued revitalization of Downtown Lincoln (including the Haymarket district) as called for in the recently adopted Downtown Master Plan and as reflected in the Lincoln Center Redevelopment Plan. Specific improvements within the project area may include the construction of a 12,000 to 16,000 seat arena, a privately owned and operated hotel of perhaps 300 to 450 rooms, a 35,000 sq. ft. to 70,000 sq. ft. convention and exhibition center, surface and structured parking, space for retail, office, and service businesses, recreational facilities, and other complementary uses. Project tasks could include property acquisition, demolition, relocation of existing uses, relocation and resizing of utilities, installation of new infrastructure, site preparation, and remediation. These improvements are consistent with and correspond to Downtown redevelopment goals identified in Section III. The proposed redevelopment project addresses the goals of this plan in the following ways:

- Encourages private investment in redeveloping Downtown Lincoln;
- Enhances the architectural and historic character of the proposed project area and its environs;
- Removes blighting conditions from the subject property and in turn utilizes underdeveloped land;
- Supports the community’s vision for Downtown and Haymarket by sustaining mixed use development in the overall area;
- Reinforces and bolsters the pedestrian and street-oriented character of the Downtown and Haymarket;
- Strengthens the attractiveness of the Downtown and Haymarket for additional residential development by advancing a diverse market for housing products;
- Works to further integrate the University of Nebraska-Lincoln campus into the fabric of Downtown; and
- Increases the attractiveness of the overall Haymarket area to add and diversify retail and service operations.

2. Statutory Elements
   a. Property Acquisition, Relocation, Demolition, and Disposal

The West Haymarket Redevelopment Plan could involve the acquisition of several parcels of land within the project area. The largest single landholder in the immediate project area is the Burlington Northern Sante Fe (BNSF) Railway. The BNSF property includes active rail lines, railcar storage lines, rail switching facilities, and several
outbuildings related to their rail operations. The second largest landholder in the potential redevelopment area is N Street Company, LLC. This site houses Alter Scrap Inc., which presently maintains a scrap processing and recycling operation on the property. Another large single use in the project area is the City’s Street Maintenance Operations Facility at 901 N. 6th Street. Other property in the area is occupied by a diverse set of uses including industrial-style activities (such as steel, limber, and food operations), office, retail, utilities, public, and miscellaneous services. Additional properties could be acquired as needed for public uses and redevelopment. All property acquisitions, sales, or reconveyances would be completed as provided by law and consistent with the overall plan. Relocation of existing private businesses and public operations would be handled in accordance with adopted statues and established regulations. Exhibit IV-143 identifies the conceptual site plan.

b. Population Density

There are no residential units within the proposed project boundaries. However, there are a total of 105 residential units in the adjacent Haymarket area today, all of which are located in mixed-use buildings. These include 60 units in the Hardy Building at 335 N 8th Street, 16 units in the Haymarket Loft Building at 311 N 8th Street, 26 units in the Grainger Building at 105 N 8th Street, and 3 units in the Burkholder Project at 719 P Street. All of these units will remain after implementation of the redevelopment project. In addition, there are 13 units proposed at the new Option 13 project at 727 R Street. Additional housing units are planned for the Salvation Army building complex at 151 N 8th Street. Construction of these units will continue during and after implementation of the project envisioned in this redevelopment plan amendment.

c. Land Coverage and Building Density

Land coverage and building density would likely be altered with the implementation of this project. A potential arena-hotel-convention-center complex could be placed on land currently housing BNSF railcar storage and several outbuildings. This would result in an intensification of the building density and land coverage since the property is sparsely built upon today. Demolition of the present buildings and relocation of the existing BNSF trackage and structures would need to occur under this potential development option.

Other building and structures generally south of ‘O’ Street (a.k.a., Harris Overpass) may also be impacted. Potential uses in this area could include roadways, surface parking lots, parking garages, and other public or private uses. Relocation of the Alter Scrap could result in the altering of the land coverage status of this property.
Exhibit IV-143
West Haymarket Redevelopment Project Area - Conceptual Site Plan

Project Area  Parcels  Streets
In addition, much of the anticipated project site is located within a floodprone area. Regulations governing development in such areas will be adhered to, which in turn may impact the site layout and design of buildings and structures. Flood mitigation facilities design, site layout, and building materials would be employed to minimize the effect of redevelopment on potential flood conditions. This same sort of consideration would presumably be applied to any potential environmental situations which may be encountered on the site and environs.

d. Traffic Flow, Street Layout, and Street Grades

Among the primary transportation goals of the proposed West Haymarket project would be to minify event-related vehicular traffic entering the traditional Haymarket district. It is anticipated that this goal would be accomplished in large part by intercepting event-related vehicular traffic at key points in and near the Downtown and Haymarket district. This strategy can be implemented utilizing existing, planned, and contemplated roadway facilities serving the greater Downtown Lincoln area.

Examples of existing roadway facilities available to support the further redevelopment of West Haymarket are Interstate 180, 9th and 10th Streets, and ‘O’ Street, which all feed the Downtown. Roadways facilities planned for upgrading or are currently under construction include Sun Valley Boulevard (Nebraska State Highway 34, planned for widening by the Nebraska Department of Roads (NDOR) from two to four lanes) and the Antelope Valley Roadway (currently under construction.) Depending upon the proposed West Haymarket complex’s ultimate design, an additional “backbone” roadway is also likely to be part of the overall project. This possible roadway would likely parallel the BNSF main rail lines and run behind the larger redevelopment complex. The roadway could connect the Antelope Valley Roadway to the arena, hotel, and convention center, and areas south of Haymarket, while at the same time not affording normal vehicular traffic direct and unencumbered access to the Haymarket district. There are no known plans for materially altering the street layout or street grades in the immediate project area or Haymarket district.

e. Parking

While a small amount of vehicular parking occurs on the overall site today, the proposed project would redefine such a use as redevelopment takes place. Much of the existing parking within the immediate project area serves current businesses or other operational which would presumably be relocated out of the area.

Relative to existing parking in the project area environs, the City of Lincoln currently operates seven public garages in the Downtown with parking capacity for approximately 4,200 vehicles. Of this city-owned garage capacity, about 1,600 spaces are within four city blocks of the proposed project site. The City also maintains a little over 300 parking spaces in surface lots immediately adjacent to the site. On-street, metered parking is available immediately east of the site.

Other existing parking capacity within the immediate vicinity is available in the form of various public and private lots and garages. Haymarket Park baseball and softball complex to the north of the site is accessible by a pedestrian bridge with parking for around 1,700 cars. Numerous other private lots and garages exist within a four-block
distance from the eastern edge of the proposed project area. For example, two public surface lots along the northern edge of the site can accommodate 750 vehicles. A near-by public parking facility operating by the University of Nebraska can hold 600 vehicles, along with an adjacent controlled lot which has space for 400 vehicles.

Depending upon a final site design, additional surface and decked parking would likely be constructed as part of the proposed West Haymarket complex. The specific inventory of spaces would depend on several factors including the project parking demand for the arena (seating capacity), the hotel (number of rooms), and convention center (square footage); as well as assumptions regarding the use of the existing supply of parking in and near the West Haymarket and Haymarket. While the exact number of parking spaces to be added in support of the proposed complex, it would seem likely the number could possibly range from 3,000 to 5,000 spaces. Also consideration may be given to a Downtown shuttle system which would allow for the City’s, University’s, and private sector’s investment in existing parking facilities to be maximized; and in turn reducing the requirement for the construction of additional new parking.

f. Zoning, Building Codes, and Ordinances

The proposed West Haymarket redevelopment project area is predominately zoned I-1 (industrial), with a smattering of B-4 (business) along its eastern edge. The I-1 zoning district is intended “for a developing stable or redeveloping area” and can accommodate “a relatively high intensity of use and land coverage.” The I-1 zoning district is generally considered “permissive” in character in that is allows for a broad range of “permitted uses.” The B-4 zoning district is a “district for a redeveloping area applicable to the business and retail uses in the area of the Lincoln Center Business District.” It supports the concept of Downtown Lincoln as “the dominate multi-use center” for the community with it being a “key focal point of business, social, and cultural activity in the Lincoln urban area.” The B-4 zoning district also allows a wide range of activities, particularly uses which are intensively urban in character. A portion of the B-4 zoning district along the extreme eastern edge of the project area is within the Haymarket Landmark District; including the historic Lincoln Station. This makes uses and structure in this area subject to additional administrative oversight as part of Section 27.57.010 of the Lincoln Municipal Code and potentially other governmental regulations and review processes.

The Uniform Housing Code, the International Building Code, the International Residential Code and local amendments, and all other applicable City Construction Codes would be followed in the demolition, redevelopment, and construction of facilities to protect the health, safety, and welfare of the public.
Exhibit IV-144

West Haymarket Redevelopment Project Area - Zoning

- Project Area
- Zone B-4
- I-1
- P
- R-4
- Parcels
Potential projects in the proposed redevelopment area could be subject to certain maximum building height limits based on three separate regulatory mandates: Lincoln Municipal Code zoning district standards, Nebraska Capitol View Corridors, and Lincoln Airport zoning regulations. The specific applications of these regulations can not be determined until specific site layout and building design are competed.

It is furthermore the presumed intent of this the redevelopment project to pursue “LEED” certification for one or more of the buildings. “LEED” refers to the “Leadership in Energy and Environmental Design” Green Building Rating System. LEED is the nationally accepted benchmark for the design, construction and operation of high performance green buildings. LEED promotes a whole-building approach dealing with site planning, water management, energy management, material use, indoor air quality, and innovation and design process.

g. Public Infrastructure

In additional to those mentioned previously, new and upgraded public infrastructure improvements could be needed for any potential redevelopment project undertaken as part of this plan. These could include utilities, sidewalks, trails, pedestrian ways, plazas, plant material, curbs, streets and alleys, lighting, street furniture, streetscape, signage and wayfinding, and civic art. The City may also work with developers to improve public infrastructure serving related projects.

h. Cost-Benefit Analysis

A cost-benefit analysis will be included as part of the materials presented to City Council.

3. Estimated Costs and Financing

The total estimated budget, with all public and private costs, is $339 million. Preliminary cost and financing figures for the West Haymarket redevelopment project are displayed below:

Public and Private Cost Estimates (Subject to Revision)

- Community Arena (including support service facilities and integrated decked parking): $160 million
- Retail Space: $5 million
- Road Network Improvement Serving the Project Area: $23 million
- Land Acquisition and Site Preparation Work: $30 million
- Surface Parking to Support Development: $6 million
- Soft Costs and Contingencies: $20 million
- Hotel Complex: $75 million
- Convention Center: $20 million
- Other Costs, Public and Private to be determined
Potential Public and Private Funding Sources

- Tax Increment Financing (TIF)
- County Lodging Tax
- Club Premiums
- Naming Rights
- Ticket Fee
- Occupation Tax on Car Rentals
- Turn Back Tax
- Arena Parking
- Retail Space Leasing
- GO Bonds
- Occupation Tax on Restaurants
- Railroad Transportation Safety District
- State Appropriations
- Property Sales
- EPA Mitigation Funds
- New Market Tax Credits

4. Implementation Steps

Under the Nebraska Community Development Law, the first step in the redevelopment process is for the City of Lincoln to declare the proposed project area “blighted and substandard” and in need of redevelopment and revitalization. The Lincoln City Council declared large sections of the Downtown blighted on October 22, 1984, and affirmed this again by resolution on October 19, 1987. The Lincoln City Council declared the remaining portions of the West Haymarket redevelopment project area blighted on September 24, 2007.

On September 26, 2007, the Planning Commission reviewed the LCRP project area amendment and found the amendment to be in conformance with the Consolidated Plan. Upon passage of the Resolution amending the LCRP, the City will follow the following steps toward implementing the project:

- Issue (and advertise) an “Invitation for Redevelopment Proposals” (IRP) to be submitted to the City’s Redevelopment Authority for the developer’s participation in the proposed hotel, convention center, and arena complex.
- Select a developer from among valid redevelopment proposals submitted to the City as part of the IFRP process.
- Work with property owners in the redevelopment project area to acquire land parcels necessary for redevelopment of the area.
- Secure services of architects and engineers (in accordance with City regulations) to participate in the site layout and building design negotiation phase with the developer.
- Negotiate with selected developer to craft a draft development agreement specifying the project elements, conditions, phasing, and assumed financing.
- Identify and procure necessary project revenues, including potential for public vote on portions of the overall financing package.
- Complete public and administrative review process for proposed redevelopment project.
- Finalize developer agreement for the redevelopment of the project area.
- Select a primary contractor – through a competitive process – to construct public improvements.
- Construct public facilities and improvements.