

COTNER & P STREET REDEVELOPMENT PLAN



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COTNER & P STREET REDEVELOPMENT PLAN

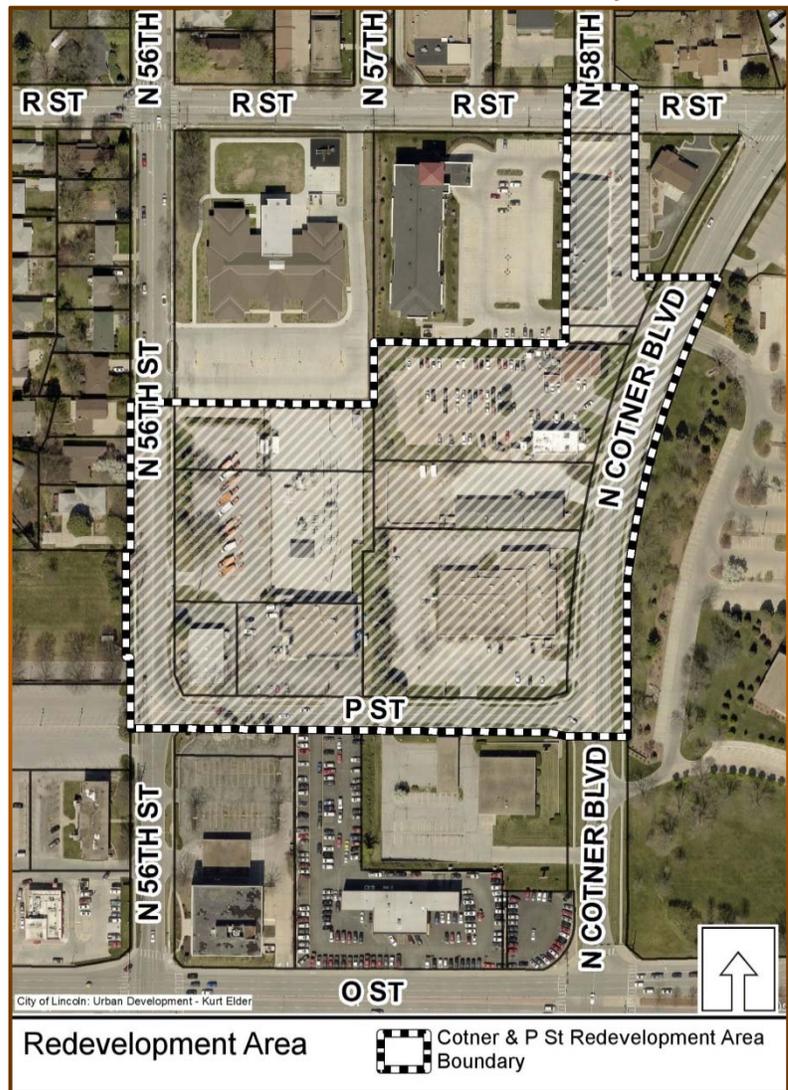
INTRODUCTION

The *Cotner and P Street Redevelopment Plan* is a guide for redevelopment activities within the Redevelopment Area. Exhibit 1 shows the location of the area within the context of the city of Lincoln. The southern boundary is generally P Street between 56th Street and North Cotner Boulevard, the northern boundary extends to R Street, the western boundary extends to 56th Street and North Cotner Boulevard is the eastern boundary. The primary public streets within the redevelopment area are North Cotner Boulevard, 56th Street and P Street. The area covers approximately 11.6 acres: the largest percentage is commercial space (48.3%) followed by public streets and right-of-way (34.5%), and public space (17.2%). The area's legal description is found in Appendix A.

The Redevelopment Area has shown signs of decline over the last several years. Operating businesses have closed. The existing development, structures, and public facilities and utilities are old and in need of updating. Identifying the need to redevelop this area led to a *Blight and Substandard Determination Study*, which confirmed the number and degree of blighting and substandard factors. The Study was completed in July 2016.

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

Exhibit 1: Cotner & P Street Redevelopment Area



PLAN REQUIREMENTS

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

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

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

Section 18-2111 of the Act defines the minimum requirements of a redevelopment plan as follows:

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

Section 18-2111 also outlines six elements that must be included in all redevelopment plans:

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

In making the recommendation to approve this plan, the Urban Development Department has considered the land uses and building requirements of the Cotner & P Street Redevelopment Area and determined they are in conformance with the general plan for redevelopment in the city and represent a coordinated, adjusted, and harmonious development of the city and its environs.

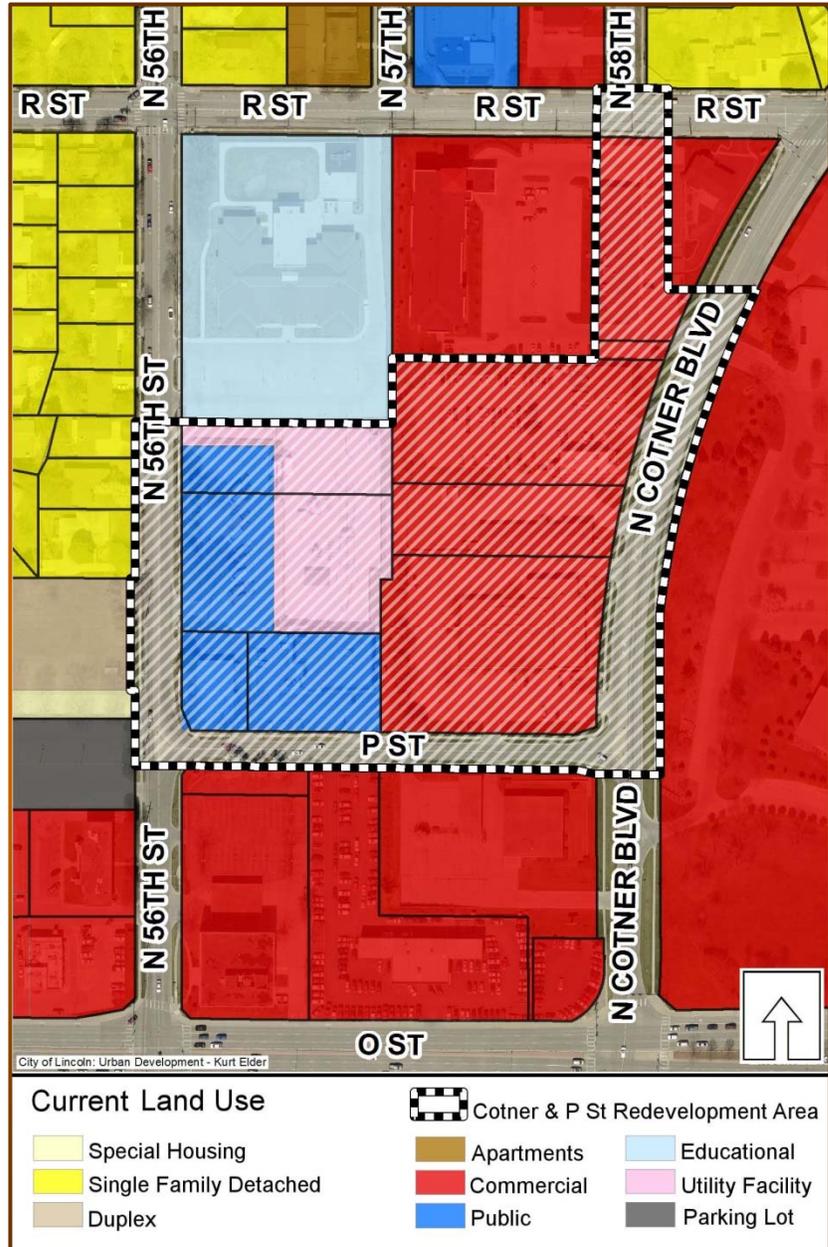
These determinations are in accordance with:

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

Factors considered in the determination included among other things:

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

Exhibit 2: Current Land Use



EXISTING CONDITIONS

Land Use

The Cotner and P Street Redevelopment Area consists of approximately 11.6 acres of land. The largest amount of land, approximately 5.6 acres, is commercial, followed by public streets and right-of-way, approximately 4 acres, and 2 acres of public property. The majority of commercial uses are located along North Cotner Boulevard between P Street and R Street. From the northern boundary, the primary commercial uses include the Plaza Gardens commercial center with only two tenants, La Paz and Patty's Pub restaurants, and the Grand Lodge of Nebraska. Along P Street from 56th to North Cotner Boulevard is the American Legion, Stem Gallery and a large vacant building on the parcel on the corner of P and North Cotner Boulevard. Two lots

Land Use	Acres	Percent
Public	2.0	17.2
Commercial	5.6	48.3
Public Streets/ROW	4.0	34.5
TOTAL	11.6	100.0%

Source: Hanna.Keelan Associates, P.C., 2016

owned by the Lincoln Electric System are public uses that are utilized as private parking of municipal vehicles and an electric substation. The table on the preceding page includes existing land uses by type and acre for the area.

Zoning

The redevelopment area is made up of the following zoning districts: P Public, R-2 Residential, O-2 Suburban Office, H-2 Highway Business, and B-5 Business District. These districts are described as:

- **P Public Use:** This district is intended to provide a district essentially for mapping purposes which will identify real property presently owned and used by any governmental entity, including local, state, or federal governmental units, and put to some form of public use.
- **O-2 Suburban Office:** This district is intended to provide a redeveloping area, primarily of office uses in those suburban areas previously zoned O-1 Office District and those fronting the same street, with the same side lot lines and within 150 feet of the following districts: B-1, B-3, B-4, H-2, H-3, and I-1. This district is intended as a transition zone where it abuts the previously mentioned districts.
- **B-5 Planned Regional Business District:** This district is intended to permit the development of regional retail shopping facilities and related activities which will provide for planned and controlled consumer services for all segments of the population, promote healthful economic growth, create a desirable environment, best complement the general land use pattern of the community, and assist in implementing the established goals and policies of the community.
- **H-2 Highway Business:** This is a district for a redeveloping area intended to provide business and services oriented to major arterial streets. It provides for those uses usually found in neighborhood business areas, plus a limited number of additional uses, such as auto repair garages, mini-warehouses, and auto sales.

Exhibit 3: Current Zoning



- **Street Conditions:** Street conditions within the Redevelopment Area were generally found to be in “good” condition. Two parcels front on a segment of street in “fair” condition.
- **Sidewalk and Pedestrian Activity:** Seven of the eight parcels have sidewalks in good condition and one parcel, the electric substation, does not have public sidewalk access. Only one intersection, R Street and North Cotner Boulevard, has effective pedestrian/vehicular safety control devices. Motor vehicles were observed to exceed posted speed limits along all streets within the Redevelopment Area.
- **Street Layout:** The street pattern within the Redevelopment Area consists of both a standard grid-iron plan and the curvilinear, North Cotner Boulevard.

Public Utilities

- **Water and Sanitary Sewer Systems:** The water and sewer mains within the redevelopment area are appropriately sized by current standards. All of the sanitary sewer mains are approximately 60 years of age. The oldest water main segment, located along 56th Street, is also approximately 60 years of age. The water mains along North Cotner Boulevard were replaced in 2000.
- **Watershed Management:** General drainage is to the north. There are two urban drainage systems draining this area. One is along 56th Street with the upstream end starting about halfway between P and R Street and draining north along N. 56th Street. The other drainage system runs along all of N. Cotner Blvd draining mostly north. Both drainage systems drain to Deadmans Run which drains northwest to Salt Creek. The drainage system in this area was constructed in the 1950’s era. To date there are no known drainage issues in this area, however there is a need to evaluate the drainage system in this area based on current standards.
- **Electrical/Street Lighting:** The underground circuit for the street lights on the south half of Cotner on this block is fed from the overhead transformer between 225 and 301 North Cotner Boulevard. This circuit extends to the north side of P Street and crosses to the south on the east and west ends. The circuit for the street lights on the north half of North Cotner Boulevard is fed from the riser on the NW corner of North Cotner Boulevard and R Street. There are also two security lights on the north side of 311 North Cotner Boulevard that are being fed underground from the 3-Phase pad mount transformer on this property and a couple more that provide light to the parking lot just west of the LES substation that are fed underground.

Historical Significance

There are no historic properties or areas of historic significance in the Redevelopment Area.

Blight & Substandard Determination Study

For a project to be considered eligible for redevelopment in Lincoln, the area must qualify as both “Blighted” and “Substandard” based on the Nebraska Community Development Law. The *North Cotner Boulevard & P Street Blight and Substandard Determination Study* was undertaken to determine whether existing conditions warrant designation of the Area as blighted and substandard. The Study includes formal investigation of the existence and extent of blighting and substandard factors as outlined in the Nebraska Community Development Law. The Study was completed in July 2016 by Hanna:Keelan Associates, P.C.

- **Process:** The consultant’s evaluation included a detailed exterior structural survey of seven structures, field inventory, conversations with the City of Lincoln staff and a review of

available reports and documents containing information which could substantiate the existence of blight and substandard conditions.

- **Analysis Findings:** Of the four substandard factors identified in the Nebraska Community Development Law, one factor represents a “strong presence” within the Redevelopment Area. The other three factors are present to a “reasonable presence.”
 - Dilapidated/deterioration. The field survey resulted in five structures, or 71% of the seven total structures as being identified as in a deteriorating or dilapidated condition is a “reasonable presence” in the Redevelopment Area.
 - Age or obsolescence. The factor of Age or Obsolescence is a “strong presence” in the Redevelopment Area with five structures, or 71% of the seven structures aged 40+ years (built prior to 1976).
 - Inadequate provision for ventilation, light, air, sanitation or open spaces. The conditions in the area that result in inadequate provision for ventilation, light, air, sanitation or open space are a “reasonable presence” throughout the Redevelopment Area. City of Lincoln staff described municipal water and sewer mains as being appropriately sized and in good condition. The sewer mains in the area as well as the water mains along 56th Street are approximately 60 years of age. Water lines along R Street are 48 years of age. City staff estimated that the majority of the privately owned service lines are of similar age, but consist of outmoded materials and will need to be replaced to support redevelopment in the area.
 - Existence of conditions which endanger life or property by fire and other causes. The primary element contributing to a “reasonable presence” of conditions that endanger life or property is the existence of buildings that are comprised of wood structural components and combustible elements and fixtures. Also, the oldest segments of water and sewer mains, as well as privately-owned service lines, were constructed of outmoded materials which are approximately 60 years of age. The utility lines will need to be replaced to sustain current and future redevelopment efforts.

Six of the 12 blight factors identified in the Nebraska Community Development law are present with a “strong presence” and reasonably distributed throughout the Area:

- Faulty lot layout in relation to size, adequacy, accessibility or usefulness. Evidence includes two commercial buildings constructed on a single lot and lots developed without regard to the underlying platting.
- Deterioration of site or other improvements. An estimated six or 75% of the total eight parcels were observed to have “fair” overall site conditions.

Area behind 333 N. Cotner Blvd.



- Diversity of ownership. Research of public records from the Lancaster County Assessor's Office indicates that seven property owners exist within the Redevelopment Area.

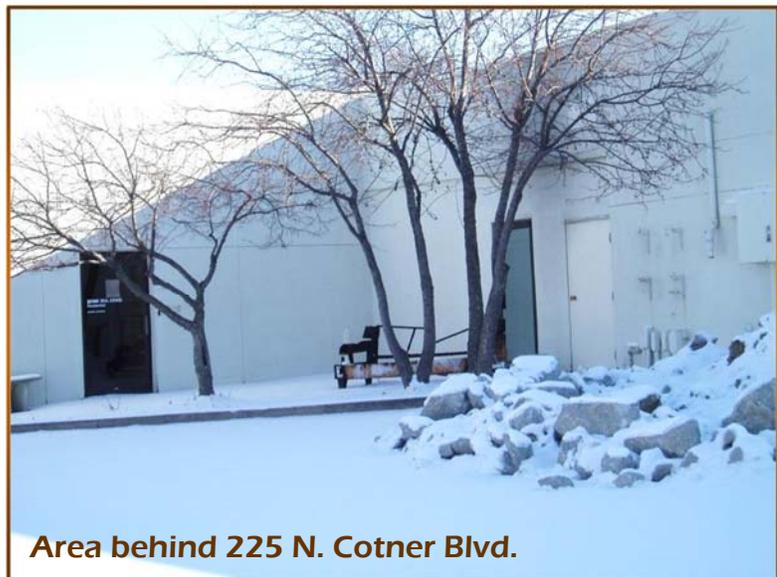
- Improper subdivision or obsolete platting. Some parcels within the area contain more than one commercial building on an individual lot and two additional lots were reconfigured to support uses without regard for the original platted lots. Nearly all lots are identified as "Irregular Tracts" of land.



- Other environmental and blighting factors. Other environmental and blighting factors in the Area include economically and socially undesirable land uses with functional and economic obsolescence. The Area contains buildings that are deteriorating with minor defects and outmoded infrastructures, as well as underdeveloped/underutilized lots. The Redevelopment Area also contains a utility substation and municipal parking lot, considered to be a nonconforming land use.
- One of the required five additional blighting conditions. Based on the field analysis and records of the Lancaster County Assessor's Office, the estimated average age of the commercial properties is 42 years, exceeding the blight criteria of 40 years of age.

The blight factors determined to have a "reasonable presence" are:

- Existence of defective or inadequate street layout. This is due to the deteriorating condition of asphalt surfaced streets and driveways within the area.
- Insanitary or unsafe conditions. Conditions contributing to this Factor include the presence of deteriorating buildings to a minor extent that are 40+ years of age. Segments of water and sewer mains and privately owned service lines are estimated to be 60 years of age.
- Deteriorating structures. Five, or 71%, of the seven total structures were documented as deteriorating with minor defects.
- The existence of conditions which endanger life or property by fire or other causes.



Conditions associated with this factor include the existence of buildings that are deteriorating with minor defects, containing wood components and combustible elements and fixtures. Also, the water and sewer mains that are 60 years of age were constructed of obsolete materials.

The blight factor determined to have “little or no presence”:

- Tax or special assessment delinquency exceeding the fair value of land. Research of public records from the Lancaster County Assessor’s Office confirmed that Real Estate Taxes, Real Estate Values and Tax Exempt properties do not negatively impact lands within the area.

The blight factor “Defective or Unusual Condition of Title” was not reviewed.

The consultant’s conclusion is that the number, degree and distribution of blight and substandard factors, as identified in the Study, are beyond remedy and control solely by regulatory processes in the exercise of police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided in the Nebraska Community Law. It is also the consultant conclusion that the findings of the *Blight and Substandard Determination Study* warrant designating the North Cotner Boulevard and P Street Redevelopment Area as “substandard” and “blighted.” The Lincoln City Council agreed and declared the area Blighted and Substandard on March 6, 2017.

Identified Issues

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

- 71% of structures surveyed are dilapidated or deteriorating with major defects.
- 71% of the structures were built prior to 1976, thus 40+ years of age.
- 75% of the parcels were observed to have “fair” overall site conditions.
- Only the R Street and North Cotner Boulevard intersection has effective pedestrian/vehicular safety control devices within the Redevelopment Area. Motor vehicles were observed to exceed posted speed limits along all streets within the area.
- Evidence of faulty lot layout includes two commercial buildings constructed on a single lot and lots developed without regard to the underlying platting.
- Star Tran, Lincoln’s bus system has a route that runs along R Street, but does not have a bus stop located within the Redevelopment Area.
- Segments of water and sewer mains and service lines that serve the Redevelopment Area are estimated to be 60 years old. Public Works Staff estimated that the majority of the privately owned service lines are constructed with outmoded materials and will need to be replaced to support redevelopment.
- A Blight and Substandard Determination Study determined that factors are present to warrant the blight and substandard designation. Issues include aging and deteriorated structures and infrastructure, inadequate lot layouts, and fair to poor overall site conditions.

REDEVELOPMENT PLAN

LPlan 2040: Guiding Principles

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

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

Neighborhoods and Housing

- Provide a wide variety of housing types and choices for an increasingly diverse and aging population.
- Encourage substantial connectivity and convenient access to neighborhood services (stores, schools, parks) from residential areas.
- Incorporate interconnected networks of streets, transit, trails, and sidewalks with multiple connections within and between neighborhoods and commercial centers to maximize access and mobility to provide alternatives to and reduce dependence upon the automobile.
- Provide sidewalks on both sides of all streets, or in alternative locations as allowed through design standards or review process.
- Structure incentives to encourage higher densities to make greater use of the community's infrastructure.
- Encourage new development to achieve densities greater than five dwelling units per gross acre.
- Encourage well-designed and appropriately placed density, including within existing apartment complexes and special needs housing where there is land available for additional buildings or expansions.

Mixed-Use Redevelopment

- Target existing underdeveloped or redeveloping commercial and industrial areas in order to remove blighted conditions and more efficiently utilize existing infrastructure.
- Be located and designed in a manner compatible with existing or planned land uses.
- Encourage substantial connectivity and convenient access to neighborhood service (schools, parks, stores) from nearby residential areas.
- Help to create neighborhoods that include homes, stores, workplaces, schools and places to recreate.
- Encourage residential mixed-use for identified corridors and redeveloping Regional, Community, Neighborhood, and Mixed-Use Office Centers identified as nodes.
- Mixed-use redevelopment nodes and corridors should strive to locate:
 - Where there is existing potential for good access to transit, to enhance the public transit system by making it accessible to residents and to facilitate development of neighborhood multimodal hubs where residents can drive, bike, or walk to a transit stop, go to work, and then shop for their daily needs before they return home.
 - On at least one arterial street to help provide for traffic and utility capacity and access to transit.

- Encourage alley access and shared driveways to parking areas in order to reduce interruptions to pedestrian traffic, to preserve on-street parking capacity, and to reduce automobile conflict points.
- Support the preservation and restoration of natural resources.

Cotner and P Street Redevelopment Activities

- **Public Improvements**

1. **Future public improvements** may include replacing aging public utilities and resurfacing and paving of substandard public streets and alleys.
2. **Public sidewalk improvements** may include resurfacing and paving the substandard public sidewalks.
3. **Streetscape Improvements** may include pedestrian lighting and street crossings, landscaping, banners, street furniture and other public amenities.

- **Private Improvements**

1. **Project Description: 225 North Cotner Redevelopment Project**

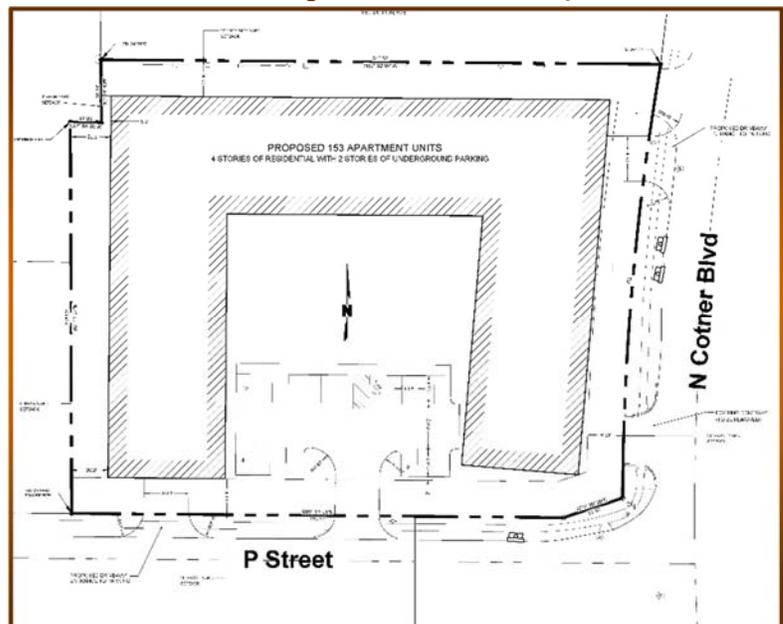
The 225 North Cotner Redevelopment Project (the “Project”) is located on the NW corner of P Street and North Cotner and is approximately 1.8 acres in size. The Project envisions a multi-family residential infill development with approximately 153 market-rate residential units. The four story building includes two levels of underground parking and a surface parking lot.

The goal of the Project is to strengthen the Lincoln community by providing in-fill residential dwelling units through the redevelopment of existing underutilized and deteriorating real property. The Project will remove blighted and substandard conditions and will make positive contributions to the Area. The Project will increase the security and safety in the Redevelopment Area through the removal and redevelopment of certain blighted and substandard conditions.

The existing land use is vacant commercial. Surrounding land uses are commercial.

The Project is consistent with the goals of this *Cotner and P Street Redevelopment Plan* and is intended to support private sector residential development in the Redevelopment Area. Publicly funded redevelopment activities may include site acquisition, demolition, site preparation, soil remediation, streetscape/landscape, energy efficiency improvements, façade enhancements, and other public improvements in the Project Area.

Exhibit 5: Project Area & Conceptual Site Plan



The site was rezoned from H-2 Highway Business District to B-5 Planned Regional Business District with City Council approval in April 2016. The rezoning will allow residential uses not permitted in H-2. In conjunction with the rezoning, City Council also approved adding the property to the Gateway Mall Use Permit.

The Project is also consistent with *LPlan 2040*, the Lincoln and Lancaster County Comprehensive Plan. As stated in the City staff report analysis for the rezoning, Gateway Mall and the surrounding blocks are identified as a redevelopment node in the Comprehensive Plan. Nodes are identified in the Comprehensive Plan as “Commercial Centers...that are encouraged to be redeveloped into walkable residential mixed use centers.” The redevelopment node map labels the area surrounding Gateway Mall as a Primary Area for Mixed-Use Redevelopment and indicates that between 500 and 1,000 dwelling units could be developed in and around Gateway Mall. This location is appropriate for mixed-use and high-density residential. The site is already served by existing infrastructure and roads. The location is within walking distance of several grocery stores and other commercial services. The Project conforms to the Redevelopment Nodes and Corridors concept. Residential units will and should further support the redevelopment efforts underway surrounding Gateway Mall and along O Street.

2. Statutory Elements

- ***Property Acquisition, Demolition, and Disposal:*** The proposed redeveloper currently controls the Project Area. Demolition will include clearing the structure on the property including any required environmental remediation and any necessary capping, removal or replacement of utilities, and site preparation. There is no public land to be publicly disposed.
- ***Population Density:*** The Project will have an impact on and will increase the project area’s population density, as a commercial structure will be replaced by one structure with approximately 153 residential units.
- ***Land Coverage:*** Land coverage will be about the same; however building density will increase with construction of the Project, which will include one four-story building housing approximately 153 residential units. Each level will be approximately 36,500 square feet. The project replaces a one-story commercial building.
- ***Traffic Flow, Street Layouts & Street Grades:*** The Project is not likely to result in a significant increase in traffic. Existing roadways will accommodate traffic. N. Cotner is classified as a minor arterial and P Street is a local street. The Project will close one driveway on N. Cotner that is near the P Street intersection and one driveway on P Street near the N. Cotner intersection.
- ***Parking:*** The Project will include off-street parking including two levels of underground parking and a surface parking area for guests. The Project will meet the requirements for parking, as approved via waiver when the site was rezoned (see next bullet).
- ***Zoning, Building Codes & Ordinances:*** The Project Area was rezoned in April 2016 from H-2 Highway Business District to B-5 Planned Regional Business District to allow residential uses. At that time it was also added to the Gateway Mall Use Permit. As part of the rezoning, two waivers were approved: reducing required parking from 2 stalls per unit to 1.4 and increasing building height from 40 to 55 feet. All applicable buildings codes will be met. The project will be subject to the redevelopment criteria for stormwater quality standards.

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

Public Tax Revenues: The total demolition and construction costs for the proposed 225 North Cotner Project is estimated at approximately \$17,500,000. The project cost will be finalized as construction costs are firmed up. The City has analyzed the costs and benefits of the proposed Project including:

Tax Increment Financing Analysis		
225 North Cotner Redevelopment Project		Amount
Base Value		\$1,266,600
Estimated New Assessed Value	<i>Estimated at 80% of total investment</i>	\$14,000,000
Increment Value	<i>= New Assessed Value - Base Assessed Value</i>	\$12,733,400
Annual TIF Generated (Estimated)	<i>= Increment x 0.02036758 (2016 Tax Rate)</i>	\$259,349
Funds Available	<i>= Annual TIF Generated x 14 years @ 5.25%</i>	\$2,526,655

Upon completion of the Project, the assessed value of the property within the Project Area will increase by an estimated \$12,733,400 as a result of the private investment. This will result in an estimated annual property tax collections increase during the fourteen (14) year TIF period of approximately \$259,349 that will be available for the construction of public improvements related to the project. The public investment of a currently projected \$2,526,655 in TIF funds will leverage approximately \$14,976,345 in private sector financing, resulting in a private investment of approximately \$5.93 for every TIF dollar spent.

The Urban Development Department believes that the public improvements and enhancements proposed in the Plan would not occur “but for” the Tax Increment Financing generated by private redevelopment within the project area. Project improvements would not be achievable to the extent shown without TIF.

Public Infrastructure and Community Public Service Needs Impacts: It is not anticipated that the Project will have an adverse impact on existing public infrastructure. The Project entails the capture of the incremental tax revenues for eligible public purposes including, but not limited to, site acquisition, façade enhancements, streetscape and public area enhancements, and other eligible improvements.

It is not anticipated that the Project will have any adverse impact on City services, but the project will generate additional revenue providing support for those services.

Employment within the Project Area: It is not anticipated that the Project will have an adverse impact on employment within the redevelopment project area. The Project will add residential uses to a site that previously held a vacated commercial use.

Employment in the City outside the Project Area: While the impact of this project on city-wide employment would be minimal, a strong residential presence can contribute to the attraction, retention, and expansion of retail and commercial services and employment. The Project should increase the need for services and products from existing businesses in and around the Redevelopment Area. The additional housing opportunities should positively affect employers and employees in the area.

Other Impacts: The Project will improve the Redevelopment Area through the development of a blighted and substandard area. The Project will increase housing opportunities within the Redevelopment Area and is consistent with the Comprehensive Plan's call for in-fill housing in mixed-use development areas.

The Project should have a positive impact on private sector businesses in the Redevelopment Area and the City, and should encourage additional private development in and around the Redevelopment Area. Residential units will and should further support the redevelopment efforts underway surrounding Gateway Mall and along O Street.

The Project is not anticipated to impose a burden or have a negative impact on local area employers, but should increase the need for services and products from existing businesses. The additional housing opportunities will provide a substantial benefit to the City.

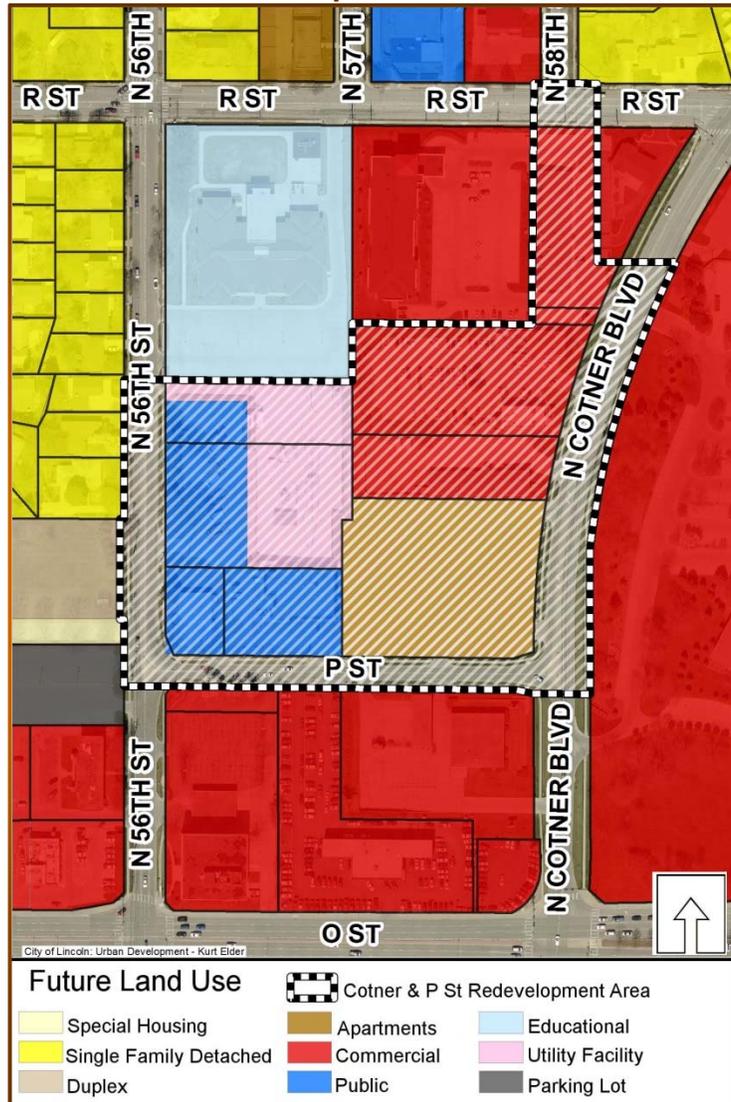
While the use of tax increment financing will defer receipt of a majority of the incremental ad valorem real property taxes generated by the Project for up to 15 years, there will be additional revenue generated, including sales tax paid by the residents of the Project. Upon completion of the 15-year collection, the project will benefit the community through higher property tax payments.

In addition, the developer will pay \$260,000 in impact fees. Impact fees are charges levied against new construction, changes in land use, or an increase in water meter size to help generate revenue to build new infrastructure needed because of development. The money is spent within the district in which it was collected to build new arterial streets, water and waste water lines, and parks/trails. The 225 Cotner project is located in a district that excludes impact fees for parks and trails because they are already substantially developed within it.

Future Land Use

Exhibit 6 is a Proposed Future Land Use map. The overall density of the Redevelopment Area will increase with the 225 North Cotner redevelopment project.

Exhibit 6: Proposed Future Land Use



Redevelopment Process

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

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

Conformance with Comprehensive Plan

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

Financing

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

Sources of funding may include:

- Special Assessments – Business Improvement Districts
- Private Contributions
- Sale of Land (Proceeds from the sale of land acquired for redevelopment, as identified in the Redevelopment Plan, may be reinvested in the Redevelopment Area)
- Municipal Infrastructure Redevelopment Fund (MURF)

- Community Development Block Grant Funds (CDBG)
- Home Investment Partnership Act (HOME)
- HUD Section 108 Loan Program
- Community Improvement (Tax Increment) Financing (Ad Valorem Tax)
- Capital Improvements Program Budget
- Federal and State Grants
- Interest Income
- Advance Land Acquisition Fund – property rights/easements, public facility site acquisition
- Impact Fees

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

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

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

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

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

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

APPENDIX A: PROPERTY ID'S & LEGAL DESCRIPTIONS

225 North Cotner – PID: 17-21-300-019-000; Legal: S21, T10, R7, 6th Principal Meridian, Irregular Tract Lot 163 SW except 182.63+- sq. ft. in SE corner for street