

City Council Introduction: **Monday**, December 20, 2004  
Public Hearing: **Monday**, January 10, 2005, at **1:30 p.m.**

Bill No. 04R-332

## **FACTSHEET**

**TITLE:** A Resolution approving and adopting the proposed **THE 48<sup>TH</sup> & "O" STREET REDEVELOPMENT PLAN**, requested by the Director of the Urban Development Department.

**STAFF RECOMMENDATION:** A finding of conformance with the Comprehensive Plan.

**SPONSOR:** Planning Department

**BOARD/COMMITTEE:** Planning Commission  
Public Hearing: 12/08/04  
Administrative Action: 12/08/04

**RECOMMENDATION:** A finding of conformance with the Comprehensive Plan (9-0: Carlson, Carroll, Krieser, Sunderman, Pearson, Marvin, Taylor, Larson and Bills-Strand voting 'yes').

### **FINDINGS OF FACT:**

1. The proposed Redevelopment Plan covers an area generally bounded by 48<sup>th</sup> Street on the west, 52<sup>nd</sup> Street on the east, "R" Street on the north and "N" Street on the south.
2. The proposed "The 48<sup>th</sup> & "O" Street Redevelopment Plan" describes in general terms the guiding principles and general activities for the redevelopment of the 48<sup>th</sup> & "O" Street area. Most of the guiding principles for redevelopment are directly quoted from the Comprehensive Plan, encouraging mixed use development and pedestrian activity. The proposed plan divides the entire redevelopment area into two subareas: Subarea A is all of the land south of "O" Street, and Subarea B is north of "O" Street.
3. The staff recommendation to find the proposed redevelopment plan to be in conformance with the Comprehensive Plan is based upon the "Analysis" as set forth on p.3-4.
4. The applicant's testimony and testimony in support is found on p.6-8.
5. There was no testimony in opposition.
6. Commissioners Bills-Strand and Marvin expressed concern about the "O" Street widening project to accommodate this redevelopment plan having an impact on other current projects in the CIP. (See Minutes, p.8-9).
7. On December 8, 2004, the Planning Commission agreed with the staff recommendation and voted 9-0 to find the proposed "The 48<sup>th</sup> & 'O' Street Redevelopment Plan" to be in conformance with the 2025 Comprehensive Plan.

**FACTSHEET PREPARED BY:** Jean L. Walker

**DATE:** December 13, 2004

**REVIEWED BY:** \_\_\_\_\_

**DATE:** December 13, 2004

**REFERENCE NUMBER:** FS\CC\2004\CPC.04010

# LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

## for December 8, 2004 PLANNING COMMISSION MEETING

**P.A.S.#:** Comprehensive Plan Conformance #04010 **Date:** November 22, 2004

**PROPOSAL:** Review the 48<sup>th</sup> and O Street Redevelopment Plan to determine conformity with the *Lincoln and Lancaster County 2025 Comprehensive Plan*.

**CONCLUSION:** The proposed redevelopment plan is in conformance with the Comprehensive Plan.

<b><u>RECOMMENDATION:</u></b> Find that Redevelopment Plan is in conformance with the Comprehensive Plan.
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### **GENERAL INFORMATION:**

**LOCATION:** Generally bounded by 48<sup>th</sup> Street on the west, 52<sup>nd</sup> Street on the east, 'R' Street on the north and 'N' Street on the south.

**EXISTING ZONING:**

- I-2 Industrial Park District
- H-2 Highway Business District
- O-2 Suburban Office District
- R-2 Residential District

**EXISTING LAND USE:** Commercial, to the north, east and west, residential uses to the south.

**ASSOCIATED APPLICATIONS:** None.

**HISTORY:** As required by the Nebraska Community Redevelopment Act, the City commissioned a Blight and Substandard Determination Study which was completed in May 2004. The City Council declared the 48<sup>th</sup> and O Street area "substandard and blighted" on August 23, 2004.

### **COMPREHENSIVE PLAN SPECIFICATIONS:**

*"Guiding Principles for Existing Commercial Centers:*

*Encourage renovation and reuse of existing commercial centers. Infill commercial development should be compatible with the character of the area and pedestrian oriented.*

*Maintain and encourage retail establishments and businesses that are convenient to, and serve, neighborhood residents, yet are compatible with, but not intrusive upon residential neighborhoods.*

*Expansion of existing commercial and industrial uses should not encroach on existing neighborhoods and must be screened from residential areas.*

*The priority in older areas should be on retaining areas for residential development. Prior to approving the removal of housing in order to provide for additional parking to support existing centers, alternatives such as shared parking, additional on-street parking or the removal of older commercial stores should be explored.*

*Encourage mixed use commercial centers, including residential uses on upper floors and at the rear of commercial buildings.*

*Encourage mixed-use commercial centers, including residential uses on upper floors and at the rear of commercial buildings.*

*Maintain and encourage ethnic commercial establishments that are convenient to existing neighborhoods. (P. F49)*

## **ANALYSIS:**

1. The Plan describes in general terms the guiding principles and general activities for the redevelopment of the 48th and O Street area. Most of the guiding principles for redevelopment are directly quoted from the Comprehensive Plan, encouraging mixed use development and pedestrian activity.
2. The plan divides the entire redevelopment area into two subareas. Subarea A is all the land south of O Street and Subarea B is north of O Street. The redevelopment plan describes on page 24 the type of projects that might be done in each subarea, such as relocation of utilities, streetscape improvements in the public right-of-way and sidewalk and paving repair or replacement. The City will request redevelopment proposals from private parties in early 2005 and then work with the selected developer(s) in each subarea on details of their projects. This will allow the City to more quickly proceed with developer selection, plans and construction of redevelopment projects.
3. The previously approved Blight Study found that nearly 42 percent of the structures in the area (10 of 25) were deteriorating or dilapidated. Public attention has particularly focused on the poor condition of the vacant former gas station and car lots along O Street. Within the redevelopment plan area are also several structures that are in sound condition or in need of minor repair. While these buildings are also included in the Redevelopment Plan on page 22-23 for potential acquisition, it does not necessarily mean that they will be bought and demolished.
4. The redevelopment plan also notes that the few homes in the redevelopment plan, on the east side of 48<sup>th</sup> Street, north of M Street were in critical condition or in need of major repair.

The redevelopment plan on page 25 categorizes these homes as “mixed land use” which could mean their potential for conversion to commercial use. Two of the four houses are already zoned O-2 Office and two are zoned R-2 Residential.

5. The present zoning for the majority of the redevelopment area is H-2 Highway Business District. The redevelopment plan notes on page 8 that “Several elements of the H-2 zone present potential issues with redevelopment. For example, the H-2 zoning has a 25 foot front yard setback, but in Section 27.67.030, parking is allowed in the front yard setback in the H-2 district. Thus, any parking lot landscaping or parking setback is eliminated. Also, there is a 30 foot or 20% of lot depth rear yard setback, but all zoning districts allow parking in the rear yard. As a result, there is not much buffer, landscaping or separation between commercial and existing residential uses. H-2 also allows off-premise signs (billboards) up to 700 square feet in area and one pole sign up to 100 square feet in size and 35 feet in height. Numerous signs and pole signs are perceived to contribute to the lack of streetscape beautification along O Street.” Rezoning and/or special requirements in the redevelopment agreements would be needed to implement the 48<sup>th</sup> & O Redevelopment Plan.
6. The 48th and O Street Plan anticipates using multiple funding sources, including Tax Increment Financing (TIF) from private development in the project area to pay for infrastructure and improvements such as property acquisition, site preparation and remediation, property demolition, utility improvements, facade improvements, parking improvements, and improvement of pedestrian facilities and provision of streetscape amenities.
7. The 2004-2010 Capital Improvement Program (CIP) includes \$750,000 in FY 2004-05 for the “implementation of a redevelopment plan that includes acquisition, relocation, demolition and site improvements, storm and waste water repair, streetscape, sidewalk, alley and street reconstruction for new commercial redevelopment.” The proposed redevelopment plan has further refined this earlier estimate to show the potential for \$1,395,000 in public sector expenditures, that could come from a variety of resources.
8. The widening of O Street from 42<sup>nd</sup> to 52<sup>nd</sup> is also included in the CIP for \$250,000 in Fiscal Year (FY) 2004-2005 for the “acquisition of right-of-way and preliminary engineering to provide for the future improvements to six through lanes and/or right turn lanes at intersections.” No further funds were identified in the next five years for construction.
9. The redevelopment plan notes that O Street improvement project “the purchase of right-of-way is currently underway with final design anticipated throughout the fall of 2004 with completion in the fall of 2005. As funding becomes available, construction is anticipated to begin in 2006.” It is anticipated that an amendment to the funding in the 2004-2010 CIP may be forwarded early in 2005 to the City Council for review to fund this project fully for design and construction.

Prepared by:

Stephen Henrichsen, AICP  
Principal Planner

**APPLICANT:** Marc Wullschleger, Director  
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# COMPREHENSIVE PLAN CONFORMANCE NO. 04010, “THE 48<sup>TH</sup> & O STREET REDEVELOPMENT PLAN”

## PUBLIC HEARING BEFORE PLANNING COMMISSION:

December 8, 2004

Members present: Carlson, Carroll, Krieser, Sunderman, Pearson, Marvin, Taylor, Larson and Bills-Strand.

Staff recommendation: A finding of conformance with the Comprehensive Plan.

Ex Parte Communications: Bills-Strand reported a discussion with Dan Marvin about the street issue. Marvin disclosed a discussion with Bills-Strand, providing her with background information since she was absent for the briefing.

## Proponents

**1. Wynn Hjernstad** of the **Urban Development Department** presented the proposed redevelopment plan, reminding the Commission that a few months ago a blight and substandard determination for this redevelopment area was found to be in conformance with the Comprehensive Plan and the City Council declared the area blighted and substandard in August. This redevelopment plan is the next step. Hjernstad showed a map of the boundary of the plan. The redevelopment plan identifies issues and projects in very general terms. There are no specific projects identified. The redevelopment plan provides an overview of existing conditions and the major challenges the private sector would have in developing the area, including the drainage ditch and 50<sup>th</sup> Street. The redevelopment plan provides some guiding development principles, most of them being taken directly from the Comprehensive Plan for commerce centers. This area fits best with the commerce center definition. In addition, principles have been included to address concerns of the Witherbee Neighborhood Association. Those principles will be used in evaluating projects.

Hjernstad advised that this proposed redevelopment plan meets the statutory requirements to allow going to the next step. The proposed plan does identify some infrastructure projects, including sidewalk repair, streetscape, drainage issues, and some general stormwater and storm sewer conditions. Two commercial projects have been identified at this time (not in detail nor with a developer), which are the “north of O” project area and the “south of O” project area. By having two big project areas it gives the city more flexibility in the use of tax increment financing (TIF) funds.

In terms of process, Hjernstad advised that the Urban Development Department has met with almost all of the property owners, one-on-one. They also met with the Witherbee Neighborhood Association several times and with some stakeholders that are not right in the area, e.g. Doane College and Hawthorne Elementary School/LPS.

Hjermstad stated that the next step is public hearing and approval by the City Council on January 10, 2005. If the City Council adopts the plan, the next step is to issue the RFP's and try to get the redevelopment going. The entire redevelopment plan document is on the Urban Development Web site.

Marvin inquired about the land acquisition costs. Hjermstad stated that Urban Development has not yet done appraisals, which cannot be done until the plan is approved by the City Council. She has a rough idea of the assessed value, but that might not be end up being the cost. The northern area is in the neighborhood of 15 million dollars.

Marvin inquired about the time frame for the improvements to "O" Street. Hjermstad clarified that the "O" Street project is separate from this plan. However, she believes that the city is looking at 18 months to begin construction of the widening of O Street from 52<sup>nd</sup> to 42<sup>nd</sup> Street.

Marvin noted that the road rebuild of "O" Street was originally going to be funded by the bond issue, which failed. Since "O" Street will be widened without the bond money, is there going to be an impact on other projects in the CIP? Hjermstad did not know. Marvin does not believe this plan can be done without the widening of "O" Street. Hjermstad's response was that the city does not want to redevelop an area and then come in and do construction in front of it. She assured that Urban Development is working with Public Works to coordinate, but she did not know the details. She offered to get that answer.

Marvin asked Hjermstad to speak to the issue of the TIF funds in terms of what she anticipates will be received in dollars and the use. Hjermstad stated that it depends on the redevelopment that occurs as far as the amount. If it were to be a ten million dollar project, we would end up with approximately 1.3 million dollars in TIF funds, but that is just very preliminary until we know what the actual project is going to be. Urban Development has identified mixed use for the projects, but there is potential for housing on the second floor on the south side. Anything in the public right-of-way can qualify for TIF. TIF funds cannot be used on private property, but they can be used for sidewalks, alleys, streets, drainage issues, utilities, stormwater, sanitary sewer, and water mains, as well as land acquisition, assembly and relocation.

**2. Russell Miller**, 341 S. 52<sup>nd</sup> Street, testified on behalf of the **Witherbee Neighborhood Association**, which covers the area from 33<sup>rd</sup> Street to Cotner Boulevard, from "O" Street to Randolph Street. The association is basically in favor of the plan. Witherbee's only concern is with the area south of "O" Street. There were discussions and suggestions made in August but nothing has happened. This project needs to move forward.

**3. Dick Hartsock**, landowner in the area, with experience in eminent domain and the Comprehensive, testified in support. This is a wonderful opportunity to do something. The area is a mess and the individual landowners can't get together and can't put it together. The Nebraska Development Act is a statutory procedure and it's a wonderful opportunity to take this old blighted area, redevelop it, put it together and take care of problems. He is in favor because he has a 180x600 strip of land and he cannot develop it alone. But if it is put together with everything else, it

will be a wonderful opportunity to change the topography and develop a real nice shopping center right in the middle of town. Individually, the property owners cannot do it. He tried for 30 years to get 50<sup>th</sup> Street through. This area is blighted and it is not going to change until someone puts it all together.

There was no testimony in opposition.

### Staff questions

Bills-Strand is concerned about the impact of the "O" Street widening on other current projects in the CIP. She suggested that this seems like a project where maybe a bond issue on its own to fund the street widening might be a good idea. She is concerned that street improvements badly needed in south Lincoln between 40<sup>th</sup> and 56<sup>th</sup> on Pine Lake Road may be pushed back to accomplish this when we have other businesses in south Lincoln needing that street widening. Are we delaying projects already on the books to take care of 48<sup>th</sup> & "O" Street? Marvin Krout, Director of Planning, stated that there is some money available in the current CIP for land acquisition; however, there is no money in the current CIP for construction. Public Works is in the process of developing the new CIP for the year starting 2006, and they are looking at how to make this happen and what the impacts would be. It probably would require an amendment to the 2005 CIP to allow for additional land acquisition, and we don't know yet where that money would come from. It would also require amending the CIP for the year 2006-07 in order to create a place for the construction. Unless additional funds are made available, yes, the 48<sup>th</sup> & "O" project would have an impact on existing projects currently shown as being funded for construction in 2006-07. That is an issue that Public Works is analyzing.

Bills-Strand recalled that the Lincoln City Libraries had a bond issue and they returned a large portion of the money back to the City. What happens to that money? Krout believes that to be a legal issue, but he believes there was an interpretation that they could use some money for Downtown. There are limitations based on what the voters approved.

Marvin inquired as to how the city acquires these properties. Krout believes that there have been a couple of properties that have been acquired with road funds, but there is not enough right-of-way acquisition money to buy all of that land. Until Urban Development has a project so they have a stream of revenues, they don't have the money.

### Response by the Applicant

Hjermstad stated that the TIF analysis numbers previously given in her testimony were wrong. Once there is a project, Urban Development does an estimate of what the final value would be and then they do a bond for it and use the TIF funds to retire the bond. The city acquires the land, negotiates with the developer, sells the land to the developer at a fair value and puts the money back in the project.



Rick Peo of the City Law Department explained that a bond project has specific dollars being bonded for specific uses. You can only spend the money on the use provided. Depending on how broad your bond issue is (if it was for libraries), you would not be able to use it for streets. It is usually fairly limited. The money goes toward paying back the bond.

**ADMINISTRATIVE ACTION BY PLANNING COMMISSION:**

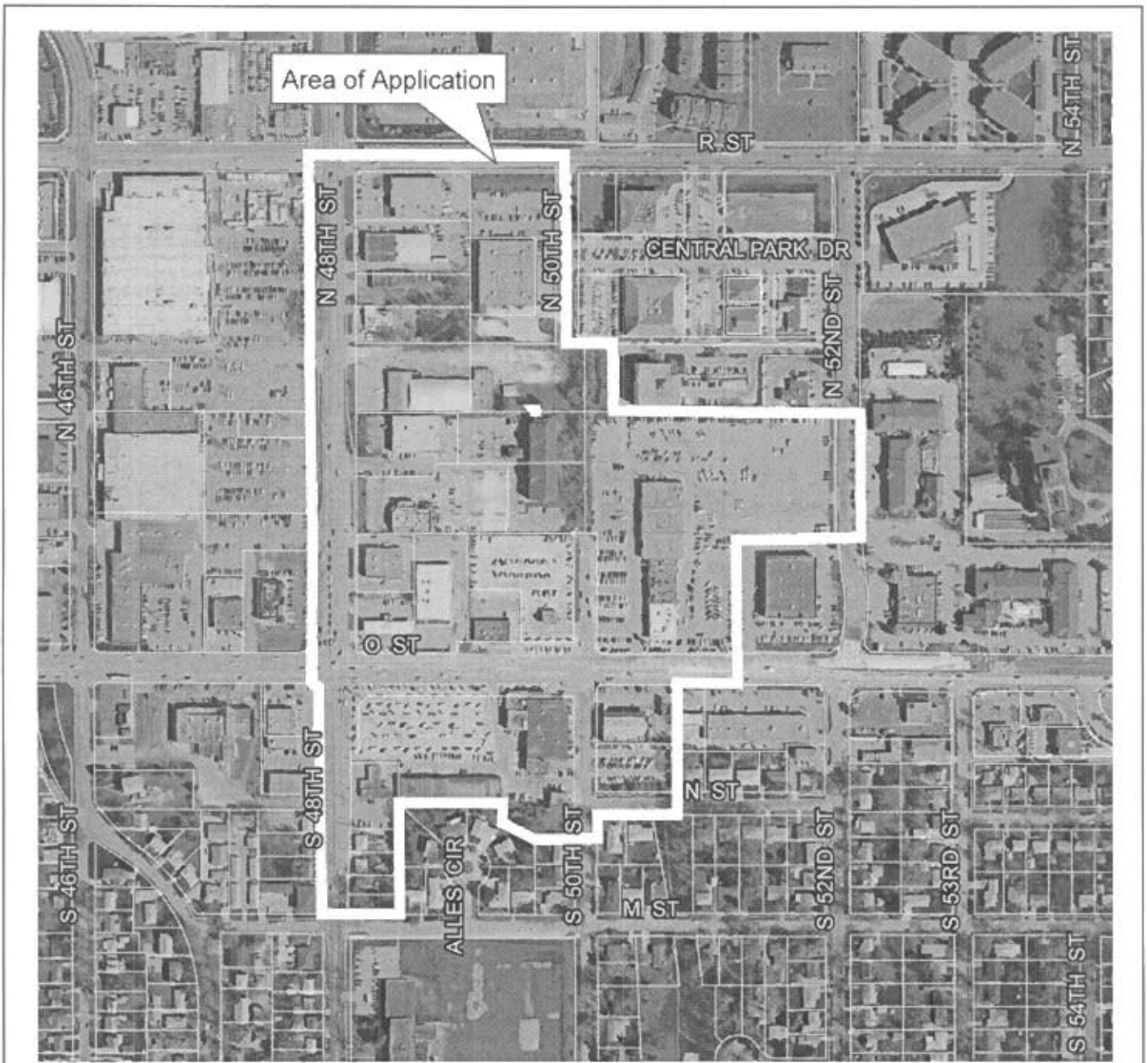
December 8, 2004

Larson moved a finding of conformance with the Comprehensive Plan, seconded by Carlson.

Larson believes that this is a project that needs to move forward. This just allows it to take another step in the process.

Bills-Strand agrees that this area needs attention, but she would like to explore other alternatives than taking money away from other projects. She is hopeful that other financing will be explored.

Motion carried 9-0: Carlson, Carroll, Krieser, Sunderman, Pearson, Marvin, Taylor, Larson and Bills-Strand voting 'yes'. This is a recommendation to the City Council.



**Comp. Plan Conformance #04010**  
**48th & O St.**  
**Redevelopment Plan**

2002 aerial

**Zoning:**

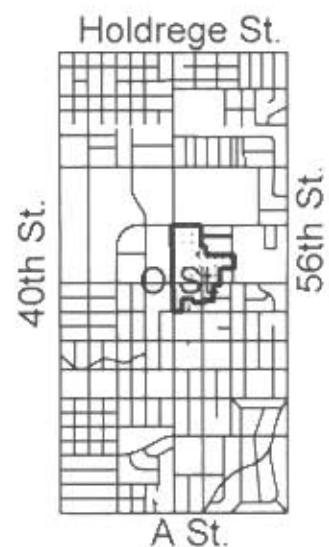
- R-1 to R-B Residential District
- AG Agricultural District
- AGR Agricultural Residential District
- R-C Residential Conservation District
- O-1 Office District
- O-2 Suburban Office District
- O-3 Office Park District
- R-T Residential Transition District
- B-1 Local Business District
- B-2 Planned Neighborhood Business District
- B-3 Commercial District
- B-4 Lincoln Center Business District
- B-5 Planned Regional Business District
- H-1 Interstate Commercial District
- H-2 Highway Business District
- H-3 Highway Commercial District
- H-4 General Commercial District
- I-1 Industrial District
- I-2 Industrial Park District
- I-3 Employment Center District
- P Public Use District

Two Square Mile  
 Sec. 20 T10N R7E  
 Sec. 29 T10N R7E

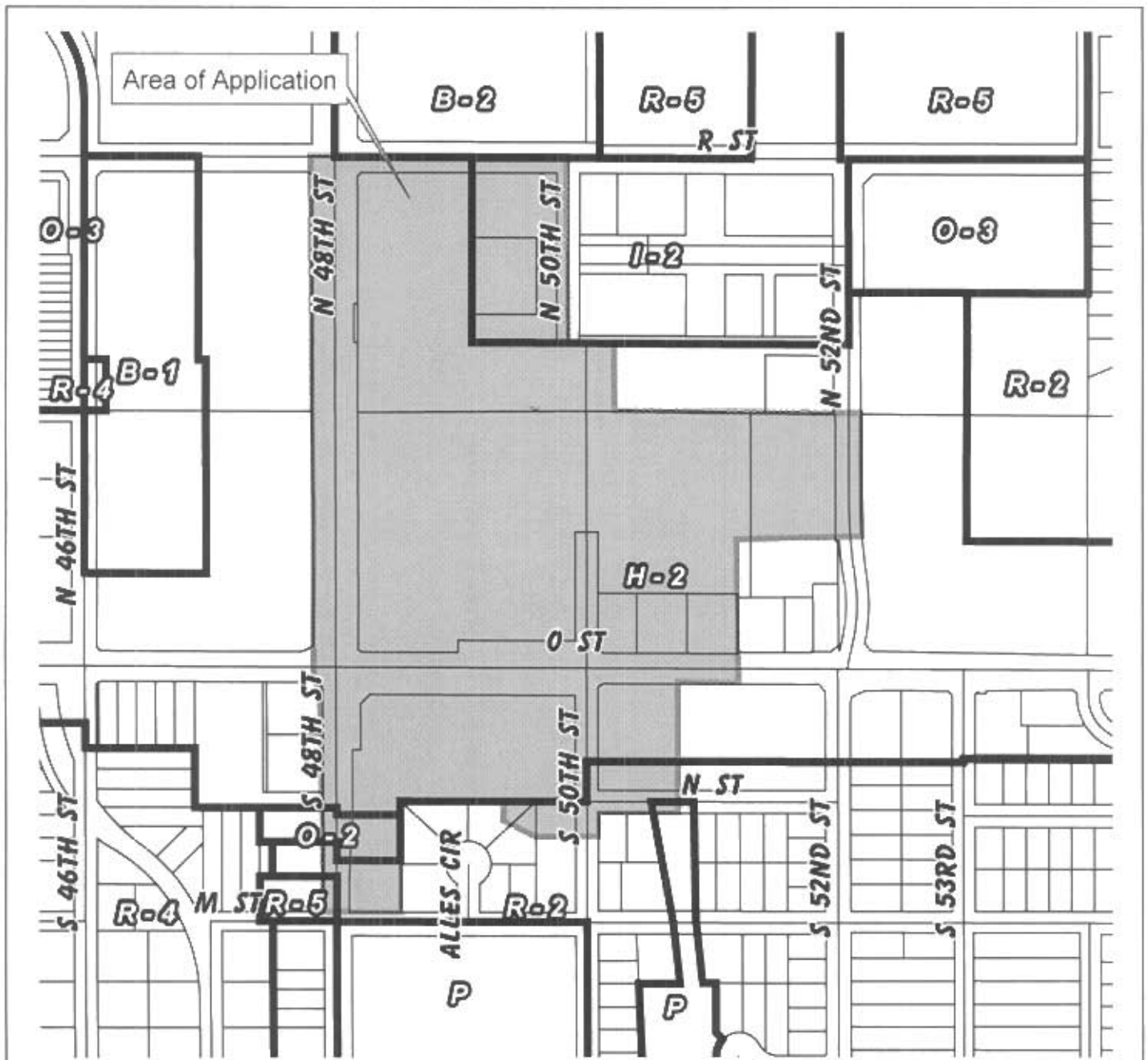


Zoning Jurisdiction Lines

City Limit Jurisdiction



010



**Comp. Plan Conformance #04010**  
**48th & O St.**  
**Redevelopment Plan**

2002 aerial

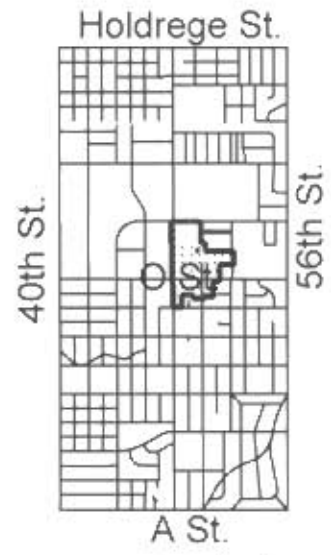
**Zoning:**

- R-1 to R-8 Residential District
- AG Agricultural District
- AGR Agricultural Residential District
- R-C Residential Conservation District
- O-1 Office District
- O-2 Suburban Office District
- O-3 Office Park District
- R-T Residential Transition District
- B-1 Local Business District
- B-2 Planned Neighborhood Business District
- B-3 Commercial District
- B-4 Lincoln Center Business District
- B-5 Planned Regional Business District
- H-1 Interstate Commercial District
- H-2 Highway Business District
- H-3 Highway Commercial District
- H-4 General Commercial District
- I-1 Industrial District
- I-2 Industrial Park District
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- P Public Use District

Two Square Mile  
 Sec. 20 T10N R7E  
 Sec. 29 T10N R7E



Zoning Jurisdiction Lines  
 City Limit Jurisdiction



011