FACTSHEET

TITLE: Comprehensive Plan Conformance No. 18005 – Amendment to West O Street Redevelopment Plan – Add proposed Lincoln Sports Facility Redevelopment Project. (150 SW 14th Place)

BOARD/COMMITTEE: Planning Commission.

APPLICANT: David Landis, Director, Urban Development Department.


STAFF RECOMMENDATION: A finding of Conformance with the Comprehensive Plan.

OTHER DEPARTMENTS AFFECTED: N/A

SPONSOR: Planning Department.

OPPONENTS: None present at hearing.

REASON FOR LEGISLATION:
This is an amendment to the West O Street Redevelopment Plan that involves a Comprehensive Plan Compliance for the redevelopment of five underdeveloped parcels of land located in the West O Street Redevelopment Area. The proposal involves two phases. Phase One will consist of the construction of an approximately 78,500 square foot indoor sports complex including eight basketball courts, 12 volleyball courts and a 5,000 square foot training center, as well as construction of a surface parking lot and associated improvements. Phase Two will consist of an approximately 19,000 to 21,000 square foot commercial buildings, a surface parking lot and associated improvements.

DISCUSSION / FINDINGS OF FACT:
1. This proposed amendment to the West O Street Redevelopment Plan, as well as the associated Change of Zone No. 18001 (Bill #18-31), and Special Permit No. 18003 (Bill #18R-55), had public hearing before the Planning Commission on February 14, 2018.

2. The staff recommendation to find the proposed amendment to the West O Street Redevelopment Plan to be in Conformance with the 2040 Comprehensive Plan is based upon the “Analysis” as set forth on pp.2-3, concluding that the proposed goal of the project is to strengthen and support the business community in the West O Street Redevelopment area through development of an indoor sports facility and the commercial buildings. The facility will be a destination business and will attract families and customers to commercial neighbors. The project will assist in the efforts to remove and mitigate blight and substandard conditions. Additionally, it will put an under-utilized parcel of real estate to a productive use as an infill redevelopment project using existing infrastructure with no additional infrastructure costs to the city. This project helps mitigate any adverse impact and protect the rare saline wetlands located adjacent to the site. The staff presentation is found on pp.18-20.

3. Testimony on behalf of the applicant is found on pp.20-21. There was no testimony in support of or in opposition to this proposed amendment; however, one letter of support was submitted (see p.17). Staff discussion with the Planning Commission is found on p.22.

4. On February 14, 2018, the Planning Commission agreed with the staff recommendation and voted 8-0 to find the proposed amendment to be in Conformance with the 2040 Comprehensive Plan. The Planning Commission also voted 8-0 to recommend approval of the proposed Change of Zone (Bill #18-31), and voted 8-0 to recommend conditional approval of the associated Special Permit (Bill #18R-55).

5. This proposed amendment is scheduled before the Urban Design Committee for review and action on March 6, 2018. The Committee’s recommendation will be provided under separate cover.
COMPATIBILITY WITH THE COMPREHENSIVE PLAN

This project is consistent with the 2040 Comprehensive Plan. Chapter 5 Business & Economy indicates that commercial
centers should be developed in locations where they will enhance entryway corridors and in existing underdeveloped commercial areas in order to removed blighted conditions and more efficiently utilize existing infrastructure.

COMPREHENSIVE PLAN SPECIFICATIONS:

P. 5.5 - In existing underdeveloped or redeveloping commercial and industrial areas in order to remove blighted conditions and to more efficiently utilize existing infrastructure.

P. 5.6 - So that they enhance entryways or public way corridors, when developing adjacent to these corridors.

P. 9.11 - It is anticipated that fitness and wellness facilities will continue to be developed and managed by private organizations in the future.

P. 9.12 - Private organizations sponsor programs in swimming, athletics, arts and crafts, camping, and various club activities, and provide facilities for more casual recreational activities. Some examples of private sector recreation facilities include bowling alleys, sport courts, soccer complexes, gyms, and athletic clubs and fitness facilities.

P. 12.3 - This site is shown as future Commercial and Industrial on the 2040 Lincoln Area Future Land Use Plan.

P. 12.4 - Industrial designations are for areas where railroads, manufacturing, trucking and transportation facilities are the dominant land use, with some commercial activities.

P. 12.4 - Commercial designations are for areas of retail, office, service and residential mixed uses. Commercial uses may vary widely in their intensity of use and impact. Individual areas designated as commercial in the land use plan may not be appropriate for every commercial zoning district.

WEST O STREET REDEVELOPMENT PLAN SPECIFICATIONS:

P. 17 - West O Street is an entryway into Lincoln and acts as a front door, introducing visitors and residents to Lincoln. Given the existing zoning and land uses in the Redevelopment Area, primary uses are likely to continue to be commercial and industrial.

P. 17 - Areas that require redevelopment, including areas with obsolete land uses or unresolvable land use conflicts, should be developed in ways that strengthen existing commercial, industrial and residential investments.

P. 17 - Improve street landscaping, where possible, along parking lots or in conjunction with new developments.

ANALYSIS

1. This is an amendment to the West O Street Redevelopment Plan that involves a Comprehensive Plan Compliance for the redevelopment of five underdeveloped parcels of land located in the West O Street Redevelopment Area.

2. This request is to facilitate the development of the Lincoln Sports Facility to provide indoor recreation and competitive sport opportunities for Lincoln youth.

3. The site can be easily serviced by roads and utilities. One Lot fronting W. O Street will continue to take access off W. O Street and the new facility will take access off SW. 14th Place as a private roadway.

4. A change of zone on this site is proposed to be rezoned from H-3 Highway Commercial District and I-1 Industrial District to H-4 General Commercial District and AG Agriculture (CZ18001). H-4 zoning permits for a Planned Service Commercial development with a Special Permit for an enclosed commercial recreational facility.

5. A Special Permit (SP18003) in the H-4 zone for a Planned Service Commercial development for an enclosed commercial recreational facility is requested with waivers to parking and setbacks requirements.
6. The Urban Design Committee (UDC) will review the Amendment to the West O Street Redevelopment Plan for the Lincoln Sports Facility Redevelopment Project. The UDC provides advisory services to the Planning Commission and City Council on the design of public projects. The Committee’s intent is to make sure that new public facilities are exemplary - that they provide functional and aesthetically pleasing facilities for the public, and model good design for the private sector.

7. This project does include public financing through Tax Increment Financing (TIF). The Urban Development Department details this in the attached report.

8. This redevelopment project will add landscaping and street trees along W. O Street which will enhance this entryway into Lincoln.

CONDITIONS OF APPROVAL: none

EXISTING LAND USE & ZONING: Vacant and Commercial & H-3 and I-1 districts

SURROUNDING LAND USE          SURROUNDING ZONING
North: W. O Street              H-3 Highway Commercial
South: Burlington Northern Railroad  I-1 Industrial
East: Auto sales               H-3 Highway Commercial
West: Vacant                    H-3 Highway Commercial

APPLICATION HISTORY: none

APPROXIMATE LAND AREA: 8.14 acres

LEGAL DESCRIPTION: Lots 2-7, Block 1, Earl Carter Addition, located in Section 28-10-6 and a portion of W. O Street to the north of the subject property, Lincoln, Lancaster County, Nebraska.

Prepared by:

__________________________________
Dessie E. Redmond, Planner
(402) 441-6373 Date: February 6, 2018

Applicant/Contact: Lincoln Sports Facility, LLC
Sam Manzitto, Jr.
3341 Pioneers Boulevard, Suite 1
Lincoln, NE 68506

F:\Dev\Review\CPC\18000\CPC18005 Lincoln Sports Complex..dr.docx
Comprehensive Plan Conformance #18005
West O Street Redevelopment Plan Amendment
Lincoln Sports Facility Redevelopment Project
AMENDMENT TO THE
WEST O STREET REDEVELOPMENT PLAN

Lincoln Sports Facility Redevelopment Project

1. Project Description

The Lincoln Sports Facility Redevelopment Project (the “Project”) involves the redevelopment of five underdeveloped parcels of land located in the West O Street Redevelopment Area. The parcels comprising the proposed project site are generally located at 120 SW 14th Plaza, 121 SW 14th Plaza, 140 SW 14th Plaza, 141 SW 14th Plaza and 150 SW 14th Plaza, and are legally described as Lots 2 through 6, Block 1, Earl Carter Addition to the City of Lincoln, Lancaster County, Nebraska (the “Project Site”). The Project Site is depicted on the map, below.
The proposed Project involves at least two phases. Phase One will consist of the construction of an approximately 78,500 square foot indoor sports complex, including 8 basketball courts, 12 volleyball courts, and an approximately 5,000 square foot training center, as well as construction of a surface parking lot and associated improvements on that portion of the Project Site legally described as follows: Lots 4 through 6, Block 1 Earl Carter Addition to the City of Lincoln, Lancaster County, Nebraska (the “Phase One Project Site”).

It is anticipated that Phase Two will consist of construction of an approximately 19,000 to 21,000 square foot commercial building, a surface parking lot, and associated improvements, on that portion of the Project Site legally described as follows: Lot 2 and Lot 3, Block 1, Earl Carter Addition to the City of Lincoln, Lancaster County, Nebraska (the “Phase Two Project Site”). The improvements which comprise Phase Two may be completed in two separate phases, with each commercial building described above constituting one phase, provided that the Phase Two Project Site is replatted to accommodate this approach. See the proposed Site Plan for the Project, below.

The goal of the Project is to strengthen and support the business community in the West O Street Redevelopment Area through development of an indoor sports complex and the commercial building on the Project Site. The Project is a destination business and will attract families and customers to commercial neighbors. The Project will assist in the efforts to remove and mitigate blight and substandard conditions on the Project Site. This Project will put an under-utilized parcel of real estate to a productive use as an infill redevelopment project using existing infrastructure with no additional cost to the city. This project further helps mitigate any adverse impact and protect the rare saline wetlands located to the west of the project site. The Project further enhances the West O Street Redevelopment Area through the development of a mix of commercial uses that are supportive of
existing commercial investments in the West O Street Redevelopment Area, in accordance with the purposes set forth in the West O Street Redevelopment Plan.

The Project Site is currently vacant. Surrounding land uses primarily include commercial uses along West O Street and light industrial uses to the south, with a fairly significant amount of undeveloped, vacant land to the west of the Project Site. Single family detached residential uses exist north of the West O Street corridor. The proximity of West O Street to the north of the Project Site underscores the need for redevelopment of the Project Site to enhance the West O Street Redevelopment Area as an entryway to the City of Lincoln. See the current land use map, below.
The Project Site is currently zoned H-3 Highway Commercial District, with the exception of that portion of the Project Site legally described as Lot 4, Earl Carter Addition to the City of Lincoln, Lancaster County, Nebraska, which is currently zoned I-1 Industrial District. The entirety of the Project Site shall be rezoned to H-4 with a Planned Service Commercial Special Permit. The H-4 Highway Commercial District is intended to provide for low-density commercial uses that require high visibility and/or access from major highways. The land surrounding the Project Site, particularly along West O Street, is zoned H-3 Highway Commercial District which shall be compatible with the Planned Service Commercial Special Permit. Nearby zoning includes the I-1 Industrial District to the south of the Project Site, and the R-2 Residential District north of the West O Street corridor. Existing zoning is shown below.
The Project is consistent with the West O Street Redevelopment Plan and is intended to support private sector commercial development in the West O Street Redevelopment Area. The intent of the West O Street Redevelopment Plan is to eliminate conditions of functional and economic obsolescence in the West O Street Redevelopment Area by incentivizing commercial and industrial redevelopment that strengthens existing investments in the West O Street Redevelopment Area. The Project will strengthen and support the existing business community in the West O Street Redevelopment Area and, in particular, will incorporate site design features that accommodate shared parking and ease of movement within the Project Site, in accordance with the Guiding Principles of the West O Street Redevelopment Plan.

The Project is also consistent with the LPlan 2040, the Lincoln-Lancaster County 2040 Comprehensive Plan. Chapter 5 (Business & Economy) of the LPlan 2040 indicates that commercial centers should be developed in locations where they will enhance entryway corridors and in existing underdeveloped commercial areas in order to remove blighted condition and more efficiently utilize existing infrastructure. Redevelopment of the Project Site for commercial use is also consistent with the 2040 Lincoln Area Future Land Use Plan. Future land use and zoning are shown on the maps below.
The Project, including both Phase One and Phase Two, represents a significant private investment in the West O Street Redevelopment Area. Publicly funded redevelopment activities may include: site acquisition, site preparation and grading, street and sidewalk improvements, parking, landscaping, and other public improvements in the West O Street Redevelopment Area.
2. Statutory Elements

- **Property Acquisition, Demolition, and Disposal:** The proposed redeveloper currently controls the Project Site, which is vacant. No relocation of families or businesses will occur as a result of the Project.

- **Population Density:** The Project consists of the construction of an approximately 78,500 square foot indoor sports complex and an approximately 19,000 to 21,000 square foot commercial building for retail uses. The Project does not include construction of any residential units. As a result, the Project is not expected to affect the population density in the West O Street Redevelopment Area.

- **Land Coverage:** Since the Project Site is currently vacant, land coverage is expected to increase on the Project Site. Phase One of the Project will consist of construction of an approximately 78,500 square foot indoor sports complex on the Phase One Project Site, which is roughly 6.1 acres. It is anticipated that Phase Two of the Project will consist of construction of an approximately 19,000 to 21,000 square foot commercial building on the Phase Two Project Site, which contains approximately 2.1 acres. The Project will comply with the applicable land-coverage ratios and zoning requirements of the City of Lincoln.

- **Traffic Flow, Street Layouts, and Street Grades:** The Project is anticipated to result in an increase in traffic on account of families and customers accessing the sports complex and commercial buildings constructed as part of the Project. However, the Site Plan reflects direct access to West O Street via 14th Plaza, and as a result the Project is not expected to create traffic congestion. The Project Site is in close proximity to the West Bypass for ease of access. The Project does not include vacating any streets or alleys.

- **Parking:** The Project includes construction of surface parking lots with a total of roughly 336 parking stalls on the Project Site, which shall serve both the indoor sports complex building and the commercial building constructed as a part of the Project. The surface parking lots shall meet the parking requirements of the Lincoln zoning codes.

- **Zoning, Building Code, and Ordinances:** That portion of the Project Site described as Lot 4, Earl Carter Addition to the City of Lincoln, Lancaster County, Nebraska, is currently zoned I-1 Industrial District. The remainder of the Project Site is currently zoned H-3 Highway Commercial District. The Project will seek a change of zone to the “H-4” General Commercial District with a Planned Service Commercial Special Permit for the entirety of the Project Site. No subdivision will be required as part of the Project unless the proposed redeveloper undertakes Phase Two of the Project in two separate phases, in which case the Phase Two Project Site will be replatted to accommodate that approach. All applicable building code requirements and ordinances will be satisfied.
3. Proposed Cost and Financing

The estimated cost to implement the total Project including, Phase One and Phase Two, is approximately $11,780,000, which includes approximately $1,383,330 in public financing. The Project cost will be finalized as construction costs are finalized. The source of the public funds for these improvements will be the tax increment generated from the private developments on the Project Site. However, funding sources and uses will be negotiated and identified in the redevelopment agreement for the Project, subject to approval by the Mayor and the City Council.

Tax Increment Financing Analysis

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

A. Phase One

- **Public Tax Revenues:**

<table>
<thead>
<tr>
<th>Lincoln Sports Facility Redevelopment Project – Phase One</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Base Value</td>
<td>$425,600</td>
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<tr>
<td>(b) Estimated New Assessed Value</td>
<td>$4,862,382</td>
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<tr>
<td>(c) Increment Value</td>
<td>$(b) – (a)</td>
</tr>
<tr>
<td>(d) Annual TIF Generated (Estimated)</td>
<td>$(c) x 2.025103%</td>
</tr>
<tr>
<td>Funds Available</td>
<td>$(d) x 14 years @ 5.5%</td>
</tr>
<tr>
<td></td>
<td>$869,330</td>
</tr>
</tbody>
</table>

Upon completion of Phase One, the assessed value of the Phase One Project Site will increase by an estimated $4,436,782 as a result of the private investment for Phase One. This will result in an increase in estimated annual property tax collections during the 15 year TIF period of approximately $89,849. The public investment of approximately $869,300 in TIF funds will leverage approximately $8,000,000 in private sector financing.

The Urban Development Department believes that the private and public improvements proposed for Phase One would not occur “but for” the utilization of tax increment financing in the West O Street Redevelopment Area. It would not be economically feasible for the redeveloper to construct the Phase One improvements as designed without tax increment financing because existing site conditions constitute a barrier to development that cannot be adequately remedied without the use of tax increment financing.

Public investment may assist with the costs of site acquisition, site preparation and grading, street and sidewalk improvements, parking, landscaping, and other public improvements and enhancements permitted under the Community Development Law in the West O Street Redevelopment Area.

- **Public Infrastructure and Community Public Service Needs Impacts:**
It is not anticipated that Phase One of the Project will have an adverse impact on existing public infrastructure. Rather, it is anticipated that Phase One of the Project will have a positive impact on City services by generating additional revenue using existing infrastructure to provide support for those services. Phase One of the Project will also encourage additional private investment in the West O Street Redevelopment Area through the removal of blight and substandard conditions.

- **Employment within the Redevelopment Project Area:**

  It is not anticipated that Phase One of the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the Project. Phase One of the Project is anticipated to create in the range of 30 to 40 full and part-time jobs, thereby strengthening the business community within the West O Street Redevelopment Area.

- **Employment in the City outside the Redevelopment Project Area:**

  The jobs created by construction of Phase One on the Phase One Project Site are not expected to adversely affect employment in the City outside the area of the Project. Instead, Phase One of the Project will support existing commercial investment in the West O Street Redevelopment Area, and enhance the West O Street Redevelopment Area as an entryway corridor to the City of Lincoln. Phase One of the Project should attract further commercial development in the West O Street Redevelopment Area, which will create additional jobs both in the West O Street Redevelopment Area and the City as a whole. In particular, Phase One will lead to additional commercial investment in Phase Two of the Project. Further, Phase One of the Project should increase the need for services and products from existing businesses in and around the West O Street Redevelopment Area.

- **Other Impacts:**

  Implementation of Phase One of the Project will assist in the removal and mitigation of the blighted and substandard conditions from the Phase One Project Site, and will attract employers to the West O Street Redevelopment Area and the City of Lincoln. Phase One of the Project is consistent with the policy of LPlan 2040 and with the West O Street Redevelopment Plan.

  Phase One of the Project should have positive impact on private sector businesses in the West O Street Redevelopment Area and in the City, and will enhance the West O Street Redevelopment Area as an entryway corridor to the City of Lincoln in accordance with the goals of the West O Street Redevelopment Plan.

  While the use of tax increment financing will defer receipt of a majority of the incremental ad valorem real property taxes generated by Phase One for up to 15 years, there will be additional revenue generated by Phase One from, for example, personal property taxes on equipment installed at the sports complex and sales taxes paid by customers of the sports complex. Following the 15 year TIF period, Phase One will benefit the community through increased property tax revenue.
B. Phase Two

- **Public Tax Revenues:**

<table>
<thead>
<tr>
<th>Lincoln Sports Facility Redevelopment Project – Phase Two</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Base Value</td>
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<td>(b) Estimated New Assessed Value</td>
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<td>(c) Increment Value = (b) − (a)</td>
<td>$2,622,788</td>
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<td>(d) Annual TIF Generated (Estimated) = (c) x 2.025103%</td>
<td>$53,114</td>
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<tr>
<td>Funds Available = (d) x 14 years @ 5.5%</td>
<td>$514,000</td>
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Upon completion of Phase Two, the assessed value of the Phase Two Project Site will increase by an estimated $2,600,000 as a result of the private investment for Phase One. This will result in an increase in estimated annual property tax collections during the 15 year TIF period of approximately $53,100. The public investment of approximately $514,000 in TIF funds will leverage $2,400,000 in private sector financing.

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

Public investment may assist with the costs of site acquisition, site preparation and grading, street and sidewalk improvements, parking, landscaping, and other public improvements and enhancements permitted under the Community Development Law in the West O Street Redevelopment Area.

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

It is not anticipated that Phase Two of the Project will have an adverse impact on existing public infrastructure. Instead, it is anticipated that Phase Two of the Project will have a positive impact on City services by generating additional revenue providing support for those services. Phase Two of the Project will also encourage additional private investment in the West O Street Redevelopment Area through the removal of blight and substandard conditions.

- **Employment within the Redevelopment Project Area:**

It is not anticipated that Phase Two of the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the Project. Phase Two of the Project is anticipated to create in the range of 40 to 50 full and part-time jobs, thereby strengthening the business community within the West O Street Redevelopment Area.

- **Employment in the City outside the Redevelopment Project Area:**
The jobs created by construction of Phase Two on the Phase Two Project Site are not expected to adversely affect employment in the City outside the area of the Project. Instead, Phase Two of the Project will support existing commercial investment in the West O Street Redevelopment Area, and enhance the West O Street Redevelopment Area as an entryway corridor to the City of Lincoln. Phase Two of the Project should attract further commercial development in the West O Street Redevelopment Area, which will create additional jobs both in the West O Street Redevelopment Area and the City as a whole. Phase Two of the Project should increase the need for services and products from existing businesses in and around the West O Street Redevelopment Area.

- **Other Impacts:**

Implementation of Phase Two of the Project will assist in the removal and mitigation of the blighted and substandard conditions from the Phase Two Project Site, and will attract employers to the West O Street Redevelopment Area and the City of Lincoln. Phase Two of the Project is consistent with the policy of LPlan 2040 and with the West O Street Redevelopment Plan. It is anticipated that Phase Two of the Project will complement Phase One by incorporating site design features that accommodate shared parking and ease of movement within the Project Site, in accordance with the West O Street Redevelopment Plan.

Phase Two of the Project should have positive impact on private sector businesses in the West O Street Redevelopment Area and in the City, and will enhance the West O Street Redevelopment Area as an entryway corridor to the City of Lincoln in accordance with the goals of the West O Street Redevelopment Plan. Phase Two of the Project will also incorporate uses that are supportive of the improvements constructed as part of Phase One of the Project.

While the use of tax increment financing will defer receipt of a majority of the incremental ad valorem real property taxes generated by Phase Two for up to 15 years, there will be additional revenue generated by Phase Two from, for example, personal property taxes on equipment installed in the buildings and sales taxes paid by customers purchasing good and services at the buildings. Following the 15 year TIF period, Phase Two will benefit the community through increased property tax revenue.
Notice is hereby given that the Lincoln City/Lancaster County Planning Commission will hold a public hearing on Wednesday, February 14, 2018, at 1:00 p.m., in Hearing Room 112, County-City Building, 555 S. 10th Street, Lincoln, Nebraska, on the following items. For more information call the Planning Department, 402-441-7491.

1. COMPREHENSIVE PLAN CONFORMANCE NO. 18001, to review as to conformance with the 2040 Lincoln-Lancaster County Comprehensive Plan, a request to declare City-owned property as surplus, on property legally described as Lot 9, Block 4, Hartland's Garden Valley Addition, located in the SE 1/4 of Section 35-11-6, Lincoln, Lancaster County, Nebraska, generally located at 1233 Garden Valley Road.

2. COMPREHENSIVE PLAN CONFORMANCE NO. 18002, to review as to conformance with the 2040 Lincoln-Lancaster County Comprehensive Plan, a request to declare City-owned property as surplus, on property legally described as the remaining portion of Lot 11, I.T., located in the NE 1/4 of Section 18-10-6, Lincoln, Lancaster County, Nebraska, generally located at the SE corner of NW 48th Street and West Adams Street.

3. COMPREHENSIVE PLAN CONFORMANCE NO. 18003, to review as to conformance with the 2040 Lincoln-Lancaster County Comprehensive Plan, a proposed amendment to the Antelope Valley Redevelopment Plan, that adds the "Viet Hao Redevelopment Project". The redevelopment project site is approximately 16,600 square feet and includes the rehabilitation of the 2365 O Street building and the demolition and construction of a new building at 2373 O Street for new retail and office space, on property generally located at 2353, 2365, and 2373 O Street. The Antelope Valley Redevelopment Plan Area consists of approximately 900 acres with 4 broad districts or groups of uses, including Antelope Creek, Neighborhoods (North Bottoms, Clinton, Malone/Hawley, Woods Park, Near South, Downtown Neighborhood and Neighborhood Retail Centers), Downtown Lincoln and the University of Nebraska City Campus, Lincoln, Lancaster County, Nebraska.
February 5, 2018

Lincoln-Lancaster County Planning Dept.
Geri Rorabaugh, Administrative Officer
555 South 10th St., Ste 213
Lincoln, NE 68508

Re: Sports Complex West O Street

Dear Geri:

We own the West Gate Shopping Center @ West O Street and Capital Beach Blvd. The proposed Sports Complex is located across the street from our shopping center.

We strongly believe this development would be good for our shopping center and also for the entire West O Area. We urge you to approve this request.

WEST GATE, INC.

By: S. Edward Copple, President

EC: gda
COMPREHENSIVE PLAN NO. 18005, CHANGE OF ZONE NO. 18001, AND SPECIAL PERMIT NO. 18003

COMPREHENSIVE PLAN NO. 18005, TO REVIEW AS TO CONFORMANCE TO THE WEST O STREET REDEVELOPMENT PLAN THE LINCOLN SPORTS FACILITY REDEVELOPMENT PROJECT, GENERALLY LOCATED AT 150 SW 14TH PLACE: February 14, 2018

Members present: Beckius, Corr, Edgerton, Finnegan, Harris, Hove, Joy, and Washington; Scheer absent.

Staff recommendation: Conformance to the Comprehensive Plan.

AND

CHANGE OF ZONE NO. 18001, FROM H-3 (HIGHWAY COMMERCIAL DISTRICT) AND I-1 (INDUSTRIAL DISTRICT), TO H-4 (GENERAL COMMERCIAL DISTRICT): February 14, 2018

Members present: Beckius, Corr, Edgerton, Finnegan, Harris, Hove, Joy, and Washington; Scheer absent.

Staff recommendation: Approval.

AND

SPECIAL PERMIT NO. 18003, FOR THE DEVELOPMENT OF AN INDOOR SPORTS FACILITY AND ADDITIONAL COMMERCIAL SPACE: February 14, 2018

Members present: Beckius, Corr, Edgerton, Finnegan, Harris, Hove, Joy, and Washington; Scheer absent.

Staff recommendation: Conditional Approval.

Staff Presentation: David Landis, Director of Urban Development, stated this is the third project in the West O Street area. The area had not seen much redevelopment until recently, when it has had an increasing presence. This proposal is for two buildings, including a large structure described as a 78,000 square foot multipurpose sports facility that will hold up to 8 basketball courts or 12 volleyball courts. It is being developed privately by Lincoln Sports Facility, LLC, who are on hand to answer questions. There are a number of factors that make this proposal appealing and in conformance with Comprehensive Plan goals. The site is along an entryway corridor, landscaping will enhance the area, fitness and wellness opportunities are encouraged, and private organizations that promote athletics, arts, and various club activities are supported. The 5,000 square foot building will be used for commercial and retail. The area has been reviewed for wetland and floodplain issues. The developer has purchased enough land that those questions can be solved. The City is currently negotiating a redevelopment agreement with the developers. It is a private investment of around $8 million, with close to $900,000 in TIF funds. In order to utilize TIF funds, this body must determine that the project
is an appropriate use of the site. Lincoln grows by around 3,000 people per year, but parks and recreation facilities are not added at that same pace. It is positive for the community that private development can step in to fund projects like this one.

Edgerton said she has questions about the zone changes. Landis said that is to accommodate the commercial and retail elements of this project.

Harris asked if this will require a blight study. Landis said that was done years ago and this is inside those boundaries.

Redmond said there are boundary differences between the special permit and the change of zone. The special permit will be applied to the western portion of the site. Staff required inclusion of property along the west in the change of zone request to address the floodplain and wetlands areas. That area will be rezoned to AG to preserve those amenities. This site is currently considered underutilized. The applicant is also requesting three waivers. One is for parking. The total building square footage is around 97,500 square feet, so with the one stall per 300 square feet requirement, they would need 325 spaces. The plan currently shows 345. The second waiver is for interior setbacks to be waived; the exterior setbacks will remain. The third waiver is for the private roadway ending in a cul-de-sac at the proposed building.

Harris asked for clarification about the waiver since the applicant has more stalls than what is required. Steve Henrichsen, Planning Department, explained that what is being exceeded is the new parking requirement. This is a sports facility so it is reasonable to consider the number of stalls needed could have been a little more. This site is being developed as a whole entity, with shared parking. Given that fact, and the fact that most of the activity will happen in the evenings or on weekends, sharing parking with the commercial buildings is appropriate. Rather that calculating a complicated ratio based on those factors, it was worked out that if both uses were included, then there is no need to list out each component of the shared parking arrangement. This is a contained site with no residential neighborhoods nearby. The other businesses on the site retain the right to have people towed from their private lots. Harris said the ratio used is not that of indoor sports facilities. Henrichsen said that is correct. Some sports facility uses have been singled out and calculated separately; with the two commercial buildings, we knew in this case there was still an excess of parking. This will also provide flexibility to the developer should they decide someday that the facility will only be used for basketball, for example. This is simplified and even if this were to go to some other commercial use, the 1/300 is still the appropriate ratio.

Hove asked if the project would be reviewed again if the applicant would develop farther on to the other side of the cul-de-sac. Redmond said the area within the boundary to the west is being rezoned to AG to preserve the environment. The parking would increase if they added on to the site.

Washington asked if the parking applies to both phases of the project. Redmond said that is correct.

Washington asked for clarification about exactly which parcels are being rezoned AG. Redmond said the western two parcels.

Corr asked why the zoning is changing from H-3 to H-4. Redmond said the planned service commercial development requires H-4 zoning for an enclosed recreational use. The H-4 allows
that special use; H-3 does not.

Corr asked when the Urban Design Committee will review this project. Redmond said that will happen at their March meeting and the notes will be forwarded to the City Council.

Corr has concerns about a waiver for a side yard setback. Redmond said the waiver will only apply for the interior setbacks only.

Edgerton asked what the relationship is with Lots 1 and 7. Redmond said those will all fall under the special permit. The applicant owns Lot 1.

Beckius noted for the sake of clarification that even though the parking requirements are changed since there are multiple lots, the setbacks will be applied to the exterior of what is now essentially being considered as one lot. Redmond said that is correct.

**Proponents:**

1. **Tom Huston, Cline Williams, 233 S. 13th Street**, stated Sam Manzitto, Manzitto Bros.; Maggie Griffin of the Volleyball Club of Nebraska; and Matt Cumro with Supreme Court Basketball, have become partners in the entity, Lincoln Sport Facility, LLC, and are the redevelopers for this project. The first phase of this 2-phase project the 78,500 square foot sports complex. S.W. 14th Plaza is a private driveway that takes direct access to West O Street. Lot 4 is currently zoned I-1, which would have allowed this project without the special permit. The permit helps to tie the entire area together. South of the project are railroad tracks, which have an impact on some of the conditions of approval. Phase two is the commercial/retail building that will be built sometime in the future.

JEO architecture has been involved in the design of the facility. The interior is designed to accommodate up to 12 volleyball courts and 8 basketball courts to be used on a non-concurrent basis. The need is great for this type of facility in Lincoln. The site is close to the West Bypass and Interstate 80. Access to the major thoroughfares is important to visiting teams and was an important factor in choosing this site. One of the main benefits of the H-4 Zone is that it allows us to make the entire site work as one. The request to waive the internal setbacks was filed in case the main building needed to be moved farther east to protect the wetlands. In the conditions of approval, one unusual element is the Health Department requirement for an emergency evacuation plan due to the site proximity to the railroad tracks. That is in process and is a condition for a building permit to be issued. They also require an emergency shut-off for the HVAC system. Though not officially part of the Municipal Code, the Health Department has a policy that prefers a 300-foot separation; this is around 230 feet. There is a huge grade differential, but nonetheless, the applicants have worked with Health to meet these requests.

Phase I is the immediate focus and the schedule now would put this application, along with a corresponding redevelopment agreement, before City Council in late March. Hopefully, the building will be under construction by April and completed yet this year.

Beckius asked if this facility is expected to meet regional need in addition to local. Huston said without a doubt. It is certainly needed locally, and it will enhance the competitive experience through statewide and regional tournaments. Even this large facility will not accommodate a full tournament. There is high demand for court time for both competition and practice.
Hove asked if there was any other access to the property. Huston said no. There is the potential for access to the east, though that is a different property owner. To the west, the storage capacity for floodplain is non-developable as it is home to a highly sensitive saline wetland.

Washington said she has experience with youth sports and she can imagine this facility being immediately very crowded, with 300 or more cars. Huston responded that the parking utilized by adjacent facilities has not been included in the parking count for this proposal. The applicant has had conversations with those owners to see if they are interested in cross-parking easements, and they do seem interested. The commercial neighbors are very interested in having the extra traffic in their neighborhood.

Harris asked if this applicant had involvement with a transitional care facility located at 14th and Old Cheney Streets that required the same condition for having an emergency evacuation plan in place. Huston said he does not remember. Hove added that the surrounding area in the case referenced by Commissioner Harris also had Industrial Zoning nearby, and he recalled that the Health Department also preferred a 300-foot separation in that case. Huston agreed that it is good to have the plan in place and the technology for the emergency shut-off. Corr thought this might be a separate owner from the healthcare facility. [Harris later clarified for the record that her comment was in reference to Use Permit No. 64B, for a non-residential healthcare facility located at 16th Street and Old Cheney Road].

Corr noticed the plan talked about a training center in addition to the courts. Huston said that right now, that is expansion space. The plan, ultimately, is to have a fitness center for youth sports. It would be an auxiliary use for the main building. Corr asked if it would include weight training equipment or any other training equipment. Huston said there is no specific vendor at this time, but there could be some type of equipment. It is a place-holder on the site plan.

Corr said she is concerned about the 300-foot separation waiver. She asked where the HVAC system will be located. Huston said the mechanical space is at the north end of the proposed building, which means it is most likely an additional 100-feet from the back of the property line, though the south end of the building is around 230 feet. The distance is based on potential danger posed by the proximity to the tracks. The more important element of the condition is the training of staff to operate the shut-off and to evacuate. Corr wondered if there is potential to reposition or to reconfigure the building so that it would meet the 300-foot separation. Huston noted that the separation is not part of the Code, but is just the preference. The applicant is trying to comply, but the building cannot be moved to the north or be reconfigured.

Washington asked if it is possible to assure the Health Department that the intake valves are 300 feet away from the tracks. Huston said he does not know. Washington said if she were to assume the intakes were above the mechanical room, they would be more than 300 feet away from the tracks. She believes the intent of Health Department is to assure that there is some distance and a window of safety in case of an accident. Abby Litrell, Law Department, stated that, having spoken with the Health Department, the HVAC requirement had less to do with proximity to the tracks and more to do with noxious fumes entering the building; they wanted a system that could be automatically shut off; the concern was not its distance. The proposed waivers alleviated their concerns or else they would have been present today.

There was no testimony in opposition.
Staff Questions:

Corr said the staff report for the Comprehensive Plan talked about job creation. She wondered if that was only during the construction phase or if there would also be employees at the facility. Ernie Castillo, Urban Development Department, stated that it is a little of both. In his role as Economic Developer, Mike Lang met with the developer to talk about the function of the building. There will definitely be jobs during construction and he would guess staff will also be hired to run the facility for the LLC. Corr said she wanted to make sure it was not just construction, but that there would be jobs at the facility itself.

Joy asked if there are turning lanes associated with the access point. Redmond said that would be addressed by the Public Works Department. Joy asked if that detail is included by the change of zone or special permit. Redmond said it is not.

COMPREHENSIVE PLAN CONFORMANCE NO. 18005
ACTION BY PLANNING COMMISSION: February 14, 2018

Hove moved for Approval, seconded by Beckius.

Beckius said this project will be a boon to sporting families in Lincoln. It is appropriately sited, with unique site considerations taken into account and worked through with staff.

Washington said this is a wonderful project and she hopes it will alleviate the need for late-night practices for youth sports.

Edgerton said this is an exciting project and it is great that private development is getting involved. It will satisfy a real need in the community.

Finnegan added that the project will also help West O Street.

Motion carried, 8-0: Beckius, Edgerton, Finnegan, Harris, Hove, Joy, Washington, and Corr voting ‘yes’; Scheer absent.

CHANGE OF ZONE NO. 18001
ACTION BY PLANNING COMMISSION: February 14, 2018


SPECIAL PERMIT NO. 18003
ACTION BY PLANNING COMMISSION: February 14, 2018