

Meeting Minutes

Comprehensive Plan Community Committee
September 10, 2020, 3:00 p.m., Zoom Video Conference

Attendees: David Cary, Paul Barnes, Andrew Thierolf, Kellee Van Bruggen, Stacey Hageman, Allan Zafft and Teresa McKinstry of the Planning Dept.; Dallas McGee and Kurt Elder of Urban Development; Deane Finnegan, Tom Beckius, Cindy Ryman Yost and Tracy Edgerton Planning Commissioners; Grant Daily, Stephanie Fisher, Bryan Seck, Meghan Sittler, DaNay Kalkowski, Marilyn McNabb, Sheila Dorsey Vinton, Tom Rempel, Dave Johnson and Silas Clarke.

David Cary thanked everyone for participating. He knows this is an additional time commitment from everyone and he appreciates it. There are important material and concepts to review. We will talk about the increasing role of infill and redevelopment in the plan.

Andrew Thierolf stated that today is meant to build upon last month where growth scenarios were discussed. We are landing on 25% infill for growth scenario. Now we want to focus on how this happens and what it means. Over the last three years, we've had almost 1,100 units of infill. It has been about 28% single family detached, attached or duplex. About 72% has been multi-family. The projects have been focused downtown. There is a large cluster downtown, but it has really spread throughout the community. There are quite a few units being built outside of downtown. Even on the edge, we are getting huge apartment complexes. He shared some information from the market report that was done a few years ago. Downtown has 9.3 million square feet of occupied commercial space downtown. 31.1% of all dwelling units are located downtown. 29.6% of all dwelling units construction from 2014 to 2016 were constructed in downtown. Hyatt Place, Canopy Lofts is at 600 Q Street. This is mixed use and 72 residential units. The Stack is at 1222 'P' Street. It is mixed-use with retail and 26 residential units. There is the Raymond Brothers buildings at 801 'O' Street with mixed use, retail and residential. The benefits of infill are less construction of new infrastructure, along with maintaining and enhancing existing infrastructure. This is more economically and environmentally sustainable. It preserves prime farmland and critical habitats along the city's edge. It supports continued investments citywide. It also supports improved transit and other alternative modes of transportation. This saves money on a household level in terms of passenger vehicles. There are a few different ways to incentivize infill. If you have high quality transit, you have more people who want to live closer to that. Parking requirements are something we haven't discussed a lot with this group. It is something that staff is looking at. We look at parking on a case by case basis at this point. Another item is tiered impact fees. Staff is looking at 25% infill scenario for the update. This equates to 12,780 units or 425 per year. This is more than the current 22% in the current comprehensive plan. He believes we are being realistic about what we can achieve.

Stacey Hageman stated that there have been projects outside of downtown. One of these was at 48th and Leighton. This was for 220 units on 10.6 acres in two buildings. The PUD (Planned Unit Development) included various waivers. The plan was to demolish the shopping center and build two buildings, and the street network and sidewalk. She showed what it looks like today. Another example in Havelock is the SSH Architecture redevelopment project. This was 8 units on 0.32 acres with about

3,600 square feet of office. It was designed to match the character of the commercial district in Havelock. TIF (Tax Increment Financing) was used on both of these projects. With the changes in the retail market, some concepts were developed for how Gateway Mall could redevelop. Residential and mixed uses were proposed to be added. There were several different ways that residential could be added to commercial spaces. In LPlan 2040, a map was included that shows design overlays such as the Capitol Environs District. There are several historic districts throughout Lincoln. They have their own design guidelines. There is an area subject to Downtown Design Standards. Areas in the pre-1950 city limits have design standards as well. After LPlan 2040, the city started a large project called reFORM. This proposed to streamline the development processes. Staff was proposing commercial design standards along with that. She showed an example of the corridor standards. They were more facing outward toward the street. The standards for centers included what staff called a pedestrian oriented route. There were standards that talked about a walkable environment in the center. Over time, these policies that are incentivizing infill can lead to redevelopment of underutilized properties. This can contribute to placemaking in our community.

Paul Barnes wanted to talk about nodes and corridors. He showed a map that highlights what is embodied in this concept. It encourages the redevelopment of sites in commercial, industrial and possibly blighted areas to create new areas that are compatible with the adjacent neighborhoods. They are intended to be mixed use and transit in nature. These would have access to arterial streets. This is a concept that ties in with the design standards piece. Part of the discussion with this update is to consider if we should take another look at this. He showed a map that removes some of the outlying nodes. Perhaps we take a more focused approach and prioritize them. 27th St., 'O' St. and Highway 2 might be possible areas. He showed some text from the current comprehensive plan. It states that nodes and corridors should strive to locate in areas where there is a predominance of commercial or industrial zoning and/or development, focusing on non-residential areas as opposed to existing neighborhoods. The breakout rooms will talk about floor area ratios. For residential densities in these areas, we want to strive for at least seven dwelling units per gross acre within buildable areas. Staff has provided some examples. 225 N. Cotner Blvd. is approved for 153 dwelling units on 1.8 acres. This is currently under construction. Parking will be located underneath the building. There is another project on N. 27th St. at 'S' Street. It has 13 dwelling units on a 0.48 acre parcel. A commercial use at 8310 'O' Street has building square footage of 54,524 square feet. The floor area ratio is 0.52. Next door to the bank is Aldi Grocery Store. It is 17,152 square feet. The floor area ratio is 0.21. Lastly, Dunkin Donuts at 8355 College Park Drive is 4,224 square feet and the floor area ratio is 0.14.

Dallas McGee stated that one of the key incentives we have used for the past 36 years is the use of TIF. This has been used downtown and throughout the city. We are able to use TIF because the Legislature passed the Community Development Act in 1984. There were conditions attached to that legislation. First, the area must be declared blighted and substandard. It was intended to eliminate blight and slum removal. Lincoln has used it the way most cities have which is to encourage redevelopment in those areas that wouldn't naturally have a lot of redevelopment. Every project must include a 'but for' letter which needs to be addressed by City Council. It says without the use of TIF, this project would not occur in the form that it is being brought forward. Then a cost/benefit analysis is done. An example would be a property that is valued at \$100,000.00. It pays about \$2,000.00 in taxes every year that are distributed amongst the various taxing agencies. A small percent would normally go to the city. When TIF is involved, the taxes on the increased value goes to Lincoln. The increase is used to pay for eligible public enhancements that are related to the project. The TIF payback period is no more than 15 years. He showed what the TIF money is used for. It can go for historic preservation, site prep, streetscape and energy efficiency. We also spend on roads and other traditional public improvements. A blight

determination goes to Planning Commission and City Council, along with a redevelopment plan. The redevelopment agreement goes to City Council. Finally, there is a bond hearing that approves the acquisition of the bonds. There are also other bodies that review these. Urban Design Committee reviews all TIF. Historic Preservation Commission reviews TIF in historic areas and Nebraska Capitol Environs Commission reviews TIF in the Capitol Environs area. Some examples are Embassy Suites, Creekside Village and Valentino's on Holdrege St. Some Haymarket examples are the West Haymarket. Practically all the housing used TIF. TIF was not spent on the arena. The entertainment district in West Haymarket is busy practically all year. Another re-use project is Bison Books, which is now the Marriott Courtyard Hotel. Across the street is the Hilton Garden Inn which was a warehouse site. The Tool House is now Arena Lofts. There is the Larson building, Latitude with student housing, the 50/50 Wrap building and Case, Case & Case building. The Schwarz building is sold out condominiums. The Ambassador/President is another example. The Elsey Housing site was vacant before. It is now student housing. The 8N Lofts is the old Baker Hardware building. The old VA hospital site now has housing under construction. Antelope Square was vacant and is now townhomes and single-family homes. Nelnet in the Telegraph District is another TIF related site. TIF was used for the redevelopment of 48th St. and Holdrege. A big accomplishment is the Lumberworks Liner building that is now a grocery store. TIF is the key incentive that the City can provide.

Thierolf stated that everyone will break up into discussion groups. The following are the discussion questions and responses from all groups.

Design Standards and Character Topic

- Should the city develop design standards for commercial areas?
 - Need to answer the question “What is the problem we are trying to solve with design standards?” before moving forward with any effort. If there is no significant problem, then we should not be putting forth the effort.
 - City should not have design standards because so many different scenarios and areas of the city and site considerations that a standard set of design standards would be both too limiting for unique designs and likely not well suited for certain areas
 - Seems like the Urban Design Committee is well suited to address design when applicable and needed and that suffices
 - Design standards would stifle creativity too much and might even have the unintended result of getting more minimal designs
 - Very strong against building design standards, but site standards like placement of parking and setbacks may be useful, especially along corridors
 - Can energy efficiency standards be part of this?
 - Asked question about what design standards would impact for the better – answer was that they would likely help bring the bottom level projects up to a minimum standard.
 - Point was made here that the vast majority of projects have at least adequate if not very good design so this speaks to the fact that there isn't really a big problem in Lincoln right now
 - Need to consider the cost impacts of additional design standards on development
 - Related concern of potentially pricing out existing property and business owners from being able to redevelop or reinvest in their current properties

- If there were to be design standards, should they be applied in specific areas of the city, or perhaps have different standards for different areas?
 - Perhaps there should be a difference between TIF projects and their level of design and other projects. This makes some sense.
 - Perhaps some overlay districts for certain areas or neighborhoods for heightened standards would work.
 - Reiterated the concern that increased design standards may have a negative impact on existing property and business owners and their ability to afford rehabbing or redeveloping their properties.
 - If we were to target certain areas for design standards, would want it targeted on certain corridors like N. 27th Street, O Street, and Highway 2.
 - Makes more sense to target the standards, like the Downtown Design Standards, rather than blanket set of standards for the entire city.

- Should the City do away with minimum parking requirements or decrease parking requirements?
 - There was general strong agreement with decreasing parking requirements to both limit development costs and to limit impervious area and open up possibility of some smaller sites to development.
 - Related point made that it would be best to tie the decreased parking requirements to the availability of other infrastructure like transit service and walking/biking connectivity to show less dependence on autos.
 - This could be used to incentivize infill and redevelopment, like how the B-4 district in Downtown does not have a parking requirement.

Nodes and Corridors Topic

- The presentation discussed a prioritized or targeted approach to refine the Nodes and Corridors concept. What are some nodes and corridors that you think should be prioritized?
 - Y Street between 27th and west to the University.
 - 46th Street from O to Vine
 - Cornhusker Highway around 55th Street area
 - 27th & Highway 2
 - Edgewood
 - Target high employment centers or areas where StarTran service currently exists
 - Neighborhood surrounding West Lincoln Elementary
- Should we propose higher density along nodes and corridor areas? Examples include greater commercial Floor Area Ratios and higher number of residential units per acre.
 - Use TIF to create more affordable housing and higher densities in prioritized areas
- Should we require a mix of residential and commercial in redevelopment sites? What about in undeveloped greenfield sites that are currently within the City?
 - Discuss this with developers
 - Does this become a hinderance?
 - Allow for flexibility
 - Wherever residential is located, a certain portion should be affordable
 - Good idea on paper to promote livability, case by case basis

TIF Topic

- When housing redevelopment projects receive TIF assistance, should the City require affordable units in the project?
 - What's the downside of having some sort of incentive for affordable housing given the significant need in our community?
 - Some projects would accommodate that better than others. For example, with the Schwartz and Raymond Bros buildings, they are selling as high end condos. Part of that is a function of the cost to redevelop the building. One size does not fit all.
 - Are there some other means of addressing affordable units that we can tie to redevelopment?
 - Would TIF laws need to change if we want to utilize it for affordable housing in a different area?
 - Yes, right now you can only use TIF in the project area.
 - For projects not being viable with affordable housing... isn't that what TIF is for? The purpose of TIF is to make the project happen. Could TIF be enough of an incentive to address an affordable housing requirement?
 - The purpose of utilizing TIF in some areas is to address the extra costs that are already there with redevelopment... demolition, historic preservation, etc. Adding affordable units on top of that just adds on to the costs and makes these projects not viable in some cases.
 - In all of our TIF projects, the cost of eligible expenses exceeds the amount of TIF that would be generated. There's not extra money sitting around for affordable units.
- Has there been a push back from schools for using TIF for housing?
 - We have not experienced push back. In Nebraska, there is legislation where around 70% of lost revenues to schools is replaced by other funding sources. This applies to Lincoln.
 - The only time we had pushback is when a developer wanted to build a single family development on the edge of town. That project didn't happen.
 - In some of our smaller communities, the schools support TIF for single family because it's the only way to get single family growth. Crete schools was supportive of a single-family project in Hallam.
- What are the parking needs for redevelopment projects? Is there flexibility for using the public right-of-way for public parking.
- How can LHA partner with future redevelopment projects? LHA classically can't find land to develop large sites, but they have a passion for scattered site affordability. If height waivers, density bonuses were given to allow LHA access to a redevelopment site ... (a) would planning support this, (b) would developers take that opportunity, and (c) would LHA entertain a partnership with other developers?
 - LHA has been looking for housing sites for 10 years. LHA had found a site that would have been great but it was voted down by City Council. LHA has many projects that you would have no idea are affordable housing. Great looking, well maintained sites.
 - This is something that we can and should pursue as we look at affordable housing.

* Breakout groups ended

Grant Daily had a question about infill. He thought the preferred option was 28%. He is curious why we are now talking about 25%. Thierolf answered there have been discussions about what we can realistically achieve. He believes 25% is a median point. 30 years from now, the goal is to be around 28%. He thinks that can be tough to achieve in the very near future. Cary added that discussions revolve around the plan being updated every five years. If that changes in the future, we will take another look at it. There is always the possibility to refresh the benchmarks based on the available data. He acknowledged we will look at real life results. If the trend starts to kick up higher, we can change the assumptions in the plan. We feel the trend is upward and we want to acknowledge that. We will keep watching and studying.

Thierolf stated that staff is still working on the recommended growth scenario. That will be released to the public in October. He believes internally, staff should have a more detailed update at the end of September. We are shifting gears to goals and strategies. We have been talking about these topics for several months now. Staff is starting to collect the information and come up with new goals and strategies. The next Community Committee meeting on September 24 will be about economy. He reminded everyone that we are between public event number two and three. Event three will be the release of the draft scenarios. Early 2021 will be the next public event after that.

Cary thanked everyone again for participating. We have a lot of good material to work with.

The meeting adjourned at 4:40 p.m.