

## MEETING RECORD

*Advanced public notice of the Nebraska Capitol Environs Commission meeting was posted on the County-City bulletin board and the Planning Department's website. In addition, a public notice was emailed to the Lincoln Journal Star for publication on Wednesday, September 15, 2021.*

**NAME OF GROUP:** NEBRASKA CAPITOL ENVIRONS COMMISSION

**DATE, TIME AND PLACE OF MEETING:** Friday, September 24, 2021, 8:30 a.m., City Council Chambers, County-City Building, 555 S. 10<sup>th</sup> Street, Lincoln, Nebraska.

**MEMBERS IN ATTENDANCE:** Mary Campbell, Heidi Cuca, Delonte Johnson, Kile Johnson, Ann Post and Dennis Quade; Karen Nalow absent.

**OTHERS IN ATTENDANCE:** David Cary, Paul Barnes, Collin Christopher and Teresa McKinstry of the Planning Department; Bob Ripley and Matt Hansen with Nebraska Capitol Commission; Dan Marvin, Dallas McGee and Hallie Salem from Urban Development Dept.; Pat Leach from Lincoln City Libraries; J.J. Yost from Parks & Recreation; Ryan Reed from Nebraska State Historic Preservation Office; and other interested parties.

**STATED PURPOSE OF MEETING:** Nebraska Capitol Environs Commission Meeting

Chair Kile Johnson called the meeting to order and acknowledged the posting of the Open Meetings Act in the room.

K. Johnson then called for a motion approving the minutes of the regular meeting held August 27, 2021. Motion for approval made by Campbell, seconded by Cuca and carried 6-0: Campbell, Cuca, D. Johnson, K. Johnson, Post and Quade voting 'yes'; Nalow absent.

### **DEMOLITION AT 220 CENTENNIAL MALL**

#### **PUBLIC HEARING:**

**September 24, 2021**

Members present: Campbell, Cuca, D. Johnson, K. Johnson, Post and Quade; Nalow absent.

Collin Christopher introduced the item by stating that the Pershing Center is not a historic landmark, but the site has a lot of history behind it. The topic of demolition Pershing was taken to Historic Preservation Commission last week for comment. Their comments were distributed

to Capitol Environs Commissioners. Staff also distributed a letter from the Preservation Association of Lincoln (PAL) and their correspondence with Mayor Leirion Gaylor Baird. Staff is here today from Urban Development and Lincoln City Libraries to provide the Commission background on the redevelopment process for the block. In addition, Ryan Reed from the Nebraska State Historic Preservation Office is also in attendance for today's meeting. He has been responsible for documenting the site.

Dan Marvin started the presentation by stating that he wanted to go over everything that has happened on the site in the last fifteen years. Looking back to the 2005 Downtown Master Plan, Dallas McGee said that Pershing was a major focus of that plan. It suggested that if the City built an arena someday, it should be built in the railyard. Marvin then stated that the Pershing Adaptive Reuse and Site (PARS) Study from 2009 looked at the building and its possible reuse. When they did surveys as part of that study, they found that 67 percent of stakeholders leaned toward not keeping the building. McGee showed a picture of the mural. He said there has been a lot of discussion about the mural and its condition. There is a lot of cracking when you look at it closely. Marvin stated that the mural is made of 763,000 pieces of tile in a 1.5-inch concrete bed with grout, set inside a steel channel frame. The PARS Study looked at a variety of options. They asked engineers years ago about the cost to remove the mural. It was estimated at around \$1.54 million, which would equate to roughly \$2 million in today's dollars. McGee stated that in 2012, the City received three proposals for reuse, none of which were accepted. Marvin stated that the City went through a master planning process for downtown again in 2018. The Pershing block was looked at. McGee noted that a key item of that plan was the identification of several catalyst projects. Marvin stated that the top five were the redevelopment of Pershing, enhancement of the 'O' Street streetscape, the development of greenways on 'M' Street and 11th Street, the creation of a local music district, and the realization of a public park in the South Haymarket. There have been ongoing discussions with city staff about all of these projects. McGee noted it was decided in 2020 to issue another invitation for redevelopment proposals for the Pershing block. White Lotus Group's proposal was selected from the submittals received. Marvin added that of all the proposals they received, none were reusing the building. All of them assumed the building would come down.

Bob Ripley inquired if that option was offered as a possibility. Marvin responded yes. Given the option, they received no proposals that would have kept the building.

McGee continued that a selection committee was formed and proposals were analyzed. Marvin stated that one element that led the group to believe that White Lotus Group was an appropriate choice was that their proposal most closely resembled one of the options suggested in the Downtown Master Plan. McGee showed the conceptual site plan proposed by White Lotus Group, and said that a part of the site will be developed for low and moderate income housing, approximately 100 units.

Pat Leach came forward. She wanted to stress that she appreciates being part of a public/private partnership. The library's interest in Pershing goes back a ways. In 2005, the library took interest in Pershing as a central library. They have continued with a variety of studies. In 2012, a Vision and Concepts study was completed which included a review of potential sites. At that time, Pershing rose to the top. The library submitted a proposal, but it was not accepted. In 2020, the library was included as a major portion of the site in the WLG proposal. They are working in cooperation with WLG for developing the library portion. The library board recently approved a contract with BVH Architecture to create a schematic design for the library. There is the potential for a bond vote next year to finance the project.

Marvin stated that they have a path forward. They have gone to Planning Commission and City Council with a plan amendment and change of zone. They held a discussion with Historic Preservation Commission regarding demolition of the building. They are working on a redevelopment agreement with WLG that they hope to take to City Council late this year or early next year. There is design work going on with the library and WLG. When they have design plans for the block's redevelopment, they will be back before this group and will invite comments and input on the design. Then they would like to be able to go to the voters and ask for a general obligation bond that would help build the library. From there, construction could happen pretty quickly.

Post inquired how long the applicant foresees this taking. Marvin has been negotiating with WLG for some time. They have scheduled in the ability to bring a redevelopment agreement to the City Council by late this year or early next year. They will build a low income housing project on the site. They are working with NIFA (Nebraska Investment Finance Authority) on tax credits. Leach is working on the design concurrently. Post wondered when the bond issue might happen. Marvin hopes that would be before the public next year. He thinks the timeline they are on doesn't eliminate the possibility of having the bond for a vote in 2022.

K. Johnson asked how this would change if the bond didn't pass. Marvin responded that question came up at Historic Preservation Commission. They have discussed a private sector project with defined property lines and a public sector project with defined property lines. The split is around 60/40. They would be forced to reexamine how a library might fit into the block's redevelopment if the bond failed.

Campbell wondered who bears the cost of demolition. Would this be a shared cost of the City and WLG? Marvin stated there have been discussions with the developer that the demo cost could be split 60/40. Campbell asked if there are any estimates of those costs. Marvin stated all they have at this point is an old estimate. Benesch is working to get an estimate of the asbestos removal cost. They are going to get an assessment of the most appropriate way to demolish the building. After that, they can go out and get bids. The previous estimate was around \$2 million. Campbell inquired if there is any cost today of the building sitting there empty. Marvin noted

there was substantial cost to keep the building running and maintained for a few years. The last concert there took place in August of 2014. It hasn't been actively used since then. He knows that City Council had been approving money to keep the building secure. Those costs were quite high. In 2012, it became apparent the building was not seeing an active interest in being reused. There was a decision to take a bare bones approach to maintenance. That has resulted in savings but a more rapid deterioration of the building. The roof is in bad shape and leaking. It is hard to justify maintenance costs for a building that there wasn't any interest in reusing. Campbell asked if there are any other issues with the building. Marvin doesn't believe there are any other issues. You need to sign a waiver and wear a hazmat suit just to go into the building. He can imagine some level of people parking over there, but he doesn't think that is an issue.

K. Johnson stated that PAL (Preservation Association of Lincoln) and the Historic Preservation Commission submitted information and comments regarding Pershing. They both wondered about retaining parts of the building for the future. Marvin stated that the Mayor's Environmental Task Force discussed ways to handle demolition going forward. There are stones on the building that in any kind of demolition we would try to reuse as much as possible. There would be efforts in that regard. He doesn't know if there is a lot of disagreement with the bullet points in the PAL letter. There have been efforts to recognize that this was a public space and significant site for many years. Their letter is thoughtful. K. Johnson asked if those things can be protected in the demolition contract. Marvin answered there are ways we can maintain some of the stone and reuse it in a way that informs the public that a building was there before so there is a historical context. He believes the Mayor's interest would be in designing a demolition contract that would ask the contractor to take stock of what is there and what could be done with reuse. K. Johnson believes the mosaic wall has been digitally recorded.

Post inquired about the term 'work force housing'. Marvin thinks the accurate answer is that WLG will be applying for a four percent tax credit for low-income housing. He believes there is also a state credit they would be eligible for. There is a range they have to average to. He believes the term 'work force' is someone who is making above 60 percent median income. Some people might be closer to 80 percent. When WLG presented their plan, they talked about the needs for people who live and work in the downtown area. Downtown shouldn't be exclusively for people making a higher income.

Post wondered if we get past the bond issue and it passes, what is envisioned for the current Bennet Martin Library. Leach believes the process would be to surplus the property if it was no longer being used. If the City deemed it of no use, it would be put on the market. Post believes this presents the same challenges as Pershing. Leach noted this is a smaller site and it is within the Capitol Environs District. She believes there might be an interest in the site. Marvin believes that for a good building like Bennet Martin, it is possible there could be interest in a residential use. There may be ways to see how it could be repurposed.

K. Johnson sees underground parking in the new proposal. He asked how many stalls are proposed. Marvin has looked at how parking would be allocated. He believes that under the library there could be about 50 stalls. They could potentially work with the developer and there might be another 50-100 that would be available outside the footprint of the City library, on-site on the lot. Eagle Garage was purchased by the City and just rehabbed. There are opportunities for people to park there one block away. A long term parking garage on 'M' Street is planned. Post believes there is no required parking in this district. Marvin confirmed\ . B-4 zoning has no required parking.

Quade understands there is proposed parking under the WLG portion and the library. If the bond doesn't pass, would the garage be built under the library portion? Marvin stated there is a desire to create separation between the two buildings. If there is a pedestrian walkway envisioned, they could create easements between the two. They want the two buildings to be separate.

Bob Ripley wants to comment based on observation and constructive criticism. He is supportive of the idea of reusing the Pershing site, and thinks it is a great place for a future library to be located. For the last five to seven years, he has attended meetings on and off on the topic. Pershing is a 65-year-old building, but he has trouble tearing down a building that has the same materials as the State Capitol. It has the same limestone. He thinks we are deluding ourselves if we think a lot of it can be reused other than a few blocks for a public space. He heard a demolition cost of \$2 million five years ago. Covid-19 has added to the cost of construction by a minimum of ten percent, most likely 20 percent or higher. Hazardous materials may be in the building but whether we reuse it or it is torn down, abatement must be done. That is a cost either way. He is not surprised that a building that hasn't been occupied since 2014 that he knows of, is having problems with the roof. A building without human occupancy degrades faster than a building that is occupied with human activity. He has an issue with a building that has a clear span of 120-150 feet. You pay an enormous premium to build a building that has a relatively open volume. That is an asset of this building. The building has considerable value in terms of a sustainable asset. The energy and carbon footprint is an asset we can build on from this point forward. He believes looking at an adaptive reuse is still a valid consideration. We must maintain a high edge wall to this facility fronting Centennial Mall. To have a parapet that is at least the height of the current building would maintain an edge along the mall. In the context of Centennial Mall, it is important that an edge be maintained that represents an urban site. Whatever we do on this site, he is delighted the library will be the core function. He wants this to be an asset to the Capitol Environs district. Scale, surface and maintaining the edge closure that Pershing provides are critical elements. Great architecture springs from a knowing and demanding client. If we don't give a development company a direction to reuse the building, it is easier to tear it down. The high schools are being redeveloped. They are being reused because they are so well built. He believes requiring a developer to consider redevelopment is the only way this would work. Unless we demand reuse, we won't get a consideration. He believes Pershing still has a life to live if we give it a chance.

K. Johnson asked if Ripley is critical of the WLG proposal. Ripley responded he hasn't seen enough of it. The rendering looks low to him. He doesn't have enough sense of it to give a good answer. He believes that the edge of the mall site needs a significant vertical plane and some mass to enclose that edge. Quade sees from the diagram that it steps back. Ripley would propose diminishing this step back. He believes this is an urban site that deserves an urban scale building. Christopher added that this is why there are design standards, and the developer will be required to follow those. On every side, the buildings on this site will go to the edge. He believes they intend to go as close to the 57 foot height as possible. Quade hasn't seen a follow up proposal from when this was first presented. He believes the edge along Centennial Mall is proposed for 25-30 feet. Post reminded the commission that this application is for demolition, not design.

**ACTION:**

Post moved approval of demolition work, seconded by Campbell.

Post stated that this building has set vacant since 2014. She appreciates the desire to reuse the building but at this point there isn't a market for that. If we wait, it could sit vacant for another 20 years. People can't go in the building without a hazmat suit. It is a hazard. She sees the plan from WLG and applauds them. It is still a little conceptual at this point, and some pieces may change. She believes it is in everyone's best interest to preserve some elements of Pershing if possible. She sees this as the best use to demolish the building and redevelop the site.

Campbell agrees with Post. She sees the reuse as a glorified status quo when what we are looking at is some exciting things going forward. This is an important revitalization step for downtown.

Cuca concurs with Post and Campbell. She agrees with Ripley's comments, but it is time to move forward.

D. Johnson and Quade agreed with all comments made by the Commissioners.

K. Johnson stated agreement with all previous comments made. He loves the mosaic but is afraid it has gone beyond repair.

Post wanted to thank Ripley for his comments. She believes these other items can be considered when the project is being designed.

K. Johnson believes it will be appropriate to take a hard look at the new design.

Motion for approval carried 6-0: Campbell, Cuca, D. Johnson, K. Johnson, Post and Quade voting 'yes'; Nalow absent.

**OTHER:**

Christopher noted that for the November and December meetings, we deviate from the usual schedule. The joint meeting with the Nebraska Capitol Commission is on November 18, 2021 at 10:00 a.m. in the State Capitol. He hopes to have the regular Nebraska Capitol Environs Commission meet at the State Capitol after the joint meeting. He also noted that the December meeting being on December 17, 2021 due to the Christmas holiday.

There being no further business, the meeting was adjourned at 9:30 a.m.

<https://linclanc.sharepoint.com/sites/PlanningDept-Boards/Shared Documents/Boards/NCEC/Minutes/2021/092421.docx>