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Downtown
Lexington

LEXINGTON

LEXINGTON
DOWNTOWN
REVITALIZATION PLAN

DRAFT 2010 APRIL 23

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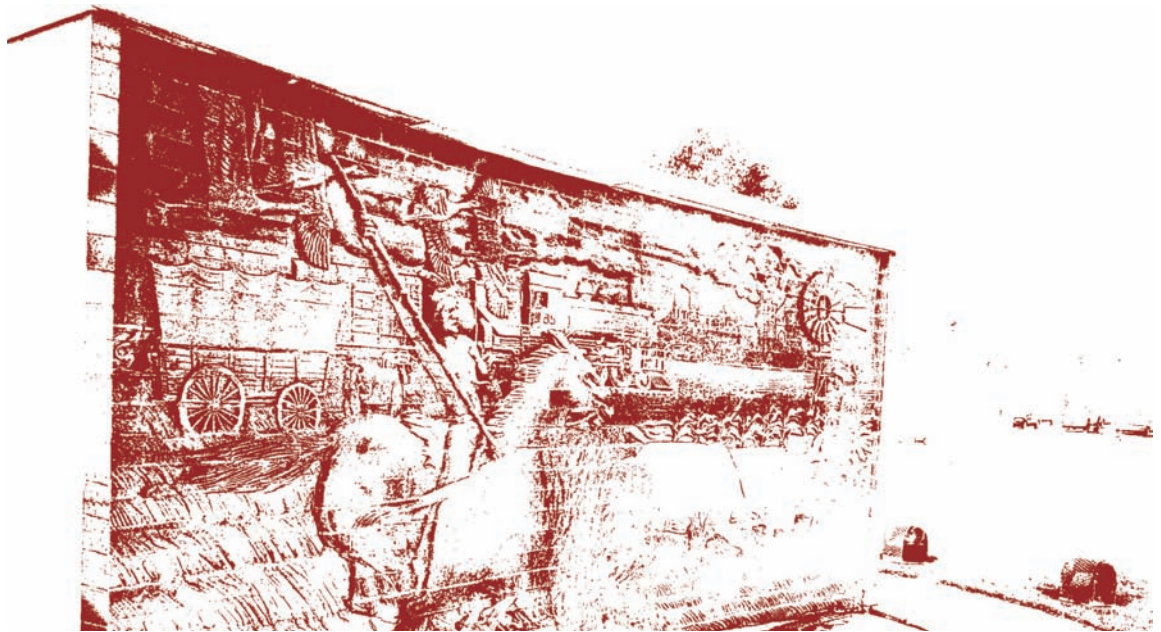


TABLE OF CONTENTS

INTRODUCTION

| | |
|---------------------------|---------|
| 1 MARKET ANALYSIS..... | 05 - 16 |
| 2 DOWNTOWN TODAY..... | 17 - 28 |
| 3 STRATEGIC PLANNING..... | 29 - 36 |
| 4 DEVELOPMENT PLAN..... | 37 - 70 |
| 5 IMPLEMENTATION..... | 71 - 83 |





1

LEXINGTON MARKETS

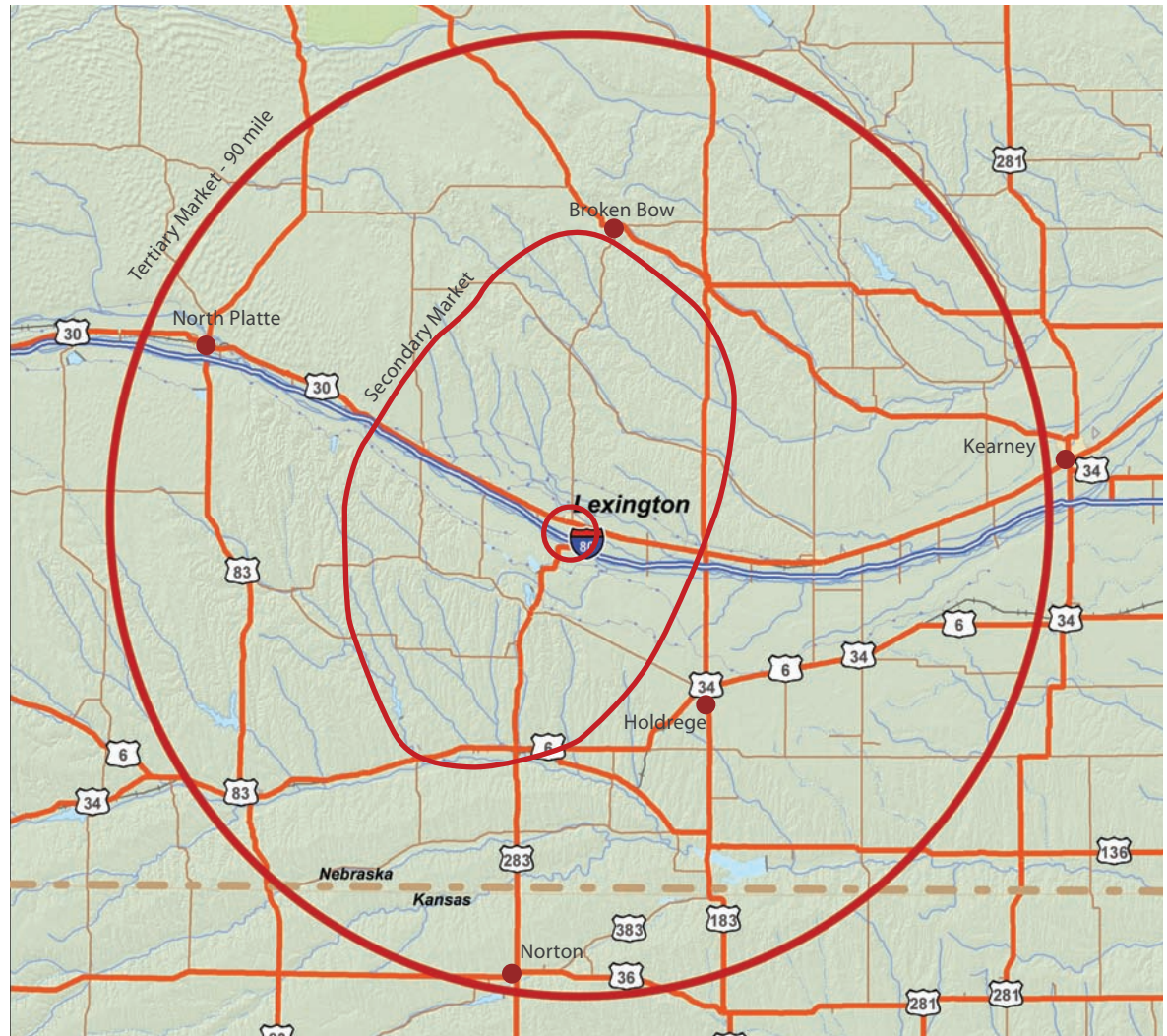
This market analysis considers population and demographic characteristics for multiple geographic areas extending outward from the City of Lexington. It examines commercial, office, and residential possibilities for the City, and estimates future development potentials for these markets in Downtown.

MARKET AREA DEFINITION

The market analysis begins by defining the city's market areas. Lexington is a regional community with major commercial and cultural resources. Its significant market provides services to local residents and is also a trade center for rural markets in Dawson, Phelps, Gosper, and Custer Counties. Lexington's markets are limited however by its proximity to Kearney and North Platte; both are major commercial and industrial centers for the region that are easily accessed by Interstate-80.

Map 1.1 illustrates the different geographic market areas used by this study.

- **Primary** market area is the City of Lexington and the immediate surrounding area that extends out five miles from the intersection of Sixth Street and Washington Street. Residents of the city do much of their daily shopping in Lexington and view the city as a location for retail services, civic life, and entertainment.
- **Secondary** market area extends 15 to 40 miles from the city's municipal limits. The market area is defined by a gravity model that considers the population and distance of cities of similar size and assumes that people living within the vicinity travel to the closest regional trade center for a greater selection of goods and services. The area extends about halfway to surrounding market centers, including North Platte, Kearney, Holdrege, and Broken Bow. While residents of this area use Lexington retailers and service providers for typical needs, larger markets such as Kearney and North Platte exert a powerful draw for special or large purchase items.
- **Tertiary** market area extends out 90 miles from the city's municipal limits. This broader area includes people who visit Lexington for special events, tourism or niche businesses.



DEMOGRAPHICS

POPULATION TRENDS AND FORECASTS

This section describes changes in the characteristics and dynamics of Lexington's population. During the last 80 years, Lexington has grown from a community of 2,962 in 1930 to 10,011 in 2000. Table 1.1 summarizes the historical population change in Lexington, while Table 1.2 compares Lexington's population to surrounding communities, communities that have experienced similar demographic shifts, and the region. Significant conclusions include:

- Lexington has grown steadily during the last eighty years. Table 1.1 shows the historical population change between 1940 and 2000. The 1940s and 1970s were a period of significant growth. During the 1980s there was a moderate decline in population as the agricultural economy declined and the movement towards regional centers hastened. The expansion of the local meat packing industry in the 1990s attracted hundreds of new residents, supporting a 5.2% annual growth rate.
- Lexington experienced a surge of growth during the 1990s, similar to that seen in other Midwestern communities with large food processing industries. As operations expanded, and labor forces declined, companies were faced with the need to attract and recruit new labor forces, many of which were from new immigrant communities. This has led to an influx of immigrants arriving to Lexington to work at processing and manufacturing jobs.
- Lexington's proportion of Dawson County's population is increasing. Lexington accounted for 41% of the County's population in 2000, growing from 33% in 1990. This reflects the County's trend from rural to urban growth.

Table 1.1: Historical Population Change, Lexington

| Year | Population | Decennial Change | Decennial % Change | Annual Rate of Change |
|------|------------|------------------|--------------------|-----------------------|
| 1940 | 3,688 | | | |
| 1950 | 5,068 | 1,380 | 37.4% | 3.7% |
| 1960 | 5,572 | 504 | 9.9% | 1.0% |
| 1970 | 5,654 | 82 | 1.5% | 0.1% |
| 1980 | 7,040 | 1,386 | 24.5% | 2.5% |
| 1990 | 6,601 | -439 | -6.2% | -0.6% |
| 2000 | 10,011 | 3,410 | 51.7% | 5.2% |

Source: U.S. Census Bureau

Table 1.2: Population Change, Comparable Communities 1990-2009

| | 1990 Population | 2000 Population | Change | % Change | 2009 est. Population ² | 2000-2009 Change | 2000 -2009 %Change |
|---------------------------|--------------------|--------------------|--------|----------|--------------------------------------|---------------------|-----------------------|
| Lexington | 6,601 | 10,011 | 3,410 | 51.7% | 10,126 | 115 | 1.1% |
| Schuyler | 4,089 | 5,371 | 1,282 | 31.4% | 6,081 | 710 | 13.2% |
| Madison | 2,147 | 2,367 | 220 | 10.2% | 2,318 | -49 | -2.1% |
| North Platte | 22,647 | 23,878 | 1,231 | 5.4% | 23,471 | -407 | -1.7% |
| Holdrege | 5,673 | 5,636 | -37 | -0.7% | 5,058 | -578 | -10.3% |
| Cozad | 3,859 | 4,163 | 304 | 7.9% | 4,001 | -162 | -3.9% |
| Kearney | 24,396 | 27,431 | 3,035 | 12.4% | 30,417 | 2,986 | 10.9% |
| Gothenburg | 3,302 | 3,619 | 317 | 9.6% | 3,575 | -44 | -1.2% |
| Dawson County | 19,940 | 24,365 | 4,425 | 22.2% | 24,875 | 510 | 2.1% |
| Dawson Co. (wo Lexington) | 13,339 | 14,354 | 1,015 | 7.6% | 14,379 | 25 | 0.2% |
| 90-mile ² | 290,545 | 303,499 | 12,954 | 4.5% | 301,933 | -1,566 | -0.5% |

Source: U.S. Census Bureau, and Claritas, Inc.²

- The population of Lexington and the region continued to grow since the 2000 Census. Based on data available from the U.S. Census Bureau and Claritas, Inc., population growth since 2000 has been slower than what was experienced during the 1990s. This analysis will be evaluated in more depth in the next section, Population Projections.
- In 2009, approximately 58% of Lexington's population is Hispanic or Latino according to Claritas, Inc. Median age for Hispanics is 24 years old, while the total population's median age is 32 years old.

POPULATION PROJECTIONS

Projecting the future population of Lexington helps to predict the future demographic character of the community. This in turn helps guide the city's planning and policy decisions regarding future investments. Table 1.4 illustrates future population growth for the city and its market areas.

Previous Planning Projects and Projections

- Lexington Comprehensive Plan prepared in 2005 by Hanna:Keelan Associates, Inc. included a 2005 population estimate of 10,456, and projected that population to increase to a 2030 population of 12,203.
- Dawson County Area, Nebraska Housing Market Study prepared in 2008 by Hanna:Keelan Associates, Inc. included a revised analysis of the city's population, projecting population to be 10,126 in 2008 and reaching 10,244 by 2013. The 2008 estimate corresponds to the U.S. Census Bureau's most recent available projection.
- 2010 Census will presumably provide an accurate count of Lexington's population. If projections provided in this analysis substantially differ from the actual, then the City should consider updating past reports and this market analysis.



Construction

- Future Population Projection. In projecting Lexington's population growth since 2000 this market analysis takes into account, recent construction activity, the city's need for additional housing units, and recent economic realities. Over the next ten years Lexington is suggested to maintain a 0.25% to 0.50% Compound Annual Growth Rate (CAGR). At the 0.25% annual growth rate Lexington's population in 2020 is estimated to be 10,524.

INCOME CHARACTERISTICS

Table 1.5 presents the median household income for residents of each market area. Lexington's median income was \$44,840 in 2009, according to Claritas, Inc. This is higher than that of the secondary market area of \$42,345, and lower than the state median income of \$48,087. This likely reflects Lexington's low rate of unemployment and production oriented job base. In addition, the Secondary Market rings is comprised largely of rural areas with smaller populations and lower earning jobs.

Table 1.4: Growth Scenarios for Lexington

| | 2000 | 2005 | 2010 | 2015 | 2020 |
|----------------|--------|--------|--------|--------|--------|
| Natural Change | 10,011 | 10,227 | 10,468 | 10,735 | 11,024 |
| 0.25% CAGR | 10,011 | 10,137 | 10,264 | 10,393 | 10,524 |
| 0.5% CAGR | 10,011 | 10,264 | 10,523 | 10,789 | 11,061 |
| 0.75% CAGR | 10,011 | 10,392 | 10,788 | 11,198 | 11,625 |

Source: U.S. Census, Claritas Inc., RDG Planning & Design

Table 1.5: Median Income Forecasts in Lexington's Market Areas, 2000-2009

| | 2000 Census | 2009 Estimate | Change | % Change |
|----------------|-------------|---------------|---------|----------|
| Primary (city) | \$38,388 | \$44,840 | \$6,452 | 17% |
| Secondary | \$35,511 | \$42,345 | \$6,834 | 19% |
| State | \$39,604 | \$48,087 | \$8,483 | 21% |

Source: Claritas, Inc., U.S. Census Bureau

BUSINESS AND EMPLOYMENT

RETAIL PERFORMANCE AND POTENTIAL FOR DOWNTOWN

Distribution by Market Area

Table 1.6 displays the distribution of employment for the market areas. The secondary market has twice as many business establishments as the primary market, yet nearly half of the total employed (16,990) work in the City of Lexington.

- **Primary Market.** Services and retail businesses account for 61% of the markets establishments and 37% of the markets 8,120 total employees. Manufacturing is the largest employer in the Lexington market area employing 46% of the workforce (3,715 employees). Significant changes in the manufacturing market will influence Lexington's future population.
- **Secondary Market.** The secondary market area is 54% retail and service establishments and accounts for 49% of the market's 8,870 total employees. Compared to Lexington, the number of people employed in manufacturing is substantially less, representing only 17% of the employed rather than 46%.



Table 1.6: Work Places and Employment for Lexington Trade Areas

| Business Description | City of Lexington | | | | Secondary Trade Area (exclusive) | | | |
|---|----------------------|------|----------------|------|----------------------------------|------|----------------|------|
| | Total Establishments | % | Total Employed | % | Total Establishments | % | Total Employed | % |
| Industries (All) | 501 | 100% | 8,120 | 100% | 1,155 | 100% | 8,870 | 100% |
| Agriculture (All) | 15 | 3% | 84 | 1% | 78 | 7% | 569 | 6% |
| Mining (All) | 1 | 0% | 16 | 0% | 0 | 0% | 0 | 0% |
| Construction (All) | 27 | 5% | 172 | 2% | 68 | 6% | 307 | 3% |
| Manufacturing (All) | 23 | 5% | 3,715 | 46% | 55 | 5% | 1,515 | 17% |
| Transportation, Communications/ Public Utilities | 26 | 5% | 320 | 4% | 74 | 6% | 512 | 6% |
| Wholesale Trade (All) | 27 | 5% | 244 | 3% | 75 | 6% | 424 | 5% |
| Retail (All Retail) | 113 | 23% | 1,262 | 16% | 198 | 17% | 1,175 | 13% |
| Finance (All) | 39 | 8% | 193 | 2% | 103 | 9% | 628 | 7% |
| Service (All) | 192 | 38% | 1,669 | 21% | 431 | 37% | 3,199 | 36% |
| Public Administration (All) | 38 | 8% | 445 | 5% | 73 | 6% | 541 | 6% |

Source: Claritas, Inc., 2009

Consumer Spending Patterns

Table 1.7 compares annual consumer expenditures by product type in each trade area to the national average. National average per capita expenditures are equal to a market index of one, which is the ratio of the Annual Average Household Expenditure (AAHE) in each trade area compared to the AAHE for the United States. Therefore, scores greater than 100 indicate that consumers spend more on a good or service than the rest of the nation.

Overall consumers spend close to the national average on most consumable goods, however, some categories show greater disparities. Consumers in Lexington appear to spend much of their time eating at home given the high demand for perishable goods. These high expenditures may be a sign of additional costs associated with distribution. Given the small size of the community and its proximity to larger markets, distributors may be charging a higher premium for delivery. This in turn can encourage consumers to make some of their purchases for perishable goods in either Kearney or North Platte.

Another major area of consumer spending is on apparel and footwear. Many teenagers and children have a desire to wear the latest fashions. With limited choices for clothing in Lexington, many families travel to larger markets where there is a greater selection of retailers, including Grand Island, Kearney, North Platte, and Lincoln.

Retail Sales

One way of evaluating Lexington's retail role in the region is to consider its share of total regional retail sales. Table 1.8 indicates total retail sales in each market area, while Table 1.9 indicates the total retail sales for local markets only. In 2009, total retail sales for the primary and secondary market were about \$400 million. Retail sales that occurred in Lexington accounted for nearly a third of all retail sales. Within the 90-mile tertiary market, both Lexington (3%) and its Secondary Market (6%) area account for only 9% of the nearly \$5 billion in retail sales occurring in west-central Nebraska. The proximity of Kearney and North Platte has a significant influence on the market potential for Lexington.

Table 1.10 identifies the gap between consumer demand (expenditures) and retail sales within each retail sector. A positive value results from demand exceeding supply, indicating a leakage of consumer dollars to outside markets. In other words, residents have dollars to spend but they are spending them outside of their respective market area. A negative value results from sales exceeding demand and indicates a flow of regional dollars into the city's retail market. In 2009, Lexington's primary market area accounted for \$129,579,145 in retail sales, while its current population generated a demand of \$136,371,593. **The gap of \$6,792,448 in sales from the primary market area illustrates that residents are shopping outside of Lexington causing a negative balance of trade.**

Merchandise categories with strong retail sales in Lexington include:

- Building material and supply dealers (\$21 million in sales)
- GAFO (\$17 million in sales)
- Food service and drinking places (\$16 million in sales)
- Food and beverage stores (\$13 million in sales)
- Miscellaneous Store Retailers (\$3.5 million in sales)

As downtowns across the nation compete for a share of the retail market, many have found success in specialty or niche markets. Downtowns that compete successfully against "big box" retailers have focused on service oriented and specialty retailing. Lexington's downtown has remained vibrant and active in part because of its strong mix of retail and service businesses. In addition, emerging ethnic markets, catering to the city's growing Hispanic and Somali communities has also helped to increase the diversity of choices for consumers. Steps that should be taken to ensure continued stability include:

- Develop a business incubator site that provides low cost space to new business start-ups in the community.
- Encourage the development of emerging niche markets that attract visitors.
- Improve joint marketing in order to attract visitors to Lexington.
- Strengthen the physical connection between downtown the Interstate 80 business corridor.

Table 1.7: Consumer Spending Patterns based on Nat'l Standards

| | Index Score |
|--|-------------|
| TOTAL SPECIFIED CONSUMER EXPENDITURES | 93 |
| FOOD AT HOME | 104 |
| Bakery Products | 98 |
| Cereals & Cereal Products | 110 |
| Dairy Products | 106 |
| Fresh Milk & Cream | 118 |
| Other Dairy Products | 101 |
| Fats & Oils | 103 |
| Fish & Seafood | 87 |
| Fruits & Vegetables | 99 |
| Juices | 102 |
| Meats (All) | 111 |
| Non-Alcoholic Beverages | 102 |
| Prepared Foods | 104 |
| Sugar & Other Sweets | 105 |
| FOOD AWAY FROM HOME & ALCOHOL | |
| Alcoholic Beverages | 99 |
| Food Away from Home | 87 |
| DAY CARE, EDUCATION & CONTRIBUTIONS | |
| All Day Care | 120 |
| Contributions (All) | 64 |
| Education | 59 |

HEALTHCARE

| | |
|--------------------|-----|
| Medical Services | 89 |
| Prescription Drugs | 101 |
| Medical Supplies | 107 |

HOUSEHOLD FURNISHINGS & APPLIANCES

| | |
|-----------------------------------|----|
| Furniture | 83 |
| Household Textiles | 87 |
| Major Household Appliances | 91 |
| Miscellaneous Household Equipment | 96 |
| Small Appliances & Housewares | 89 |

HOUSING RELATED & PERSONAL

| | |
|--------------------------------|----|
| Housing Expenses | 94 |
| Household Repairs | 84 |
| Household Services | 76 |
| Housekeeping Supplies | 99 |
| Personal Expenses and Services | 80 |

PERSONAL CARE & SMOKING PRODUCTS

| | |
|-----------------------------------|-----|
| Personal Care Products & Services | 88 |
| Smoking Products & Supplies | 106 |

PET EXPENSES

| | |
|--|----|
| | 91 |
|--|----|

SPORTS & ENTERTAINMENT

| | |
|---------------------------------|----|
| Photographic Equipment/Supplies | 90 |
| Reading Materials | 70 |
| Sports & Recreation | 98 |
| Travel Expenses | 81 |
| TV, Radio, & Sound Equipment | 94 |

TRANSPORTATION & AUTO EXPENSES

| | |
|--|-----|
| Automotive Maintenance/Repair/Other | 96 |
| Gasoline | 98 |
| Diesel Fuel | 99 |
| Vehicle Purchases & Leases | 108 |
| New Autos/Trucks/Vans | 81 |
| Used Vehicles | 133 |
| Boats and Recreational Vehicle Purchases | 164 |
| Rented Vehicles | 67 |

TOTAL APPAREL

| | |
|-----------------------------------|-----|
| Women's Apparel | 92 |
| Men's Apparel | 97 |
| Girl's Apparel | 130 |
| Boy's Apparel | 134 |
| Infant's Apparel | 130 |
| Footwear (Excluding Infants) | 110 |
| Other Apparel Products & Services | 79 |

Source: Claritas Inc. 2009

Table 1.8: Share of Total Retail Sales, 2009 (exclusive)

| | Total Retail Sales | % of Total |
|-----------|--------------------|------------|
| Lexington | \$129,579,145 | 32% |
| Secondary | \$270,699,076 | 68% |
| Total | \$400,278,221 | 100% |

Source: Claritas Inc.



Table 1.9: Primary Market Area's Demand, Supply and Opportunity Gap, 2009

| | 2009 Demand (Consumer Expenditures) | 2009 Supply (Retail Sales) | Opportunity Gap/Surplus |
|---|--|-------------------------------|----------------------------|
| TOTAL RETAIL SALES INCLUDING EATING AND DRINKING PLACES | \$136,371,593 | \$129,579,145 | \$6,792,448 |
| Motor Vehicle and Parts Dealers | 22,282,806 | 38,388,347 | (16,105,541) |
| Furniture and Home Furnishings Stores | 2,507,611 | 793,500 | 1,714,111 |
| Electronics and Appliances Stores | 3,102,150 | 1,520,623 | 1,581,527 |
| Building Material and Garden Equipment Stores | 13,266,532 | 20,857,798 | (7,591,266) |
| Building Material and Supply Dealers | 12,077,478 | 11,232,127 | 845,351 |
| Lawn/Garden Equipment, Supplies Stores | 1,189,053 | 9,625,672 | (8,436,619) |
| Food and Beverage Stores | 19,563,238 | 13,061,597 | 6,501,641 |
| Health and Personal Care Stores | 7,906,393 | 4,440,675 | 3,465,718 |
| Pharmacies and Drug Stores | 6,775,642 | 4,023,644 | 2,751,998 |
| Cosmetics, Beauty Supplies, Perfume Stores | 282,721 | 0 | 282,721 |
| Optical Goods Stores | 341,632 | 391,680 | (50,048) |
| Other Health and Personal Care Stores | 506,398 | 25,351 | 481,047 |
| Gasoline Stations | 15,998,353 | 18,403,041 | (2,404,688) |
| Clothing & Clothing Accessories Stores | 6,299,098 | 505,182 | 5,793,916 |
| Sporting Goods, Hobby, Book, Music Stores | 2,567,438 | 1,009,757 | 1,557,681 |
| Sporting Goods, Hobby, Musical Instrument Stores | 1,848,234 | 632,223 | 1,216,011 |
| Book, Periodical and Music Stores | 719,204 | 377,533 | 341,671 |
| General Merchandise Stores | 18,675,747 | 10,972,107 | 7,703,640 |
| Department Stores Excluding Leased Departments | 8,963,814 | 2,159,302 | 6,804,512 |
| Other General Merchandise Stores | 9,711,933 | 8,812,805 | 899,128 |
| Miscellaneous Store Retailers | 2,948,466 | 3,520,058 | (571,592) |
| Florists | 253,783 | 104,322 | 149,461 |
| Office Supplies, Stationery, Gift Stores | 1,249,783 | 2,393,597 | (1,143,814) |
| Used Merchandise Stores | 280,464 | 239,179 | 41,285 |
| Other Miscellaneous Store Retailers | 1,164,435 | 782,960 | 381,475 |
| Non-Store Retailers (including electronic sales and vending) | 8,640,140 | 5,712 | 8,634,428 |
| Foodservice and Drinking Places | 12,613,621 | 16,100,750 | (3,487,129) |

Table 1.10: Retail Opportunity Gap/Surplus for Market Areas

| | Primary | Secondary | Tertiary | Total Trade Area |
|---|--------------|--------------|-----------------|------------------|
| Total Retail Sales Including Eating and Drinking Places | \$6,792,448 | \$35,694,860 | (\$507,223,679) | (\$464,736,371) |
| Motor Vehicle and Parts Dealers | (16,105,541) | 17,963,473 | 64,798,857 | \$66,656,789 |
| Furniture and Home Furnishings Stores | 1,714,111 | 3,311,640 | 24,327,573 | \$29,353,324 |
| Electronics and Appliances Stores | 1,581,527 | 37,197 | (13,826,046) | (\$12,207,322) |
| Building Material and Garden Equipment Stores | (7,591,266) | (8,330,024) | (260,791,763) | (\$276,713,053) |
| Building Material and Supply Dealers | 845,351 | 4,475,072 | (130,374,087) | (\$125,053,664) |
| Lawn/Garden Equipment, Supplies Stores | (8,436,619) | (12,805,094) | (130,417,675) | (\$151,659,388) |
| Food and Beverage Stores | 6,501,641 | 15,563,348 | 275,786,141 | \$297,851,130 |
| Health and Personal Care Stores | 3,465,718 | 11,746,586 | 56,527,650 | \$71,739,954 |
| Pharmacies and Drug Stores | 2,751,998 | 9,556,009 | 45,032,729 | \$57,340,736 |
| Cosmetics, Beauty Supplies, Perfume Stores | 282,721 | 697,052 | 1,750,055 | \$2,729,828 |
| Optical Goods Stores | (50,048) | 555,053 | 5,099,232 | \$5,604,237 |
| Other Health and Personal Care Stores | 481,047 | 938,471 | 4,645,634 | \$6,065,152 |
| Gasoline Stations | (2,404,688) | (21,251,126) | (560,333,087) | (\$583,988,901) |
| Clothing & Clothing Accessories Stores | 5,793,916 | 11,069,146 | 73,475,345 | \$90,338,407 |
| Sporting Goods, Hobby, Book, Music Stores | 1,557,681 | 3,496,193 | (117,462,196) | (\$112,408,322) |
| Sporting Goods, Hobby, Musical Instrument Stores | 1,216,011 | 2,021,449 | (99,591,795) | (\$96,354,335) |
| Book, Periodical and Music Stores | 341,671 | 1,474,743 | (17,870,401) | (\$16,053,987) |
| General Merchandise Stores | 7,703,640 | 10,117,492 | (71,312,217) | (\$53,491,085) |
| Department Stores Excluding Leased Departments | | | | |
| Other General Merchandise Stores | | | | |
| Miscellaneous Store Retailers | (571,592) | 5,635,557 | 25,578,069 | \$30,642,034 |
| Florists | 149,461 | 112,807 | (1,211,014) | (\$948,746) |
| Office Supplies, Stationery, Gift Stores | (1,143,814) | 2,253,656 | 11,848,440 | \$12,958,282 |
| Used Merchandise Stores | 41,285 | 355,002 | 3,329,329 | \$3,725,616 |
| Other Miscellaneous Store Retailers | 381,475 | 2,914,092 | 11,611,315 | \$14,906,882 |
| Non-Store Retailers | 8,634,428 | (26,320,691) | (89,886,598) | (\$107,572,861) |
| Foodservice and Drinking Places | (3,487,129) | 12,656,073 | 85,894,585 | \$95,063,529 |



While Table 1.9 identifies the demand, supply and opportunity gap/surplus, Table 1.10 summarizes only the opportunity gap or surplus for each market area. Again, surpluses are noted in parenthesis. Retail sectors outside of Lexington that have significant sales include:

- Auto Parts/Accessories, Tire Stores
- Furniture Stores
- Electronics and Appliances Stores
- Building materials and lawn equipment
- Shoe Stores
- Sporting Goods Stores
- General Merchandise Stores

Table 1.11 summarizes sales and demand for merchandise normally sold in department stores. This category is not included in Total Retail Sales Including Eating and Drinking Places in Table 1.9. Demand for GAFO generates about \$34.4 million in the primary market, of which about 50% is met and creating an opportunity/gap of \$17 million. The secondary market area contributes an additional \$41 million. Despite this combined opportunity/gap of \$58 million, communities in the tertiary market, such as North Platte and Kearney, report sales exceeding demand by \$103 million.

Projected Annual Expenditure Growth

Potential growth in expenditures determines much of the need for additional retail space in Lexington. Lexington is a small regional trade center, with room for growth in specific sectors. For example, in Lexington the district's general merchandise stores and pharmacies carry unique items that are not necessarily available at larger retail stores like Wal-Mart. These businesses tend to be destinations, attracting customers who are looking for unique goods and services.

Additional retail potential is generated by two factors; increases generated by population growth and increases in market share in specific sectors. Table 1.13 calculates total potential retail demand by multiplying projected population by per capita retail expenditures. Expenditures specifically made in Lexington are computed by applying capture rates – that is the percentage of spending generated by these markets that takes place in the city. For this analysis retail sales excluded auto sales and non-store retailers. Excluding these markets means that Lexington captures 81% of

Table 1.11: Primary Market Area's Demand, Supply and Opportunity Gap for GAFO, 2009

| | 2009 Demand (Consumer Expenditures) | 2009 Supply (Retail Sales) | Opportunity Gap/Surplus |
|--|--|---------------------------------------|------------------------------------|
| TOTAL GAFO* | \$34,401,825 | \$17,194,766 | \$17,207,059 |
| General Merchandise Stores | 18,675,747 | 10,972,107 | 7,703,640 |
| Clothing and Clothing Accessories Stores | 6,299,098 | 505,182 | 5,793,916 |
| Furniture and Home Furnishings Stores | 2,507,611 | 793,500 | 1,714,111 |
| Electronics and Appliance Stores | 3,102,150 | 1,520,623 | 1,581,527 |
| Sporting Goods, Hobby, Book, Music Stores | 2,567,438 | 1,009,757 | 1,557,681 |
| Office Supplies, Stationery, Gift Stores | 1,249,783 | 2,393,597 | (1,143,814) |

*GAFO (General merchandise, Apparel, Furniture and Other) represents sales at stores that sell merchandise normally sold in department stores. This category is not included in Total Retail Sales Including Eating and Drinking Places in Table 1.9

Table 1.12: Retail Opportunity Gap/Surplus for Market Areas, GAFO, 2009

| | Primary | Secondary | Tertiary | Total Trade Area |
|--|----------------|------------------|-----------------|-------------------------|
| GAFO* | \$17,207,059 | \$41,158,492 | (\$103,822,267) | (\$45,456,716) |
| General Merchandise Stores | 7,703,640 | 32,741,480 | (93,936,205) | (\$53,491,085) |
| Clothing and Clothing Accessories Stores | 5,793,916 | (4,807,018) | 89,351,509 | \$90,338,407 |
| Furniture and Home Furnishings Stores | 1,714,111 | 1,463,625 | 26,175,588 | \$29,353,324 |
| Electronics and Appliance Stores | 1,581,527 | 6,457,474 | (20,246,323) | (\$12,207,322) |
| Sporting Goods, Hobby, Book, Music Stores | 1,557,681 | 1,092,115 | (115,058,118) | (\$112,408,322) |
| Office Supplies, Stationery, Gift Stores | (1,143,814) | 4,210,815 | 9,891,281 | \$12,958,282 |

Source: Claritas, Inc.

Table 1.13 Potential Demand for Retail Space in Lexington 2014 (auto, fuel, & non store retail withheld)

| STEP 1A: PROJECTING TOTAL DEMAND IN 2014 | Primary | Secondary | Total |
|--|--------------|---------------|---------------|
| 2009 Estimated Demand | \$89,450,294 | \$197,705,797 | \$287,156,091 |
| 2009 Estimated Population | 10,367 | 22,285 | 32,652 |
| 2009 Per Capita Dollars | \$8,628 | \$8,872 | \$8,794 |
| 2014 Projected Population | 10,796 | 21,837 | 32,633 |
| 2014 Projected Demand | \$93,151,864 | \$193,731,276 | \$286,883,140 |
| STEP 1B: PROJECTING THE INCREMENT FOR DEMAND BETWEEN 2009 & 2014 | | | |
| 2014 Projected Demand | \$93,151,864 | \$193,731,276 | \$286,883,140 |
| 2009 Estimated Demand | \$89,450,294 | \$197,705,797 | \$287,156,091 |
| Increment 2009-2014 | \$3,701,570 | -\$3,974,521 | -\$272,951 |
| STEP 1C: PROJECTING THE CAPTURED SHARE OF FUTURE DEMAND | | | |
| Increment 2009-2014 | \$3,701,570 | -\$3,974,521 | -\$272,951 |
| Market Area Capture rate | 81% | 100% | |
| Market Area Share of the Increment | \$3,011,816 | -\$3,974,521 | -\$962,705 |
| STEP 2A: CALCULATING OPPORTUNITY/GAP | | | |
| Existing Gap (difference: demand-supply) | \$89,450,294 | \$197,705,797 | \$287,156,091 |
| Future Gap | \$3,011,816 | -\$3,974,521 | -\$962,705 |
| Total Gap | \$92,462,110 | \$193,731,276 | \$286,193,386 |
| STEP 2B: CALCULATING SHARE OF THE GAP | | | |
| Total Gap | \$92,462,110 | \$193,731,276 | \$286,193,386 |
| Lexington Capture Rate | 15% | 3.0% | |
| Share of Gap | \$13,869,317 | \$5,811,938 | \$19,681,255 |
| STEP 3: DETERMINING SQUARE FOOTAGE | | | |
| Share of Gap | \$13,869,317 | \$5,811,938 | \$19,681,255 |
| Sales Yield Per Square Foot | \$350 | \$350 | |
| Citywide commercial Space Demand (SF) | 39,627 | 16,606 | 59,232 |

Source: RDG Planning & Design, Claritas, Inc.

the demand in the remaining markets. Tables 1.13 relate increases in projected in-city consumer spending to retail space demand by:

- Using 2009 retail capture rates of 81% in the primary market (supply ÷ demand = capture rate), and 100% in the secondary market.
- Assuming that Lexington's share of the retail sales will be 15% to 30% for the immediate primary area and 3% to 5% for Secondary Market.
- Calculating the average sales yield of retail space in Lexington, using an estimated yield of \$350 per square foot, based on averages contained in the Urban Land Institute's Dollars and Cents of Shopping Centers.

The aggregate per capita annual spending for retail goods and services within the primary and secondary markets is estimated at \$8,628 and \$8,872, respectively. Future demand is determined by multiplying 2014 projected population by 2009 per capita dollars. The increment is the difference between the 2014 projected demand and 2009 demand.

A total increase of 429 new residents to this area between 2009 and 2014 may result in a demand increase of \$3,701,570 for Lexington's primary market (Table 1.10). However, the secondary market outside of Lexington is projected to decline by 448 residents by 2014. This decline will lead to a market share loss of -\$3,974,521. The existing capture rate is 81% of the primary market means that retail sales are less than consumer expenditures. The existing capture rate of 100% of the secondary market assumes that with a decline in population this market will cause a decline in market demand. Percentages are calculated by dividing supply by demand. The market study assumes that these market areas will continue to perform at their ex-

isting levels. A moderate and aggressive projection is presented for planning purposes.

- **Moderate Projection.** If Lexington were able to capture 15% of the existing and future demand, it would generate about 40,000 square feet from the primary market using an estimated sales yield of \$350 per square foot per year. In the secondary market area, if Lexington were able to capture 3% of the existing and future demand, it would generate 16,000 square feet. Total additional commercial space for both the primary and secondary market is 56,000 square feet.
- **Aggressive Projection.** If Lexington were able to capture 30% of the existing and future demand, it would generate about 80,000 square feet from the primary market using an estimated sales yield of \$350 per square foot per year. In the secondary market area, if Lexington were able to capture 5% of the existing and future demand, it would generate 27,000 square feet. Total additional commercial space for both the primary and secondary market is 107,000 square feet.

Downtown could absorb 20% of the retail demand or 11,000 to 22,000 square feet of that additional commercial space. The downtown currently has 56,000 square feet of vacant first floor space available. This space would appear to supply Lexington with the future retail space needed, however, not all of this vacant space could be considered competitive. Some may be better suited for office and service uses, or suffer from poor access or visibility. A downtown building in Lexington typically has about 3,000 to 5,000 square feet of space.

RESIDENTIAL MARKETS

In June 2008 a housing market study was conducted by Hanna:Keelan Associates, P.C., for Dawson County communities. This study accesses the need for hous-

ing development within Dawson County Communities through the year 2013. For the City of Lexington it is assumes:

- That between 2008 and 2013 the city will have a need for an additional 243 residential units. The study assumes a housing mix of 60% (155 units) owner occupied and 40% (88 units) renter occupied.
- About 81.5 acres of land will be required to meet the short term growth demand for new residential development.

This approach results in an annual production of 50 new housing units between 2008 and 2013. Providing a variety of housing in appropriate settings will be essential to increasing demand and meeting future city projections. This should include housing options in and around the downtown.

RETAIL IMPACT OF DOWNTOWN HOUSING

Effectively developed, downtown housing can be a unique attraction, and can often develop its own, larger market. Implementation of an overall downtown revitalization program that makes the district a more attractive place will also increase housing demand. For example, a focus on the arts can generate a special demand for housing; similarly, development of senior housing can attract people from a broader area and add to overall demand.

If Downtown Lexington grows as a residential neighborhood, it will capture a greater share of the city's housing production. **Assuming that the downtown is positioned to capture 10% of the city's housing market; the central district supports annual production of about 5 units.**

CONCLUSIONS

This analysis of population and potential markets leads to the following conclusions:

- The strong growth in Lexington has been driven by the expansion of the meat packing industry, which led to an increase in immigrant residents. A study prepared by University of Georgia's Selig Center for Economic Growth reports that Hispanic buying power is growing faster than that of other ethnic groups.
- If the City of Lexington is able to maintain a growth rate of 0.5%, its 2020 population will be greater than 11,061.
- Half of Lexington's employment in the primary market is dedicated to manufacturing, transportation and material moving, while less than 40% is dedicated to services and retail.
- Lexington is an overall exporter of retail dollars due to its proximity to the larger regional markets of North Platte and Kearney. Market segments where Lexington imports dollars include automotive sales, lawn and garden equipment, special food services, and miscellaneous store retailers.
- Based on consumer spending patterns, residents of Lexington prefer to eat at home, have a high interest in outdoor activities, and show strong spending patterns for children's' apparel.
- Over the next 5 years, Lexington could absorb between 56,000 and 107,000 square feet of additional retail space. Downtown could absorb 20% or 11,000 to 22,000 square feet of that commercial space.
- The anticipated growth in the primary market and decline in the secondary market suggests that the future target market for capturing additional retail spending is in the primary market.
- Niche businesses, such as ethnic food, retail and services, attract visitors from beyond the primary market.



2

DOWNTOWN LEXINGTON TODAY

This chapter examines existing conditions and opportunities for Lexington's downtown business district. The district has many unique and distinctive features that create a sense of place, and brings added value to the community.



The prosperity of Lexington has long been associated with its proximity to major trade and transportation routes. Founded as a trading post, the community served the needs of the migration of settlers traveling west on the Oregon Trail. With the completion of the Union Pacific Railroad, Lexington became an important fueling station for trains, as well as a center for commerce, serving the needs of the area's quickly expanding agricultural economy. In the 1920s the Lincoln Highway brought greater prosperity, as hotels and service station sprung up to serve the droves of motorist speeding the nation's first federal highway.

Even to this day, Lexington's connections to transportation and agriculture remain strong. The expansion of the city's manufacturing base, particularly in meat packing has brought renewed growth and opportunity. Bringing new immigrant populations to the region from Latin America and Africa. While this has caused contentions among some members of the community, it has also brought renewed vitality to Lexington's Downtown. In many ways the continued growth and success of the city will be linked to how well it assimilates all those who choose to call Lexington home.

DOWNTOWN SUB-DISTRICTS

To better understand the character and function of downtown Lexington, further analysis is conducted by dividing the downtown into its respective sub-districts and corridors. Map 2.1 illustrates the many sub-districts that comprise Downtown Lexington.

Downtown Core. The traditional heart of Lexington, the district developed along the tracks of Union Pacific's mainline, and the Lincoln Highway, and over time has migrated northward on Washington Street. The district is bounded by Highway 30 to the south, Grant Street to the east, Eighth Street to the north, and Lincoln Street to the west. While the integrity of the districts fabric has been lost along its periphery, much of the districts original charm and character still remains along Washington Street. Buildings facing this street range from one to three-stories, built to the property line, and frequently have awnings extending over the sidewalk. The district is characterized by retail businesses, restaurants, offices, and banks.

Streetscape improvements along Washington Street create a unique identity for the tradition downtown that is pleasant and safe for pedestrians. Traffic signals are located at every intersection within the district, however these appear to be overcompensating for the traffic volumes that the district experiences.

Highway 30 Corridor. Like its more famous predecessor Route 66, Highway 30 (Lincoln Highway) was the first Federal Highway to span the continent. Highway 30 forms the southern boundary of the study area, paralleling the Union Pacific main line from east to west through the city. The corridor is auto-oriented with service stations, fast food restaurants, and small motels. Over the years, corridor traffic has declined significantly due to the construction of Interstate 80 located

three miles to the south.

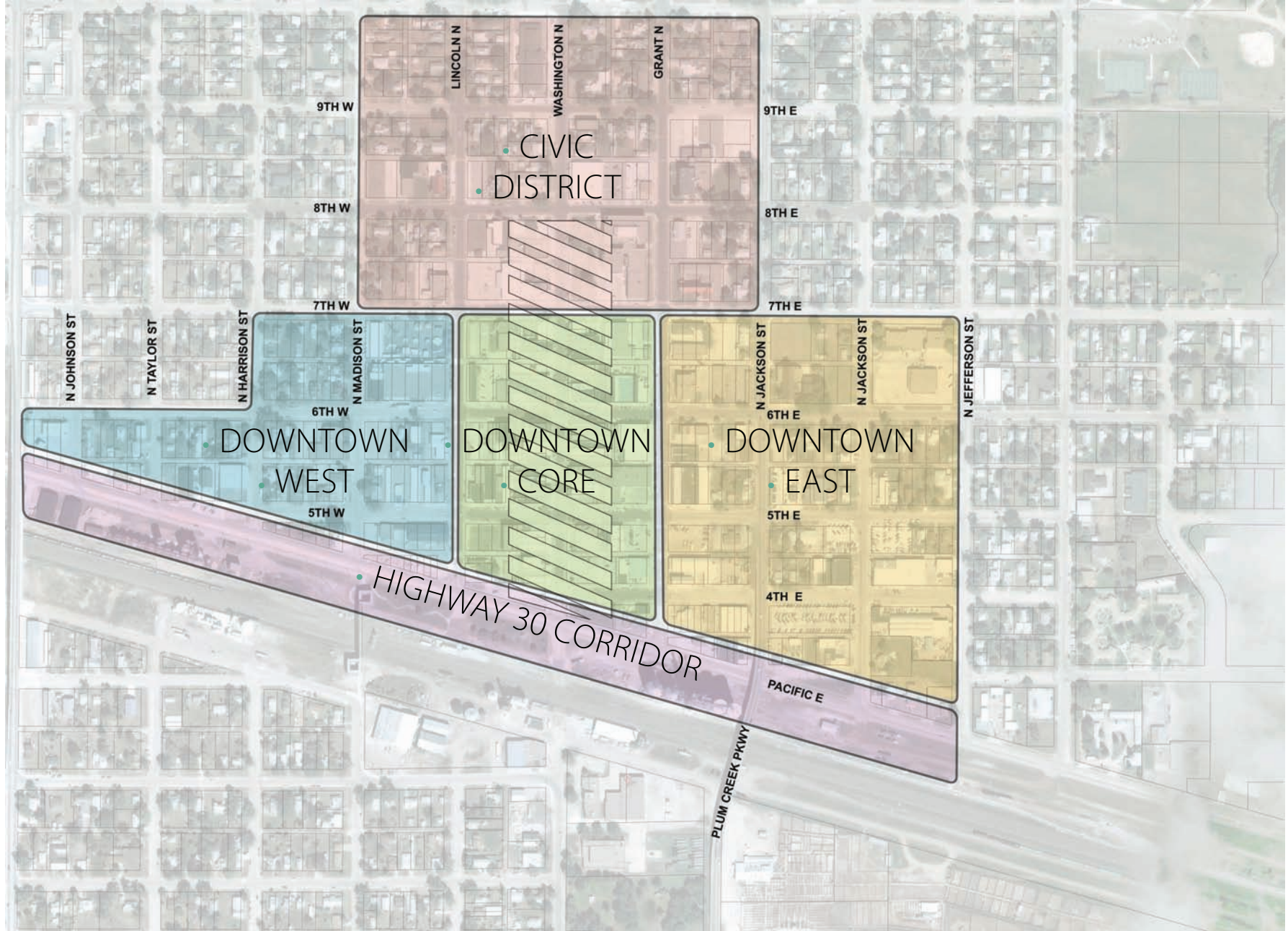
Civic District. Concentrated along the northern edge of Downtown Lexington are many of the city and county's most important civic institutions. At the heart of this sub-district is the Dawson County Courthouse and Jail, this important facet of local government brings county residents to Lexington and the downtown on a regular basis. Additionally, this district is also home to the Lexington Public Library and several churches including United Methodist and First Presbyterian.

Downtown West. Located along Lincoln Street between Sixth and Eighth Streets, significant investment has been made by the City in attracting new economic growth to the area. The Lexington Business Center located at Seventh and Lincoln Streets is a renovated grocery store that provides office space for businesses. Commercial uses on the western fringe of downtown, including Taco Johns, are disconnected from the center.

Downtown East. Providing direct access between downtown, Plum Creek Parkway, and Interstate 80, Jackson Street is the gateway to Downtown Lexington. Originally, a largely residential street, the character of this corridor has changed over the years. Today the street is heavily auto-oriented, businesses are set back from the street, with parking lots located in front or to the sides of buildings.

To the south, the Platte Valley Auto Mart at the intersection of the Fourth and Jefferson Streets is one of the region's largest automotive dealerships. Several smaller used car dealerships, automotive parts stores and mechanics shops also surround the Platte Valley Auto Mart. Access to the sub-district is limited however by the Plum Creek Parkway Viaduct, which cuts off access via Third and Fourth Streets to the downtown.

Map 2.1: Downtown Subdistricts



BUILDING USE

Map 2.2 identifies the building use, while Table 2.1 summarizes building use in the study area. The district provides approximately 1,118,776 square feet of gross floor area, with about 847,714 square feet on street level and an additional 271,062 square feet of upper-story space.

- Overall the district provides consumers with a variety of retail, restaurants, and service choices. Retail and services account for about 190,000 square feet, while private office uses occupy an additional 168,000 square feet. Civic (private clubs and non-profits) and government organizations are the largest use in the district occupying nearly 200,000 square feet. However that not all of this space is used directly by the public. The Dawson County Jail, located adjacent to the Dawson County Courthouse accounts for 25% (48,000 square feet) of the civic space in the district.
- Street level space in the district has a vacancy rate of about 7% (total street and upper story is 12.8%). The old True Value, Furniture Self Service Store, Movie Theatre, and former dance studio at 110 E. 5th Street comprise a large proportion of street-level vacancy in the district. A majority of vacant space (86,868 square feet) is located on upper-stories, and is visible from the street. The maintenance of facades and installation of curtains on upper-stories do minimize the appearance of upper level vacancy. However, the utilization of this space as apartments or office, could attract new business opportunities, and increased pedestrian traffic.

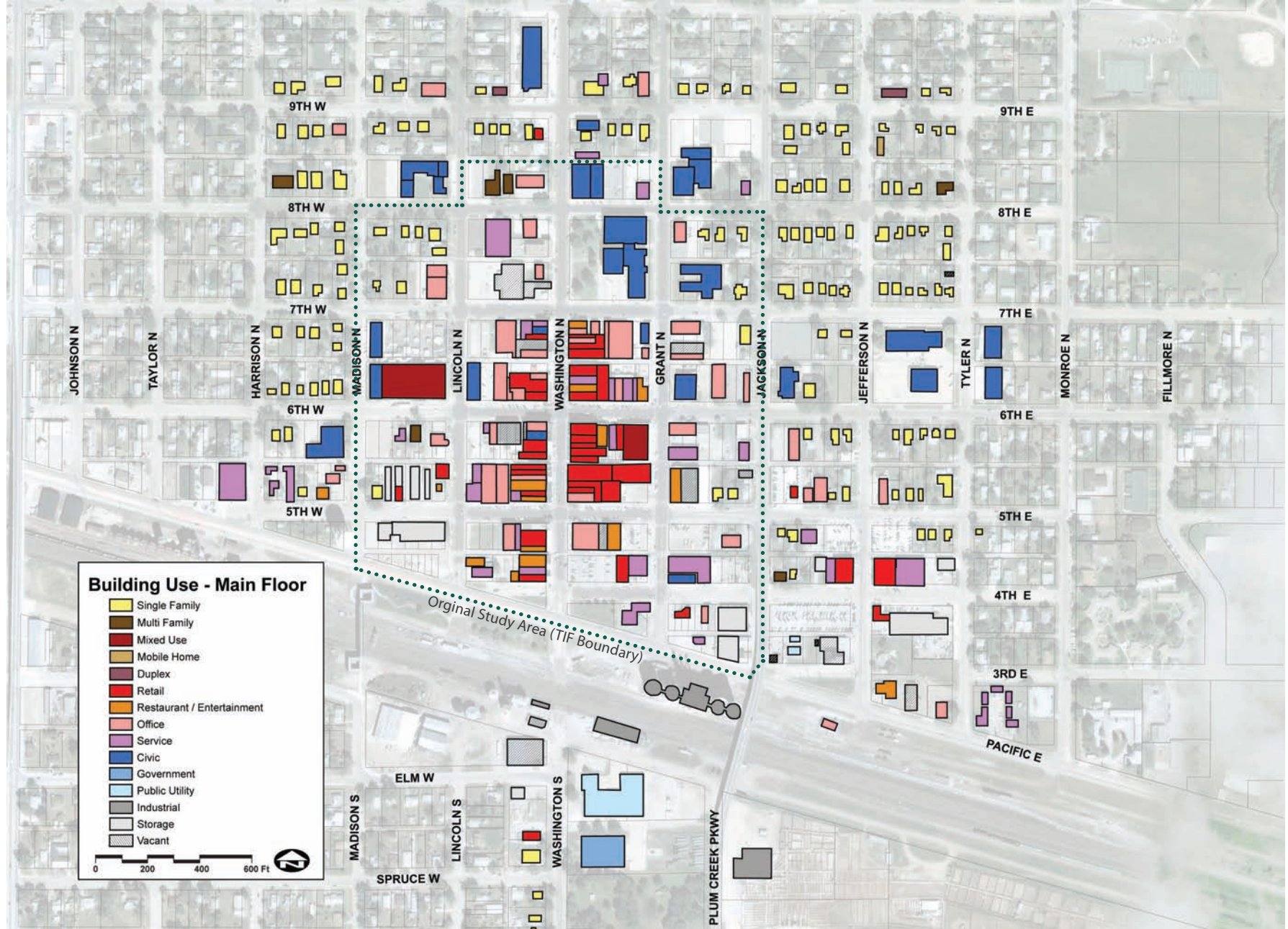


Table 2.1: Existing Land Use

| Type of Usage | First Floor Area | Upper Story Area | Total | % of Total |
|---------------------------|------------------|------------------|------------------|---------------|
| Auto Retail | 17,760 | | 17,760 | 1.6% |
| Auto Service | 32,907 | | 32,907 | 2.9% |
| Civic | 196,580 | 110,407 | 306,988 | 27.4% |
| 2-4 Family Residential | 4,578 | | 4,578 | 0.4% |
| Hospitality | 6,325 | | 6,325 | 0.6% |
| Mixed Usage | 42,284 | 12,050 | 54,335 | 4.9% |
| Mobile Home | 1,674 | | 1,674 | 0.1% |
| Multi-Family Residential | 15,942 | 11,939 | 27,882 | 2.5% |
| Office | 168,169 | 14,571 | 182,740 | 16.3% |
| Public Utility | 2,194 | | 2,194 | 0.2% |
| Restaurant/Entertainment | 44,441 | | 44,441 | 4.0% |
| Retail | 119,130 | | 119,130 | 10.6% |
| Service | 74,297 | | 74,297 | 6.6% |
| Single Family Residential | | | 0 | 0.0% |
| Storage | 64,928 | 10,220 | 75,148 | 6.7% |
| Vacant | 56,503 | 86,868 | 143,371 | 12.8% |
| Upper Story Residential | | 25,006 | 25,006 | 2.2% |
| Total | 847,714 | 271,062 | 1,118,776 | 100.0% |

Source: RDG Planning & Design, 2010

Map 2.2: Existing Land Use, Street Level 2010



BUILDING CONDITIONS

Map 2.3 shows a cursory review of building conditions for Downtown Lexington. Generally, building conditions are in good to fair condition. Older commercial structures along Washington Street exhibit some distress, requiring inspection for structural and maintenance repair.

HISTORIC AND ARCHITECTURAL SIGNIFICANCE

Lexington's downtown has a rich architectural heritage, with a number of historic buildings that are solid examples of late nineteenth and early twentieth century commercial vernacular architecture. While these structures may not be significant on their own accord for listing on the National Register, as a group they tell the story of Lexington's importance in the development of America's rural economy and the development of the nation's transportation networks. At the same time, there are also significant examples present of Romanesque Revival and Mission architecture that are eligible for individual listing on the National Register.

While the commercial structures of downtown Lexington have undergone significant change, Downtown still boasts several National Register eligible structures. Building upon these assets through their preservation and/or adaptive reuse, can serve as an impetus for further rehabilitations within downtown.

Structures that are of significant historical importance to Lexington include:

- Dawson County Courthouse, Beaux Arts Style by William Gerhardt (listed on NRHP)
- Pinnacle Agency Building, Romanesque Revival
- United States Post Office, Depression (WPA) Moderne
- The Carnegie Library, Neo-Classical Revival
- Valley Insurance Building, Mission Style

Participants in focus group meetings for the project commented that the downtown's strongest asset is its historic structures. However, participants also felt that the historic integrity of the district is threatened. High upper-story vacancy rates, have led to the alteration of window openings, and in several cases the alteration of building facades with false fronts. Adaptive reuse and rehabilitation of upper-stories could provide new opportunities for the downtown. Many focus group participants felt that adaptive reuse of upper-stories should focus on increasing not only housing, but also available office space for business start-ups.

All rehabilitation and adaptive reuse work on historic structures should be carried out in accordance with the Secretary of the Interior's Standards for Historic Preservation. In addition, the city could implement a historic overlay district within the existing zoning ordinance. Zoning provisions could address the treatment of building walls, roofs, ornaments, windows, doors, colors, and signage. District designation and zoning provisions could include a special building code to guide building modifications, and new construction.

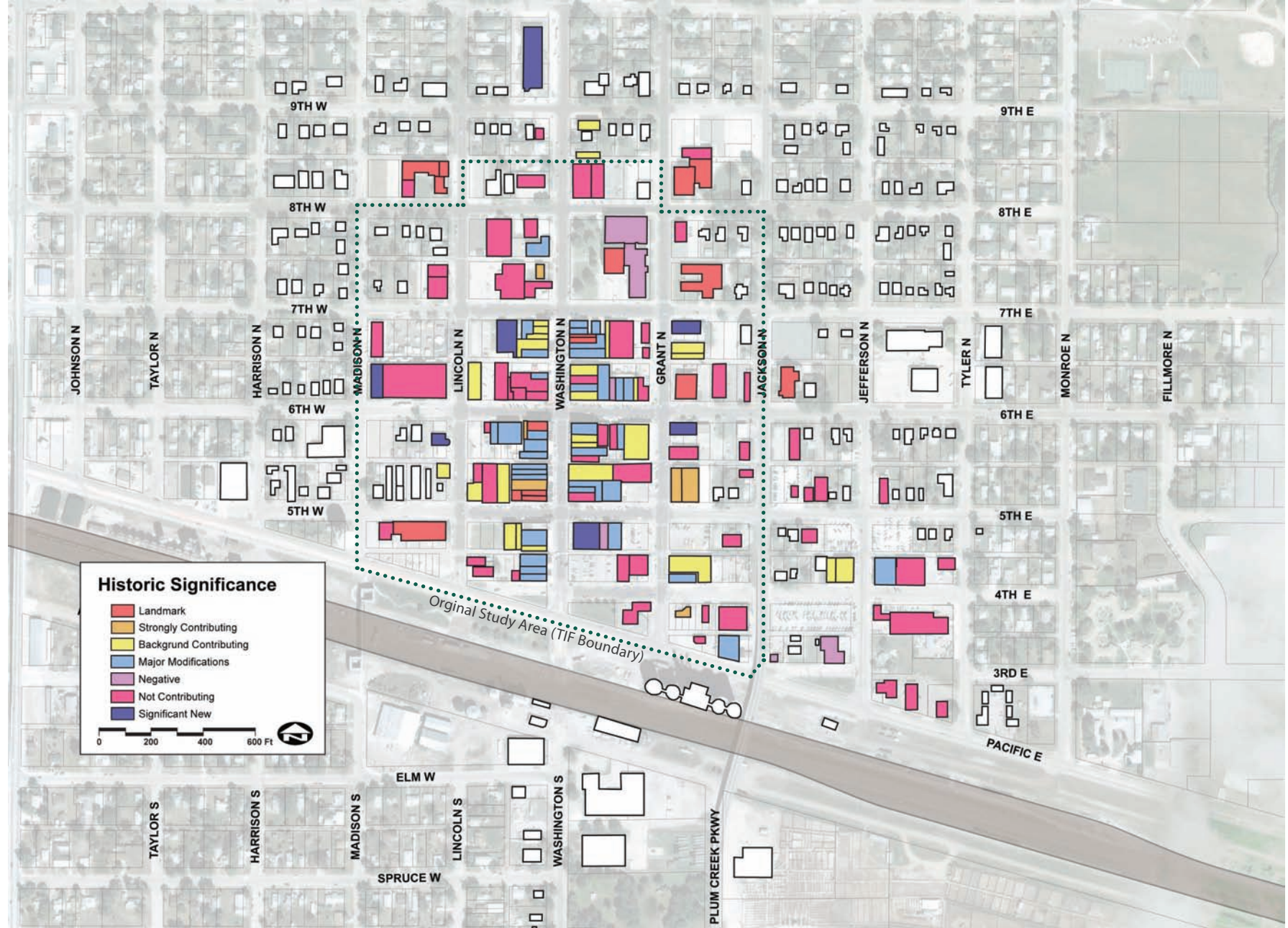
The Historic Assessment Map classifies downtown buildings in the following categories.

- **Landmarks.** These are buildings judged to be of essential historic significance and are either listed or eligible for individual listing on the National Register of Historic Places. Examples include the Dawson County Courthouse, Post Office, and Pinnacle Investment Building.
- **Strongly Contributing.** These individual structures contribute to the character or fabric of the district. Some may also be eligible for individual listing. The Carr & Fleming Building is an example.
- **Background Contributing.** These buildings represent examples of vernacular commercial architecture. While probably not individually eligible for Register listing, they generally contribute to the character of their overall context through having similar construction materials and setback.
- **Significant New Buildings.** These are relatively contemporary buildings that represent substantial capital investments. Examples include many of the district's newer government and commercial buildings, in particular the Lexington Public Library.
- **Not Contributing.** These are structures that do not contribute to the structure or fabric of a significant historic or design district.
- **Negative.** These are typically structures that detract from the fabric of a district because of deteriorating condition or appearance. Although, these structures could be adaptive reuses.
- **Major Modifications.** These represent structures that have undergone major modifications and do not contribute to the integrity of the district in their current form. Some of these buildings have been modified with a screen of façade treatment that may be reversed.

Map 2.3: Building Conditions, 2010



Map 2.4: Building Historic Significance



TRANSPORTATION

Transportation is a vital part of the downtown framework. Downtown's primary streets include Washington Street, 5th Street, 8th Street, Jackson Street/Plum Creek Parkway (Highway 283), and Highway 30.

- **Regional Access.** Highway 30 is a major arterial and the primary route for traffic that is traveling east and west through the city. Additional east west traffic through the Lexington area is carried by Interstate 80, located to the south of the city. Access to Interstate 80 from the downtown is provided via Jackson Street and the Plum Creek Parkway (Highway 283). Primary access to downtown from the north is provided via State Highway 21(Adams Street). Highway 21 connects Lexington with the community of Broken Bow, and is the primary route by which residents in northern Dawson County travel to Lexington. At the same time Washington Street, 5th and 8th Streets are minor arterials, and provide access to the downtown from Jackson Street, Adams Street (Highway 21), and Highway 30. The remainder of traffic movement uses the local street grid.
- **Downtown Circulation.** Traffic moves through the district efficiently, with Washington, 5th and 8th Streets forming the backbone of the district's transportation network. The streets of downtown are similar in width to comparable sized cities. Traffic signals are present at each intersection along Washington Street between 5th and 8th Streets. However, the relatively low traffic volume in the district does not appear to constitute a need for traffic signalization at every intersection. The installation of four-way stops would be more efficient for motorists. Traffic signals encourage motorists to speed up to beat the red light, creating unsafe conditions for pedestrians.
- **Washington Street Condition.** The existing pavement consists of brick pavers in the driving lanes and parking stalls, where it meets an extended concrete curb and gutter section from a previous street widening project.

The driving lanes are approximately 17' wide and the pavement provides positive drainage from the center line to the gutter. The driving lanes provide more than enough driving space for the downtown area traffic, as the lanes exceed the 12' minimum standard width for driving lanes. The pavement in the driving lanes is in fair to good condition and provides a relatively smooth ride for motorists. Within the parking stall area, there are jagged pavement joints where the concrete meets the brick pavers. These joints are inconsistent in width and could be improved in future street repairs. The concrete curb, approximately 6" in height in most areas, is in fair to good condition. Lighting along the corridor is insufficient, making it difficult for motorists to see pedestrians.

SIDEWALKS

The existing concrete sidewalks are 8' to 10' wide, provide positive drainage away from the buildings and into the gutter. Sidewalks are in fair condition, and have no substantial faulting or cracking. Pedestrian nodes at each intersection along Washington Street provide space for planting beds, trees and benches. Crosswalks comply with ADA standards, and in some places have been repaved in order to provide for a smoother crossing across vehicle lanes. However, while excellent pedestrian amenities exist along Washington Street, there is an absence of pedestrian amenities, such as benches and trash receptacles, on the surrounding side streets.

PARKING

Quantity and quality of parking is an important issue for the district. Map 2.5 Parking Supply shows the location of on-street and off-street parking stalls, while Map 2.6 illustrates the distribution of supply and demand for parking.

Parking in the downtown area consists of stalls along streets, public lots at 4th and Washington, 5th and Grant, and 7th Street between Grant and Washington provide off-street parking. Several smaller private lots located throughout the district provide for direct access to individual businesses. These businesses include Napa Auto Parts, True Value (now closed), the Lexington Business Center, and Tier One Bank.

Table 2.2 summarizes the total parking supply and distribution. Overall, the downtown has 607 on-street and 729 off-street stalls for a total of 1,336 stalls. Retail businesses along Washington Street generate a high demand for parking, particularly in the 500 and 600 blocks where the heaviest concentration of services, retail, and office spaces are located. Additional pressure is placed on the 600 blocks due to a deficiency in parking surrounding the Dawson County Courthouse.

Table 2.3 calculates total parking demand in downtown. Calculations are based on demand generated by each 1,000 square feet of use. For example, every 1,000 square feet of retail space generates a demand for 2.5 stalls. **Overall, demand is estimated at between 1,500 and 1,800 stalls, which is 26% higher than the amount of parking currently supplied.** It is important to note that these are merely standards for determining parking demand. Demand can vary greatly from city to city and district to district. For example, communities with more compact development patterns can have a lower parking demand. The close proximity between businesses and residences encourages walking and biking as alternatives to driving from one destination to another.

Policies that direct visitors and residents to parking lots, and minimize the amount of time that cars may be parked along the street can increase accessibility for those making quick trips to businesses. In addition, the improvements should be made to the connections between parking lots and businesses, particularly along 4th Street. Pedestrian wayfinding, proper landscaping to shield lots from sidewalks and signage directing vehicles to parking areas, can not only improve the aesthetics of the district, but also make the district more enjoyable for pedestrians.

Table 2.2: Downtown Parking Supply

| | Number of Spaces | % of Total Need |
|------------|------------------|-----------------|
| On-Street | 607 | 45% |
| Off-Street | 729 | 55% |
| Total | 1336 | 100% |

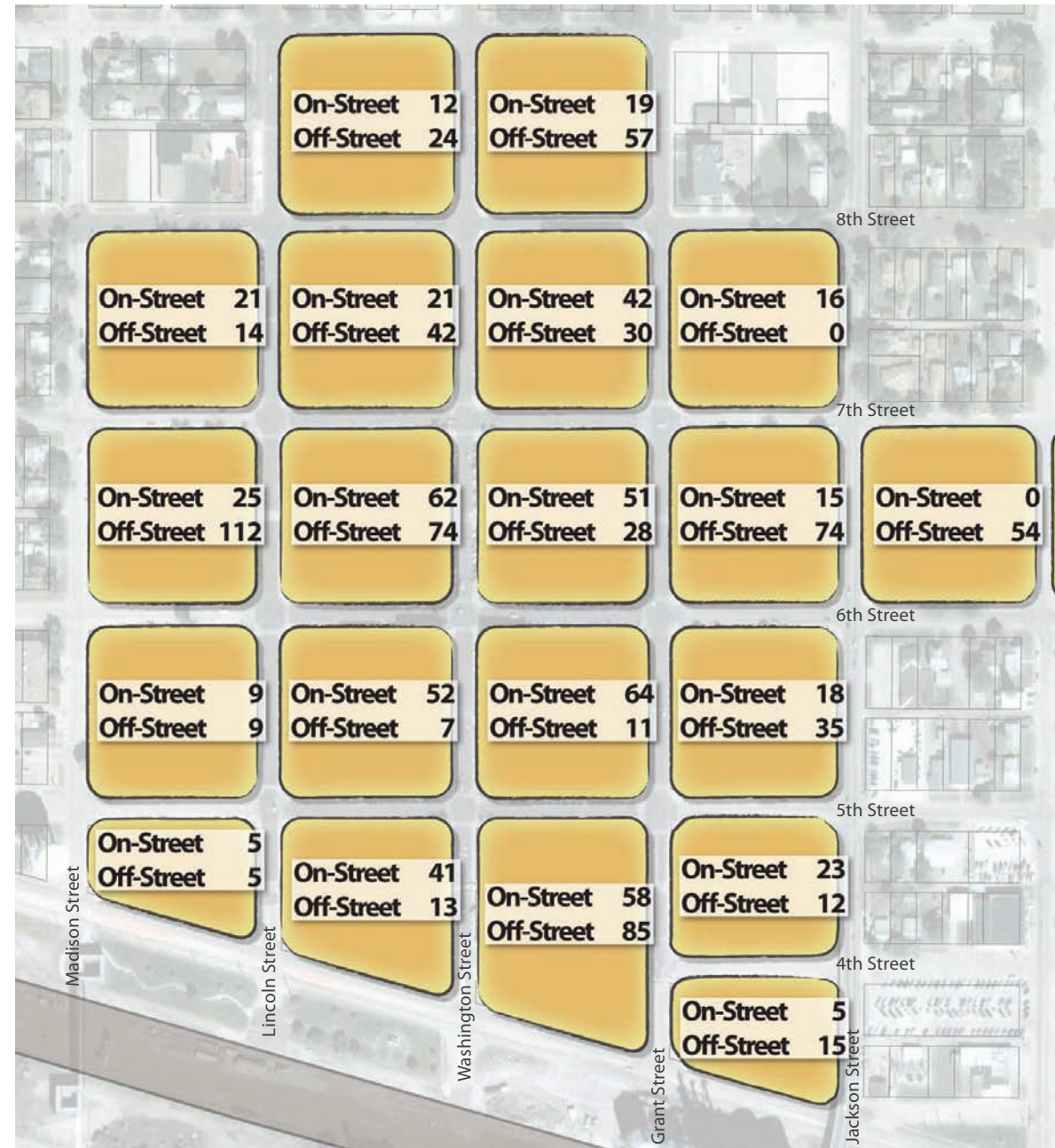
Source: RDG Planning & Design, 2010

Table 2.3: Parking Supply & Demand

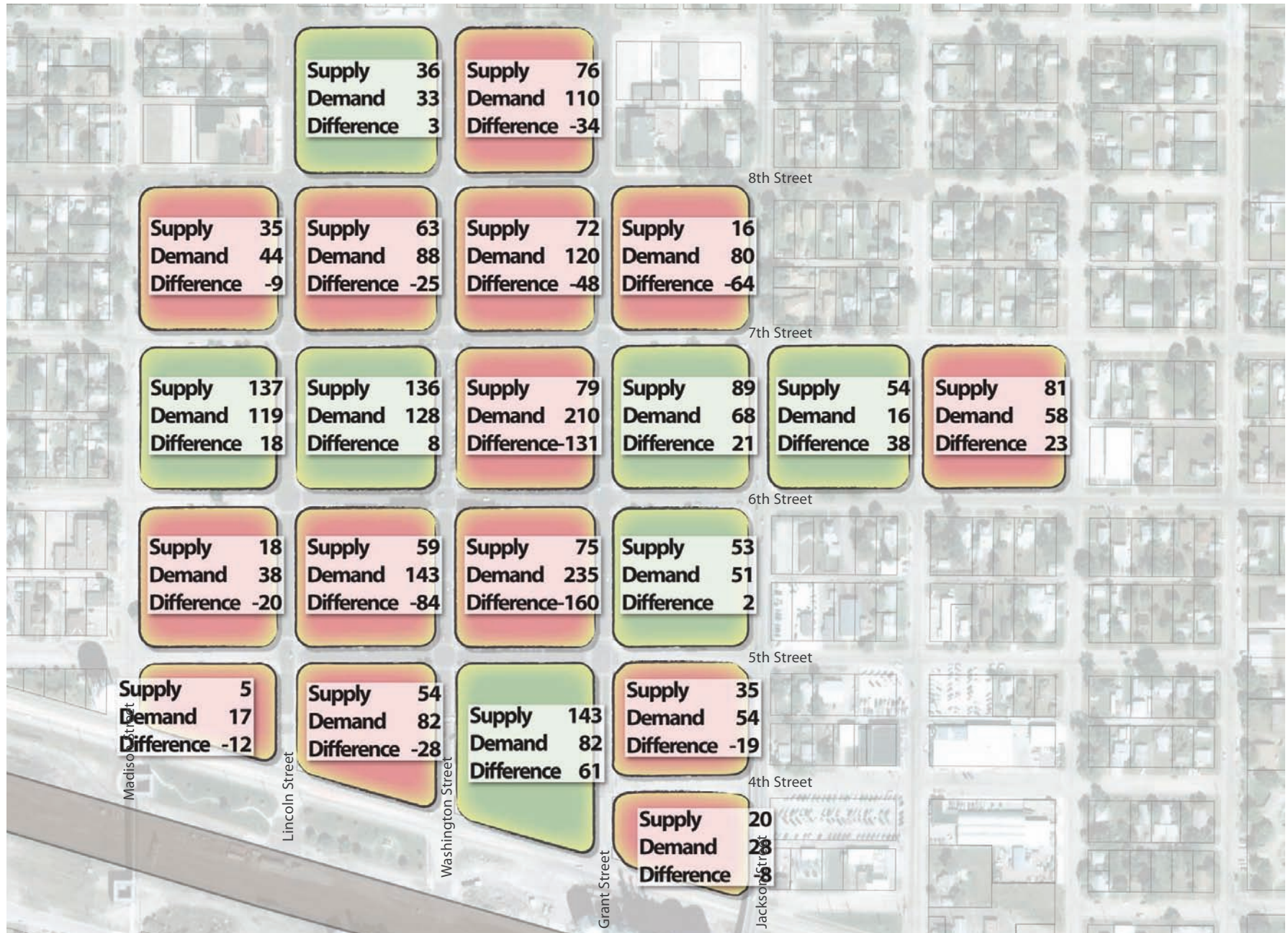
| | Square Feet | Parking Demand | Stalls per 1,000 sf |
|-------------------|-------------|----------------|---------------------|
| Mixed Use | 54,334 | 163 | 3.0 |
| Office | 146,476 | 447 | 3.0 |
| Retail | 119,328 | 298 | 2.5 |
| Restaurant - Bars | 38,492 | 127 | 3.5 |
| Civic | 164,337 | 411 | 2.5 |
| Multi-family | 31,850 | 48 | 1.5 |
| Service | 81,285 | 256 | 2.5 |
| Storage | 36,977 | 54 | 1.0 |
| Total | 673,079 | 1,804 | |

Source: RDG Planning & Design, 2010

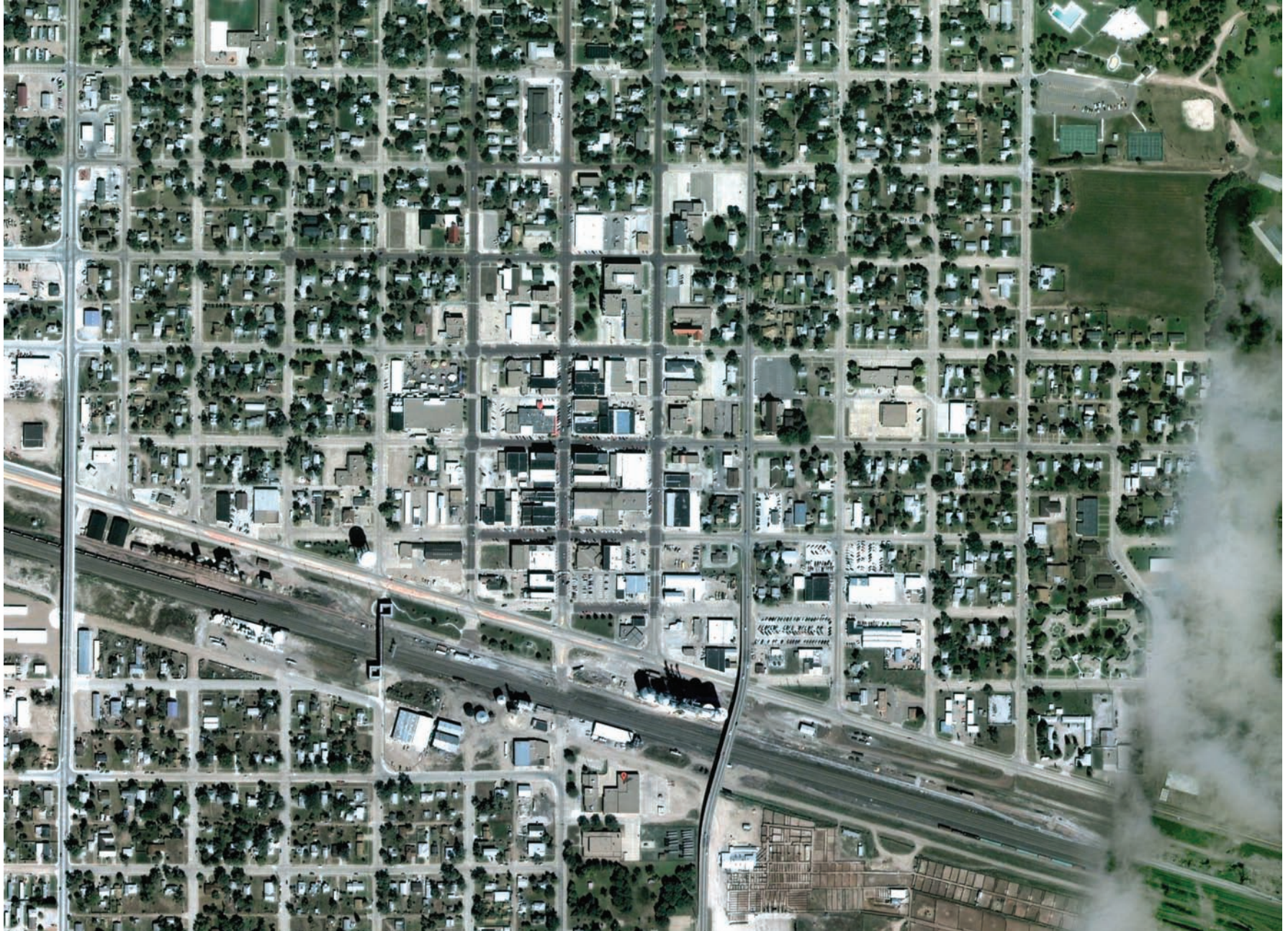
Map 2.5: Parking Supply, 2010

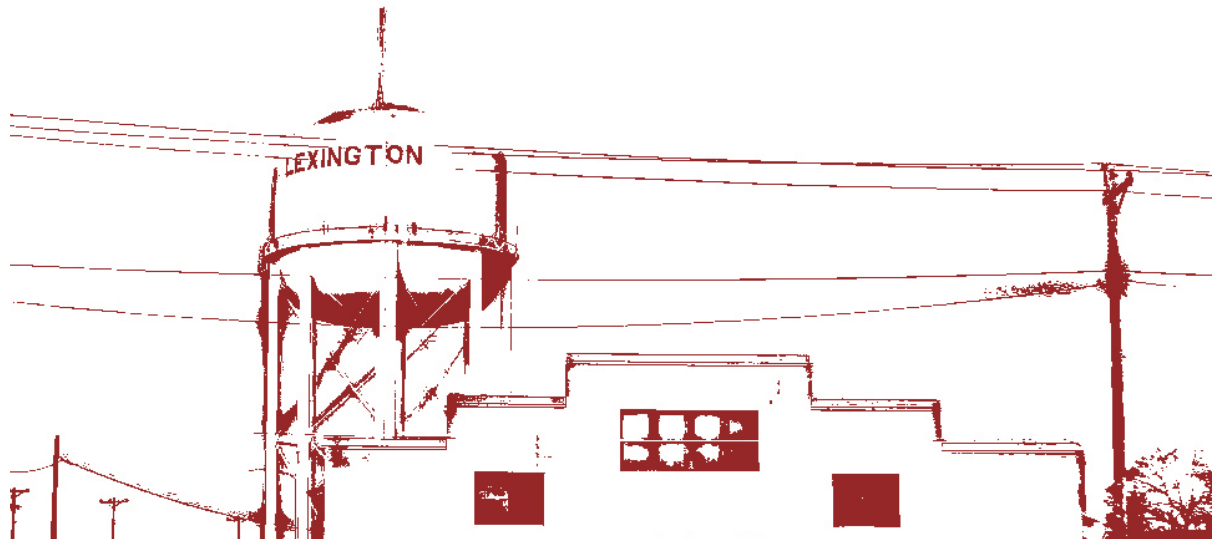


Map 2.6: Parking Supply and Demand, 2010



Map 2.7: Aerial Photo (source: Nebraska Department of Roads)





3 STRATEGIC PLANNING

The planning process for the Lexington Downtown Plan was aggressive and ambitious, taking less than three months. The planning process was accelerated to meet the Nebraska Department of Economic Development's schedule for Phase II Nebraska Community Development Block Grant Program.



This plan's concepts flow from the opinions and perceptions of those who know it best – its residents and people who work or invest in the community. While participation in a downtown planning process typically focuses on business and property owners, every resident of Lexington has a compelling interest in the heart of their city and had the opportunity to participate at some level.

Components of the public participation process included:

- **Public Questionnaire.** The planning process began with a bilingual opinion survey in English and Spanish, which could be completed either on-line or in hard copy. The survey identified potential issues and goals, which stakeholder group meetings addressed more completely.
- **Kick-off Presentation.** An initial community kick-off event took place on March 1, 2010. This event included a public presentation that discussed the planning process and presented strategies that comparable communities have pursued to improve and market their downtowns.
- **Focus Group Discussions & Individual Interviews.** Focus groups took place on March 2, 2010, and provided a full day of discussions about the emerging issues and challenges facing downtown and Lexington. Also, several individual interviews provided in-depth understanding of the community's emerging issues.
- **Design Workshops.** Design workshops took place from March 2 to March 4, 2010, to directly engage citizens, residents, business owners, and other stakeholders in conceptual planning for downtown. Participants shared their ideas, issues and concerns informally with the design team, and helped define and test concepts for the future of the planning area.
- **Plan Steering Committee.** The Plan Steering Committee met at key points during the planning process to review the progress of the plan and make revisions to the draft concepts.
- **Open House.** A public Open House occurred in May 2010. The open house provided the public an opportunity to review and comment on the development plan before further development and adoption.

PUBLIC QUESTIONNAIRE

The process began with an opinion survey, designed to gather opinions and perceptions about Downtown Lexington. About 127 people completed the survey on-line or on paper. This section summarizes key results.

DOWNTOWN FEATURES

A community questionnaire asked respondents to rank various features of downtown on a 5 (excellent) to 1 (poor) scale. Results are tabulated and reported by the frequency of responses. Categories with the highest scores (most ranked in 4's and 5's) include:

- Sidewalk areas and public spaces (52)
- Traffic congestion (41)
- Parks and open space (33)

Receiving the lowest score (most 1's and 2's) include:

- Tourism (80)
- Attraction of customers outside of Lexington (79)
- Quality of downtown housing (77)
- Restaurants and entertainment establishments (74)
- Availability of downtown housing (77)
- Business variety (70)

Table 3.1: Downtown Features

| Answer Options | Poor 1 | 2 | 3 | 4 | Excellent 5 | Don't Know | Rating Average | Response Count |
|---|-----------|----|----|----|----------------|---------------|-------------------|-------------------|
| Adequacy of Parking | 11 | 29 | 50 | 23 | 5 | 7 | 3.02 | 125 |
| Business Variety | 35 | 35 | 26 | 13 | 9 | 5 | 2.52 | 123 |
| Public Perception of Downtown | 23 | 32 | 40 | 12 | 7 | 7 | 2.74 | 121 |
| Marketing and Promotional Activities | 21 | 44 | 31 | 16 | 3 | 9 | 2.70 | 124 |
| Traffic Circulation | 8 | 22 | 46 | 28 | 13 | 4 | 3.23 | 121 |
| Business Growth During the Last 5 Years | 31 | 23 | 33 | 17 | 4 | 16 | 2.90 | 124 |
| Condition of Buildings | 21 | 35 | 46 | 14 | 4 | 4 | 2.65 | 124 |
| Retailing Environment | 19 | 41 | 37 | 10 | 1 | 13 | 2.77 | 121 |
| Overall Appearance of Downtown | 20 | 31 | 39 | 21 | 7 | 5 | 2.83 | 123 |
| Sidewalk Area and Public Spaces | 8 | 18 | 40 | 40 | 12 | 5 | 3.37 | 123 |
| Prospects for Future Business Development | 21 | 32 | 29 | 21 | 6 | 14 | 3.01 | 123 |
| Attraction of Customers from Outside Lexington | 33 | 46 | 24 | 10 | 5 | 6 | 2.40 | 124 |
| Condition of Surrounding Residential Areas | 16 | 41 | 42 | 15 | 4 | 7 | 2.77 | 125 |
| City Investment in Downtown | 21 | 30 | 32 | 15 | 6 | 17 | 3.05 | 121 |
| Availability of Housing Downtown | 28 | 42 | 24 | 7 | 2 | 20 | 2.78 | 123 |
| Cultural Facilities and Attractions | 25 | 42 | 28 | 13 | 7 | 6 | 2.61 | 121 |
| Restaurants and Entertainment Establishments | 35 | 39 | 23 | 14 | 9 | 2 | 2.42 | 122 |
| Willingness of Property Owners/Businesses to Invest | 20 | 42 | 25 | 13 | 2 | 19 | 2.93 | 121 |
| Growth in the Office Market | 13 | 38 | 35 | 13 | 2 | 21 | 3.13 | 122 |
| Directional Information to Downtown | 14 | 31 | 45 | 12 | 5 | 13 | 3.02 | 120 |
| Tourism | 39 | 41 | 21 | 9 | 4 | 8 | 2.36 | 122 |
| Quality of Downtown Housing | 38 | 39 | 15 | 7 | 2 | 19 | 2.61 | 120 |
| Overall Economic Health | 15 | 35 | 39 | 9 | 7 | 18 | 3.10 | 123 |
| Parks and Open space | 24 | 30 | 28 | 23 | 10 | 8 | 2.91 | 123 |
| answered question | 127 | | | | | | | |
| skipped question | 2 | | | | | | | |



In a follow-up question, the survey asked respondents to consider ideas and actions for improving downtown Lexington, again ranking them on a “5” (greatest importance) to “1” (least importance) scale. Top-rated actions included:

- More restaurants and entertainment (4.33)
- Attracting new retail business (3.96)
- Special events and activities (3.75)
- Improved business signage (3.73)
- More events and activities (3.72)
- New construction on vacant sites (3.72)
- Additional parking (3.48)
- Improved streetscape (3.30)

DOWNTOWN ASSETS AND LIABILITIES

Assets. In the first of four open-ended questions throughout the survey, respondents were asked to list downtown Lexington’s three greatest assets. Of 203 listed responses, the most frequently mentioned assets pertained to existing businesses and restaurants, diversity and historic buildings. Other important assets to the downtown area are atmosphere and business variety. All responses are below.

- 18 Barmore
- 17 Restaurants
- 16 Cultural Diversity
- 15 Historic buildings
- 11 Atmosphere
- 11 Business variety
- 9 Brick streets
- 9 Courthouse
- 9 Madeline’s

- 8 Easy Access
- 8 Parking
- 7 Friendly service
- 5 Community/business willingness to improve it
- 5 Sidewalks
- 5 U-Save
- 4 Banks
- 4 Clean
- 4 Stores
- 4 Traffic lights
- 3 Convenience
- 3 Local ownership
- 2 Bars
- 2 Nelson’s
- 2 Openness
- 2 Parks
- 2 Pharmacy stores
- 2 Swimming Pool
- 2 Trees and benches
- 2 Twin Fashions
- 1 Gift shops
- 1 Marketing
- 1 Napa Auto
- 1 Parades
- 1 Quiet
- 1 Rec Complex
- 1 Salons
- 1 School
- 1 Somali Center
- 1 Streetlights
- 1 Teps bar and grill
- 1 Teresas



Liabilities. Survey respondents listed the greatest liabilities as business variety and facades and building conditions. Parking and vacant buildings and structures follow. Some of the liabilities can be matched up, such as facades and store signage/displays, or streets, curbs, sidewalks, and lighting. Responses are listed below.

- 27 Business variety
- 25 Facades and building conditions
- 14 Parking
- 14 Vacant buildings and lots
- 9 Streets and curbs
- 8 Streetlights
- 7 Store signage and displays
- 6 Events and activities
- 6 Sidewalk
- 6 Movie Theater
- 4 Operating hours
- 4 Restaurants
- 4 Safety

Table 3.2: Downtown Actions

| Answer Options | Least 1 | 2 | 3 | 4 | Most 5 | Don't Know | Rating Average | Response Count |
|--|------------|----|----|----|-----------|---------------|-------------------|-------------------|
| Restoration of Historic Business Facades | 9 | 14 | 35 | 21 | 11 | 11 | 3.44 | 101 |
| Attraction of New Retail Businesses | 8 | 9 | 18 | 17 | 38 | 9 | 3.96 | 99 |
| More Housing | 17 | 23 | 24 | 16 | 11 | 7 | 3.02 | 98 |
| Improved Streetscape (sidewalks, landscaping, lighting, and benches) | 11 | 19 | 25 | 21 | 19 | 4 | 3.30 | 99 |
| New Construction on Vacant Sites | 8 | 13 | 16 | 34 | 22 | 8 | 3.72 | 101 |
| Extended Business Hours | 9 | 17 | 30 | 16 | 19 | 8 | 3.43 | 99 |
| Better Advertising and Promotion | 9 | 19 | 22 | 24 | 15 | 10 | 3.47 | 99 |
| More Events and Activities | 6 | 15 | 20 | 23 | 30 | 5 | 3.72 | 99 |
| More Office Development | 7 | 24 | 20 | 19 | 10 | 17 | 3.54 | 97 |
| Entrance Features and Gateways | 12 | 23 | 26 | 14 | 16 | 8 | 3.23 | 99 |
| Improved Pedestrian Safety Crossings | 14 | 23 | 24 | 20 | 13 | 7 | 3.16 | 101 |
| Murals and Public Art | 12 | 22 | 21 | 18 | 19 | 8 | 3.34 | 100 |
| Special Graphics and Signs (including historic information) | 12 | 18 | 33 | 18 | 15 | 4 | 3.18 | 100 |
| Additional Parking | 8 | 17 | 26 | 20 | 21 | 6 | 3.48 | 98 |
| Better Directional Information to Downtown | 7 | 27 | 29 | 17 | 10 | 9 | 3.23 | 99 |
| Special Events and Activities | 8 | 13 | 16 | 27 | 29 | 6 | 3.75 | 99 |
| Street and Traffic Flow Improvements | 7 | 30 | 25 | 17 | 14 | 6 | 3.19 | 99 |
| More Restaurants and Entertainment | 5 | 6 | 11 | 15 | 55 | 8 | 4.33 | 100 |
| Housing in Upper Stories | 17 | 19 | 25 | 15 | 10 | 13 | 3.21 | 99 |
| Additional Public Spaces | 11 | 20 | 23 | 18 | 17 | 8 | 3.35 | 97 |
| Improved Trail System | 10 | 22 | 22 | 17 | 16 | 12 | 3.43 | 99 |
| Improved Business Signage | 7 | 16 | 20 | 27 | 14 | 16 | 3.73 | 100 |
| answered question | 102 | | | | | | | |
| skipped question | 27 | | | | | | | |

- 4 Traffic Control
- 3 Civic/office uses in prime space
- 3 Cleanliness
- 3 Poor joint marketing
- 3 Immigrant drivers
- 3 Upper floor housing
- 2 Attitude
- 2 Graffiti
- 2 Loitering
- 2 Not enough space
- 2 Private investment
- 2 Public services (fire, chamber, city)
- 1 Banks
- 1 Benches
- 1 Business turnover
- 1 City investment
- 1 Community participation
- 1 Dumpsters on sidewalks
- 1 Hospital
- 1 Lack of public gathering space
- 1 Maintenance (sweeping, shoveling)
- 1 No parks or open spaces
- 1 Not enough housing
- 1 Pharmacy
- 1 Poor customer service
- 1 Reputation
- 1 Stores not appealing to different languages
- 1 Too much traffic



New businesses. Following the listing of liabilities, another open-ended question asked respondents to list new businesses that are most needed downtown. The questionnaire received 202 responses. Top answers include a movie theater, clothing and apparel and restaurants. Responses also indicate a need for retail shopping and hardware. A complete list of consolidated responses follows.

- 33 Majestic movie theater (rehab or new)
- 32 Apparel and shoes
- 27 Restaurant
- 14 Retail
- 11 Family Restaurant
- 10 Hardware
- 7 Department store
- 7 Entertainment
- 5 Café
- 5 Electronics
- 5 Grocery store
- 5 Hobby Shop
- 5 Music Store

- 4 Spa/salon
- 3 Arcade
- 3 Natural/organic food
- 3 Ethnic Stores
- 3 Recreation center
- 2 Bakery
- 2 Bike shop
- 2 Office Space
- 2 Variety store
- 1 Apartments
- 1 Appliance store
- 1 Book Store
- 1 Cobbler
- 1 Fabric store
- 1 Industry (no odor)
- 1 Jewelry
- 1 Pharmacy
- 1 Putt-putt golf
- 1 Service station
- 1 Supply Store
- 1 Teen center

Following the listing of liabilities, respondents were asked to identify what downtown project they would spend money on if they had \$500,000. The questionnaire received 125 responses. Top answers include rehabilitating and possibly expanding the Majestic Theater, create a program to recruit and retain businesses, improve building facades, and enhance the streetscape. A complete list follows.

- 25 Majestic Theater (possibly expand)
- 18 Recruit and retain businesses (start-ups)
- 15 Improve facades
- 13 Improve streetscape (includes lighting and brick street)
- 7 Upgrade park space (includes new park and public gathering space)
- 7 Restaurant
- 7 Community and teen center
- 5 Improve upper story units
- 4 Add parking
- 3 Public art
- 2 Upgrade signs
- 2 Space for vendors
- 2 Plant more trees and flowers
- 2 Infill on vacant lots
- 2 Create performance space
- 2 Business incubator and business training center
- 2 Bowling alley or putt-putt golf
- 1 Gateway and wayfinding
- 1 Install informational kiosk
- 1 Improve traffic flow
- 1 Improve experience
- 1 Improve building energy efficiency
- 1 Improve bikeability
- 1 Entertainment

FOCUS GROUP DISCUSSIONS & INDIVIDUAL INTERVIEWS

Focus group meetings and individual interviews took place on March 2, 2010, resulting in about 10 hours of discussion. Groups such as business and property owners, public officials, civic and arts organizations, and others participated in roundtable discussions to share their opinion of the district and its future opportunities. The following summarizes the proceedings, ranked generally in order of attention.

ISSUE 1: MAJESTIC THEATER

- The closing of the Majestic Theater in Spring 2009 left Lexington without a theater.
- The interior and exterior of the building is in poor condition and needs substantial improvement to become a viable theater.

ISSUE 2: BUSINESS DEVELOPMENT

- New development should be pedestrian in scale and consistent with the character of the older buildings in downtown. The first floor of buildings should have an active use, and not be office or vacant.
- Downtown has a strong environment for restaurant and retailing. Participants are satisfied with the number of restaurants, although indicate a desire to have more upscale dining.
- Rehabilitating building space for business development is expensive. Financial mechanisms should be adopted to allow businesses to remodel or expand instead of relocating to areas outside of downtown. Businesses that generate foot-traffic should receive priority.
- Development used to orient to the railroad in the 1800s and early 1900s then shifted to Highway 30. With the development of Interstate, development began orienting itself to Interstate 80. Downtown competes with the Interstate business corridor.



- The area between Grant Street and the viaduct could be redeveloped.

ISSUE 3: GATHERING SPACE

- Downtown lacks a public gathering space.
- Farmer's Market is a popular event, yet it is not located in downtown core where it can promote sales for surrounding businesses.
- Lots along 5th Street could be developed into green space, connected to downtown and parking.

ISSUE 4: PARKING AND CIRCULATION

- Participants perceive that the district does not have enough parking, particularly for the 500 and 600 blocks of Washington Street.
- Wayfinding signage should be installed to direct traffic from Interstate 80 and Highways 30 and 283 to downtown businesses. Parking, tourist sites and regional destinations should be identified.

ISSUE 5: BUILDING CONDITIONS AND VACANCIES

- Buildings that are being neglected should be preserved. Facades have been "modernized" with artificial fronts. These facades should be restored to their original condition.

nal condition.

- Filling vacant storefronts should be a priority for Lexington. Preferably, these uses promote street activity, such as retail or services.
- Some business signage does not promote the quality merchandise found in the store enough. Some signs should be upgraded to strengthen the overall appearance of the storefront and overall district.
- The vacant space located on the southwest corner of Washington Street and 5th Street is prime real estate that could be redeveloped for commercial use or as a small gathering spot in downtown.

ISSUE 6: DOWNTOWN STREETScape ENVIRONMENT

- Despite having attractive ornamental fixtures, the light levels are inadequate for streets and sidewalks. The fixtures do not appear to reflect light to the ground. Rather they filter light.
- Streets need to be more attractive for pedestrians and passersby. Trees lined streets, benches, planters, ornamental lights, banners, graphics, historical markers, and art should be programmed into the streetscape design.
- Weeds, cracked sidewalks and snow covered walkways contribute to a negative perception of downtown.

Maintaining streets and sidewalk is critical to building a positive impression of downtown.

- New development should be consistent with the character of Washington Street.
- The approach from Highway 30 and viaduct could be more attractive and draw the traveler to enter downtown Lexington.
- Sculptures and public art should be displayed throughout the district, particularly at gathering places and major intersections.

ISSUE 7: MARKETING, TOURISM & IMAGE

- Downtown could be marketed more as a regional destination, particularly with all of its ethnic stores and restaurants
- Businesses should collaboratively market downtown. Participants perceive that downtown was a destination of the past and needs to be marketed to attract patrons.
- Downtown should develop memories for growing children, visiting tourists, and residents. Theming or branding Lexington' downtown will help the community's marketability. Residents and tourists should all be able to enjoy downtown.
- Wayfinding or directional signs should be posted to direct both motorists and pedestrians to destinations in Lexington. Wayfinding should reinforce the appeal of downtown with graphics and color.
- Anglo businesses do not stay open late, while Hispanic businesses do stay open late.
- Planning should focus on developing an experience for families, couples, singles and teenagers that could include an assortment of restaurants, entertainment, theaters, events, and attractions.
- Theming and branding should consider historical references. Community has lost its connection to the historic Lincoln Highway.



DESIGN WORKSHOPS

Multi-day public design workshops took place in Lexington during March 2 through March 4, 2010. The plan presented in Chapter Four reflects and refines the work done in these sessions. During the workshops, public discussion defined the following themes and principles:

- **Majestic Theater.** A top priority by participants is reactivating a downtown theater.
- **Parking Adequacy and Aesthetics.** An adequate parking supply for patrons, business operators, students and faculty, and residents is necessary. Parking access should be convenient and clear without inhibiting pedestrian movement. Several sites provide locations for new parking structures.
- **Reuse.** Historic structures should be preserved and reused. Some buildings could become retail or office incubators.
- **Redevelopment Sites.** Significant redevelopment sites between Washington Street and Jackson Street offer new opportunities for downtown redevelopment for Lexington. Any future redevelopment should consider their relationship and connection to the downtown area.



- **Streetscape Design.** Lexington's downtown streetscape is well-designed and compliments the surrounding development. Creating safe pedestrian and bicycle movements is critical and should be incorporated.

PLAN STEERING COMMITTEE

The steering committee met several times throughout the planning project to provide input, review the progress of the plan, suggest mid-course corrections, and contribute to development concepts. Participants in the committee are acknowledged at the front of this document and were instrumental in the preparation of the plan and establishing the priority projects for Phase II Implementation.

OPEN HOUSE

The open house provided the public an opportunity to review and comment on the development plan before formal approval by the City Council. The Open House included a presentation and then a break-out to various stations focusing on development areas, which were overseen by steering committee members. Approximately 25 people attended.



4 DOWNTOWN MASTER PLAN

This plan builds on the special features and resources of Lexington to create a more vigorous and vibrant downtown. The first three chapters of this plan address the people and economics of the city and its surrounding market area, potential markets, existing physical conditions, and the opinions and insights of the residents, businesses, and other stakeholders.

Downtown is Lexington's principal center for commercial and civic life that is experiencing a history of business change and development. While the district remains a major retail and service center, many local residents feel its primacy has declined through competition with its counterpart commercial district - the Plum Creek Parkway business corridor.

A development concept that is based on markets and realistic economic opportunities, new access, and the distinctive character of the community will strengthen the city's physical and economic assets, moving Lexington forward despite difficult economic times. Ultimately, a successful development effort for Lexington will:

- Add new energy to Downtown Lexington as a neighborhood and a renewed retail, service, and civic center.
- Knit separate parts of the area into a unified, mutually reinforcing, heart of the city.
- Provide value, variety, and customer service that expand the district's share of regional consumer spending.
- Expand markets by complementing basic quality and services with features and amenities that make the district both convenient and delightful.
- Encourage emerging markets, such as ethnic retail and restaurant niches.
- Assure that development in new redevelopment reinforces the business and investment climate in the traditional Downtown.

PROGRAM FOR DEVELOPMENT

The vision begins by establishing a development program, much like the architectural program for a building project. This program identifies the ingredients of development – the amount of space that markets can absorb, present and future community needs, current projects that are pending, and other opportunities. The program includes three separate agendas: development, community and functional.

THE DEVELOPMENT AGENDA

- **Retail Development.** Lexington serves both local residents and regional customers, and has a demonstrated ability to retain local customers and attract business from outside the city, yet it is still leaking spending to outside markets such as North Platte and Kearney. The analysis presented in Chapter One indicates a community-wide, ten-year potential for about 67,000 to 96,000 square feet of new retail and allied consumer space.
- **Office space Development.** Downtown Lexington has a limited amount of multi-tenant space. However, there is an abundant amount of upper-story space that could be retrofitted for offices, and vacant land that could be redeveloped for new office buildings. The development concept should provide the flexibility to accommodate an additional demand for office space.
- **Housing Development.** According to the 2008 Housing Market Study prepared by Hanna:Keelan Associates, Lexington needs 243 additional residential units by 2013. This projection assumes a 60/40 owner to renter occupied housing mix that anticipates a need for 155 owner occupied units and 88 renter occupied units. Downtown could accommodate a portion of this demand.
- **Vacancy.** Downtown is experiencing a growing vacancy. The Phillips Station closed in 2007, True Value and the Majestic Theater closed in 2009, and soon

Central Community College is planning to relocate out of downtown to the former Wal-Mart building.

- **Visitor Center.** A Visitor Center at Washington Street and Highway 30 would signify the arrival to Downtown Lexington and provide an opportunity for visitors to observe the railroad.

THE COMMUNITY AGENDA

- **NDED Phase II Financing.** The Plan should identify projects that will influence private market investment. NDED's Phase II revitalization funds (\$350,000) and local match (about \$150,000), allows Lexington to target improvements for their downtown.
- **Majestic Theater.** The closing of the Majestic Theater left Lexington without a theater, forcing residents to travel to neighboring communities to watch movies. A market may exist to develop a new theater on vacant land. However, reopening the Majestic Theater will attract visitors to downtown and reinforce the downtown's priority for business development.
- **Small Business Development.** Entrepreneurs seeking to start-up their own business need support and space for developing a business. The plan should consider spaces that allow for this business growth.
- **Open Space.** Green space and a community commons are major features of traditional town centers. Quality green space for events, recreation, and passive enjoyment would provide a welcome addition and incentive to future development.
- **Unifying the City.** Lexington's influx of immigrants has resulted in a number of businesses catering to various ethnic groups. This market continues to grow and could become a strong niche for Lexington.
- **Historic Theming and Interpretation.** The important history of Lexington and its multiple layers of thematic association are great interest to both residents and visitors.



THE FUNCTIONAL AGENDA

- **Alley/Pedestrian Safety.** Alleys can be redesigned to accommodate both pedestrians and motorists.
- **Downtown Streetscape.** The downtown streetscape project has proven to be a durable improvement that still serves well. Features such as the pedestrian lighting, trees and benches create a sense of place and human scale. However, even the best projects need a new look after a while, and relatively inexpensive improvements could add detail and visual interest to the street.
- **Crossing Highway 30.** The experience of crossing Highway 30 as a pedestrian to the overpass feels uncomfortable. Crossings at Washington Street and Lincoln Street could be upgraded to provide more security for pedestrians.
- **Traffic Volumes and Truck Movements.** The Nebraska Department of Roads anticipates upgrading the Highway 283 viaduct to four lanes of traffic and improving parallel streets to move trucks to and from Highway 30.
- **Private Investment.** Initial investments in the public realm can create conditions for economic growth that are unlikely to happen spontaneously. These investments will maintain property values, increase sales tax revenues, and create a central district that adds business to the city.
- **Capitalize on Key Business Niches.** While downtowns nationwide have struggled to preserve their traditional retail roles, successful districts capitalize on business niches that attract people to traditional business districts. Lexington has destination restaurants. Other niches include ethnic merchandise, specialty retailing, pharmacies, clothing, and eating and drinking establishments.
- **Improved Parking.** Parking is invariably seen as a top priority, particularly for Washington Street. Several factors contribute to this perceived shortage: parking is tight in the 600 block near the Courthouse, stalls are scattered and difficult to find, and pathways from available parking to destinations are sometimes indirect and unpleasant. Greening of existing parking lots, wayfinding, and better routes from car door to store door could all help improve the district's parking environment.

CENTRAL CITY CONCEPT

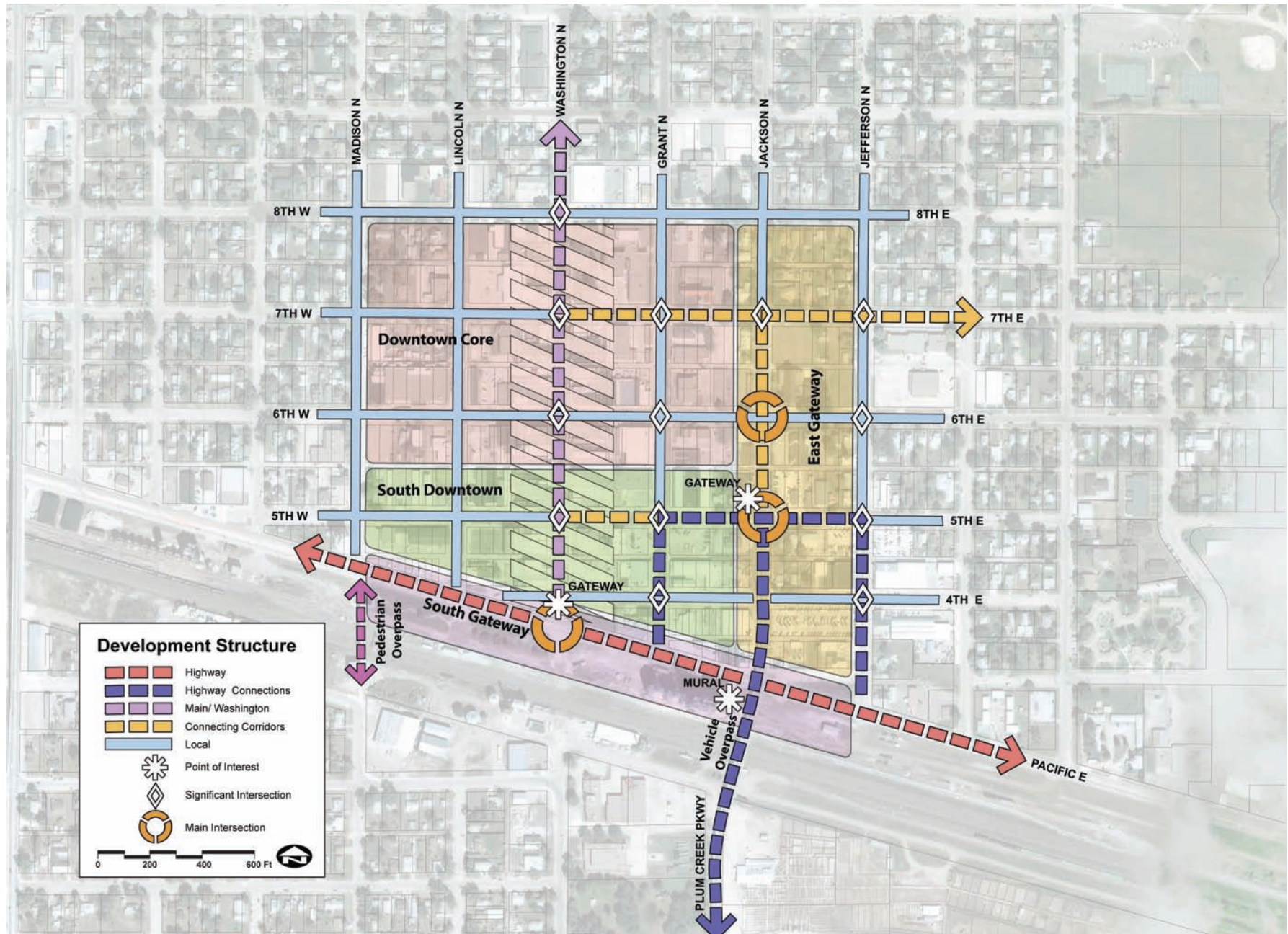
The vision for the Downtown plan emerges by following the program based on markets, existing projects and priorities, and community-wide needs. Map 4.1, Development Structure illustrates these concepts. The components of this vision include:

- **Major Project Areas**, self-contained projects that, together, create a transformed district.
- **Connecting Corridors**, address the fabric that links major projects together and links the study area to the larger Lexington community.
- **Policies**, describing in more detail methods that various needs and markets are met and projects are implemented.



Lexington - Early 1900s

Map 4.1: Development Structure



MAJOR PROJECT AREAS

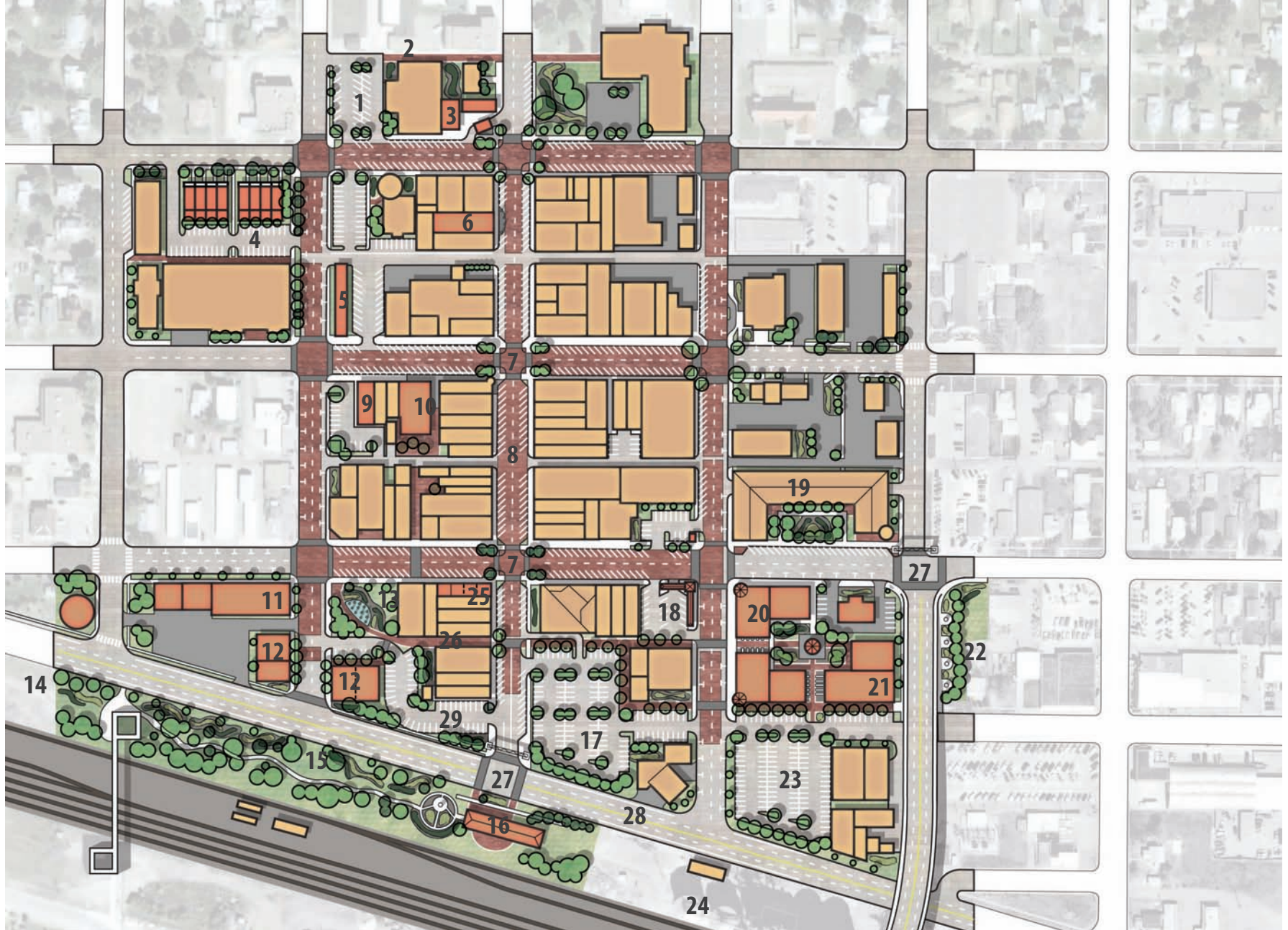
Map 4.2, the Development Concept, identifies individual projects within the study area. The downtown concept includes four major project areas:

- **Downtown Center**
- **South Downtown**
- **East Gateway**
- **South Gateway**



- | | | |
|--|---------------------------------|--|
| 1. Parking Upgrades | 12. New Development | 23. Gateway and Light tubes |
| 2. Alley Connection | 13. New Platte Park | 24. Mural on elevator |
| 3. Phillips 66 Reuse | 14. Centennial Park Expansion | 25. 5th Street Redevelopment |
| 4. Townhouses | 15. Centennial Park Upgrades | 26. Lincoln Promenade |
| 5. Community College Building Reuse | 16. New Depot Visitor Center | 27. Gateway Arch |
| 6. Majestic Theater Rehabilitation | 17. South Parking Lot Expansion | 28. US 30 Corridor Enhancements |
| 7. Stop Signs | 18. Carscape at 5th and Grant | 29. Fourth Street Redirect and Parking |
| 8. Washington Street Upgrades | 19. Senior Housing Project | |
| 9. New Development | 20. Marketplace Development I | |
| 10. Business Incubator (Furniture Store) | 21. Marketplace Development II | |
| 11. Lumberyard Reuse | 22. Parking Lot Expansion | |

Map 4.1: Development Concept



DOWNTOWN CENTER

The concept for Downtown Center envisions incremental improvements to the public environment, enhancements to the parking supply, an improved business environment, and better utilization of public spaces.

Main Street is the traditional commercial core of Downtown Lexington. The concept for the Downtown Core targets strategic opportunities for improvement, while considering eventual investments to the streetscape environment. Often streetscapes are perceived as a flat plane, yet the reality of most streetscape environments is the vertical plane, the facades that frame the district.

PROGRAM FOR DEVELOPMENT

- Improve Traffic Circulation
- Rehabilitate and reuse existing structures
- Public realm improvements.
- Improve parking accessibility and availability



1. Remove Traffic Signals. Replacing traffic signals along Washington Street with stop signs may improve overall traffic circulation and safety. Planning participants commented that the signals do not move traffic through the district efficiently and can be difficult to see. Removing the signals will result in a cost savings to the city without the need for power. Traffic signals also encourage motorists to speed up to beat the red light, creating dangerous conditions for pedestrians, particularly for seniors, children and people with disabilities.



2. Rehabilitate the Majestic Theater. Restoring the Majestic Theater is a strategic investment for downtown development because it helps the district become a center for entertainment and performing arts. Since its closing in 2009, Lexington has not had a theater, and was listed by survey participants as the top priority for downtown investment. The restoration should be as historically accurate as possible, featuring the light and excitement of the past. The wall sign should be upgraded to possibly include neon and have a projecting neon sign.

Upgrades to the theater's projection system, as well as its acoustics and audio system are critical to making the theater a premier facility for watching movies and performing arts. Seats and concessions should be upgraded, as well.

The plaza outside of the lobby should be improved. As shown in Figures 4.x-x, the sidewalk bumps out providing plaza space for queuing in front. The plaza allows for mitigating the grade change in front of the theater to allow for handicap accessibility. This also allows for removing the false front of the theater and revealing its historic architecture. The space should be well lit with places for seating and gathering.

Figure 4.1: Majestic Theater Rehabilitation





3. Streetscape. Streetscape improvements should build on the solid base of the 1990s streetscape project. Minor and relatively inexpensive enhancements such as flower baskets, permanent thematic graphic panels, special ornamental tiles, children's art installations, interpretive historical installations, and new street furniture would update downtown and add color and interest. Pedestrian scale wayfinders, such as blade signs, can also inform and direct people to the district's various destinations.

As underground infrastructure is upgraded, so should the streetscape. Elements of the streetscape improvement program includes:

- **Street, sidewalks and curbs.** Sidewalk paving should provide texture and visual character, but should use efficient and durable materials. Special surfaces should be focused at intersection and may include textured concrete or color conditioned concrete. Finer concrete scoring patterns also can add contrast and define amenity areas.

- **Streetlights.** The acorn fixture has a timeless look and is appropriate for the historic environment. Participants in the planning process perceive that existing streetlights are insufficient and present a security risk. The current fixture filters light from projecting upwards rather than reflecting the light towards the street. The city is experimenting with different bulbs, which may provide more light, but will not address the principal issue of the light not reflecting to the street surface. The city should commission a lighting study to determine if replacing or retrofitting fixtures is appropriate. The study should consider light levels along the street and connecting alleyways.
- **Benches, Trash Bins and Bicycle Racks.** Benches provide space for people to sit and watch people. Trash bins should accompany benches to reduce clutter along the street. Each block should have bicycle racks at corners and along the street. These features can be installed at intersections or mid-block.
- **Trees and Landscaping.** Existing tree wells are insufficient and prevent the tree from maturing, resulting in the trees needing to be replaced more frequently. Improving the tree wells with rec-

ommended street tree planting practices will allow the trees to mature and provide more shade along the streets and sidewalks. Shade from trees during the summer months also helps to improve energy efficiency of buildings. The expanded planting areas for trees will also create spaces for seasonal plantings which will add another layer of visual interest to the street.

- **Alley nodes.** The existing alley nodes are in poor condition and should be removed. They provide little benefit to the streetscape environment and are obstructions for snow plows and street cleaners.

4. Public Art. Intersections and planned open spaces throughout downtown provide spaces for public art, including sculptures, mosaics, wall art and two- and three dimensional installations. Many communities had great success with consignment programs, where local and regional artists submit sculptures in juried competitions that are displayed for specific periods of time. The art of children could also be incorporated into streetscape materials and concepts. The art that is installed throughout downtown should somehow relate to the surrounding environment, culture and history therefore adding to the sense of place.

Figure 4.2: Washington Street Streetscape Enhancements





5. Retail Incubator. Reusing the old furniture store on 6th Street to establish a retail incubator. This building could be a center for entrepreneurs wanting to sell local products, and provides an opportunity for collaborations between the city's businesses. The space behind the building could be improved as a small plaza for staff, and tie into a promenade to Platte Square. Parking is available off street and in the nearby surface lot.

Establishing a retail incubator or entrepreneur center was identified by public participants as a top priority (page 34).



6. Infill Development. The vacant site at Washington Street and 5th Street could be redeveloped with a multi-story building.

The site does not provide enough functional space for public gathering and is a very marketable site for new construction. Preferably the development would be two stories, although a single-story project with bays facing 5th Street would provide moderate space for retail uses.



7. Phillips 66 Station Reuse. The gas station closed in 2007 and has since remained vacant. Participants in the planning process consider the building iconic with its classic Phillips 66 sign. Preferably the reuse of the building will retain the sign or appeal to its classic character. The reuse should include landscaping in order to complement the greenspace of the courthouse thus providing a green gateway into the north side of downtown.

Figure 4.3: Washington Street Streetscape Proposed Section





8. Townhouses. Housing could be developed in the Lexington Business Center parking lot. Townhouses would front directly on 7th Street, with parking shared with the Lexington Business Center building.

9. Buildings. The life and economy of downtown takes place in its buildings.

- **Facades.** Lexington lacks an exemplary case of rehabilitation that sets the pace for other investment. In general, façade upgrades should restore windows to original scale, replace inappropriate storefronts, and include awnings, doors, and other features that add scale. However, diversity is important in an eclectic district, and absolute uniformity is neither necessary nor authentic.
- **Business Signs.** Desirable signage includes wall-mounted signs with individual letters, awning signs, and carefully designed projecting signs. Typically, flush-mounted cabinets, pole signs, and other “auto-strip” signs are not appropriate in the downtown district. Signs should not obscure large areas or major façade design features.



Financing incentives to encourage façade improvement and restoration should be part of the downtown program. However, these incentives work most effectively when building owners see an economic return from these investments. Often, improvements in the public environment create conditions that make these incentive-driven investments more attractive to owners.

- Exterior Mounted Lighting.
- Energy Efficiency Audits.
- Energy Efficiency improvements, including insulation, window upgrades, ceiling repairs, heating and ventilation system upgrades, and lighting.



10. Parking Improvements. Parking should be adequate and convenient, but should not dominate the feel of the district. The overall transportation system design should guide people to parking as directly as possible, and encourage them to experience the district outside of their cars. Parking is invariably seen as a top priority, particularly for Washington Street. Several factors contribute to this perceived shortage:

- Parking analysis for the 600 block area shows that the blocks are deficient by more than 100 stalls. This shortage is magnified by visitors to the courthouse park on Washington Street.
- Lack of a central parking for the courthouse.
- Strategies for improving parking availability and access include:
- Establishing a wayfinding program that identifies parking areas.

Figure 4.3: Facade Improvement Program



SOUTH DOWNTOWN

The concept for the South Downtown area focuses on identifying conditions to make underused property into marketable sites for redevelopment near the Washington Street commercial area.

PROGRAM FOR DEVELOPMENT

- Establish conditions to transfer underused property into developable sites.
- Leverage public investments to stimulate a private market response.
- Provide housing options in the downtown area.
- Define a public gathering space.



Boulder, CO

1. Platte Square. Public participants unanimously support the concept of defining a gathering space that can be bonded with the experience of visiting downtown. The vacant site at 5th and Lincoln Streets could be developed for a new public gathering space in the heart of downtown. Located adjacent to the Clipper-Herald Newspaper building, this site is conveniently located to Washington Street businesses and could become a catalyst for new commercial development surrounding the park.

The site concept is based on the braids of sand, water and vegetation of the Platte River. Meandering lines of color concrete and landscaping imitate this braided concept. Ground level spray fountains allow for a break from the hot summer months and also serve as an amenity that will attract people into the downtown daily. The open lawn defined by the paving and trees can be used for outdoor events and unscripted play, while trees define the space and provide shade. One such outdoor event could be a movie that is projected onto the side of the Clipper Building. Low native plantings throughout the park create a sense of place and are low maintenance. The openness of the space allow for clear visibility across the plaza for security purposes.



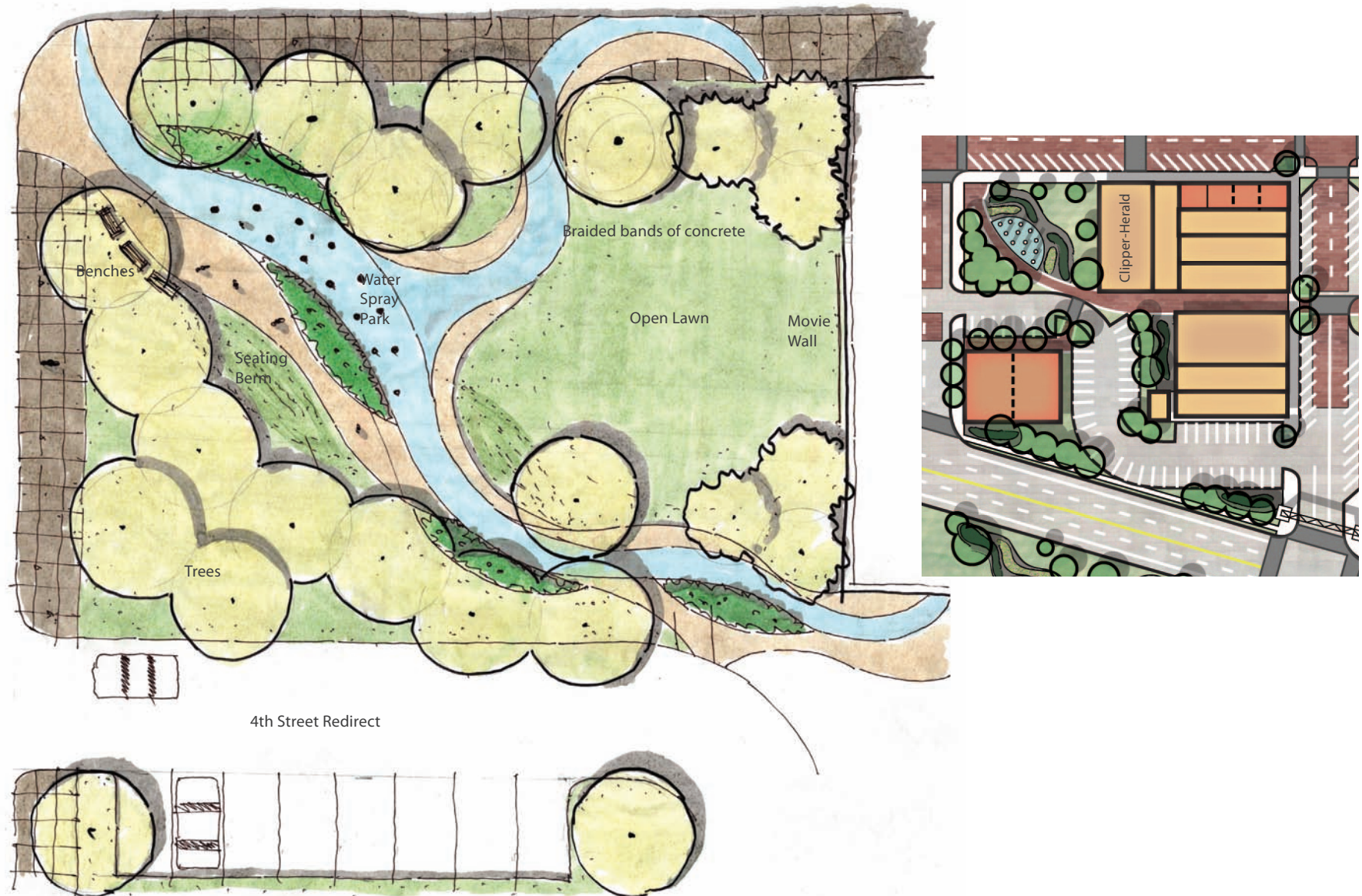
Shenandoah, IA

2. Lincoln Promenade. Pedestrians in Downtown Lexington are often found walking in alleys because they provide convenient access to parking and sometimes are the shortest distance between two points. Unfortunately, they are rarely pleasant environments, and pedestrians tend to be intruders among loading areas, dumpsters, trucks, and “alley-cutting” motorists.

This concept provides a continuous landscaped path from Lincoln Street to Grant Street, connecting the new Platte Square to the proposed Marketplace Development. This concept preserves service access to all buildings and parking lots while removing alley bump-outs. Lighting, pavers, landscaping, and archways could be installed at entrances and along the pathway. Specifically porous pavers could be used to help infiltrate water that comes from building downspouts. Alleyway concrete typically goes into disrepair after a short time because of water problems created by water exiting from the downspouts into the alley. Figure 4.x shows how the alley could be transformed to a pedestrian passageway.

Informational kiosks installed at key points along the promenade could describe Lexington’s connection with transportation, including the Oregon Trail, railroad, Lincoln Highway and Interstate.

Figure 4.4: Platte Square





South Africa



3. Lumberyard Building. The vacant lumberyard building could be reused for commercial use or possibly become a sheltered space connected to community activities at Platte Square.

4. New Commercial Construction I. The development project has convenient access to Platte Square and Highway 30. Its location is ideal for marketing directly to traffic along US 30.

5. New Commercial Construction II. The development project has convenient access to Platte Square and Highway 30. The two-story project frames the south edge of Platte Square and has space reserved for parking and outdoor seating overlooking the park. The building could be programmed to include commercial uses on street-level with possible walkup concessions and upper-story offices.

6. Marketplace. The redevelopment of the Downey Drilling, Inc. land takes advantage of a highly visible site to provide additional mixed use development. This project changes the formerly industrial character of this relatively underused area, and strengthens the quality of one of the city's higher profile areas. The Marketplace provides a central common area for public events, connected by the Lincoln Promenade to Washington Street and the New Platte Square.

The Selig Center for Economic Growth reports that Hispanics tend to live in smaller quarters, so they want to go to marketplaces where they can spend time. Albeit that these developers are building at a large scale, Lexington could develop a smaller version that has a mix of residential and commercial uses surrounding a common gathering space.

7. Senior Housing. The project would add senior living into the downtown neighborhood, and help to address citywide housing needs. The housing project includes urban density housing organized around a central square, with a capacity of up to 60 units (1,200 square feet per unit, 20 units per level). Parking is tucked a half-level below grade and accessible from Jackson and Grant Streets. The building concept can incorporate neighborhood retail use or common space at the corner of the quadrangle building. Small-scale commercial uses add convenience and vitality to the project.

Figure 4.5: Lincoln Promenade



Far Left: Existing alley in Lexington.
Left: Council Bluffs, IA



8. Upper-story Improvements. The development program should include new housing development and adaptive reuse of upper levels for residential development. Housing is a key element of most downtown revitalization programs and is important to this plan's vision of the future of business corridor as a lively mixed use neighborhood. Residential development makes downtown a living, 24-hour neighborhood.

Housing development policy in and near the downtown core includes both upper level adaptive reuse and new construction. Many upper-level units will initially be rental, although some may provide owner-occupied apartments for people who live over their businesses or otherwise seek equity settings. Existing tax-driven incentives such as the Low-Income Housing Tax Credits and Historic Tax Credits are oriented to rental housing.

Public actions and policies necessary to encourage delivery of downtown housing include preservation codes and building permit policies that encourage upper level reuse, production financing programs including the use of available federal tax credits, and dedication of some spaces in off-street parking lots for residential use. In some cases, shared vertical circulation and cooperative development of several adjacent buildings can improve project feasibility.

9. Parking Improvements. Parking is clearly a significant issue for Downtown Lexington and the plan recommends several strategies to improve this important system. These include parking lot efficiencies, defined pathways between lots and destinations, and wayfinding signage. Specific improvements include:

- **Expanded Public Parking & Market.** The public parking lot located south of the Pinnacle Bank could be expanded south to provide 31 additional stalls and landscaping. This site is convenient to office employees and could free up on-street parking for customers along Washington Street. The design of the lot relocates access to the north near the alley, thereby picking up a minimum of 12 stalls and improving traffic safety at Washington Street. The parking expansion would still allow ample green space along Highway 30. The lot should provide landscaping islands to break up the pavement space and provide shade for parking.

- **Farmers Market.** Currently, the Farmer's Market is located in the parking lot of the Grand Generation Center. Participants in the planning process discussed the benefit of relocating the Farmer's Market closer to downtown to help generate additional retail spending in the downtown area. The expanded parking lot could be a premier location for hosting the event, while providing additional space for vendors and activities.
- **Grant Parking Shelter.** The public parking lot located on the southwest corner of Grant and 5th Streets could be improved to provide more convenient and attractive parking entering the downtown. The edge of the lot could be defined by a permanent shelter, continuing the building line on Grant Street and providing protected shade for downtown customers.
- **4th Street Realignment.** 4th Street could be realigned west of Washington Street by curving north a half block and then back west to reconnect to Lincoln Street. This shift eliminates a hazardous intersection at U.S. 30, while creating more efficient parking and traffic circulation in the downtown area.

Figure 4.6: Grant Parking Shelter



EAST GATEWAY

PROGRAM FOR DEVELOPMENT

- Improve circulation between Highway 30 and Interstate 80.
- Define the arrival to the district.
- Direct visitors to downtown and other community destinations.
- Communicate a community-wide theme through graphics and landscape design.
- Soften the harsh edge between the railroad and Highway 30.



1. Elevator Mural. Grain elevators, like water towers, are icons to travelers along Interstate 80 and Highway 30 seeking temporary refuge. Motorists approaching from the south could be directed toward downtown by painting a mural along the side of the elevator. The design of the mural should be simple and legible when approaching it. Likewise, the elevator facing Highway 30 could have a mural commemorating the Historic Lincoln Highway.



2. Traffic Circulation. The Nebraska Department of Transportation anticipates upgrading the viaduct from a two-lane viaduct to a four-lane viaduct. The expansion adds two additional lanes on the east side of the existing viaduct. This upgrade also calls for the improving the 5th Street landing, creating a dedicated left-turn lane and pushing curbs out to allow for better truck movements, effectively directing truck traffic to Highway 30 via Grant and Jefferson Streets.

Figure 4.7: Elavator Mural





3. Gateway Landing. The vacant lot on the northwest corner of 5th and Jackson Street could be redesigned to include landscaping and a new monument sign that welcomes visitors to Downtown Lexington. The development concept for this site also suggests the possibility of new Senior Housing. near the landing at 5th Street could be an arch over Jackson Street. Directional signage could be posted on the gateway element.

4. Light tubes. As motorists approach the viaduct's landing, a series of light tubes wrapped with art announces the arrival to downtown. The base and wrapping around the tube could be designed to reflect the community's history and culture. Possible themes include the Old Lincoln Highway or historic images of Lexington.



5. Wayfinding System. Directional signage to parking should be incorporated into an overall downtown wayfinding system. The system could be tailored to both motorists and pedestrians.

6. Mounted sign. A welcome sign mounted on top of the Marketplace development could attract visitors to the development project and downtown area.



7. Landscaping Pattern. Landscaping from property to property along Jackson Street should include a common planting pattern for trees, shrubs, flowers, grasses, and fencing. Intersections should receive special attention, preserving visibility while improving their appearance. Pedestrian crossings should be clearly defined to alert motorists of people crossing the street.

Figure 4.8: Light Tubes



1. Interstate Rest Stop in Adair, Iowa. Art interprets the depleting soil over time in central Iowa.
2. Downtown Ames, Iowa. Art interprets the City's historical connection to manufacturing implement tools.
3. Adair, Iowa.
4. School for the Deaf in Council Bluffs, Iowa. Alphabet is laser cutted in metal and displayed in Sign and English.

SOUTH GATEWAY

PROGRAM FOR DEVELOPMENT

- Strengthen connection between Centennial Park and Downtown.
- Develop a gateway feature into Washington Street.
- Establish a Visitor Center.
- Improve the experience driving through Lexington.



1. Depot Visitor Center and Railroad Overlook. A new building, resembling Lexington's historic depot, could be built at the south end of Washington Street, next to the railroad tracks. This building would signify the arrival to downtown, and provide visitors a rest stop. The facility could be a visitor's center with possibly a museum, art gallery and offices for the Chamber of Commerce. The backside of the building could have an observation deck overlooking the railroad.

As another option, the Depot could be an open shelter having a similar roof line as the historic structure and providing space for informational kiosks. A passenger car could be part of the plaza space.



Sioux Falls, SD

2. Gateway Arch Entrance Feature. The intersection to Washington Street from Highway 30 marks the main entrance into Downtown Lexington. A new gateway arch could establish a welcoming entrance to Downtown. The arch could include materials and forms found in the downtown architecture and allude to the transition to the historic town center. Materials should be consistent with other gateway elements in the community.

Figure 4.9 shows a structure arching over the entrance to Washington Street.

Figure 4.9: Gateway Entrance





3. Centennial Park. Centennial Park is a major community asset and establishes passersby's impression of Lexington. However, an improvement program could make this great green space even better. Components of a Centennial Park improvement program include:

- Depot Connection. Extending Centennial Park to the proposed Visitors Center. This will greatly improve the quality of the park's formal space and reinforce the connection to the pedestrian overpass to downtown. Interpretative panels, describing the community's history, could be installed in the park area.
- Greenway and Trail Extension. The new trail extension west of the pedestrian bridge should feel like a linear greenway that strengthens the impression to visitors and residents of Lexington. Landscaping would buffer the highway from the railroad, while still allowing occasional views of the rail. Trailside amenities such as benches, trash receptacles and wayfinding signage are recommended to enhance the trail.
- Crosswalk Improvements. Crosswalk improvements at 3rd Street, connecting Centennial Park and Downtown, are relatively inexpensive. Recommendations include defining crosswalks with



paint or possibly contrasting pavement material. Medians should be enhanced to reinforce the space as a pedestrian refuge.

4. Highway 30 Streetscape. Roadscape improvements along the corridor and at gateways should incorporate design elements that reflect the city's community theme. Considerations should be given to the established Plum Creek theme, while incorporating transportation elements, such as the Oregon Trail, Railroad, Historic Lincoln Highway, and Interstate System.

Adjustments to the streetscape should include native landscaping in the median and behind the curb. Trees could be planted beneath the power lines, presuming they do not grow to interfere with the lines. Table 4.x identifies trees that can be planted near power lines. Small trees can be planted adjacent to power lines, while, logically large trees should not be planted no closer than 50 feet horizontally to power lines.

If possible, improvements to Highway 30 should include the burying of overhead electrical wires in the City. Street lights should be upgraded to tear drop fixtures capable of holding banners and planters.



5. Elevator Mural. Figure x.x shows how the elevator facing Highway 30 could have a mural commemorating the Historic Lincoln Highway. The mural should be simple to allow for easy maintenance. Images of the classic Lincoln Highway "L" with bands of red, white and blue in the background or a silhouette of Abraham Lincoln.

Table 4.1: Trees

| Tree Type | Mature height in feet |
|---------------------|-----------------------|
| Flowering Crabapple | 20 - 25 |
| Amur Maple | 20 - 25 |
| Goldenraintree | 20 - 30 |
| Black Hills Spruce | 30-45 |
| Northern Catalpa | 60-70 |
| Kentucky Coffeetree | 60-70 |

Figure 4.9: Centennial Park Improvements



CONNECTING CORRIDORS

Motorists along Interstate 80 frequently stop to refuel, break from driving and visit communities. Lexington, like other communities along Interstate 80 and Highway 30, should capitalize on this market and create a strong economic and aesthetic link to downtown.

The City effectively attracts motorists to the Heartland Museum of Military Vehicles through its outdoor display along Interstate 80 and the nearby Wal-Mart. Travelers may drive up Plum Creek Parkway to visit other businesses, yet despite these attractions, travelers are unaware of Lexington's other major business district – Downtown. Plum Creek Parkway should be upgraded to provide a pleasant experience from the Interstate to Downtown. Likewise, Highway 30 should lead visitors to downtown and other cultural destinations.



Possible strategies include:

- **Upgrade Interstate 80 Connection.** Off-ramps from Interstate 80 to Plum Creek Parkway should be landscaped with a pattern of native perennials, shrubs and trees. This planting pattern should continue along Plum Creek Parkway.
- **Gateway Enhancements.** Lexington already has a community monument sign on Plum Creek Parkway near Heartland Road. Native perennials and low-lying shrubs could be planted around this monument that reinforces the planting pattern for the entire corridor. Additional gateway features could be built on the east and west sides of the city along Highway 30.
- **Wayfinding Signage.** Install directional wayfinding graphics to inform travelers of the many destinations that Lexington offers. Such a system should be integrated into the downtown directional program.
- **Pedestrian Pathways.** As previously discussed, pedestrian pathways should link destinations to each other and connect to parking areas.
 - Lincoln Promenade, connecting Platte Square to Washington Street and new Marketplace Development.
 - Dawson County Courthouse Pathway, creating a direct connection between available parking and the front door of the county courthouse.
- **Improve Streetscape.** The corridor needs to create a positive and memorable experience for everyone to attract visitors to the downtown. Clean streets, ornamental lighting, native plantings, shrubs, and community graphics can influence the impression of the corridor. Grand Island's South Locust Street is an example community that has upgraded the appearance of the business corridor. The planting pattern from property-to-property creates a pleasant and unifying streetscape. Specific recommendations include:
- **Lighting.** Replace cobra head fixtures with decorative lights, while still maintaining proper light levels. Grand Island is a good local example of a community that has upgraded their light fixtures along the business district.
- **Trees and Landscaped Intersections.** A continuous line of trees along the open areas the road help frame the corridor and focus the motorists attention on the road ahead.
- **Trail.** The pathway on the west side of the road provides enough space for both pedestrians and bicyclists to share.

Figure 4.10: Highway 30 Corridor Enhancements



POLICIES

The previous elements of this vision plan establish the physical parameters of the Development Concept. This section addresses policy considerations for key issues and components of the plan, including:

- RETAIL AND SERVICE DEVELOPMENT
- HISTORIC PRESERVATION AND RESTORATION POLICY

Some of these principles repeat concepts that have been discussed earlier. In these cases, they will simply be restated.

RETAIL AND SERVICE DEVELOPMENT

Overall Policy:

- Consolidate and strengthen the existing retail and service environment, stabilizing existing retailers, expanding the number of people who come Downtown for activities, filling available space, and expanding the supply of space.
- Concentrate new businesses in areas of demonstrated potential strength for the downtown: specialty retail, pharmacy or drug store, clothing stores, office support services, and restaurants, particularly ethnic foods.
- Increase the demand for retail space in the market by increasing the number of people who use Downtown as a destination, and creating spaces for people to gather.

Actions and Program Directions:

- Identify special niches and help put projects together that responds to these concepts. Projects may group a number of related, small retailers, artisan, or service providers in a single large space. The retail incubator space is an excellent opportunity for small retailers to establish themselves.
- Encourage retail, restaurant, and personal services in downtown storefronts with street exposure.
- Consider more involvement as being a Main Street Community. This program provides low-cost consulting services that advise retailers on marketing, window display, and merchandise presentation. In addition, engage Lexington's proven and innovative retailers, such as Barmore's, as mentors for potential new retail and service entrepreneurs.
- Aggressively market and recruit retailers in the Downtown area, matching needs with available space. Focus on areas of demonstrated potential for Downtown and in-town retailing, including opportunity "gaps" where local retail spending exceeds the locally-based sales.



- Reinforce the City's program of events with other special themes and promotions. Provide high quality on-going events that complement traditional celebrations, and extend fun and festivity throughout the year.
- Promote high standards of customer service to strengthen the district's identification with local consumers. Publicize these standards through a Customer Commitment Contract, prominently posted in all retail and consumer service businesses. Assure that the most convenient parking in the area is reserved for customers.
- Take extra steps to put fun and festivity into the Downtown shopping experience. New amenities should enrich the experience of living and working in the District. Relocating the Farmer's Market to Downtown will have spin-off benefits to retail businesses.

HISTORIC PRESERVATION AND RESTORATION POLICY

Historic preservation and adaptive reuse are important to downtown. This plan recommends a building development policy that encourages preservation and adaptive reuse.

Components of this policy include:

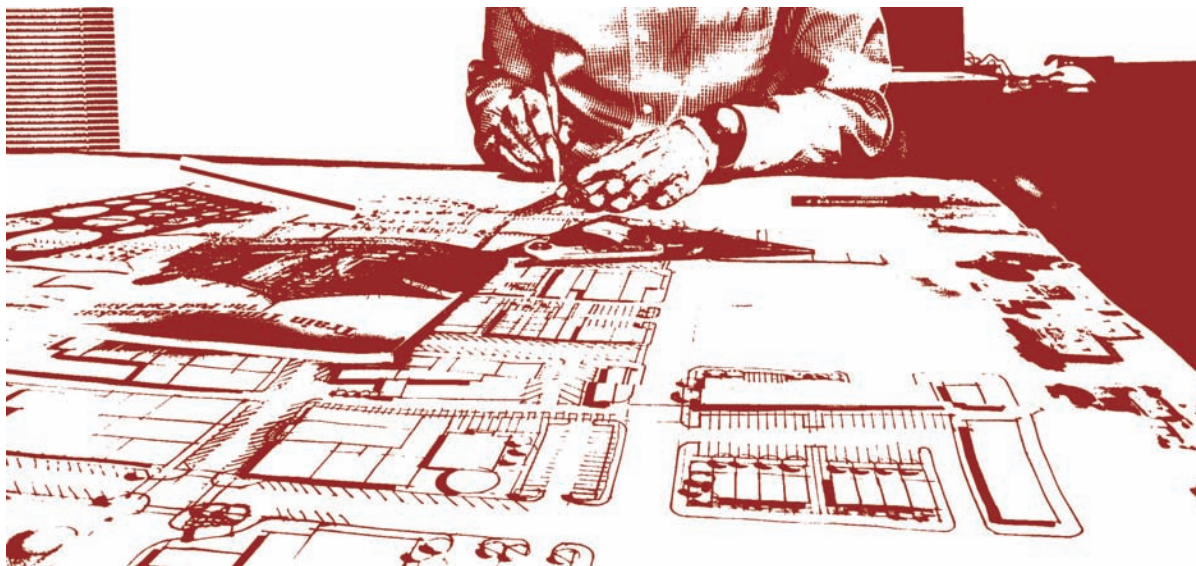
- Adopting flexible building codes that encourage upper level residential adaptive reuse.** Housing development has been a foundation of successful downtown revitalization around the country and has also been important to Lexington. Federal tax incentives, construction costs, the nature and preferences of residents in urban districts, and knowledge of successes in other Nebraska cities and historic districts can encourage residential use of upper levels. Lexington should review building codes to ensure that they encourage adaptive reuse without compromising health, safety and welfare. In addition, helping downtown property owners to rehabilitate downtown structures. The city should also consider reasonable design standards to guide reuse and rehabilitation projects.
- Providing gap financing for major rehabilitation projects.** Appropriate historic rehabilitation may not be economically feasible without financing assistance or participation. Elements of a potential financing program for projects in Lexington include:
- Historic tax credits.** The historic tax credit provides a 20% investment tax credit against passive income for certified rehabilitation projects.
- Tax Increment Financing.** The city should consider TIF to leverage substantial rehabilitation efforts. Alternatively, a portion of other, energy-related revenue sources may be used to assist with financing of downtown projects.
- Community Development Block Grants.** CDBG funds can be used to provide gap financing for projects that meet statutory requirements for the program.
- HOME.** HOME Housing Investment Partnership funds may also be used for projects, including new construction ownership developments that are targeted toward low and moderate income households.
- Preservation Easements.** Donation of façade easements can provide meaningful tax advantages to building owners and can open some avenues of public financing for façade restoration. Typically easements expire after 10 years, returning the facades back to the owners.
- Other local public and private resources.** The public and private sectors could collaborate to offer financing that provides a real incentive to participants. The result could have major benefits to both property owners and the community's business community.



- Infill development that respects the existing character of the district.** Sometimes, rehabilitation is not feasible because of structural deterioration or economic issues. Downtown growth is a process, and natural growth includes change as well as preservation. However, new downtown construction should retain a strong street orientation and preserve the fabric and patterns of traditional Downtown buildings. This is especially important for the site on the southwest corner of 5th and Washington Streets.



Lexington - 1960s



5 IMPLEMENTATION

The Downtown Plan presents an ambitious and varied program for improving the heart of the community. This chapter considers several factors necessary for plan implementation, including

- Organizational Structure
- Priority Criteria
- Implementation Scenarios
- Opinion of Probable Costs & Implementation Schedule
- Funding Techniques

The Plan and its scheduling will inevitably change over time. Some projects may advance as opportunities or demands open, while others appear less important over time. This planning project, initiated by the City of Lexington from funding received from Nebraska Department of Economic Development's Phase I Revitalization Program, identifies projects that may lead a combination of implementation projects.

ORGANIZATIONAL STRUCTURE

This section considers organizational aspects of the business district and offers recommendations that can strengthen the support structure for the Downtown. Successful development efforts require successful organizations and public/private partnerships. The City of Lexington can be a catalyst for major development efforts. Downtown also has a Main Street Organization, which operates primarily as an advisory role to improve building facades.

STAFF AND ORGANIZATION

The Downtown Development Program should operate under the City of Lexington and its Assistant City Manager. The Assistant City Manager should continue to be responsible for overall project administration and coordination. This ambitious redevelopment program has many moving parts – managing public improvement projects, marketing and administering redevelopment sites, coordinating transportation improvements, doing development deals, and seeking financing, to name a few.

Day-to-day plan implementation would be carried out by the Assistant City Manager with some marketing support from the Chamber of Commerce. The focuses of this new position should include:

City and Redevelopment Authority

- Business and retail recruitment efforts, in concert with Dawson Area Development
- Maintaining and managing Downtown improvements.
- Coordinating efforts of the Chamber, City, Redevelopment Authority and other agencies who play a role in downtown development.
- Preparing requests for proposals and administering the developer selection process for development sites.
- Writing grants for downtown projects, including transportation projects, and performing other necessary jobs as required by the Assistant City Manager.

Chamber of Commerce

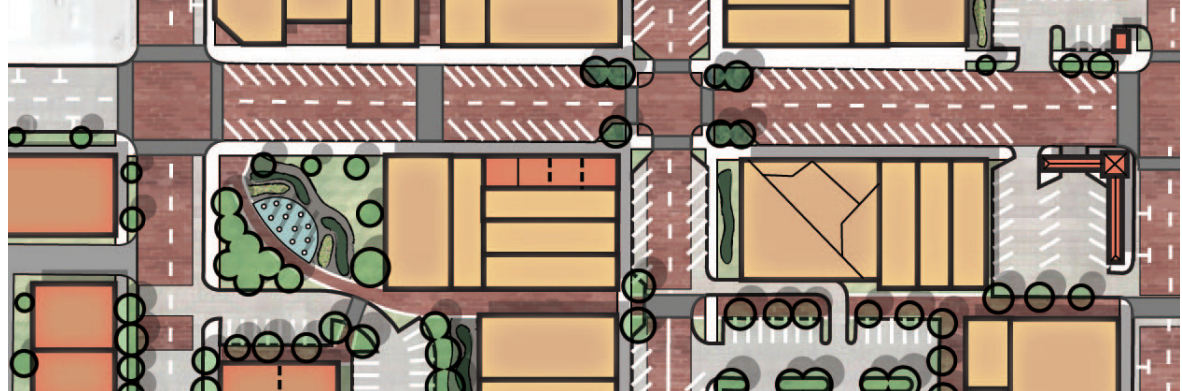
- Developing marketing material directed to attracting patrons to downtown.
- Developing joint marketing materials and expanding the program of events. Downtown should offer regular programming during the course of the year to maintain district activity.

The plan also recommends that the RDA expand its scope to include advocacy and possible funding for some projects that relate to parking lot access or joint development. Examples include the alley pathways in Lincoln Promenade. Ultimately, the RDA could also include a Business Improvement District (BID). This technique, used successfully in cities and business districts around the country, establishes a special assessment district to finance public improvements, district management, and promotions.

PRIORITY CRITERIA

The Downtown Plan establishes four project areas, including Downtown Core, South Downtown, East Gateway, and South Gateway. The plan, however, includes many projects that will be developed over time. The plan provides a master plan of a completed downtown. However, real implementation is an incremental process that requires setting priorities, completing initial steps, and evaluating new conditions along the way. Lexington is fortunate to become a recipient of \$350,000 of Phase II Downtown Revitalization financing from the Nebraska Department of Economic Development.

The City with coordinating agencies should maintain a five year Downtown capital program, updated annually, much as city and state governments do with their capital improvement plans. Table 5.1 identifies individual projects and provides a conceptual schedule for implementation. However, market demands and opportunities will inevitably affect this schedule. Annually, the Downtown capital development group should update the schedule, based on priority criteria. These evaluative criteria may involve applying the following questions to specific projects at the time of consideration:



- Does the project respond to specific or high-profile community issues or needs?
- Does the project generate maximum private market response?
- What is the project's potential to transform the image of the area and community?
- Does the project attract both local residents and visitors, increasing business traffic and creating new reasons for people to be downtown?
- Does the project support the growth of existing businesses?
- Does the project capitalize on established, but unmet, market needs?
- Can the project be realistically implemented within a reasonable time frame with potentially available resources?
- Does the project generate substantial community support or consensus?
- Does the project incorporate and leverage outside funding sources, such as state grants or charitable contributions?

The City should use the criteria above to develop specific project priorities. Initial public improvement priorities, some of which are relatively modest projects, may include three types of implementation scenarios that balances immediate improvement and sustained improvement.

OPINION OF PROBABLE COSTS & IMPLEMENTATION SCHEDULE

Financing of elements of Downtown projects will require both public and private participation. The next section describes available funding sources and techniques. Project staging is also likely to manage capital requirements.

An initial schedule is presented here to guide the public and private agencies in the process of making this plan a reality. The schedule establishes five time frames: Ongoing, Within 3 Years, 3-10 Years, 10+ Years. Priorities and opportunities will inevitably shift the schedule for some of some projects.

Table 5.1: Opinion for Probable Costs - DOWNTOWN

| Description | Cost Range | On-going | <3 Years | 4-10 Years | >10 Years |
|--|-----------------------|----------|----------|------------|-----------|
| Building Façade Improvement Program (\$25,000-\$40,000 per façade) | \$25,000 | | X | | |
| Business Incubator (Furniture Store) | \$240,000-\$420,000 | | X | | |
| Carscape at 5th and Grant (sw corner) | \$110,000 | | | X | |
| Energy Efficiency audit and recommendations | \$0.20 -\$0.35 PER SF | x | X | | |
| Community College Building Reuse (\$40-70 SF) | \$108,000-\$189,000 | x | | | |
| Majestic Theater Façade | \$75,000-\$100,000 | | X | | |
| Majestic Theater Rehabilitation (requires add'l study) | \$500,000+ | | | X | |
| Majestic Theater Plaza | \$75,000-\$85,000 | | x | | |
| Phillips 66 Reuse (\$120 SF) | \$65,000-\$156,000 | | | x | |
| New Construction - Townhouses (8 units) | \$1,400,000 | | | | x |
| Business Signage Program (20 storefronts at \$4,000 each) | \$80,000 | | x | | |
| Washington Ave Streetscape Upgrades I (reconstruction of sidewalks and lighting) per block | \$250,000-\$300,000 | | | x | |
| Washington Ave Streetscape Upgrades II (amenities and landscape) | \$100,000-\$130,000 | | | x | |
| Washington Ave Traffic Systems | SAVINGS | | x | | |
| General streetscape improvements (by block estimate) | \$350,000-\$430,000 | | | x | x |

Table 5.2: Opinion for Probable Costs - EAST GATEWAY

| Description | Cost Range | On-going | <3 Years | 4-10 Years | >10 Years |
|--|---------------------|----------|----------|------------|-----------|
| Gateway Site at 5th Street and Viaduct - signage and landscape | \$50,000-\$75,000 | | x | | |
| Light tubes | \$90,000 | | | | x |
| Mural on elevator | PENDING | | | x | |
| Wayfinding (design and installation) | \$20,000 | | 35% | 65% | |
| U.S. 30 Connection (5th Street to Grant/Jefferson) | DOR - FUNDED | | | X | |
| Possible Roundabout and Sculpture | \$250,000-\$400,000 | | | | x |

Table 5.3: Opinion for Probable Costs - SOUTH DOWNTOWN

| Description | Cost Range | On-going | <3 Years | 4-10 Years | >10 Years |
|--|-----------------------|----------|----------|------------|-----------|
| Incubator Promenade - does not include utilities. Pavement, trash enclosures and lighting only | \$160,000-\$180,000 | | | x | |
| New Platte Square (without acquisition) | \$250,000-\$300,000 | | x | | |
| New Construction - Commercial (US 30, west of Lincoln) | \$500,000-\$1,620,000 | | | | X |
| New Construction - Commercial (US 30, east of Lincoln) | \$500,000-\$1,620,000 | | | X | |
| Reuse - Lumberyard (@\$50 SF) | \$455,000 | | | | X |
| New Construction - Infill at 5th and Washington | \$250,000-\$312,000 | | | X | |
| New Construction - Market Place Development (site work not included) | \$3,000,000 | | | | X |
| Pedestrian Promenade does not include utilities. Pavement, trash enclosures and lighting only | \$200,000-\$230,000 | | | x | |
| South Parking Lot Expansion | \$300,000-\$360,000 | | x | | |
| New Construction - Senior Housing | | | | | x |

Table 5.4: Opinion for Probable Costs - SOUTH GATEWAY

| Description | Cost Range | On-going | <3 Years | 4-10 Years | >10 Years |
|--|-------------------------|----------|----------|------------|-----------|
| Centennial Park Upgrades to Depot | \$115,000-\$140,000 | | | X | |
| Centennial Park West Expansion - sidewalk, lighting and landscaping only | \$100,000-\$150,000 | | | X | |
| Gateway Arch | \$75,000-\$95,000 | | X | | |
| New Construction - Depot | \$1,338,500-\$1,548,500 | | | | x |
| U.S. 30 Street Trees and median plantings from water tower to gateway arch | \$70,000-\$90,000 | | | x | |

IMPLEMENTATION SCENARIOS

The Downtown Lexington Revitalization Plan proposes a long-term program for investment in this important and active business district. This program is built of many individual projects and recommendations that, over time, create an economically strong city center that offers customers, residents, and visitors a diverse and attractive environment. However, not everything can be done at once, and the downtown development is a process that moves forward in increments. In applying the Priority Criteria discussed earlier and examining options for Phase II Downtown Revitalization financing, the plan proposes several basic principles:

1. Public investments in early phases of the process should create a “chain reaction” - a strong and desirable private market response that leads to self-sustaining investment. Thus, the ability of initial projects to generate positive momentum is very important.
2. Projects proposed by this revitalization plan fall into three categories: catalytic, enhancement, and sustaining projects.
 - Catalytic projects, substantial efforts that are large and strategic enough to change an important part of the downtown economy or environment. These projects create conditions that encourage other people to make significant, if smaller, investments. Catalytic projects often combine an underused existing asset with a demonstrated need or market opportunity.

- Enhancement projects, usually investments that improve the appearance, image, or function of the public environment.
- Sustaining programs that encourage private businesses, developers, and property owners to respond to the improved environment that “catalytic” and “enhancement” projects create.

3. Different projects mature at different times during the downtown development process. Table 5.1, the Implementation Schedule, is based on this principle. The largest proposed project, the primarily private Market Place at 5th and Jackson, has the potential to change the image of downtown and create highly visible places for new business. However, the current market is not mature enough to support the project, and an effort to develop it prematurely is likely to fail. Other, equally important if more modest projects come first to create conditions that allow the Market Place to develop naturally.

The Phase II program should ideally include one of each type of project: a catalytic project that uses an existing demand to transform an underused asset; an enhancement project that makes a highly visible improvement in the district’s image or function; and a sustaining program that encourage private businesses to take advantage of new opportunities.

DEFINING PHASE II

The Implementation Schedule uses the priority criteria and Chapter One’s market analysis to sequence recommendations into three periods, with later projects building on the foundation established by earlier ones. The Phase II revitalization program will be drawn from projects proposed for the first period. Of these, the plan categorizes three initiatives as “catalytic” projects that combine underused assets and demonstrated opportunities to substantially change the character or investment climate of Downtown:

- **The Majestic Theater**, using this vacant, historic theater and community icon to restore an important entertainment use. A Majestic Theater project includes three components: the plaza along Washington Street to address accessibility issues, the theater façade, and building rehabilitation.
- **The Retail Incubator**, using a vacant commercial building to create a place for new entrepreneurs who can expand the economic base of Downtown Lexington. This project can create the conditions for continued high occupancy in the rest of Downtown and can help generate a demand for the more ambitious Market Place in later stages of downtown development.
- **The South Parking Lot**, adding to the district’s supply of convenient parking, establishing the east-west promenade that sets up the plan’s system of active public spaces, and tying Downtown to the historic Lincoln Highway.

Each of these projects addresses an important element of the downtown picture: the need for community entertainment and expanded evening activity; the potential for encouraging young businesses; and the importance of added parking and public space.

The plan classifies the following project recommendations as “enhancement” projects, improving the public environment to support private reinvestment:

- **Improving the “gateway site”** at 5th and Jackson (US 283), to strengthen the Downtown image and direct visitors to the district’s center.
- **Platte Square**, creating an active, multi-use public space that will encourage private development on surrounding sites and terminate the east-west promenade.
- **Corner node improvements**, upgrading and re-landscaping the key Washington Street intersections at 5th and 6th Street, and removing alley nodes along Washington Street.
- **Washington Street Gateway Arch**, defining the edge of Downtown along US 30 and reinforcing the regional entrance to the district.

Finally, short-term “sustaining” projects that would encourage existing or new businesses and property owners to take advantage of the momentum created by other actions include:

- Energy efficiency improvements. Sources other than Community Development Block Grant funds are available for these important purposes.
- Business signage improvements.
- Building façade improvements.
- Business microloans, a small capitalization program that would be used to assist businesses locating in a Retail Incubator.

Phase II should ideally assemble resources to accomplish at least one component from each of these complementary project categories, integrated to reinforce each other. Three alternative Phase II concepts are outlined below.

Concept One: The Majestic Scenario.

Many community residents and downtown stakeholders rightly consider re-opening the landmark Majestic Theater as a very important priority for the district. Lexington’s population and market area are clearly large enough to support a downtown theater which could be designed to accommodate other activities as well. However, this project is likely to require a public/private partnership that involves the current theater owner, or the sale of the building to a new owner. A scenario that could be advantageous to the present or future property owner includes the following features:

- Phase II funds would be used complete the sidewalk plaza proposed on pages 44-45. This would make the theater entrance compliant with accessibility requirements.
- Phase II funds would also be used to restore the Majestic façade. The owner could donate a façade easement to the City of Lexington, allowing an additional tax advantage.
- Interior theater restoration would be accomplished privately, with possible assistance from a Phase II commercial

rehabilitation program. Listing the Majestic on the National Register of Historic Places could provide a 20% investment tax credit on development costs to the owner. If the existing owner were interested in the project but not able to complete or finance the rehabilitation, the owner could be a member of a community-based limited partnership, with the existing value of the building constituting the owner’s equity in the overall development.

The Majestic rehabilitation is the central catalytic element of this scenario. Supporting elements include:

- Balancing the investment at the north end of Washington Street with a public enhancement project at the south end. Completing the Gateway Arch would both link downtown to US 30 and help integrate the south block more effectively into the downtown community – a key physical priority of this plan.
- Initiating the signage program and a façade rehabilitation fund. This may focus on Washington Street, using the projects at either end of the street to encourage building and sign upgrades between them.

Table 5.5 Concept 1 Majestic Scenario

| Project Component | Project Category | Phase II Funding | Other Public Funds (Source) | Private Funding | Total |
|-------------------------|------------------|------------------|-----------------------------|-----------------|-----------|
| Majestic Plaza | Catalytic | 85,000 | | | 85,000 |
| Majestic Facade | Catalytic | 100,000 | | | 100,000 |
| Majestic Rehabilitation | Catalytic | 50,000 | 75,000 (TIF) | 500,000 | 625,000 |
| Gateway Arch | Enhancement | 95,000 | | 30,000 | 125,000 |
| Signage Program | Sustaining | 60,000 | | | 60,000 |
| Façade Rehabilitation | Sustaining | 110,000 | | 55,000 | 165,000 |
| Total | | 500,000 | 75,000 | 585,000 | 1,160,000 |

Concept Two: The Retail Incubator Scenario

While the Majestic scenario may be a preferred priority, the building for a number of reasons may not be available. This equally valid concept is based on supporting entrepreneurship by creating a publicly financed, affordable retail environment. This concept can take advantage of Lexington's increasing international character and should be combined with a microloan program to help capitalize business candidates. In addition to increasing economic opportunity and self-sufficiency, the incubator can create a future business base for other storefronts and ultimately for the Market Place. This concept in a diverse community may successfully attract foundation support. Ultimate ownership and operation by a nonprofit corporation is preferable to public ownership of the facility.

The plan identifies the vacant former furniture store on 6th Street between Washington and Lincoln as a candidate site for the Retail Incubator. This site fixes greater attention on the 6th and Washington intersection, as well as Washington Street. Therefore, enhancement and sustaining projects that both support and take advantage of the incubator initiative include:

- Intersection and node enhancement at 6th and Washington, linking the incubator to the main street.
- The business signage and façade rehabilitation programs identified above for the Majestic scenario.

Table 5.6: Concept 2 Retail Incubator Scenario

| Project Component | Project Category | Phase II Funding | Other Public Funds (Source) | Private Funding | Total |
|-----------------------------------|------------------|------------------|------------------------------|-----------------------|---------|
| Retail Incubator Shell and Facade | Catalytic | 250,000 | | 150,000 (Foundations) | 400,000 |
| Incubator Microloans | Catalytic | | 50,000 (Other NDED programs) | 50,000 | |
| (Grameen Bank Involvement) | | 100,000 | | | |
| 6th and Washington Enhancement | Enhancement | 100,000 | | | 100,000 |
| Business Signage Demonstration | Sustaining | 40,000 | | | |
| Façade Rehabilitation | Sustaining | 110,000 | | 55,000 | 165,000 |
| Total | | 500,000 | 50,000 | 255,000 | 805,000 |

An alternative to the use of the 6th Street site is the construction of a new building on a vacant but highly visible corner site at 5th and Washington. Unlike the interior marketplace configuration of the 6th Street building, this site would include up to four shallow storefront spaces, oriented to 5th Street. It would develop an important site, but would accommodate fewer potential entrepreneurs than the 6th Street building. In this scenario, the intersection improvement would focus on 5th and Washington.

Concept Three: SouthPark Scenario

The south parking lot and promenade establishes momentum for the south edge of Downtown and adds substantially to the supply of convenient parking. It also forms the core of an east-west pedestrian spine that ultimately connects Platte Square and the Market Place. The SouthPark concept is more fully described on page 56.

This scenario also includes:

- The Gateway Arch at Washington and US 30 as an important project enhancement.
- The business signage and façade rehabilitation programs identified above for the Majestic and Incubator scenarios.

Table 5.7: Concept 3 SouthPark Scenario

| Project Component | Project Category | Phase II Funding | Other Public Funds (Source) | Private Funding | Total |
|--------------------------------|------------------|------------------|-----------------------------|---|----------------|
| SouthPark parking facility | Catalytic | 250,000 | | 50,000 (Fund raising and surrounding businesses) | 300,000 |
| Gateway Arch | Enhancement | 95,000 | | 30,000 | 125,000 |
| Business Signage Demonstration | Sustaining | 45,000 | | | 45,000 |
| Façade Rehabilitation | Sustaining | 110,000 | | 55,000 | 165,000 |
| Total | | 500,000 | | 135,000 | 635,000 |

FUNDING TECHNIQUES

Available financing tools to help realize the vision for the central business corridors include:

- Local Tools/Techniques
- State & Federal Resources

LOCAL TOOLS/ TECHNIQUES

- Business Improvement District
- Business Signage Grants
- Building Façade Easements
- Building Façade Loan Program
- City General Revenue Funds
- Downtown Bond Issue
- Estate Taxes
- Land Sale Proceeds
- Local Option Sales Tax
- Private and Foundation Philanthropy
- Revenue Bonds
- Revolving Loan Program
- Tax Increment Financing

STATE & FEDERAL SOURCES

- Brownfields Redevelopment Assistance
- Community Development Block Grants
 - Phase II Financing
- Historic Tax Credits (HTC)
- HOME Investment Partnerships Program
- National Trust Main Street Program & Loan Fund
- Nebraska Affordable Housing Programs
- Rural Local Initiatives Support Corporation
- Small Business Administration
- Transportation Enhancements
- USDA Grants
 - Business
 - Energy conservation and renewable energy
 - Housing
 - Community Facilities
 - Rural Water and Waste

The following discusses the application of these individual techniques and how they apply to specific recommendations in the plan.

LOCAL TOOLS AND TECHNIQUES

BUILDING FAÇADE EASEMENTS

Buildings fronting Washington Street and some side streets could be candidates for establishing a building façade easement. Façade easements could be dedicated to the City, protecting the façade from unsympathetic modifications and providing a tax benefit to the donor. In addition, various forms of public financing, including TIF, may be available as a result of permanent public easements. Typically, these easements last for 10 to 15 years, and then return to the owner of the property.

BUILDING FAÇADE LOAN PROGRAM

Buildings in the downtown could be eligible for a façade loan program where owners can apply for up to known amount with a matched percentage. A similar program was initiated in Gothenburg, Nebraska, where owners were able to apply for up to \$7,500 with a \$2,500 match. Their program resulted in 12 improved facades. Additional information available is below under Local Option Sales Tax (LB 840).



BUSINESS IMPROVEMENT DISTRICT (BID)

Business Improvement Districts (BID) are special assessment districts that permit businesses to finance public capital improvement projects and district management, promotion, and maintenance. BIDs are petitioned and approved by property owners and created by the City following a specific process established by Nebraska State Statutes Chapter 19 §4015 to §4038 and administered by a BID Board. While BIDs are a valuable tool, it is important that assessments not be so large that they create a burden to property owners. This plan recommends that the City adopt a policy of public financing of major capital projects, with required BID funding of maintenance and district management and promotion.

Grand Island's South Locust Business Corridor successfully adopted a BID for upgrades and maintenance of the area. A similar BID could be adopted by business owners along Plum Creek Parkway and the downtown area.



CITY GENERAL REVENUES

General revenues, appropriated through the city's annual budget process, can finance services, improvements, facilities and development projects. These appropriations are separate from general revenues devoted to debt service on bonds. Common uses of general revenues in downtown development programs include funding staff and organizational expenses, or projects that can be divided into smaller phases, such as streetscape improvements.

DOWNTOWN BOND ISSUES

General obligation bond issues are appropriate to finance major public projects or improvements, and are secured by general city revenues. These revenues typically include property taxes or, potentially, local option sales taxes. General obligation bonds require majority voter approval. In the downtown concept, bonds are most appropriate to finance all or part of the Majestic Theater project, assuming public ownership, and streetscape upgrades.



ESTATE TAXES

Estate taxes are collected by the county and may be appropriately be used to help finance capital improvement projects for gateway and corridor enhancements.

LAND SALE PROCEEDS

Proceeds from sale of land to development projects, such as the vacant lot at Main Street and 5th Street, could be allocated back to central city improvements and acquisition for other redevelopment activities.

LOCAL OPTION SALES TAX (LB 840)

Lexington voters approved a local option sales tax for economic development. Under LB 840, these funds can be used to finance public and private projects that support local development objectives. Lexington can and should use a portion of these funds to



sustain Downtown as a major community asset. This also become a way by which retail assets such as a Wal-Mart can help compensate for impact on the traditional downtown retail district. LB 840 proceeds may be used to help finance bonds for downtown public improvements, but should also be used to establish an enterprise fund to assist desirable private investment in the district – “a Downtown Fund.”

- Equity investments in targeted new businesses.
- Zero interest loans, blended with loans at prime rate from local lenders, for approved rehabilitation/storefront restoration projects.
- Loan guarantees for storefront rehabilitation and restoration.
- Loans for residential conversion/adaptive reuse projects on gap finance basis.

It is essential that such a Fund be administered with strong fiduciary accountability and careful project review.



PRIVATE AND FOUNDATION PHILANTHROPY

The Plan provides a variety of opportunities for individual or foundation contributions. Private philanthropy, with appropriate recognition and commemoration, is a critical part of the downtown implementation program, and is especially appropriate for park and plaza projects, community attractions such as the new Platte Square or Lincoln Promenade could be renamed to recognize an individual or group contributions.

- The Lexington Community Foundation (LCF), a 501c3 organization, focuses on enhancing the quality of life in the city. LCF has raised significant amount of money for past projects and many of the public improvement projects discussed in this plan could be eligible for their support.



REVENUE BONDS

Revenue bonds are debt instruments that are repaid all or in part from revenues generated by the project or by other associated revenue sources. For example, part of the capital cost of a retail incubator may be repaid through rent generated by that space. Revenue bonds typically are not secured by the credit of the community.

REVOLOVING LOAN PROGRAM

Yet to be established in Lexington, a downtown revolving loan program could provide low-interest loan funds granted by the city to cover any portion of costs to convert downtown buildings into more marketable assets. Those eligible to receive funds could include for-profit and non-profit organizations. The City of Gothenburg recently established a revolving loan program with a starting capital of \$100,000.



TAX INCREMENT FINANCING (TIF)

Local Tax Increment Financing (Local TIF) permits the use of a portion of local property and sales taxes to assist funding the redevelopment of certain designated areas within your community. Projects pay their entire established tax obligation. However, taxes produced by the added value of the property caused by redevelopment or improvements may be used to finance project-related improvements or other public improvements in the district. TIF may be used to pay certain costs incurred with a redevelopment project. Such costs may include, but are not limited to:

- Professional services such as studies, surveys, plans, financial management, legal counsel
- Land acquisition and demolition of structures
- Building necessary new infrastructure in the project area such as streets, parking, decorative lighting
- Relocation of resident and business occupants located in the project area



Majestic Theater. If the Majestic Theater were privately redeveloped, then the added value could be eligible for Tax Increment Financing. The taxes paid on the original value of the building continue to be distributed to all taxing jurisdictions, including the city, county, school district, Natural Resources District and others. However the taxes collected on the added value are used to finance parts of the project that are necessary to make the project feasible, including:

- Façade upgrades.
- Interior renovations.
- Plaza improvements

STATE & FEDERAL

- Brownfields Redevelopment Assistance
- Community Development Block Grants
 - Phase II Financing
- Historic Tax Credits (HTC)
- HOME Investment Partnerships Program
- National Trust Main Street Program & Loan Fund
- Nebraska Affordable Housing Programs
- Neighborhood Stabilization Program (HUD)
- Retree Nebraska
- Rural Local Initiatives Support Corporation
- Small Business Administration
- Transportation Enhancements
- USDA Grants
 - Business
 - Energy conservation and renewable energy
 - Housing
 - Community Facilities
 - Rural Water and Waste



BROWNFIELD REDEVELOPMENT ASSISTANCE

The former Phillips 66 Station Site should be evaluated for potential soil contamination from the storage tanks. The Nebraska Department of Environmental Quality (NDEQ) offers environmental assessments to properties at no cost through its Voluntary Cleanup Program (VCP). These assessments are performed to provide preliminary environmental information to determine if there is contamination on a property.

4. The first part of the assessment examines the background, setting and past uses of a property. It includes a records review, site reconnaissance, interviews, and, as a final product, a report documenting the environmental conditions at the property.
5. The second part of the assessment examines and evaluates the environmental conditions identified in the initial assessment. Soil and groundwater sampling and analyses are conducted to determine whether contamination associated with any environmental conditions has occurred on the site. The results of the sampling and analyses are evaluated in the As-



essment Report. This is primarily a means of assessing contamination; no actual cleanup is involved with this Assistance Program.

This process helps to determine if the site is eligible for cleanup funding grants. For additional information, visit, www.deq.state.ne.us.

COMMUNITY DEVELOPMENT BLOCK GRANT

The Community Development Block Grant Program (CDBG) is administered by the Department of Economic Development. Phase II Downtown Revitalization Funds. The Nebraska Department of Economic Development offers a Phase II grant worth \$350,000 to assist cities with costs for improving downtown. The City of Lexington anticipates receiving this funding to pursue various projects identified in this downtown plan.

For additional information, contact City Manager of Lexington at 308-324-3241.

HISTORIC TAX CREDITS (FEDERAL)

The Historic Tax Credit program offers a 20-percent investment tax credit for certified rehabilitation of National Register or National Register-eligible buildings if:

- The building is used for income-producing purposes;
- Rehabilitation work follows the Secretary of the Interior's Standards for Rehabilitation; and
- The project receives preliminary and final approval from the National Park Service.

Property owners, developers and architects must apply for the tax credit through the State Historic Preservation Office (SHPO) and are encouraged to work with SHPO staff to ensure that appropriate rehabilitation measures are followed. The SHPO then passes its recommendations on to the National Park Service for approval.

HOME

HOME could possibly be used for the Senior Housing Project or other residential projects. HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households. Each year it allocates approximately \$2 billion among the States and hundreds of localities nationwide. HOME provides formula grants to States and localities that communities use-often in partnership with local nonprofit groups-to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. For more information, visit www.hud.gov/offices/cpd/affordablehousing/programs/home

NATIONAL TRUST MAIN STREET PROGRAM & LOAN FUND

Lexington is an Affiliate Member of the Main Street Program. The local organization has been less active in the past several years and anticipates participation to remain about the same in the foreseeable future. The National Trust Main Street Program was established in the 1970s as an approach to the special needs and circumstance of America's traditional downtown commercial centers. The program's innovative approach combines historic preservation with economic development in the revitalization of these districts, and has lead to the creation of a network of more than 40 statewide, citywide and countywide programs with more than 1,200 active Main Street programs nationally. While the program relies largely on the efforts of individual communities to help themselves, the statewide program typically offers administrative and technical assistance. The program is based upon four points that work together to build a sustainable and complete community revitalization effort, these are; organization, district/community promotion, design, and economic restructuring.

Tax incentives may be available for your restoration project from the Nebraska State Historic Preservation Office. The National Trust Loan Fund (NTLF) has more than 35 years of experience in supporting preservation-based community development projects across the country. As a certified Community Development Financial Institution, it has a mission of providing financial and technical resources to organizations that use historic preservation to support the revitalization of underserved and distressed communities.

NTLF specializes in predevelopment, acquisition, mini-permanent, bridge and rehabilitation loans for residential, commercial and public use projects. Eligible borrowers include not-for-profit organizations, revitalization organizations or real estate developers working in certified Main Street communities, local, state or regional governments, and for profit developers of older and/or historic buildings.

For additional information, contact Grant Landreth at the State Historical Preservation Office at 402-471-4788.

NEBRASKA AFFORDABLE HOUSING PROGRAM

This program could be useful for financing the Senior Housing project or other residential development in the downtown area. The Nebraska Affordable Housing Program provides grants to nonprofits, local governments, and public housing authorities to:

1. Build new rental units for low to moderate income persons
2. Adapt old buildings from use as schools, hotels, etc., to rental housing
3. Rehabilitate existing rental properties owned by nonprofit or public housing authorities to meet local building codes and the Nebraska Department of Economic Development's rehabilitation standards
4. Administer homebuyer assistance programs
5. Develop new single-family housing (including infrastructure) for homeowners

6. Purchase homes, rehabilitate to meet local building codes and NDED's rehabilitation standards, and provide down-payment assistance to new homebuyers to purchase the homes
7. Administer programs that help homeowners rehabilitate their houses
8. Increase nonprofit organizations' capacity to develop affordable housing

There are several options for housing programs administered by the Department of Economic Development (see below). For more information, visit www.neded.org/content/view/90/174.

NEIGHBORHOOD STABILIZATION PROGRAM (NSP) (HUD)

The Neighborhood Stabilization Program provides assistance to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008. HUD is treating Neighborhood Stabilization Program funds as a special allocation of Fiscal Year (FY) 2008 CDBG funding. Neighborhood Stabilization funds can be used to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of property values of neighboring homes.

Downtown Superior used this funding to prepare site for redevelopment.

RETREE NEBRASKA

ReTree Nebraska includes a variety of grant opportunities to communities, as well as specific selected Nebraska communities. Target sites for Lexington are along Highway 30 and areas within the public right-of-way. Nebraska Community Enhancement Program (NCEP) Shade Our Streets (SOS), Trees for Nebraska Towns (TNT), ReTree Omaha Initiative, Shade Structure Program, Green America Awards are just a few.

For more information, visit www.nfs.unl.edu/ReTree/retreenebraskafunding.asp

RURAL LOCAL INITIATIVES SUPPORT CORPORATION (RURAL LISC)

The mission of the Local Initiatives Support Corporation (LISC) is to provide assistance to community residents in transforming distressed neighborhoods into healthy and sustainable communities of choice and opportunity. LISC works to mobilize corporate, government, and philanthropic support to provide local community development organizations with:

- Loans, grants and equity investments
- Local, statewide and national policy support
- Technical and management assistance

LISC's support is geared toward building sustainable communities through the achievement of five goals in their support of local initiatives:

- Expanding investment in housing and other real estate



- Increasing family income and wealth
- Stimulating economic development
- Improving access to quality education
- Supporting healthy environments and lifestyles

For additional information and contact Rural LISC at 202-739-9283, or visit their website at www.rurallisc.org.

SMALL BUSINESS ADMINISTRATION

The Small Business Administration (SBA) has financial assistance programs which provide access to debt and equity primarily from banks or other private sources. SBA evaluates each loan application on two levels; the first is for eligibility, which varies by industry and SBA program, and second on credit merits of the application. SBA programs and services support small business owners, connecting businesses to loans, government contracting opportunities, disaster assistance and training programs to help your business succeed.

For more information, visit www.sba.gov.

TRANSPORTATION ENHANCEMENTS (TE)

The Transportation Enhancement (TE) program provides 80% federal financing for such projects as enhancements to major transportation corridors, trails and other non-motorized transportation projects, and the preservation of historic transportation structures. The program is administered by the Nebraska Department of Roads with the assistance of a project review advisory committee. TE funds are appropriate for financing such programs as:

- Street improvements from Highway 283 to Highway 30, including the intersection at 5th and Jackson Streets and connections to Grant and Jefferson Streets.
- Gateway arch to Washington Street
- Streetscape Improvements for Highway 30 and Plum Creek Parkway.
- Intersection and Crosswalk Improvements
- Trail extension along Highway 30.

USDA RURAL DEVELOPMENT PROGRAMS

Rural Development, a division of the US Department of Agriculture, has many programs for businesses, energy conservation and renewable energy, housing, community facilities, and rural water and waste.

Business

- Intermediary Relending Program (IRP) loans are made by Rural Development to public bodies and non-profit community development organizations who then make loans to businesses and communities with the ultimate goal of creating and/or saving jobs. Individual businesses or communities can contact IRP participants for a revolving loan.
- Business & Industry Guarantee Loans (B&I) lenders (banks, etc.) apply for a guarantee from Rural Development in order to make sizeable loans to businesses (up to \$25 million for a business, up to \$40 million for cooperatives).
- Rural Economic Development Loans and Grants (REDLG) loans or grants to utility cooperatives who then can loan to businesses and/or community projects.
- Value-Added Producer Grant (VAPG) A farmer or producer group can apply for a grant to fund their feasibility study or working capital to add value to their raw goods.

Energy conservation and renewable energy

The Rural Energy for America Program awards grants and loan guarantees to small businesses for renewable energy projects and energy efficiency improvements. Examples projects for downtown businesses include geothermal heating and equipment upgrades.

For additional information contact the Lexington Assistant City Manager at 308-324-2341 or USDA State contact Deb Yocum at 402-437-5554

Housing

- Direct and Guaranteed loans to purchase a home in a rural area (20,000 pop. or less)
- Loans and grants to repair a home (Grants available to homeowners over age of 62)
- Subsidized rents for apartments or townhouses in rural communities

Community Facilities

Candidate projects include the Depot project on Highway 30. Loans and grants to nonprofits or public bodies such as counties, cities, community centers, day cares, senior centers, homeless shelters, fire halls, ambulances, fire trucks, emergency equipment, and much more.

Rural Water and Waste

Loans and grants to help cities replace or upgrade city water, sewer and storm water systems. For more information visit www.rurdev.usda.gov/mn/ or contact the local USDA Rural Development office in Kearney (308) 237-3118. Rural Development State Office (402) 437-5551.

