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ALL NIGHTER

OMAHA PLANS TO BE OPEN AROUND THE CLOCK

Approximately 12,500 people live within one mile of 16th and Douglas streets in downtown Omaha. More than 50,000 work within that same geographic radius. In the next few years, both numbers should rise dramatically. Downtown continues to be the epicenter of Omaha's surprisingly strong development boom. From condos to convention centers, parks to performing arts centers, downtown Omaha has been on a major growth spurt since the late 1990s. More than \$2 billion worth of development has already been



completed. Another billion may be on the way.

In recent years, downtown witnessed the completion of some very special projects. It used to be that downtown Omaha became a “no-man zone” after 5 p.m. Not anymore. At one time, North America’s second largest lead-smelting plant graced the western bank of the Missouri River. Not anymore. In its place now stands a restaurant in the middle of a handsome, urban park. The site where a monstrous metal scrap yard once cast a shadow over the Missouri is now the Gallup Organization’s \$81 operational headquarters, employing 650 people.



The skyline was literally transformed with the construction of the \$200-million First National Tower in 2002. This 633-foot bank headquarters is the tallest building in Nebraska, Iowa, Missouri and Kansas.

In 2003, the \$291 million Qwest Center Omaha opened. The state-of-the-art facility includes a 17,000-seat arena and 250,000 sq. ft. of convention and exhibit space. Now that the center has been operational for more than two years, it’s a smashing success, while only scratching the surface of its long-term potential. From January to June 2005, Qwest Center Omaha recorded the eighth-highest sales of concert tickets of any venue on planet Earth, according to Pollstar. Major conventions are starting to make their way to the convention center side, while the arena will host the NCAA Volleyball Final Four, a Men’s regional basketball tournament and the U.S. Olympic Swim Trials in the coming years.

Visitors to the Qwest Center can cross 10th Street via a skywalk and enter the largest (and only four-diamond) hotel in Nebraska or Iowa. The \$71 million Hilton Omaha Hotel opened in 2004, offering 450 rooms and all the amenities one would expect in an upscale convention hotel.

Also in 2004, approximately 4,500 workers moved into Union Pacific’s new \$260 million headquarters at 14th and Douglas streets. Though it is only 19 stories high, the building is one of the largest office buildings in the region.

Scion



The development momentum continued in 2005, as an architectural masterpiece opened earlier this fall. Omaha's \$90 million Holland Performing Arts Center is a stunning building both inside and out. The building soars 100 feet into the air while stretching longer than a city block. Features include a 2,000-seat concert hall, a 450-seat recital hall and an open courtyard. Along with the renovated Orpheum, the Holland Center solidifies Omaha's place as the region's arts capitol.

Other projects are underway as well. The General Services Administration is overseeing a complete renovation of the Zorinsky Federal Building at 17th Street and Capitol Avenue. The \$50 million rehab will allow the building will house 1,200 federal employees. At the northwest corner of Downtown Omaha, the Nebraska Department of Roads has started its massive reconstruction of the Interstate 480-North Freeway interchange. Though it has been delayed due to unanticipated costs, the proposed pedestrian bridge between downtown Omaha and Council Bluffs is still a possibility. The City of Omaha has started a multi-year project to upgrade the Gene Leahy Mall, Omaha's postcard-picture park. Eventually, this urban oasis will be more user friendly and will contain public meeting spaces and an outdoor ice skating rink.

Without question, downtown Omaha is booming, so much so that it's starting to attract national attention. Omaha's business and political officials are now hearing from their peers in other cities. They're shocked about our progress, and they want to know how we made it happen. National publications such as the Chicago Tribune, Dallas Morning News, Kansas City Star, USA Today, Wall Street Journal, Boston Globe and the New York Times have all published articles trumpeting downtown Omaha's renaissance. Some of these articles have betrayed a slight hint of jealousy on the parts of the authors.

But, while Omaha has had great success downtown, and while it has been noticed across the nation, there is more yet to come. Downtown development is even starting to spread out from the core into surrounding neighborhoods.

Residential boom

On Dec. 14, Omaha Mayor Mike Fahey and a development group based in Kansas City, Mo. unveiled plans for a mixed-use building on the old Union Pacific headquarters site at 14th and Dodge streets. Townsend Development will forever change the Omaha skyline by building the Wall Street Omaha tower on that site. The \$105 million, 32-story building will include 282 condominiums, a roof-top swimming pool, parking garage and 35,000 square feet of retail space on the ground level. At 373 feet tall, this glass-and-steel building will be the third tallest in the city. Condo prices will range from \$200,000 to more

than \$600,000. Demolition of the old building will commence this spring, while construction of the new building should be completed in early 2009.

Wall Street Omaha might be the tallest residential tower planned for downtown Omaha, but it's just the latest in a string of apartment and condo projects that developers have announced in the last two years. More than 1,000 condos and hundreds of apartments have been completed or announced in the past year. The residential construction, coupled with the big anchor projects completed over the past three years, is turning downtown Omaha into a much more vibrant, active district.

Of the residential projects currently under construction, Riverfront Place has the highest profile. Construction is underway on Phase I, which should open in late 2006. Located along the Missouri River, with stunning skyline views, Riverfront Place will have a high profile downtown. The \$35 million complex will feature two 12-story towers and 27 two-story townhouses. Prices for these luxurious units range from \$250,000 to well over \$1 million for the top-floor penthouses.

Built in 1929, the Paxton, at 1403 Farnam St., was once one of the finest hotels in the Midwest, but in recent years, it has sat vacant. That is changing as Shamrock Development is spending \$30 million to convert it into 59 luxury condominiums priced between \$200,000 and \$1 million. The Chop House at the Paxton, a prime steakhouse, will occupy part of the first-floor retail space. The Paxton will be connected to a new building immediately to the south, which will contain parking, office space and an American National Bank Branch.

A developer is converting the former Beebe Runyan furniture company warehouse at 9th and Douglas streets into a residential building with a six-story atrium. Approximately 60 condos are planned in the 92-year-old building.

A Lincoln-based developer is converting the beautiful Brandeis Building at 16th and Douglas streets into upscale condos with commercial space on the bottom two floors. Once Omaha's most popular department store, the 10-story Brandeis had been mostly empty since Union Pacific vacated its offices there in 2004. An open house recently held by the project's real estate broker showcased how sophisticated and urbane the condos will be. The developer has big plans for the ground-level commercial space.

At 11th and Jackson, renovation is underway on several upscale condos above the Passport Restaurant. In the heart of the Old Market, along Howard Street between 11th and 12th streets, renovation is just starting in the historic Iler Building, which has been

vacant for some time. The bottom two floors will be retail. Above that will be an architecture office and a couple floors of apartments.

Just south of the Old Market, Bluestone Development is well on its way to completing The Rows at SOMA, a \$25 million project consisting of 80 row houses. Phase I is already complete. The developer claims this is the first new neighborhood built in downtown Omaha since the 19th century. Each townhouse is three stories plus a rooftop deck. Units are selling briskly.

Seemingly, developers will turn just about anything into condos if given a chance. Case in point is the historic Burlington Railroad depot, which was constructed in 1898 at 1001 South 10th St. OnTrack Development hopes to convert the badly deteriorated building into a small number of condos with some public commercial space.

While many of the new downtown condos cost hundreds of thousands of dollars, not all of them are obnoxiously expensive. Some projects, such as The Hill near 26th and Douglas streets, will be "affordable" with units going for under \$100,000. The Rorick Apartments at 22nd and St. Mary's Avenue are converting into condos, with many of the units priced well below \$50,000.

Not all of the new residential buildings are condo or occupant-owned buildings. Apartments are under construction as well. Among the notable downtown apartment projects is the Tip Top Building at 16th and Cuming streets. This \$23-million project opened in 2005 with 96 loft apartments. The ground floor is home to inPlay, an indoor entertainment center and restaurant. Blackthorne Development is converting an old brick warehouse into apartments at 9th and Dodge streets. Though a Seattle-based developer originally planned to convert the Barker Building at 15th and Farnam streets into condos, plans now call for apartments once the 92-year-old building is renovated.

Office development

Downtown office-building landlords have not had a lot of fun over the past few years. When Union Pacific and First National Bank opened their new headquarters buildings, they collectively vacated leased space in more than a dozen downtown office buildings. The result was an incredibly high office vacancy rate of about 35 percent. During 2005, this number has gone down considerably. Part of the reason for the decrease in vacancy is because some buildings converted into condo projects, thus lessening the amount of office space in the downtown market. Other spaces have been filled with new tenants attracted to downtown's low lease rates.

A good example is Pacific Life, a California-based insurance company, which opened a regional headquarters office in downtown Omaha. Pacific Life is leasing more than two floors in the Landmark building at 14th and Farnam streets. It also has leased 10,000 square feet in First National Bank's data center at 15th St. and Capitol Ave. Pacific Life plans to employ 250 people in downtown Omaha eventually. A second example is Omaha-based FirstComp, a fast-growing insurance company, which moved its headquarters to the twin towers of Central Park Plaza. The company occupies about 22,000 square feet on one and a half floors.

The outlook for continued office occupation in downtown Omaha looks pretty good thanks in part to the reasonable rental rates. It is also reasonable to expect a number of corporations to announce expansion projects in Omaha during 2006, because of new tax and business incentives that go into effect on Jan. 1, 2006. Surely some of the coming corporate expansions will locate in downtown.

Tourism and lodging

Now that Qwest Center Omaha is established, tourism and convention traffic in downtown Omaha is at an historic high. Downtown is quickly becoming the tourism hotbed of Omaha. Nebraska's two largest hotels are located in downtown Omaha. The Old Market is the most popular entertainment destination in the state.

Downtown Omaha is also well positioned to capitalize on cultural tourism, a relatively new phenomenon sweeping the nation. As more and more Americans are retired with disposable income, there is more and more time to enjoy the finer things in life. The cultural tourism movement is bringing people to cities to visit their museums, performing arts centers, live theatres and other unique, quirky attractions that a given city might have. Downtown Omaha is becoming a tremendous cultural tourism zone. The Orpheum, Joslyn, Holland Performing Arts Center, Durham Western Heritage, Qwest Center, Music Hall, Rose Theatre and various Old Market galleries are all within walking distance of downtown hotels.

A landmark project planned to open in 2008 will further entrench downtown Omaha as a center for cultural tourism. That's when The KANEKO will open. This three-building complex on the southern edge of the Old Market will be a center for art, science and philosophy. With beautiful, contemporary architecture, a permanent art collection and various inter-disciplinary projects, the KANEKO will attract visitors from around the world. Internationally known artists Jun Kaneko and his wife are developing the center. They're

the same people who formed downtown's world-famous Bemis Center for Contemporary Art.

NoDo

The traditional downtown boundaries are being redefined. In days past, the Interstate 480 viaduct served as a barrier to downtown's northern expansion. While the elevated freeway is still there, development has marched underneath and well beyond it. What was recently a collection of boarded up industrial buildings and vacant lots immediately north of downtown is becoming Omaha's hottest urban, mixed-use neighborhood.

The next area of downtown Omaha's transformation is known as "North Downtown," although some people refer to it as "NoDo." Plans for this district are the result of a year-and-a-half study undertaken to establish a redevelopment plan for Omaha's "front door." The 80-square-block area is located north of I-480, west of the newly developed Riverfront and east of Creighton University's expanded downtown campus.

Hundreds of thousands of out-of-town visitors, traveling from Eppley Airport to downtown Omaha, pass through this area each year. While much of the path from the airport to downtown is quite attractive, this area is a hub of eye-straining blight. With the proximity of the new downtown developments, NoDo is full of potential if development is handled properly.

Plans call for an urban, mixed-use village that would be pedestrian friendly and tastefully designed. Buildings would be two to five stories and built right up to the sidewalk. Parking would be in the back. First floors would contain retail, restaurant and service businesses, while apartments and condos would occupy the upper floors. Offices, hotels, a movie theatre and entertainment destinations could be included.

To spark the development, planners recommend building a major "anchor" project at 16th and Webster streets. One scenario calls for a community baseball stadium to be used by the Omaha Royals and Creighton Blue Jays. Another scenario envisions a science and art museums instead of a stadium.

With 7,000 to 10,000 seats, the baseball stadium would be smaller than Rosenblatt, which seats almost 25,000. The Omaha Royals have been exploring the possibility of a new stadium that would be more suitable for them. The new stadium would be more fan-friendly and would create a more exciting atmosphere game-in and game-out. Rosenblatt would still be used for the College World Series and special events.

With approximately 70 home games per season, the baseball stadium would bring in more crowds to downtown Omaha, enhancing economic activity. New, modern ballparks in other Minor league cities have been smashing successes, both for the team and the community.

North of Cuming street, the study recommends a grocery store and art studios. The study recommends a much different kind of development on the vacant Union Pacific Railroad land northeast of 12th and Cuming streets. This area would be reserved for corporate offices and perhaps some light industrial uses. Because of its location along the Abbott Drive, front-door corridor, design standards would be rigorous. From an economic development perspective, this area is an intriguing part of the project, because it could generate several thousand jobs. In fact, a major out-of-state employer was recently considering this site for a corporate office park. While that employer chose to locate in a different city, its interest shows that the site has great potential.

While the plans are impressive, the source of the money is still unknown. Planners did not announce who would pay for the project, rather saying the plan was a development guideline for the next five to 10 years. That said, the city and the business community appear to be solidly behind this.

One project is already taking place in NoDo as grading and site preparation are underway on "Slowdown" at 14th and Webster streets. Omaha's homegrown music label, Saddlecreek Records, plans to build a complex, containing offices, a performance venue and restaurant/bar. Part of that facility will house Film Streams, a two-screen alternative cinema. Bluestone Development, the company currently building the Rows at SOMA, is also planning to build apartments in the same complex.

Another NoDo project has been announced. An out-of-state hotel developer plans to build two hotels on a three-acre site owned by Union Pacific at 12th and Cuming streets. The hotels will be a 110-room Homewood Suites and a 150-room Hampton Inn. Construction is planned for 2006.

Creighton university

On the western border of NoDo is Omaha's rapidly expanding Creighton University, which has contributed mightily to downtown's development boom. In 2004, Creighton opened a \$12-million collegiate soccer stadium and Davis Square, a village-style residence hall building featuring private rooms and an outdoor courtyard.

In a design similar to Davis Square, a new residence facility is under construction across the street. This \$20-million building will contain 100 apartments when completed in July. Construction is also underway on two, on-campus parking garages offering a combined 1,000 new stalls. The \$15 million parking additions will open in early 2006.

Creighton recently purchased and demolished the former Hillmer Graphics Company building northwest of 20th and California streets and plans to build a student activity center in its place. Covered by a \$50 million anonymous gift, the activity center will be approximately 180,000 square feet and will include student health facilities, classrooms, a fitness center, a theatre and other amenities.

The Future

Because so much has happened – and continues to happen – in downtown Omaha, one could be tempted to relax. That would be a mistake; the recent development boom gives us the opportunity to take the downtown area even further.

In order to become the truly cosmopolitan center it has the potential to be, downtown Omaha needs to become more vibrant. Many urban planners across the nation are talking about “24/7” downtowns. These are city centers where something is always happening, no matter what time of day it is, no matter what day of the week and no matter how bad the weather might be. Omaha is building a 24/7 downtown but still has a long ways to go.

In order to achieve 24/7 status, downtown Omaha needs to more of the same plus something new. In the “same” category, we need to continue to attract office jobs and recruit conventions and entertainment events. We need to continue the expansion of condos and apartments in the downtown area, because residential units provide the critical mass of people, who consider downtown to be their neighborhood.

In the “new” category, we must do a better job attracting retail businesses to the downtown area. More retailers will draw more people, which draw even more retailers. The result is a snow-ball effect of rapid growth downtown.

To help attract retailers and residents to downtown, Omaha should consider establishing a Business Improvement District (BID) in the downtown and Old Market areas. BIDs require property owners to pay dues (somewhat similar to condominium owner associations). The money then goes to pay for security, landscaping, beautification, litter removal, etcetera. To attract more people downtown, we have to make sure the place

looks inviting.

If we play our cards right, downtown Omaha will someday be a miniature Chicago with bustling sidewalks and excitement in the air.

Jeff Beals, vice president of operations for Coldwell Banker Commercial World Group, hosts a weekly radio talk-show called "Grow Omaha," which focuses on economic development in the Omaha area. It airs Saturdays at 8 a.m. on KKAR (1290 AM). Beals co-hosts the show with Trenton Magid.

Young professionals summit

Every burgeoning community has its youth as its most precious commodity and Omaha is no exception.

The Young Professionals Council (YPC) of the greater Omaha Chamber of Commerce is a promising and budding limb of the Chamber and this city.

The YPC is a task force of motivated young professionals, ages 25-40, who represent various institutions within the Omaha business community. The Council's hope is to generate excitement and enthusiasm among young professionals about living, working and thriving in the Omaha community.

On Friday, Febr. 6, from 10-8:30 p.m., the YPC will host its first annual young professionals summit.

The summit will provide this city's leaders of tomorrow with the opportunity to learn about creativity in successful cities, entrepreneurship, and what it means to be a corporate and civic leader.

The keynote speaker for the summit's luncheon is Richard Florida, best-selling author of "The Rise of the Creative Class" and "The Flight of the Creative Class."

Currently, Florida is the H. John Heinz III Professor of Economic Development at Carnegie Mellon University where he also founded the Software Industry Center.

The essence of Florida's thought is that creativity is an economic force, which can effect profound changes in the workplace and our culture.

The summit is open to all interested in attracting, retaining, and recruiting young professionals to the Greater Omaha community.

Register for the summit and/or luncheon up to Jan. 30, 2006 online at omahachamber.org.

The location for the summit is the Peter Kiewit Ballroom, Qwest Center Omaha, 455 No. 10th Street.

