

**AMENDMENT TO THE REDEVELOPMENT PLAN
FOR THE REDEVELOPMENT AREA #5
IN THE CITY OF LEXINGTON, NEBRASKA**

THE ROW REDEVELOPMENT PROJECT

The City of Lexington, Nebraska (“City”) has undertaken a plan of redevelopment within the community pursuant to the adoption of the Redevelopment Plan for Redevelopment Area #5 in the City of Lexington, Nebraska, as amended (the “Redevelopment Plan”). The Redevelopment Plan as prepared by the City was approved by the City Council of the City on February 27, 2007, pursuant to Resolution No. 07-12. The Redevelopment Plan serves as a guide for the implementation of redevelopment activities within certain areas of the City, as set forth in the Redevelopment Plan.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the “Act”), the City created the Community Development Agency of Lexington, Nebraska (“CDA”), which has administered the Redevelopment Plan for the City.

Pursuant to Resolution 2015-16, on December 21, 2015 the CDA passed and adopted a resolution to recommend approval of an amendment to the Redevelopment Plan and associated cost benefit analyses for the South Lake Flats Project, the Adams Quarters Project, and the Row Project (the “2015 Amendment”). Pursuant to Resolution 2016-01, on February 3, 2016 the Planning Commission of Lexington, Nebraska recommended approval of the 2015 Amendment. However, the redevelopment contemplated under the 2015 Amendment did not move forward. Instead, the Redeveloper intends to proceed with the project as revised and discussed below. Accordingly, the 2015 Amendment and all related approvals and resolutions are hereby rescinded.

The purpose of this Plan Amendment is to identify a townhome housing project within the Redevelopment Area #5 that will cause the removal of blight and substandard conditions in Redevelopment Area #5 located in the City of Lexington, Nebraska.

I. DESCRIPTION OF THE PROJECT

The Row Redevelopment Project (“the Project”) will consist of the construction of approximately sixty (60) townhome dwelling units with the first phase including thirty-two (32) townhome dwelling units (“Phase One”). Phase One of the Project will consist of the following two sub-projects: (1) the Workforce Housing Sub-Project containing twenty (20) affordable housing units and (2) the Market Rate Housing Sub-Project containing twelve (12) market rate units. Each sub-project will be constructed in installments and the Redevelopers shall have

the right to request that the CDA file the Notice to Divide Taxes for each installment based upon the market and absorption rate, as will be more fully described in the Redevelopment Agreement. A site plan for the Project is or will be attached as Exhibit "A" and incorporated by this reference.

II. THE PROJECT SITE

The Project shall be located on the project site legally described on the attached and incorporated Exhibit "B" (the "Project Site") which is in need of redevelopment. The CDA has considered whether the redevelopment of the Project Site will conform to the City's general plan and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CDA finds that the proposed redevelopment of the Project Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight. The blighted condition of the Project Site and the Redevelopment Area have contributed to their inability to attract businesses and/or development. In order to support private development, the Project Site and the Redevelopment Area are in need of rehabilitation and redevelopment.

The Project Site is vacant, undeveloped and ready for a redevelopment project. Because of the additional upfront costs to acquire the property and to install the required infrastructure, the Project is not feasible without the use of tax increment financing. In each phase, the Project will include a TIF Note A for the Workforce Housing Sub-Project and a TIF Note B for the Market Rate Housing Sub-Project. Land acquisition costs, necessary site preparation, and installation of necessary infrastructure as well as other aspects of the Project are eligible expenditures under the Act. The Project is anticipated to eliminate the current blight and substandard conditions of the Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan.

The Redevelopers, consisting of a separate entity for each sub-project, shall submit a proposal for the redevelopment of the Project Site to include the construction of the Project and associated improvements to the Project Site. Redeveloper will pay the costs of the private improvements, including all construction of the buildings. As part of the Project, the CDA shall capture available tax increment revenues generated by the redevelopment of the Project Site to assist in payment for the public improvements listed as eligible expenditures under the Act in the Redevelopment Area and to be more fully described in the separate Redevelopment Agreement. Such public improvements may include, but are not limited to: site acquisition, site preparation, public

infrastructure and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act.

As described above, the Project envisions the capture of the incremental taxes created by the Project on the Project Site to pay for those eligible expenditures as set forth in the Act. Attached as Exhibit "C" and incorporated herein by this reference is a consideration of the statutory elements under the Nebraska Community Development Law.

Approved by the Community Development Agency of Lexington, Nebraska, on this ____ day of _____, 2017.

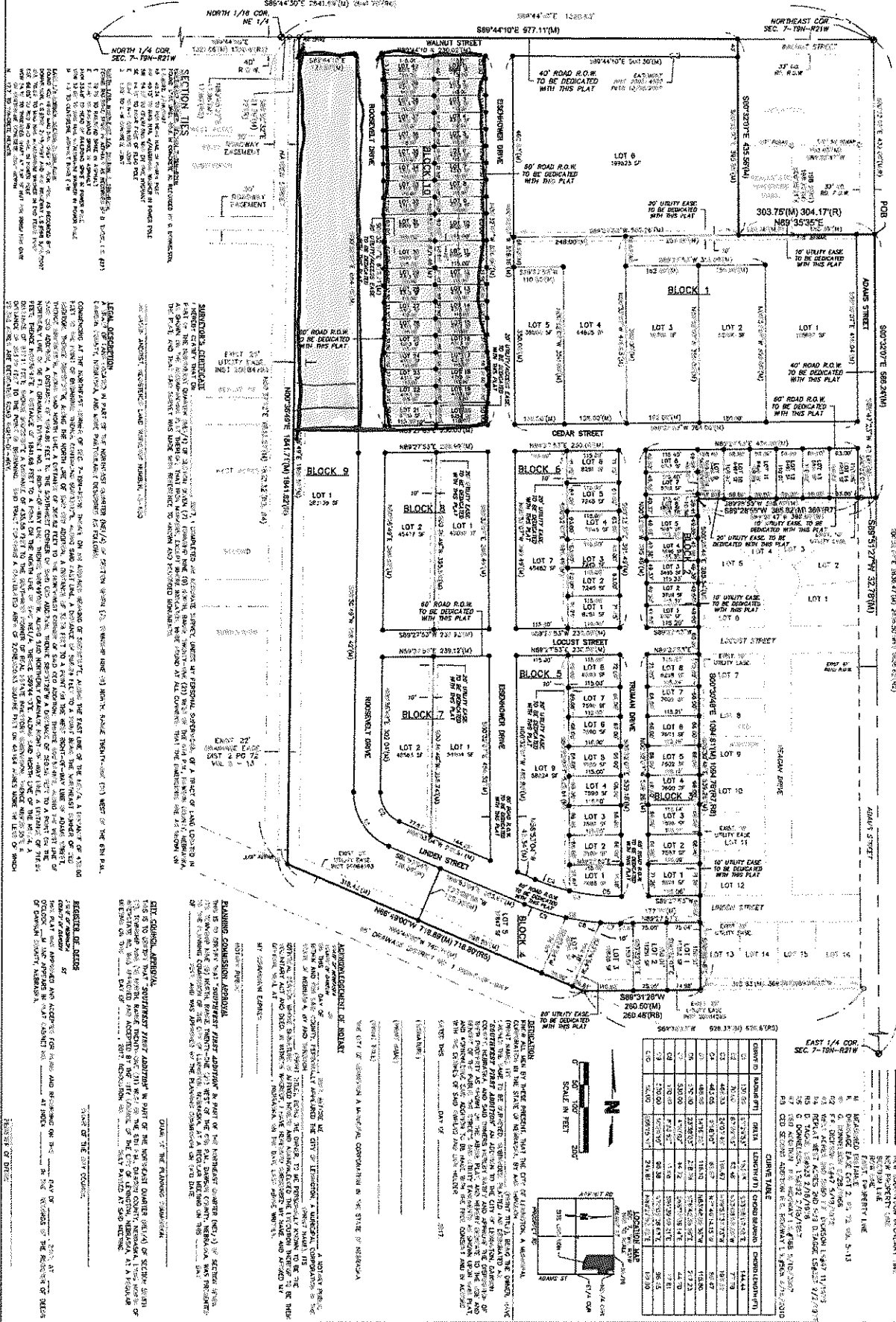
_____, Chair

_____, Secretary

**EXHIBIT “A”
Site Plan**

[Site Plan]

CORNER: CITY OF LEXINGTON, NE
 LEXINGTON SOUTHWEST FIRST APARTMENTS
 MEMBER OF CITY OF LEXINGTON



SOUTHWEST FIRST ADDITION
 AN ADDITION TO THE CITY OF LEXINGTON, DAWSON COUNTY, NEBRASKA

SECTION TIES
 THIS PLAT IS THE PART OF THE SOUTHWEST FIRST ADDITION, A SUBDIVISION OF LAND, IN THE CITY OF LEXINGTON, DAWSON COUNTY, NEBRASKA, AS SHOWN BY THE PLAT OF SAID ADDITION, DATED AND RECORDED AS HEREIN REFERRED TO.

LEGAL DESCRIPTION
 A certain parcel of land in the City of Lexington, Dawson County, Nebraska, containing the following described sections, to-wit:

GENERAL NOTES
 1. THIS PLAT IS THE PART OF THE SOUTHWEST FIRST ADDITION, A SUBDIVISION OF LAND, IN THE CITY OF LEXINGTON, DAWSON COUNTY, NEBRASKA, AS SHOWN BY THE PLAT OF SAID ADDITION, DATED AND RECORDED AS HEREIN REFERRED TO.

RECORD OF DEEDS
 THE CITY OF LEXINGTON, NEBRASKA, HAS ADOPTED THE FOLLOWING RESOLUTION:

RESOLUTION OF THE CITY OF LEXINGTON
 WHEREAS, the City of Lexington, Nebraska, desires to add to its territory a certain parcel of land...

LEGEND

- Section Corner
- Survey Point
- Station Point
- Easement
- Right-of-Way
- Boundary Line
- Easement
- Easement
- Easement
- Easement
- Easement

CLIQUE TABLE

CLIQUE NO.	CLIQUE AREA	CLIQUE PERCENTAGE	CLIQUE FRACTION
01	0.0000	0.0000	0.0000
02	0.0000	0.0000	0.0000
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REV. NO.	DATE	REVISION DESCRIPTION

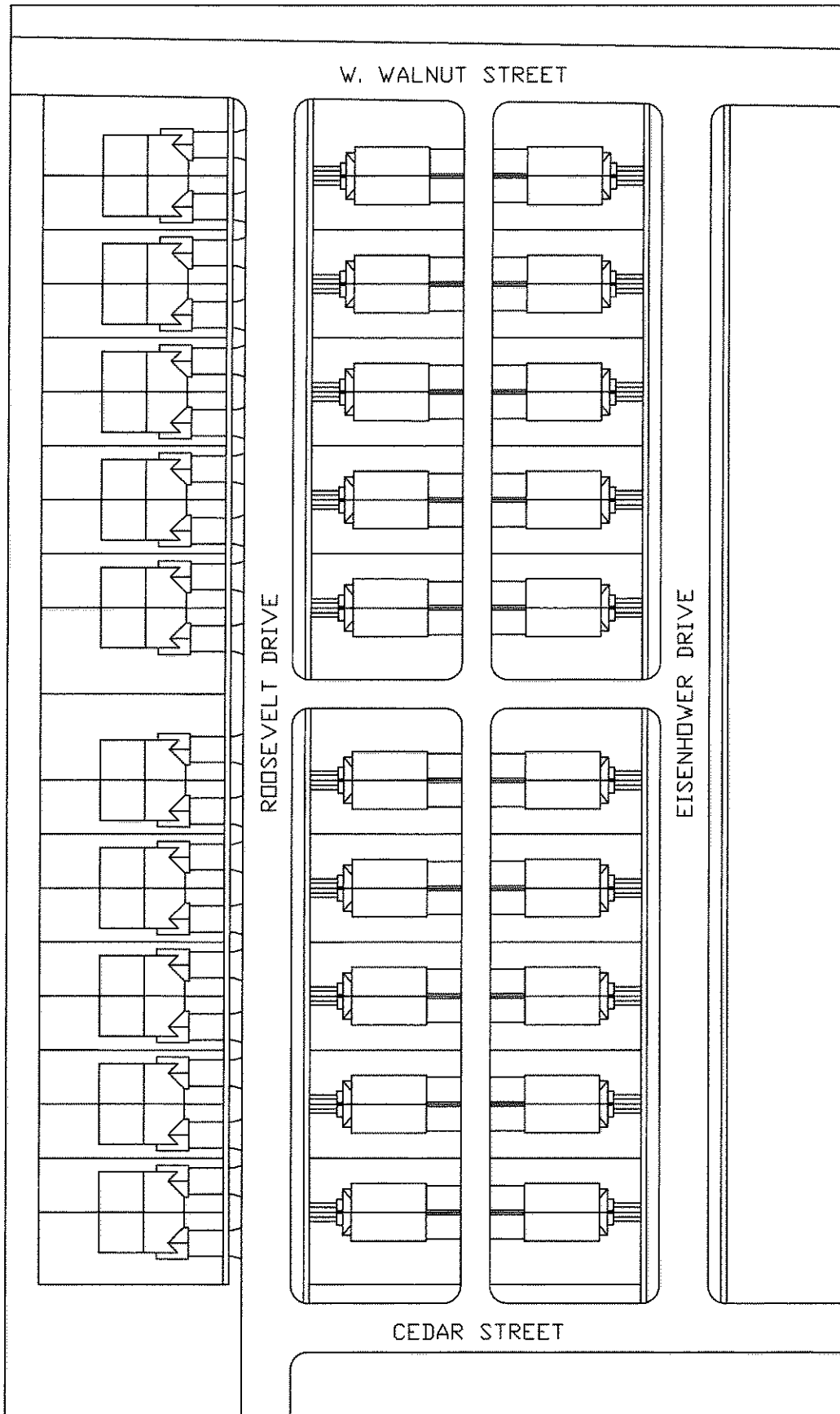
FINAL PLAT

HNB LEXINGTON SOUTHWEST APARTMENTS

LEXINGTON, NEBRASKA 2017 REVISIONS

1 OF 1 SHEET

MOLSSON ASSOCIATES
 201 5th Street
 P.O. Box 1073
 Grand Island, NE 68801-1073
 TEL: 516.841.4740
 FAX: 516.841.4712



SITE PLAN
THE ROW LEXINGTON, LP- NOT TO SCALE

EXHIBIT "B"
Legal Description of the Project Site

The improvements for the Project shall be constructed on the properties legally described as follows:

Lots One (1) through Forty (40), all in Block Ten (10), Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska.

AND

The northern 825 feet, more or less, of Lot One (1), Block Nine (9), Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska, as will be further subdivided as a part of the Project.

EXHIBIT “C”
Statutory Elements

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish the Project. The Redevelopers will purchase the land from the current owner.

B. Population Density

The proposed development at the Project Site is the construction of approximately sixty (60) townhome units, which will add residents to the Project Area. The Project is intended to increase the population density in the Redevelopment Area #5.

C. Land Coverage

The Project will consist of constructing approximately sixty (60) dwelling units. The Project Site will meet the applicable land-coverage ratios and zoning requirements as required by the City of Lexington.

D. Traffic Flow, Street Layouts, and Street Grades

No adverse impacts are anticipated with respect to traffic flow, street layouts, and street grades.

E. Parking

The construction of the Project will include construction of adequate parking that will meet or exceed the parking requirements set forth in the applicable zoning district.

F. Zoning, Building Code, and Ordinances

The Site is located in the R-3 zoning district, which will permit the Project. No additional zoning, building code, or ordinance changes appear necessary for the Project.

**COMMUNITY DEVELOPMENT AGENCY
LEXINGTON, NEBRASKA**
(The Row Redevelopment Project)

**COST-BENEFIT ANALYSIS
(Pursuant to Neb. Rev. Stat. § 18-2113)**

The cost-benefit analysis for The Row Redevelopment Project (the "Project"), consists of a housing project containing approximately sixty (60) townhome dwelling units located on the real estate described on the attached Exhibit A, which will utilize funds authorized by Neb. Rev. Stat. § 18-2147, can be summarized as follows:

1. The approximate tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

PHASE ONE

Workforce Housing Units—20 Units

a.	Base Project Area Valuation:	\$300,000
b.	Projected Completed Project Assessed Valuation:	\$2,084,427
c.	Projected Tax Increment Base (b. minus a.):	\$1,784,427
d.	Estimated Annual Projected Tax Shift:	\$40,017

Market Rate Units—12 Units

a.	Base Project Area Valuation:	\$180,000
b.	Projected Completed Project Assessed Valuation:	\$1,059,440
c.	Projected Tax Increment Base (b. minus a.):	\$879,440
d.	Estimated Annual Projected Tax Shift:	\$20,339

PHASE TWO

Market Rate Units—14 Units

a.	Base Project Area Valuation:	\$210,000
b.	Projected Completed Project Assessed Valuation:	\$1,442,015
c.	Projected Tax Increment Base (b. minus a.):	\$1,232,015
d.	Estimated Annual Projected Tax Shift:	\$27,684

PHASE THREE

Market Rate Units—14 Units

a.	Base Project Area Valuation:	\$210,000
b.	Projected Completed Project Assessed Valuation:	\$1,442,015
c.	Projected Tax Increment Base (b. minus a.):	\$1,232,015
d.	Estimated Annual Projected Tax Shift:	\$27,684

Note: The Projected Tax shift is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift

may vary materially from the projected amount. The estimated tax levy for this analysis is 1.919819, which is the 2016 Dawson County tax levy. Further, the actual Tax Shifts will be dependent upon the final size and cost of the housing units.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:

a. Public infrastructure improvements and impacts:

It is proposed that approximately \$982,000 of the Redevelopers' expenditures will be financed with the proceeds of tax increment financing indebtedness, with the remaining balance to be paid by the Redevelopers. Of the approximate \$982,000 to be financed with the proceeds of tax increment financing indebtedness, it is proposed that approximately \$510,000 will be financed in Phase One, \$236,000 will be financed in Phase Two, and \$236,000 will be financed in Phase Three. The projected sources of the TIF indebtedness and the size of the TIF notes will be dependent upon the final size and cost of the housing units and will be refined in the Redevelopment Agreements for the Project. All expenditures financed by tax increment financing indebtedness shall be eligible public expenditures. It is not anticipated that the Project will have a material adverse impact on existing public infrastructure. The Project improvements will materially benefit other property in and around the City.

b. Local tax impacts (in addition to impacts of tax shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, it is intended to create a long term benefit and substantial increase in property taxes to the City and other local taxing jurisdictions.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

The Project is the construction of townhome residential buildings. It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

While the impact of the Project on city-wide employment would be minimal, a strong residential presence is essential to the attraction, retainage, and expansion of nearby retail and commercial services and employment. The Project should increase the need for services and products from existing businesses in the area. The Project is not anticipated to impose a burden or have a negative impact on local area employers.

5. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:

The Project will increase much needed available housing opportunities in Lexington, Nebraska, including both market rate and workforce housing. The Project should have a positive impact on private sector businesses in the Redevelopment Area #5 and the City and should encourage additional private development in and around the Redevelopment Area. The additional housing opportunities will provide a substantial benefit to the City.

There are no other material impacts determined by the agency relevant to the consideration of the cost of benefits arising from the Project.

6. Cost Benefit Analysis Conclusion:

Based upon the findings presented in this cost benefit analysis, the benefits outweigh the costs of the proposed Project.

Approved by the Community Development Agency, City of Lexington this ___ day of _____, 2017.

_____, Chairman

_____, Secretary

EXHIBIT A

PROJECT INFORMATION

The Project consists of capturing the incremental tax revenue created on the site legally described as:

Lots One (1) through Forty (40), all in Block Ten (10), Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska.

AND

The northern 825 feet, more or less, of Lot One (1), Block Nine (9), Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska, as will be further subdivided as a part of the Project.