

## RESOLUTION NO. 2017-03

### **A RESOLUTION RECOMMENDING APPROVAL OF AN AMENDED REDEVELOPMENT PLAN OF THE CITY OF LEXINGTON, NEBRASKA, APPROVING A REDEVELOPMENT PROJECT OF THE CITY OF LEXINGTON, NEBRASKA; APPROVING A COST BENEFIT ANALYSIS; AND APPROVAL OF RELATED ACTIONS**

**WHEREAS**, the Mayor and City Council of the City of Lexington, Nebraska (the “**City**”), upon the recommendation of the Planning Commission of the City of Lexington, Nebraska (the “**Planning Commission**”), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), duly declared the redevelopment area legally described in the Amended Redevelopment Plan, set forth hereafter to be blighted and substandard and in need of redevelopment; and

**WHEREAS**, pursuant to and in furtherance of the Act, a Redevelopment Plan Amendment (the “**Redevelopment Plan**”), has been prepared by the Agency in the form attached hereto as **Exhibit A**, for the purpose of redeveloping a portion of the Blighted and Substandard Area and includes a provision to divide certain ad valorem taxes as provided in Section 18-2147 of the Act on that portion of the Blighted and Substandard Area legally described in **Exhibit B** to assist in the redevelopment thereof; and

**WHEREAS**, pursuant to the Redevelopment Plan, the Agency would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Plan (the “**Project**”) in accordance with and as permitted by the Act; and

**WHEREAS**, the Agency has made certain findings and pursuant thereto has determined that it is in the best interests of the Agency and the City to enter into the Redevelopment Plan and to carry out the transactions contemplated thereby.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA AS FOLLOWS:**

**Section 1.** The Agency has determined that the proposed land uses and building requirements in the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan of the City, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency in economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

**Section 2.** The Agency has conducted a cost benefit analysis for the Project, a copy of which is attached hereto as **Exhibit C**, in accordance with the Act, and has found and hereby finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not

occur in the Project Area without the use of tax increment financing and the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services, have been analyzed and have been found to be in the long term best interests of the community impacted by the Project.

**Section 3.** The Planning Commission of the City of Lexington has recommended approval of the Redevelopment Plan.

**Section 4.** The Agency recommends approval of the Redevelopment Plan by the City Council.

**Section 5.** This resolution shall be in full force and effect from and after its passage and approval.

**PASSED AND APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2017.

**COMMUNITY DEVELOPMENT AGENCY  
OF LEXINGTON, NEBRASKA**

ATTEST:

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Clerk

**EXHIBIT A**

**FORM OF AMENDED REDEVELOPMENT PLAN**

## EXHIBIT B

### LEGAL DESCRIPTION OF BLIGHTED & SUBSTANDARD AREA

A TRACT OF LAND LOCATED IN PART OF THE NORTHEAST QUARTER (NE1/4) OF SECTION SEVEN (7), TOWNSHIP NINE (9) NORTH, RANGE TWENTY-ONE (21) WEST OF THE 6TH P.M., DAWSON COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SEC. 7-T9N-R21W; THENCE ON AN ASSUMED BEARING OF S00°32'07"E, ALONG THE EAST LINE OF THE NE1/4, A DISTANCE OF 432.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S00°32'07"E, ALONG SAID EAST LINE, A DISTANCE OF 586.24 FEET TO A POINT BEING THE NORTHEAST CORNER OF CED ADDITION; THENCE S89°51'27"W, ALONG THE NORTH LINE OF SAID CED ADDITION, A DISTANCE OF 32.78 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF ADAMS STREET; THENCE S89°28'55"W, ALONG SAID NORTH LINE, A DISTANCE OF 365.82 FEET TO THE NORTHWEST CORNER OF SAID CED ADDITION; THENCE S00°30'48"E, ALONG THE WEST LINE OF SAID CED ADDITION, A DISTANCE OF 1094.81 FEET TO THE SOUTHWEST CORNER OF SAID CED ADDITION; THENCE S89°31'28"W A DISTANCE OF 260.50 FEET TO A POINT ON THE NORTHERLY LINE OF 96 FT. DRAINAGE DISTRICT NO. 1 RIGHT-OF-WAY LINE; THENCE N66°35'56"W, ALONG SAID NORTHERLY DRAINAGE RIGHT-OF-WAY LINE, A DISTANCE OF 176.13 FEET; THENCE N66°53'04"W, ALONG SAID NORTHERLY DRAINAGE RIGHT-OF-WAY LINE, A DISTANCE OF 566.58 FEET; THENCE N00°37'12"E A DISTANCE OF 1832.23 FEET TO A POINT ON THE NORTH LINE OF SAID NE1/4; THENCE S89°44'10"E, ALONG SAID NORTH LINE OF THE NE1/4, A DISTANCE OF 208.57 FEET; THENCE S00°32'07"E A DISTANCE OF 863.21 FEET; THENCE N89°27'53"E A DISTANCE OF 230.00 FEET; THENCE N00°32'07"W A DISTANCE OF 860.00 FEET TO A POINT ON THE NORTH LINE OF SAID NE1/4; THENCE S89°44'10"E, ALONG SAID NORTH LINE OF THE NE1/4, A DISTANCE OF 560.31 FEET; THENCE S00°32'07"E A DISTANCE OF 435.56 FEET TO THE SOUTHWEST CORNER OF REAL ESTATE INVESTORS SUBDIVISION; THENCE N89°35'35"E A DISTANCE OF 303.75 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 1,940,069 SQUARE FEET OR 44.538 ACRES MORE OR LESS OF WHICH 1.025 ACRES ARE COUNTY ROAD RIGHT-OF-WAY.

**EXHIBIT**

**COST BENEFIT ANALYSIS**

STATUTORY COST BENEFIT ANALYSIS  
REDEVELOPMENT PROJECT

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the Community Development Agency of Lexington has analyzed the costs and benefits of the proposed **HOUSING REDEVELOPMENT PLAN FOR THE SOUTHWEST QUADRANT OF THE CITY OF LEXINGTON, NEBRASKA**, Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$8,168,000 in public funds from tax increment financing provided by the Community Development Agency of Lexington will be required to complete the proposed rehabilitation. This investment by the Community Development Agency will leverage approximately \$28,360,000 in other investment and financing; an investment of \$3.47 for every Community Development Agency dollar investment.

**Use of Funds.** A full schedule of proposed sources and uses of funds is attached as Exhibit “A”.

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2017, valuation of approximately \$160,000. The anticipated value after full build out is 28,520,000. This project, on completion of 102 single family residences, 17 duplexes and 4 apartment buildings renovation will result in a tax increase of over \$540,000 annually based on the 2016 levy. The tax increment from this Redevelopment Project area would not be available for use as city general tax revenues for the period of the TIF contract or the time as may be required to amortize the TIF bonds, but would be used for eligible private improvements to enable this project to be realized.

**Public Infrastructure and Community Public Service Needs.** The Project will require city installation of sanitary sewer and potable water by the City together with paving and storm sewer installation. Projected city cost is \$3,625,000. It is anticipated that the city will be reimbursed through the 2017 A TIF Bond in this amount, over the life of project development. It is anticipated that the development will occur over a 5-7 year period.

Many of the initial occupants of the project will come from other substandard residences in the community. Current police, fire and medical services are sufficient to handle the proposed expansion. Never the less, a project of this magnitude may result in increased student enrollment. The student enrollment, over time may create demand for additional class room space and additional teachers. This project will not provide immediate tax dollars to pay for these increases. It is difficult to determine the impact of the redevelopment project, as the build rate for residences is dependent on market absorption. It is conceivable that the project will house up to 185 families after full development. Given the current work force components, however, many of the residential units will not have school age children. The Lexington Public School system is supportive of this project.

**Employment Within the Project Area.** Employment within the Project Area is currently zero. Construction worker increase during the build out and induced job creation is expected to exceed 50.

**Employment in the City Outside the Project Area.** The latest available labor statistics show that the Dawson County unemployment rate is approximately 3.3%. The Project is expected to impact employment outside of the Redevelopment Area. New housing will provide opportunities for the city to recruit additional labor. Current housing limits retard the ability to increase the labor force.

**Other Impacts.** This Project Area will require substantial purchases of materials during rehabilitation. Those purchases will result in local sales tax which will benefit the City of Lexington. Estimates are that the city will collect approximately \$170,000 from direct materials purchases during build out. This does not include the induced purchases during construction, nor the impact of new families residing in the project. Growth in the project area will stimulate significant investment in the community that will be subject to normal taxation that will offset any perceived tax shortfalls for educational purposes. No other negative impacts have been identified.

Exhibit “A”  
Sources and Uses of Funds

					<b>Public</b>	<b>Private</b>	<b>Private</b>
					<b>TIF</b>	<b>TIF</b>	<b>Non-TIF</b>
Site preparation					514,170	330,000	-
Streets, storm sewer, and sidewalks					1,763,531	-	-
Water mains					482,245	-	-
Sanitary Sewer					476,454	-	-
Public Parking and sidewalks					-	1,030,100	-
Secondary utility infrastructure					-	418,000	-
Architectural					-	135,000	-
Engineering					388,428	145,000	-
Permits and fees					-	7,500	-
Landscaping					-	420,000	-
Solid waste management					-	140,000	-
Public Park					-	100,000	-
Planning					-	2,689,188	-
Legal, accounting, insurance, bonds					-	180,000	-
Residential buildings					-	-	<u>26,867,000</u>
<b>Total</b>					\$ 3,624,828	\$ 5,594,788	\$ 26,867,000
<b>Total TIF eligible expenses</b>					\$ 9,219,616		
<b>TIF not to exceed</b>					\$ 8,167,681		