

**COMMUNITY DEVELOPMENT AGENCY
LEXINGTON NEBRASKA
June 9, 2014**

A Special Meeting of the Community Development Agency was held Monday, June 9, 2014, at Lexington City Hall, located at 406 East 7th Street, Lexington, Nebraska at 12:00 p.m. Members present were Gail Hall, Kory Cetak, Steve Smith, Seth McFarland, Jason Fagot, John Fagot and Linda Miller. City Officials present were City Manager Joe Pepplitsch, Assistant City Manager Dennis Burnside, Finance Director Hodges, and Secretary Pamela Baruth. The press was represented by Lexington Clipper-Herald, KRVN Radio and Kearney Hub.

NOTICE: Notice of the meeting was given in advance notice, thereof by publication in the Lexington Clipper-Herald, the designated method for giving notice, as shown by the Affidavit of Publication attached to these Minutes. The proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public. All items presented and discussed on the Agenda were available for public inspection.

CALL TO ORDER: The Meeting was called to order by Chair Gail Hall who informed the public that the Open Meetings Act is posted in the Council Chambers at the Lexington City Hall, located at 406 E. 7th Street, Lexington, Nebraska.

RESOLUTION: Resolution No. 2014-06 was presented. Pepplitsch explained the resolution would recommend approval of a redevelopment contract and the amended redevelopment plan for the Orthman Real Estate Holdings LLC project. Following review of the amendments and discussion, moved by Smith, seconded by Miller, to approve Resolution No. 2014-06. Roll call. Voting “aye” were John Fagot, McFarland, Jason Fagot, Cetak, Miller, Smith, Hall. Motion carried.

RESOLUTION NO. 2014-06

A RESOLUTION RECOMMENDING APPROVAL OF AN AMENDED REDEVELOPMENT PLAN OF THE CITY OF LEXINGTON, NEBRASKA, INCLUDING A REDEVELOPMENT CONTRACT; APPROVING A REDEVELOPMENT PROJECT OF THE CITY OF LEXINGTON, NEBRASKA; AND APPROVAL OF RELATED ACTIONS.

WHEREAS, the Mayor and 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 Redevelopment Contract, set forth hereafter to be

blighted and substandard and in need of redevelopment, (the "Project Area");

WHEREAS, the Mayor and City Council of the City of Lexington, Nebraska, (the "City") by its Ordinance, created the Community Development Agency of Lexington, Nebraska (the "Agency") pursuant to Section 18-210.01 of the Act;

WHEREAS, pursuant to and in furtherance of the Act, an Amended Redevelopment Plan (the "Amended Redevelopment Plan") which is contained in a Redevelopment Contract (collectively, the "Redevelopment Contract"), has been prepared and submitted to the Agency by Orthman Real Estate Holdings, L.L.C. , a Nebraska limited liability company (the "Redeveloper"), in the form attached hereto as Exhibit A, for the purpose of redeveloping the Project Area and includes a provision to divide certain ad valorem taxes as provided in Section 18-2147 of the Act on the Project Area legally described in Exhibit A to assist in the redevelopment thereof; and

WHEREAS, pursuant to the Redevelopment Contract, the Agency would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Contract (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 Contract 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 in accordance with the Act, as set forth in the Amended Redevelopment Plan, 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 Contract.

Section 4. In compliance with section 18-2114 of the Act, the Agency finds and determines as follows: (a) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Agency and the Agency shall receive \$1,250,000.00 from the sale of the redevelopment area; (b) the estimated cost of acquiring the project site and preparing the same for redevelopment is \$1,250,000.00; (c) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued in the amount of \$1,250,000.00, the proceeds of which shall be granted to the Redeveloper for purposes of acquiring and preparing the project site, and legal costs and from other funds provided by the Redeveloper; and (d) no families or businesses will be displaced as a result of the project.

Section 5. The Agency recommends approval of the Redevelopment Contract and the Amended Redevelopment Plan contained therein by the City Council.

Section 6. This resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED this 9th day of June, 2014.

RESOLUTION:

Resolution No. 2014-07 was presented. Pepplitsch explained as this facility is not within a redevelopment area but furthers the goal of the general redevelopment plan of Area #1 it must stand as its own plan. The plan has been reviewed and approved by the Planning Commission per statutory requirements. Following discussion, moved by Miller, seconded by McFarland, to approve Resolution No. 2014-07 as presented. Roll call. Voting "aye" were John Fagot, Smith, Jason Fagot, Cetak, McFarland, Miller, Hall. Motion carried.

RESOLUTION NO. 2014-07

A RESOLUTION RECOMMENDING APPROVAL OF THE WALNUT STREET REDEVELOPMENT PLAN OF THE CITY

OF LEXINGTON, NEBRASKA, AND APPROVAL OF RELATED ACTIONS.

WHEREAS, the Mayor and City Council of the City of Lexington, Nebraska, (the "City") by its Ordinance, created the Community Development Agency of Lexington, Nebraska (the "Agency") pursuant to Section 18-210.01 of the Act;

WHEREAS, pursuant to and in furtherance of the Act, the Walnut Street Redevelopment Plan (the "Redevelopment Plan") has been prepared by the Agency by in the form attached hereto as Exhibit A, for the purpose of eliminating blight and substandard conditions in the City; 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 adopt 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 Redevelopment Plan 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 Planning Commission of the City of Lexington has recommended approval of the Redevelopment Plan.

Section 3. In compliance with section 18-2114 of the Act, the Agency finds and determines as follows: (a) the Redevelopment Area described in the Redevelopment Plan will be acquired by the Agency for \$1,210,000.00; (b) the method of financing the Redevelopment Area acquisition shall be from funds of the Agency; (c) the Agency intends to dispose of the property by sale to Dawson Area Economic Development Council for the sum of \$800,000, subject to restrictions that the property be rehabilitated, and leased

to a manufacturer and other covenants, which the Agency deems to be fair value; and (d) no families or businesses will be displaced as a result of the project.

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 9th day of June, 2014.

RESOLUTION:

Resolution No. 2014-08 was presented. Peplitsch explained the resolution would recommend approval of a redevelopment contract and redevelopment plan for the Lexington Development Group LLC II project. Following a review of the contract and plan, moved by McFarland, seconded by Smith, to approve Resolution No. 2014-08 as presented. Roll call. Voting "aye" were John Fagot, Miller, Jason Fagot, Cetak, Smith, McFarland, Hall. Motion carried.

RESOLUTION NO. 2014-08

A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT PLAN OF THE CITY OF LEXINGTON, NEBRASKA, INCLUDING A REDEVELOPMENT CONTRACT; APPROVING A REDEVELOPMENT PROJECT OF THE CITY OF LEXINGTON, NEBRASKA; AND APPROVAL OF RELATED ACTIONS.

WHEREAS, the Mayor and 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 Redevelopment Contract, set forth hereafter to be blighted and substandard and in need of redevelopment, (the "Project Area");

WHEREAS, the Mayor and City Council of the City of Lexington, Nebraska, (the "City") by its Ordinance, created the Community Development Agency of Lexington, Nebraska (the "Agency") pursuant to Section 18-210.01 of the Act;

WHEREAS, pursuant to and in furtherance of the Act, an Amended Redevelopment Plan (the "Amended Redevelopment Plan") which is contained in a Redevelopment Contract (collectively, the "Redevelopment Contract"), has been prepared and submitted to the Agency by Lexington Development Group, LLC, a Wisconsin limited liability company (the "Redeveloper"), in the form attached hereto as Exhibit A, for the purpose of redeveloping the Project Area and includes a provision to divide certain ad valorem taxes as

provided in Section 18-2147 of the Act on the Project Area legally described in Exhibit A to assist in the redevelopment thereof; and

WHEREAS, pursuant to the Redevelopment Contract, the Agency would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Contract (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 Contract 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 in accordance with the Act, as set forth in the Redevelopment Plan, 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 Contract.

Section 4. In compliance with section 18-2114 of the Act, the Agency finds and determines as follows: (a) the Redevelopment

Area constituting the Redevelopment Project will not be acquired by the Agency and the Agency shall receive \$96,703.00 from the sale of the redevelopment area; (b) the estimated cost of acquiring the project site and preparing the same for redevelopment is \$350,000.00; (c) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued in the amount of \$350,000.00, the proceeds of which shall be granted to the Redeveloper for purposes of acquiring and preparing the project site, and legal costs and from other funds provided by the Redeveloper; and (c) no families or businesses will be displaced as a result of the project.

Section 5. The Agency recommends approval of the Redevelopment Contract and the Redevelopment Plan contained therein by the City Council.

Section 6. This resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED this 9th day of June, 2014.

ROUNDTABLE:

Peplitsch reminded CDA members of a meeting scheduled for Wednesday, June 11, 2014, at Noon.

ADJOURNMENT:

There being no further business to discuss, Chair Hall declared the meeting adjourned.

Respectfully submitted,
Pamela Baruth
CDA Secretary