

**COMMUNITY DEVELOPMENT AGENCY
LEXINGTON NEBRASKA
March 21, 2022**

A Regular Meeting of the Community Development Agency was held Monday, March 21, 2022, at Lexington City Hall, located at 406 East 7th Street, Lexington, Nebraska at 5:30 p.m. Members present were Kory Cetak, John Fagot, Jason Fagot, Steve Smith, Chris Denker and Seth McFarland. Gail Hall was absent. City Officials present were City Manager Joe Pepplitsch, Assistant City Manager Dennis Burnside, City Attorney Brian Copley, and Secretary Pamela Baruth. The press was represented by Clipper-Herald.

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 Cetak 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.

MINUTES – REGULAR MEETING 2-21-2022: Minutes of the Regular meeting held Monday, February 21, 2022, were presented for consideration. Moved by John Fagot, seconded by Smith, to approve the minutes as presented. Roll call. Voting “aye” were Denker, Jason Fagot, McFarland, Smith, John Fagot, Cetak. Motion carried.

REDEVELOPMENT PLAN: Pepplitsch reviewed a proposed redevelopment plan for Fat Dogs Travel Center with Wilkinson Development Inc. for property located in Redevelopment Area #1. Mike Bacon, legal representative for Wilkinson Development, commented on the cost-benefit analysis and the use of TIF for the \$5.3 million project. Clarine Eickhoff, Wilkinson Companies, spoke to the possibility of future redevelopment projects in the area when questioned by the board. Following discussion, Resolution No. 2022-02 was presented. Moved by Jason Fagot, seconded by McFarland, to approve Resolution No. 2022-02. Roll call. Voting “aye” were John Fagot, Smith, Denker, McFarland, Jason Fagot, Cetak. Motion carried.

RESOLUTION NO. 2022-02

**RESOLUTION RECOMMENDING APPROVAL OF THE CITY OF LEXINGTON
REDEVELOPMENT PLAN FOR THE FAT DOGS TRAVEL CENTER PROJECT;
APPROVAL OF A REDEVELOPMENT PROJECT OF THE CITY OF
LEXINGTON; ADOPTION OF A COST BENEFIT ANALYSIS; AND APPROVAL
OF RELATED ACTIONS**

**BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT AGENCY OF
LEXINGTON, NEBRASKA:**

Recitals:

- a. The Mayor and Council of the City of Lexington, Nebraska (the “City”), upon the recommendation of the City Planning Commission (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”), has previously declared an area, including an area legally described on the attached Exhibit “A” (the “Redevelopment Area”), to be blighted and substandard and in need of redevelopment; and

- b. Pursuant to and in furtherance of the Act, the City of Lexington Redevelopment Plan for the Fat Dogs Travel Center Project (the “**Redevelopment Plan**”) has been prepared and submitted to the Agency by Wilkinson Development, Inc., (the “**Redeveloper**”), a copy of which is on file in the office of the Lexington City Clerk, and is incorporated herein by this reference, for the purpose of redeveloping the Redevelopment Project Area; and
- c. Pursuant to the Redevelopment Plan, the Agency would agree to incur indebtedness and make a grant for the project specified in the Redevelopment Plan (the “Project”), in accordance with and as permitted by the Act; and
- d. Pursuant to Section 18-2113 of the Act, the Agency has conducted a cost benefit analysis of the Project (the “**Cost Benefit Analysis**”), which is included as a part of the Redevelopment Plan; and
- e. The Agency has received the resolution of the Lexington Planning Commission recommending approval of the Redevelopment Plan, a copy of which is attached hereto as Exhibit “B”; and
- f. The Agency has made certain findings and has determined that it is in the best interests of the Agency and the City to approve the Redevelopment Plan, approve the Redevelopment Project, and approve the transactions contemplated by the Redevelopment Plan.

Resolved that:

1. The Agency has considered and hereby determines that the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, 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 and 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 provision 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 insanitary or unsafe dwelling accommodations or conditions of blight.
2. In accordance with the Act, the Agency has conducted and adopts the Cost Benefit Analysis for the Project, which is incorporated into the Redevelopment Plan, and finds (i) the Redevelopment Plan uses funds authorized in section 18-2147 of the Act, (ii) the redevelopment project in the Redevelopment Plan would not be economically

feasible without the use of tax-increment financing, (iii) the redevelopment project would not occur in the community redevelopment area without the use of tax-increment financing, and (iv) the costs and benefits of the redevelopment 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 interest of the City. The Agency has documented that the Redevelopment Project is not economically feasible without the use of funds authorized in Section 18-2147 of the Act by the receipt of a letter from the Redeveloper's lender indicating that the project requires tax increment financing to make the project financially feasible.

3. In compliance with Section 18-2114 of the Act, the Agency finds and determines as follows: (i) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Agency; (ii) the estimated cost of preparing the project site as described in the Redevelopment Plan and related costs equal \$75,000; (iii) the method of acquisition of the real estate by the Redeveloper was by private purchase; (iv) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued in the amount of \$700,000, the proceeds of which shall be granted to the Redeveloper and from additional funds provided by the Redeveloper and its lender; and (v) no families or businesses will be displaced as a result of the project.
4. The Agency recommends approval of the Redevelopment Plan, the Redevelopment Project, and the transactions contemplated in the Redevelopment Plan.
5. All prior resolutions of the Agency in conflict with the terms and provisions of this resolution are repealed to the extent of such conflicts.
6. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED on March 21, 2022.

REDEVELOPMENT PLAN AMENDMENT: Peplitsch reviewed an amendment to the redevelopment agreement for The Row Redevelopment Project, stating the effective date of Phase Three of the project would be amended to January 2023 for TIF funding. Resolution No. 2022-03 was presented for consideration. Following discussion, moved by McFarland, seconded by Denker, to approve Resolution No. 2022-03 as presented. Roll call. Voting "aye" were Jason Fagot, John Fagot, Smith, Denker, McFarland, Cetak. Motion carried.

RESOLUTION NO. 2022-03

(Third Amendment to Redevelopment Agreement for the
Row Redevelopment Project)

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA, APPROVING THE THIRD AMENDMENT TO REDEVELOPMENT AGREEMENT FOR THE ROW REDEVELOPMENT PROJECT, ADJUSTING THE TIMING OF THE PHASING OF THE PROJECT AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT FINANCING INDEBTEDNESS.

WHEREAS, the Community Development Agency of Lexington, Nebraska ("CDA") previously approved and adopted a Redevelopment Agreement (Row Redevelopment Project)

(the “Project”) for Lexington, Nebraska pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 et seq. (the “Act”);

WHEREAS, with respect to Phase Three of the Project, the Redeveloper has requested that the CDA adjust the Effective Date and issue the TIF Indebtedness in a series of four (4) TIF Notes;

WHEREAS, a copy of the Third Amendment of Redevelopment Agreement by and between the CDA, The Row Lexington, L.P. a Nebraska limited partnership (the “Row”), and The Row R&S, LLC, a Nebraska limited liability company (“R&S”, and together with the Row, the “Redeveloper”), that will make adjustments to Phase Three of the Project (the “Third Amendment”) is attached as Exhibit “A” and incorporated herein by this reference;

WHEREAS, on _____, 2022, a meeting of the CDA was held at the Lexington City Council chambers located at 406 East 7th Street, in Lexington, Nebraska in order to determine whether the Third Amendment should be approved;

WHEREAS, the CDA has reviewed the Third Amendment and has found it to be in conformity with the Act, the Redevelopment Agreement and the general plan for development of the City of Lexington, and in the best interests of the City of Lexington; and

NOW, THEREFORE, BE IT RESOLVED, that the CDA does hereby approve and adopt the Third Amendment in the form attached hereto as Exhibit “A”;

BE IT FURTHER RESOLVED, that the CDA hereby authorizes its legal counsel to finalize the terms and conditions of the Third Amendment on behalf of the CDA, and that any and all actions previously taken by its legal counsel to fulfill this resolution are hereby ratified and approved, except that the amount of the TIF Indebtedness and the use of the TIF proceeds shall not be modified without the consent and approval of the CDA;

BE IT FURTHER RESOLVED, that the CDA is hereby authorized, following the lapse of thirty (30) days after the approval of the Third Amendment, to issue TIF Indebtedness for the Phase Three of the Project in a series of four (4) TIF Notes in the form attached to the Redevelopment Agreement, in the amount of Twenty-Nine Thousand Five Hundred and No/100 Dollars (\$29,500.00) (collectively, the “TIF Indebtedness”), to be repaid solely from the Tax Increment created by the Project. The TIF Indebtedness does not represent the general obligation of the CDA nor the City of Lexington; and

BE IT FURTHER RESOLVED, that the CDA hereby authorizes its Chair to execute and deliver the Third Amendment and to take all such other actions contemplated and required by the Third Amendment and to fulfill the resolutions set forth above.

DATED THIS 21st of March, 2022.

ROUNDTABLE DISCUSSION: Peplitsch gave an update on current and potential projects.

ADJOURNMENT: There being no further business to discuss, Chair Cetak declared the meeting adjourned.

Respectfully submitted,
Pamela Baruth
CDA Secretary