

**COMMUNITY DEVELOPMENT AGENCY
LEXINGTON NEBRASKA
June 17, 2019**

A Regular Meeting of the Community Development Agency was held Monday, June 17, 2019, at Lexington City Hall, located at 406 East 7th Street, Lexington, Nebraska at 5:30 p.m. Members present were Steve Smith, Kory Cetak, Seth McFarland, John Fagot, and Gail Hall. Jason Fagot was excused. City Officials present were City Manager Joe Pepplitsch, Assistant City Manager Dennis Burnside, City Attorney Brian Copley, Finance Director Barb Hodges and Secretary Pamela Baruth. The press was represented by Lexington Clipper-Herald and KRVN.

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 Chairman Steve Smith 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 5-20-19: Minutes of the Regular meeting held Monday, May 20, 2019, were presented for consideration. Moved by Fagot, seconded by McFarland, to approve the minutes as presented. Roll call. Voting “aye” were Cetak, Hall, McFarland, Fagot, Smith. Motion carried.

AMENDMENT – ROW REDEVELOPMENT: Pepplitsch reviewed a minor amendment to the Row Redevelopment Project agreement. He explained the developers would like to combine the second and third phases of the original project into a single second phase of 12 market rate units to accelerate the completion of housing units under the agreement. Resolution No. 2019-01 was presented. Following discussion, moved by Hall, seconded by McFarland, to approve Resolution No. 2019-01. Roll call. Voting “aye” were Cetak, Fagot, McFarland, Hall, Smith. Motion approved.

RESOLUTION NO. 2019-01

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

**A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF
LEXINGTON, NEBRASKA, APPROVING THE FIRST AMENDMENT TO
REDEVELOPMENT AGREEMENT FOR THE ROW REDEVELOPMENT
PROJECT, AUTHORIZING THE USE OF TAX INCREMENT FINANCING FOR
SAID 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 the 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, the Redeveloper has requested that the CDA adjust the time schedule for the Phase Two of the Project, adjust the amount of the tax increment financing and adjust the Effective Date to allow the Phase Two Project to proceed at this time;

WHEREAS, a copy of the First Amendment of Redevelopment Agreement by and between the CDA and Stoney Hill Ventures, LLC, a Nebraska limited liability company, which is the redeveloper for the Phase Two Project, that will adjust the time schedule for the Project (the “First Amendment”) is attached as Attachment “A” and incorporated herein by this reference;

WHEREAS, on June 17, 2019, 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 First Amendment should be approved;

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

WHEREAS, pursuant to the provisions of the Act and in light of the foregoing findings and determinations, the CDA shall approve the First Amendment and shall reaffirm the issuance of the TIF Indebtedness for the Project in the form of the TIF Note attached to the Redevelopment Agreement;

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

BE IT FURTHER RESOLVED, that the CDA hereby authorizes its legal counsel to finalize the terms and conditions of the First 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 First Amendment, to issue TIF Indebtedness for the Project in the form of TIF Note attached to the Redevelopment Agreement, in an amount not to exceed Three Hundred Fifty-Five Thousand and No/100 Dollars (\$355,000.00) (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 First Amendment and to take all such other actions contemplated and required by the First Amendment and to fulfill the resolutions set forth above.

DATED THIS 17th of June, 2019.

PLAN AMENDMENT – LEX LODGING LLC: Peplitsch reviewed the proposed Redevelopment Plan Amendment for Redevelopment Area #1, by Lex Lodging LLC. He reviewed the project, which includes an 80-room hotel development, and the associated cost benefit analysis. He noted the Planning Commission will need to review the plan amendment for conformance with the Comprehensive Development Plan as the next step in the process. Resolution No 2019-02 was presented. Following discussion, moved by Fagot, seconded by Cetak, to approve Resolution No 2019-02. Roll call. Voting “aye” were Hall, McFarland, Cetak, Fagot, Smith. Motion carried.

RESOLUTION NO. 2019-02

A RESOLUTION FORWARDING A PROPOSED REDEVELOPMENT PLAN AMENDMENT OF THE CITY OF LEXINGTON, NEBRASKA, TO THE PLANNING COMMISSION OF THE CITY OF LEXINGTON, NEBRASKA FOR REVIEW AND RECOMMENDATION PURSUANT TO THE COMMUNITY DEVELOPMENT LAW; 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”), adopted the General Redevelopment Plan for Redevelopment Area #1 (the “Redevelopment Plan”) on April 8, 2003, pursuant to Resolution 03-03.; and

WHEREAS, pursuant to and in furtherance of the Act, an amendment to the Redevelopment Plan (the “Redevelopment Plan Amendment”), has been prepared by the Agency in the form attached hereto as Exhibit A, for the purpose of redeveloping an area located in the Redevelopment 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 Redevelopment Area legally described in Exhibit A to assist in the redevelopment thereof; and

WHEREAS, pursuant to the §18-2112 of the Act the Agency is required to submit the Redevelopment Plan to the Planning Commission of the City for its review and recommendation as to the Redevelopment Plan’s conformity to the general plan for development of the City as a whole;

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

Section 1. The Agency hereby submits the Redevelopment Plan in the form attached

hereto as Exhibit A to the Planning Commission of the City for its review and recommendation as to the Redevelopment Plan's conformity to the general plan for development of the City as a whole.

PASSED AND APPROVED this 17th day of June, 2019.

REDEVELOPMENT AGREEMENT – LEX LODGING: Pepplitsch reviewed the proposed Redevelopment Agreement with Lex Lodging LLC for a redevelopment project in Redevelopment Area #1. He noted the redeveloper is requesting a TIF note in the amount of \$1.8 million to assist with the anticipated eligible project costs including items such as site acquisition, grading, utility improvements, paving and drainage, and professional fees. Following discussion, Resolution No. 2019-03 was presented. Moved by Fagot, seconded by McFarland, to approve Resolution No, 2019-03. Roll call. Voting "aye" were Cetak, Hall, McFarland, Fagot, Smith. Motion carried.

RESOLUTION NO. 2019-03

RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA, PROVIDING NOTICE TO THE GOVERNING BODY OF THE CITY OF LEXINGTON, OF INTENT TO ENTER INTO A REDEVELOPMENT AGREEMENT.

WHEREAS, this Community Development Agency of Lexington, Nebraska ("Agency"), has pursuant to Section 18-2119 of the Nebraska Community Development Law (the "Act"), solicited proposals for redevelopment of an area within the City limits of the City of Lexington; and

WHEREAS, the Agency has considered all of the redevelopment proposals and financial and legal ability of the prospective redevelopers to carry out their proposals;

WHEREAS, the Agency deems it to be in the public interest and in furtherance of the purposes of the Act to accept the redevelopment agreement proposal submitted in the form of the proposed redevelopment agreement attached hereto;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS: By copy of this Resolution delivered to the City of Lexington on this date, the Agency hereby gives the 30 day notice required by Section 18-2119 of the Act of its intention to accept such redevelopment agreement proposal with Lex Lodging, LLC, in substantially the attached form and with such modifications, additions or deletions deemed necessary or appropriate by the Agency.

BE IT FURTHER RESOLVED, the Agency intends to enter into said Redevelopment Contract upon the later of: (i) the expiration of the 30 day notice period required by Section 18-2119 of the Act, and (ii) the City's approval of an amendment to the Redevelopment Plan to include the Lex Lodging, LLC, project in compliance with the Act

BE IT FURTHER RESOLVED, the Agency's intent to enter into said Redevelopment Agreement is contingent upon the adoption of an amendment to the Redevelopment Plan to include the Lex Lodging, LLC, project, and if the City does not approve and adopt said amendment to the Redevelopment Plan, this Resolution shall be void and of no further effect.

Passed and approved this 17th day of June, 2019.

ADJOURNMENT: There being no further business to discuss, Chairman Smith declared the meeting adjourned.

Respectfully submitted,
Pamela Baruth
CDA Secretary