

RESOLUTION- 03-20

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEXINGTON, NEBRASKA, APPROVING REDEVELOPMENT AREA #3 REDEVELOPMENT PLAN AND MAKING FINDINGS WITH REGARD TO SUCH PLAN.

WHEREAS, the City of Lexington, Nebraska a municipal corporation has determined it to be desirable to undertake and carry out urban redevelopment projects in areas of the City which are determined to be substandard and blighted and in need of redevelopment; and

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 1943, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, The City has previously declared an areas of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, The Community Redevelopment Authority of the City of Lexington, Nebraska (the "Authority"), has prepared a Redevelopment Plan [Redevelopment Area #3 Redevelopment Plan] pursuant to Section 18-2111 of the Act; and

WHEREAS, the Lexington Planning Commission reviewed the Redevelopment Plan pursuant to the Act and, pursuant to Section 18-2114 of the Act, recommended approval of the Redevelopment plan to the City; and

WHEREAS, following consideration of the recommendations of the Planning Commission to the City, the Mayor and City Council held a public hearing on September 9, 2003, pursuant to notice as required by law; and

NOW, THEREFORE, be it resolved by the Mayor and City Council of the City of Lexington, Nebraska:

1. The Redevelopment Plan as contained in the form attached to this Resolution as "Exhibit A" is hereby determined to be feasible and in conformity with the general plan for the development of the City of Lexington as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act;

2. Approval of the Redevelopment Plan is hereby ratified and reaffirmed and the Authority is hereby directed to implement the Redevelopment Plan in accordance with the Act.

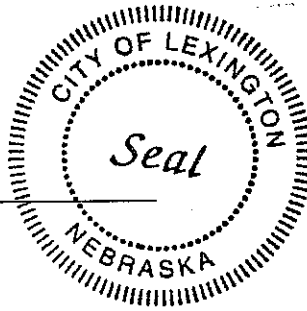
Passed and approved this 28th day of October, 2003.

CITY OF LEXINGTON, DAWSON
COUNTY, NEBRASKA

James H. Fyfe
Mayor

ATTEST:

Jan Boppert
City Clerk



REDEVELOPMENT AREA #3—LEXINGTON, NEBRASKA

REDEVELOPMENT PLAN

Introduction

The purpose of this Redevelopment Plan is to serve as a guide for implementation of redevelopment activities within Redevelopment Area #3, in the City of Lexington, Nebraska. Redevelopment activities associated with the Community Development Law, State Statutes, 18-2101 through 18-2154 should be utilized to promote the general welfare, the enhancement of the tax base, the economic and social well being, the development of any public activities and promotion of public events in the Area, along with any and all other purposes, as outlined in the Community Development Law.

A Redevelopment Plan prepared must contain the general planning elements required by Nebraska State Revised Statutes, Section 18-2111 re-issue 1991 items (1) through (6), a description of these items are as follows:

- (1) The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property therein;
- (2) A land-use plan showing proposed uses of the area;
- (3) Information showing the standards of population densities, land coverage and building intensities in the area after redevelopment;
- (4) A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances;
- (5) A site plan of the area; and
- (6) A statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

Furthermore, a Redevelopment Plan must further address the items required under Section 18-2113, "Plan; considerations", which the CRA must consider prior to recommending a redevelopment plan to the Planning Commission and City Council for adoption. These "considerations" are defined as follows:

"...whether 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, sewage, 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.”

This Redevelopment Plan applies to Redevelopment Area #3 in Lexington, Nebraska (see **Illustration 6**). The area included in the Redevelopment Plan equals an estimated 26.8 acres. The boundary description of the Area is included on page 1 of this document.

The redevelopment planning process for Redevelopment Area #3 has resulted in a listing of planning and implementation recommendations. As previously discussed in the Blight/Substandard Determination Study, there are many existing land uses and structural and substandard conditions that are nonconforming in nature, detrimental to the health, safety and general welfare of the community and generally obsolete in respect to the development and living environment norms of today's Nebraska communities and the City of Lexington. To eliminate these conditions and enhance private development activities within the Redevelopment Area, the City of Lexington will need to consider the following general planning and redevelopment actions:

- Encourage removal of substantially dilapidated and substandard structures within the Redevelopment Area;
- Rehabilitation of commercial and public/quasi-public properties;
- Establish a facade improvement program to encourage building owners to return facades to their original character;
- Replace, repair, update and maintain modern water, storm and sanitary sewer systems;
- Replace, repair, update and maintain sidewalks, curbs and gutters;
- Acquire, rehabilitate, repair and redevelop real estate within Redevelopment Area #3;
- Loan and grant programs may be established to encourage redevelopment and rehabilitation within the Area;
- Establish special assessment, improvement or business improvement or similar districts pursuant to state or federal statutes, levy special assessments, issue bonds, divide and pledge incremental ad valorem real estate taxes as provided in sections 18-2147 and 18-2150;
- Identify appropriate areas for development of additional public parking areas in

proximity to the Downtown, utilizing vacant property and property containing deteriorated structures;

- Improve public infrastructure to better service portions of the Area that have age and/or condition problems;
- Encourage relocation of incompatible, socially undesirable land uses;
- Develop and improve safe pedestrian routes;
- Improve overall efficiency of vehicular circulation within Redevelopment Area #3;
- Develop a plan for screening and/or buffering of outside storage areas from commercial and public land uses; and
- Continue the process of enhancing streetscapes with street and sidewalk improvements, lighting, landscaping and improvements to the front facades of commercial buildings.

Specific Costs of redevelopment for Project Area #3 are estimated to be:

Land and right of way acquisition:	\$400,000
Site clearing and development:	\$125,000
Paving:	\$125,000
Sanitary Sewer:	\$100,000
Storm Sewer:	\$150,000
Water Mains and hydrants:	\$225,000
Engineering, Platting, etc.:	\$ 75,000
Legal and Misc:	<u>\$ 30,000</u>
Total	\$1,230,000

Implementation

Both a time-line and budget should be developed for the implementation of the Redevelopment Plan. Each of these processes should be designed in conformance with the resources and time available to the City. A reasonable time-line to complete the redevelopment activities identified in the Plan would be 10 to 15 years.

Various funding sources exist for the preparation and implementation of a capital improvement budget designed to meet the funding needs of proposed redevelopment activities. These include city and federal funds commonly utilized to finance street improvement funds, (i.e. Community Development Block Grants, special assessments, general obligation bonds, and Tax Increment Financing, TIF). The use of TIF for redevelopment projects in the Redevelopment Area is deemed to be an essential and integral element of the Redevelopment Area and use of TIF in

LOCATION MAP REDEVELOPMENT AREA #3 LEXINGTON, NEBRASKA

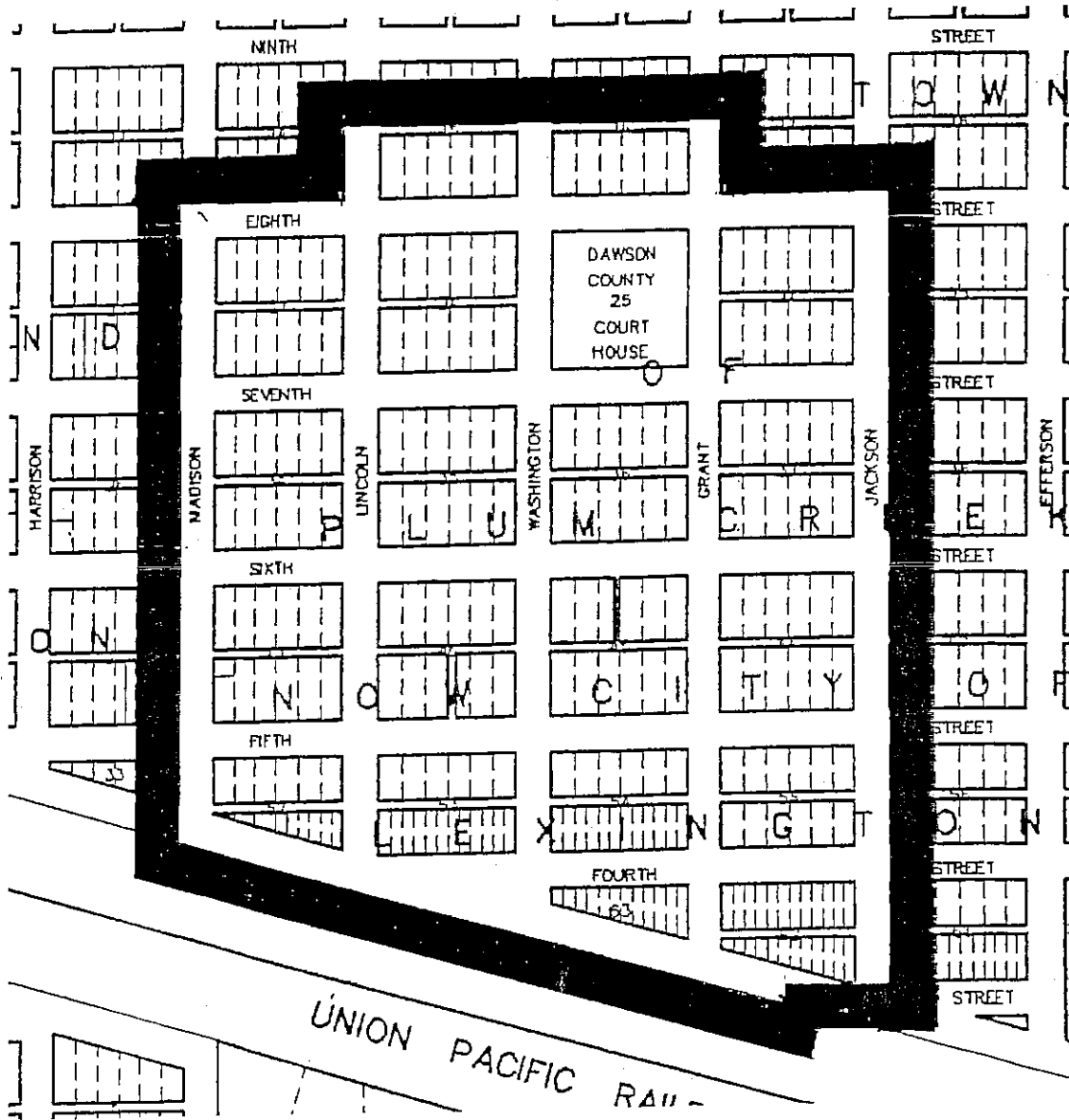


ILLUSTRATION 6

connection with such projects is contemplated by the Plan and such designation and use of TIF will not constitute a substantial modification to the Plan. The City agrees, when approving the Plan, to the utilization of TIF for redevelopment projects and agrees to pledge the taxes generated in redevelopment projects for such purposes in accordance with the Act.

Any redevelopment program receiving TIF is subject to a cost benefit analysis. TIF, as a source of public financing, ultimately impacts taxing authorities in the City of Lexington and Dawson County. Proposed redevelopment projects using TIF must meet the cost benefit analysis and the "But For" test. Accordingly, "But for TIF" a redevelopment project could not be fully executed and constructed in the community.

This plan intends that the City of Lexington, and or the CRA of the City of Lexington, issue bonds to fund all or a portion of the redevelopment plan as it relates to Redevelopment Area #3.

Future Land Use Patterns

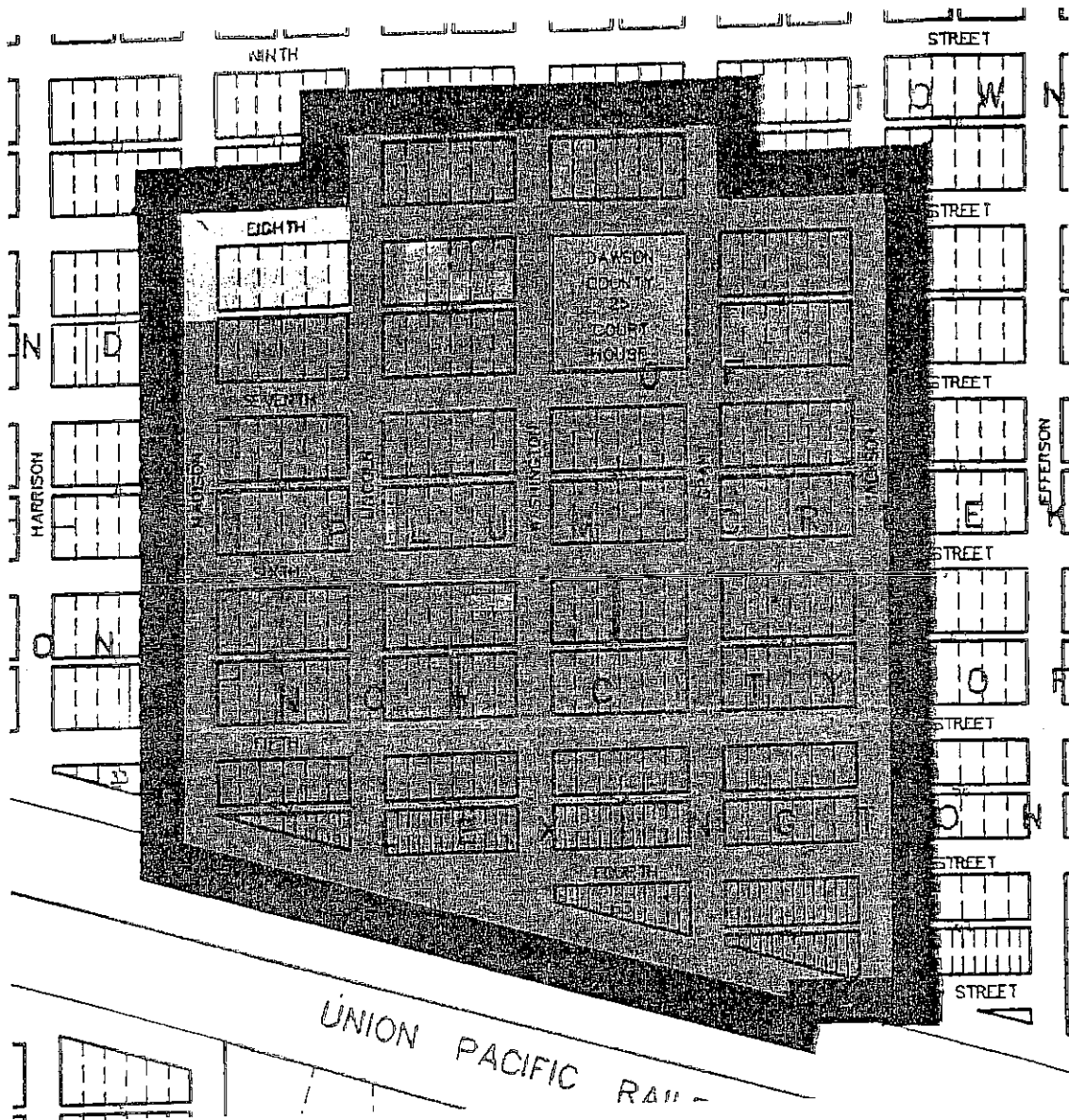
The existing land use patterns within Redevelopment Area #3 are depicted in **Illustration 3** and described in detail in the Blight/Substandard Determination Study. In general, Redevelopment Area #3 consists several land use types. The primary land uses are commercial, public, industrial, and residential. The field survey revealed incompatible land uses in the estimated 26.8 acre Area, primarily between residential and commercial uses in the areas along Jackson Street.

Illustration 7, the Future Land Use Plan, represents an effort to encourage land uses that stimulate future growth opportunities in the Redevelopment Area, while creating compatible land uses resulting in the efficient use of the physical features of the landscape. The recommend future land use classifications are in conformance with "The Lexington Comprehensive Plan - 2009."

In **Illustration 7**, commercial land uses are planned to remain in their current locations throughout the majority of the Redevelopment Area. Multifamily residential uses are identified in the northwest portion of the Redevelopment Area.

It is recommended that substantially deteriorated structures throughout Redevelopment Area #3, too deteriorated to rehabilitate, be replaced with new uses in conformance with the Future Land Use Plan.

FUTURE LAND USE MAP REDEVELOPMENT AREA #3 LEXINGTON, NEBRASKA



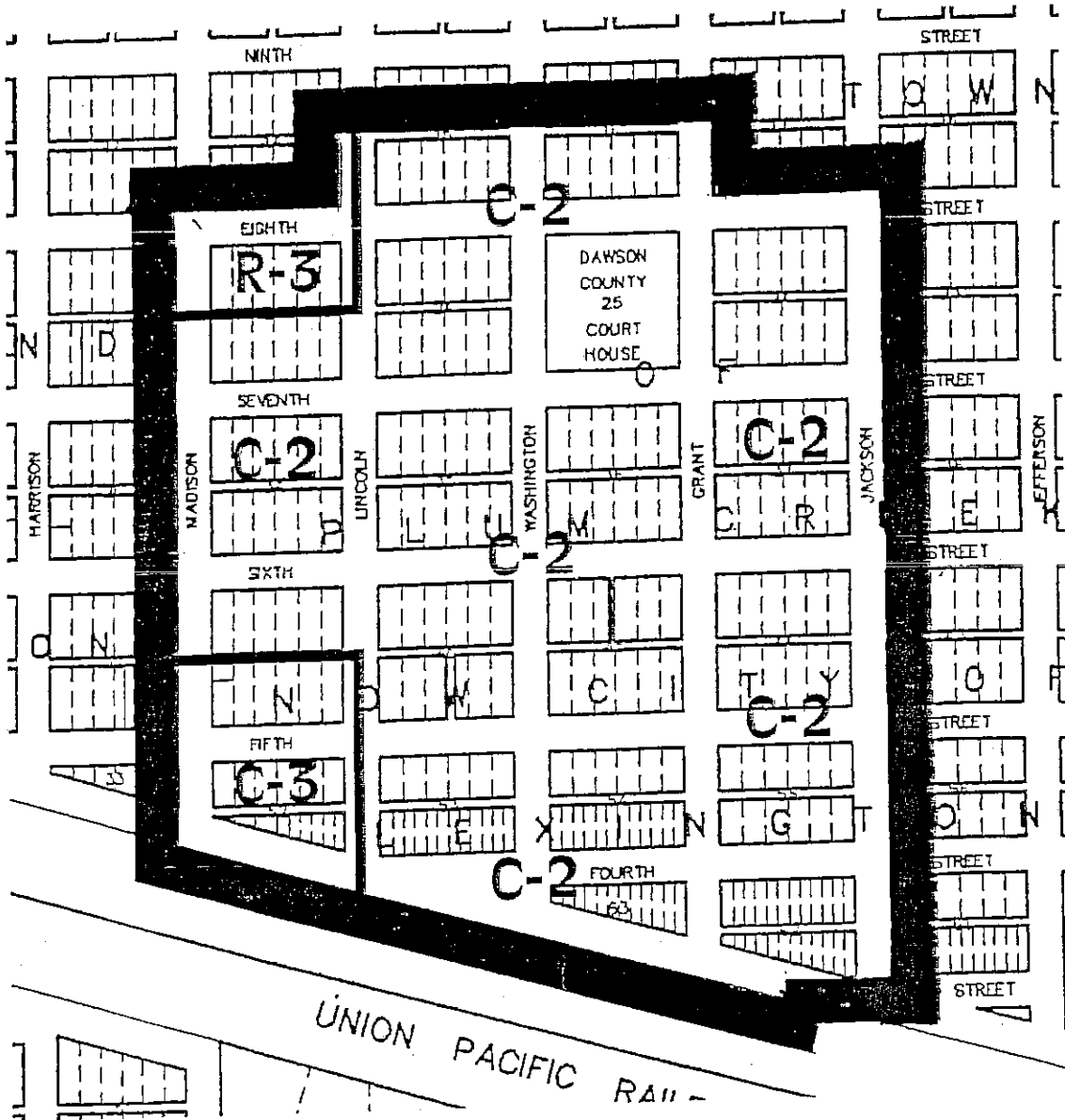
LEGEND

	PUBLIC/QUASI-PUBLIC		COMMERCIAL
	MULTIFAMILY RESIDENTIAL		

ILLUSTRATION 7

Redevelopment Plan
Redevelopment Area #3

FUTURE ZONING MAP REDEVELOPMENT AREA #3 LEXINGTON, NEBRASKA



LEGEND

- R-3 MULTIPLE RESIDENTIAL
- C-2 CORE COMMERCIAL SERVICES
- C-3 HIGHWAY COMMERCIAL SERVICES

ILLUSTRATION 8

Redevelopment Plan
Redevelopment Area #3

Future Zoning Districts

The recommended future Zoning Map for Redevelopment Area #3 is identified in **Illustration 8**. Districts are in conformance with the current city official zoning map and the future land uses depicted in **Illustration 7**.

Recommended Public Improvements

The primary purpose for a Redevelopment Plan, accompanied with the preceding Blight and Substandard Determination Study, is to allow for the use of public financing in a specific area. This public financing is planned and implemented to serve as a "first step" for public improvements and encourage private development within Redevelopment Area #3. The most common form of public improvements occur with infrastructure, specifically streets, water, sanitary sewer and storm sewer systems, sidewalks, open space and recreational uses. The primary infrastructure concerns in Redevelopment Area #3 are street improvements, sidewalks, the need for improvements to underground water, storm water and sanitary sewer systems, more planned municipal parking areas and open spaces.

Streets throughout the Redevelopment Area are generally in good to excellent condition, with 6.6 percent of the streets identified as fair condition and 93.4 percent as in good and excellent condition. An estimated 9.6 percent of the sidewalks within the Redevelopment Area were identified as being in either "fair" or "poor" condition. As these streets and sidewalks continue to age, the potential of further deterioration and the potential for repairs and, or, replacement will become increasingly necessary. A planned program of sidewalk improvement should be established in the Downtown, coordinated with improvements identified in the City's One- and Six Year Road Plan and the Capital Improvement Program. This process would allow Community Development Block Grants and Tax Increment Financing to be used to finance public improvements.

Aging water, storm water and sanitary sewer systems in the Redevelopment Area are and will continue to present maintenance and repair problems. As identified in the Blight and Substandard Determination Study, underground infrastructure in the Downtown is approximately 50 to 85 years of age. The advanced age of these utility systems will necessitate replacement in the near future. Additionally, the majority of the water mains throughout the Redevelopment Area are 4" in diameter, undersized by current standard recommendations of 8". As identified in the City's current Comprehensive Plan, Lexington should identify regions of greatest priority and budget for selective reconstruction projects. Tax Increment Financing can serve as a valuable source of additional monies to defer the cost of reconstruction projects within Redevelopment Area #3. Community Development Block Grants are one example of State and Federal programs that become economically viable in designated blight and substandard areas. Pooling of local private and public monies, with sources of State and Federal funding programs, can reduce the costs associated with expensive infrastructure repairs and or replacement.

Unified Elements of the Downtown Redevelopment Area

The Blight and Substandard Determination Study for Redevelopment Area #3 analyzed the current conditions of the Downtown as built environment, infrastructure and the overall condition. In general, the requirements of the Nebraska Community Development Law, which enables the use of Tax Increment Financing, requires redevelopment plans to include a Future Land use Plan, Future Zoning Plan and a plan for public improvements. A syntheses of key issues and visions for the Downtown provided direction for the following unified elements of redevelopment efforts.

Incentives for improvements to buildings are imperative to assist property owners to rehabilitate buildings and attract additional businesses to the Downtown area. Although there are very few vacant store fronts, under utilized second stories above street level are the result of deteriorating and functionally obsolescent buildings. However, many of these same buildings maintain their historic significance and are architecturally distinctive.

All components that define the image and character of Downtown Lexington should be addressed by a "program" for design improvement efforts. The following elements are representative of the priority redevelopment activities associated with Redevelopment Area #3.

- Historic Preservation Tax Credits could be combined with tax increment financing incentives to further encourage facade improvements, rehabilitation of commercial buildings and to secure the future of the Downtown.
- Improvements to public infrastructure can be extended beyond streets, sidewalks and underground infrastructure. Lighting, benches, planters, landscaping, and signage are potential public improvement projects in the Downtown and throughout entire Redevelopment Area.
- Upper levels of downtown commercial buildings are generally under utilized, used for storage, or are vacant. Future redevelopment efforts need to provide incentives for the adaptive reuse of upper floors of commercial buildings. Public access from the ground level could provide elevator access to public corridors in upper levels of adjacent buildings.
- Downtown parking areas include on-street spaces, and public and private parking lots. The need for additional parking areas has been a reoccurring issue during the creation of this Redevelopment Plan. Areas with deteriorated structures and vacant parcels should be considered for future parking facilities.
- Public improvements along the Pacific Avenue (Highway 30) corridor are recommended to address landscaping, lighting, street tree planting and partial screening of parking lots to further enhance this transportation corridor.

Creation of Improvement Districts

This plan allows for the creation of street, water, sewer and drainage districts, as and when needed by the City of Lexington in the project area. However, the levy of the assessments for the proposed improvements shall not occur, until such time as it is determined that the incremental ad valorem taxes pledged under this plan are insufficient to pay the principal, interest and premium, if any on the tax increment revenue bonds. Should the special assessments be levied, the assessments shall be allocated to and paid on the tax increment revenue bonds, or other infrastructure related bonds issued by the City of Lexington, to the extent of such insufficiency.

The receipt of ad-valorem taxes pledged under this plan will constitute a payment source for such bonds and any warrants issued for district purposes.

Installation of Improvements and Bonding

The City of Lexington will install the paving, curb, gutter, water, sanitary and storm sewer, and acquire necessary right of way therefore, in accordance with the plans and specifications of the City Engineer. The CRA of the City of Lexington will issue its tax increment revenue bonds on the project to pay for all or a portion of the projects costs, including engineering, principal, interest, premium, underwriting fees, special counsel fees, and costs of blight and substandard studies, and other costs.

Conclusion

A design improvement program should call attention to Redevelopment Area #3, in the City of Lexington, with emphasis upon the unique architectural and historic commercial characteristics of the Downtown. The role of the Downtown as the center of commerce and entertainment will foster an appreciation for its image, character and uniqueness in Lexington and western Nebraska.

A successful Redevelopment Plan for the Downtown should guide redevelopment and development opportunities, while basing the viability of the Downtown on its historic foundation. New construction should not imitate historic styles or characteristics, but rather be compatible by similar materials, colors, heights and window, door and storefront designs.

The Community Redevelopment Authority (CRA) and the City of Lexington should seek funding sources to create a revolving loan and/or grant program for the rehabilitation and improvement of buildings and public uses in the Redevelopment Area. The rehabilitation of buildings would prolong the life of structures and enhance the visual appearance of the community. To prevent further decay, the Consultant recommends investment in all infrastructure systems to secure the entire Redevelopment Area. Prior to the transportation network improvements, the City and the CRA should develop a plan in conjunction with the City's Capital Improvement Plan and the One and Six Year Street Plan to accommodate efficient infrastructure development and improvements.

This Redevelopment Plan addresses numerous community and economic development activities for Redevelopment Area #3 in Downtown Lexington, Nebraska. The major components of this Redevelopment Plan will be accomplished as individual projects, however, a comprehensive redevelopment effort is recommended. Just as the redevelopment efforts should be tied together, so should the funding sources to ensure a complete project. The use of state and federal monies, local equity and tax incentives coupled with private funding sources, can be combined for a realistic and feasible funding package. The following provides a summary listing of the types of funding to assist in implementing this Redevelopment Plan. Each selected redevelopment project should be accompanied with a detailed budget of both sources and uses of various funds.

- Building Improvement District
- Tax Increment Financing
- LB 840 or LB 1240
- Historic Preservation Tax Credits
- Low Income Housing Tax Credits
- Sales Tax
- Community Development Block Grants - Re-Use Funds Local Lender Financing
- Owner Equity
- Small Business Association-Micro Loans
- Community Assistance Act
- Donations and Contributions
- Intermodal Surface Transportation Efficiency Act

Private Foundations

- American Express Foundation
- Kellogg Corporate Giving Program
- Marietta Philanthropic Trust
- Monroe Auto Equipment Company Foundation
- Norwest Foundation
- Piper, Jaffray & Hopwood Corporate Giving
- Target Stores Corporate Giving
- Pitney Bowes Corporate Contributions
- Union Pacific Foundation
- US West Foundation
- Woods Charitable Fund, Inc.
- Abel Foundation
- ConAgra Charitable Fund, Inc.
- Frank M. and Alice M. Farr Trust
- Hazel R. Keene Trust
- IBP Foundation, Inc.
- Mid-Nebraska Community Foundations, Inc.
- Northwestern Bell Foundation
- Omaha World-Herald Foundation
- Peter Kiewit and Sons Inc. Foundation

Thomas D. Buckley Trust
Valmont Foundation
Quivey-Bay State Foundation

Plan Amendments

This Plan is specifically intended to be amended from time to time and allow specific redevelopment projects under individual redevelopment contracts. Public assistance to provide such redevelopment will be provided when deemed appropriate by the CRA and the City Council. Such assistance may be in the form of grants, loans, and other forms of assistance, including development of public infrastructure extensions.

Specific additional pledges of ad valorem taxes on individual projects are contemplated as part of this plan. Minor Plan amendments may be made without further hearing by the City Council, such as contracts between the City and the CRA. Major plan amendments, providing for additional tax pledges will require City Council consent.