

RESOLUTION NO. 2013-26

A RESOLUTION OF THE CITY OF LEXINGTON, NEBRASKA FINDING THAT THE ACQUISITION AND DEVELOPMENT OF CERTAIN REAL PROPERTY IS NECESSARY AND ESSENTIAL TO THE REDEVELOPMENT OF SUBSTANDARD AND BLIGHTED AREAS, NECESSARY FOR A REDEVELOPMENT PROJECT, AND CONSISTENT WITH THE MASTER PLAN OF THE CITY, AND AUTHORIZING THE ACQUISITION OF THE SAME BY THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA.

WHEREAS, the Mayor and City Council of the City of Lexington, Nebraska, a municipal corporation and city of the first class ("City"), determined it to be desirable to undertake and carry out development projects in areas of the City determined by the City to be substandard and blighted and in need of redevelopment;

WHEREAS, the Nebraska Community Development Law, Nebraska Revised Statutes sections 18-2101 through 18-2154, as amended ("Development Law"), prescribes the requirements and procedures for the planning and implementation of redevelopment pursuant to the Development Law;

WHEREAS, the City previously created the Community Development Agency of Lexington, Nebraska ("Agency") pursuant to the Development Law;

WHEREAS, the City previously ratified and affirmed Redevelopment Plan #1, attached as "Exhibit A", for a redevelopment project that includes the real property described herein ("Redevelopment Project"), determined it to be within the best interests of the community impacted by the Redevelopment Project, and directed the Agency to implement the Redevelopment Project in accordance with the Development Law;

WHEREAS, the real property described herein is poorly maintained, vacant, undeveloped land that includes conditions that are insanitary or unsafe; endanger life or property; are conducive to ill health, transmission of disease, juvenile delinquency, and crime; are detrimental to the public health, safety, morals, and welfare; include defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness; and substantially impair or arrest the sound growth of the community and constitute an economic or social liability;

WHEREAS, the City previously determined the real property described herein to be substandard and blighted as defined by Nebraska Revised Statute section 18-2103, subsections (10) and (11) in that such area meets the criteria described in subsection (10) and meets one or more of the factors set forth in (i) through (iv) of subsection (11)(b);

WHEREAS, Nebraska Revised Statutes section 18-2122 provides that the Agency may acquire any real property which it may deem necessary for a redevelopment project, defined under Nebraska Revised Statutes section 18-2103(12);

WHEREAS, Nebraska Revised Statutes, Chapter 76, Article 7, provides general authority and procedures for a political subdivision, such as the City, to utilize the power of eminent domain;

WHEREAS, the Agency previously determined that the acquisition of the real property described herein necessary for the Redevelopment Project, essential to the redevelopment of substandard and blighted areas within the Redevelopment Project, and consistent with the City of Lexington Master Plan ("Master Plan"); and

WHEREAS, after a public hearing, the City has reviewed the recommendation of the Agency and determined that the acquisition of the real property described herein is necessary for the Redevelopment Project, essential to the removal of blight and substandard conditions in the Redevelopment Project, consistent with the Master Plan, and in the best interests of the City and the Agency to acquire said real property.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LEXINGTON, NEBRASKA, AS FOLLOWS:

Section 1. RESOLVED, the City finds that the following described undeveloped vacant real property is located within the limits of the City; that said lands are a necessary part of the Redevelopment Project; are substandard and blighted as defined by Nebraska Revised Statute section 18-2103, subsections (10) and (11); are in need of redevelopment; and that the acquisition is consistent with the Master Plan:

[See Attached Exhibit B]

Section 2. That such substandard and blighted condition is beyond the remedy and control solely by regulatory process and the exercise of police power and cannot be dealt with effectively by ordinary operations of private enterprise without the aids of the Development Law. The elimination of said substandard and blighted condition under the authority of the Development Law is a public purpose and in the public interest.

Section 3. The City Manager of the City, or his or her designee, is hereby authorized and directed to acquire said real property, on behalf of the Agency, through good faith negotiation with the property owner.

Section 4. If, after a reasonable period of time, the good faith negotiation to acquire said real property is unsuccessful, the Agency is hereby authorized and directed to acquire said real property through eminent domain proceedings.

Section 5. Upon acquisition of said real property, the Agency is hereby authorized and directed to provide for the development and redevelopment of said real property according to the Development Law.

Section 6. All resolutions, orders and parts thereof in conflict herewith are hereby repealed to the extent of such conflict. This Resolution shall be published and shall take effect as provided by law. The provisions of this Resolution are separable, and invalidity of any phrase, clause or part of this Resolution, shall not affect the validity of effectiveness of the remainder of this Resolution.

PASSED AND APPROVED this 27th day of August, 2013.



ATTEST:


City Clerk

CITY OF LEXINGTON, NEBRASKA



Mayor

(SEAL)

Exhibit A

REDEVELOPMENT AREA #1—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 #1, in the City of Lexington, Nebraska, and to define two initial projects. The two projects will be infrastructure related and will be designated herein as "Project Area #1" and "Project Area #2". 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 #1 in Lexington, Nebraska (see **Illustration 1**). The area included in the Redevelopment Plan equals an estimated 410 acres. The Plum Creek Parkway corridor (Highway 283) and expanded areas to the east and west of the Parkway, are included in the Redevelopment Area. The boundary description of the Area is included on page 1 of this document.

The redevelopment planning process for Redevelopment Area #1 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:

- Annexation of vacant agricultural lands within the Redevelopment Area, to provide development opportunities;
- Encourage removal and replacement of *substantially* dilapidated and substandard structures within the Redevelopment Area;
- Rehabilitation of residential, commercial and industrial properties that are cost effective to revitalize;
- Improve existing public infrastructure, water, sanitary sewer, streets and sidewalks, to better service portions of the Area;
- Continue the process of extending new infrastructure (water, sanitary sewer, streets and frontage roads) east and west of the Parkway to promote further commercial and industrial development in southern Lexington.
- Encourage relocation of incompatible, socially undesirable land uses;

- Improve overall efficiency of vehicular circulation within the area;
- Redevelopment Area with an emphasis of frontage roads and controlled access intersections;
- Develop new safe pedestrian routes across the Plum Creek Parkway corridor and along both sides of the Parkway;
- Encourage the use of trees and landscaping to enhance individual properties and the Plum Creek Parkway; and
- Continue to develop a variety of commercial and industrial uses to expand shopping and employment opportunities for all income groups.

The Redevelopment Planning process has also resulted in two specific infrastructure related redevelopment projects, Project Area #1 and Project Area #2, as noted above.

General Plan for Project Area #1

The description of the this project area is as follows, and shown in **Exhibit #1**:

Beginning at the northwest corner of the Greater Lexington Addition, thence east along the north line of the Greater Lexington Addition (also the corporate limit line) to the its intersection with the east line of South Taft Street, thence south along said east line to its intersection with the south line of Heartland Road, thence west along said south line to its intersection with the west line of South Jefferson Street, thence north along said west line to its intersection with the south line of Heartland Road, thence west along said south line to its intersection with the west line of the Plum Creek Parkway, thence south along said west line to its intersection with the north line of the Interstate 80 interchange, thence southwest and northwesterly along said north line, to its intersection with the west line of South Adams Street, thence north approximately 1,100 feet to the north line of the south west quarter of the southwest quarter of Section 17, Township 9 North, Range 21 West, thence east to the intersection with the east line of Plum Creek Parkway, thence north approximately 1,245 feet the point of beginning, all located within or adjacent to the City of Lexington, Dawson County, Nebraska.

Substantial portions of land in this area are isolated and have no access to the Parkway. Small tracts of land in agricultural use, both east and west of the Parkway, should be acquired by the CRA as part of this plan.

In the southern portion of Project Area #1, an intersection with Parkway will be needed along with public right of way access and installation of a frontage road along with public right of way access and the installation of a frontage road with attendant infrastructure. Public roadways will

LOCATION MAP - PROJECT AREA #1 REDEVELOPMENT AREA #1 LEXINGTON, NEBRASKA

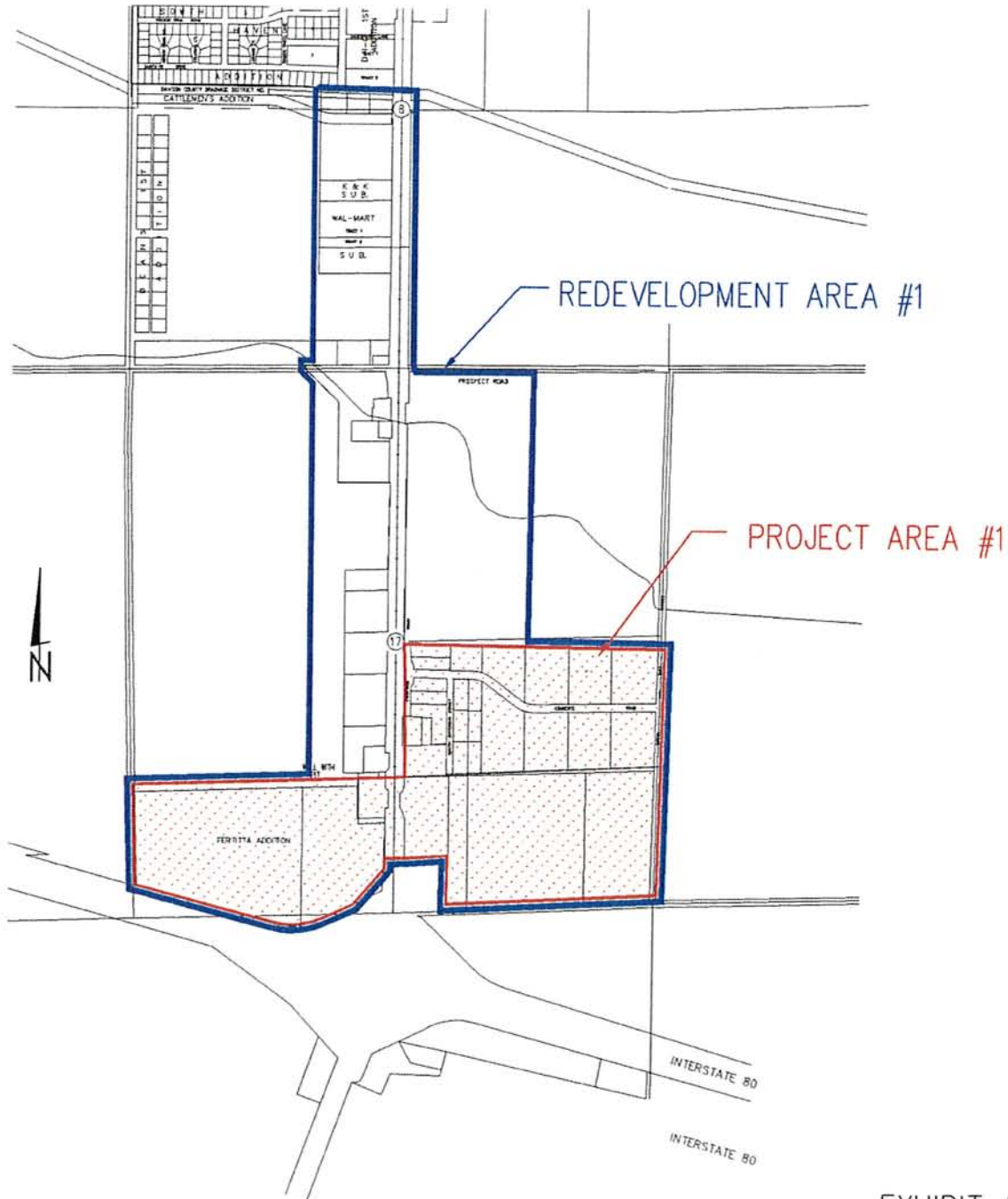


EXHIBIT #1

need to be acquired. This will require changes to Parkway median, traffic control signals, paving, sanitary and storm sewer and water main installation.

Site acquisition with infrastructure installation, coupled with the Super Wal-Mart development will result in additional development of this blighted and substandard area. Land ownership by the Community Redevelopment Authority will speed up private acquisition and development.

Specific Costs of redevelopment for Project Area #1 are estimated to be:

Land and right of way acquisition:	\$400,000
Site clearing and development:	\$125,000
Paving:	\$125,000
Sanitary Sewer:	\$ 50,000
Storm Sewer:	\$ 50,000
Water Mains and hydrants:	\$125,000
Engineering, Platting, etc.:	\$ 75,000
Legal and Misc:	<u>\$ 30,000</u>
Total	\$980,000

Currently, with the significant diversity in ownership and the obvious differences in financial motives, there is no way to demand or drive the installation of the needed infrastructure. Special Assessment districts can be easily voted out. Additionally, no public entity has the fiscal ability to install the needed infrastructure. Therefore, it is obvious that this project is not financially feasible in the project area with out tax increment financing, and simply would not occur in the area with out the use of tax increment financing.

This plan intends that the City of Lexington, and or the CRA of the City of Lexington, issue bonds to fund the redevelopment plan as it relates to Project Area #1.

Pursuant to Section 18-2147 of the Nebraska Community Development Law, any ad valorem tax levied upon real property in the redevelopment project specified in the plan, namely Lot 1 Fertitta Addition to the City of Lexington, Dawson County, Nebraska shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2004.

- a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and
- b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Agency to pay the principal of, the interest on, and any premiums due in connection with the

bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Such incremental taxes shall be the source for repayment of the bonds, the principal, interest, premium and associated cost of issuance for such bonds.

General Plan for Project Area #2

The description of the this project area is as follows, and shown as **Exhibit #2**:

Beginning at the intersection of the north line of the Dawson County Drainage District #1 canal and the east line of the Plum Creek Parkway, thence south along said east line (also the east corporate limit line) to its intersection with the extended north line of K&K Second Subdivision, thence west to the northwest corner of K&K Second Subdivision, thence north to the north line of the Dawson County Drainage District #1 canal, thence east along said north line to its intersection with the east line of the Plum Creek Parkway, the point of beginning, all located within the City of Lexington, Dawson County, Nebraska.

Site acquisition, clearance, and development is necessary in this area. Public access roadways must be acquired and constructed, water mains extended, and both sanitary and storm sewers constructed.

Site acquisition with infrastructure installation, coupled with the strip mall development will result in additional development of this blighted and substandard area. Land ownership by the Community Redevelopment Authority will speed up private acquisition and development.

Specific Costs of redevelopment for Project Area #2 are estimated to be:

Land and right of way acquisition:	\$200,000
Site clearing and development:	\$ 30,000
Paving:	\$ 65,000
Sanitary Sewer:	\$ 30,000
Storm Sewer:	\$ 20,000
Water Mains and hydrants:	\$ 50,000
Engineering, Platting, etc.:	\$ 40,000
Legal and Misc:	<u>\$ 15,000</u>
Total	\$450,000

LOCATION MAP - PROJECT AREA #2 REDEVELOPMENT AREA #1 LEXINGTON, NEBRASKA

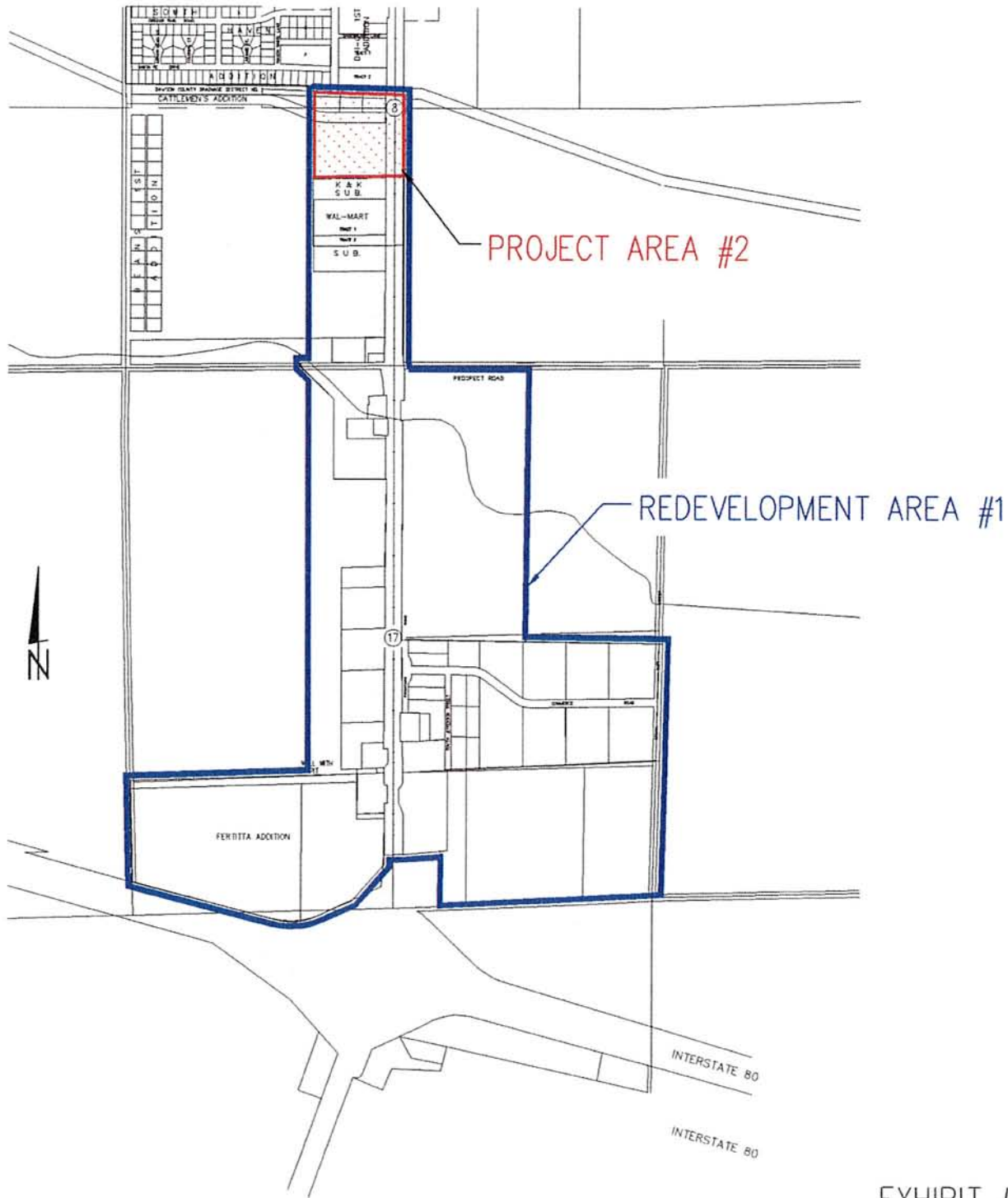


EXHIBIT #2

Currently, with the significant diversity in ownership and the obvious differences in financial motives, there is no way to demand or drive the installation of the needed infrastructure. Special Assessment districts can be easily voted out. Additionally, no public entity has the fiscal ability to install the needed infrastructure. Therefore, it is obvious that this project is not financially feasible in the project area with out tax increment financing, and simply would not occur in the area with out the use of tax increment financing.

This plan intends that the City of Lexington, and or the CRA of the City of Lexington, issue bonds to fund the redevelopment plan as it relates to Project Area #2.

Pursuant to Section 18-2147 of the Nebraska Community Development Law, any ad valorem tax levied upon real property in the redevelopment project specified in the plan, namely Lots 1, 2, 3, 4, 5, and 6, Cattlemen's Addition to the City of Lexington, Dawson County, Nebraska shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2004.

- a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and
- b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Agency to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Such incremental taxes shall be the source for repayment of the bonds, the principal, interest, premium and associated cost of issuance for such bonds.

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 7 to 10 years. Implementation timeline for Project Area #1 should begin in 2003, and be completed within 3 years. Implementation timeline for Project Area #2 should begin in 2003, and be completed within 3 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 connection with such projects is contemplated by the Plan and such designation and use of TIF will not constitute a substantial modification to the Plans. 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.

Future Land Use Patterns

The existing land use patterns within Redevelopment Area #1 are depicted in **Illustration 2** and described in detail in the Blight/Substandard Determination Study. In general, Redevelopment Area #1 consists of five land use types. The primary land uses are single family and mobile home residential, commercial, industrial and vacant lands.

Illustration 4, 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 recommended future land use classifications are in conformance with The Lexington Comprehensive Plan . 2009. Identified in **Illustration 4** is the eventual annexation of vacant agricultural lands, to provide further development opportunities in Lexington.

Highway commercial uses are planned to remain in current locations, see **Illustration 4**, along the Plum Creek Parkway. Industrial uses are encouraged to expand beyond and east of the commercial Parkway, in the eastern half of Redevelopment Area #1. Light industrial uses should be located adjacent the commercial corridor, with heavy industrial uses further east. Landscaping and Street trees are encouraged to enhance the character of these industrial areas.

The portion of the Redevelopment Area with the highest concentration of a mixture of single family, mobile home, commercial and industrial uses are located at the intersection of Prospect Road and the Parkway. As substandard properties are replaced with new uses, this area is planned for additional commercial uses.

It is recommended that substantially deteriorated structures throughout Redevelopment Area #1, too deteriorated to rehabilitate, be replaced with new uses in conformance with the Future Land Use Plan.

Future Zoning Districts

The recommended future Zoning Map for Redevelopment Area #1 is identified in **Illustration 5**. Areas are depicted to be in conformance with the Comprehensive Plan 2009 Update and specifically with the proposed Future Land Use Plan. **Illustration 4**.

Areas along the Plum Creek Parkway, are predominately zoned C-3 Highway Commercial. One area within the commercial corridor is currently zoned R-4 Mobile Home Park, at the southwest corner of Prospect Road and the Plum Creek Parkway. This use is recommended to be converted to C-3 Highway Commercial. Existing industrial land uses are located along Commerce Road, with M-1 Light Industrial located between C-3 Highway Commercial along the Parkway and M-2 Heavy Industrial at the eastern portion of Commerce Road. Two areas of vacant lands are currently zoned A-1 Agricultural at the southeast and northeast portions of the Redevelopment Area. These two areas are recommended to be zoned M-1 Industrial.

Recommended Public Improvements

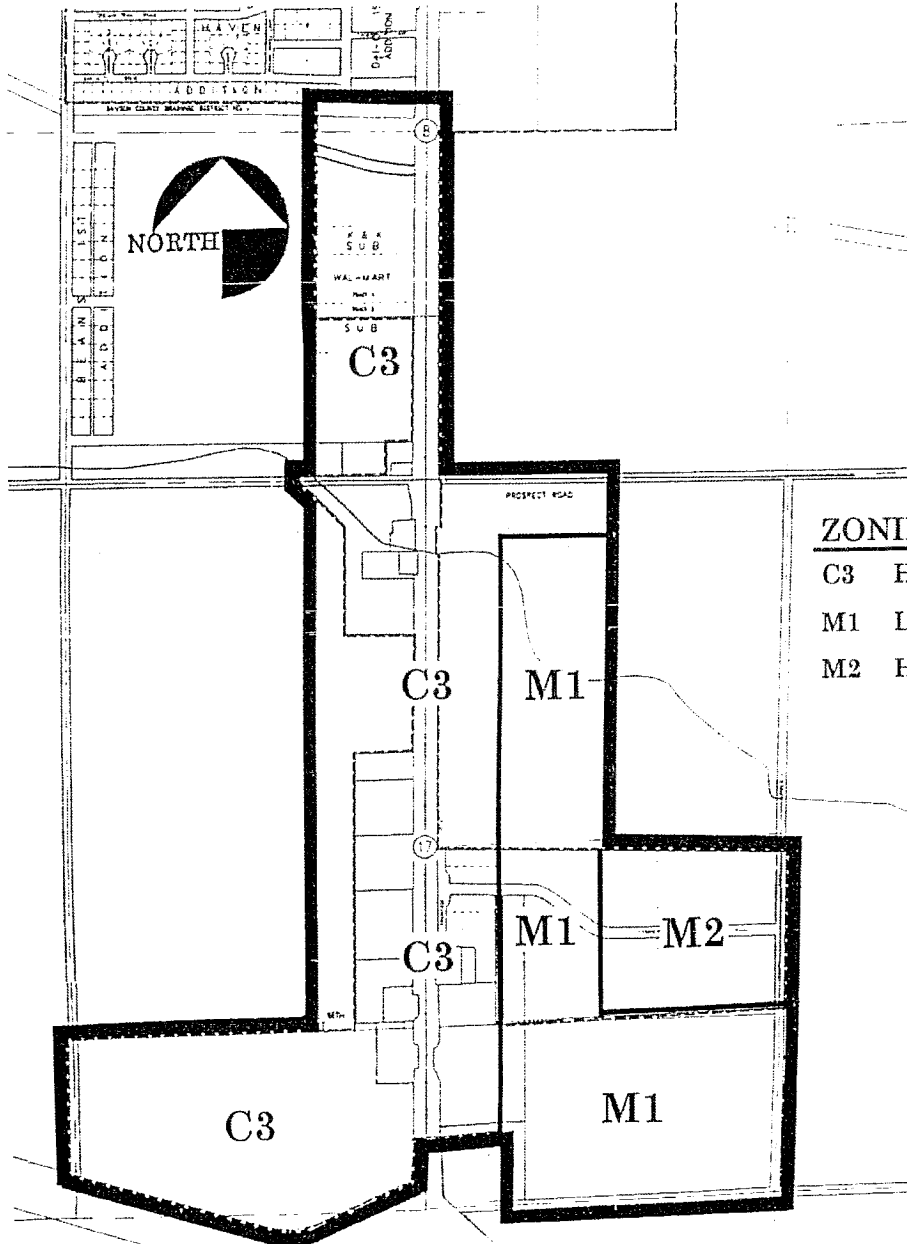
The primary purpose for a Redevelopment Plan, accompanied with the preceding Blight/Substandard Determination Study, is to allow for the use of public financing in a specific area(s). This public financing is planned and implemented to serve as a "first step" for public improvements and encourage private development within the designated Redevelopment Area. The most common forms 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 the Redevelopment Area #1 are frontage roads, controlled access intersections, the platting and future development of east/west streets, hard surfacing of gravel streets, sidewalks, the need for extensions of underground water, storm water and sanitary sewer systems and open spaces (see **Illustration 6**), to further expand development of vacant areas.

Streets throughout the Redevelopment Area are generally in good to excellent condition. However, frontage road systems are in need of being fully developed. Missing segments of frontage roads limits the viability of existing commercial property and the development of adjacent vacant parcels. Additional east/west streets need to be planned as public right-of-ways in advance of future subdivisions. This will ensure the viability of future development of lands beyond the Plum Creek Parkway.

Public sidewalks are currently lacking along the Parkway and throughout the Redevelopment Area #1. A planned program of sidewalk improvement should be established in Redevelopment Area #1, which coordinates improvements with the One- and Six Year Road Plan and the Capital Improvements Program of the City. This process would allow Community Development Block Grants and Tax Increment Financing to be used to finance public improvements.

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

FUTURE ZONING MAP REDEVELOPMENT AREA #1 LEXINGTON, NEBRASKA



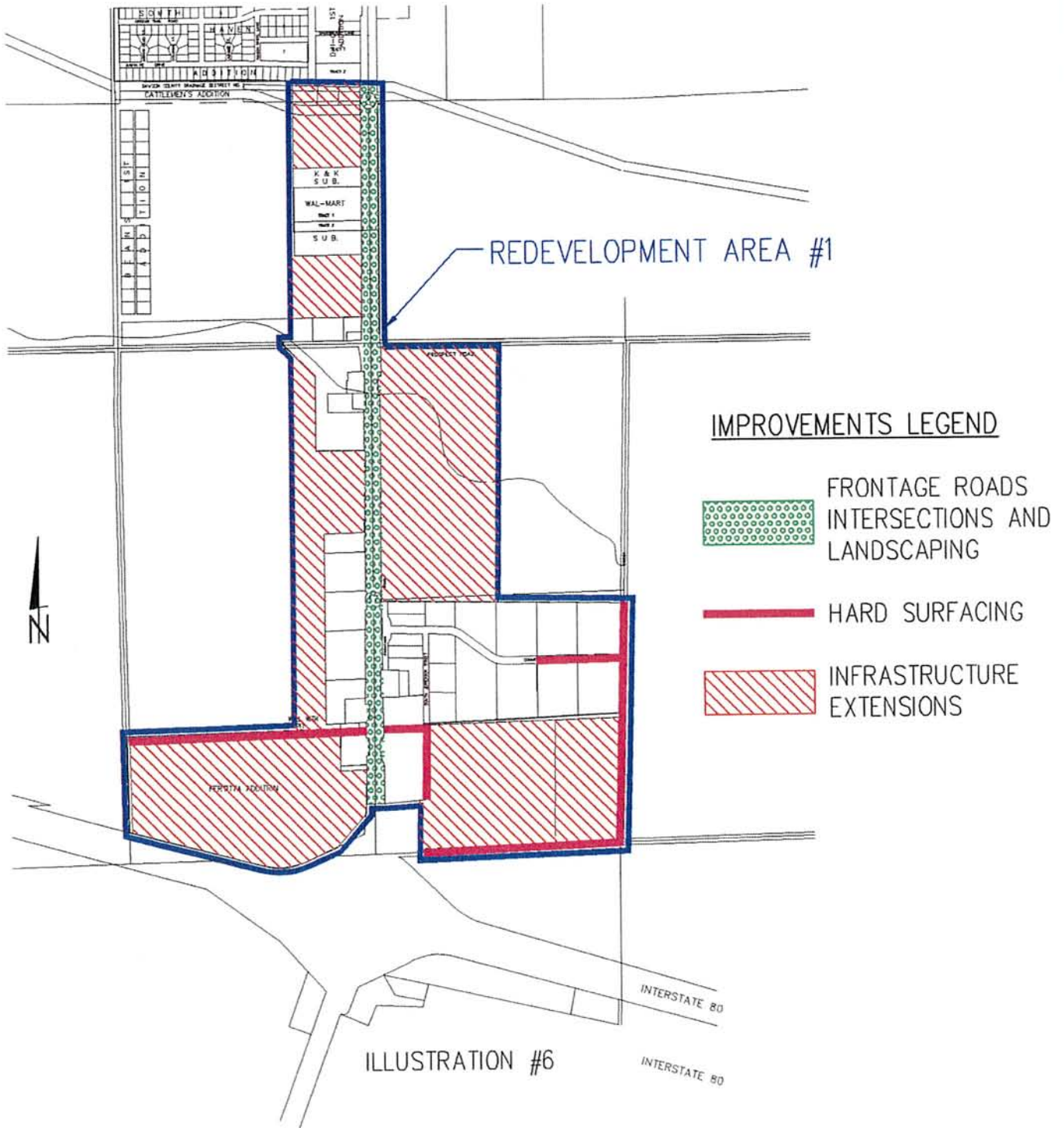
ZONING DISTRICT LEGEND

- C3 HIGHWAY COMMERCIAL
- M1 LIGHT INDUSTRIAL
- M2 HEAVY INDUSTRIAL

HANNA:KEELAN ASSOCIATES, P.C.

ILLUSTRATION 5 INTERSTATE 80

PUBLIC IMPROVEMENTS MAP REDEVELOPMENT AREA #1 LEXINGTON, NEBRASKA



serve as a valuable resource to defer the cost of reconstruction projects within the Redevelopment Area #1. 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 infrastructure repairs and/or replacement.

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

The Capital Improvement Program, in Lexington, should include activities in Redevelopment Area #1, with emphasis upon serving current and future Lexington residents, as well as highway travelers. The role of Redevelopment Area #1 as a developing commercial corridor will foster an appreciation for its image, character and uniqueness in Lexington.

A successful Redevelopment Plan for Redevelopment Area #1 should guide both redevelopment and development opportunities, while preserving the viability of southern Lexington as a commercial and industrial area. New construction should emphasize the development of frontage roads along the Plum Creek Parkway appropriately landscaped to enhance both the Parkway and individual properties.

The City of Lexington should seek funding sources for the rehabilitation and improvement of buildings and public uses in the Redevelopment Area. Prior to the transportation network

improvements, the City 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.

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.

RESOLUTION 06 -01

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA, MAKING MINOR AMEND THE REDEVELOPMENT PLAN FOR REDEVELOPMENT AREA #1 IN THE CITY OF LEXINGTON

WHEREAS, this Community Redevelopment Authority of the CITY OF LEXINGTON, Nebraska ("Authority"), has adopted a redevelopment plan for Redevelopment Area #1, with project areas #1 and #2, which redevelopment plan was approved by the Lexington City Council, after hearing, as required by the Nebraska Community Development Law (the "Act"); and

WHEREAS, the Authority deems it to be in the public interest and in furtherance of the purposes of the Act to approve a minor expansion of the project areas for Project Area #1 and Project Area #2 in Redevelopment Area #1;

NOW, THEREFORE, pursuant to Section 18-2117 of the Act, the Authority hereby amends the Redevelopment Plan for Redevelopment Area #1, within the City of Lexington as follows:

1. Project Area #1 is expanded to include the areas set forth on attached Exhibit A.
2. Project area #1 is expanded to include the areas set forth on attached Exhibit B.

BE IT FURTHER RESOLVED, that the Authority deems the foregoing amendment of the Redevelopment Plan does not substantially change the redevelopment plan previously approved, and qualifies for such amendment pursuant to Section 18-2117 of the Act.

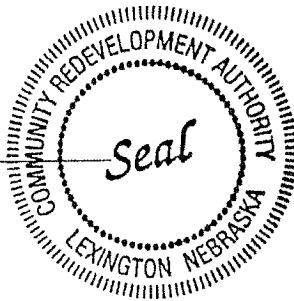
Passed and approved this 20th day of April, 2006.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
LEXINGTON, NEBRASKA.

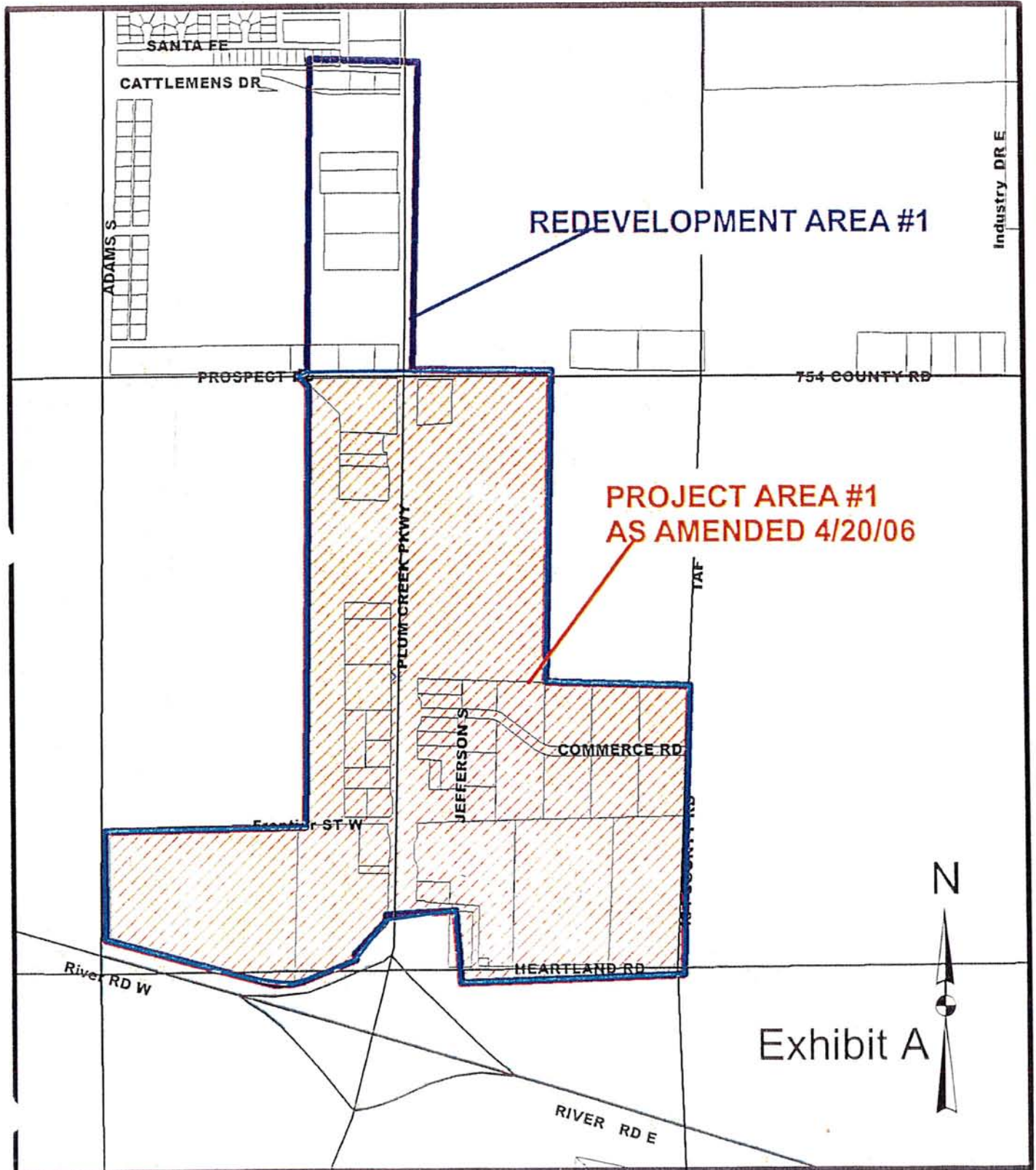
BY *W. Wendy Swearingin*
Chairperson

ATTESTED:

Wendy Swearingin
Secretary



LOCATION MAP - PROJECT AREA #1 REDEVELOPMENT AREA #1 LEXINGTON, NEBRASKA



LOCATION MAP - PROJECT AREA #2 REDEVELOPMENT AREA #1 LEXINGTON, NEBRASKA

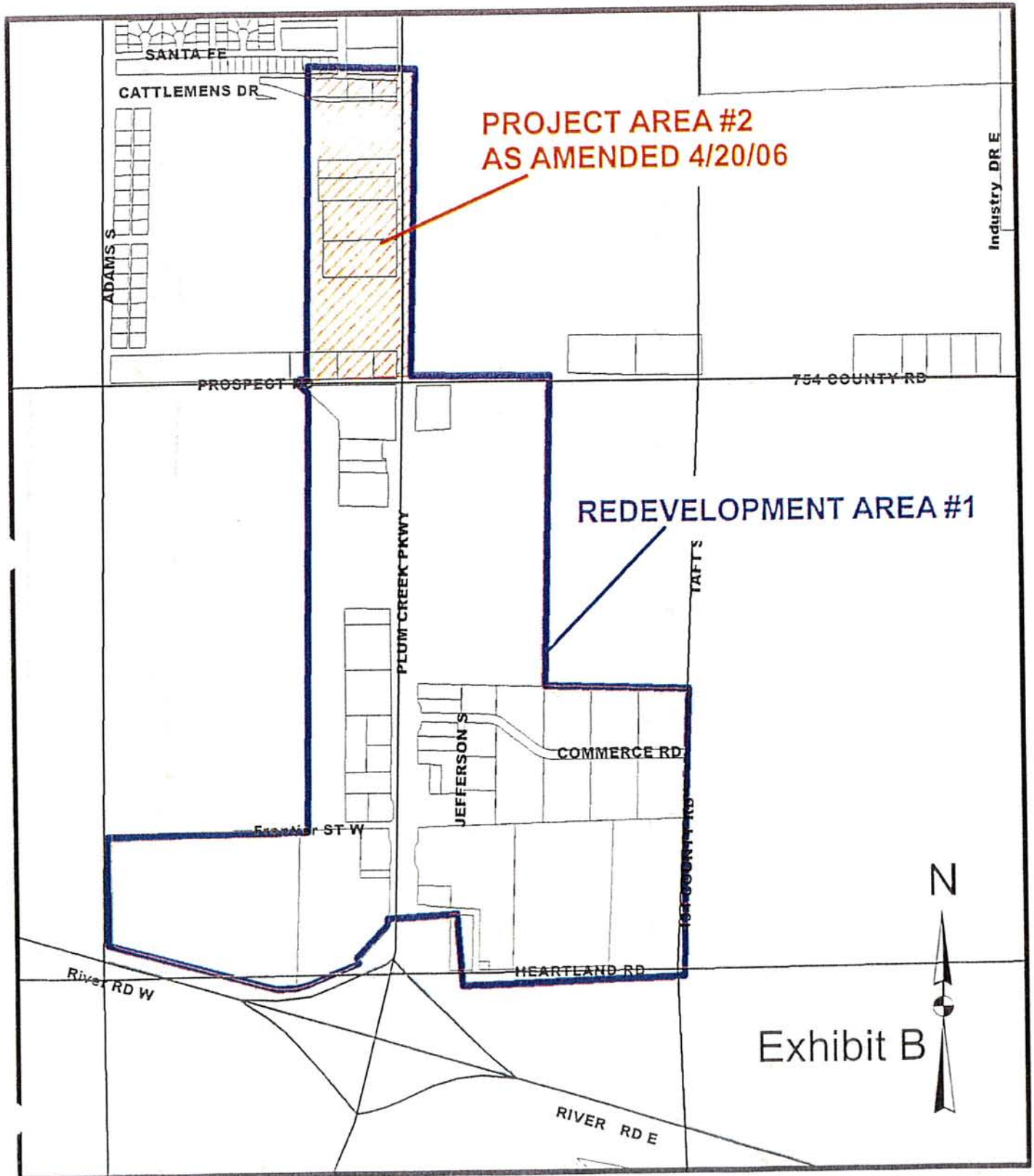


Exhibit B

Legal Description

A tract of land in the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of section Seventeen (17), Township Nine (9), Range Twenty-one (21) West of the 6th P.M. (6PM) in Dawson County, Nebraska, described as follows:

Beginning at a point which is 90.01' West along the North line of the Northeast corner of the Southeast Quarter of the Southwest Quarter; Thence Southerly deflecting 00 degrees, 14 minutes, 57 seconds east, a distance of 157.42'; Thence Southeasterly deflecting 059 degrees, 10 minutes, 09 seconds left, a distance of 23.29'; Thence Easterly deflecting 88 degrees, 53 minutes, 39 seconds east, a distance of 20.0'; Thence Southerly deflecting 00 degrees, 04 minutes, 17 seconds East, a distance of 175.0' along the westerly existing Highway 283 Right of Way line; Thence westerly deflecting 89 degrees, 57 minutes, 55 seconds West, a distance of 35.0'; Thence Southerly deflecting 00 degrees, 09 minutes, 28 seconds left, a distance of 94.60 feet; Thence West and parallel to the North line, a distance of 264.11'; Thence North and parallel to the East line of said Southeast Quarter of the Southwest Quarter, a distance of 439.0'; Thence West on the North line of the Southeast Quarter of the Southwest Quarter, a distance of 260.03'; to the place of beginning, EXCEPT a tract of land conveyed to The City of Lexington, Nebraska, by Deed dated 8/19/2002 and recorded in Book 2002, Page 3538; and containing 2.34 acres, more or less.