

**CITY OF LEXINGTON
LEXINGTON, NEBRASKA**

A Special Meeting of the Lexington City Council was held Tuesday, July 30, 2002, at the Lexington Municipal Building, located at 406 E. 7th Street, Lexington, Nebraska at 7:00 a.m. Members of the Council present were Mayor John Fagot, Ted Cook, Rick Klamm, John Salem, Steve Tomasek. City Officials present were City Manager Joe Peplitsch, City Attorney Willard Weinhold, Deputy City Clerk Shirley Lewis. Also present was Tydd Rohrbough representing Cornhusker Energy, and CRA Attorney Kevin Siebert.

NOTICE: Notice of the meeting was given in advance, 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. Notice of this meeting was simultaneously given to the Mayor and all the members of the Council, and a copy of their Acknowledgement of Receipt of Notice and the Agenda is attached to these Minutes. Availability of the Agenda was communicated in advance notice and in the notice to the Mayor and Council of this Meeting. 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 Mayor Fagot.

PUBLIC HEARING: Mayor Fagot opened the Public Hearing. CRA Attorney Kevin Siebert addressed the City Council reviewing the Redevelopment Plan and the Redevelopment Contract for Redevelopment Area #4. Following Mr. Siebert's presentation, Tydd Rohrbough representing Cornhusker Energy, addressed the City Council commenting on the need of proper infrastructure, and how this project will benefit the City. He also updated the Council on the status of permit applications. Following Mr. Rohrbough's presentation, Mayor Fagot closed the Public Hearing.

RESOLUTION: Resolution Number 02-14 was read by title. Moved by Klamm, seconded by Salem to approve the following Resolution. Roll call. Voting "aye" were Cook, Tomasek, Salem, Klamm, Fagot. Motion carried.

**CITY OF LEXINGTON, NEBRASKA
RESOLUTION NO. 02-14**

A RESOLUTION APPROVING A REDEVELOPMENT PLAN,
INCLUDING A REDEVELOPMENT CONTRACT; AGREEING TO
A PLEDGE OF TAXES IN A REDEVELOPMENT AREA; AND
APPROVAL OF RELATED ACTIONS.

WITNESSETH:

WHEREAS, the Community Redevelopment Authority of the City of Lexington, Nebraska ("Authority"), in furtherance of the purposes and pursuant to the provisions of Section 18-2101 to 18-2154, Reissue of Revised Statutes of Nebraska, 1997, as amended (the "Act") has recommended to the City of Lexington ("City") a Redevelopment Plan ("Redevelopment Plan") for blighted and substandard area #4 as designated by the City on May 13, 2002 in Resolution No. 02-08 (the "Redevelopment Area"); and

WHEREAS, pursuant to and in furtherance of the Act, the Authority published notice of a Request for Proposals for redevelopment of the blighted and substandard area targeted for redevelopment pursuant to

the Redevelopment Plan, and received a proposal from Cornhusker Energy Lexington, LLC (“Redeveloper”) to enter into a Redevelopment Contract in substantially the form attached hereto as Exhibit A, the terms and conditions of which are herein incorporated by reference (“Redevelopment Contract”), whereby Authority would agree to incur indebtedness and take other actions for purposes specified in the Redevelopment contract pursuant to the Act (the “Project”) for a specified area of the Redevelopment Area (the “Project Area”) and following consideration the Authority has recommended to the City approval of the Project;

WHEREAS, the Planning Commission has considered and recommended approval of the Redevelopment Plan, including the Redevelopment Contract;

WHEREAS, the City has published and provided notice of a public hearing on the date hereof with respect to the Redevelopment Plan and Redevelopment Project, has held such public hearing, and has considered all comments submitted at such public hearing;

WHEREAS, the City has made certain findings and pursuant thereto has determined that it is in the best interests of the City to approve the Redevelopment Plan and to enter into the Redevelopment Contract and to carry out the transactions contemplated thereby.

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

1. The City has determined that the proposed land uses and building requirements in the Redevelopment Plan and the Redevelopment 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 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.
2. The Authority has conducted a cost benefit analysis for the Project in accordance with the Act, and based on such cost benefit analysis the City hereby finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not occur in the Redevelopment 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.

3. Pursuant to Section 18-2147 of the Act, ad valorem taxes levied upon real property in the Project Area included or authorized in the Plan which is legally described in the attached Exhibit A shall be divided, for a period not to exceed 15 years after the effective date of this provision, which effective date shall be December 31, 2003 as follows:
 - 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 (as defined in the Act) 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 proportion of the ad valorem tax on real property in the Project Area in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Project shall be paid into the funds of the respective public bodies.
 - c. The Mayor and City Clerk are authorized and directed to execute and file with the Treasurer and Assessor of Dawson County, Nebraska, an Allocation Agreement and Notice of Pledge of Taxes with respect to the Project.
4. The City hereby approves the Redevelopment Plan, and authorizes and approves the Redevelopment Contract between the City, Authority and Redeveloper for the redevelopment of the Project Area, and hereby authorizes and approves the execution, delivery, and performance of the documents and transactions contemplated in the Redevelopment Contract.
5. The Mayor and City Clerk of the City are hereby authorized and directed to execute and deliver the Redevelopment Contract, in substantially the form presented at this meeting, but with such changes, additions or deletions as they deem reasonable or necessary, together with all documents, certificates or instruments contemplated thereby or necessary in connection therewith, and carry out all transactions and take all actions contemplated by the foregoing.

IN WITNESS WHEREOF, the undersigned members of the City Council of the City of Lexington, Nebraska, hereby pass and adopt this Resolution and this Resolution shall be published in pamphlet form and shall take effect as provided by law.

Dated: July 30, 2002.

John Fagot
Mayor

Ted Cook
Council Member

John Salem
Council Member

Richard Klamm
Council Member

Steve Tomasek
Council Member

ATTEST:

Shirley Lewis
Deputy City Clerk

ADJOURNMENT:

There being no further business to come before the Council, Mayor Fagot declared the meeting adjourned.

John Fagot
Mayor

Shirley Lewis
Deputy City Clerk

I, the undersigned Deputy City Clerk for the City of Lexington, Nebraska, hereby certify that all of the subjects included in the foregoing proceedings were contained in the Agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk during regular business hours prior to said meeting; that the Minutes of the Mayor and Council of the City of Lexington, Nebraska, from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meeting of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Lexington Deputy City Clerk