

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 safety from fire, panic, and other dangers, adequate provisions 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 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 the 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.

Ken H. Fyke

Mayor

[Signature]

Council Member

ATTEST:

Trinity Linn
City Clerk - Deputy



[Signature]

Council Member

[Signature]

Council Member

[Signature]

Council Member