

MINUTES
Town of Lexington
Executive Session and
Special Called Council Meeting
April 21, 2014

Town Council held an Executive Session on April 21, 2014 at 5:30 p.m. in the Eli Mack, Sr. Room followed by a Special Called Council Meeting and a Council Work Session at 6:00 p.m. The meetings were attended by: Mayor Steve MacDougall, Mayor Pro-Tem Hazel Livingston, Council Members Kathy Maness, Ted Stambolitis, Todd Shevchik, Todd Carnes and new Councilmember Ron Williams.

Staff members present were: Town Administrator Britt Poole, Assistant Town Administrator Stuart Ford, Municipal Attorney Brad Cunningham, Police Chief Terrence Green, Community and Economic Catalyst Johnny Jeffcoat, Utilities and Engineering Director Allen Lutz, Assistant Finance Director Laraine Wieder, Director of Parks, Streets and Sanitation Dan Walker, Planning, Building and Technology Director John Hanson, Events and Media Coordinator Jennifer Dowden, Assistant Municipal Clerk Karen Hanner, and Municipal Clerk Becky Hildebrand.

There were approximately fifteen (15) citizens, ten (10) Boy Scouts, and two (2) members from the news media present.

EXECUTIVE SESSION REPORT

Mayor MacDougall reported that the *Executive Session* was called to order at 5:30 p.m. after a motion was made by Councilmember Carnes and seconded by Councilmember Williams to go into *Executive Session*. The motion was unanimously carried. Council adjourned from *Executive Session* at 6:18 p.m. after a motion was made by Councilmember Maness and seconded by Councilmember Shevchik. The motion was unanimously carried. Mayor MacDougall reported that Council met in *Executive Session* to discuss: Four legal issues related to proposed sale of the Shirey's Building, financing for "Project Icehouse", proposal for extending sewer service to a subdivision, and Town Elections; two contractual matters related to Town events. No vote was taken. A motion was made by Councilmember Shevchik and seconded by Councilmember Stambolitis to ratify Mayor MacDougall's *Executive Session* report. The motion was unanimously carried.

INVOCATION, PLEDGE AND CALL TO ORDER: Mayor MacDougall welcomed everyone to the Special Called meeting. He introduced the Councilmembers and called on Councilmember Maness for the invocation. Boy

MINUTES
SPECIAL CALLED COUNCIL MEETING
April 21, 2014

Scout Troop #111, led by Scout Christopher Williams, led in the Pledge of Allegiance. Mayor MacDougall called the Special Council meeting to order at 6:22 p.m.

OLD BUSINESS

1. **Final Reading of an Ordinance to Sell Town Property at 101 West Main Street:** The Town received an offer to purchase the Shirey's building at 101 West Main Street and agreed in principle to a sales price of \$130,000 for the property. The sale would be for the footprint only, with a guarantee of a limited amount of parking. The sale amount of \$130,000 would be placed in the "Vision Plan Fund". (Copy of Ordinance attached.)

A motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Shevchik to approve Final Reading of an Ordinance to Sell Town Property at 101 West Main Street as stated. The motion was unanimously carried.

NEW BUSINESS

1. **Downtown Redevelopment Plan:** Tax Increment Financing (TIF) is one funding source for Project Icehouse and other downtown redevelopment. In order to issue TIF Bonds, the Town will have to follow State law to establish a TIF District. The requirements include in part the following:

- *Preparation of a Redevelopment Plan*
- *The TIF District must qualify as a "blighted area"; a conservative area"; an "agricultural area"; or, some combination of these categories.*
- *TIF funding may be used only for capital improvements.*
- *All projects financed with TIF funding must be "publicly owned".*
- *The participation of the overlapping tax districts requires their consent.*

The Icehouse Redevelopment Plan is now complete and includes estimated project costs and revenues. The overlapping taxing districts must be given forty-five (45) days to review the plan prior to the required public hearing (notice of the hearing must be published fifteen (15) days in advance). If the overlapping taxing districts do not raise any objections during the review period, they are assumed to have consented to the plan. The Redevelopment Plan will be delivered to the overlapping tax districts for their review and comment.

Budget and Finance: TIF financing utilizes the growth in property values (the "increment") within the District to provide funding for TIF Bonds. The overall financing plan under development in part contemplates a

MINUTES
SPECIAL CALLED COUNCIL MEETING
April 21, 2014

combination of TIF and Appropriation Bonds. The objective will be to obtain the best cost of funds for the Town.

A motion was made by Councilmember Maness and seconded by Councilmember Stambolitis to approve the Icehouse Redevelopment Plan. (Copy of IceHouse Redevelopment Plan, prepared by Miley & Associates, Inc., is attached.) Councilmember Williams confirmed that funding could come from other sources and would have to be used on projects in the designated area. The motion was unanimously carried.

2. **First Reading of an Ordinance to Establish a Tax Increment Financing District for Downtown Lexington:** Establishment of a Tax Increment Financing (TIF) District requires the adoption of an Ordinance in accordance with State law. The Ordinance establishes that the area qualifies and that the redevelopment plan has been prepared and approved by Council. Once the TIF District is established, TIF Bonds can be issued to fund improvement projects in the District. TIF Bonds will be one funding source for Project Icehouse and other downtown redevelopment. After the overlapping tax districts are given forty-five (45) days to review the Redevelopment Plan, the Town must hold a Public Hearing (notice of the hearing must be published fifteen (15) days in advance). If the overlapping taxing districts do not raise any objections during the review period, they are assumed to have consented to the plan and Final Reading can be given to the TIF District Ordinance. The Ordinance will incorporate elements of the Redevelopment Plan and will be finalized prior to the Public Hearing and Final Reading.

A motion was made by Councilmember Stambolitis and seconded by Councilmember Maness to approve First Reading by title only of an Ordinance to establish a TIF District for downtown Lexington. The motion was unanimously carried.

QUESTIONS FROM THE NEWS MEDIA: None.

PUBLIC COMMENTS: None.

CLOSING AND ADJOURNMENT: Mayor MacDougall thanked the Council Members and citizens for attending the Special Council meeting.

Mayor MacDougall called for adjournment of Council's Special Called meeting and to reconvene into Council's Work Session. There being no objections, the Special Called meeting was adjourned at 6:29 p.m.

MINUTES
SPECIAL CALLED COUNCIL MEETING
April 21, 2014

Respectfully submitted,

Becky P. Hildebrand, CMC
Municipal Clerk

APPROVED:

Steve MacDougall
Mayor

FOIA COMPLIANCE – Public notification of this meeting was published, posted and mailed in compliance with the Freedom of Information Act and the Town of Lexington requirements.