

MINUTES
Town of Lexington
Special Council Meeting

January 20, 2015

Town Council held a Special Council Meeting preceded by an Executive Session and the *Saxe Gotha-Lexington Public Facilities Corporation Meeting*, and followed by a Council Work Session (See separate Minutes) on January 20, 2015 at 6:04 p.m. in the Eli Mack Sr. Room. The meetings were attended by: Mayor Steve MacDougall, Mayor Pro-Tem Hazel Livingston, Council Members Kathy Maness, Ted Stambolitis, Todd Shevchik, and Ron Williams. Councilmember Todd Carnes was absent.

Staff members present were: Town Administrator Britt Poole, Assistant Town Administrator Stuart Ford, Municipal Attorney Brad Cunningham, Police Chief Terrence Green, Utilities and Engineering Director Allen Lutz, Finance Director Kathy Roberts, Economic Development Catalyst Johnny Jeffcoat, 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 was one (1) citizen present and no members of the news media were present.

CALL TO ORDER: Mayor MacDougall welcomed everyone to the Special Council Meeting. Mayor MacDougall called the meeting to order at 6:04 p.m.

Councilmember Maness gave the invocation. Councilmember Shevchik led in the Pledge of Allegiance. Mayor MacDougall called the Special Council Meeting to order at 6:04 p.m.

EXECUTIVE SESSION REPORT

Mayor MacDougall reported that the *Executive Session* was called to order at 5:15 p.m. after a motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Shevchik to go into *Executive Session*. The motion was unanimously carried by all those present. (Councilmember Williams was absent for the vote.) Council adjourned from *Executive Session* at 5:53 p.m. after a motion was made by Councilmember Shevchik and seconded by Councilmember Williams. The motion was unanimously carried by all those present. Mayor MacDougall reported that Council met in *Executive Session* to discuss: one legal issue regarding a proposed sale of Town property; two contractual matters related to Downtown economic development and a CCF Agreement; and one routine personnel matter. No vote was taken. A motion was made by Councilmember Maness and seconded by Councilmember Williams to ratify Mayor MacDougall's

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Executive Session report. The motion was unanimously carried by all those present.

NEW BUSINESS

1. **First Reading of an Ordinance to Authorize the Issuance of Corporation Bonds and BANs:** Saxe Gotha Lexington Public Facilities Corporation (the “Corporation”) was created as a non-profit corporation for the financing of public facilities for the Town of Lexington. The Corporation’s Board of Directors is comprised of Lexington Town Council and is a “blended component unit” of the Town of Lexington and as such is accounted for in the financial statements of the Town. The Corporation was initially utilized in the financing of Town Hall in 1994. The financing plan for the Ice House Redevelopment Project includes the issuance of Corporation BANs and Bonds to be funded from TIF Revenues. Any shortfall in payment of the Corporation Bonds from TIF Revenues will be reimbursed by the Town (subject to non-appropriation in any fiscal year by the Town Council). The overall result will be to provide sufficient assurance of repayment to allow the Town to obtain much more favorable financing costs as compared to a stand-alone TIF Bond. Accordingly, Town Council needs to adopt an Ordinance to approve the issuance of Corporation Bonds and BANs. The overall financing plan will provide for the most favorable rates and terms to the Town and thereby minimize financing cost for the Redevelopment Projects. (Copy of proposed Ordinance attached.)

A motion was made by Mayor Pro-Tem Livingston and seconded by Councilmember Stambolitis to approve First Reading of an Ordinance to authorize the issuance of Corporation Bonds and BANs as stated. Councilmember Stambolitis confirmed that there is approximately \$1M left on the building Bond with several more years to term. The motion was unanimously carried by all those present.

2. **Ice House Redevelopment Project Area Tax Increment Bond:** In September, 2014, Town Council adopted the Ice House Redevelopment Plan and created the related Tax Increment Financing (TIF) District for financing the redevelopment projects identified in the Redevelopment Plan. The attached Ordinance authorizes the issuance of TIF Bonds, provides for their repayment solely from the incremental revenues generated by the TIF District and covers related matters. As part of the overall financing plan, the Town will sell the TIF Bond to the Saxe Gotha Lexington Public Facilities Corporation.

The overall financing plan provides for the issuance of TIF Bonds funded by TIF revenues. In order to obtain the most favorable interest rates, Saxe Gotha Lexington Public Facilities Corporation will purchase the TIF Bond with the issuance of Revenue Bonds. The Town of Lexington will, by

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Reimbursement Agreement with Saxe Gotha Lexington Public Facilities Corporation, agree to cover any shortfall in Revenue Bond debt service resulting from insufficient TIF revenues (reimbursement subject to non-appropriation in any given fiscal year).

A motion was made by Councilmember Stambolitis and seconded by Councilmember Shevchik to approve First Reading of an Ordinance to issue Ice House Redevelopment Project Area Tax Increment Bond, Series 2015. The motion was unanimously carried by all those present.

PUBLIC COMMENTS: None.

QUESTIONS FROM THE NEWS MEDIA: None.

CLOSING AND ADJOURNMENT: Mayor MacDougall thanked the Council Members and Staff for attending the Special Council meeting and called for adjournment of the meeting. A motion was made by Councilmember Maness and seconded by Councilmember Shevchik to adjourn at 6:10 p.m. The motion was unanimously carried by all those present.

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.