

REGULAR MEETING OF THE LEXINGTON CITY COUNCIL**AUGUST 28, 2017****7:00 P.M.**

The regular meeting of the Lexington City Council was called to order at 7:00 P.M. by Mayor Spencer Johansen in City Council Chambers at City Hall.

Mayor Johansen led the council in the Pledge of Allegiance.

Roll call was taken to find the following physically present: Mayor Johansen, Alderman Schreiber, Alderwoman Wilson, Alderman Colclasure, Alderman Richard, Alderman Stover and Alderman Fosen. Members of the staff and public present were: Lyndel K Armstrong, Karen Wingo, David Belvery, and Invenergy representatives Kevin Parzyck, Teresa Trella and Ariana Martino.

It was moved by Alderman Colclasure and seconded by Alderwoman Wilson to approve the minutes of the August 14, 2017 regular City Council meeting. Motion carried unanimously.

It was moved by Alderman Fosen and seconded by Alderman Stover to approve the Treasurer's Report and pay bills in the amount of \$27,671.12 which included some engineering fees on the water plant. Motion carried unanimously.

Public Input: None

Old Business: Consideration/Vote on Lease for New Dump Truck: This is no longer an issue as bank was making it too complicated to borrow the money. They were asking questions that we will not know the answer to till the water treatment plant is complete. We will now go ahead and pay for the truck out of the existing funds.

New Business: Consideration/Vote on Resolution 2017-2 TIF funds for Thrift Avenue: This grant has been in the works for two months due to the transition between the old City Council and the new City Council. Let Karen Wingo speak on behalf of the request.

Karen is partners with Lyn Armstrong and are repurposing and up-purposing the port a potty shed located on the corner of RT 66 into a retail business with all new plumbing and electrical. Took out the propane and put in Nicor gas and new signage, up graded the parking lot and a new mural. She will have RT 66 items and is trying to gear all items around Lexington. She is having Lexington put on everything and not her shop. She is involved with RT 66 Assn. and involved with Kelly's on 66. She wants to be a RT 66 information Center because of her location. Dedicate her lobby to Lexington and RT 66. She has information for all businesses on her walls and large sign to show all business, photo ops inside, and decals with Lexington under

it. They have put in ADA bath rooms, and are working hard to make it a Lexington location not just Thrift Avenue.

They have a really good layout and good quality of items and furnishing and what she has to offer is a significant investment as to what is requested in the \$10,000 grant. There was a \$28000+ investment alone in the mechanical upgrade for the building. Just the upgrade for this building and a gateway to RT 66 without the City needing to put work into this is a tremendous opportunity for Lexington. RT 66 travelers love to spend money so this type of business is huge for Lexington. The opportunity to have a RT 66/Lexington visitor center is huge for Lexington. Motion was made by Alderman Fosen and Seconded by Alderman Stover to approve Resolution 2017-2 for Thrift Avenue. Motion carried unanimously.

Discussion from Invenergy: This is a Great opportunity that surrounds the area. Invenergy is working on a project in the area and are getting closer and closer to the actually building of their project. They are approaching the City to talk about the set back of one and one half miles from the City limits. In order for them to complete their project of installing Wind Turbines in this area they will need for the City to pass a resolution approving the installation of 11 windmills within a mile and one half setback. McLean County does the zoning but the City must approve the location of each turbine.

Invenergy is based out of Chicago and is the largest developer of wind projects and are not associated with a larger utility. We are a standalone corporation. They have developed 1000s of turbines all over the U.S. from Oregon to New York to Texas. Kevin Parzyck is responsible for the mid-west area and has done several projects in Illinois and is in charge of the project here in McLean County. This project will impact all communities in this area, taxation as well as landowner fees. We are very close to the point that we have sufficient land signed up to site turbines and to the point that we are ready to make permit application to the Council. We are finalizing final locations.

We site the turbines and get the permits. All turbines are connected with underground cables. We try to daisy chain about 15 turbines together. We try to optimize layouts, but not put them too closely together or too far apart. The farther apart you are the more line loss you have. We Pull all turbines to a common locations, activate the lines and dump onto a grid.

When Invenergy builds a project all the money is put up front. This is a 250 megawatt project. We are looking at a \$300 million project. There is a debt component and an equity component to our project. We own and operate these projects throughout their lifetimes. The power that we generate we dump in into a grid and sell it to an entity: a utility, industrial, Apple Computers, data center. Basically put it into the grid and then various financial transactions to sell the power. We generally come up with a 20, 25, 30 year deal.

My team's job is to put the plan together, get the insurance, county permits, etc. Financing is out of Chicago we have our own construction companies. And utilities like to come back to work with us as we deliver a high quality product. Mclean County ordinance is final phase and you need to approve the mile and one half set back.

We very much want to work with Lexington. We have put our office here in Lexington. We participate in community events and feel we bring value to this community. Our desire is to have the tax revenue come back into the community. The turbines that we place around Lexington will allow more tax revenues to flow into the Lexington schools and Townships, etc. We have 11 turbines with in your approval zone that meets all county zone approvals. We will be submitting our approval permit with in approximately three to four months. We have had discussions with Dwight Strickland at the school as to how many dollars would be brought in by these turbines

We have come here this evening to open discussion with you to hear your thoughts as we move thru our process if we do not put the turbines in this area they will probably go to an area North and West of Lexington. We have other options but feel it is more advantages to put them closer to the transmission lines and closer to Lexington

A ballpark figure for the School District would be \$400,000 over the 30 year life of one turbine. If they put up 11 turbines the School District would be looking at \$5M. That is a lump sum over the 30 years. Looking at \$22,000 per turbine in the first year, 10 turbines would be \$220,000.

Invenergy does have maps of the proposed sites in there office for those who wish to stop in and look at them. You may stop in for a discussion of the overall project. This project is a crescent shaped project beginning in Lawndale Township thru Lexington Township, under 55 into Money Creek and North to Gridley Township.

So much of what we do is working with landowners. Signing the leases, making sure the underground cables are on private property, we don't use any rights- of-way. Everything is from private property to property. There are times when there is a property that you can't get and you may not be able to access a turbine so you will need to put it someplace else. That is why you need to have all your land signed up before you go in for you county permits. We observe all home, noise and property line setback limits. If property is sold, all agreements transfer to the next owner. The turbines typically occupy less than an acre of land. When we lay our underground lines if we break a tile we repair those, if there is any loss of production, we compensate the landowner. When we break a tile we take a picture with GPS location and provide that to the land owner. Ground cables are trenched into the ground and consist of five cables with one being a ground. They are made to last forever and are built with future growth in mind. As a precautionary measure they also have someone watching behind the trencher for broken tile so they are flagging whenever a tile is broken so they ca be repaired right away.

So, the way that we make our money on each project is: Each project is an LLC. This one is Mclean County LLC. We will raise the money to build this project. It is a stand lone entity and that entity can be sold. Someone will buy the energy under a long term agreement. You factor in the cost of the debt and the cost of construction there is an established return and you have a very good estimate of the power you will generate in the end. People say wind goes up and down but wind energy is consistent over the years. If you have an agreement to sell that power over the next 25 years your business is right there. You have no commodities to worry about. In other words there is nothing to consume or buy like natural gas which the price can fluctuate. That is why you will see almost a consistent cost over the life of the project.

The turbines are under a rigorous maintenance schedule to make them last as long as possible because that is how they make their money. There are turbines in California that have been running for 30 years. Turbines are built by GE and built in the USA. County Ordinance has rules in place for decommissioning the turbines.

Our original land leases are usually a seven year contract. There is also an acreage payment as well. We are signing up wind rights for these projects we are not signing up land rights.

Aldermen were asked to think about this and draw their own conclusions, we are making a judgements on landowners that are not within the City limits. We are imposing our will on non- city dwellers and non-city voters, but keep in mind that they may be outside the city limits they are all inside the School District and the Park District. The turbine issue creates a lot of emotion on each side and is something the Council will need to take a good look at before making any decision.

Invenergy was asked to put some numbers together as to how the City, School and Park Districts would benefit from the turbines and will each tax payer's share be lower with this benefit? There is a map of possible sites at their offices. Anyone is welcome to come and look at the map. They have about 80-90% finished of their land leases. They were also asked to put together a draft resolution for the Mayor to look at that will be used as a starting point. This will be ready for discussion at the next meeting on September 11, 2017.

Discussion on Closed Minutes Session Review: This review was just completed in April 2017 by Alderman Richard and Alderman Stover. There have been no closed meetings since that time. They agreed to look at the closed Minutes and review again.

Committee Reports:

Mayor's Report: Lexington Night at Cornbelters was good. The Mayor threw out the first pitch.

He has had another conference call with the Governor's office and they are in need of a table to register some motorcycles. The Chief is still waiting to hear from the State Police contact as to their security needs so he can prepare. The Governor's office is going to take care of that.

The Chief will be showing everyone the new squad car after the meeting.

Bill is going to get VIN numbers for what we are going to sell at the auction. The question was asked, what are we going to do with the money from the auction?

The question was asked, what we are going to do with the buildings around the park once the water plant is going. The Mayor has talked to someone wanting to build a small business district. Keeping the existing buildings but divide them up with separate businesses in them. We need to put a building up for storage of trucks or adding on to this building and go to food pantry. We also need to put a cover on the bins for salt.

Police: We have the new squad car and we have a grant for new cameras in the squad car and hope to have them installed tomorrow, August 29, 2017.

Building/Insurance:

Finance/TIF: I have a lot of back ground work to do to research on the TIF changes before harvest to have it ready in December. Ideas and thoughts on grants versus loans.

Have you talked to one of our TIF grants who has not used their TIF funds? It has been nearly as year and I was wondering if there was a problem. I think we should set a deadline of a year to address this problem. The Mayor will follow thru with this TIF grant recipient.

Water/Sewer/Sanitation: The new water treatment plant is 95% done but the IT is not. We want to make sure they do not rush that too fast as they have to insure it for a year.

Water testing has ruined a crop and a farmer has been in complaining.

Street/Alley:

The yard across from the COCU Church looks much better.

There was some discussion about parking on a City street in the Keller Park. The Chief commented that it had all been taken care of.

There being no further business motion was made by Alderman Richard to adjourn at 8:22 p.m. Motion Carried by unanimous voice vote.

Respectfully submitted,

By Pati Pease

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City Clerk

Approved: September 11, 2017