

2011

OSAGE COUNTY

Neighborhood Revitalization Plan

Osage County Economic Development

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NEIGHBORHOOD REVITALIZATION PLAN

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NEIGHBORHOOD REVITALIZATION PLAN

Neighborhood Revitalization Property Tax Rebates Osage County, Kansas

Part 1 Mission

The mission of this Neighborhood Revitalization Plan, as provided by K.S.A. 12-17, 114 et seq, is to utilize the Neighborhood Revitalization Property Tax Rebate program to promote revitalization activities such as redevelopment, rehabilitation and conservation. Rebates are to be utilized as an incentive to stimulate investment necessary for the achievement of the revitalization activities within Osage County. This can be accomplished by stimulating new construction of commercial and agricultural properties, and the rehabilitation, conservation or redevelopment of residential, commercial and agricultural properties within the revitalization area. New residential living unit construction (infill) can be developed within the municipalities participating in this program.

Part 2 Objectives

In accordance with K.S.A. 12-17, 114 et seq, the Kansas Neighborhood Revitalization Program, uses property tax rebates to provide incentives to revitalize designated areas or districts determined to be in need of improvement.

Osage County has adopted the following primary objectives for revitalization efforts:

1) to promote redevelopment, rehabilitation, or conservation of existing residential, agricultural, and commercial properties, and; 2) new construction for commercial and agricultural properties, and; 3) construction of new residential living units (infill) within the designated areas in municipalities and unincorporated areas of the county.

The Kansas Revitalization Program outlines specific criteria for property to be eligible for the program. Osage County has a multitude of conditions detrimental to a growth oriented community. Conditions identified as a barrier which impair city or county growth include:

- Properties which exhibit physical or functional obsolescence
- Conditions which have retarded adequate housing accommodations
- Conditions which have manifested an economic or social liability to the community

All projects must clearly demonstrate ability to achieve social and/or economic benefit for the residents of Osage County; i.e. at least one of the above mentioned objectives must be met.

Part 3 Statement of Findings

Through the course of examining recent activities plus demographic information, it appears that Osage County exhibits characteristics of being economically disadvantaged with ensuing community deterioration. Informational highlights are provided as follows.

The Bureau of Economic Analysis U.S. Department of Commerce, Bear Facts 1994-2004, indicates that for year 2004 Osage County had a per capita personal income of \$24,880 with the State average being \$32,866 and National average of \$34,471. Osage County's per capita personal income was 76% of the State average and 72% of the National average.

The U.S. Department of Commerce states that one qualification for its definition of "Economically Depressed Area (EDA)," is a per capita income not more than 80% of the national average. Thus, Osage County does in fact qualify for the EDA program and other benefits, as an Economically Depressed Area.

The Osage County's Appraiser's office lists 6,107 total residential properties for the year of 2010, of which 1.02% (62) are rated at excellent physical condition, 14.77% (902) good, 70.23% (4,289) average, 9.69% (592) fair, 3.41% (208) poor, 0.88% (54) unsound. Osage County participation in the Revitalization Program will target the properties rated average to unsound. Note: the total residential properties do not include manufactured homes commonly referred to as "mobile homes."

The U.S. Census Bureau Quick Facts for year 2000 lists median value of owner occupied housing for Osage County at \$67,600, a State of Kansas average of \$83,500, and USA average of \$119,600. One goal of the Osage County Neighborhood Revitalization plan shall be to promote rehabilitation sufficient to increase county property values consistent with State and Federal averages.

The U.S. Census Bureau 2000 information also states that 28.6% (2,005) of residential properties in Osage County were built before 1939, 13.1% (921) were built from 1940 to 1959, and 31.5% (2,208) built from 1960 – 1980. This information indicates aged structures that may potentially be in need of rehabilitation.

Incorporated cities in Osage County report a total of 470 Commercial properties, of which 20% are either under utilized or vacant, i.e. not being utilized at their highest and best use. Commercial buildings that exhibit characteristics associated with dilapidation, deterioration, and obsolescence will also benefit from the Osage County Neighborhood Revitalization Plan. Rehabilitation efforts often enable a commercial property to return to full and productive use.

The Kansas Department of Agriculture, Agricultural Statistics for 2005 lists 920 farms in Osage County. The buildings in the agricultural sector experience many of the same detrimental characteristics as commercial property, i.e. dilapidation, deterioration, and obsolescence. There are numerous opportunities to enhance farm based value in the areas of agriculture, Agritourism and Ag related bio technology. The Revitalization Plan could

serve as a useful incentive to expand or enhance opportunities. Any activity proposed must comply with zoning regulations.

A county-wide Neighborhood Revitalization Plan should be viewed as an essential tool for promoting growth and expansion within each of our area-communities. Economic or community development efforts will be able to utilize this Plan as one means of “championing” the local area-community.

Part 4 Proposed Remedy

As a means of effectively combating economic and community deterioration, modern methodologies will be examined for value. Overcoming barriers to growth will be achieved by the implementation of strategies based on the following guiding principles:

- * Business and entrepreneurial education will build skills for succeeding in business enterprises
- * Incentive packages will provide a means to engage the marketplace for opportunities
- * Building community capacity will serve business, workforce, and residential needs
- * Proactively managing development will enhance the position of Osage County’s future

A county-wide Neighborhood Revitalization Plan should be viewed as an essential tool in the overall Incentive Package. The revitalization plan will be utilized to actively promote growth and expansion, i.e. as associated with a vital and prosperous community.

Part 5 InterLocal Agreement

In light of information provided within the above Statement of Findings, and pursuant to K.S.A. 12-2901 et seq, Osage County requests that all governing bodies with taxation authority within Osage County participate in an InterLocal Agreement for Neighborhood Revitalization. The purpose of the Osage County Neighborhood Revitalization plan is to promote economic development through the Kansas Neighborhood Revitalization Property Tax Rebate Program. These opportunities can be enhanced by the participation of all municipalities in the county.

Affected municipalities in Osage County include the following entities:

- City of Burlingame
- City of Carbondale
- City of Lyndon
- City of Melvern
- City of Osage City

- City of Overbrook
- City of Scranton
- City of Quenemo

School Districts

- Unified School District #420 Osage City
- Unified School District #454 Burlingame
- Unified School District #456 Melvern
- Unified School District #421 Lyndon
- Unified School District #437 Auburn-Washburn
- Unified School District #330 Mission Valley
- Unified School District #450 Shawnee Heights
- Unified School District #434 Santa Fe Trail

Townships

- Elk
- Burlingame
- Ridgeway
- Dragoon
- Valley Brook
- Lincoln

Osage County Fire Districts

- Osage County Fire District #5
- Osage County Fire District #6

Governing bodies providing official signatures joining in the InterLocal Agreement attest to their support and willingness to participate in the Osage County Neighborhood Revitalization Plan as presented in this document.

Part 6 Designation of Revitalization Area

The designated revitalization area of Osage County includes, and is described as:

All non-publicly owned areas of the County and the corporate limits of all cities, which are parties to the Osage County Neighborhood Revitalization Plan, See Attachment 1 Neighborhood Revitalization Area Map.

| These documents shall also be on file at the Osage County Register of Deeds Office.

Part 7 Establishment of a Neighborhood Revitalization Fund

After the adoption of this Revitalization Plan, a corresponding Revitalization Fund will be established to finance the project. Any incremental increase in valuation resulting

from improvements made to property located within the designated Revitalization Area may be credited to the Revitalization Fund for the purpose of returning all or a portion thereof back to the tax payer in the form of a rebate.

Part 8 Appraised Valuation of Real Property

The existing appraised valuation of the real property in the proposed revitalization area, listing land and improvements values separately are on record at the Osage County Appraiser's office.

Part 9 Listing of Owners – of Record within the Revitalization Area

The names and addresses for owners-of-record of real-property within the proposed revitalization area are on record at the Osage County Clerks Office.

Part 10 Existing Zoning Classification and Boundaries

Existing zoning classifications with corresponding boundaries are on record at the Osage County Land Use.

Part 11 Existing and Proposed Land Uses

According to Osage County Land Use and Subdivision Regulations, conditional use permits will be pursued as warranted in accordance with governing authority procedures.

Part 12 Capital Improvements Planned for Revitalization Area

All public facilities, infrastructure, and utilities will continue to be maintained as part of the routine operations. Specific needs for the upgrading of existing, or addition of new public capital improvements are expected but currently unidentified.

Part 13 Applicant Eligibility

- 1) Applicant must demonstrate ownership plus full time usage or occupancy; or
- 2) If applicant is a tenant, a copy of the lease contract providing proof of leasehold interest indicating lessee is responsible for all ad valorem taxes, plus full-time usage OR occupancy.
- 3) Any applicant approved for, or participating in, this tax rebate program shall be required to meet or maintain ANY other compliance mandates as required by Federal, State, or local governing authorities.
- 4) Applicant must be timely in their efforts for program application and participation.
- 5) Applicant purchasing property pursuant to an installment contract and who has an equitable interest in the real property is eligible to apply. The applicant

must demonstrate to the County that the applicant is contractually responsible to pay all the real property taxes.

Part 14 Property Eligibility

References for property eligibility are listed below.

Residential Property

- 1) Rehabilitation, alterations, and additions to any existing residential structure shall be eligible.
- 2) New residential living units will qualify for the Revitalization program if built in the incorporated city limit boundaries.
- 3) **Replacement of residential property in unincorporated areas of the County.** Replacement of a residential living unit in the unincorporated area of the county will be eligible if the new residence is located on the original building site. The replacement structure must be located within 200ft of the existing residence. The residence being replaced must be demolished and debris removed as a condition of eligibility. There shall be no surface evidence of the original residence.
- 4) Eligible residential property may be located anywhere within the designated revitalization area.
- 5) Improvements to existing or construction of new residential accessory structures such as garages, gazebos, storage buildings, workshops, swimming pools, etc. shall not be eligible.

Historical Properties

Properties listed on the Federal or State Historical Register shall be eligible.

Commercial/Industrial

- 1) Rehabilitation, alterations, and additions to any existing commercial structure used for retail, office, manufacturing, warehousing, institutional, or other commercial or industrial purposes shall be eligible.
- 2) Construction of new commercial structures, including the conversions of all or part of a non-commercial structure into a commercial structure, used for retail, office manufacturing, warehousing, institutional, or other commercial or industrial purposes shall be eligible
- 3) Improvements to existing or construction of new structures used for public utility or railroad purposes shall not be eligible.
- 4) Eligible commercial or industrial property may be located anywhere within the designated revitalization area.

Agricultural Properties

- 1) Rehabilitation, alterations and additions to any existing building used and classified for tax purposes as agriculture shall be eligible.

- 2) Construction of new structures used for agriculture purposes or agri-tourism activities shall be eligible.

The deadline for completion of each proposed project is 12 months.

Part 15 Requirements for Program Participation

- 1) Construction or renovation activities must have commenced on or after the effective date of enactment of this Neighborhood Revitalization Plan and application approval.
Effective date shall be defined as the point in which all entities with a taxation authority interest have provided an official signature accepting all Revitalization Plan documents.

Effective Date: _____ Application Approval Date: _____

- 2) Application for property tax property tax rebate must be filed within 60 days of the issuance of a corresponding building permit and prior to starting construction. All applicants applying for building permits should be advised of the Revitalization Plan at the time of permit inquiry.
- 3) Any taxable property owned by an applicant must be current to date in tax payments.
- 4) During participation in this tax rebate program, applicant shall be required to keep tax payments and/or special assessments current. If delinquency occurs for any reason, the property's participation in the rebate program will be terminated.
- 5) During participation in this tax rebate program, applicant shall be required to meet or maintain all eligibility criteria as outlined in this Revitalization Plan.
- 6) All tax rebate awards will be based on the incremental increase in property tax valuation following the first full year after project completion- the rebate period timeline will initiate at this point.
- 7) Construction and/or renovation should be completed within twelve months of application approval. An extension can be granted by the Osage County Commissioners under conditions of duress or special circumstances.
- 8) Tax rebate schedules are transferable upon consummation of a legitimate sales transaction. Transference of real property must be recorded in the Osage County Register of Deeds office. Rebates will continue to be awarded only if eligibility is maintained.

Part 16 Application Process

A completed “Application for Property Tax Rebate” must be filed with the County Appraiser’s office to qualify for program participation. Application must be submitted before construction begins to qualify for program participation. An interior and exterior inspection may be required as a condition of the application approval. When the project is completed, the Osage County Appraiser’s office will perform an interior and exterior inspection upon completion.

A non-refundable processing fee of \$125.00 must be paid with the initial application. There will be a \$50.00 extension fee. If the improvements to the property do not meet the required eligibility criteria as outlined in the Kansas Revitalization Plan to qualify for the tax rebate, the processing fee will be refunded by the Osage County Treasurer Office. There will also be a \$25.00 annual processing fee which will be deducted from the program participant’s annual rebate.

Part 17 Revitalization Plan Time - Period

The Osage County Neighborhood Revitalization Plan shall commence in the year 2011 and applications will be accepted until December 31, 2015.

Part 18 Revitalization Plan Revision and Review

This Revitalization Plan will be reviewed within five (5) years of the effective date; at which time the InterLocal Agreement signatories will consider modifications. This Plan can be modified at any time by the Board of County Commissioners with the consent of participating municipalities.

Part 19 Osage County Neighborhood Revitalization Tax Rebate

Residential: A 15% of the current appraised value minimum improvement must be made to the real property to qualify for this program. The proposed plan does not allow new construction in unincorporated areas. New construction (infill) will be considered in participating city limits. The improvements to the residential living unit must increase the appraised value by a minimum of 15%.

The First year rebate is 100% of the increase in tax due to improvement.

The Second year rebate is 90% of the increase in tax due to improvement.

The Third year rebate is 80% of the increase in tax due to improvement.

The Fourth year rebate is 70% of the increase in tax due to improvements.

The Fifth year rebate is 60% of the increase in tax due to improvements.

Commercial: A 25% of the current appraised value minimum improvement must be made to the real property to qualify for this program. Eligible commercial property may be located anywhere in the Neighborhood Revitalization area. New construction for commercial property may be accepted anywhere in the Neighborhood Revitalization area.

The First year rebate is 100% of the increase in tax due to improvement.
The Second year rebate is 90% of the increase in tax due to improvement.
The Third year rebate is 80% of the increase in tax due to improvement.
The Fourth year rebate is 70% of the increase in tax due to improvements.
The Fifth year rebate is 60% of the increase in tax due to improvements.

Agricultural – A 15% of the current appraised value minimum improvement must be made to the real property to qualify for this program.
Construction of new structures used for agriculture purposes shall be eligible.

The First year rebate is 100% of the increase in tax due to improvement.
The Second year rebate is 90% of the increase in tax due to improvement.
The Third year rebate is 80% of the increase in tax due to improvement.
The Fourth year rebate is 70% of the increase in tax due to improvements.
The Fifth year rebate is 60% of the increase in tax due to improvements.

Part 20 Other Eligibility Criteria

Please note this Plan has no workforce requirements. However, any project not directly contributing to one or more of the Objectives, as stated in this document, may be at risk of non-approval of the initial application or subsequent year re-application.

Based upon this criterion, the governing bodies as outlined in the InterLocal Agreement, and by a simple majority vote; reserve the right to reject or terminate any application clearly not meeting one or more of the Objectives.

The governing bodies also reserve the right to amend this document as may be required by any superior governing authority or as otherwise determined to be beneficial to the process.

Application Contents

Applications for tax rebates must include the following information. Please note that additional information may also be required.

General Information:

- 1) Owner's name and mailing address with telephone and other contact information
- 2) Property address with full legal description, including parcel number
- 3) Building permit number
- 4) Proposed property use with planned improvements
- 5) Estimate cost of improvements
- 6) Proof of historical register listing if applicable
- 7) List of buildings proposed to be or actually demolished
- 8) Applicant must consent to an onsite interior and exterior inspection to be conducted before construction begins and after completed

Commencement of Construction:

- 1) Date for construction commencement, and
- 2) Estimated completion date of construction activities

Application Procedures

- 1) Prior to submitting an application for a Neighborhood Revitalization Tax Rebate, interested parties must first obtain a building permit from the appropriate governmental entities if applicable.
- 2) Application Packets for a Neighborhood Revitalization Tax Rebate can be obtained from the Osage County Appraiser's Office, Osage County Clerk's Office, or local city municipality and can be obtained on the Osage County Economic Development website.
- 3) The applicant shall complete and sign Part 1 of the packet and file it with the Osage County Appraiser's Office within sixty (60) days following issuance of the building permit and fifteen (15) days prior to the start of construction. A \$125.00 processing fee must accompany the initial application. Part 2 of the application should be submitted with in fifteen (15) days of completion of the project.

NOTE: Applications must be approved before construction activities may commence.

- 4) The County Appraiser shall examine Part 1 of the application and forward it with the appropriate comment and recommendation to the Board of Osage County Commissioners for approval. The Osage County Clerk will notify applicant in a timely manner indicating approval status in accord with Plan guidelines. The final determination of eligibility for participation of the program is based upon the actual increase in valuation of the real property.

If Part 1 is not approved, a remedy to correct an incomplete application shall be provided by the County Commission.

- 5) The County Appraiser's Office shall maintain an individual file on each application to be inclusive of all associated information and shall provide file copies for general information and notification to all relevant parties.
- 6) The applicant shall complete and sign Part 3 of the packet and file it with the Osage County Appraiser's office within fifteen (15) days following the completion of the project.
- 7) On or before January 1, after completion, the Osage County Appraiser will conduct an on-site inspection of the project to determine a new valuation of the property. The valuation is then reported to the County Clerk with the tax records being revised as necessary.

- 8) Notification from the Osage County Appraiser's Office will be provided to the applicant before June following the completion of the project.
- 9) When tax payment is paid in full a rebate will be issued by the Osage County Treasurer with in 30 days of the next distribution date as specified by KSA 12 1678(a).

If an applicant files and pursues any appeal of property tax findings pursuant to KSA 79-2005 such as payment of taxes under protest the property is not eligible for rebate until the appeal is complete.

Part 21 Implementation and Administration

Assistance with the implementation and administration of this Plan will be provided by the following: Osage County Board of County Commissioners, Osage County Appraiser, County Clerk, County Treasurer, County Counselor, League of Kansas Municipalities, and other as necessary.

Please note that property appraisal, valuation, and determination of tax liability are governed by separate authorities and are not part of the Revitalization Plan process.

Awarded Tax Rebate Schedules shall be applicable to any change in assessed value or mill levy during the participation of the program.

Approval of an application may be withdrawn if application or other information provided by applicant or participant is erroneous or fraudulent in nature.

ATTACHMENT #1

SECTION Part 6

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Area Map

Osage County Attachment 1



