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Journal World  
ORDINANCE NO. 1365

AN ORDINANCE ADOPTING A NEIGHBORHOOD REVITALIZATION PROGRAM AND DESIGNATING A REVITALIZATION AREA, ALL AS PROVIDED FOR IN K.S.A. 12-17, 114 et seq., NEIGHBORHOOD REVITALIZATION ACT, AND AUTHORIZING THE CITY OF BALDWIN CITY TO ENTER INTO INTERLOCAL AGREEMENT TO PROVIDE FOR THE IMPLEMENTATION OF THE PLAN.

WHEREAS, the City Council of the City of Baldwin City, Kansas, pursuant to the authority provided in K.S.A. 12-17, 114 et seq. wishes to adopt a plan to assist the revitalization of properties situated within the boundary of the city limits of the City of Baldwin City; and

WHEREAS, the City Council of the City of Baldwin City, Kansas, pursuant to public notice did advertise the a public hearing for March 7, 2017, in the local newspaper, Lawrence Journal World for two consecutive weeks and published the public hearing notice on February 6, 2017 and February 13, 2017; and

WHEREAS, the City Council of the City of Baldwin City, Kansas, pursuant to public notice did hold a public hearing on March 7, 2017, to hear and consider public comment on the Neighborhood Revitalization Program.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF BALDWIN CITY, KANSAS:

SECTION 1. Neighborhood Revitalization Program. That the City Council does hereby adopt the Neighborhood Revitalization Program, attached herein, labeled as Exhibit A and incorporated by reference, as if fully set forth herein.

SECTION 2. Designation of Neighborhood Revitalization Area. That the City Council hereby designates the real property described in Part 1 of the Neighborhood Revitalization Program as the Neighborhood Revitalization area, finds that the following conditions exist within said Area: 1) a predominance of buildings which, by reason of age, history or architecture, are significant and should be restored to productive use, and finds that the rehabilitation, conservation and redevelopment of said area is necessary to protect the health, safety and welfare of the residents of the City of Baldwin City; (2) an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present condition and use; or (3) an area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.

SECTION 3. Neighborhood Revitalization Fund. That the City Council does hereby create a Neighborhood Revitalization Fund to finance the redevelopment of the revitalization area and to provide a rebate of property tax increments, as set forth in the revitalization plan.

SECTION 4: This Ordinance shall take effect on its passage and upon its publication as required by law.

Passed by the City Council this 7<sup>th</sup> day of March, 2017.

Marilyn Pearce  
Marilyn Pearce, Mayor



Laura E. Hartman  
Laura E. Hartman, City Clerk

**(Approved as to Form):**

Matthew H. Hoy  
Matthew H. Hoy, City Attorney

## **Exhibit "A"**

### **City of Baldwin City Neighborhood Revitalization Program**

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***Purpose:***

This Neighborhood Revitalization Program ("Program") is intended to promote the rehabilitation, conservation and/or redevelopment of the designated Neighborhood Revitalization Area ("Area") within the City of Baldwin City in order to protect the public health, safety and welfare of the residents of the city. A tax rebate incentive based on the incremental increase of qualified improvements will be available to property owners in the designated Area.

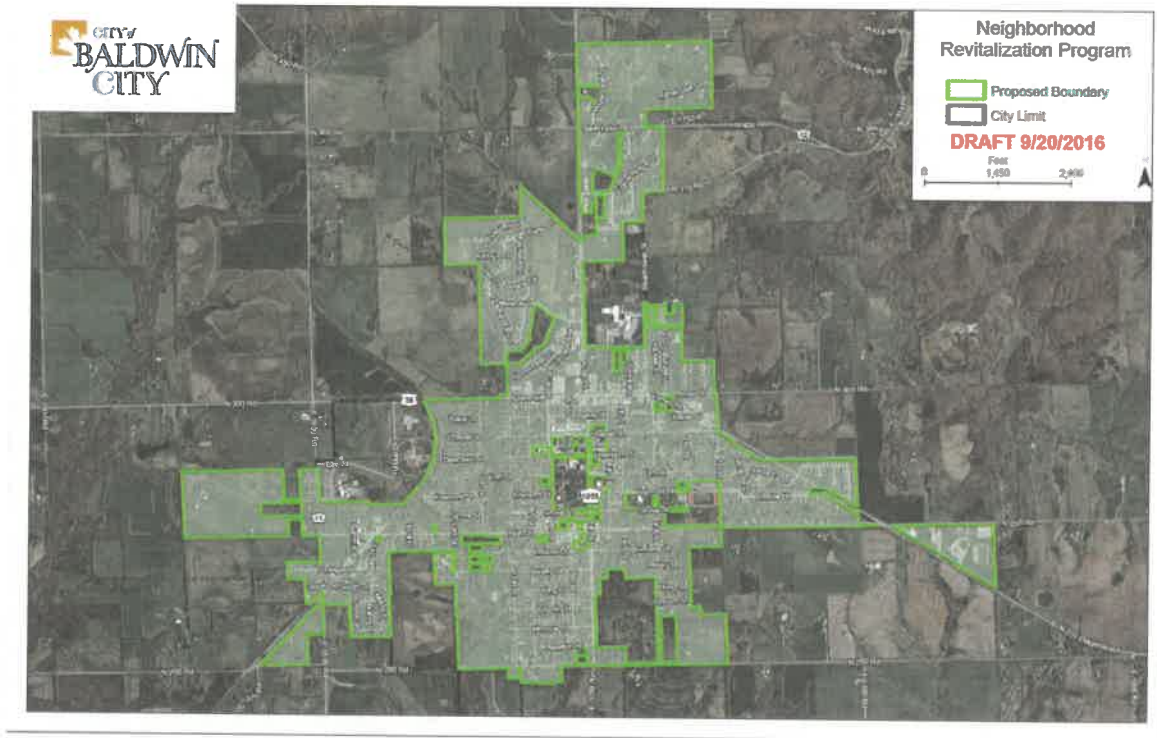
The Governing Body of the City of Baldwin City has determined that the Area described in the Program meets all three conditions described in K.S.A. 12-17, 115 (C)

- A) An area in which there is a predominance of buildings or improvements by which reason of dilapidation, deterioration, obsolescence, inadequate provision for ventilation, light air, sanitation, or open spaces, high density of population and overcrowding, the existence of conditions which endanger life and property by fire and other causes or a combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and which is detrimental to the public health, safety or welfare;
- B) An area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, defective or inadequate streets, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of land, property by fire or other causes, or a combination of such factors, substantially impairs or arrests the sound growth of municipality, retards the provisions of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety or welfare in its present conditions or use; or
- C) An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significances should be preserved or restored to productive use.

In accordance with KSA, 114 et seq., the City Council conducted a public hearing on February 21, 2017 to consider the Neighborhood Revitalization Program. Accordingly, the City Council designated the entire city limits boundary, as meeting the conditions contained in KSA, 114 et seq. to be designated as a "Neighborhood Revitalization Area".

## PART 1

*Legal description of the real estate forming the boundaries of the Area and a map depicting the existing parcels of real estate:*



{See attached Ordinances for legal description of existing city limits}

## PART 2

### *Existing appraised and assessed valuation of the real estate within the Neighborhood Revitalization Program Area*

#### Valuation:

The appraised and assessed valuation of each parcel of real estate located within the Area, including land and building (improvements) valued listed separately, is available at the City of Baldwin City Community Development Department or the Douglas County Appraiser's office.

The appraised and assessed valuation as of 2016 (date February 3, 2017) for the 1,729 properties located within the Area is as follows:

	<u>Appraised</u>	<u>Assessed</u>
<i>Land Total:</i>	\$ 47,252,790	\$ 5,334,099
<i>Improvements Total:</i>	\$ 263,221,470	\$ 24,020,868
<i>Total Valuation:</i>	<u>\$ 310,474,260</u>	<u>\$ 29,354,967</u>

### **PART 3**

#### ***Names and addresses of owners of record within the Neighborhood Revitalization Program Area***

The list of names and addresses of owners of record of real estate within the Area, as set out and included herein, as a document titled Properties and Owners listing for Part 3, dated February 3, 2017 and is available at the City Of Baldwin City Community Development Department or the Douglas County Appraiser's office.

## **PART 4**

### ***Existing zoning classification and district boundaries and existing and proposed land uses within the Neighborhood Revitalization Program Area***

**Existing Zoning Classification and District:**

(Refer to Map 2, Zoning Districts)

**Existing Zoning Districts:**

The existing zoning districts within the Area are as follows:

RLD Residential Low Density  
R-1A Single-Family Dwelling  
R-1B Single-Family Residential  
R-1C Single-Family Residential  
R-2 Two-Family Residential  
RP-3 Planned Multi-Family Residential  
U University  
CP-0 Planned Commercial Office  
CP-1 Planned Limited Commercial  
CP-2 Planned General Commercial  
CP-3 Planned Central Business  
CP-4 Planned Highway Service Commercial  
IP-1 Planned Light Industrial  
Ip-2 Planned Medium Industrial

**Existing Land Use:**

(Refer to Map 3, Existing Land Use (source: 2008 Comprehensive Plan))

**Proposed Land Use:**

(Refer to Map 4, Future Land Use (source: 2008 Comprehensive Plan))

## PART 5

### *Proposed improvements for expanding/improving municipal services within the Area*

#### Capital Improvements Plan (CIP):

<u>2017</u>	Street Rehabilitation, Eisenhower 56 Highway Realignment (KDOT) Street Rehabilitation, 9 <sup>th</sup> Street north of High Street (1/3 Part) Replace 4" water line from High Street & 9 <sup>th</sup> Street to Depot East Baldwin Sewer Interceptor New Public Works building, Orange Street
<u>2018</u>	Asphalt Paving, North 1 <sup>st</sup> Street – Signal Oak Street Rehabilitation, 9 <sup>th</sup> Street north of High Street (1/3 Part) Eisenhower Street Sidewalk Improvement Eisenhower Street Improvement New Police Facility
<u>2019</u>	Community Center City Hall Renovation
<u>2020</u>	Street Rehabilitation, 9 <sup>th</sup> Street north of High Street (1/3 Part)
<u>2021</u>	<u>No projects yet</u>
<u>2022</u>	<u>No projects yet</u>



## PART 6

### *Properties eligible for tax rebates under the Neighborhood Revitalization Program:*

#### Eligible Properties:

##### Residential Uses:

- 5-Years at 100% for new construction
- 5-Years at 100% for building improvements over 10% increase on appraised valuation

##### Commercial Use:

- 5-Years at 100% for new construction
- 5-Years at 100% for building improvements over a 10% increase on appraised valuation

##### Industrial Uses:

- 5-Years at 100% for new construction
- 5-Years at 100% for building improvements over a 10% increase on appraised valuation

##### Residential Use with either Affordable Housing or Historic Building designation

- 10-Years at 95% for building improvements.

{Affordable Housing is defined as a minimum of two (2) units or 10% of the total units, whichever is greater}

##### Residential Use w/Affordable Housing and Historic Building designation:

- 15-Years at 95 % for building improvements (This schedule matches the State Historic Tax Credits)

Detached garages are the only accessory structure eligible in this Program.

Please note: Land valuation is excluded from this Program.

Tax rebates are based on the increase of ad valorem taxes attributable to the appraised value due to the improvements or new construction as of January 1 of the tax year following completion of the improvements. For purposes of this Plan, it is understood that completion refers to the issuance of a Certificate of Occupancy by the City. The Douglas County Appraiser should receive notification of such issuance.

## PART 7

### *Criteria for determination of eligibility:*

The following criteria are to be used to determine properties eligible under the Baldwin City Neighborhood Revitalization Program.

- a. A building permit must be issued on or after January 1, 2017 the date of designation of the Neighborhood Revitalization Program "Area" by the City of Baldwin City.
- b. An application for rebate must be filed within sixty (60) days of the issuance of a building permit.
- c. The appraised value of residential property improvement must be increased by at least 10%.
- d. The appraised value of commercial and industrial property improvements must be increased by at least 10%.
- e. The value of land on which an improvement is located shall not be considered in determining the incremental increase in value or in determining whether an improvement is a qualified improvement.
- f. The improvements must be in conformance with the City of Baldwin City's Comprehensive Land Use Plan and Zoning Regulations in effect at the time the improvements are made.
- g. The new, as well as existing improvements on property, must conform with all other applicable codes, rules, and regulations in effect at the time the improvements are made, and for the length of the rebate or the rebate may be terminated.
- h. Any property that is delinquent in any tax payment or special assessment shall not be eligible for any rebate or future rebate until such time as all taxes and special assessments have been paid.
- i. Only owners of real property are eligible for tax rebates. The rebate shall be by check issued to all of the owners of record as shown on the County tax rolls.
- j. Tax rebates transfer with ownership.

- k. Tax rebates are based on the increase of ad valorem taxes attributable to the appraised value due to the improvements or new construction as of January 1 of the tax year following completion of the improvements. For purposes of this Plan, it is understood that completion refers to the issuance of a Certificate of Occupancy by the City. The Douglas County Appraiser should receive notification of such issuance.
  
- l. A project must be completed prior to receipt of any tax rebate. Partially completed projects are not eligible to participate in the program.

## **PART 8**

### *Contents of application for tax rebate*

#### **Part 1:**

##### **General information**

- a. Property owner's name
- b. Property owner's mailing address
- c. Parcel I.D. Number
- d. Building Permit Number
- e. Address of property
- f. Legal description of property
- g. Day phone number
- h. Property use
- i. Proposed improvements
- j. Estimated date of completion
- k. Estimated costs of improvements
- l. Douglas County Appraiser's Statement of Assessed Value
- m. Applicant signature and date

##### **Commencement of Construction**

- a. Date of commencement of construction
- b. Estimated date of completion of construction

#### **Part 2:**

##### **Status of Construction/Completion**

- a. Submission of Certificate of Occupancy

## **PART 9**

### *Application Procedure*

- a. The applicant shall obtain an Application for Property Tax Rebate from the City of Baldwin City.
- b. The applicant shall complete and sign the application and file the original with the City of Baldwin City within sixty (60) days of the issuance of the building permit.
- c. The City of Baldwin City Community Development Department shall verify the existing appraised value with the Douglas County Appraiser's Office.
- d. The City of Baldwin City will return the rebate application to the owner.
- e. The City will notify the Douglas County Appraiser's Office of the project status by submitting a copy of the Certificate of Occupancy when the project is completed.

For any improvement that is 100% completed on or before December 1 following commencement of construction, the City of Baldwin City will then forward the above mentioned document(s) to the Douglas County Appraiser's Office. This step must be completed by December 1 of the year preceding the commencement of the first year of the tax rebate period in order to qualify for the rebate.

- f. The County Appraiser, or such person's designee, shall conduct a visual inspection of the property improvements and shall update and/or verify the Computer Assisted Mass Appraisal System (CAMA) record. The County Appraiser, or such person's designee, shall enter the CAMA value for the first year of the property tax rebate, in order to calculate the increment of change by June 1st.
- g. Upon determination by the Douglas County Appraiser's Office that the improvements meet the valuation test for the rebate and the Clerk's Office has determined the status of the taxes on the property, the City of Baldwin City shall notify the applicant that the application does or does not meet the requirements for a tax rebate program.
- h. Upon the payment of the real estate tax for the subject property for the initial and each succeeding tax year period, extending through the specified rebate period and within a thirty (30) day period following disbursement of tax funds by Douglas County and submittal of a receipt by the applicant to the City of Baldwin City, a tax rebate in accordance to the percentage amount of the tax increment (subject to the degree of participation by the County as specified in the Interlocal Agreement) will be made to the applicant. The tax rebate shall be made from the Neighborhood Revitalization Program Fund established in conjunction with the City of Baldwin City and the other taxing

districts participating in the interlocal agreement. The City of Baldwin City Community Development Department shall make periodic reports on the tax rebate program to the City Council and other taxing districts accordingly.

- i. The City of Baldwin City Community Development Department shall inform the Douglas County Clerk thirty (30) days prior to the expiration of the final rebate period for each property receiving a tax rebate.

## PART 10

### *Standards and Criteria for Review*

- a. A building permit must be issued on or after January 1, 2017 the date of designation of the Neighborhood Revitalization Program "Area" by the City.
- b. An application for rebate must be filed within sixty (60) days of the issuance of a building permit.
- c. The appraised value of residential property improvements must be increased by at least 10%.
- d. The appraised value of commercial and industrial property improvements must be increased by at least 10%.
- e. The value of land on which an improvement is located shall not be considered in determining the incremental increase in value or in determining whether an improvement is a qualified improvement.
- f. The improvements must be in conformance with the City of Baldwin City's Comprehensive Land Use Plan and Zoning Regulations in effect at the time improvements are made.
- g. The new, as well as existing improvements on the property, must conform with all other applicable codes, rules and regulations in effect at the time the improvements are made, and for the length of the rebate or the rebate may be terminated.
- h. Any property that is delinquent in any tax payment or special assessment shall not be eligible for any rebate or future rebate until such time as all taxes and special assessments have been paid.
- i. Properties receiving property tax rebates under the City of Baldwin City Neighborhood Revitalization Program, may also receive other economic development incentives provided by the City upon approval of the City Council.
- j. Only property owners are eligible for tax rebate.
- k. Tax rebates transfer with ownership.



- l. Tax rebates are based on the increase of appraised value due to the improvements or new construction as of January 1 following the year of 100% completion, contingent on final inspection or issuance of certification of occupancy. For purposes of this Plan, it is understood that completion refers to the issuance of a Certificate of Occupancy by the City. The Douglas County Appraiser should receive notification of such issuance. The County Appraiser, or such person's designee, shall conduct a visual inspection of the property improvements and shall update and/or verify the Computer Assisted Mass Appraisal System (CAMA) record. The County Appraiser or such person's designee shall enter the CAMA value for the first year of the property tax rebate, in order to calculate the increment of change, by June 1.
- m. Properties area eligible to receive multiple rebates under the Baldwin City Neighborhood Revitalization Program provided the project(s) completed meet the requirements set forth in the Baldwin City Neighborhood Revitalization Program.
- n. The County and the City in administering the funds shall be guided by the Neighborhood Revitalization Program, policies and procedures established thereafter.

## PART 11

### *Statement specifying program amounts and years of eligibility*

#### Program Period:

The Neighborhood Revitalization Program Fund and Property Tax Rebate Incentive Program shall expire on March 1, 2022, but may be terminated by any participating jurisdiction at any time prior thereto, as far as their participation in the plan, provided however any application for tax rebate submitted prior to termination shall, if approved, be eligible for the full rebate period as provided in Parts 7 and 9 of the plan, and the plan shall constitute in affect only to the extent necessary to accomplish this purpose and all tax rebates shall terminate no later than the tax year specified by the City of Baldwin City.

#### Rebate Period:

##### Residential Uses:

- 5-Years at 100% for new construction
- 5-Years at 100% for building improvements over 10% increase on appraised valuation

##### Commercial Use:

- 5-Years at 100% for new construction
- 5-Years at 100% for building improvements over a 10% increase on appraised valuation

##### Industrial Uses:

- 5-Years at 100% for new construction
- 5-Years at 100% for building improvements over a 10% increase on appraised valuation

##### Residential Use with either Affordable Housing or Historic Building designation

- 10-Years at 95% for building improvements.

{Affordable Housing is defined as a minimum of two (2) units or 10% of the total units, whichever is greater}

##### Residential Use w/Affordable Housing and Historic Building designation:

- 15-Years at 95 % for building improvements (This schedule matches the State Historic Tax Credits)

Please note: Land valuation is excluded from this Program.

The owner of the property at the time the property taxes are paid will be eligible for a property tax rebate on the incremental taxes associated with improvements to the Property (the "tax increment"). The Tax Increment will equal the property tax assessment against the Property for the first year after the improvements are completed (i.e. determined including the value that such improvements add to the assessed value of the Property) reduced by the property tax assessed against the Property for the base year (the year the application is approved) (i.e. determined without the value that the improvements add to the assessed value of the Property). The Tax Increment is established by the calculation of it in the first year of eligibility. The Tax Increment will then remain constant throughout the Term of the rebate program.

## **PART 12**

***Additional issues under the Neighborhood Revitalization Program***

- a. Failure to build or maintain the property to applicable codes, rules and regulations shall cause the rebate application to be terminated.
- b. Failure to timely pay all property taxes and required assessments shall result in not being eligible for any rebate or future rebate until such time as all taxes and special assessments have been paid. Late fees, fines, surcharges and the like are not eligible for rebate.
- c. The City acknowledges and agrees that the Base Property Value shall be based upon the appraised value of the improvement as determined by the Douglas County Appraiser in the year in which the application is approved. Land value is not included in the base value or increment value.
- d. No credit for partial improvement increases attributable to partial completion of a project will be allowed.
- e. The Program is scheduled to expire or sunset five (5) years after the effective date. All existing approved rebates, prior to the expiration date, will remain in effect for the time period specified in the rebate schedule.
- f. Douglas County shall be entitled to an annual administrative fee equal to 5.0 percent (5.0%) of the increment rebate for each annual application filed by an Owner(s). The administrative fee shall be retained by the County from increment proceeds before making the rebate distribution to the City. The remaining increment rebate shall be distributed to the taxing jurisdiction in accordance with the regular property tax distribution.

**PART 13**

***Douglas County Tax Levy Schedule  
For the Year of 2016:***

<b><u>Taxing Jurisdictions</u></b>	<b><u>Mill Levy</u></b>	<b><u>% of Total Levy</u></b>
City of Baldwin City	43.816	27%
Douglas County	44.092	28%
USD #348	68.669	43%
Palmyra Township	1.407	1%
State of Kansas	1.500	1%
<b>Sub Total:</b>	<b>159.484</b>	<b>100%</b>

Please note: The State of Kansas mill levy is not rebated under this program.

## **NEIGHBORHOOD REVITALIZATION PROGRAM PROCESS:**

The City creates a Neighborhood Revitalization Program by ordinance. This ordinance and other documents, including the Plan and the Interlocal Agreements are filed with the City Clerk

The plan directs the procedures that are to be followed, the legal description of the district, and a spreadsheet listing the parcel identification numbers, ownership, property address and appraised valuation.

### **Process:**

The City forwards the application completed by the property owner and approved by the City to the County Appraiser.

The County Appraiser forwards a copy of the application and a spreadsheet with pertinent information relating to the property including the base value to the County Clerk, Administrative Services and County Treasurer.

After completion of the improvement, the property owner or the City of Baldwin City notifies the County Appraiser that the property should be appraised, as of January 1<sup>st</sup>. of the tax year following completion to determine the property value that should be used to calculate the tax value increment added by the improvements.

The County updates the spreadsheet maintained by the County with the tax value increment for eligible properties and forwards a copy of the spreadsheet to the County Clerk and County Treasurer.

After the tax roll is calculated, the following process is implemented on completed applications. If the property owner is eligible for a rebate, the County calculates the amount of tax to be rebated and the processing fee retained by the county for each property owner, and updates the spreadsheet maintained by the County for use in determining the proper distribution of the rebate.