

**RESTATED AND AMENDED
PLAN FOR NEIGHBORHOOD REVITALIZATION
Washington County, Kansas**

The Board of County Commissioners of Washington County, Kansas, (hereinafter sometimes referred to as the "Governing Body,") pursuant to the Kansas Neighborhood Revitalization Act, K.S.A. 12-17, 114 et. seq., and Part 11, Program Period, of the Plan for Neighborhood Revitalization approved and adopted by the Board of County Commissioners on December 19, 2016, effective as of January 1, 2017, does hereby adopt a Restated and Amended Neighborhood Revitalization Plan (hereinafter sometimes referred to as the "Plan") for the County of Washington.

This restatement and amendment shall be effective as of the date the original Neighborhood Revitalization Plan was approved and adopted, the same being January 1, 2017. The provisions of the Neighborhood Revitalization Plan which are contrary to or are in conflict with the provisions set forth in the Restated and Amended Revitalization Plan are hereby repealed.

Introduction and Purpose

This plan is intended to promote the revitalization and development of certain areas within Washington County by stimulating new construction and the rehabilitation, conservation or redevelopment of the area has hereinafter defined in order to protect the public health, safety or welfare of the residents of the County by offering certain incentives, which include tax rebates.

This plan is required by state statute in order to create an incremental tax rebate program intended to encourage both reinvestment and improvement of a declining urban and rural area of the community. The components of the plan include establishing the area for improvement, examining the current condition of the area, identifying the near term and long range proposals for public improvement of the area, and establishing local eligibility criteria and application procedures for the tax rebate program.

Kansas state law provides that any increment in property taxes resulting from eligible new improvements by taxpayer to property in a Neighborhood Revitalization Area may be credited to a fund for the purpose of paying the costs of administration and returning all or a part of the increment to the taxpayer in the form of a rebate. Washington County shall create a Neighborhood Revitalization Fund upon adoption of this plan to pay only the costs of administration and provide rebates authorized by this plan.

The purpose of the Neighborhood Revitalization Plan is to improve the overall appearance of the community, to enhance neighborhood pride, to better the quality of life for the residents, and to encourage reinvestment in the area, which will result in enhanced property values.

Findings

The Governing Body hereby incorporates by reference the Findings of the December 19, 2016 Revitalization Plan, and the following additional Findings, the same being set forth below.

Pursuant to K.S.A. 12-17, 116, the Governing Body finds as follows:

1. Washington County currently suffers from poor economic conditions and lacks economic and population stability, as evidenced by the following:

(a) Washington County incomes are significantly below statewide averages. The average wage per job annually for Washington County in 2015 was \$26,429, while the state average was \$43,878 for the year 2015 (Source: Kansas Department of Labor, Labor Market Information Services, Bureau of Labor Statistics, Quarterly Census of Employment and Wages)

(b) Washington County's population growth continues to remain below state norms and has actually dropped over fourteen percent (14%), from 6,505 to 5,598, between 1999 and 2015. Washington County ranks ninety-first in population out of 105 counties. (Source: *County Economic Vitality and Distress 2009 Report Update*, and *Kansas Secretary of State Kansas Certified Population as of July 1, 2016*).

(c) There continues to be an out-migration of youth to urban areas after graduation from high school. This, coupled with the aging population of the County as a whole, poses problems for future income earnings and leadership in the County. If this decreasing trend continues, either tax rates must increase, or cut backs will be made to public services. The County's most glaring weakness is the inability of the tax base to support the levels of governmental services residents have come to expect. Further, incentives are needed to attract and keep businesses which will help to either attract youth to or keep youth in the County by offering employment opportunities; and

2. That there is a predominance of buildings or improvements by reason of certain economic conditions, obsolescence and loss of population density that are detrimental to the public health, safety or welfare; and

3. That there is a presence of a substantial number of dilapidated, deteriorated and deteriorating structures, site deterioration, and other conditions that substantially impairs or arrests the sound growth of Washington County, and the same retards the provision of employment and housing accommodations and constitutes an economic or social liability and is detrimental to public health, safety or welfare in its present condition and use; and

4. That there are a predominance of buildings and improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.

5. That Notice of Hearing on this Restated and Amended Plan has been given in accordance with K.S.A. 12-17, 117(c) by publication in The Hanover News, the official county newspaper, for two consecutive weeks, and that proof of publication has been filed in the Office of the

County Clerk of Washington County.

6. By reason of the findings set forth above, the Governing Body further finds that a majority of the conditions as described in subsection (c) of K.S.A. 12-17, 115 exist in the Neighborhood Revitalization Area as hereinafter defined, for designation under the Kansas Neighborhood Revitalization Act and that the rehabilitation, conservation and redevelopment thereof is necessary to protect the public health, safety and welfare of the residents of the Neighborhood Revitalization Area and County of Washington.

THE REVITALIZATION AREA

The Revitalization Area shall include all of Washington County, Kansas, except for any real estate owned by the State, County, or municipalities; any real estate owned by a public utility; any real estate owned by any religious organization that maintains a tax-exempt status; any real estate owned by not-for-profit organizations; any real estate owned by school districts; and any property included in FEMA's designated floodplain areas. (See attached map). Anyone with questions as to whether or not a certain tract of real estate is subject to the Plan should contact the Washington County Appraiser's Office.

FORMAL PLAN DESCRIPTION

PART 1

LEGAL DESCRIPTION OF AREA IN PLAN

A legal description of the real estate forming the boundaries of the area included within the Plan shall be the description of Washington County, Kansas, as set forth in K.S.A. 18-1, 101; except for the areas as specifically noted in the defined Neighborhood Revitalization Area. K.S.A. 18-1, 101 is herein adopted by reference. Any question as to whether or not a specific tract or parcel of real estate is within the Revitalization Area should be directed to the Washington County Appraiser's Office.

PART 2

ASSESSED VALUATION

The existing (2018) assessed valuation of the real estate included in the Plan, listing land building values separately, is as follows:

Land	<u>\$53,567,043</u>
Buildings	<u>\$32,168,822</u>
Total	<u>\$85,735,865</u>

PART 3
NAMES AND ADDRESSES OF OWNERS

A list of the names and addresses of the Owners of record of the real estate included within the Plan constitutes a part of the records in the office of the Washington County Appraiser, and such list is adopted herein and made a part of this Plan by reference.

PART 4
ZONING CLASSIFICATIONS

The existing zoning classifications and zoning district boundaries and the existing land uses within the area included in the Plan are as set forth in the official zoning maps, records, resolutions and ordinances of Washington County and the cities therein.

PART 5
MUNICIPAL SERVICES

The Plan does not include any proposals for improving or expanding municipal services as described in K.S.A. 12-17, 117(a)(5). If any proposals for any such improvements or expansions of municipal services are hereafter proposed by the Governing Body, then any such proposal will be prepared and considered independently of this Plan.

PART 6
ELIGIBLE REAL PROPERTY

RESIDENTIAL PROPERTY

1. Rehabilitation, alterations and additions to any existing residential structure, including alteration of a single-family home into a multi-family dwelling, may be eligible.
2. Construction of a new residential structure, including the conversion of all or part of a non-residential structure into a residential structure, may be eligible.
3. Construction of a structure associated with a residence, such as a garage or out building, may be eligible.
4. In order to be eligible for a tax rebate under the Neighborhood Revitalization Plan, all property taxes due and payable must be paid in full, regardless of whether or not the property is the subject of the application.

AGRICULTURAL PROPERTY

1. Rehabilitation, alterations and additions to any existing structures used for agricultural purposes, may be eligible.
2. New construction of a structure used for agricultural purposes, may be eligible.
3. In order to be eligible for a tax rebate under the Neighborhood Revitalization Plan, all property taxes due and payable must be paid in full, regardless of whether or not the property is the subject of the application.

COMMERCIAL & INDUSTRIAL PROPERTY

1. Rehabilitation, alterations and additions to any existing commercial or industrial structure used for retail, office, manufacturing, warehousing, institutional or other commercial or industrial purposes may be eligible.
2. Construction of new commercial and industrial structures, including the conversion 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 purpose may be eligible.
3. Improvements to existing or construction of new structures used for public utility or railroad purposes may not be eligible.
4. In order to be eligible for a tax rebate under the Neighborhood Revitalization Plan, all property taxes due and payable must be paid in full, regardless of whether or not the property is the subject of the application.

PART 7

CRITERIA FOR ELIGIBILITY

1. Use of local contractors and suppliers for construction is strongly encouraged.
2. Construction of an improvement must have been commenced on or after January 1, 2017, the effective date of enactment of the tax rebate program; with the exception of those projects that made timely application and were approved under the Policy Pending Formal Adoption of Neighborhood Revitalization Plan/Tax Rebate Program previously adopted and approved by the Governing Body. Further, construction of an improvement must have begun on or after the date on which an Application has been approved by the County Appraiser.
3. The minimum investment in any project on eligible real estate must be at least \$15,000.00, and the minimum increase in the real property's appraised value, as determined by the Washington County Appraiser's Office, must be at least \$15,000.00 in the first year under the

Plan. This amount will apply whether the project is for residential, agricultural, or commercial and industrial property.

4. The value or cost of all improvements for remodeling or new construction shall be exclusive of the demolition cost (if any) and land cost or value.

5. Property eligible and approved under this plan for rebates shall waive any rights to any other tax incentives reducing or refunding the property taxes or exempting any portion of the value of the real property (land and/or improvements) approved for a refund under this program, under any other adopted local program or pursuant to statutory or constitutional authority. Only one approved rebate application or tax exemption shall be allowed for any real property (land and/or improvements) for any tax year(s) where the real property is eligible for a refund under this program.

6. Property shall only be eligible for a rebate upon completion, for tax appraisal purposes, of the improvements or construction described in the application. The eligible period shall be open for one (1) year from the start to the finish of the construction project. If the project is not completed within the specified one (1) year time frame, an application for extension may be made upon the remittance of a \$25.00 extension fee. Said extension will be for an additional period of one (1) year.

7. No interest shall be paid by Washington County for any period of time that Washington County retains rebate proceeds prior to disbursement.

8. Upon full payment of the real estate tax for the subject property for the initial and each succeeding tax year extending through the specified rebate period, and upon approval of the property by the Washington County Appraiser for the rebate plan, the County will rebate the approved portion of those taxes within thirty (30) days after the next distribution date as specified in K.S.A. 12-1678a, and amendments thereto. The tax rebate shall be made from the Neighborhood Revitalization Fund established by Washington County.

9. Any owner that is delinquent on any tax payment and/or special assessment in Washington County shall not be eligible for any rebate and will be removed from the Plan if delinquency occurs during the Plan period; and will forfeit any current or future rebates; regardless of whether the property subject to the delinquency is the property enrolled in the plan, and shall not regain eligibility by becoming current on the delinquent tax. If property taxes are appealed or are in the process of being appealed, then no rebate will be given for the year being appealed until the appeal process is finalized. Delinquency is defined as, "Any tax and/or special assessment that is not paid by the scheduled due dates and has entered into a period where interest is assigned as a penalty by the county for unpaid condition."

10. The tax rebate amount will be based on the increase in appraised value following the first full year of completion. The appraised value may change up or down depending on the change in applicable mill levies as well as changes to property tax laws enacted by the State of Kansas.

11. Tax rebates will transfer with ownership of the qualifying property. The participating owner is responsible for passing on the rules and general information of the plan to subsequent owners.

PART 8
CONTENTS FOR APPLICATION FOR TAX REBATE

GENERAL INFORMATION

1. Owner's Name
2. Owner's Mailing Address
3. Address of Subject Property
4. Legal Description of Property
5. Parcel Identification Number
6. Type of Property (Commercial, Agriculture, Residential, New, Rehabilitation, Addition)
7. Proposed Property Use and Improvements/Description of Project
8. Anticipated Commencement Date of Construction
9. Estimated Costs of Improvements (Materials, Labor, Personal Property/Equipment, Total)
10. List of Buildings to be Demolished or Already Demolished
11. Acknowledgement and Signature of Applicant
12. Certification by County Appraiser/Verification of County Treasurer

The application attached hereto and entitled "Restated and Amended Application for Tax Rebate Under Neighborhood Revitalization Plan" is hereby approved and adopted as part of the Plan by reference. However, the application is intended to be administrative in nature. As such, the form of the application may be amended or revised in order to comply with the requirements of the various County offices and the Plan.

PART 9
PROCEDURE FOR SUBMISSION OF AN APPLICATION

1. The Applicant shall obtain an application for Tax Rebate from the Washington County Appraiser.

2. The Applicant shall complete and sign Part 1 of the application and file the original with the Washington County Appraiser.
3. The Applicant shall submit a \$100.00 nonrefundable application fee when submitting the application for review to the Washington County Appraiser. If multiple projects for the same parcel of real estate are included in one application, an additional \$25.00 nonrefundable application fee shall be due upon submission of the application.
4. The Washington County Appraiser shall provide proof of the existing appraised valuation of the property to the Applicant at the time of application.
5. The Applicant shall certify the status of the project as of January 1st following the completion, for tax appraisal purposes, of the improvements described in the application by completing and submitting Part 2 of the application to the County Appraiser's Office by December 15 of the year preceding commencement of the tax rebate period.
6. The County Appraiser shall conduct an on-site inspection of the construction project and determine the new valuation of the real estate and shall complete his or her portion of the application and shall report the new valuation to the County Clerk by the certification deadline as set forth in state statute. Pursuant to applicable statute dates, the tax records on the project shall be revised by the County Clerk's Office.
7. Upon determination by the County Treasurer's Office that the taxes and assessments on the property are not delinquent, the County Appraiser shall certify that the project and application does or does not meet the requirements for a tax rebate.
8. Upon the timely payment of all applicable taxes by the Applicant for the initial and each succeeding tax year extending through the specified rebate period, a tax rebate shall be made to the applicant. The tax rebate shall be made from the Neighborhood Revitalization Fund established by Washington County.
9. The County Appraiser shall make periodic reports to the Washington County Commissioners.
10. Washington County shall retain a \$25.00 administrative fee for every rebate that is approved. However, in the event that the amount to be rebated to Applicant is under \$25.00, Washington County shall retain said amount and no rebate shall be mailed to Applicant.

PART 10

STANDARDS AND CRITERIA FOR REVIEW AND APPROVAL OF REBATE

1. The property for which the rebate is requested shall conform with all applicable codes, ordinances, resolutions, statutes, and regulations in effect at the time the improvements are made and shall remain in conformance for the duration of the rebate period or the rebate may be terminated at the discretion of the County Appraiser after consultation with the Governing Body. Building permits must be obtained from the proper authority in areas where required.

2. Any Applicant that has delinquent taxes or assessments against his or her property, shall not be eligible for a rebate. If the property becomes delinquent after a rebate has been sent for a previous calendar year, the Applicant shall no longer be eligible for rebate. The Applicant shall not regain eligibility by becoming current on the delinquent tax.
3. The first and all following rebates shall be based on the establishment of the County's appraised value on January 1st, for tax appraisal purposes, on improvements described in the application, less the \$25.00 administrative fee. The rebate shall be calculated using the mill levy established during subsequent years.
4. The County Appraiser shall have the authority and discretion to approve or reject applications for rebate based on the eligibility standards and review criteria contained herein. If an applicant is dissatisfied with the County Appraiser's decision, a written appeal may be submitted to the Washington County Commissioners for final determination based on a majority vote.
5. The owner of record who has paid the taxes shall be entitled to a rebate. Property remains in the plan regardless of subsequent owners.
6. If the *Amended and Restated Neighborhood Revitalization Plan* is repealed or the rebate criteria changed, any approved applications shall be eligible for rebates for the remaining term of the rebate provided in the plan.
7. The Applicant may request in writing that an approved rebate application be terminated prior to its normal expiration for any purpose including the purpose of making additional improvements and making a new application as provided in this plan.

PART 11
STATEMENT SPECIFYING REBATE FORMULA

PROGRAM PERIOD

The Restated and Amended Neighborhood Revitalization Plan and tax rebate incentive program shall be in effect for a period of five (5) years from and after January 1, 2017, the effective date of the Plan. The Washington County Commissioners will consider repeal, modifications or other changes to the plan following the procedures required by state law.

A property tax rebate shall be granted on the ad valorem or property tax assessed on the building or improvement value of the qualifying new construction. No rebate will be given on the tax assessed against the land upon which the qualified buildings and improvements are located.

Rebate Period

Residential, new construction	5 years
Residential, rehabilitation, alterations or additions	5 years
Agricultural, new construction	5 years
Agricultural, rehabilitation, alterations or additions	5 years
Commercial, new construction	5 years
Commercial, rehabilitation, alterations or additions	5 years
Industrial, new construction	5 years
Industrial, rehabilitation, alterations or additions	5 years

Rebate Amount*

Year 1	100%
Year 2	80%
Year 3	60%
Year 4	40%
Year 5	20%

*All rebates are exclusive of a \$25.00 administrative fee to remain in the Neighborhood Revitalization Fund.

PART 12
OTHER TAXING JURISDICTIONS

Other taxing jurisdictions may participate in the rebate program offered under this Restated and Amended Plan. If other taxing jurisdictions decide to participate, the amount of the rebate shall be based upon the applicable percentages set forth above. The ad valorem tax or property tax that is subject to rebate shall not include landfill or other special assessments.

PART 13
AMENDMENT OR REPEAL

This Restated and Amended Plan may at any time hereafter, in whole or in part, be amended, supplemented, or repealed using the following procedure:

Prior to amending, supplementing, or repealing this Plan, or any part thereof, the Governing Body shall first conduct a public hearing upon the feasibility of any such amendment or repeal after first publishing notice of any such hearing at least once each week for two (2) consecutive weeks in the official county newspaper. Such notice shall set forth the specific change or changes proposed, or a summary thereof, and shall advise of the time and place at which such proposed supplement, amendment or repeal shall be heard.