

**Purpose**

The Neighborhood Revitalization Program provides for tax rebates for a period of time for persons making a certain level of improvements to real estate qualifying for the program. They are an incentive to encourage improvements to real estate within the City of Clafin. The program has been in existence for several years. The rebates are for the improvements only and the tax revenues currently realized will increase as the rebates are reduced with the full taxes realized after the conclusion of the ten year period. A similar program is in effect in the City of Great Bend, Kansas. Barton County, Kansas, will collect the taxes and pay out the rebates.

**Recommendation**

Approve the Interlocal Agreement between the City of Clafin and Barton County Community College. This includes adoption of the neighborhood revitalization plan; Barton County administration of the plan; and review of the neighborhood revitalization plan every three years.

## INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (hereinafter referred to as "Agreement), effective \_\_\_\_\_, 2013, by and between the City of Claflin, Kansas; a duly organized municipal corporation, hereinafter referred to as "City", and Barton County Community College, hereinafter referred to as "BCCC".

WHEREAS, K.S.A. 12-2904 allows public agencies to enter into interlocal agreements to jointly perform certain functions including economic development, and

WHEREAS, K.S.A. 12, 17114 et seq. provides a program for neighborhood revitalization and further allows for the use of interlocal agreements between municipalities to further neighborhood revitalization, and

WHEREAS, it is the desire and intent of the parties hereto to provide the maximum economic incentive as provided for in K.S.A. 12-17,119 by acting jointly.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, CONTAINED HEREIN THE PARTIES AGREE AS FOLLOWS:

1. The parties agree to adopt the neighborhood revitalization plan as contained in attachment A, attached hereto and incorporated by reference as if fully set forth herein. The parties further agree the neighborhood revitalization plan as adopted will not be amended without approval of the parties except as may be necessary to comply with applicable state law or regulation.
2. The parties further agree that Barton County shall administer the neighborhood revitalization plan as adopted by each party on behalf of the signatory parties. The county shall create a neighborhood revitalization fund pursuant to K.S.A. 12-17,118 for the purpose of financing the redevelopment and to provide rebates. Any increment in property taxes received by the county resulting from qualified improvements to property pursuant to the neighborhood revitalization plan shall be credited to the county's revitalization fund.
3. The parties agree to undertake a review of the neighborhood revitalization plan every three years hereafter, to determine any needed modifications to the neighborhood revitalization plan. The parties agree that any party may terminate this agreement by providing thirty (30) days advance written notice, provided however, any applications for tax rebate submitted prior to termination, if approved, be considered eligible for the duration of the rebate period.

IN WITNESS WHEREOF, the parties have hereunto executed this agreement as of the day and year first above written.

CITY OF CLAFLIN, KANSAS

\_\_\_\_\_  
Mike Urban, Mayor

ATTEST:

\_\_\_\_\_  
Patty Schmidt, City Clerk

BARTON COUNTY COMMUNITY COLLEGE

\_\_\_\_\_  
Carl Heilman, Ph.D.  
President, BCCC

Approved to form:

\_\_\_\_\_  
Robert G. Suelter  
City Attorney

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the Attorney General of  
the State of Kansas.

\_\_\_\_\_  
Kansas Attorney General

NEIGHBORHOOD REVITALIZATION  
PLAN

CITY OF CLAFLIN, KANSAS

JANUARY 1, 2013

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The Neighborhood Revitalization Plan will be reviewed by the City Council every three years at which time modifications to the Program may be considered.

## PART 1

### LEGAL DESCRIPTION OF AREA AND MAP

#### Legal Description of Neighborhood Revitalization

The Neighborhood Revitalization area includes all of the City Limits of the City of Claflin, Kansas, except that portion of the City lying west of Ninth Street.

#### Map

A map outlining the Neighborhood Revitalization area and depicting the existing parcel of real estate therein is on file with the City Clerk of Claflin, Kansas, in the City Offices located at 111 East Hamilton, Claflin, Kansas.

## PART 2

### APPRAISED VALUATION OF LAND AND BUILDINGS WITHIN THE AREA

The year 2013 existing appraised valuation of the parcels of real estate in the proposed Neighborhood Revitalization area is \$2,671,262.00..

## PART 3

### LISTING OF OWNERS OF RECORD IN AREA

The names and addresses of the owners of record of real estate within the area are on file with the City Clerk's office located at 111 East Hamilton, Claflin, Kansas.

## PART 4

### EXISTING ZONING AND LAND USE

A zoning map, a list of zoning districts for the area, and existing land use map is on file in the office of the City Clerk located at 111 East Hamilton, Claflin, Kansas.

## PART 5

### CAPITAL IMPROVEMENTS PLANNED FOR THE AREA

The following are proposed capital improvements and projects for the Primary Target Area:

#### Street Improvements

- Resealing of several streets in the area.
- Improve and replace curb and gutter in several areas.

#### Sewer and Water

- Replacement of water line along Front Street.
- Sewer line improvements.
- Water line and water system improvements.
- Lift station modifications.
- Revitalization of water tower.

#### Parks

- Work with school district to improve ball fields.
- Improvements to City Park.
- Improvements at swimming pool.

#### Public Buildings

- Continue to revitalize city building.
- Improvements to City Shop.
- Improvements at the City Community Center.
- Improvements at the City Recreation Center.

## PART 6

### ELIGIBILITY REQUIREMENTS

#### Residential Property

1. Rehabilitation, alterations and additions to any existing residential structure, including the alteration of single-family home into multi-family dwelling, shall be eligible. Mobile homes are not eligible.
2. Construction of new residential structures, including the conversion of all or part of a non-residential structure into a residential structure, shall be eligible.
3. Residential property must be located in the target are and be zoned properly to be eligible.
4. Improvements to detached accessory structures such as garages, workshops and storage sheds are eligible. Improvements such as swimming pools, and built-in hot tubs shall not be eligible.

#### Commercial/Industrial Property:

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 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 purposes shall be eligible.
3. Commercial or industrial property must be located within the appropriate target areas and be zoned properly to be eligible.



## PART 7

### CRITERIA FOR DETERMINATION OF ELIGIBILITY

1. Construction of an improvement must have been commenced on or after January 1, 2013, the effective date of the enactment of the tax rebate program, as documented by a building permit
2. An application for rebate must be filed within sixty (60) calendar days of the issuance of the building permit, except that the City Council may extend this period for up to thirty (30) additional days if deemed appropriate.
3. The minimum investment of an improvement shall be \$5,000 for residential property and \$10,000 for commercial and industrial property, as documented by the building permit.
4. The minimum increase in assessed value shall be 5% for residential property and 10% for commercial and industrial property as determined by the Barton County Appraiser following partial or total completion of the improvement.
5. Property eligible for tax incentives under any other program adopted pursuant to statutory or constitutional authority shall be eligible to submit an application.
6. The property for which a rebate is requested shall conform with all applicable city codes 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 shall be terminated. This includes the new as well as the existing improvements on the property.
7. Rebates do not follow the sale of the property. Applicant must retain ownership of the property in order to receive the rebate. If property sells before the rebate period has ended, the rebate is terminated at the time of the sale. The exception to this would be the one time sale of a new house by a developer to a first owner resident.
8. Any property that is delinquent in any tax payment, special assessment or city utility payment shall not be eligible for a rebate until such time as all taxes, bills and assessments have been paid. The City has the responsibility to notify Barton County of any such known delinquency. After a parcel has been accepted for the Neighborhood Revitalization Plan and the taxpayer has not paid real estate property taxes before the redemption is issued on said parcel, the parcel shall be removed from the plan by the County. The County Clerk shall notify the City in the event of such an occurrence. The City shall then notify the taxpayer of their removal from the plan.

9. No application shall be considered for an improvement for which an unresolved tax protest has been filed.
10. If future year values are protested, the property owner shall take the lesser of the two values for the purpose of this program, i.e., the rebate from this program or the abated value as granted by the Board of Tax Appeals.
11. Any rebate granted for a property class will be nullified if the property owner changes the property classification, e.g. from the residential to the commercial property classification.

## PART 8

### CONTENTS OF APPLICATION FOR TAX REBATE

An application for a rebate of property tax increments shall contain the following information.

#### Part 1

1. Owner's name.
2. Owner's mailing address.
3. Owners' daytime telephone number.
4. Address of property.
5. Legal description of property.
6. Parcel I.D. number.
7. Building permit number.
8. Existing use of property.
9. Proposed improvements.
10. Age of principal building(s).
11. Occupancy status during the last 5 years.
12. Buildings proposed to be or actually demolished.
13. Proposed improvements.
14. Estimated cost of improvements.
15. Date construction started.

16. Estimated date of completion of construction.

17. County Appraiser's statement of existing assessed valuation of improvements.

Part 2

1. Status of construction as of January 1 following commencement.

2. County Appraiser's statement of increase in assessed valuation of improvements.

3. County Clerk's statement of tax status.

4. City Clerk's statement of special assessment status.

5. Planning Director's statement of program conformance.

## PART 9

### PROCEDURES TO SUBMIT APPLICATION

1. The applicant shall obtain an Application for Tax Rebate from the City Clerk when obtaining a building permit.
2. The applicant shall complete and sign Part 1 of the application and file the original with the City Clerk within sixty (60) calendar days following issuance of the building permit.
3. The City Clerk shall forward the application to the Barton County Appraiser's office for determination of the existing assessed valuation of the improvements.
4. Upon completion by the County Appraiser's Office the Appraiser's Office will return the application to the applicant. The applicant shall certify the status of the improvement project as of January 1, following the commencement of the construction by completing and signing Part 2 of the application. The applicant shall file the application with the Appraiser's office on or before May 31, preceding the commencement of the tax rebate period. A rebate period begins after January 1, of the year when the applicant has completed 100 percent of the improvements; example: for a project completed in October 2013, the rebate period would begin on January 1, 2013, with the rebate provided for the tax payment due by December 20, 2013.
5. The County Appraiser shall conduct an on-site inspection of the construction project and determine the new valuation of the real estate as January 1 valuation to the County Clerk by June 15. The tax records on the project shall be revised by the County Clerk's Office.
6. Upon determination by the County Appraiser's Office that the improvements meet the percentage test for rebate, determination by the County Treasurer's office that the taxes and assessments on the property are not delinquent, and determination by City Clerk that the project and application meet the requirements for a tax rebate, the County Appraiser's Office shall notify the applicant and the County Treasurer's Office of the rebate percentage due for each year of the rebate period.

7. Upon the 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, a tax rebate shall be made to the applicant. The tax rebate shall be made within thirty (30) days from the tax distribution dates of January 20, March 20, May 20, July 20, September 20 or October 31, following the due date of payment and submittal of a receipt by the applicant to the County Treasurer's Office. The tax rebate shall be made from the Neighborhood Revitalization Fund established by Barton County in conjunction with the other taxing units participating in an Interlocal Agreement. The County Appraiser's Office shall make periodic reports on the tax rebate program to the governing bodies of the participating taxing units.

## PART 10

### STANDARDS AND CRITERIA FOR REVIEW AND APPROVAL

1. The property for which a rebate is requested shall conform with all applicable city codes 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 shall be terminated. Rebates are payable to the owner at the first time the rebate is due.
2. Any property that is delinquent in any tax payment, special assessment or city utility payment shall not be eligible for a rebate until such time as all taxes, bills and assessments have been paid. The City has the responsibility to notify Barton County of any such known delinquency. After a parcel has been accepted for Neighborhood Revitalization Plan and the taxpayer has not paid real estate property taxes before the redemption is issued on said parcel, the parcel shall be removed from the plan by the County. The County Clerk shall notify the City in the event of such and occurrence. The City shall then notify the taxpayer of their removal from the plan.
3. Following establishment of the increase in assessed value resulting from a specific improvement, the fixed rebate percentage shall be applied to any change in assessed value or mill levy during subsequent years.
4. The City Clerk, or his/her designee, shall have the authority and discretion to approve or reject applications based on eligibility standards and review criteria contained herein. If an applicant is dissatisfied with the City Clerk's decision, a written appeal may be submitted to the City Council for final determination.

## PART 11

### REBATE FORMULA

#### AMOUNT AND YEARS OF REBATE ELIGIBILITY

YEAR	REBATE*
1	95%
2	95%
3	95%
4	75%
5	75%
6	75%
7	50%
8	50%
9	25%
10	25%

\*5% of the increment is to be retained by Barton County for administration.