

Herington

NEIGHBORHOOD

REVITALIZATION PLAN

**Interlocal Cooperation Agreement by and between the City of Herington,
Dickinson County and
USD #487 of Dickinson County
Dated: SECOND DRAFT October 8, 2021**

**City of Herington
Neighborhood Revitalization Plan**

Purpose: This plan is intended to promote the revitalization and development of all areas within the city limits of the City of Herington in order to protect the public health, safety, and welfare of the residents of the city. More specifically, the City of Herington will offer a tax rebate incentive that is available for certain improvements or renovation of property within the designated area, in accordance with the provisions of K.S.A. 12-17, 114 et seq.

Part 1

LEGAL DESCRIPTION OF AREA AND MAP DEPICTING ELIGIBLE PARCELS OF REAL ESTATE

Legal Description of Neighborhood Revitalization Area

All parcels within the legal city limits of the City of Herington, Kansas

See Exhibit A

Map of Neighborhood Revitalization Area

All parcels within the legal city limits of the City of Herington, Kansas

See Exhibit B

PART 2

EXISTING ASSESSED VALUATION OF LAND AND BUILDINGS WITHIN THE NEIGHBORHOOD REVITALIZATION AREA

The existing assessed valuation of the parcels of real estate in Dickinson County in the Neighborhood Revitalization Area is as follows:

See Exhibit C

PART 3

NAMES AND ADDRESSES OF OWNERS OF RECORD WITHIN THE NEIGHBORHOOD REVITALIZATION AREA

Each owner of record of each parcel of land is listed together with the corresponding address in the files of the Dickinson County Appraiser's office located at the Dickinson County Office Building, 109 East 1st. Street, Abilene, Kansas.

PART 4

EXISTING ZONING CLASSIFICATIONS AND DISTRICTS AND EXISTING AND PROPOSED LAND USES WITHIN THE NEIGHBORHOOD REVITALIZATION AREA

A zoning district classification map and list of zoning districts for the Neighborhood Revitalization Area is attached hereto.

See Exhibit D

PART 5

PROPOSALS FOR IMPROVING OR EXPANDING MUNICIPAL SERVICES WITHIN THE NEIGHBORHOOD REVITALIZATION AREA

PART 6

PROPERTIES ELIGIBLE FOR TAX REBATES UNDER THE NEIGHBORHOOD REVITALIZATION PROGRAM

Rehabilitation, alterations, additions and new construction affecting declared residential, commercial, and industrial property shall be eligible for the NRP tax rebate program. Public utility and railroad properties are ineligible. Personal property is not included.

PART 7

CRITERIA TO BE USED IN DETERMINING PROPERTIES ELIGIBLE FOR THE NEIGHBORHOOD REVITALIZATION PROGRAM

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

- a. All improvements must conform to zoning, building and other applicable regulations in effect in the Neighborhood Revitalization Plan target area at the time the improvements are made and remain in conformance with such regulations for the length of the rebate period;
- b. Construction of improvements must have begun on or after the date of inclusion of the property in the NRP target area;

- c. Improvements must increase the appraised value by at least 15% or \$25,000, **whichever is greater**, for all Residential, Commercial and Industrial Properties.
- d. Properties delinquent in tax payments or special assessments or under appeal or protest are not eligible until such delinquent payments or assessments have been paid;
- e. Properties eligible for tax incentives under any other program shall be eligible to submit applications under only one program at a time;
- f. Only owners are eligible for tax rebates;
- g. Tax rebates transfer with ownership of property and remain with the improved property, as per the original abatement schedule;
- h. Tax rebates are based on the increase of appraised value as of January 1 following the year of 100% completion and will be contingent on final inspection or issuance of certificate of occupancy.

PART 8

CONTENTS OF APPLICATIONS FOR PROPERTY TAX REBATES UNDER THE NEIGHBORHOOD REVITALIZATION ACT PROGRAM

Applicants for the Neighborhood Revitalization Act tax rebate program shall complete the application attached hereto.

See Exhibit E

PART 9

PROCEDURE FOR SUBMISSION AND REVIEW OF APPLICATIONS UNDER THE NEIGHBORHOOD REVITALIZATION PLAN PROGRAM

- a. Obtain an Application for Tax Rebate from the City of Herington.
- b. Complete and sign the application and file the original at the Herington City Office with a building permit. A copy will be returned to the applicant.
- c. Herington City Office will verify the applicant is the owner of record at the Dickinson County Appraiser's office, that the taxes are paid current with no delinquent taxes due, will inspect the site to ensure that no construction has been started and review the cost estimates to verify the minimum investment is being met.
- d. Owner will begin work on the improvements covered in the building permit.

- e. Owner will complete the rebate application upon 100% completion of the project and file at the Herington City office, which will then forward the application to the Dickinson County Appraiser's Office. This step must be completed by October 1 of the year preceding the commencement of the first year of the tax rebate period in order to qualify for the rebate.
- f. In the January following, the Dickinson County Appraiser's Office will conduct an onsite inspection of the construction project to determine the new valuation of the real estate, complete the appraiser's portion of the application and return the application to the Herington City Office, and report the new valuation to the Dickinson County Clerk by June 15. Tax records on the project will be revised by the Dickinson County Clerk's office to reflect the change in valuation.
- g. City of Herington will review the application to determine whether the percentage test for rebate has been met and check to see that taxes and assessments are not delinquent. If all criteria have been met, the City Clerk of Herington will certify the project for rebate.
- h. Upon payment of the real estate tax for the subject property for the initial and succeeding tax years of the rebate period, Dickinson County will make the appropriate rebates to the City within 30 days following payment and submittal of a receipt by the City to the County. The City is responsible for paying the owner within 2 weeks of receipt of the funds. The rebate will be made from the Neighborhood Revitalization Act Fund established in conjunction with other taxing jurisdictions participating in the Inter-local Agreement established for the program. Any increment in property taxes received by Dickinson County for a participating city and/or district shall be credited to the neighborhood revitalization fund.

PART 10

STANDARDS AND CRITERIA FOR REVIEW AND APPROVAL OF PROJECTS UNDER THE NEIGHBORHOOD REVITALIZATION ACT PROGRAM

- a. All improvements must conform to zoning, building and other applicable regulations in effect in the Neighborhood Revitalization Plan target area at the time the improvements are made and remain in conformance with such regulations for the length of the rebate period;
- b. Construction of improvements must have begun on or after the date of inclusion of the property in the NRP target area;

- c. Residential Improvements must increase the appraised value by at least 15% or \$25,000, **whichever is greater**, to qualify for the Rebate program.
Commercial and Industrial improvements must increase the appraised value of the subject property by at least 15% or \$25,000, **whichever is greater** to qualify for the Rebate program.
- c. Properties delinquent in tax payments or special assessments or under appeal or protest are not eligible until such delinquent payments or assessments have been paid;
- d. Properties eligible for tax incentives under any other program shall be eligible to submit applications under only one program at a time;
- e. Only owners are eligible for tax rebates;
- g. Tax rebates transfer with ownership of property and remain with the improved property;
- h. On January 1, following the year the project is 100% completed, the rebates will be based on the increase of **appraised value**. This is contingent on final inspection and issuance of a certificate of occupancy.
- i. Conditions for rebate termination.
 1. Failure to build or maintain the property to applicable codes, rules and regulations shall cause the rebate application to be terminated.
 2. Failure to timely pay all property taxes and required assessments shall result in removal from the rebate program. Late fees, fines, surcharges and the like are not eligible for rebate.

PART 11

PROGRAM AMOUNTS AND YEARS OF ELIGIBILITY UNDER THE NEIGHBORHOOD REVITALIZATION PROGRAM

The Neighborhood Revitalization Plan and tax rebate incentive program shall expire on December 31, 2031. The program will be reviewed annually on or before December 31st by the council and modifications will be considered at that time. On or before December 31, 2031, the City of Herington, Dickinson County and USD #487 will consider a new interlocal agreement to continue the Neighborhood Revitalization Plan. The parties agree that any party may terminate this agreement prior to December 31, 2031, by providing thirty (30) days advance notice, provided, however, any applications for tax rebates submitted prior to termination shall, if approved, be considered eligible for the duration of the rebate period.

The Rebate Period is for 10 Years on Residential and Commercial and Industrial Properties.

Five (5) percent of all rebates shall be retained and deposited in the Neighborhood Revitalization Act Fund for administrative costs.

Rebate periods and schedules shall be as follows for additional taxes due on **new construction or rehabilitation of Residential Property**:

Year 1	100% of the Increase in Appraised Value
Year 2	100% of the Increase in Appraised Value
Year 3	90% of the Increase in Appraised Value
Year 4	80% of the Increase in Appraised Value
Year 5	70% of the Increase in Appraised Value
Year 6	60% of the Increase in Appraised Value
Year 7	50% of the Increase in Appraised Value
Year 8	40% of the Increase in Appraised Value
Year 9	30% of the Increase in Appraised Value
Year 10	20% of the Increase in Appraised Value
Year 11	0%

Rebate periods and schedules shall be as follows for additional taxes due **on new construction and or rehabilitation of Commercial and Industrial Property**:

Year 1	100% of the Increase in Appraised Value
Year 2	100% of the Increase in Appraised Value
Year 3	100% of the Increase in Appraised Value
Year 4	100% of the Increase in Appraised Value
Year 5	100% of the Increase in Appraised Value
Year 1	100% of the Increase in Appraised Value
Year 2	100% of the Increase in Appraised Value
Year 3	100% of the Increase in Appraised Value
Year 4	100% of the Increase in Appraised Value
Year 5	100% of the Increase in Appraised Value
Year 6	50% of the Increase in Appraised Value
Year 7	40% of the Increase in Appraised Value
Year 8	30% of the Increase in Appraised Value
Year 9	20% of the Increase in Appraised Value
Year 10	20% of the Increase in Appraised Value
Year 11	0%