

City of Lawrence



Neighborhood Revitalization Plan

Downtown Commercial District



City of Lawrence Neighborhood Revitalization Plan Downtown District

This Neighborhood Revitalization Plan (“Plan”) is required by the Kansas Neighborhood Revitalization Act (the “Act”) (see Appendix 1) in order to create a neighborhood revitalization area intended to encourage both reinvestment and improvements to a specific area or district of the community. The Governing Body of the City of Lawrence has determined that the Neighborhood Revitalization District (“District”) described in this Plan is a neighborhood revitalization area and the District meets one or more of the conditions as described in K.S.A. 12-17,115 (c).

The Governing Body has also determined that the rehabilitation, conservation, and redevelopment of the District is necessary to protect the public health, safety and welfare of the Neighborhood Revitalization District and the City as a whole, as required by K.S.A. 12-17,116.

In accordance with K.S.A. 12-17,117, the components of this Plan include:

1. A general description of the Plan’s purpose;
2. A legal description and map of the District;
3. The existing assessed valuation of the real estate comprising the District;
4. A list of names and addresses of the owners of record within the District;
5. The existing zoning classifications and District boundaries and the existing and proposed land uses the District;
6. The proposals for improving or expanding municipal services within the District;
7. The term of the Plan;
8. The criteria used to determine what property is eligible for revitalization, including a statement specifying that property, existing buildings, and new construction is eligible for revitalization;
9. The contents, procedure and standard of review for an application for a rebate of property tax increments;
10. A statement specifying the maximum amount and years of eligibility for a rebate of property tax increments; and
11. A section regarding the establishment of a Neighborhood Revitalization Fund.

Section 1: Purpose

The vitality of the District plays a key role in the health and quality of life of the community. The City desires to establish a neighborhood revitalization tax rebate program (the "Program") to provide incentives for property owners to invest in new development and redevelopment, and to build public and private infrastructure and to protect and revitalize historic properties. The Program is intended to revitalize a historic district and promote renewed investment, rehabilitation and conservation in residential and commercial properties in the District. The Program provides incentives for both residential and commercial property owners to improve their aging or deteriorating property, or otherwise increase the appraised value of the property. The Program is intended to promote the revitalization and development of residential and commercial properties by stimulating new construction and the rehabilitation, conservation, or redevelopment of the area in order to protect the public health, safety, or welfare of residents of the City.

The Program will provide a valuable incentive for investment in the District. A tax rebate based on the incremental increase of qualified improvements will be available to property owners in the designated Neighborhood Revitalization Area. The Program will accomplish important City priorities including, but not limited to, the following:

- Encourage the rehabilitation and protection of historic structures;
- Encourage private parties to construct public infrastructure;
- Encourage housing, commercial, and industrial development in the City;
- Encourage the development of affordable housing;
- Stabilize a mature area of the City;
- Expand the type and design of housing available in the City;
- Encourage the creation of jobs and employment in the City;
- Assist in reversing the outward migration of residents and the resulting deterioration of neighborhoods within a mature portion of the City;
- Strengthen community pride; and
- Create new long-term tax revenue, without creating a fiscal burden for the City, County, and other taxing jurisdictions.

Section 2: Legal Description & Map of Neighborhood Revitalization District

The District shall include all property included within the area described herein:

Levee Lots 1- 15; Lots 1-116 on Vermont Street; Park Street Lots 17-29 (odd), less right-of-way for alley; Lots 1-19 (odd) on Massachusetts Street and all the vacated alley right-of-way adjacent to Lots 13-17 (odd); Lots 21-41 (odd) on Massachusetts Street; Lots 1 & 2, The Palace Addition; Lots 45-115 (odd) on Massachusetts Street; Lots 2-20 (even) on Massachusetts Street; all the vacated alley right-of-way adjacent to Lots 2-10 on Massachusetts Street; Lots 22-116 (even) on Massachusetts Street; all the vacated alley right-of-way adjacent to Lots 70-76 on Massachusetts Street; Park Street Lots 1-15 (odd) and the vacated North Park Street right-of-way adjacent to said lots; Lots 117-139 (odd) on Rhode Island Street and the vacated New Hampshire Street right-of-way adjacent to said lots; Lots 1-115 (odd) on New Hampshire Street; Levee Lots 16 - 20; Lots 6, 8 & N ½ of Lot 10 on New Hampshire Street and all the vacated alley right-of-way adjacent to said lots; the S ½ of Lot 10 and Lots 12-20 (even) on New Hampshire Street; Lots 1 & 2, The Winter Block Addition; Lots 46-116 (even) on New Hampshire Street; Lots 7-19 (odd) on Rhode Island Street; Lots 45-67 (odd) on Rhode Island Street; all lots being in the Original Townsite of the City of Lawrence, Douglas County, Kansas. Also, an unplatted tract bounded on the north by the BNSF Railroad right-of-way, on the south by the Sixth Street right-of-way, on the east by New Hampshire Street (extended) right-of-way, and on the west by Massachusetts Street right-of-way.

And as depicted on the following map:

Downtown Commercial District



Section 3: Value of Real Properties

The appraised value of the real estate in the District is:

2007 Appraised Values

Land:	\$62,704,690
Buildings:	\$167,962,280
Total Value:	\$230,666,970

The assessed value of the real estate in the District is:

2007 Assessed Values

Land:	\$8,657,910
Buildings:	\$20,590,130
Total Value:	\$29,248,040

Section 4: Owners of Record in the Districts

A list of names and addresses of owners of record of real estate within the District are also available upon request from the City Clerk's Office.

Section 5: Existing Zoning Classifications and District Boundaries; Existing and Proposed Land Uses

See Appendix II – Existing Zoning Map.
See Appendix III – Existing Land Use Map.
See Appendix IV – Future Land Use Map.

Section 6: Proposals for Improving Municipal Services in the District

The City recognizes the value of municipal services and capital improvements throughout the community. The City is strongly committed to maintaining a substantial presence in the District.

Efforts underway or in planning stages include:

- Downtown Waterline Improvements
- Downtown Fire Sprinkler Incentive Program (\$250,000 allocated in 2007)
- Downtown Fire System Tap Incentive Program (City caps tap system costs at \$3,000 per installation with balance paid by the City)
- Road Improvements as needed per the City's annual mill and overlay program
- Library improvements
- Sanitary Sewer Improvements – PS 16 rehabilitation (6th & Kentucky lift station – scheduled for completion in 2007)
- Downtown grate and planter upgrades (Parks & Recreation)
- Improvements to Carnegie Library (Parks & Recreation)
- Improvements to Downtown Farmer's Market
- Replacement of street lights along Massachusetts
- Roof replacement Fire Station No. 1/Douglas County Senior Center
- Remodel Fire Station No. 1/Douglas County Senior Center
- Revision of Downtown Design Guidelines

Section 7: Term of the Plan

1. This Plan and tax rebate Program shall be effective upon the adoption of this Plan by ordinance of the Governing Body of the City of Lawrence.
2. This Plan and the District shall expire after two (2) years from the date of adoption unless extended by ordinance of the City Commission prior to its expiration. The City reserves the right to evaluate the Program at any time. The term of the tax rebate for applications approved under this Plan shall be pursuant to Section 10 herein.
3. The Governing Body may repeal, amend or modify this Plan as conditions, policies or priorities of the Governing Body change. If this Plan is repealed or the rebate criteria changed, any approved applications shall be eligible for rebates for the remaining Rebate Term originally provided in the Plan.

The Program is subject to approval of each taxing unit which will be stated in the interlocal agreement between the City and taxing jurisdictions. (See the City Clerk for taxing units who have adopted the Program.)

Section 8: Criteria used to Determine what Property is Eligible

1. Rehabilitation and additions to existing buildings or new construction or both (collectively “Improvements”) is eligible for Rebates under the Plan.
2. All Improvements within the Downtown Urban Conservation “UC” Overlay District must comply with the UC Guidelines, including the Downtown Design Guidelines as adopted by Ordinance 7395 and any amendments thereto.
3. All properties subject to the food sales requirements in the downtown CD zoning district, required of licensed premises where alcoholic or cereal malt beverages are served, must be certified by the City Clerk’s office to be in compliance with said requirements pursuant to the Code of the City of Lawrence to be eligible for rebates under the Plan.
4. Property used after the Improvements for single family residential uses is eligible for rebates under the Plan.
5. Property used after the Improvements for multi-family residential or commercial or any other use that prior to the Improvements, was utilized for single-family residential use, may be eligible for rebates under the Plan subject to execution of a Developer Agreement with the City and subject to approval of the Governing Body.
6. Property used after the Improvements for commercial or industrial uses is eligible for Revitalization. Mixed-use (both residential/commercial and residential/industrial) property is eligible for Revitalization.
7. Property used after the Improvements for agricultural or any non-commercial, non-industrial or non-residential uses is not eligible.
8. Property within a TIF Redevelopment District is not eligible for Revitalization. Property that has or will receive an ad valorem tax abatement, pursuant to other Kansas authority, is not eligible for Revitalization.
9. As a result of the Improvements, the appraised valuation must increase by \$5,000. Improvements that do not increase the appraised valuation by the foregoing amounts will not be eligible for a property tax rebate under the Plan.
10. Improvements expected to generate an annual rebate in excess of \$50,000 will not be eligible for a property tax rebate under this plan. These projects will require a separate application and review process and the approval of all participating taxing entities.
11. The Improvements must conform to all codes, rules, and regulations that are in effect at the time the Improvements are made. Improvements must be authorized by public improvement plans or building permit when applicable.
12. Any otherwise eligible property with delinquent property taxes or special assessments shall not be eligible for a rebate until such time as all property taxes and assessments have been paid. Property that is not in compliance with or is in

violation of any of the applicable codes of the City of Lawrence at the time of application shall be ineligible for the Neighborhood Revitalization Plan. Property with the following land uses defined by the Development Code shall be ineligible for the Neighborhood Revitalization Plan: Manufactured Homes; Mobile Homes; Sexually Oriented Businesses; Scrap and Salvage Businesses; Telecommunications Facilities; Non-conforming uses, structures and lots.

13. The Governing Body may consider a tax rebate for a property outside of the District eligible under the Plan, if it meets the requirements of K.S.A. 12-17,115(c). Upon such a finding, the Governing Body shall forward such declaration to the participating taxing entities for their consideration.
14. Property within the District that is also within the District established by the Target Neighborhood Revitalization Plan or any other adopted Neighborhood Revitalization Plan, must comply with the requirements of the Downtown Commercial District Plan and shall only be eligible for rebates under said Downtown Commercial District Plan.

Section 9: Contents of an Application for Rebate, Application Procedures and Standards of Criteria Used to Review an Application

1. Property owners of all eligible property will file an application with the City Clerk on application forms provided by the City. Applications will be provided by the Lawrence City Clerk, located at Lawrence City Hall, 6 East 6th Street, Lawrence KS 66044 or online at www.lawrenceks.org
2. Prior to the commencement of construction of any Improvements for which a tax rebate will be requested, the applicant-owner will complete Parts 1, 2 & 3 of the application. The property owner may appeal to the Governing Body and the Governing Body may approve an application for rebate after the commencement of construction of any Improvements but not later than when the substantially completed Improvements are first assessed by a Lawrence Building Official or designee.
3. Parts 1, 2 & 3 of the application must be filed with the City Clerk with a refundable application fee (\$25.00 single family residential and \$100.00 multifamily residential or commercial) prior to the commencement of construction.
4. The City Clerk will forward a copy of Parts 1, 2 & 3 to the County Appraiser for notification and information purposes. Copies of the application will also be forwarded to the Planning and Neighborhood Resources Departments for monitoring purposes.
5. The Planning and Development Services Director or their designee, shall review all applications based on eligibility contained in this Plan. If the application is (i) complete (to the extent required at this point in the process), (ii) involves an eligible property and land use, and (iii) complies with all standards within the Act and this Plan; the Planning and Development Services Director or their designee shall approve such application.
6. The City will notify by letter to the applicant within thirty (30) days of receipt of Parts 1, 2 & 3 of the application, indicating approval or denial of the Application. If denied, the City will state the reason for the denial. If an application is not approved, the property owner may appeal the decision in writing to the Governing Body, where a hearing will be set to determine the property's eligibility.
7. The applicant-owner will file Part 4 of the Application within 10-days after commencing construction of the Improvement. The City shall provide Part 4 of the Application to the County Appraiser.
8. For any Improvement that is completed on or before January 1 of the calendar year, following the commencement of construction, the owner-applicant will file Part 5 of the application with the City certifying the completion of construction, along with an itemized statement of costs. Part 5 of the Application will be filed on or before December 1 of the calendar year, preceding the commencement of the tax rebate period.

9. For any Improvement that is only partially completed as of January 1 of the calendar year, following commencement of construction, the owner-applicant will file Part 5 of the application with the City indicating the status of construction as of January 1 of the calendar year. Part 5 will be filed on or before December 15 of the calendar year, preceding the commencement of the tax rebate period.
10. The City shall provide Part 5 of the application to the County Appraiser.
11. Soon after January 1 of the calendar year, the County Appraiser will conduct an on-site inspection of the Improvements and determine the new valuation of the real estate accordingly. The valuation is then reported to the County Clerk by June 15 of the calendar year. The tax records will be revised.
12. Upon payment in full of the real estate tax for the subject property for the initial and each succeeding year period extending through the Rebate Term, and within an approximately thirty (30) day period following the date of tax distribution by the County to the other taxing units, a tax rebate in the amount of the Tax Increment (defined below) will be made to the owner or the person liable for payment of the taxes on the property or their assignee. If property tax is paid in semiannual payments, the rebate is made after payment of the second installment.
13. The tax rebate will be made by the Finance Director of Lawrence through the Neighborhood Revitalization Fund established in conjunction with the other taxing units participating in an Interlocal Agreement. If the property owner appeals their tax bill to County Appraiser, no payment will be made until the appeal is resolved.

Section 10: Amount of Tax Rebate, Rebate Term, and Maximum Rebate Limit

1. Tax rebates will be provided in the designated District subject to all Criteria for Determination of Eligibility (see Section: 8 & 9) being met and an application being filed. A summary of the tax rebated by property type is listed in the below table.

New Structure, Remodels, Rehabilitation, Alteration or Addition			
Property Type	Refundable Application Fee ¹	Percent of Rebate	Length of Rebate ²
Single Family and Two Family Residential	\$25	95%	10 years
Multi-Family Residential	\$100	95%	10 years
Commercial	\$100	95%	10 years
Historic Residential	\$25	95%	15 years
Historic Commercial	\$100	95%	15 years

2. The tax rebate paid shall be equal to 95% of the ad valorem taxes collected from real property located within the District, that are in excess of the amount which would be produced from such property and attributable to the assessed valuation of such property prior to the date of application, subject to limitations contained in this Plan (the "Tax Increment."). If there is no Tax Increment generated for a specific property due to a diminution of appraised values, no tax rebate shall be provided for said property.
3. The annual rebate amount is based on a one-time tax increment, established upon project completion. The annual rebate amount will not adjust for increases in valuation in subsequent years.
4. Douglas County retains 0.5% percent of the Tax Increment for administrative handling. The remaining Tax Increment will be placed in the Neighborhood Revitalization Fund to be used for the purposes discussed in this Plan.
5. Maximum rebate time period allowed under the plan shall be 10 years. Qualified historic properties shall be eligible for a 15 year rebate.
6. The maximum amount of cumulative plan rebate shall be \$500,000 for any one year period.

¹ Refundable with first installment of the rebate.

² Properties listed in the National Register of Historic Place, the Register of Historic Kansas Places or properties designated as a Historic Landmark or a contributing structure to a historic district by the City of Lawrence, shall be eligible for a rebate term of 15 years.

Section 11: Neighborhood Revitalization Fund

Upon Governing Body approval of this plan, the Neighborhood Revitalization Fund will be established. Tax amounts not rebated or used for administration costs shall be used for infrastructure, and other redevelopment improvements within the District. A separate account within the Neighborhood Revitalization Fund will be established for these purposes. A committee consisting of a representative from each participating taxing entity shall make specific project recommendations to the Governing Body consistent with the terms of this plan and the Neighborhood Revitalization Fund. A policy governing such expenditures shall be developed by the committee and approved by the Governing Body. The Governing Body shall make final decisions in the appropriation of such funds for improvement projects within the District. The Neighborhood Revitalization Fund shall not be used as a substitute funding source for existing or planned capital improvements within the District.

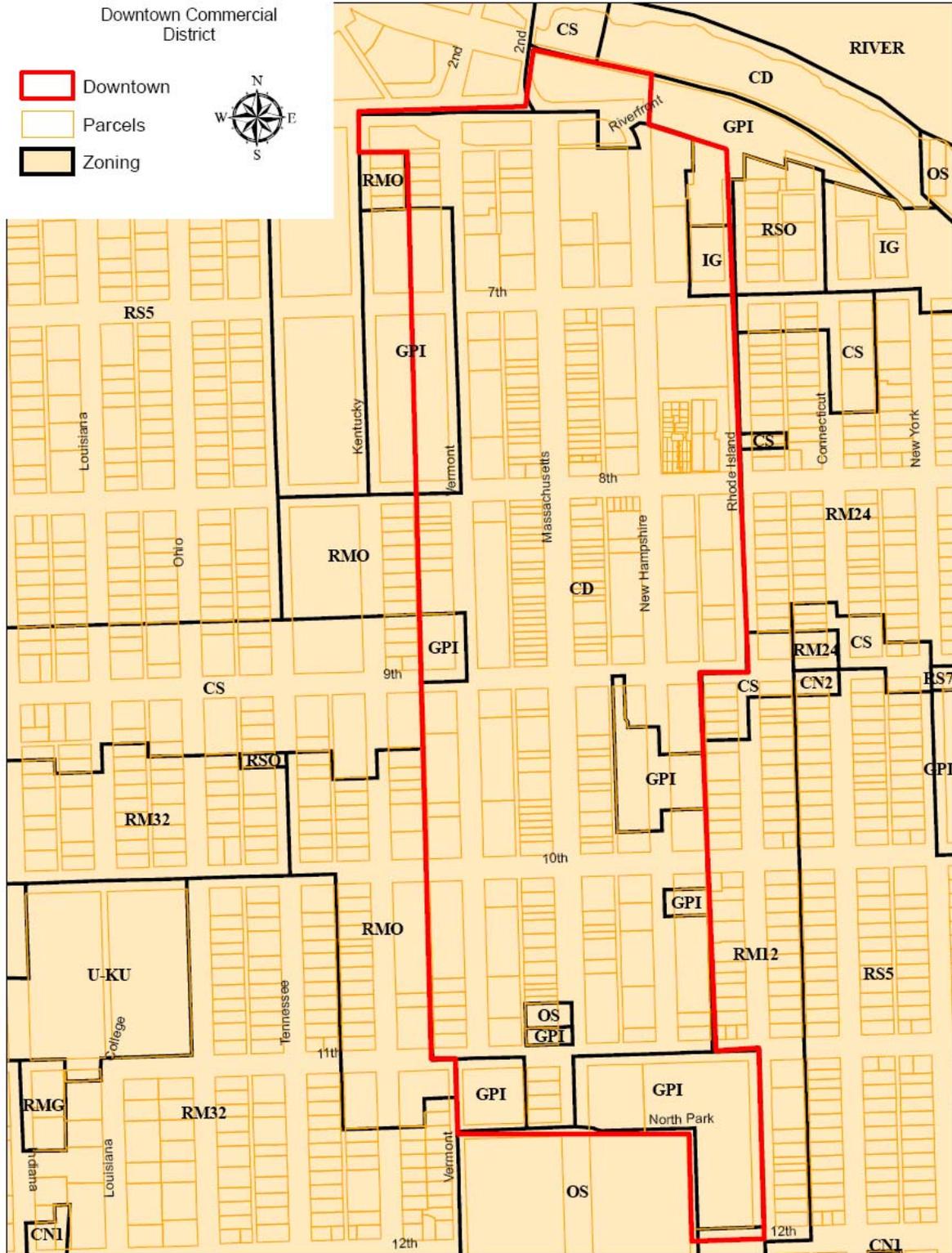
Appendix I: Summary of the Kansas Neighborhood Revitalization Act

The Kansas Neighborhood Revitalization Act (NRA) allows the governing body of any municipality to pass an ordinance designating an area within that municipality as a "Neighborhood Revitalization Area" if it finds that "the rehabilitation, conservation or redevelopment of the area is necessary to protect the public health, safety or welfare of the residents of the municipality." K.S.A. 12-17,116.

KSA 12-17,115(b) and 12-17,116 provide that all municipalities are authorized to participate in Neighborhood Revitalization Area programs. In addition, KSA 12-17,119, provides that two or more (i.e. all) taxing jurisdictions within a Neighborhood Revitalization Area are specifically authorized to enter into interlocal agreements pursuant to 12-2901 to exercise the powers authorized by the Act (including utilizing all or a part of the other taxing jurisdictions tax increment). The interlocal agreement(s) must be submitted to and approved by the Kansas Attorney General.

The Neighborhood Revitalization Act expressly provides for additional home rule provisions which are not in conflict with this act. KSA 12-17,120 permits cities to enact and enforce additional laws and regulations on the same subject of revitalization, provided they are not in conflict with the Act. This would mean, for example, that cities should be able to adopt provisions permitting use of some of the increment which is not returned to taxpayers, to be used instead for other infrastructure improvements within the NRA District, and conceivably, even for revitalization grants or other incentives that would spur revitalization and rehabilitation in the NRA District. The ability of cities to go beyond the statutes will depend in a large part upon the scope of their agreement with the other taxing jurisdictions.

Appendix II: Zoning Map



Appendix IV: Future Land Use Map

(Map 3-2 from Horizon 2020)

