

1001 Massachusetts Neighborhood Revitalization Area Request



City of Lawrence

What is Neighborhood Revitalization Act?

- Neighborhood Revitalization Act allows rebates on incremental increases in property tax values as a result of redevelopment activity
- Law is flexible and allows local government ability to set framework for each area
- Tool is used by many other communities in Kansas
- Previously used by City of Lawrence for the neighborhood in the area near 8th & Pennsylvania and 1040 Vermont
- City of Lawrence, current NRA Policy:
<http://www.lawrenceks.org/documents/Resolutions/Resolutions-6900s/Res6921.pdf>

1001 Massachusetts Request

Requested Incentives	
NRA Tax Rebates: 95%, decreasing 5% each year over 15 years	\$345,274
ADA Accessible Sidewalk Improvements	\$12,000
Sprinkler System/Water Meter/Tap Fees	\$70,000
Total Value of Incentives	\$427,274
Applicant Suggested Rebate Cap	\$390,000

Proposed rebate schedules

NRA Rebate Schedules			
Year	Scenario 1	Scenario 2	Applicant Request
	95% declining over 10 Years	75% Declining over 10 Years	95% declining over 15 Years
Year 1	95%	75%	95%
Year 2	90%	70%	90%
Year 3	85%	65%	85%
Year 4	80%	60%	80%
Year 5	75%	55%	75%
Year 6	70%	45%	70%
Year 7	65%	35%	65%
Year 8	60%	25%	60%
Year 9	55%	15%	55%
Year 10	50%	5%	50%
Year 11	--	--	45%
Year 12	--	--	40%
Year 13	--	--	35%
Year 14	--	--	30%
Year 15	--	--	25%

Benefit/Cost Analysis Comparison

NRA Rebate Performance Comparison (15 year rebate period)			
Description	Scenario 1	Scenario 2	Applicant Request
	95% Declining over 10 Years	75% Declining over 10 Years	95% Declining over 15 Years
Total Value of Incentives	\$330,401	\$221,743	\$393,274
City B/C Ratio	2.82	3.14	2.69
County B/C Ratio	3.78	4.75	3.42
Present Value of Increased Revenues for City & County	\$135,238	\$168,512	\$122,726
Present Value of Increased Revenues for All Jurisdictions	\$658,606	\$724,471	\$633,839

Benefit/Cost Analysis (cont.)

- All scenarios demonstrate positive net results for all jurisdictions.
- All scenarios include \$48,000 in sprinkler system and sidewalk incentives.

Sidewalk & Sprinkler System Incentives	
ADA Accessible Sidewalk Improvements	\$12,000
Maximum Eligible Sprinkler System/Water Meter/Tap Fees	36,000
Total	\$48,000

PIRC Recommendation

Year	Scenario 1
	95% declining over 10 Years
Year 1	95%
Year 2	90%
Year 3	85%
Year 4	80%
Year 5	75%
Year 6	70%
Year 7	65%
Year 8	60%
Year 9	55%
Year 10	50%

Process

- Requires public hearing
- Requires adoption of plan
- Requires ordinance to establish area
- Douglas County and USD 497 control their participation

Requested Action

- Receive the recommendation from PIRC.
- Conduct a public hearing to consider the 1001 Massachusetts Neighborhood Revitalization area plan. Adopt first reading of an ordinance adopting the Plan and review the draft cooperation agreement with the County and USD 497.
- The County and USD 497 will need to take formal action regarding their participation by considering entering into a joint cooperation agreement, prior to final consideration by the City on September 27.