

**NEIGHBORHOOD REVITALIZATION ACT
COOPERATIVE AGREEMENT for 900 DELAWARE STREET**

This Agreement (hereinafter "Agreement") is entered into this 21 day of October, 2014, by and between the City of Lawrence, Kansas (hereinafter "City"); the Board of Commissioners of Douglas County, Kansas (hereinafter "County"); and Unified School District No. 497, Douglas County, State of Kansas (hereinafter "USD 497") (collectively the "Parties"), all of which are municipalities within the meaning of K.S.A. 10-1101 and K.S.A. 12-17,114 *et seq.*; and

WHEREAS, pursuant to K.S.A. 12-2901 *et seq.* and amendments thereto, the Parties have authority to enter into agreements to jointly perform certain functions, including economic development, and this Agreement furthers mutual cooperation and joint action; and

WHEREAS, K.S.A. 12-17,114 *et seq.* and amendments thereto, also referred to as the Kansas Neighborhood Revitalization Act (the "Act"), provides a program for neighborhood revitalization to provide incentives for property owners to improve aging and deteriorating property, or otherwise stimulate new construction, the rehabilitation, conservation or redevelopment of an area in order to protect the public health, safety and welfare; and

WHEREAS, K.S.A. 12-17,119, provides for all taxing jurisdictions within a Neighborhood Revitalization District to enter into agreements as set out in K.S.A. 12-2901 *et seq.* to further neighborhood revitalization; and

WHEREAS, the Parties desire to maximize the economic development opportunities under the Act and the Neighborhood Revitalization Plan (later defined herein) by acting jointly through the use of this agreement; and

WHEREAS, the Parties desire to set out the terms and conditions of participation as described herein, and

WHEREAS, the City and County will have primary responsibility for the procedural aspects of NRA implementation and administration, and therefore desire to set forth the specific rights and responsibilities of the Parties with respect to the procedures associated with the NRA.

NOW, THEREFORE, for the mutual promises and covenants contained herein and other good and valuable consideration, the Parties understand and agree as follows:

1. Purpose. The purpose of this Agreement is to provide a program for neighborhood revitalization and allow the taxing jurisdictions within the

designated neighborhood revitalization area (“Area”) to work together, through this agreement, to facilitate the rehabilitation, conservation or redevelopment of an area to protect the public health, safety and welfare of the residents of Lawrence.

- a. After conducting a public hearing and complying with the publication requirements of K.S.A. 12-17,117 as amended, on September 23, 2014 the City approved Ordinance No 9040 adopting a neighborhood revitalization district plan in substantially the same form and content as contained in **Exhibit A** attached hereto and incorporated herein by reference. (“Plan”).
 - b. The other Parties to this Agreement have also reviewed and considered the Plan, and by adoption of this Agreement, agree to work cooperatively to implement the Plan.
 - c. The Parties further agree that no separate legal entity shall be created under this Agreement, but rather the City, on behalf of all Parties, shall administer the Plan as adopted by the City or as it may be subsequently amended as provided herein.
 - d. The Parties agree that the Plan shall not be amended by the City or by any of the Parties acting separately and shall only be amended in writing and accompanied by a new Agreement signed by all Parties hereto, which consent and cooperation shall not be unreasonably withheld.
 - e. In the event that the Neighborhood Revitalization Plan, as adopted, is not followed with respect to the aspects set forth in the Plan, the Parties may individually wish to reconsider participation in the Plan at that point.
2. Duration. This Agreement shall commence on October 21, 2014 and expire February 20, 2031 or upon payment of the 2030 property taxes and the processing of the rebate for the 2030 tax year. The City reserves the right to evaluate the Program at any time.
 3. Termination. The Parties agree that termination of this Agreement by any party prior to February 20, 2031 would adversely impact the Plan, and consequently, this Agreement may only be terminated with ninety (90) days written notice, and further provided such written notice must be received prior to August 1 in the calendar year prior to the tax year the party desires to terminate participation, unless such notice is waived, in writing, by all Parties to this Agreement. The Parties further agree that any application for tax rebate submitted to the City prior to receipt of the

notice of termination shall, if approved, be considered eligible for the duration of the rebate period set forth in the Plan.

4. Financing.

- a. A qualified improvement must meet the requirements set out in the Plan. The tax increment will be calculated as described in Section 7 of the Plan. (The real property taxes and special assessments must be paid, and not paid under protest, and the increment generated before a rebate will be issued.)
- b. The County is authorized to and shall transfer any tax increment received for the Parties to the Neighborhood Revitalization Fund (NRA Fund) a separate fund created and maintained by the City under the authority of K.S.A. 12-17,118 and amendments thereto.
- c. The County shall retain an annual administrative fee in an amount of \$100 from the increment of the rebate program. The County shall deduct this fee from the tax increment prior to rebating the tax increment to the City for disbursement to the property owner as provided in the Plan.
- d. Within thirty (30) days of distribution of the tax increment from the County, the City will disburse the rebate(s) in the appropriate percentage to each eligible taxpayer in accordance with the Plan. All funds transferred to the NRA Fund by the County and not required to be rebated to taxpayers shall be refunded by the City to the County Treasurer for distribution to all participating taxing jurisdictions in their proportionate share based on their tax rate at the time of disbursement.

5. Additional City Responsibilities.

- a. The property owner will be subject to a performance agreement with the City, which will require the property owner to adhere to the terms of the NRA Plan and this agreement, as well as the requirements listed in paragraphs b. – .d. below.
- b. It is the responsibility of the property owner to notify City staff and the County Appraiser prior to commencing the improvements. The property owner shall provide any project information that may be helpful to the County Appraiser in the valuation process. In addition, the property owner must confirm that the County Appraiser's Office has completed a review of the real property prior to commencing the improvements.

- c. The property owner shall notify City staff and the County Appraiser in written form upon completion of the improvements utilizing the 'Certificate of Project Completion'.
- d. The property owner shall notify both City staff and the County Appraiser in written form within 30 days should any substantial change occur to the planned improvements.
- e. The Property owner shall notify the City when all improvements covered under the application have been completed and the City shall inspect the improvements for compliance with the required building, health and safety codes of the City. On or before December 1st of each calendar year, the City shall notify the County Appraiser, in writing, of each property in the Area for which Improvements have been substantially completed so that the County Appraiser may conduct on-site inspections as part of the normal valuations to determine the increase in taxable valuations due to the Improvements.
- f. Within thirty (30) days of distribution of the tax increment from the County Treasurer, the City will disburse the rebate to the eligible taxpayer in accordance with the Plan unless the tax is paid in semi-annual payments, in which case the rebate will be made after payment of the second and final installment. Within thirty (30) days after the County transfers any tax increment received by the taxpayer to the City, the City will disburse the rebate to the eligible taxpayer in accordance with the Plan.

6. Additional County Responsibilities.

- a. The County Appraiser shall conduct an on-site appraisal as part of the normal valuations following completion of the Improvements and determine the increase in the taxable valuation due to the improvements.
- b. The County Appraiser will notify the City and the County Clerk of the valuation.
- c. The County Treasurer will monitor real estate tax delinquencies for Property participating in the Program. The County Treasurer will notify the City if a Property becomes ineligible for the program due to tax or special assessment delinquencies.

8. Execution. For purposes of executing this Agreement, this document if signed and transmitted by facsimile machine or telecopier, is to be treated as an original document. This Agreement may be executed in one or

more counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument.

9. Liberal Construction. This Agreement shall be liberally construed to achieve the economic development objectives and purposes of both this Agreement and the Plan. Should any provision of this Agreement be determined to be void, invalid, unenforceable or illegal, such provision(s) shall be null and void, but the remaining provisions shall be unaffected thereby and shall continue to be valid and enforceable.
10. Entire Agreement. This Agreement constitutes the entire agreement between the Parties on this subject and may not be modified or amended except in writing executed by all Parties in the same manner as the original.
11. Governing Law. This Agreement and the Plan and the rights of all the Parties hereto shall be governed by and construed according to the laws of the State of Kansas.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective, appropriate representatives with authority to bind their respective entity.

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CITY OF LAWRENCE, KANSAS

[SEAL]

By: _____

Attest:

David L. Corliss, City Manager

Diane Trybom, Acting City Clerk

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BOARD OF COMMISSIONERS
OF DOUGLAS COUNTY, KANSAS

[Seal]

By: _____

Attest:

_____, Clerk of the Board

Approved As To Form:

County Counselor

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UNIFIED SCHOOL DISTRICT NO. 497,
DOUGLAS COUNTY, STATE OF
KANSAS

[Seal]

By: _____

President, Board of Education

Attest:

Clerk of the Board

Approved As To Form:

Attorney for the Board

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Exhibit A

Neighborhood Revitalization Plan
As adopted by Governing Body of the City of Lawrence
On October 21, 2014
through Ordinance No. 9040

[See Attached]