

NEIGHBORHOOD REVITALIZATION PLAN

For Vermont Place

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Purpose and Factual Findings

This plan is intended to promote the revitalization of the area of the City of Lawrence, Kansas (the City) through the rehabilitation, conservation, or redevelopment of the area to protect the public health, safety, or welfare of the residents of the City. More specifically, a tax rebate incentive will be available for certain improvements within the area. The improvements will include a multi-level, mixed-use commercial and residential project with underground parking.

In accordance with the provisions of K.S.A. 12-17,114 et seq., the Lawrence City Commission has held a public hearing and considered the existing conditions and alternatives with respect to the designated Area, the criteria and standards for a tax rebate, and the necessity for interlocal cooperation among other taxing units. Accordingly, the City Commission has carefully reviewed, evaluated, and determined the Area meets one or more of the conditions to be designated as a "neighborhood revitalization area."

Part 1
Legal Description of Neighborhood Revitalization Area

Block 2 Description: Lot Fifty-one (51) on Vermont Street, in the City of Lawrence, Douglas County, Kansas

Block 3 Description: The North 45 feet of Lot 53 on Vermont Street, in the City of Lawrence, Douglas County, Kansas

A map depicting the existing parcels of real estate is attached hereto as Exhibit A and incorporated into this Plan by reference as if fully set forth herein.

Part 2
Assessed Valuation of Real Property

The assessed valuation of the real estate contained in the Area is listed as follows for each parcel, for land and building value separately:

2016 Tax Information						
Property Address	Appraised			Assessed		
	Land	Improvements	Total	Land	Improvements	Total
800 Vermont Street, Block 2	\$234,000	\$0	\$234,000	\$28,080	\$0	\$28,080
800 Vermont Street, Block 3	\$222,300	\$0	\$222,300	\$26,676	\$0	\$26,676
Total	\$456,300	\$0	\$456,300	\$54,756	\$0	\$54,756

Part 3
Listing of Owners of Record in Area

A list of names and addresses of the owners of record of both parcels of real estate within the Area:

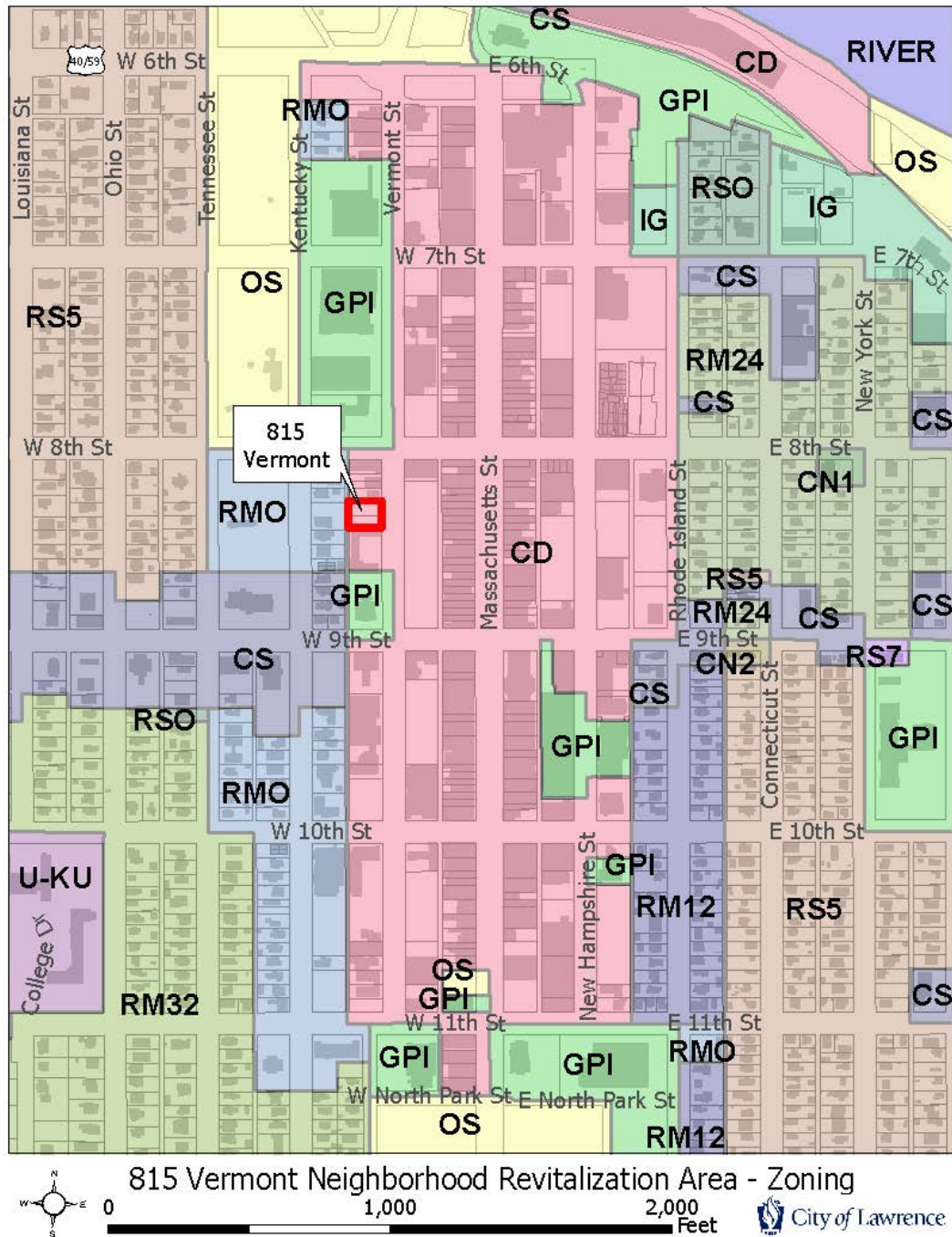
Robert J. Schumm and Sandra J. Schumm – 1720 St. Andrews Drive, Lawrence, KS 66047

The Owners intend to cause Vermont Place, L.L.C. (hereinafter "Developer") to establish condominiums in the building to be constructed in the Area, and sell individual residential units.

Part 4
Existing Zoning Classifications and Boundaries
& Existing and Proposed Land Uses

A. Existing Zoning Classifications and Boundaries

The existing zoning classification of the Area is CD, Downtown Commercial District. The existing zoning classification boundaries are depicted in the map below:



B. Existing and Proposed Land Uses

The parcels in the Area are currently undeveloped. Lot 51 of Vermont Street has been used for the last several years as a community garden. The County Appraisal land use records identify Lot 51 as Agricultural. The north 45 feet of Lot 53 is vacant and Lot 53 of Vermont Street is identified in the County Appraisal land use records as Vacant. The west sides of both parcels, where they adjoin the alley, have informally been used from time to time for parking.

The parcels in the Area are proposed to be developed with a five story mixed-use structure containing retail, office, and residential uses. The proposed structure will contain approximately 50,000 square feet and an underground parking garage that will accommodate approximately 22 cars. The overall height of the structure will be 65 feet.

Part 5 Capital Improvement Planned for the Area

The Area will, for the most part, be served by existing municipal services.

Transportation – the Area will have access to the City's transit system. An underground parking garage is planned to provide 22 parking spaces to serve the residents within the NRA Area.

Water and sewage systems – the Area will connect to City water, wastewater and storm water systems.

Refuse collection – the Area will be served by existing City refuse and recycling services.

Road and street maintenance – the Area is adjacent to existing Vermont Street. Vermont Street will be maintained as part of the City's regular street maintenance system. The property owner(s) will be responsible for sidewalk maintenance in accordance with state law.

Park and recreation facilities – the Area will be served by existing parks and recreation facilities.

Police and fire protection – existing police and fire and medical services will serve the Area.

Part 6 Property Eligible for a Tax Rebate

The Area is currently vacant land. Accordingly, only new construction and the land in the Area are eligible for the tax rebate.

Part 7
Criteria for Determination of Eligibility

The Area consists of two parcels of real estate that will be developed by Vermont Place, L.L.C. The land and new construction within the Area will be eligible for revitalization. In order to be eligible for the NRA rebate, Vermont Place, L.L.C. shall pull a building permit for the Project in the Area within two years of the effective date of the Ordinance designating the NRA Area, and shall obtain a Certificate of Occupancy as described in Part 11 of this Plan within two years of the date the building permit is issued for the Project.

Part 8
Contents of Annual Application for Tax Rebate

The Annual Application for Tax Rebate shall contain the following general information:

1. Owner's Name
2. Owner's Mailing Address
3. Owner's email address (if one is available)
4. Owner's Day Phone Number
5. Address of Property
6. Legal Description of Property
7. Parcel Identification Number
8. Tax year for which the NRA rebate is being requested.
9. Receipt showing all taxes and special assessments have been paid in full for the applicable tax year.
10. The signature and date of the Owner certifying the accuracy and validity of the annual application for tax rebate.

The Annual Application for Tax Rebate is attached hereto as Exhibit B, and incorporated herein by reference.

Part 9
Procedure for Submission of an Application for Tax Rebate

Owners seeking a tax rebate shall annually complete the form, Exhibit B. The Annual Application for Tax Rebate, and supporting compliance documentation, shall be submitted to the City's Economic Development Coordinator.

Part 10
**Standards and Criteria for Review and Approval of
Annual Application for Tax Rebate**

1. The property for which a rebate is requested shall conform with all applicable federal, state, and city laws, codes, and regulations in effect at the time the improvements are made and shall remain in conformance with applicable laws, codes, and regulations for the duration of the rebate period or the rebate may be terminated.

2. The Developer, Vermont Place, L.L.C., shall comply with the Affordable Housing Requirements as set forth in this paragraph, and shall remain in conformance therewith for the duration of the rebate period or its rebate may be terminated. Developer shall timely provide the City with any information or records reasonably requested by City to document compliance with this provision.

Affordable Housing Requirements:

One, one bedroom, fully finished residential unit will be made available for sale in conjunction with the Lawrence Community Housing Trust (LCHT), and shall be one of the first units completed. Developer shall sell the unit directly to a buyer that meets the LCHT income guidelines. LCHT shall hold a second mortgage on the unit, in an amount equal to the difference between the market value of the unit and the actual sale price. LCHT will provide a copy of said second mortgage to the City.

Lawrence's Tenants to Homeowners, Inc., through LCHT, will ensure that the unit remains affordable under the Tenants to Homeowners, Inc., guidelines in subsequent sales of the unit. The LCHT will administer the income guidelines for the unit. The Developer and City shall have no obligations concerning overseeing such subsequent sales or ensuring that affordable housing requirements are met for such subsequent sales.

The size of the unit will be not less than 590 square feet and shall have use of one parking space within the development's underground parking garage.

The subsidized unit will sell for an "affordable price." For the purposes of this Plan only, affordable price shall mean the lesser of the following: (1) \$95,000.00, or (2) an amount which will allow a household of one (1) at or under seventy-percent (70%) median income to afford the mortgage payment, HOA fee, LCHT affordability fee (\$25.00 per month), and utilities for at or under thirty-percent (30%) of the owner's monthly gross income.

Vermont Place LLC will underwrite the cost of this unit in the amount of approximately \$127,785.00.

The dedicated affordable housing unit will remain affordable into perpetuity which will be overseen by the LCHT, its successor or its assignee.

The Developer shall not be eligible to apply for a rebate until the Affordable Housing Unit is complete and available for occupancy as determined by the City.

3. Any property that is delinquent in any tax payment or special assessment shall not be eligible for a rebate until such time as all taxes and assessments have been paid in full. Any taxes paid under protest for an eligible property will suspend the rebate for that owner/taxpayer until the protest has been resolved. If the owner(s) of an eligible property appeals the appraised value of the property, no rebate will be made to the owner(s) until the appeal is finalized.

4. 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. See Part 11.
5. For the purposes of this Plan, the "Base Valuation" of property eligible for a tax rebate shall be calculated based upon the property's (condominium unit, office unit, retail unit) square footage divided by the gross square footage of the development as determined by the Douglas County Appraiser. The gross square footage of the development will be determined at the time the first certificate of occupancy is issued for any aspect of the project. The County Appraiser may modify the gross square footage of the development in subsequent years if the gross square footage of the overall development is changed in a material amount. For any individual property unit, the square footage of the unit will be determined at the time that unit has been framed in with floors, walls and ceilings in place (i.e., "white box"), and upon transfer of ownership. If the square footage of a unit later changes (e.g., if a unit is expanded or two condo units are combined), the County Appraiser may adjust the square footage attributable to said unit(s).
6. The City's Economic Development Coordinator, or his or her designee, shall have the authority and discretion to approve or reject annual rebate applications based on eligibility standards and review criteria contained in this Plan. If an applicant for a tax rebate is dissatisfied with the decision, a written appeal may be submitted to the City Commission for final determination. Such written appeal must be filed within 30 days after the Economic Development Coordinator's decision.

Part 11

Statement Specifying Amount and Years of Eligibility of Rebate

The Owner/Taxpayer, or the Owner/Taxpayer's assignee, provided the requirements of this Plan are satisfied, will be eligible for a property tax rebate as set forth in this Part 11.

Program Period: The NRA fund and tax rebate incentive program shall expire at the conclusion of the Rebate Period set forth below, unless earlier terminated pursuant to this Plan. The City, County, and School District may jointly agree to amend or modify the Plan as conditions, policies or priorities change, provided that no amendment or modification to the Plan which decreases the percentage Rebate Amount under this Plan or materially increases the Owners' obligations or duties under the Plan shall be effective without the affected Owner(s)' prior written consent. If there is no tax increment generated for a specific property due to a diminution of assessed values, no tax rebate shall be provided for the Property. The Owners shall receive at least thirty (30) days prior written notice of any proposed amendment or modification to the Plan.

Rebate Period: The NRA rebate period shall commence on the first full year after Project Completion. For the purposes of this Plan, it is understood and agreed that the Project Completion refers to the date when a Certificate of Occupancy is issued by the City for any portion of the Project and is filed with the Douglas County Appraiser by December 1st. If individual condominium units remain unfinished within the Project Area after a Certificate of Occupancy has been issued in the Project Area, it shall have no effect on the Rebate Period. The NRA Rebate Period shall be 10 years, unless earlier terminated as provided in this Plan.

Rebate Amount:

Residential: 75%

Commercial: 75%

The Owners of the property at the time the property taxes are paid in full, or the Owners assignee, will be eligible for a property tax rebate on the incremental taxes associated with improvements to the Property (the "Tax Increment"). The Tax Increment will equal the property tax assessment against the Property for the first year after the improvements add to the assessed value of the Property the first year of the Rebate Period reduced by the property tax assessed against the Property for the base year (the year this Plan is approved) (i.e. determined without the value that the improvements add to the assessed value of the Property). The Tax Increment will be reassessed each year of the rebate program, based off the new appraised value for that particular tax year (i.e., the properties will be re-appraised each year. Then the fixed rebate percentage set forth above shall be applied to any change in assessed value or mill levy during subsequent years for the Rebate Period, as outlined above. Douglas County shall be entitled to an annual administrative fee of \$650.00 for each annual application filed by an Owner/Taxpayer.

Timing of Annual Tax Rebate Payment: Provided the Owner/Taxpayer(s) are in conformance with this Plan, have submitted a complete Annual Application for Tax Rebate, and the Annual Application for Tax Rebate has been approved by the City's Economic Development Coordinator, or the City Commission, then upon payment of taxes by the Owner(s), the rebate shall be made within 30 days after the next distribution date by Douglas County, as specified in KS.A. 12-1678a, and amendments thereto.

Part 12 Additional Requirements

1. This Plan and tax rebate program are subject to approval of each taxing unit (City Commission, Douglas County Commission, and USD 497). The participating taxing units will enter into a cooperative agreement concerning the implementation of this Plan and the payment of tax rebates.
2. The Developer shall submit a property construction commencement form to the City, signed by the Douglas County Appraiser, before it commences any pre-construction or construction activities in the Area. The property construction commencement form is attached hereto as Exhibit C, and incorporated herein by reference. The City acknowledges and agrees that the base property value shall be based upon the appraised value determined by the Douglas County Appraiser in the year in which the Ordinance establishing the NRA is effective.
3. The Developer shall within 10 days of completing the Project submit to the City a Certificate of Project Completion, attached hereto as Exhibit D and incorporated herein by reference.

4. The Developer shall within 10 days of selling a residential condominium unit or any other unit within the Area, notify the City's Economic Development Coordinator of the name and contact information of the buyer.
5. Construction or redevelopment activities must be located in the Area and begin after the effective date of the Ordinance establishing the Area to be eligible for a rebate.
6. The City's obligation to rebate any increment in ad valorem property taxes under this Plan shall be limited to monies in the NRA fund. In no event shall the City be obligated to cover such rebates from other City funds.
7. Some improvements regardless of cost may not result in an increase in assessed value and thus would not make the property eligible for a property tax rebate. Such determinations will be made solely and independently by the Douglas County Appraiser's Office and the Douglas County Clerk.

The County Appraiser shall conduct an on-site appraisal as a part of the normal valuations following completion of the Improvements and determine the increase in the taxable valuation due to the Improvements. 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 completed so that the County Appraiser may conduct on-site inspections as a part of the normal valuations to determine the increase in taxable valuations due to the Improvements. The County Appraiser will notify the City and the County Clerk of the valuation.

8. If this Plan is repealed or the rebate criteria changed, any approved applications shall be eligible for rebates for the remaining Term of the rebate originally provided in the plan.
9. The Developer shall keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the Developer related to the Project or this Plan in accordance with generally accepted accounting principles. At reasonable times and upon reasonable prior written notice, the Developer agrees to allow representatives and agents of the City or Douglas County to inspect all books and records, invoices and other financial information related to the NRA incentive.
10. To the extent any party determines that a party has failed to comply with any term of this Plan, such party shall provide written notice to the other party, and said party shall be provided thirty (30) days after the receipt of such notice to comply with the terms of this Plan.

Exhibit A
A Map depicting existing parcels of real estate in
Neighborhood Revitalization Area

Vermont Street Place NRA - Area Map



Exhibit B
Application for Annual NRA Rebate &
Certification of Rebate of Increment
in Ad Valorem Property Taxes
Page 1



Please fill out the below application and submit along with a copy of all applicable tax payment receipts.

Submit Application to: City of Lawrence, City Manager's Office,
Attn: Economic Development
6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: Treasurer's Department
1100 Massachusetts St., Lawrence, KS 66044

Project: _____
Owner(s): _____ Name: _____
Owner(s) Address: _____
Parcel ID #: _____
Property Legal Address: _____

Annual Rebate Requested: Rebate on property taxes levied in _____

(Y/N) The Owner(s) has paid, at the time Application for Rebate is made, all real estate taxes levied against the Property on which the Project is located

**Please attach a copy of tax payment receipts for the
calendar year in which the rebate is requested.**

(If applicable, also include payment receipts for any past due property taxes.)

Application Prepared by: _____
Title: _____
Address: _____
Email: _____
Phone: _____

The above information is correct, to the best of my knowledge.

Signature: _____ Date: _____

Note: Rebates are given only after property taxes are paid in full.

Exhibit B
Annual Application for Tax Rebate
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CERTIFICATION

The undersigned Owner (s) does hereby certify to the City of Lawrence, Kansas (the "City") that the following information is true and correct as of the date hereof:

1. The Owner(s) is in compliance with the terms of the Neighborhood Revitalization Act Plan for the Vermont Place NRA.
2. The Owner(s) is entitled to the rebate of the increment in ad valorem property taxes levied pursuant to the terms of the Neighborhood Revitalization Plan for the Vermont Place NRA in connection with the Project and the Neighborhood Revitalization Act.
3. The undersigned has reviewed the provisions of K.S.A. 21-6004 and understands the penalties thereunder.

Owner(s):

By: _____

Printed Name: _____

Title: _____

By: _____

Printed Name: _____

Title: _____

Note: Rebates are given only after property taxes are paid in full.



Exhibit C
Property Construction Commencement

The Owner(s) shall notify the City Manager and County Appraiser prior to commencement of project construction/redevelopment activities by submitting a signed copy of this form. The Owner(s) shall provide any information concerning the Project that may be helpful to the County Appraiser in the valuation process.

Project: _____
Parcel ID #: _____
Property Legal Address: _____

To be Completed by the County Appraiser:

Date of Appraisal: _____ Base Year: _____
Assessed Valuation: Land: _____
 Improvements: _____
 Total: _____
County Appraiser Signature: _____ Date: _____

To be Completed by the Property Owner(s):

Name: _____
Address: _____
Title: _____
Email: _____ Phone: _____
Signature: _____ Date: _____

Submit form to: City of Lawrence, City Manager's Office, Attn: Economic Development
 6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: County Appraiser
 1100 Massachusetts St., Lawrence, KS 66044



Exhibit D
Certification of Project Completion

Please fill out the below certificate of completion and submit within 10 days of the conclusion of project construction.

Submit Application to: City of Lawrence, City Manager's Office,
Attn: Economic Development
6th East 6th Street, Lawrence, KS 66044

With a copy sent to: Douglas County, Kansas, Attn: Appraiser's Office
1100 Massachusetts St., Lawrence, KS 66044

Project:

Developer's Name: _____
Developer's Address: _____
Parcel ID #: _____
Property Legal Address: _____

Contact Information:

Company Contact(s): _____
Contact Address: _____
Contact Phone: _____
Contact Email: _____

Property Information:

Date of construction start (include copy of building permit receipt): _____
Date of construction end (include copy of certificate of occupancy): _____
Estimated cost of project improvements:
 Land: _____
 Building (include soft and hard costs): _____
 Total Project Cost: _____

I certify that the above information is correct.

Owner's Signature _____ Date _____