

CHEROKEE COUNTY
NEIGHBORHOOD REVITALIZATION PLAN

Purpose: This Plan is intended to promote the revitalization and development of Cherokee County by stimulating new construction and rehabilitation, conservation or redevelopment of the area in order to protect the public health, safety and welfare of the County by offering certain incentives, which include tax rebates.

I. LEGAL DESCRIPTION OF THE NEIGHBORHOOD REVITALIZATION AREA

- A. The Neighborhood Revitalization Area is all of Cherokee County, excluding property within the Baxter Springs Revitalization Area (2014-2019).
- B. A map of the excluded area is attached as Exhibit A of this Plan.

II. ASSESSED VALUATION OF THE NEIGHBORHOOD REVITALIZATION AREA

- A. The 2017 assessed valuation for Cherokee County is \$164,631,933. The 2017 assessed valuation for the Baxter Springs NRP is \$1,260,590. Therefore, the 2017 assessed valuation for the Cherokee County Neighborhood Revitalization Area is \$163,371,343.

III. NAMES AND ADDRESSES OF THE REAL ESTATE OWNERS WITHIN THE NEIGHBORHOOD REVITALIZATION AREA

- A. Each owner of record of each parcel of property located within the Cherokee County Neighborhood Revitalization Area is listed together with the corresponding address on file at the County Appraiser's Office at the Cherokee County Courthouse, 110 West Maple Street, Columbus, KS.

IV. EXISTING ZONING CLASSIFICATIONS AND DISTRICT BOUNDARIES; EXISTING AND PROPOSED LAND USES WITHIN THE NEIGHBORHOOD REVITALIZATION AREA

- A. In the Cherokee County Neighborhood Revitalization Area, zoning exists only within the city limits of Baxter Springs and Galena. Descriptions of zoning districts, current boundaries of zoning districts, existing land uses and future land use maps for the portion of the Neighborhood Revitalization Area lying within these corporate city limits may be obtained as follows:

- a. Baxter Springs – City Clerk’s Office at 1445 Military Avenue, Baxter Springs, KS
- b. Galena – City Clerk’s Office at 211 West 7th Street, Galena, KS

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

- A. Proposals for improvements and extensions to municipal services such as roads, bridges and other infrastructure are set out in the annual budgets and capital improvement plans for each taxing entity in the Cherokee County Neighborhood Revitalization Area.

VI. PROPERTY ELIGIBLE FOR REVITALIZATION

- A. “Structure” means any building, wall or other structure permanently assimilated to the real estate.
- B. Residential Property
 - a. Rehabilitation, alterations and/or additions to any existing residential structure
 - b. Construction of a new residential structure, including the conversion of all or part of a non-residential structure into a residential structure
 - c. Improvements to or construction of new accessory structures such as garages, workshops, and storage buildings
- C. Agricultural Property
 - a. Additions to any existing structures used for agricultural purposes
 - b. New construction of any structure used for agricultural purposes
- D. Commercial & Industrial Property
 - a. Rehabilitation, alterations and additions to any existing commercial or industrial structure used for retail, office, manufacturing, warehousing, institutional or other commercial or industrial purpose
 - b. Construction of new commercial and industrial structures, including the conversion of all or part of a non-commercial structure into a commercial structure, used for retail, office, manufacturing, warehousing, institutional or other commercial or industrial purpose

VII. CRITERIA FOR DETERMINATION OF ELIGIBILITY

- A. The construction/rehabilitation project must begin on or after January 1, 2018 the date of designation of the Neighborhood Revitalization Area by the County.
- B. As a result of the construction/rehabilitation project, the property's appraised value must increase by a minimum of 10% or \$10,000, whichever is less.
- C. Property owner must complete the Application for Tax Rebate prior to the completion of construction to signal their desire to participate in the program. The Application must be completed in full and submitted to the Cherokee County Appraiser's Office, including the payment of a non-refundable \$25 application fee.
- D. There will be a five (5) year application period, beginning January 1, 2018 and ending December 31, 2022. As the five (5) year application period draws to a close, the taxing entities will review the Plan and determine its continuation.
- E. Property owners may apply at any time during the five (5) year application period and, if approved prior to the Plan's end date, will receive the tax rebate for a full 5 years.
- F. Property owner must be current on all real, personal and special assessment taxes for property owned in Cherokee County to be eligible for this program. In the event any such taxes become delinquent during the five (5) year rebate period, all current and future tax rebates shall be forfeited in full.
- G. New construction as well as improvements to existing properties must be in compliance with all applicable building permit requirements, building codes, zoning rules, and other regulations in effect at the time the improvements are made and during the five (5) year rebate period. Tax rebates may be denied or terminated for noncompliance.
- H. In the event an applicant or participant has appealed their property valuation or paid their taxes under protest, payment of the tax rebate shall be delayed until the matter is resolved, since the outcome could affect the amount of the tax rebate due.
- I. Tax rebates are subject to the approval of this Plan by each taxing entity. See the Cherokee County Clerk for a list of taxing entities that have adopted the Plan.

- J. Tax rebates are based on the incremental increase in appraised value between January 1st of the application year and January 1st of the year following completion of the construction/rehabilitation project.
- K. The incremental increase in appraised value may not equal the amount of dollars actually spent on the project. For example, a \$25,000 improvement to an existing property may add only \$20,000 to the appraised value of the property.
- L. “Base Year Valuation” shall mean the appraised value of the property in the application year.

In any given year (1 through 5), the rebate paid will be based upon the lesser of the following:

- a. The increase in appraised value in year one
- b. The difference between the appraised value in that particular year and the Base Year Valuation.

(For example, if the finished project provides an increase of \$20,000 in appraised value in year one, the rebate will be paid on a maximum of a \$20,000 increase. Should valuation decrease after the first year, the rebate will be paid on the difference between the Base Year Valuation and that particular year’s current valuation. Should valuation decrease to, or below the Base Year Valuation, no rebate will be paid.)

- M. The actual tax rebate may vary year-to-year depending on the approved mill levy for all participating taxing entities and upon changes to property tax laws enacted by the Kansas legislature.
- N. All tax rebate benefits under this Plan shall transfer with a change of ownership of the qualifying property.
- O. After the payment of the real estate taxes in full, the tax rebate shall be made within thirty (30) days following the date of the next scheduled tax distribution.
- P. Property eligible and approved under this Plan for rebates shall waive rights to other Cherokee County property tax incentives.

VIII. CONTENTS OF AN APPLICATION FOR A REBATE OF PROPERTY TAX INCREMENTS

- A. The Application for Tax Rebate is attached as Exhibit B of this Plan.

IX. PROCEDURE FOR SUBMITTING AN APPLICATION FOR A REBATE OF PROPERTY TAX INCREMENTS

- A. Any tax rebate applicant may obtain an Application for Tax Rebate from the County Appraiser's Office at the Cherokee County Courthouse, 110 West Maple Street, Columbus, KS.
- B. The applicant shall file the Application for Tax Rebate with the Cherokee County Appraiser's Office prior to beginning construction or as soon as possible thereafter. The Application must be submitted prior to the completion of construction. A \$25 non-refundable fee must be submitted with the Application to cover costs of administering the program.
- C. To obtain a rebate, an applicant must certify the completion of the qualifying project by submitting part 2 of the Application to the County Appraiser on or before December 31st of the year in which the project is completed.
- D. Except as otherwise expressly authorized, the rebate period begins in the year following 100% completion of the improvements. Property taxes owed on partially completed construction projects are to be borne by the property owner without rebate.

X. CRITERIA TO BE USED WHEN REVIEWING AND APPROVING APPLICATIONS FOR A REBATE OF PROPERTY TAX INCREMENTS

- A. Upon receipt of an Application for Tax Rebate, the County Clerk shall determine whether the applicant's property taxes and all applicable interest and penalties are paid.
- B. Following a determination that tax payments are current, the County Appraiser will determine the existing appraised valuation of the property as of the preceding January 1st and verify that the property is not located in the Baxter Springs Neighborhood Revitalization Area (2014-2019).
- C. The County Appraiser shall then accept or reject the Application for Tax Rebate and certify on the Application whether initial application is accepted or rejected.
- D. Upon receipt of Part 2 of the Application for Tax Rebate, the County Clerk will verify that the applicant is not delinquent on any property taxes or assessments.
- E. The County Appraiser shall determine the new market valuation of the real estate, calculate the incremental increase in appraised value, and verify whether it meets the threshold to qualify for the rebates in this Plan. As a result of the

construction/rehabilitation project, the property's appraised value must increase by a minimum of 10% or \$10,000, whichever is less.

- F. The County Appraiser shall notify the applicant whether the project qualifies for the tax rebates. If a project does not qualify, the Appraiser shall provide a written explanation to the applicant of the reason it fails to qualify.
- G. The County Clerk shall revise the tax status of applicants who have received final approval for rebates by noting on the relevant County records the approved incremental value that qualifies for property tax rebates.

XI. MAXIMUM AMOUNT AND YEARS OF ELIGIBILITY FOR A REBATE OF PROPERTY TAX INCREMENTS

- A. Approved applicants with qualifying projects will receive the following property tax rebates, for taxes attributable to the incremental increase in value, from the participating taxing entities.

<u>Program Year</u>	<u>Rebate Percentage</u>
Year 1	95%
Year 2	95%
Year 3	95%
Year 4	95%
Year 5	95%

XII. ADOPTION OF PLAN BY TAXING ENTITIES

- A. Any taxing entity participating with the County in the tax rebate program will do so by entering into an Interlocal Agreement with the County by which this Plan is adopted. The Interlocal Agreement will also provide, among other things, for the means and procedures whereby a taxing entity may cease its participation in the Interlocal Agreement and thereby in the Plan, and where force majeure warrants a suspension or elimination, by one or more participating taxing entity, of the rebate program prior to the scheduled expiration of the Interlocal Agreement.

XIII. FINDINGS DEMONSTRATING THE NEED FOR A NEIGHBORHOOD REVITALIZATION PLAN

- A. While Cherokee County residents love and are justifiably proud of their county, they are also pragmatic and recognize that the data below demonstrates the need for something other than the status quo.
- B. Cherokee County incomes are below statewide averages. The per capita personal income for Cherokee County for 2015 was \$34,132. This is well below the per capita personal income for Kansas of \$47,161 and places Cherokee County 99th out of 105 counties. (Source: U.S. Bureau of Economic Analysis, Regional Economic Accounts, Local Area Personal Income, CA1 Per Capita Personal Income)
- C. Eighteen (18) percent of Cherokee County's population was estimated to be in poverty in 2015. This compares to 12.9% of the Kansas population. Of 105 counties, Cherokee County had the 11th highest percentage in poverty in 2015. (Source: U.S. Census Bureau, Small Area Income and Poverty Estimates)
- D. Cherokee County's population continues to decline. The county's population was 21,603 in 2010 and estimated at 20,246 in 2016, a 6.28% decline. Over the same period, the Kansas population grew 1.90%. . (Source: U.S. Census Bureau, Population Division) This trend is projected to continue with Cherokee County's population projected to fall to 17,105 by 2044 while the state's population is projected to continue growing. (Source: Wichita State University, Center for Economic Development and Business Research)
- E. The median age in Cherokee County was 40.5 in 2010 and has been steadily increasing since 1980. Sixteen (16) percent of the county's population was age 65 and over in 2010. (Source: 2010 Census, Profile of General Population and Housing Characteristics: 2010) By 2044, 29% of the county's population is projected to be age 65 and over. (Source: Wichita State University, Center for Economic Development and Business Research)
- F. Cherokee County had 9,793 housing units in 2016, down from 9,890 in 2010 and 10,031 in 2000. (Source: U.S. Census Bureau, Housing Unit Estimates; U.S. Census Bureau, 2000 Census, Profile of General Demographic Characteristics; & U.S. Census Bureau, 2010 Census)
- G. The total assessed valuation for Cherokee County in 2016 was \$158,663,917. Per capita valuation was \$7,727, placing the county 99th out of 105 counties. (Source: Kansas Association of Counties, Demographic & Taxation Report: 2016-17)

EXHIBIT B:

**APPLICATION FOR TAX REBATE
CHEROKEE COUNTY NEIGHBORHOOD REVITALIZATION PLAN
PART 1**

Owner's Name: _____ Daytime Phone: _____

Owner's Mailing Address: _____

Property Address: _____

Parcel Identification Number: _____
(Parcel ID and Legal Description can be found on your tax statement)

Legal Description of Property: _____

Property Type (check one): Residential Agricultural
Commercial/Industrial

Age of Principal Building (existing structure): _____

Will any buildings be demolished?: Yes No

List and Describe Proposed Improvements: _____

Cost of Improvements: \$ _____ Actual _____
Estimated

Construction Start Date: _____ Estimated Completion Date: _____

Property Owner's Signature

Date

PART 2 (must be returned to complete the rebate process)

As of January 1 following the start of construction, the improvements are:

_____ Complete

_____ Incomplete

Property Owner's Signature

Date

