

ORDINANCE NO. 3097

AN ORDINANCE ADOPTING A NEIGHBORHOOD REVITALIZATION PLAN AND DESIGNATING A NEIGHBORHOOD REVITALIZATION AREA.

WHEREAS, the City Council of the City of Paola, Kansas, pursuant to the authority provided in K.S.A. 12-17, 114 *et seq.* wishes to adopt a plan to assist the revitalization of certain designated areas of the City of Paola; and

WHEREAS, the City Council of the City of Paola, Kansas, pursuant to public notice did hold a public hearing on June 28, 2016, to hear and consider public comment on the Neighborhood Revitalization Plan.

NOW, THEREFORE, BE IT ORDAINED:

Section 1. Neighborhood Revitalization Plan. That the City Council does hereby adopt the Neighborhood Revitalization Plan, attached herein, labeled Exhibit A and incorporated by reference as if fully set forth herein.

Section 2. Designation of Neighborhood Revitalization Area. That the City Council hereby designates the real property described in Part 1 of the Neighborhood Revitalization Plan as the Neighborhood Revitalization Area, finds that the area meets one or more the conditions to be designated as a “Neighborhood Revitalization Area” pursuant to K.S.A. 12-17,115 *et seq.*

Section 3. Neighborhood Revitalization Fund. That the City Council does hereby create a Neighborhood Revitalization Fund to finance the redevelopment of the revitalization area and to provide a rebate of property tax increments as set forth in the revitalization plan.

Section 4. That this ordinance shall be in full force and effect upon publication in the official city newspaper.

Passed by the City Council this 28th day of June, 2016.

Approved by the Mayor this 28th day of June, 2016.

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Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk

EXHIBIT A of Ordinance No 3097

BEFORE THE GOVERNING BODY
OF THE CITY OF PAOLA,
MIAMI COUNTY, KANSAS

IN THE MATTER OF ADOPTION OF A NEIGHBORHOOD REVITALIZATION PLAN

REVITALIZATION PLAN 2016

The Governing Body of the City of Paola, Miami County, Kansas pursuant to the Kansas Neighborhood Revitalization Act, K.S.A. 1994 Supp. 12-17, 114 et. seq., does hereby adopt a Neighborhood Revitalization Plan (herein sometimes called “Plan”) for the City of Paola as follows:

FINDINGS

This plan is intended to promote the revitalization of a portion of the City of Paola through rehabilitation, conservation, or redevelopment of the area in order to protect the public health, safety, or welfare of the residents of the city, and also protect and promote the sound growth of the city. More specifically, a tax rebate incentive will be available for certain improvements within the City of Paola area.

In accordance with K.S.A. 12-17,114 et seq., the City Council 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. Accordingly, the Council has carefully reviewed, evaluated and determined the area meets one or more of the conditions to be designated as a “neighborhood revitalization area.”

REVITALIZATION PLAN FOR THE CITY OF PAOLA

1. LEGAL DESCRIPTION OF AREA IN PLAN.

(a) A legal description of the Real Estate forming the boundaries of the area included within the Plan are all improved properties included and within the following subdivisions, and all subsequent resurveys thereof, that were platted prior to January 1, 2016, located within the boundaries of the City of Paola, Kansas:

(i) The North half of the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) of Section 9, Township 17, Range 23, excepting 2.07 acres in the Northwest corner taken for railroad purposes, in Miami County, Kansas.

(b) A map depicting the boundaries of the subdivisions and tracts of land covered by this plan is included as Attachment A to this plan.

2. ASSESSED VALUATION. The existing (i.e. 2016) assessed valuation of the Real Estate included in the Plan, listing land and building values separately, is as follows:

Land	229,200
Buildings	67,300
Total	296,500

3. NAMES AND ADDRESSES OF OWNERS. A list of the names and addresses of the Owners of record of the Real Estate included within the Plan constitutes a part of the records in the office of the County Appraiser of Miami County, Kansas. At the date of adoption, a current ownership list was produced. Such list is subject to change as property transactions occur. The list at time of adoption is Attachment B, hereto. The County Appraiser will verify names and addresses of the owners at the time of application.

4. ZONING CLASSIFICATIONS AND PROPOSED LAND USES. The existing zoning classifications are designated on the map (Attachment A). The proposed land use is senior residential housing.

5. MUNICIPAL SERVICES. The Plan does not include any proposals for improving or expanding municipal services as described in K.S.A. 1994 Supp. 12-17, 177(a)(5) and, if any proposals for such improvements or expansions of municipal services are hereafter proposed by the Governing Body, then any such proposal will be prepared and considered independently of this Plan.

6. REAL PROPERTY ELIGIBLE

(a) All real property and all improvements thereon situated in the subdivisions and tracts of land within the City of Paola as defined in paragraph 1(a) of this Plan, as of January 1, 2016, are eligible to apply for Revitalization under the Plan for rebate of property tax increment from the City of Paola.

(b) Rehabilitation to existing buildings is eligible to apply for Revitalization under this Plan.

(c) Vacant land is not eligible.

7. CRITERIA FOR ELIGIBILITY

(a) The criteria to be used by the Governing Body to determine what specific real property is eligible for Revitalization and for Property Tax Increment Rebates is as follows:

- (i) (A) Construction of an improvement must have begun on or after January 1, 2016, the effective date of this Plan.
- (B) Construction must be completed and such fact reported to the County Appraiser no later than the second January 1st following the date on which the County Appraiser conditionally approved the Application under Part II of the Application To Qualify And To Participate; otherwise the Conditional Approval will become null and void and the Improvements, if any, theretofore completed will not be Eligible to participate in the Plan and Rebate Program.
- (ii) In order to qualify for Revitalization, a Parcel of Real Estate:
 - Must have a minimum increase of \$100,000.00 in the County Appraiser's appraised value which was effective January 1st of the year application is made, directly resulting from a qualified Construction and Improvement, for a Parcel of residential, commercial and/or industrial Real Estate in order to be eligible to receive a Rebate.
- (iii) (A) All Improvements to existing property must comply with all zoning and building codes, rules, and regulations in effect at the time the improvements are made, and, must be structures that are permanently affixed to the land and are classified Real Estate, not Personal Property, and,
- (B) To maintain its eligibility, such Parcel must continue to remain in compliance with all zoning and building codes, rules, and regulations during the entire period of time the Parcel remains eligible for Rebates.
- (iv) Any Parcel that is Delinquent in the payment of any ad valorem property tax assessment or special assessment shall not be eligible for any Rebate for that year. If the payment of any tax assessment or special assessment is unpaid for a period of One Taxing Year, the property will be removed from the eligible Tax Rebate Program entirely.
- (v) The Owner of commercial or industrial property eligible for Property Tax Increment Rebates under any adopted Neighborhood Revitalization Plan and, also, eligible for property tax exemption Under K.S.A. 1994 Supp. 79-201 a Second or any other existing

ad valorem tax exemption law will be eligible to secure relief under only one such Plan or law.

- (vii) In the event of a transfer of ownership of a Parcel during the eligible Rebate period, such Parcel and the new Owner thereof shall remain eligible to apply for the Rebate. The new Owner shall be responsible for complete and proper compliance with this plan.

- (viii) (A) Multiple qualified improvements to the same Parcel completed within one calendar year shall be treated as one improvement.

- (B) In the event of multiple qualified improvements made to the same Parcel in different or succeeding years, which meet the required minimum requirements in any given year, and, therefore, create an additional qualification for a period of eligibility for a Rebate, the total Rebate in any succeeding year will be calculated and determined after the initial Rebate is determined, and will be based upon the additional increase in the assessed value directly resulting from the succeeding qualified improvement.

8. CONTENT OF APPLICATION FOR REBATE. The content of an “Application for Rebate” as authorized under K.S.A. 1994 Supp. 12-17,118 is as set forth in the document which is attached hereto as Attachment D and adopted as a part of the Plan by reference.

9. PROCEDURE FOR APPLYING FOR REBATE. The procedure for submission of an Application for Rebate of Property Tax Increments is as follows:

(a) Application for Rebate forms completed for Owners of each Parcel of Real Estate approved for Revitalization can be obtained from the County Appraiser.

(b) The Owner will complete the “Application for Rebate”, with assistance from the County Appraiser where necessary, and, upon completion thereof, shall submit the same to the County Appraiser for his/her consideration and approval. The “Application for Rebate” forms must be accompanied by certification from the City of Paola Building Inspection Department stating the construction meets all zoning and building codes, rules and regulations.

- (c) (i) Upon the County Appraiser’s receipt of a completed Application for Rebate, the County Appraiser shall determine whether or not such Application meets all of the criteria to qualify for a Rebate under paragraphs (7) and (10) of the Plan and the County

Appraiser shall thereupon either approve or disapprove payment on the Application for Rebate.

- (ii) (A) If the County Appraiser approves the Owner's Application for Rebate, then the Owner shall file such Application with the County Clerk as per (d) next below.
- (B) If the County Appraiser disapproves the Application, then the Owner, if possible, shall amend the Application as necessary to secure the approval of County Appraiser and shall thereupon proceed to file the Application with the County Clerk as per (d) next below, or, if the County Appraiser will not approve the Application, then the Owner May appeal the County Appraiser's decision to the Governing Body. On the filing of any such appeal, the same shall be heard by the Governing Body prior to the September 1st next following filing of any such appeal. If the Governing Body likewise disapproves such Application, then the Owner or authorized agent may appeal to the District Court in the manner authorized in K.S.A. 19-223.

(d) Following the filing of an approved Application for Rebate in the office of the County Clerk, the County Clerk shall thereupon proceed to process such Application as a Claim in the manner authorized and provided in K.S.A. 12-105a and 12-105b.

(e) An Application for Rebate approved for payment as a Claim pursuant to (a) through (d) above shall be paid by the County Treasurer, but such payment shall be made within thirty (30) days after the June distribution by the County Treasurer if the current year taxes are paid in full pursuant to K.S.A. 12-1678a(c) which follows the approval for payment of an Application for Rebate. However, if the owner/applicant fails to pay property taxes upon the due date, the rebate will be forfeited for that year. If the payment of any tax assessment or special assessment is unpaid for a period of One Taxing Year, the property will be removed from the eligible Tax Rebate Program entirely.

(f) The Application for Rebate provided for in this Section 9 shall be made in person by the Owner or the Owner's agent or attorney unless the County Appraiser shall, in writing, authorize the Application to be prepared and filed via the U.S. Mail or some other alternative method.

10. STANDARDS AND CRITERIA FOR REVIEW AND APPROVAL. The standards of criteria to be used when reviewing Applications for Rebate for approval or disapproval thereof are as follows:

(a) The Parcel must meet all criteria for eligibility as set forth in paragraph 7 above as of the date that the Application for Rebate is filed.

(b) The Procedure for submission of an Application for Rebate as set forth in paragraph 9 above must have been fully and correctly complied with.

(c) All ad valorem taxes and all special assessments levied against the Parcel on which the Rebate is sought must have been paid in full prior to filing of the Application for Rebate.

(d) The Application for Rebate must be filed on or before the May 10th deadline for the payment of all taxes for which the Rebate is sought.

(e) The original Application for Rebate must be accompanied by certification from the City of Paola Building Inspection Department stating the parcel currently meets all zoning and building codes, rules, and regulations.

(f) In the case of multiple Owners of a property eligible for a Rebate, absent a written agreement providing otherwise, the Rebate will be made payable to all Owners of record.

11. MAXIMUM AMOUNT AND YEARS OF ELIGIBILITY.

(a) The amount of the Rebate is the resulting increase in the ad valorem tax, if any, which is directly attributable to the Construction and Improvement to the qualified Parcel and to the increase in assessed valuation directly resulting therefrom, in any given year during the period of eligibility, calculated in accordance with the applicable percentage amounts as set forth in the following table:

CRITERIA FOR COMMERCIAL, RESIDENTIAL AND INDUSTRIAL PROPERTIES

Classification #1: Owner occupied Residential property Rehabilitation, Additions and New Construction in the subdivisions established before January 1, 2005 and as defined by item number 1 (one) of the Plan.

<u>Years of Eligibility</u>	<u>Percentage of Property Tax Increment Rebateable</u>
Year 1 – 3	90 %

Classification #2: All Commercial properties, Commercial properties with leased or rented residential area, and Industrial properties, regardless of date established for occupancy, Rehabilitation, Additions, and New Construction in the subdivisions established before January 1, 2005 and as defined by item number 1 (one) of this Plan.

<u>Years of Eligibility</u>	<u>Percentage of Property Tax Increment Rebatale</u>
Year 1 – 3	100 %

The above three classifications shall include stand-alone structures, rehabilitation (including renovation, modernization, remodeling, and restoration) of existing structures and/or additions to existing structures.

- (b) (i) Seven and one half percent (7.5 %) of the Rebated Tax on any given Parcel, for any given year, shall be retained by Miami County for services rendered in connection with administration of the Plan, subject, however, to the condition that a minimum amount of \$25.00 shall be retained per Rebate transaction.
- (ii) Property Tax Increment not Rebated to the Owner in accordance with the table set forth in (a) last above or retained by Miami County pursuant to (i) last above shall be distributed to the Taxing District for whom the Increment was collected.
- (c) A Parcel determined qualified for Rebates shall be entitled to such Rebates in decreasing percentage amounts for a period of three (3) years provided the property declared qualified shall continuously maintain such qualification.
- (d) The increase in the ad valorem tax (property tax increment) resulting from the qualified Construction and Improvement shall be paid over to the Neighborhood Revitalization Fund in Accordance with the provisions of the NRA to be distributed as provided by Law and this Plan.
- (e) Unless hereafter repealed prior thereto, this Plan shall remain in full force and effect for a period of three (3) years from and after January 1, 2016. The Plan may also be extended by the Governing Body for additional periods of time.
- (f) At any time during the period that this Plan remains in effect, any Owner of eligible real property may apply for Revitalization of such real property pursuant to paragraph 7 of the Plan. All real property and all improvements

in the Neighborhood Revitalization District are eligible to apply for the Tax Rebate Incentive Plan.

- (g) Unless otherwise provided by any law of the State of Kansas hereafter enacted, any and all real property which shall have qualified for Revitalization and for Rebates prior to the final termination date of the Plan as provided in (a) and (b) above shall continue to be and remain qualified for Rebates pursuant to paragraphs 8, 9, 10, and 11 of the Plan notwithstanding the fact that other real property described in paragraph 1 above which has not theretofore qualified for participation under the Plan will no longer be eligible to do so.

12. DEFINITIONS.

(a) When the words “Applicant”, “Applicant for Rebate”, “Owner”, and “Taxpayer”, are used and referred to in the Plan, the same where applicable, include the plural, as well as the singular.

(b) As used in this Plan:

- (i) Applicant means and refers to each and every person filing an Application pursuant to Section 7 and Section 9 of this Plan. Such word also means and refers to “Owner” and “Taxpayer” as defined in this Plan.
- (ii) Application means and refers to each and all Applications which shall be filed pursuant to Section 7 of this Plan.
- (iii) Application for Rebate means and refers to Applications filed pursuant to Sections 8 and 9 of this Plan.
- (iv) Board means and refers to the Governing Body or Committee appointed by the Governing Body of the City of Paola, Miami County, Kansas.
- (iv) Construction and Improvement means and refers to rehabilitation of and additions to existing buildings or new construction, or both, which are completed and qualified under the Plan.
- (v) County Appraiser means and refers to the County Appraiser or Officer appointed by the County Appraiser of Miami County, Kansas.
- (vi) County Clerk means and refers to the County Clerk or Officer appointed by the County Clerk of Miami County, Kansas.
- (vii) County Treasurer means and refers to the County Treasurer or Officer appointed by the County Treasurer of Miami County, Kansas.

- (viii) Delinquent, in reference to a tax payment, means any payment not received by the County Treasurer on or before its due date.
- (ix) District Court means and refers to the District Court of Miami County, Kansas.
- (x) Governing Body means and refers to the Governing Body of the City of Paola, Miami County, Kansas
- (xi) Increment means and refers to that amount of ad valorem taxes collected from the Parcel qualified under the Plan which is in excess of the amount which was produced from such Parcel and was attributable to the assessed valuation of such Parcel prior to the qualification of the parcel under the Plan and which is directly attributable to that part of the assessed valuation of the Parcel directly resulting from Revitalization of the Parcel under the Plan. The term “Property Tax Increment”, where used in the Plan, is synonymous with the word “Increment” as defined herein.
- (xii) NRA means and refers to the Kansas Neighborhood Revitalization Act as set forth in K.S.A. 1994 Supp. 12-17,115(c)(1)(2)(3).
- (xiii) One Taxing Year; the taxing year begins on November 1st and ends on October 31st of the following year.
- (xiv) Owner means the Owner of Real Estate which is described in an Application and in an Application for Rebate when filed pursuant to the Plan. Owner also means and refers to “Applicant” and “Taxpayer” as defined in this Plan.
- (xv) Parcel means and refers to the tract or piece of parcel of Real Estate which is described by County Appraiser parcel number and by legal description in the Application and in the Application for Rebate.
- (xvi) Personal Property means movable items of property that are not permanently affixed to, or part of, Real Estate.
- (xvii) Plan means and refers to this Revitalization Plan adopted pursuant to the NRA.
- (xviii) Real Estate means physical land and appurtenances affixed to the land, e.g., structures.
- (xix) Rebate means and refers to that part of the ad valorem property tax paid by a Taxpayer on a Parcel qualified under the Plan that is attributable to the increase in the assessed valuation of the Parcel

which is directly attributable to Revitalization and which is refundable to the Taxpayer by a taxing district which has adopted a plan under the NRA.

- (xx) Revitalization means and refers to all Construction and Improvement completed on a Parcel which is qualified under the Plan.
- (xxi) Taxpayer means and refers to the Owner of a qualified Parcel who pays the ad valorem property taxes levied and assessed thereon.

13. AMENDMENT OR REPEAL

This Plan may, at any time after adoption, be amended, supplemented or repealed after the governing body has conducted a public hearing on any such amendment, supplement or repeal, after first publishing notice of such hearing once each week for two consecutive weeks in the official newspaper of the City. Such notice shall set forth the specific change(s) proposed or a summary thereof and shall advise of the time and place of such hearing. After the public hearing, the Plan may be amended, supplemented or repealed by a majority vote of the governing body.

APPROVED AND ADOPTED by the Governing Body of the City of Paola, Miami County this 14th day of June, 2016.

APPROVED AND SIGNED by the Mayor.

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk

Exhibit A

-  2016 NRP Area
-  BUSINESS PARK
-  DOWNTOWN
-  INDUSTRY
-  NC R1
-  NC R2
-  NC R3
-  PUD
-  SUBURBAN
-  THOROUGHFARE ACCESS

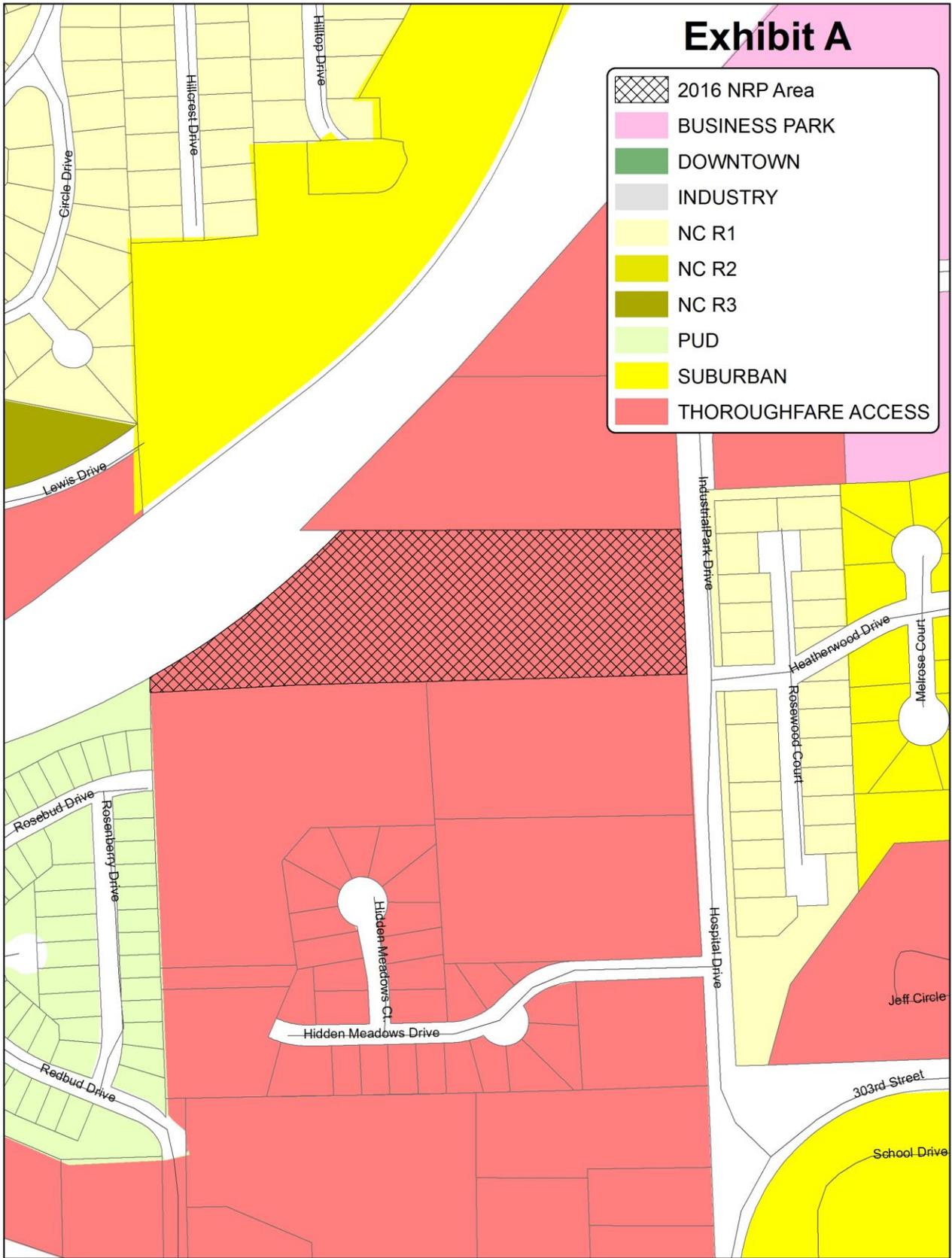


Exhibit B

Bow Properties LLC
26215 W 73rd
Shawnee, KS 66227