

Neighborhood Revitalization Plan and Development Incentive (2025 – 2035)

City of Independence, Kansas

Purpose

The Neighborhood Revitalization Plan (NRP) is established under the authority of K.S.A. 12-17,114 et seq. to promote revitalization and development within the City of Independence, Kansas. The plan aims to stimulate new construction, rehabilitation, conservation, or redevelopment in designated areas to enhance property values, address blight, and improve the community's economic vitality. The program protects public health, safety, and welfare while providing property tax rebates for qualifying improvements, in cooperation with participating taxing entities.

Boundaries of the Neighborhood Revitalization Area (NRA)

The Neighborhood Revitalization Area (NRA) includes all properties currently within the City limits, as well as any additional properties that are annexed into the City during the duration of this plan, except for properties located within the 100-year floodplain. The maps provided in Attachment A reflect the current City limits and floodplain; however, the boundaries of the City limits and the 100-year floodplain may change during the duration of the plan. The City limits and 100-year floodplain in effect at the time of the project application will determine eligibility. For parcels that are partially within the floodplain, only the portions outside the 100-year floodplain are eligible for participation, provided all improvements comply with City ordinances and FEMA requirements.

Zoning Classification and Land Use

Zoning classification maps are included in Attachment A, and the existing and future land use maps are included in Attachment B. It is important to note that zoning classifications and land use designations may change during the duration of the plan. Any such changes will be reflected in accordance with updates to the City's zoning map and regulations, Comprehensive Plan, or other applicable planning documents. Properties will be subject to the zoning and land use designations in effect at the time of the project application.

Existing Conditions in the Neighborhood Revitalization Area (NRA)

The Neighborhood Revitalization Area (NRA) reflects a community actively addressing challenges and pursuing revitalization. Independence serves as a regional hub for commerce and employment, with a diverse economy reliant on retail, manufacturing, and education sectors. However, the City has experienced a gradual population decline over recent decades, with the current population at approximately 8,500. This trend highlights the critical need for revitalization efforts to attract new residents, retain existing ones, and enhance the community's economic vitality.

Nearly 40% of the housing stock in Independence was constructed prior to 1939, presenting significant challenges related to aging structures and the need for modernization. Additionally, there is a gap in housing availability, both for ownership and rentals, for households with incomes of \$50,000 and above. This shortage highlights a need to attract middle and higher-income residents and provide diverse housing options to meet demand.

The City faces a significant housing shortage, particularly in affordable and quality options. Currently, 28 houses have been recently condemned or are in the process of being condemned.

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Condemned houses that are not repaired or removed by property owners are planned to be demolished in 2025. Additionally, 300-400 vacant homes have been identified, with a focus on 45 properties along or near high-traffic corridors (e.g., Main Street, Penn Avenue, Laurel Street, 10th Street, and Washington Street) under the newly adopted maintenance code. Exterior inspections have been completed, and notices are being issued.

In 2024, the City purchased over 100 acres of undeveloped property with plans for flood mitigation and housing development near local schools. This initiative is part of a broader strategy to increase housing stock and attract new families. Other efforts to enhance housing opportunities in 2024 include modifying the sewer cost-share grant program to include bona fide developers rehabilitating existing housing, and approving 25 applications under the Neighborhood Exterior Grant Program, contributing \$93,604.80 in grants for \$282,517.22 worth of exterior home improvements.

Revitalization is also evident in the downtown area through key projects such as streetscape improvements and upper-story housing developments. These include:

1. Trident Project: Six buildings with 20 apartments, with the first project at 106-108 North 8th Street moving forward after bid approvals.
2. Morrison Project: One building with 11 apartments, awaiting the second phase of historical tax credits before construction begins.

The Housing Authority and Community Mission for Improved Housing are rehabilitating a dilapidated house on a major corridor purchased at a tax sale, and the Land Bank is actively accepting donations and purchasing properties to rehabilitate or market for redevelopment.

The City is also improving infrastructure and amenities to support revitalization efforts. Planned municipal improvements include sidewalk enhancements, utility upgrades, and park and recreational facility improvements. Additionally, the Housing Steering Committee is working to identify proposed Rural Housing Incentive Districts (RHIDs) in older neighborhoods, focusing on areas adjoining the highway corridor and the historic downtown.

To guide these efforts, the City adopted a new Comprehensive Plan in 2024, which establishes a strategic vision for the community's future. The plan addresses a wide range of goals, including economic development, housing revitalization, infrastructure improvements, and quality-of-life enhancements. While the plan recognizes the growing need for senior housing and services as part of a broader housing strategy, it also emphasizes attracting new residents, addressing housing gaps for middle and higher-income households, and fostering economic opportunities for all age groups and demographics.

Valuation of Real Property

The valuation of real property in the NRA includes both appraised and assessed values:

Appraised valuation represents a fair market estimate of a property's worth. The approximate 2024 appraised valuation of the real estate in the Neighborhood Revitalization Area is:

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| | |
|-----------------------|----------------------|
| Land | \$ 61,136,300 |
| Buildings | <u>\$470,838,440</u> |
| Total Appraised Value | \$531,974,740 |

Assessed valuation represents the amount of a property's worth that is taxed. The approximate 2024 assessed valuation of the real estate within the Neighborhood Revitalization Area is:

| | |
|----------------------|---------------------|
| Land | \$ 7,693,570 |
| Buildings | <u>\$53,521,520</u> |
| Total Assessed Value | \$61,215,090 |

Legal Descriptions of Properties within the Neighborhood Revitalization Area (NRA)

Legal descriptions of all properties included in the NRA are maintained and available for public review at the Montgomery County Appraiser's Office. In addition to the floodplain map included in this plan, property owners can use FEMA's Flood Map Service Center (<https://msc.fema.gov>) to verify their property's location relative to the 100-year floodplain. Additional resources, such as the City Manager's Office, Montgomery County Planning and Zoning Office, or consultation with a licensed surveyor, can provide further assistance.

Owners of Record within the Neighborhood Revitalization Area (NRA)

The owner of record for each parcel of land is listed with the property address in the Montgomery County Appraiser's Office.

Capital Improvements Planned for the Neighborhood Revitalization Area (NRA)

Future municipal improvements that may be considered within the Neighborhood Revitalization Area include sidewalk enhancements to improve pedestrian accessibility and safety, the removal of dangerous and unsafe structures to address blight and enhance public safety, and handicap accessibility upgrades to ensure compliance with ADA standards and promote inclusivity. Additional considerations include street resurfacing projects, utility improvements such as upgrades to water and sewer systems, and improvements to park and recreational facilities to enhance community amenities and quality of life. These potential improvements are subject to future budgetary considerations, grant availability, and prioritization by the City of Independence, reflecting the City's commitment to maintaining and enhancing public infrastructure and amenities in alignment with the goals of this plan.

Eligibility Criteria

1. Investment Requirements:

- Only improvements that demonstrably increase the appraised value of the property are considered eligible for meeting the minimum investment requirements. Aesthetic upgrades, minor repairs, or other changes that do not result in an increase in appraised value will not qualify.
 - Each project on residentially zoned properties must require a minimum investment of \$5,000.

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- Each project not on residentially zoned properties must require a minimum investment of \$10,000.
2. **Construction Timeframe:** Improvements must commence on or after January 1, 2025, and be completed within two years from the date of application approval. Applicants may request a one-time extension of up to 12 months, subject to approval by the City Commission. The request must be submitted in writing at least 30 days before the original deadline and include a detailed justification for the delay. The rebates will be in effect only after the completion of the construction and will not include any year(s) of incomplete construction.
 3. **Tax Compliance:**
 - Any taxpayer that is delinquent on any real estate or personal property tax payment, or special assessment, on any property located in Montgomery County, Kansas, shall not be eligible to participate in the plan.
 - If a taxpayer is eligible to participate in the plan and thereafter becomes delinquent in the payment of such taxes or special assessments, the taxpayer shall not be eligible for any tax rebate under the plan during the year of delinquency. Any tax rebate lost due to such delinquency shall not be retroactively restored. The rebate schedule will not be extended due to such delinquency.
 - If a taxpayer becomes delinquent a second time under the same application, they shall permanently forgo eligibility for any future rebates related to that specific application. However, curing the delinquency does not preclude the taxpayer from participating in the program for future qualifying projects. In such cases, the taxpayer may submit a new application for a different project and be considered for rebates under the terms of the plan.
 - Escrow payments causing delinquency will not be held against the revitalization requirements.
 4. **Compliance with Codes and Regulations:** New and existing property must conform to all other codes, rules, and regulations in effect at the time the improvements are made and for the length of time of the rebate, or the rebate may be terminated.
 5. **Building Permit Requirement:** Any improvements that commence without first obtaining the required City building permit or other applicable permits will not be eligible for rebates under this program. Additionally, improvements that do not require a permit are not eligible.
 6. **Application Process:** Applications must be filed by the deeded owner of the property listed on the application with the City Clerk with a \$100 application fee made payable to the Montgomery County Appraiser within 60 days following issuance of a City building permit, or if a building permit is not required within 60 days of issuance of any other required permit by the City.
 7. **Non-Transferability and Assignment:**
 - Rebates are limited to the applicant only and are not transferrable or assignable to subsequent property owners. Upon the sale, transfer, or other conveyance of any property otherwise eligible for participation in the program, the property shall become ineligible for any additional or further rebates. Rebates will not be prorated for the year during which the sale, transfer, or other conveyance occurred.

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- However, if the new property owner makes additional improvements that qualify as a new project, the new property owner may apply for rebates under a new application.
 - **Bona Fide Developer Exception:**
 - An applicant who is a bona fide developer who caused the eligible improvements to be made shall be entitled to transfer or assign their eligibility to participate in the program to the first buyer, transferee, or grantee of such property. Upon a subsequent sale, transfer, or conveyance of such property, the property shall thereafter become ineligible for any additional or further rebates, unless new qualifying improvements are made under a new application.
 - A bona fide developer is defined as an individual or entity actively engaged in the business of real estate development, with the intent to construct, improve, or rehabilitate residential, commercial, industrial, or mixed-use properties for sale or lease. The developer must demonstrate a track record of similar development projects or provide a business plan that shows the intent and ability to complete the proposed project. The purpose of this definition is to ensure that the developer is legitimately involved in substantial property development rather than merely holding or transferring property.
 - **Spousal Exception:**
 - If a property is jointly owned by spouses, and one spouse passes away resulting in the surviving spouse becoming the sole owner, the property shall remain eligible for participation in the Neighborhood Revitalization Program. The removal of the deceased spouse's name from the property deed shall not affect eligibility for any rebates under the program. The surviving spouse shall retain the same eligibility as if the property had remained jointly owned.
 - In the case of divorce, if ownership of the property is transferred to one of the spouses, the property shall remain eligible for participation in the Neighborhood Revitalization Program. The transfer of ownership as part of a divorce settlement shall not disqualify the property from receiving rebates under this program, and the spouse receiving the property shall retain the same eligibility as before the divorce.
8. **One Application per Project:** Properties eligible for tax incentives and any existing tax abatement program may submit only one application per project.
9. **Rebate Value:** The rebate will be based only upon the increased appraised value attributed to the eligible improvement. For purposes of calculating the increase in the appraised value, a base value shall first be established by calculating the average historical appraised value of the parcel for the three (3) tax years immediately preceding the application for rebate. The increase in the appraised value shall be the difference between the base value established and the appraised value after the eligible improvement is constructed.
- **Exception:** Unique situations will be reviewed by the County Appraiser in consultation with the City to establish base value.

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Property Eligible for Tax Rebate

1. Residential, Commercial, Industrial, Agricultural, Office and Professional Property:

- For new construction or rehabilitation, alterations, and additions to residential, commercial, industrial, agricultural, office and professional properties, including accessory structures, provided that such structures are permanent, the rebate shall be up to 100% on the increment of increased appraised value for years 1-5, and 50% on the increment of increased appraised value for years 6-10.
- Eligible improvements also include driveways and sidewalks that increase the appraised value.
- Eligible properties can be located anywhere in the NRA, subject to specific criteria.
- **"Structure" Definition:** For the purposes of this plan, "structure" means any building, wall, or other structure, including the building and improvements to existing structures and fixtures permanently assimilated to the real estate.
- **Exceptions:** The following items are not eligible for rebates under this plan:
 - Non-real estate items
 - Sprinkling systems
 - Fences
 - Landscaping
 - Garden-type structures
 - Hot tubs
 - Above-ground swimming pools
 - Irrigation wells and equipment (both agricultural and residential)
- Properties exempt from property taxes are not eligible.

2. Historical Property or Historical Districts:

- For rehabilitation of buildings on the Kansas Historical Register or contributing buildings within a district on the Kansas Historical Register, the rebate shall be up to 100% on the increment of increased appraised value for years 1-10.
- For new construction or rehabilitation of non-contributing buildings within a district on the Kansas Historical Register, the rebate shall be up to 100% on the increment of increased appraised value for years 1-5, and 75% on the increment of increased appraised value for years 6-10.
- A Certificate of Appropriateness issued by the Independence Historic Preservation & Resource Commission must be secured before construction begins. Applications without this certificate will not be considered.
- This category applies to the primary building only and does not include any accessory structures, driveways, or sidewalks.
- Properties exempt from property taxes are not eligible.

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Tax Rebate Schedule

| Category | Expires | Years 1-5 | Years 6-10 | Notes |
|--|-------------------|-------------------|-------------------|--|
| Rehabilitation of buildings on the Kansas Historical Register or contributing structures within a district on the Kansas Historical Register | 12/31/2035 | Up to 100% | Up to 100% | Listing on the Kansas Historical Register must have occurred before a certificate of occupancy is issued, including status as a contributor. Must receive a Certificate of Appropriateness from the Independence Historic Preservation & Resource Commission before construction starts. This category applies to the primary building only and does not include any accessory structures, driveways, or sidewalks. |
| New construction or rehabilitation of non-contributing buildings within a district listed on the Kansas Historical Register | 12/31/2035 | Up to 100% | Up to 75% | Must receive a Certificate of Appropriateness from the Independence Historic Preservation & Resource Commission before construction starts. This category applies to the primary building only and does not include any accessory structures, driveways, or sidewalks. |
| All other eligible residential, commercial, industrial, agricultural, office, and professional properties, including permanent accessory structures, driveways, and sidewalks | 12/31/2035 | Up to 100% | Up to 50% | The following items are not eligible for rebates under this plan: non-real estate items, sprinkling systems, fences, landscaping, garden-type structures, hot tubs, above-ground swimming pools, and irrigation wells and equipment (both agricultural and residential). |

- **Additional Information:**

- All properties within the City limits are eligible except areas that lie within the 100-year floodplain. Parcels located partially within the 100-year floodplain may be eligible for participation, but only for improvements made on the portion of the property outside the floodplain. All such improvements must comply with applicable City ordinances and FEMA floodplain management regulations to ensure eligibility.
- A 5% fee will be retained by Montgomery County to cover administrative costs.

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Application and Administrative Procedure

1. **Initial Application:** Complete the Neighborhood Revitalization Plan application and submit it to the City Clerk with a non-refundable \$100 fee made payable to the Montgomery County Appraiser. The Building Official will monitor the project to ensure that all applicable City codes are met.
2. **Certification of Construction Completion:** After completion, provide receipts and an itemized statement of costs for verification to the City Clerk who will forward them to the Montgomery County Appraiser along with a Certificate of Occupancy or Completion from the Building Inspector.
3. **Approval Process:** Upon successful verification, Montgomery County will process the rebate within 30 days following the property tax distribution. The tax rebate, less a 5% administrative fee based on the rebate amount, will be made to the property owner within a thirty (30) day period following the date of tax distribution by Montgomery County. The administrative fee will be retained by Montgomery County.

Administration and Participating Public Agencies

The plan is a cooperative undertaking among the City of Independence, Independence Community College, Unified School District No. 446, and Montgomery County. Montgomery County is responsible for administering the plan. The parties are not acquiring any property pursuant to this agreement.

Attachment A

Boundaries of Neighborhood Revitalization Area (NRA), including Zoning and Floodplain

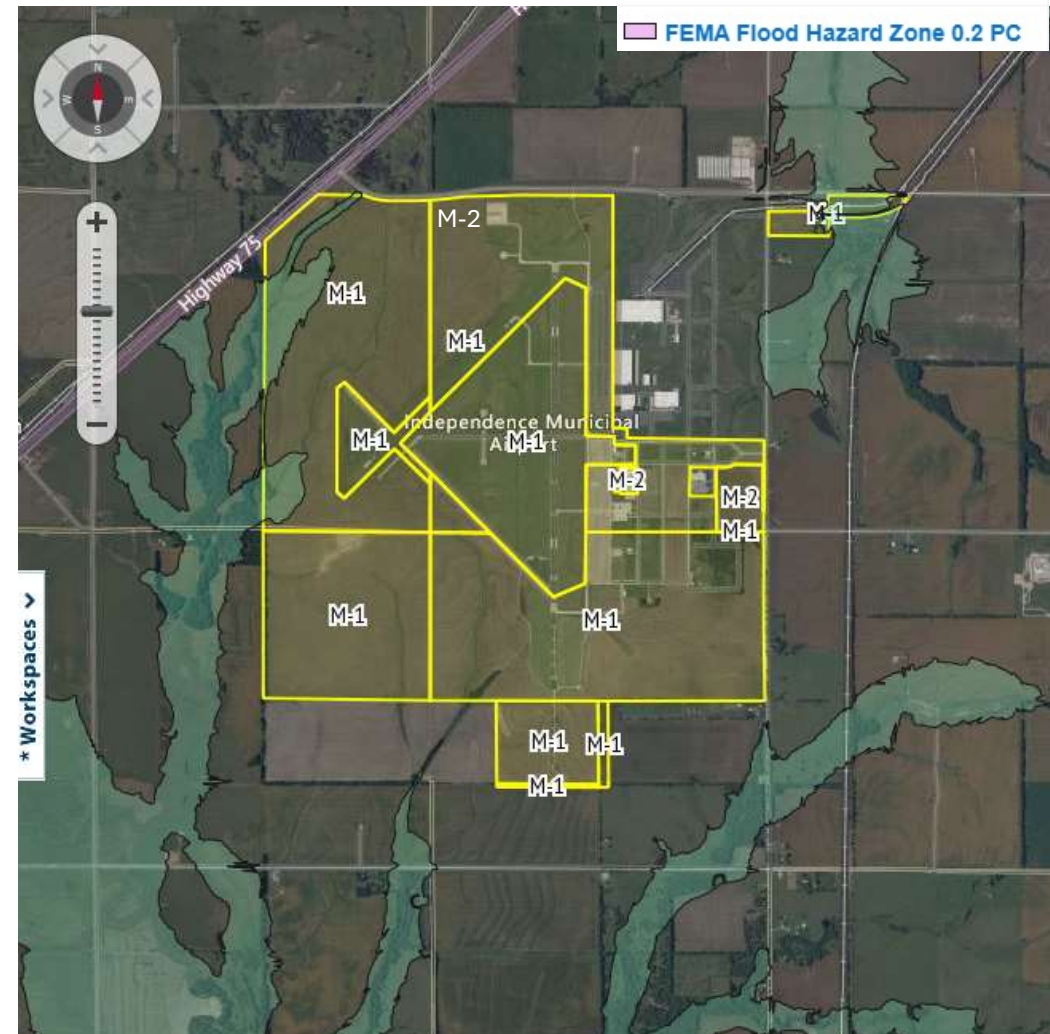
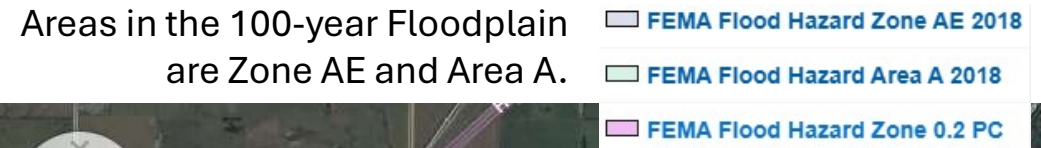
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The maps provided reflect the current City limits, 100-year floodplain, and zoning classifications; however, the boundaries of the City limits, the 100-year floodplain, and the zoning classifications may change during the duration of the plan.

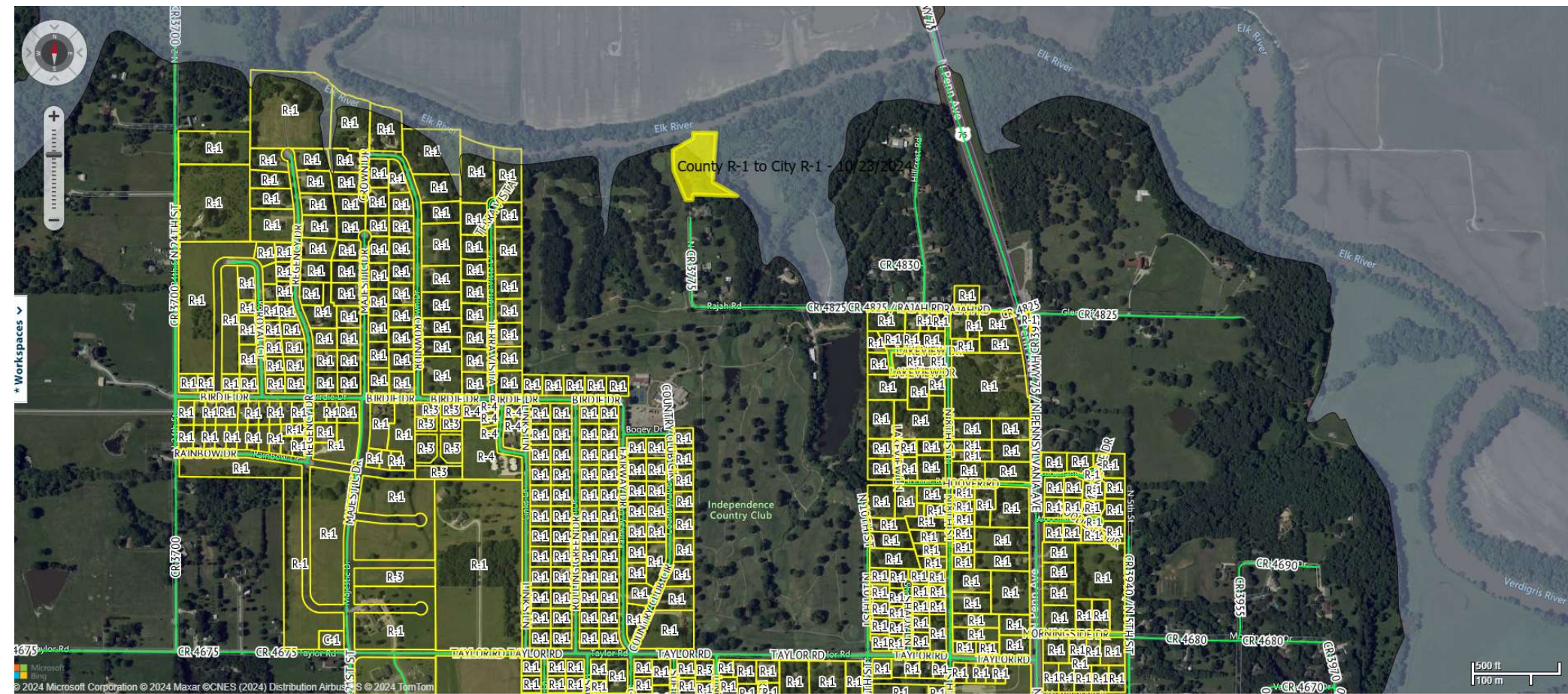
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Any zoning classification changes will be reflected following updates to the City's zoning map and regulations. Properties will be subject to the zoning designations in effect at the time of the project application.

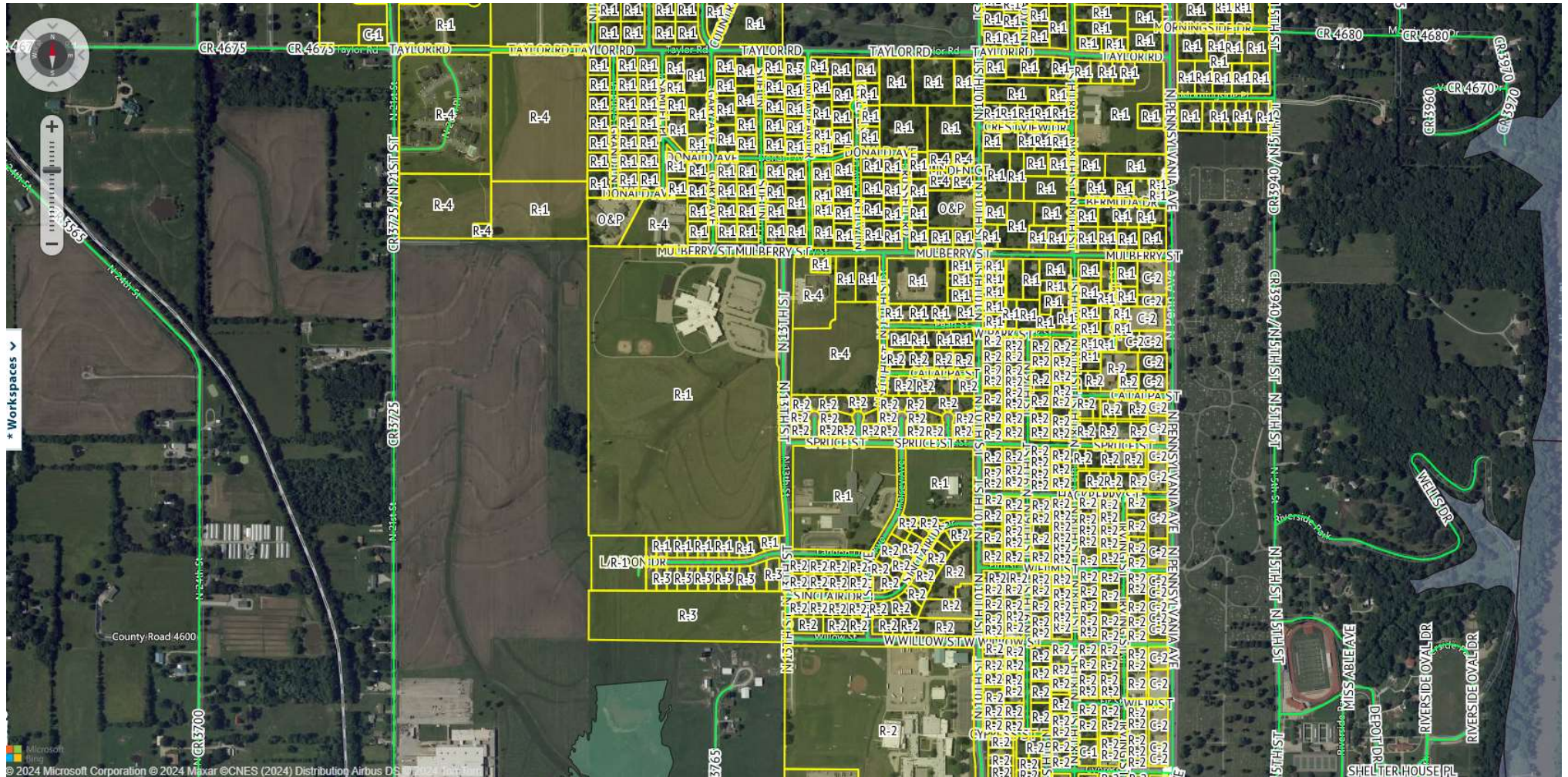
Areas in the 100-year Floodplain
are Zone AE and Area A.



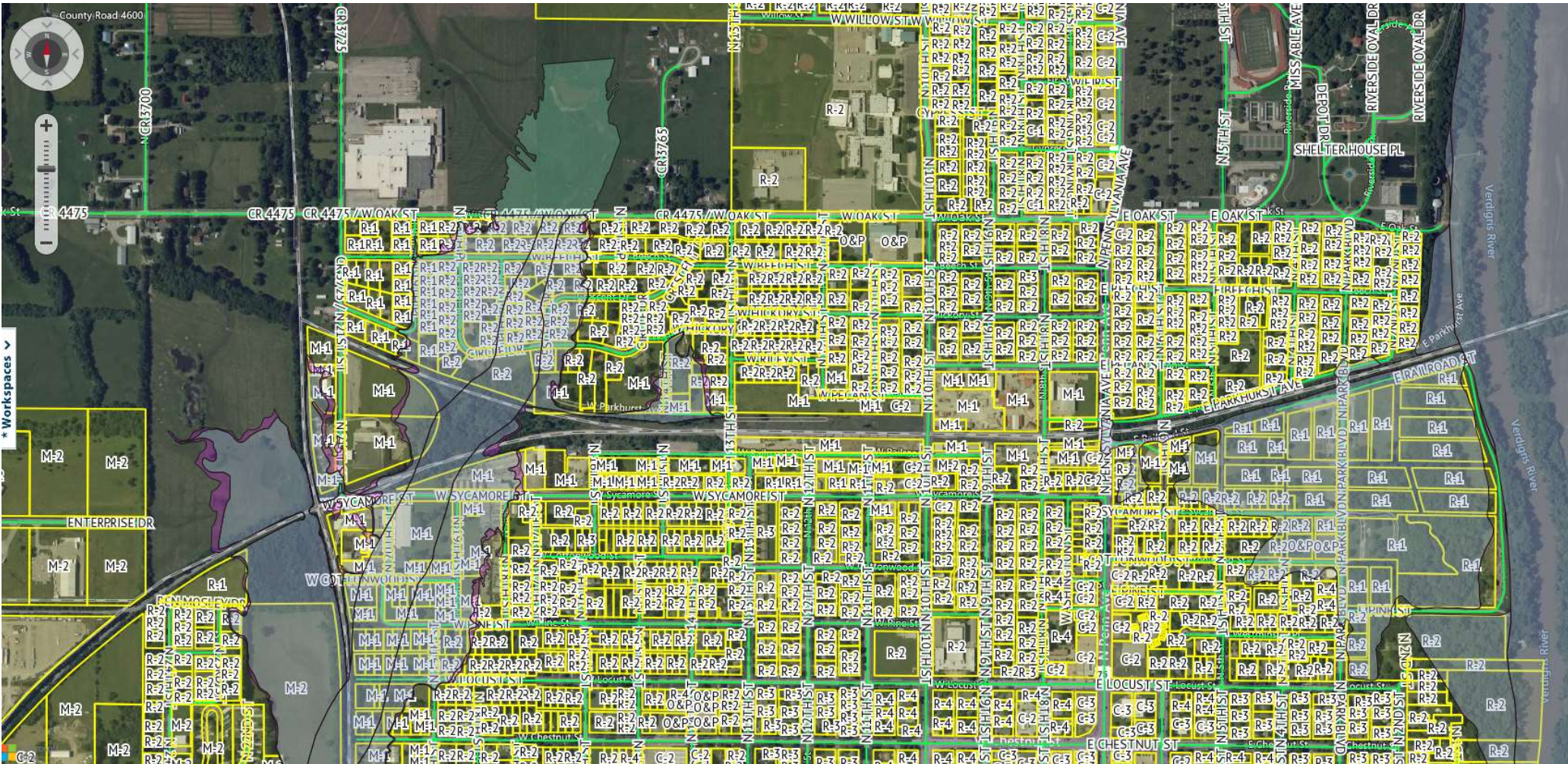
North of Taylor Road



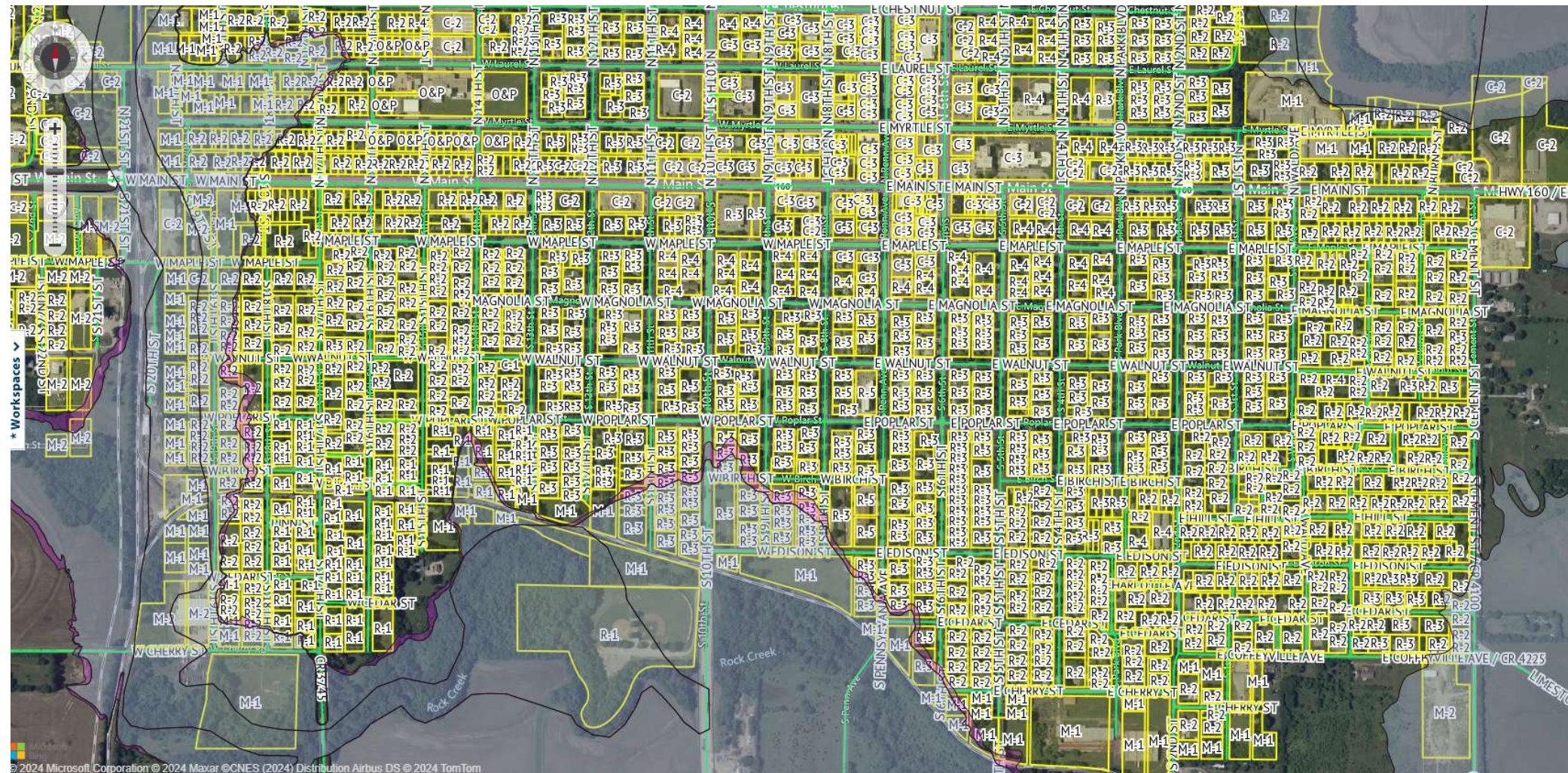
Taylor Road to Willow Street



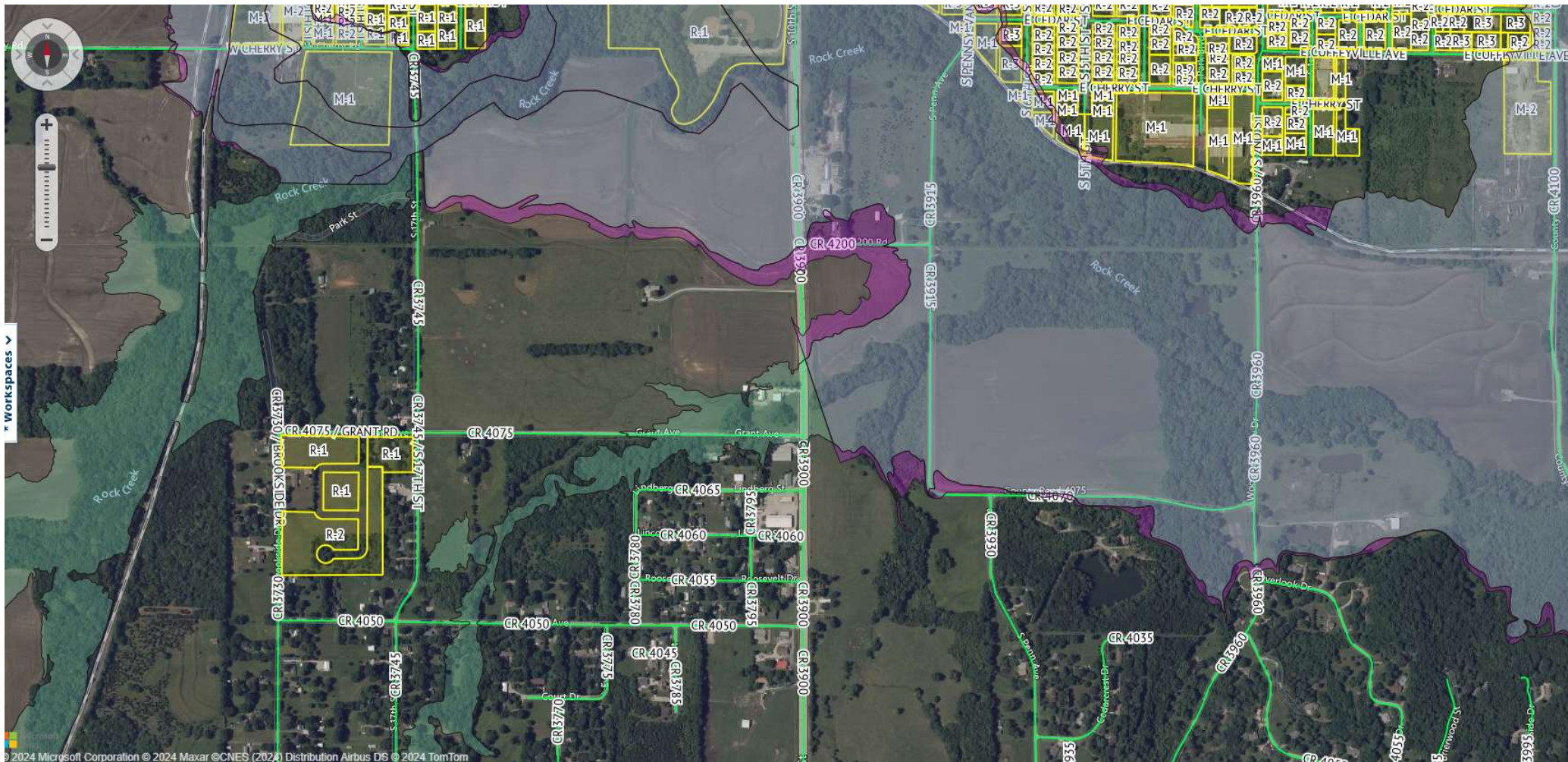
Willow Street to Chestnut Street (East City Limits)



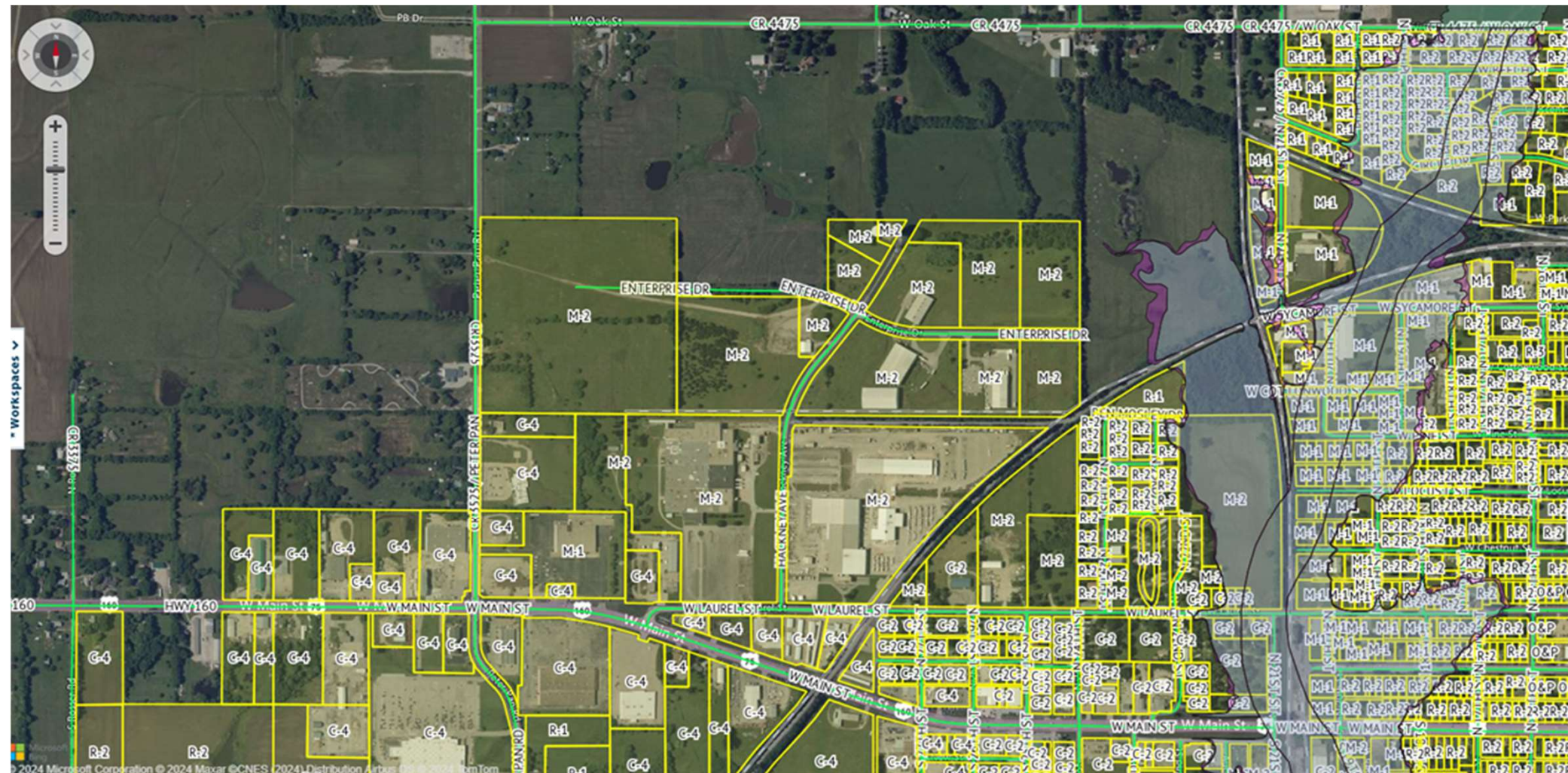
Chestnut Street to South City Limits (East City Limits)



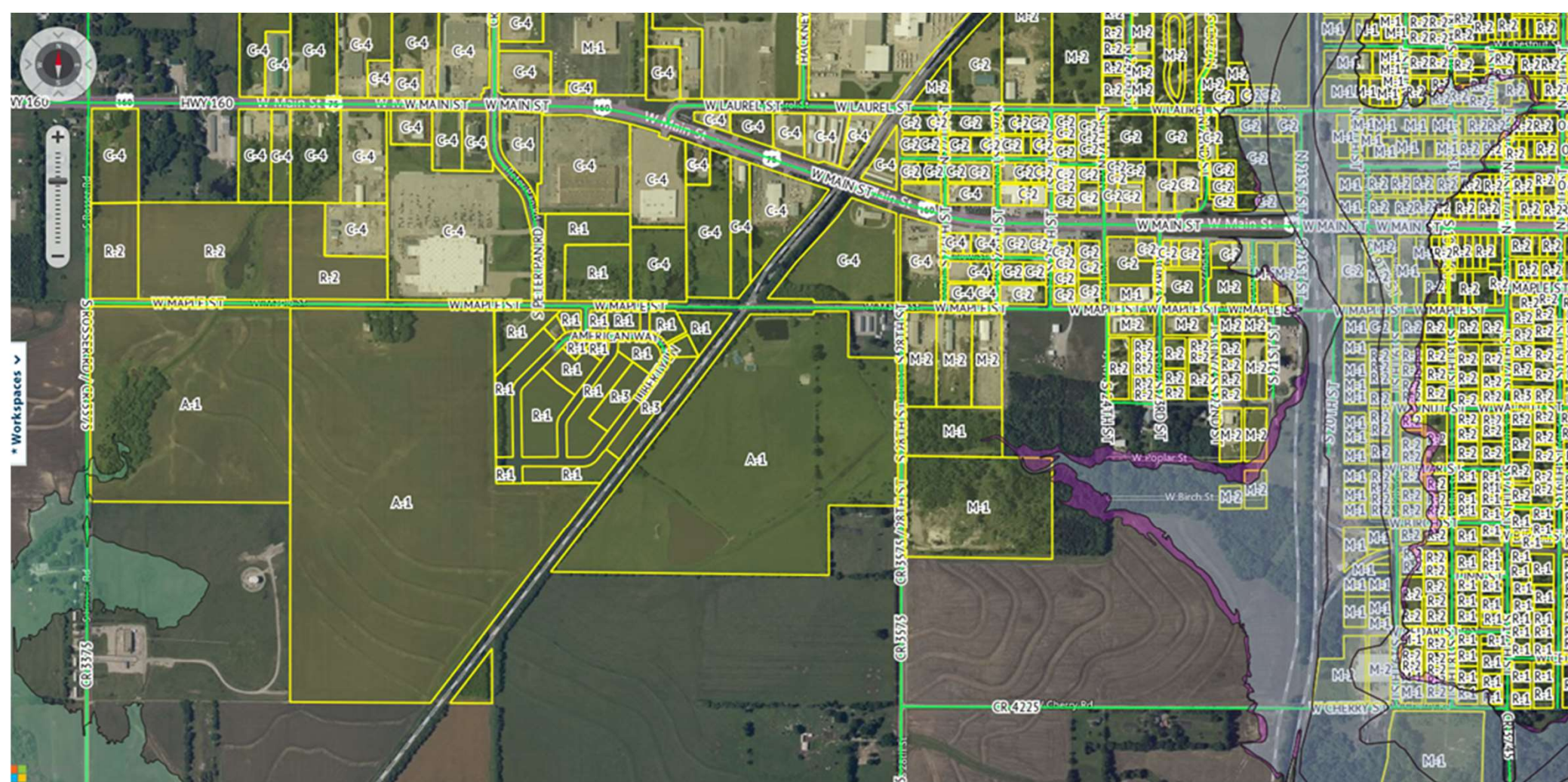
17th Street/Grant Avenue



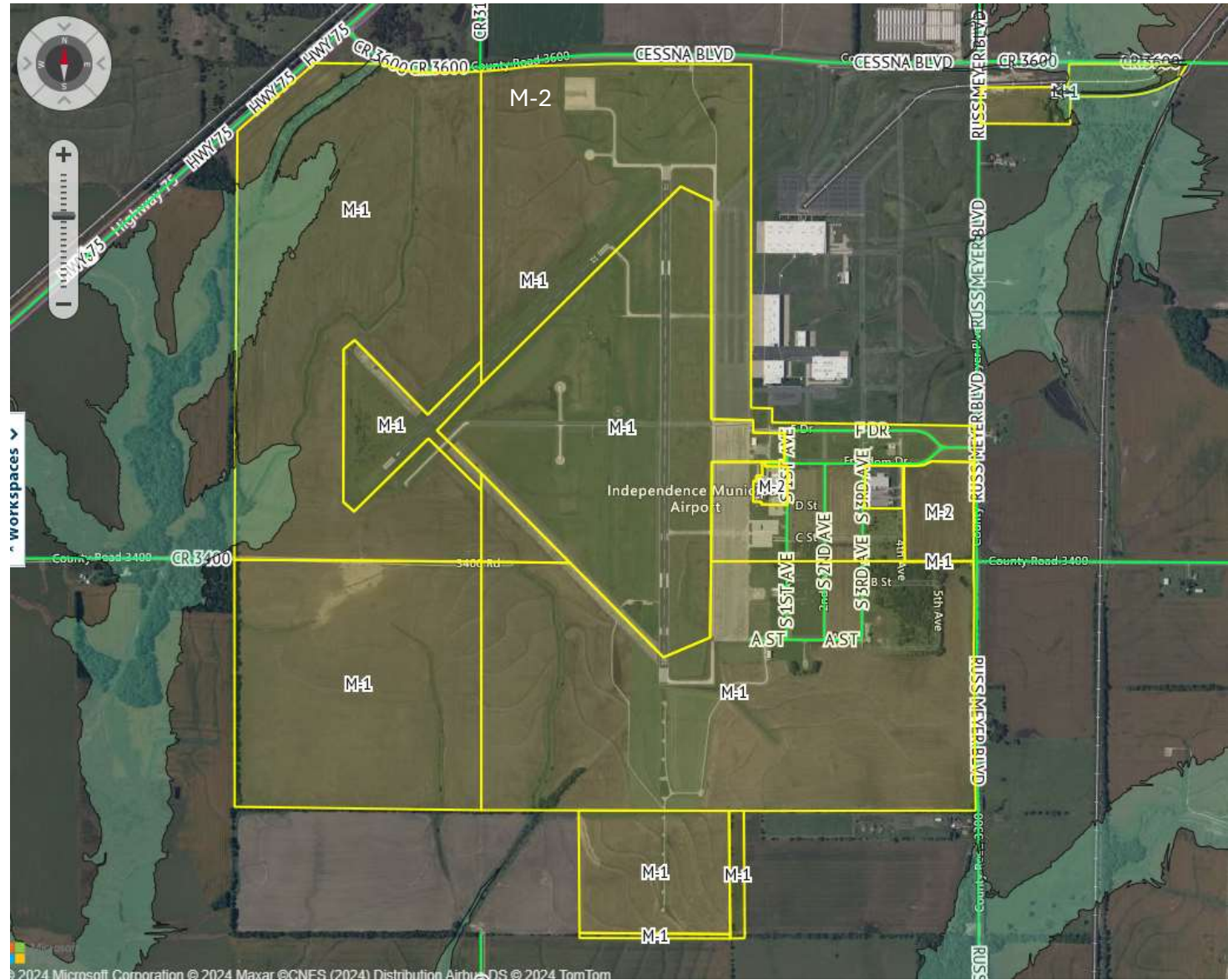
Oak Street to Main Street (West City Limits)



Main Street to South City Limits (West City Limits)



Independence Municipal Airport

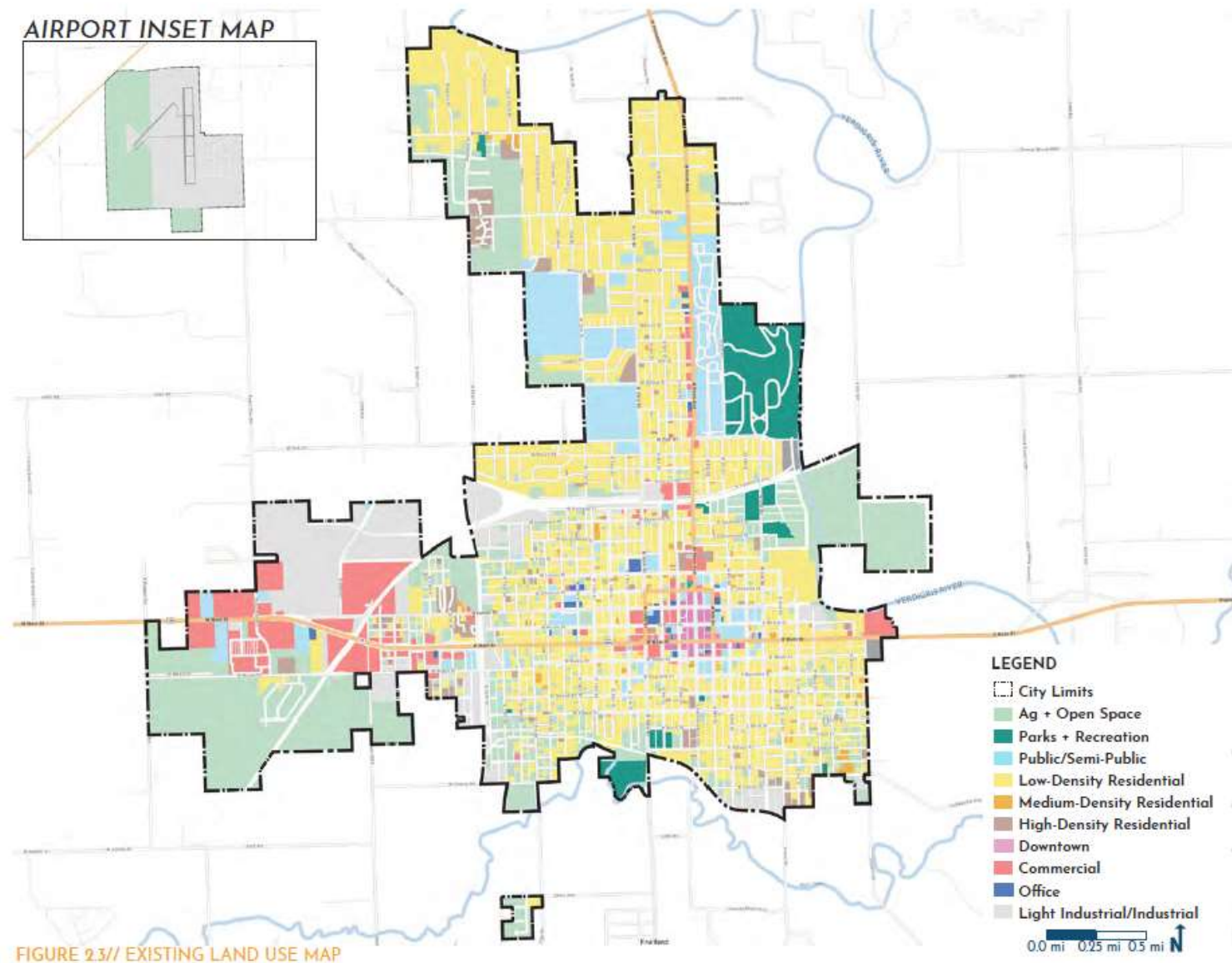


Attachment B

Existing and Future Land Use Maps

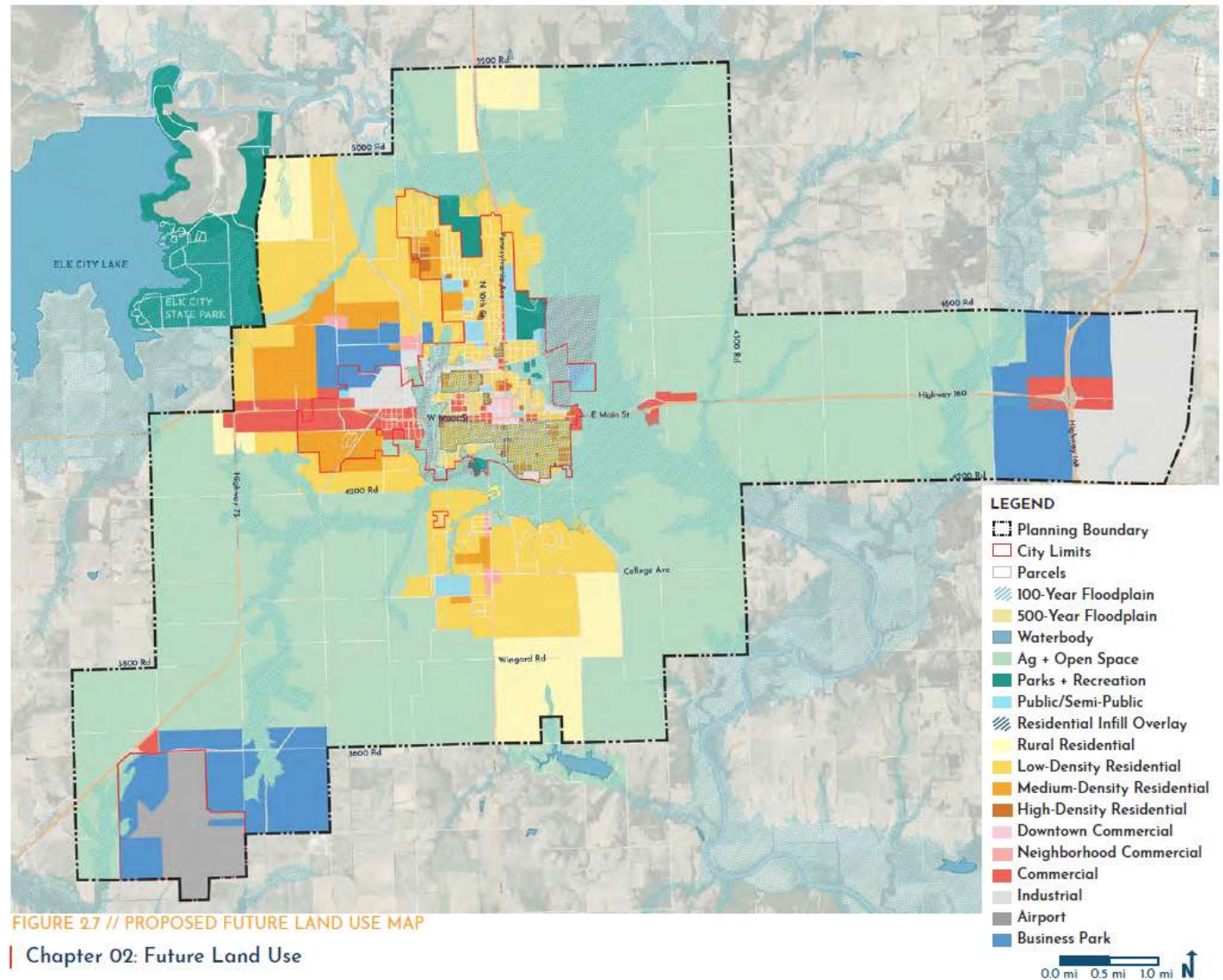
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Existing Land Use



Future Land Use

THE PLANNING BOUNDARY IS NOT A MASS ANNEXATION PLAN



Adopted May 23, 2024 as part of the Community Development/ Comprehensive Plan