

City of South Hutchinson, Kansas

Neighborhood Revitalization Plan (Adopting Reno County Plan)

Pursuant to K.S.A. 12-17,114 et seq.

1. Introduction and Purpose

The City of South Hutchinson, Kansas (“City”), finds that there exist areas within its jurisdiction that have deteriorated, are underutilized, or contain aging infrastructure and structures. The City recognizes the need to promote reinvestment in these areas to encourage residential, commercial, and industrial development.

In order to provide an economic incentive to promote such revitalization, and pursuant to the authority granted by the Kansas Neighborhood Revitalization Act (K.S.A. 12-17,114 et seq.), the City adopts this Neighborhood Revitalization Plan (“Plan”) for the purpose of authorizing property tax rebates for qualified improvements to real property within the City’s designated revitalization area.

2. Adoption of Reno County Plan by Reference

The City hereby adopts and incorporates by reference the Reno County Neighborhood Revitalization Plan, as most recently amended and adopted by the Board of County Commissioners of Reno County, Kansas, including all appendices, forms, eligibility criteria, rebate schedules, and administrative procedures outlined therein.

A copy of the Reno County Neighborhood Revitalization Plan is attached hereto as Exhibit A and shall be maintained on file with the City Clerk.

3. Designation of Neighborhood Revitalization Area

The entire incorporated area of the City of South Hutchinson, Kansas, is hereby designated as the Neighborhood Revitalization Area pursuant to K.S.A. 12-17,115, based on findings that the area includes structures and infrastructure that are:

1. Deteriorating or deteriorated
2. Obsolete or underutilized
3. Impairing the growth and economic vitality of the City

These findings are consistent with the County’s determinations in support of its plan and are supported by housing inventory and development trends observed within South Hutchinson.

4. Program Administration

The Neighborhood Revitalization Program shall be administered by the Reno County Appraiser’s Office, in coordination with the Reno County Clerk, pursuant to the interlocal agreement to be executed between the City of South Hutchinson, Reno County, and other participating taxing jurisdictions.

Eligible property owners must apply to the County and comply with the application procedures, deadlines, and improvement criteria outlined in the Reno County plan.

5. Interlocal Agreement

This Plan shall not be effective unless and until the City executes an interlocal agreement with Reno County and the other relevant taxing units as required by K.S.A. 12-2901 et seq. Upon execution, the agreement shall be submitted to the Kansas Attorney General, Secretary of State, and Reno County Register of Deeds for filing and approval.

6. Term and Revisions

This Plan shall remain in effect for the duration specified in the Reno County Plan unless earlier terminated or amended by the City Council. Any revisions or extensions of the County Plan shall apply to the City's participation only upon formal action by the City Council and compliance with applicable notice and hearing requirements.

7. Public Hearing and Adoption

A public hearing on this Plan shall be held by the City Council of the City of South Hutchinson, Kansas, after publication of notice in a newspaper of general circulation for two consecutive weeks, as required by K.S.A. 12-17,117(c). Following the hearing, the City Council may adopt this Plan by resolution or ordinance.

8. Severability

If any section, clause, or portion of this Plan is held to be invalid by a court of law, such invalidity shall not affect the remaining provisions, which shall remain in full force and effect.

Exhibit A

NEIGHBORHOOD REVITALIZATION PLAN

AMENDED June 25, 2025
Reno County, Kansas

June 25, 2025

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INTRODUCTION

The Reno County Neighborhood Revitalization Plan is intended to promote the revitalization and development of Reno County by stimulating new construction and the rehabilitation, conservation, or redevelopment of the area to protect public health, safety, or welfare of the county residents, while promoting and improving the overall quality of life in the County.

The proposed outcome of implementing the plan would be to stabilize neighborhoods by rehabilitating older homes; provide incentives for affordable housing to persons with limited resources; encourage property owners to improve existing or construct new commercial buildings or residential homes; encourage the improvement of rental properties; all of which will lead to the overall increase in the County tax base.

In accordance with the provisions of the K.S.A. 12-17,114 et seq., the Reno County Commissioners have held public hearings 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 inter-local cooperation among the other taxing entities. Accordingly, the Commissioners have carefully reviewed, evaluated, and determined the target areas meet one or more of the conditions to be designated as a "neighborhood revitalization area/dilapidated structure."

FINDINGS

This plan will stabilize neighborhoods by rehabilitating older homes, stimulate residential and business property development, provide incentives to landlords to provide quality and affordable housing to their tenants, and create construction-related jobs increasing our workforce base. Many Reno County residents have limited resources, and a tax rebate incentive will stimulate the restoration of houses and foster rural sustainability. The plan is intended to promote and improve the overall quality of life in the County.

Reno County is experiencing depopulation, increased workforce demands, and housing shortages. As a result, the Board of County Commissioners is taking increased measures to leverage funding to remain competitive in providing jobs, housing, and increasing public services.

The population of Reno County in 2010 was 64,511, but in 2020 the Reno County population had fallen to 61,898.

The median value of a residential housing unit in Reno County is \$110,505, compared to a statewide median value of \$229,012.

Reno County has an owner-occupied housing rate of 70.3%, according to the latest available data from the United States Census Bureau.

The lack of housing in general and quality housing in particular are a barrier to growth for Reno County and impact the quality of life of its residents.

RDG Planning & Design prepared a housing study for Reno County which identified several housing needs in the County, and which independently and specifically identified a Neighborhood Revitalization Program as an appropriate tool for the county to use in response to its housing needs.

PART 1

DESCRIPTION OF NEIGHBORHOOD REVITALIZATION AREA

The Neighborhood Revitalization Area shall include all of Reno County, Kansas, except for any real estate owned by the State, County, or municipalities; any real estate owned by a public utility; any real estate owned by any religious organization that maintains a tax-exempt status; any real estate owned by a not-for-profit organization; any real estate in a Rural Housing Incentive District or Tax Increment Financing program; and any real estate owned by school districts. The valuations restrictions of the program ensure that only real estate subject to or in danger of becoming subject to blight shall be eligible. Anyone with questions as to whether or not a certain tract of real estate is subject to the Revitalization Plan should contact the Reno County Appraiser's Office.

This program shall apply to the County portion of property taxes, as well as the property taxes of any other taxing entity which has adopted the program. If the property is located within a city or school district which has not adopted the program, then such city and school district property taxes shall not be rebated.

PART 2

ASSESSED VALUATION OF REAL PROPERTY

The June 2024 certified assessed valuation of each parcel contained in the Revitalization Area is available in the office of the Reno County Appraiser.

PART 3

LISTING OF OWNERS OF RECORD IN AREA

Each owner of record of each parcel of property located within the Revitalization Area is listed together with the corresponding address on file at the Reno County Appraiser's Office, 125 West 1st Avenue, Hutchinson, Kansas.

PART 4

ZONING CLASSIFICATIONS

The existing zoning classifications and zoning district boundaries and the existing land uses within the Revitalization Area are as set forth in the official zoning maps, records, resolutions, and ordinances of Reno County and the cities therein.

PART 5

MUNICIPAL SERVICES

The Plan does not include any proposals for improving or expanding municipal services as described in K.S.A. 12-17,117(a)(5) and, if any proposals for any 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.

PART 6

ELIGIBLE REAL PROPERTY

Residential Property

1. Rehabilitation, alterations, and additions to any existing residential structure, including the alteration of a single-family home into a multi-family dwelling, may be eligible.
2. Construction of a new residential structure, including the conversion of all or part of a non-residential structure, may be eligible.
3. Construction of a structure used for residential purposes, such as a detached garage or storage building, may be eligible.
4. Improvements such as swimming pools above or below ground, built-in or free-standing hot tubs, outdoor/lawn sprinkler systems, sidewalks, driveways, or fences shall NOT be eligible.
5. Residential property valued by the Reno County Appraiser at over \$500,000.00 at the time of application shall not be eligible.
6. Farm/Agricultural residences may apply under the same criteria and conditions as other residential property.

Agricultural Property

1. Agricultural property shall NOT be eligible, but farm residences may apply under the same criteria and conditions as other residential property.

Commercial & Industrial Property

1. Rehabilitation, alterations, and additions to any existing commercial or industrial structure used for retail, office, manufacturing, warehousing, institutional or other commercial or industrial purposes, may be eligible.
2. Construction of new commercial or 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 purposes, may be eligible.
3. Commercial property valued by the Reno County Appraiser at over \$500,000.00 at the time of application shall not be eligible.

PART 7

CRITERIA FOR DETERMINING ELIGIBILITY

1. Construction on a project must have begun on or after January 1, 2025, the effective date of this Plan, as documented by a building permit (or if not applicable by submission of the Neighborhood Revitalization Application to the Reno County Appraiser's Office).
2. Part 1 of the Neighborhood Revitalization Application must be obtained and filed with the Reno County Appraiser's Office along with a non-refundable \$100.00 application, prior to the commencement of any renovation project if an applicant wants to receive consideration for this program. Newly built projects which are verified to be new and not renovations must apply prior to occupation of the project and in the calendar year in which the building permit for the project is issued.
3. The minimum investment for a commercial and residential property must be \$25,000 AND increase the assessed value of the parcel by at least 10%.
4. The value or cost of all improvements for remodeling or new construction shall be exclusive of demolition cost of any existing structures or improvements (if any), site development costs (dirt work etc.) and land cost/value.
5. Property shall only be eligible for a rebate upon 100% completion, for tax appraisal purposes, of the improvements or construction described in the application. The eligible period shall be open for one (1) year from the approval of the Neighborhood Revitalization Application to the finish of the construction project. If the project is not completed within the specified one (1) year time frame, an application for a one (1) year extension may be made by submitting Part 3 of the Neighborhood Revitalization Application to the Reno County Appraiser's Office by January 31st. At the end of a one (1) year extension if the project is still not 100% complete, the application will be null and void and said project will no longer be eligible for a rebate.
6. New and existing improvements on the property for which a rebate is requested shall conform with all applicable codes, rules, and regulations as applicable in the entity's zoning district and shall remain in conformance for the duration of the rebate period or the rebate shall be terminated.
7. Any parcel that is delinquent in any tax payment, special assessment, or city utility bill shall not be eligible for a rebate until such time as all taxes, bills, or special assessments have been paid. Any parcel submitted for application into the Neighborhood Revitalization Plan will be considered ineligible if there are any delinquent real estate taxes and/or special assessments at the time the application is filed.

8. If at any time after a parcel has been accepted into the Neighborhood Revitalization Plan the property becomes delinquent in city utility payments, real estate taxes and/or special assessments, the parcel will not be eligible for any rebate and will be removed from the Plan, forfeiting any current and future rebates. The applicant shall not regain eligibility by becoming current on the delinquent taxes. Any city utility bill shall be considered delinquent if it is not paid by the scheduled due date. For taxes and special assessments, delinquency is defined as any tax or special assessment that is not paid by May 10th.
9. If the property taxes are appealed or are in the process of being appealed, then no rebate will be given until the appeal process is finalized. No application shall be considered for an improvement for which an unresolved tax protest has been filed.
10. If future year values are protested, the property owner shall take the lesser of the two (2) values for the purpose of this program, i.e., the rebate from this program or the abated values as granted by the Kansas Board of Tax Appeals. If a reduction in value results in a valuation below one (1) or both the minimum qualifying thresholds, the parcel shall be removed from the plan.
11. Rebates shall follow any transfer of the property. Taxpayer shall notify the county clerk of the transfer of the property so that the rebate will be paid to the correct party. If the county clerk is not notified of the transfer the rebate may not be issued to the correct party.
12. Any rebate granted for a property class will be nullified if the property owner changes the property classification e.g., from the residential property classification to the commercial property classification.
13. Multiple qualified improvements to the same parcel completed in the same valuation year, shall be treated as one improvement or rebate project. In the event of multiple project qualifications in different or succeeding years, which meet the required minimum requirements in any given year, and therefore create an additional project qualification for a rebate, the total rebate in any succeeding year will be calculated and determined after the initial qualified rebate is determined and will be based upon the additional increase in the appraised value directly resulting from the succeeding qualified improvements.
14. The tax rebates will be 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 project.
15. The incremental increase in appraised value may not equal the exact cost incurred on the project. For example, a \$25,000 improvement to an existing property may only add \$20,000 to the appraised value of the property depending on the current real estate markets.

PART 8

CONTENTS FOR APPLICATION FOR TAX REBATE

An application for a rebate of property tax increments shall contain the following information.

Part 1 – General Information (Completed by Applicant)

- (a) Owner's name and daytime telephone number
- (b) Owner's mailing address
- (c) Address of subject property
- (d) Legal description of subject property
- (e) Parcel Identification number and Quick Reference number
- (f) Building permit number, request for copy of permit, permit issue date
- (g) Estimated cost of project and estimated date of completion
- (h) Description of project
- (i) Proposed property use
- (j) Residential project information (if applicable)
- (k) Commercial, Industrial, Agricultural project information (if applicable)
- (l) List of buildings or improvements proposed to be or actually demolished (if any)
- (m) Acknowledgement and signature of applicant
- (n) Verification by County Appraiser, County Treasurer's Office, and County Clerk's Office

Part 2 – Project Completion

- (a) Owner's name and daytime telephone number
- (b) Address of subject property
- (c) Permit number, issue date, date of completion
- (d) Final improvement/project costs and request for project cost receipts
- (e) Signature of applicant
- (f) City/Taxing entity's verification to proceed or not proceed
- (g) County Appraiser's valuation, percentage, and qualification/denial statement
- (h) Verification of increase in value and assessed value increase percentage
- (i) Final qualification/denial statement
- (j) Signature of the Reno County Appraiser's Office employee giving final qualification/denial statement

Part 3 – Project Not Complete

- (a) Owner's name and daytime telephone number
- (b) Address of subject property
- (c) Permit number and issue date of the permit
- (d) Amended estimated completion date
- (e) Estimated percent complete of ongoing project
- (f) Signature of applicant
- (g) County Appraiser's Office checklist for granting application extension

PART 9

PROCEDURES TO SUBMIT APPLICATION

1. The applicant shall obtain a Neighborhood Revitalization Application from the Reno County Appraiser's Office, or from the City office of a city with an active Neighborhood Revitalization Program.
2. The applicant shall complete and sign PART 1 of the application and file the application and \$100.00 non-refundable application fee with the Reno County Appraiser's Office **within sixty (60) days of the issuance of the building permit AND prior to commencing construction** on a renovation project, and prior to occupancy and before June 1st of any year in a newly constructed project.
3. If the parcel is not within a city Reno County shall review whether any building permit is required for the proposed improvements.
4. The Reno County Appraiser's Office shall record the certified appraised value and assessed value of the existing improvements, if any, on the Neighborhood Revitalization Application at the time the application is filed. The County Appraiser will perform the checklist at the bottom portion of Part 1 of the Neighborhood Revitalization Application. A letter from the Reno County Appraiser's Office will be sent to the applicant stating that the application and applicable fee has been received and the application has been contingently accepted or denied.
5. The parcel shall only be eligible for a rebate upon one hundred percent (100%) completion of the rehabilitation, alterations, additions, or new construction described in the application. The applicant shall certify the status of the project as of January 1st following the approval of the application by completing, signing, and submitting either Part 2 Project Completion or Part 3 Project Not Complete of the Neighborhood Revitalization Application to the Reno County Appraiser's Office. The applicant shall file Part 2 Project Completion or Part 3 Project Not Complete of the Neighborhood Revitalization Application on or before January 31st of the year following the approval of the application. For example, a Neighborhood Revitalization Application is submitted and contingently approved in July 2024, the project is completed in November of 2024, then Part 2 Project Completion should be submitted by January 31st of 2025. Since the project was completed as of January 1, 2025, the rebate period would begin on January 1, 2025, with the initial rebate processed after the 2024 taxes are completely paid. If the project is not completed as of January 1, the applicant shall file Part 3 Project Not Complete by January 31st of 2024 for a one (1) time, one (1) year extension. Property taxes owed on partially completed projects are to be borne by the property owner without rebate.

PART 10

STANDARDS AND CRITERIA FOR REVIEW AND APPROVAL

1. The subject property must meet all criteria for eligibility as set forth in PART 7 as of the date that the Neighborhood Revitalization Application is filed.
2. The procedure for submission of a Neighborhood Revitalization Application as set forth in PART 9 must have been fully and correctly complied.
3. The property for which a rebate is requested shall conform with all applicable codes, rules, and regulations as applicable in the entity's zoning district and shall remain in conformance for the duration of the rebate period or the rebate shall be terminated. This includes County sanitation codes.
4. Upon receiving Part 1 Application for Tax Rebate, the Reno County Appraiser's Office shall record the certified appraised value and assessed value of the existing improvements, if any, on the Neighborhood Revitalization Application at the time the application is filed. The County Appraiser will perform the checklist at the bottom portion of Part 1 of the Neighborhood Revitalization Application. A letter from the Reno County Appraiser's Office will be sent to the applicant stating that the application and applicable fee has been received and the application has been contingently accepted or denied. If the project has been contingently accepted then the County Appraiser's Office shall notify any applicable taxing entity of the provisional acceptance into the Neighborhood Revitalization Plan.
5. Upon receiving Part 2 Project Completion of the Neighborhood Revitalization Application, the County Appraiser's Office shall conduct an on-site pre-inspection of the project to collect and verify data on the property. This data will be utilized to determine the new valuation of the real estate as of January 1 and certified to the County Clerk's Office by June 1. The County Appraiser will also notify any applicable taxing entity upon receiving Part 2 Project Completion of the Neighborhood Revitalization Application and request written confirmation that the project has met and continues to conform to the applicable codes, rules, and regulations as applicable in the entity's zoning district, that there are not any additional factors that would prohibit the parcel from participating in the Neighborhood Revitalization plan, and that the property is not delinquent in city utility payments.
6. Prior to the submission of the County Clerk's July Abstract to the Property Valuation Division, the County Appraiser's Office shall inspect completed project to determine if the completed projects meet the required investment amount and percentage increase of value. If the project meets the required investment amount and percentage increase in value, the County Appraiser's Office will verify with the County Treasurer's Office that the taxes and any special assessments, if applicable, for the subject property, along with

any other real estate and personal property owned by the applicant, are not delinquent. If all conditions have been met the County Appraiser's Office shall notify the County Clerk and County Treasurer's Office of the rebate percentage due for each year of the rebate period by creating the appropriate records in the County's software system and running all applicable reports.

7. Reno County shall retain 5% of the calculated rebate as an administrative fee.
8. Upon full payment of the real estate tax for the subject property for the initial and each succeeding tax year extending through the specified rebate period, a tax rebate shall be made to the owner of record. The tax rebate shall be made within ninety (90) days following May 10th of each year. The tax rebate shall be made from the Neighborhood Revitalization Fund established by Reno County in conjunction with the other taxing units participating in an Interlocal Agreement.

PART 11

STATEMENT SPECIFYING REBATE FORMULA

Program Period:

The Neighborhood Revitalization Plan shall be in effect for a period of ten (10) years from and after January 1, 2025, the effective date of the plan. The Reno County Commissioners will consider repeal, modifications, or other changes to the plan following the procedures required by state law.

Rebate Period:

A property determined qualified and accepted for the Neighborhood Revitalization plan shall be entitled to tax rebates for the length and percentage amounts as listed below.

Rebate Formula

Commercial property and Residential property valued at less than \$250,000 at the time of application:

Year	Discount
1	100%
2	100%
3	100%
4	100%
5	100%

Commercial property and Residential property valued at more than \$250,000 at the time of application:

Year	Discount
1	100%
2	80%
3	60%
4	40%
5	20%

PART 12

AMENDMENT OR REPEAL

This Neighborhood Revitalization Plan may at any time hereafter, in whole or in part, be amended, supplemented, or repealed utilizing the following procedure:

Prior to amending, supplementing, or repealing this Plan, or any part thereof, the Governing Body shall first conduct a public hearing upon the feasibility of any such amendment or repeal after publishing notice of any such hearing at least once a week for two (2) consecutive weeks in the official county newspaper. Such notice shall set forth the specific change or changes proposed, or a summary thereof, and shall advise of the time and place at which such proposed supplement, amendment, or repeal shall be heard.