



Tuesday, January 7, 2025

3:30 PM

Economic Development Advisory Board

I. CALL TO ORDER

II. MINUTES

- a. Consider approving the minutes from the May 7, 2024 meeting.
- b. Consider approving the minutes from the October 1, 2024 meeting.
- c. Consider approving the minutes from the November 12, 2024 meeting.

III. ACTION ITEMS

- a. Reorganization
- b. Set 2025 Meeting Time, Date, and Location
- c. Consider a request from Labette Health regarding their Incentive Agreement.
- d. Consider recommending adoption of the New Neighborhood Revitalization Plan.

IV. ADJOURNMENT



**REQUEST FOR ECONOMIC DEVELOPMENT
ADVISORY BOARD ACTION
CITY OF INDEPENDENCE
JANUARY 7, 2025**

Department Finance

Prepared By

AGENDA ITEM Consider approving the minutes from the May 7, 2024 meeting.

SUMMARY RECOMMENDATION

BACKGROUND

SUGGESTED MOTION

SUPPORTING DOCUMENTS

1. Draft EDAB Minutes_5.7.24 Meeting

Minutes of the Economic Development Advisory Board's May 7, 2024 Meeting

I. Call to Order

Chuck Goad, Chairperson, called the meeting to order.

Present: Lori Kelley, Jim Kelly, Wayne Stephany, Keith Stone, Chuck Goad

Absent: Rod Zinn, Jason Curtis

Staff: Kelly Passauer, Lacey Lies, April Nutt

Ex Officio: Melissa Johnson, Lisa Wilson

Guests: Abbey,

II. Minutes

- a. Consider approving the minutes from the March 5, 2024 meeting.

Motion:

On the motion of Keith Stone, seconded by Lori Kelley the Commission approved the March 5, 2024 Economic Advisory Board meeting minutes.

Aye: Chuck Goad, Lori Kelley, Jim Kelly, Wayne Stephany, Keith Stone

Nay: None

III. Action Items

IV. Discussion

- a. Presentation on the Community Development/ Comprehensive Plan.

V. Adjournment

, Chairperson

, Secretary



**REQUEST FOR ECONOMIC DEVELOPMENT
ADVISORY BOARD ACTION
CITY OF INDEPENDENCE
JANUARY 7, 2025**

Department Finance

Prepared By

AGENDA ITEM Consider approving the minutes from the October 1, 2024 meeting.

SUMMARY RECOMMENDATION

BACKGROUND

SUGGESTED MOTION

SUPPORTING DOCUMENTS

1. Draft EDAB Minutes_10.1.24 Meeting

Minutes of the Economic Development Advisory Board's October 1, 2024 Meeting

I. Call to Order

Chuck Goad, Chairperson, called the meeting to order.

Present: Lori Kelley, Jim Kelly, Wayne Stephany, Keith Stone, Chuck Goad

Absent: Rod Zinn

Staff: Kelly Passauer, Lacey Lies

Ex Officio: Melissa Johnson, Tabatha Snodgrass

II. Minutes

III. Action Items

IV. Discussion

a. Montgomery County Action Council Update - Melissa Johnson

Melissa Johnson walked the board through presentation highlighting the purpose of Montgomery County Action Council, gave a recap on their current initiatives and recent events, and showed the board some marketing booklets MCAC recently created to recruit business to the county and to help businesses recruit employee to their businesses and to the county.

b. Housing Update - April Nutt

No housing update was given.

c. City Update - Kelly Passauer

City Manager Kelly Passauer gave a brief update on City happenings, economic development initiatives, and upcoming events.

V. Adjournment

, Chairperson

, Secretary



**REQUEST FOR ECONOMIC DEVELOPMENT
ADVISORY BOARD ACTION
CITY OF INDEPENDENCE
JANUARY 7, 2025**

Department Finance

Prepared By

AGENDA ITEM Consider approving the minutes from the November 12, 2024 meeting.

SUMMARY RECOMMENDATION

BACKGROUND

SUGGESTED MOTION

SUPPORTING DOCUMENTS

1. Draft EDAB Minutes_11.12.24 Meeting

Minutes of the Economic Development Advisory Board's November 12, 2024 Meeting

I. Call to Order

Wayne Stephany, Vice-Chair, called the meeting to order.

Present: Lori Kelley, Jim Kelly, Wayne Stephany, Keith Stone, Rod Zinn, Jason Curtis

Absent: Chuck Goad

Staff: Kelly Passauer, Lacey Lies, April Nutt

Ex Officio: Melissa Johnson, Lisa Wilson, Tabatha Snodgrass

II. Minutes

III. Action Items

a. Sewer Cost Share Program Requirements

Staff provided an overview of the City's Sewer Cost Share Program and requirements and the recent inquiries from potential developers about their eligibility for the program. Staff recommended adding an exception for a property owner who is rehabilitating a vacant property, as long as any delinquent account on that property was not caused by the property owner requesting the exception and all property taxes are current, or any other eligibility criteria deemed necessary.

Exception to #2 and #3 for bona fide developers rehabilitating a vacant home that has not had utilities for at least one year may participate at the 50% level up to a maximum of \$2,000 per property.

Definition of a Bona Fide Developer -- 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.

IV. Discussion

The board requested updates on the Love, Kansas initiative and Neighborhood Revitalization Districts, which will be added to a future agenda.

The board heard updates from April Nutt, Housing Director, on the status of the Jefferson project and from Lacey Lies, Finance Director, on the Central Park

Minutes of the Economic Development Advisory Board's November 12, 2024 Meeting

Sports Complex.

The board requested an update on the status of the old hospital building. Kelly Passauer, City Manager, gave an update on the building, now referred to as the Incubator Building, reporting that the City has leased a portion of the building to Kansas Medical Center and that they will be moving into the facility after the beginning of the year, and reporting that additional parties have contacted the City with interest and the City is currently vetting those inquiries.

The board requested an update on the ARCO building project. City staff reported that there is no update to provide, but David Cowan has been in contact with the building owner and hopes to have more information after the first of the year.

The board requested an update on downtown building projects. City staff reported that there are multiple interested parties requesting information on downtown buildings and that the Trident projects are moving forward.

a. Main Street Update - Economic Impact of Neewollah

Main Street Executive Direct Tabatha Snodgrass gave a report on downtown economic development data using PacerAI for Neewollah. The report showed over 78,000 visitors to the Historic District on Saturday of Neewollah. Additionally, she shared information from the report on bars, restaurants, and retail in the area during that time.

V. Adjournment

, Chairperson

, Secretary



**REQUEST FOR ECONOMIC DEVELOPMENT
ADVISORY BOARD ACTION
CITY OF INDEPENDENCE
JANUARY 7, 2025**

Department Finance

Prepared By Lacey Lies

AGENDA ITEM Reorganization

SUMMARY RECOMMENDATION Election of the following positions:

- Chair
- Vice Chair
- Secretary

ECONOMIC DEVELOPMENT ADVISORY BOARD (3 year terms – 7 members)			
Members	Term	Expires	Appointed
Keith Stone CPA	Unexpired	January 1, 2025	January 26, 2023 Replaced Paul Yaroslaski
Chuck Goad, Chair	1st term*	January 1, 2025	October 10, 2019
Wayne Stephany, Vice Chair	1st term*	January 1, 2025	October 10, 2019
Rod Zinn	1st term	January 1, 2025	January 13, 2022 Replaced Brian Hight
Lori Kelley	2nd term*	January 1, 2027	October 10, 2019
Jason Curtis, Secretary	2nd term*	January 1, 2027	October 10, 2019
Jim Kelly	1st term*	January 1, 2027	June 23, 2022
Ex-Officio:			
Lisa Wilson, Director Independence Chamber of Commerce		Melissa Johnson, Director Montgomery County Action Council	
Tabatha Snodgrass, Director Independence Main Street		April Nutt, Director Housing Authority	
Meeting Place: Memorial Hall Meeting Date: First Tuesday Meeting Time: 3:30 PM			

BACKGROUND

SUGGESTED MOTION

SUPPORTING DOCUMENTS



**REQUEST FOR ECONOMIC DEVELOPMENT
ADVISORY BOARD ACTION
CITY OF INDEPENDENCE
JANUARY 7, 2025**

Department Finance

Prepared By Lacey Lies

AGENDA ITEM Set 2025 Meeting Time, Date, and Location

SUMMARY RECOMMENDATION Current meeting time, date, and location: 1st Tuesday of the month, 3:30 pm at City Hall

BACKGROUND

SUGGESTED MOTION

SUPPORTING DOCUMENTS



**REQUEST FOR ECONOMIC DEVELOPMENT
ADVISORY BOARD ACTION
CITY OF INDEPENDENCE
JANUARY 7, 2025**

Department Finance

Prepared By Lacey Lies

AGENDA ITEM Consider a request from Labette Health regarding their Incentive Agreement.

SUMMARY RECOMMENDATION Approve the expedited payment. Since the funds were not distributed in 2023, the full year's collection is remaining in the economic development fund and future sales tax collections are not required for this year's payment.

BACKGROUND In March 2021, the City of Independence entered into an inducement agreement with Labette Health for the expansion of the Independence Healthcare Center. As part of the agreement, the City would grant Labette Health a total of \$1,000,000 payable in ten (10) equal installments of \$100,000 over a ten (10) year period. In order to receive the funding each year, Labette Health must meet certain employment requirements, set forth in Section 2, for hiring and maintaining certain numbers of full-time equivalent (FTE) employees that live in Independence and work at the Independence Healthcare Center. In that same section, the agreement notes that "The parties realize and acknowledge that Labette Health may experience employment turnover for reasons unrelated to this agreement, and that a reasonable period of time shall be granted to Labette Health to hire replacement employees in order to maintain employment levels as set forth in this agreement". Per the agreement, residency was defined as employees who reside in an area served by the City's public utilities are considered residents of the City.

Year	New Hires During the Year	New Hires During the Year Who Reside Within City Limits	Cumulative New Employees Above Base Employment on 12/31/2021
2022	4	4	4
2023	4	4	8
2024	3	3	11
2025	1	1	12
2026	1	1	13
Total	13	13	

In March 2023, the City and Labette Health amended the original agreement to expand the residency area and defined residency as employees who reside in the zip code 67301. All other requirements remained in effect.

Labette Health met the Year 1 requirements for 4 new hires who reside in the 67301 area code and work at the Independence Healthcare Center, as indicated in the Y1 chart below.

Baseline	@12.31.21	TTL	67301	City Utility Service	Mont.Co
Full Time	55	36	29	48	
Part Time	3	3	2	3	
PRN	21	10	6	18	
Total	79	49	37	69	

Yr 1 IHC	@1.06.23	TTL	67301
Full Time	63	40	
Part Time	6	3	
PRN	23	8	
Total	92	51	

For Year 2 reporting, as indicated by the chart below, Labette Health has submitted that they did not meet the employment requirements per the agreement. However, if looking at facility-wide employees that reside in 67301, they noted that they would have met the residency requirements, just not for employees that specifically work at the Independence locations.

Yr 2 All	@1.10.24	TTL	67301
Facility Wide			
Full Time	68	48	
Part Time	5	2	
PRN	27	17	
Total	100	67	

Yr 2 IHC

@1.10.24	TTL	67301
Full Time	70	38
Part Time	5	1
PRN	27	10
Total	102	49

Meets Meets

Meets Does Not Meet

Labette Health met with the EDAB on March 5, 2024 to discuss changing to facility-wide reporting requirements, but the EDAB instead voted to extend the reporting period a year to allow for Labette to recapture the incentive in a later year. Effectively, the new chart is as follows:

Labette Incentive Agreement for Employees at Independence Healthcare Center			
Year	New Hire During the Year	New Hires During the Year Who Reside Within 67301	Cumulative New Employees Above Base Employment on 12/31/2021
2022	4	4	4
2023			
2024	4	4	8
2025	3	3	11
2026	1	1	12
2027	1	1	13
Total	13	13	

Based on the below charts for 2024 Reporting, Labette has met the requirements for the Year 2 incentive with 44 employees (8 over base year) at Independence Healthcare Center residing in the 67301 area code.

Yr 2 (2024) All Facility Wide @1.2.25		TTL	67301
Full Time		72	53
Part Time		6	4
PRN		27	19
Total		105	76

Yr 2 (2024) IH C

Yr 2 (2024) IH C @1.2.25		TTL	67301
Full Time		72	44
Part Time		6	2
PRN		27	14
Total		105	60

Yr 2 (2024) Mg C

Per the agreement, payment is not due to Labette Health until March 1. Labette is requesting that the payment be made in January since all reporting requirements have been completed and returned to the City.

SUGGESTED MOTION I move to recommend expediting the payment for Labette Health's Year 2 Incentive agreement in the amount of \$100,000.

SUPPORTING DOCUMENTS



**REQUEST FOR ECONOMIC DEVELOPMENT
ADVISORY BOARD ACTION
CITY OF INDEPENDENCE
JANUARY 7, 2025**

Department Admin

Prepared By Kelly Passauer

AGENDA ITEM Consider recommending adoption of the New Neighborhood Revitalization Plan.

SUMMARY RECOMMENDATION Endorse adoption of the new Neighborhood Revitalization Plan.

BACKGROUND The City Commission will be scheduling a public hearing to consider adopting a new Neighborhood Revitalization Plan (NRP) that consolidates and replaces the eight existing plans currently in effect. The hearing is scheduled for February 13, 2025, at 5:30 PM in the City Hall Commission Room.

The proposed NRP aims to enhance economic development, address blight, support historic preservation, and promote housing, commercial, and industrial improvements within designated revitalization areas. The key highlights of the proposed plan include:

- **Streamlined Administration:** Combines eight separate plans into one, simplifying processes and ensuring consistency for applicants.
- **Broader Coverage:** Expands the revitalization area to include additional neighborhoods within City limits, excluding properties in the 100-year floodplain.
- **Enhanced Incentives:**
 - Rebates for a wide range of improvements, including housing, commercial, and industrial developments.
 - Special provisions for properties listed on the Kansas Historical Register or within historic districts.
- **Partnership and Administration:** The plan involves cooperation with Montgomery County, Unified School District No. 446, and Independence Community College, with Montgomery County overseeing administration for a 5% fee based on rebate amounts.

This plan aligns with the City's broader strategy to stimulate economic growth, preserve its historic character, and address housing challenges. The Economic Development Board's feedback on this initiative is crucial, especially regarding its potential impact on investment, property values, and community revitalization.

SUGGESTED MOTION I recommend that the City Commission adopt the proposed Neighborhood Revitalization Plan at the public hearing scheduled for February 13, 2025, at 5:30 PM in the City Hall Commission Room.

The adoption of this plan will:

1. Replace the existing eight Neighborhood Revitalization Plans with a single, streamlined plan for consistency and clarity.
2. Expand the revitalization area to include additional neighborhoods while excluding properties within the 100-year floodplain.
3. Encourage economic development, address housing challenges, support historic preservation, and enhance the City's overall growth and revitalization efforts.

This recommendation reflects the Economic Development Board's support for the plan's potential to stimulate investment, improve property values, and align with the City's long-term development goals.

SUPPORTING DOCUMENTS

1. 01092025-Request for Commission Action to Set a Public Hearing for 2025 NRP



**REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
January 9, 2025**

Department Admin

Director Approval Kelly Passauer

AGENDA ITEM Consider adopting a resolution setting a public hearing for the adoption of a Neighborhood Revitalization Plan pursuant to K.S.A. 12-17,114 et seq., and providing notice thereof.

SUMMARY RECOMMENDATION Staff recommends the adoption of a resolution setting a public hearing for February 13, 2025, at 5:30 PM in the City Hall Commission Room, 120 North 6th Street, Independence, Kansas, to consider the adoption of a new Neighborhood Revitalization Plan (NRP). The proposed NRP will replace all existing plans and aims to enhance economic development, address blight, support historic preservation, and promote housing, commercial, and industrial improvements within the designated Neighborhood Revitalization Area (NRA).

BACKGROUND The Neighborhood Revitalization Plan (NRP) is an economic development tool authorized under K.S.A. 12-17,114 et seq. to encourage private investment through property tax rebates for qualifying improvements in designated revitalization areas.

Currently, there are eight separate Neighborhood Revitalization Plans in effect within the City, many with differing expiration dates and varying terms. The adoption of the proposed plan would consolidate these into a single, streamlined plan, providing consistency and clarity for applicants. The new plan also expands the scope to include additional neighborhoods within the City limits that were not previously covered, excluding areas within the floodplain.

The proposed plan places a strong emphasis on incentivizing a broad range of improvements, including:

- **Housing Improvements:** Recognizing the challenges of the City's aging housing stock, nearly 40% of which was constructed prior to 1939. The plan encourages new construction, infill development, and rehabilitation of older structures to address modernization needs and attract middle and higher-income residents.
- **Commercial and Industrial Development:** Stimulating economic growth by supporting renovations and new construction for businesses and industrial facilities. These improvements aim to attract investment, create jobs, and increase the City's tax base.

The plan also emphasizes historic preservation, particularly within the downtown historic district. Enhanced rebates are offered for properties on the Kansas Historical Register or those located within historic districts. These incentives aim to preserve the City's architectural heritage while promoting economic activity in the downtown area.

Montgomery County has a similar plan that applies to all unincorporated areas within the County. Expanding the City's plan to include more neighborhoods levels the playing field with

County development incentives. The rebate percentages under the proposed plan are similar to the County's, except for the increased rebates within the City for historic properties and districts, demonstrating the City's commitment to preservation and revitalization.

To administer the plan, Montgomery County will receive a 5% administrative fee based on the rebate amount, consistent with the County's practices for its own plan.

The proposed resolution sets the required public hearing and ensures compliance with statutory requirements, including public notice and notification to other taxing entities.

FINANCIAL INFORMATION The financial impact of adopting the resolution is minimal, limited to administrative costs for publishing public notices and delivering the resolution to other taxing entities.

The adoption of the updated Neighborhood Revitalization Plan may result in additional property tax rebates for qualifying improvements. However, these rebates are offset by increased property valuations after the rebate period, higher tax revenues from improvements, and economic growth spurred by revitalization projects. The plan's broad scope, covering housing, commercial, and industrial projects, is expected to attract significant investment and support long-term growth across multiple sectors.

SUGGESTED MOTION I move to adopt the resolution setting a public hearing for February 13, 2025, at 5:30 PM in the City Hall Commission Room, 120 North 6th Street, Independence, Kansas, to consider the adoption of a Neighborhood Revitalization Plan pursuant to K.S.A. 12-17,114 et seq., and providing notice thereof.

SUPPORTING DOCUMENTS

1. Resolution 2025-009 - Resolution Setting NRP Hearing
2. 02132025 - Adopt NRP
3. 02132025 - NRP Interlocal Agreement
4. Proposed 2025 NRP
5. Final Assessed Valuation

RESOLUTION NO. 2025-009

A RESOLUTION SETTING A PUBLIC HEARING FOR THE ADOPTION OF A NEIGHBORHOOD REVITALIZATION PLAN PURSUANT TO K.S.A. 12-17,114 ET SEQ., AND PROVIDING NOTICE THEREOF.

WHEREAS, the City of Independence, Kansas, may pursuant to K.S.A. 12-17,114 et seq., adopt a plan to assist in the rehabilitation, conservation, or redevelopment of certain designated structures and areas within the City of Independence, Kansas, which meet the conditions provided in said law; and

WHEREAS, the City of Independence, Kansas, seeks to exercise the authority provided in K.S.A. 12-17,114 et seq., in order to rehabilitate, conserve, or redevelop designated areas within the City; and

WHEREAS, upon adoption, the proposed Neighborhood Revitalization Plan will replace all existing Neighborhood Revitalization Plans currently in effect.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Independence, Kansas, as follows:

NOTICE

The City Commission will hold a public hearing to consider the adoption of a Neighborhood Revitalization Plan pursuant to K.S.A. 12-17,114 et seq., on **February 13, 2025**, at **5:30 PM** in the City Hall Commission Room, 120 North 6th Street, Independence, Kansas 67301.

The proposed Neighborhood Revitalization Plan and a description of the boundaries of the proposed Neighborhood Revitalization Area are available for inspection during regular business hours at the Office of the City Clerk, City Hall, 120 North 6th Street, Independence, Kansas 67301.

At the conclusion of the hearing, the City Commission will consider findings necessary for the adoption of the proposed Neighborhood Revitalization Plan and the establishment of the Neighborhood Revitalization Area, all as provided for in K.S.A. 12-17,114 et seq.

BE IT FURTHER RESOLVED, that the City Clerk shall deliver a copy of this resolution to all other taxing entities within Montgomery County, Kansas.

BE IT FURTHER RESOLVED, that the City Clerk shall cause this resolution to be published in the official city newspaper once each week for two consecutive weeks prior to the public hearing.

ADOPTED AND APPROVED by the Governing Body of the City of Independence, Kansas, on this 9th day of January, 2025.

City of Independence, Kansas

Mayor

ATTEST:

David Schwenker, City Clerk

ORDINANCE NO. 2025-__

AN ORDINANCE ADOPTING A NEIGHBORHOOD REVITALIZATION PLAN AND DESIGNATING A NEIGHBORHOOD REVITALIZATION AREA, PURSUANT TO K.S.A. 12-17,114 ET SEQ., AND REPLACING ALL EXISTING NEIGHBORHOOD REVITALIZATION PLANS.

WHEREAS, the City of Independence, Kansas, pursuant to the authority provided in K.S.A. 12-17,114 et seq., desires to adopt a Neighborhood Revitalization Plan to assist in the rehabilitation, conservation, or redevelopment of certain designated areas and structures within the City; and

WHEREAS, after proper public notice, the City Commission held a public hearing on February 13, 2025, to hear and consider public comment on the proposed Neighborhood Revitalization Plan; and

WHEREAS, the City Commission has reviewed the proposed Neighborhood Revitalization Plan and determined that the area identified therein exhibits conditions detrimental to the public health, safety, and welfare, including but not limited to, deteriorating housing stock, declining population, and the need for economic revitalization; and

WHEREAS, the City Commission finds that the proposed Neighborhood Revitalization Plan is necessary to promote economic growth, improve housing opportunities, and address conditions of blight within the designated area.

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the City of Independence, Kansas:

SECTION 1.

The City Commission does hereby adopt the Neighborhood Revitalization Plan, attached hereto as **Exhibit A**, and incorporated by reference as if fully set forth herein. Upon adoption, this plan shall replace all existing Neighborhood Revitalization Plans in effect within the City of Independence.

SECTION 2.

Any applications for tax rebates submitted under a prior Neighborhood Revitalization Plan and approved before the date of adoption of the new Plan shall remain eligible for the duration of their original rebate period, as outlined in the terms of the prior Plan. However, any new applications submitted on or after February 13, 2025, shall be processed exclusively under the provisions of the new Plan.

SECTION 3.

The City Commission hereby designates the real property described in **Attachment A** of the Neighborhood Revitalization Plan as the Neighborhood Revitalization Area, pursuant to the findings required by K.S.A. 12-17,115(c).

The Commission finds that:

1. A substantial portion of the area exhibits conditions detrimental to the public health, safety, and welfare due to aging structures, inadequate housing options, and economic decline.
2. The area is suitable for rehabilitation, redevelopment, or conservation to promote economic growth and community well-being.
3. The revitalization of the designated area will benefit the public interest by enhancing property values and fostering sustainable growth.

SECTION 4.

This ordinance shall be in full force and effect upon publication in the official city newspaper.

PASSED AND APPROVED by the Governing Body of the City of Independence, Kansas, on this 13th day of February, 2025.

City of Independence, Kansas

_____, Mayor

ATTEST:

David Schwenker, City Clerk

NEIGHBORHOOD REVITALIZATION PLAN INTERLOCAL AGREEMENT

This Interlocal Agreement (hereinafter referred to as “Agreement”) is entered into on February 13, 2025, by and between the City of Independence, Kansas (hereinafter referred to as “City”), the Board of County Commissioners of Montgomery County, Kansas (hereinafter referred to as “County”), Unified School District No. 446 (hereinafter referred to as “USD 446”), and Independence Community College (hereinafter referred to as “ICC”).

RECITALS

WHEREAS, K.S.A. 12-2904 allows public agencies to enter into interlocal agreements to jointly perform certain functions, including economic development; and

WHEREAS, K.S.A. 12-17,114 et seq. provides a program for neighborhood revitalization and further allows for the use of interlocal agreements between municipalities to enhance neighborhood revitalization efforts; and

WHEREAS, it is the desire and intent of the parties hereto to provide the maximum economic development incentive as provided for in K.S.A. 12-17,119 by acting jointly.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION 1. ADOPTION OF THE PLAN

The parties agree to adopt the Neighborhood Revitalization Plan (hereinafter referred to as “Plan”) as contained in **Exhibit A**, attached hereto and incorporated by reference as if fully set forth herein. The parties further agree that the Plan, as adopted, will replace all existing Neighborhood Revitalization Plans in effect within the City of Independence. The Plan shall not be amended without approval of the parties, except as may be necessary to comply with applicable state law or regulations.

SECTION 2. EXISTING APPLICATIONS

Any applications for tax rebates submitted under a prior Neighborhood Revitalization Plan and approved before the date of adoption of the new Plan shall remain eligible for the duration of their original rebate period, as outlined in the terms of the prior Plan. However, any new applications submitted on or after February 13, 2025, shall be processed exclusively under the provisions of the new Plan.

SECTION 3. ADMINISTRATION

The parties agree that the County shall administer the Plan on behalf of all signatory parties. The County shall create a Neighborhood Revitalization Fund pursuant to K.S.A. 12-17,118 for the purpose of financing redevelopment and providing tax rebates. Any increment in property taxes received by the City, the County, ICC, and USD 446 resulting from qualified improvements to properties pursuant to the Plan shall be credited to the County's Neighborhood Revitalization Fund.

SECTION 4. TERM AND REVIEW

This Agreement shall remain in effect until December 31, 2035. The parties agree to undertake a review of the Plan on or before December 31, 2035, to determine any needed modifications to the Plan and participation in a new interlocal agreement. Any party may terminate its participation in this Agreement by providing thirty (30) days' advance written notice to the other parties. Applications for tax rebates submitted prior to termination, if approved, shall remain eligible for the duration of the rebate period.

SECTION 5. PROPERTY ACQUISITION

The parties agree that no property will be acquired pursuant to this Agreement. This Agreement provides a mechanism to create and implement the Plan, which is authorized and controlled by the provisions of K.S.A. 12-17,114 et seq.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**Board of County Commissioners
Of Montgomery County, Kansas**

ATTEST:

_____, Chair

County Clerk

(seal)

STATE OF KANSAS)

) SS:

MONTGOMERY COUNTY)

BE IT REMEMBERED that this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, Chair of Board of County Commissioners of Montgomery County, Kansas, and _____, County Clerk of Montgomery County, Kansas, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year last above written.

Notary Public

My commission expires:

City of Independence, Kansas

ATTEST:

_____, Mayor

David Schwenker
City Clerk

(seal)

STATE OF KANSAS)

) SS:

MONTGOMERY COUNTY)

BE IT REMEMBERED that this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, Mayor of the City of Independence, and David Schwenker, City Clerk for the City of Independence, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year last above written.

Notary Public

My commission expires:

Board of Education USD 446

ATTEST:

_____, President

Toni Jabben
Board Clerk

(seal)

STATE OF KANSAS)

) SS:

MONTGOMERY COUNTY)

BE IT REMEMBERED that this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, President of Board of Education, USD 446,

and Toni Jabben, Board Clerk, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year last above written.

Notary Public

My commission expires:

**Board of Trustees
Independence Community College**

ATTEST:

_____, Chair

Board Clerk

(seal)

STATE OF KANSAS)

) SS:

MONTGOMERY COUNTY)

BE IT REMEMBERED that this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, Chair of Independence Community College, and _____, Board Clerk for Independence Community College, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year last above written.

Notary Public

My commission expires:

APPROVAL OF KANSAS ATTORNEY GENERAL

The above and forgoing Interlocal Agreement is hereby approved by the Kansas Attorney General.

Office
of the Kansas Attorney General

Date

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 within the designated boundaries as outlined in this plan, except for properties located within the 100-year floodplain. A map of the floodplain area is included in Attachment A to clearly illustrate which properties are excluded. For parcels that are partially within the floodplain, only the portions outside the floodplain are eligible for participation, provided all improvements comply with City ordinances and FEMA requirements.

Zoning Classification and Land Use

A zoning classification map is included in Attachment A and the existing and future land use maps are included in Attachment B.

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. 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.

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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:

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

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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.
 - 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

**Neighborhood Revitalization Plan and Development Incentive (2025 – 2035)
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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.
- 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.

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- **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.

**Neighborhood Revitalization Plan and Development Incentive (2025 – 2035)
City of Independence, Kansas**

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.

**Neighborhood Revitalization Plan and Development Incentive (2025 – 2035)
City of Independence, Kansas**

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.

**Neighborhood Revitalization Plan and Development Incentive (2025 – 2035)
City of Independence, Kansas**

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

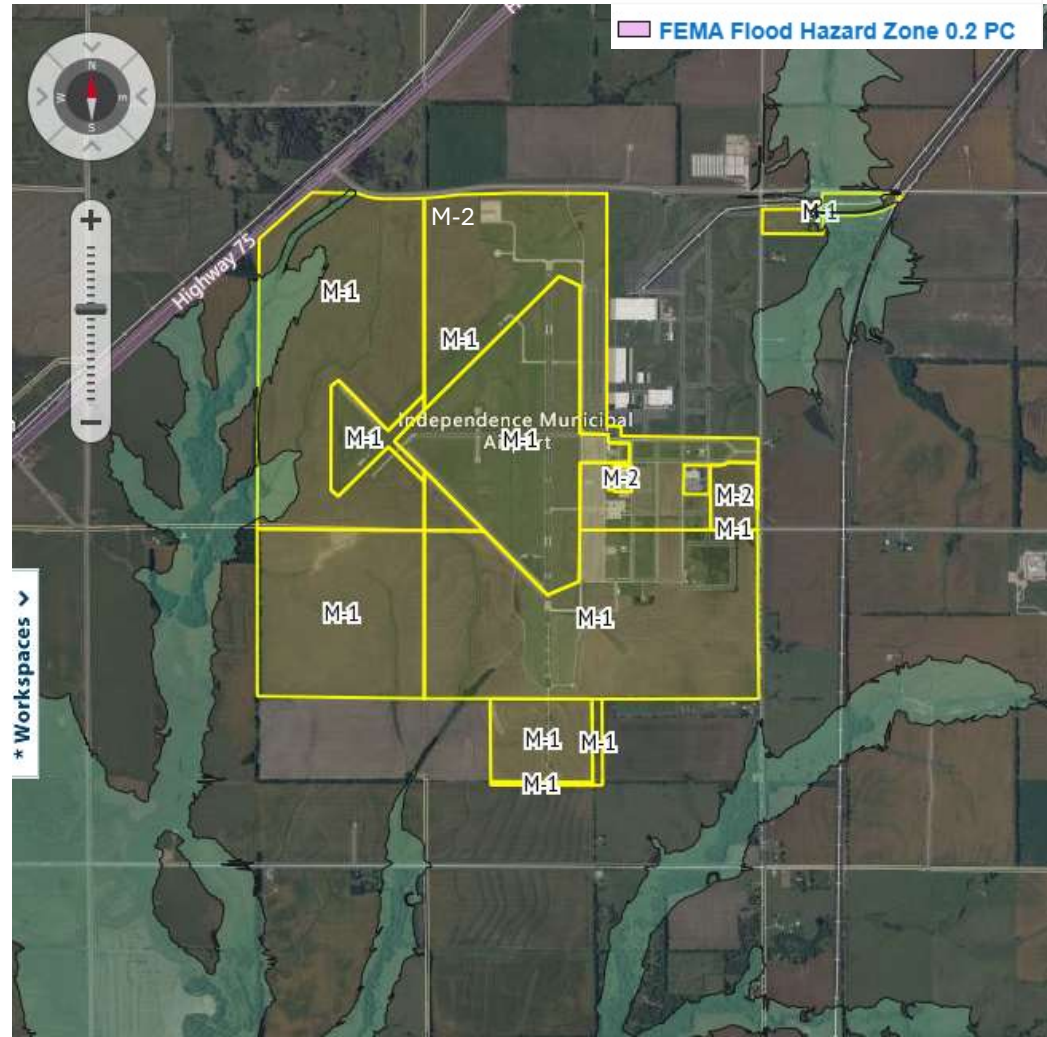
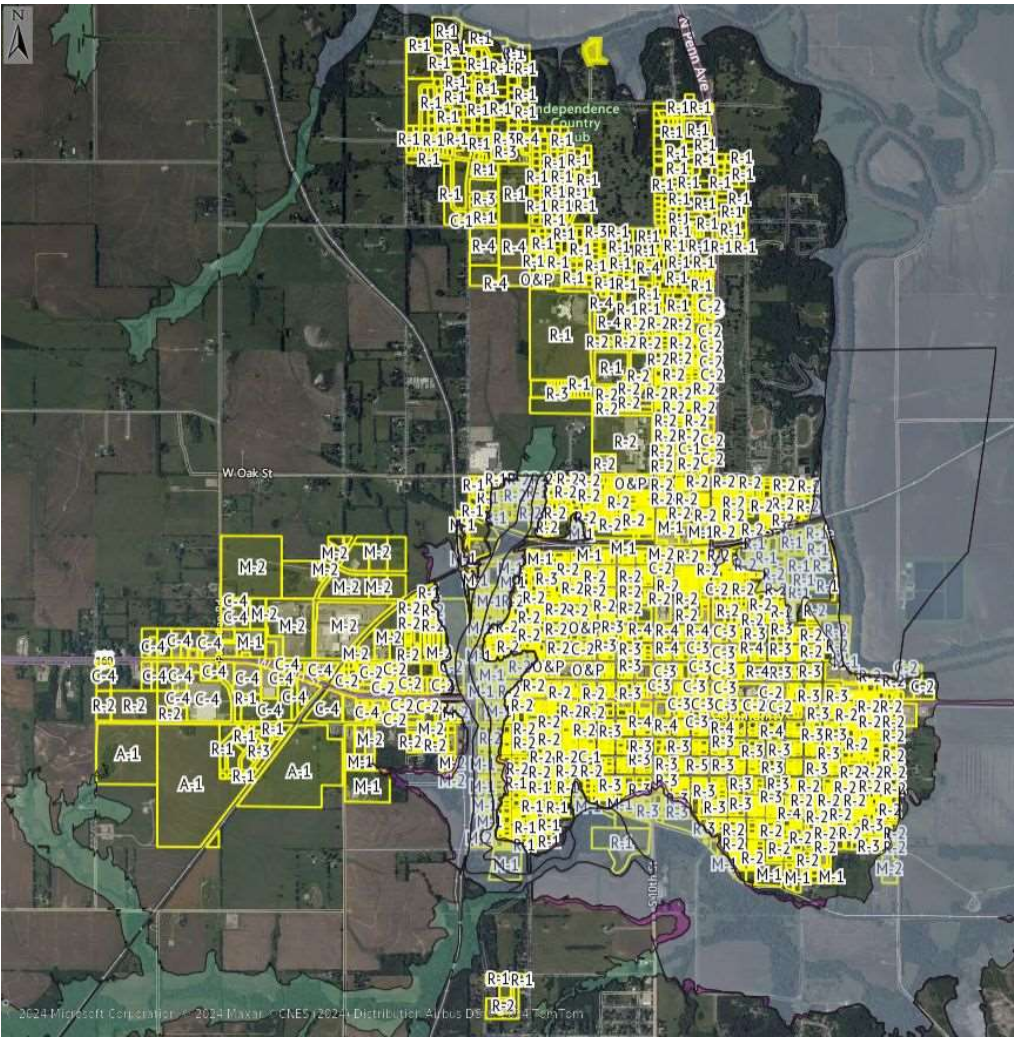
Boundaries of Neighborhood Revitalization Area (NRA), including
Zoning and Floodplain

(Areas in the 100-year Floodplain are Excluded from the NRA)

City Limits and 100-year Floodplain

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

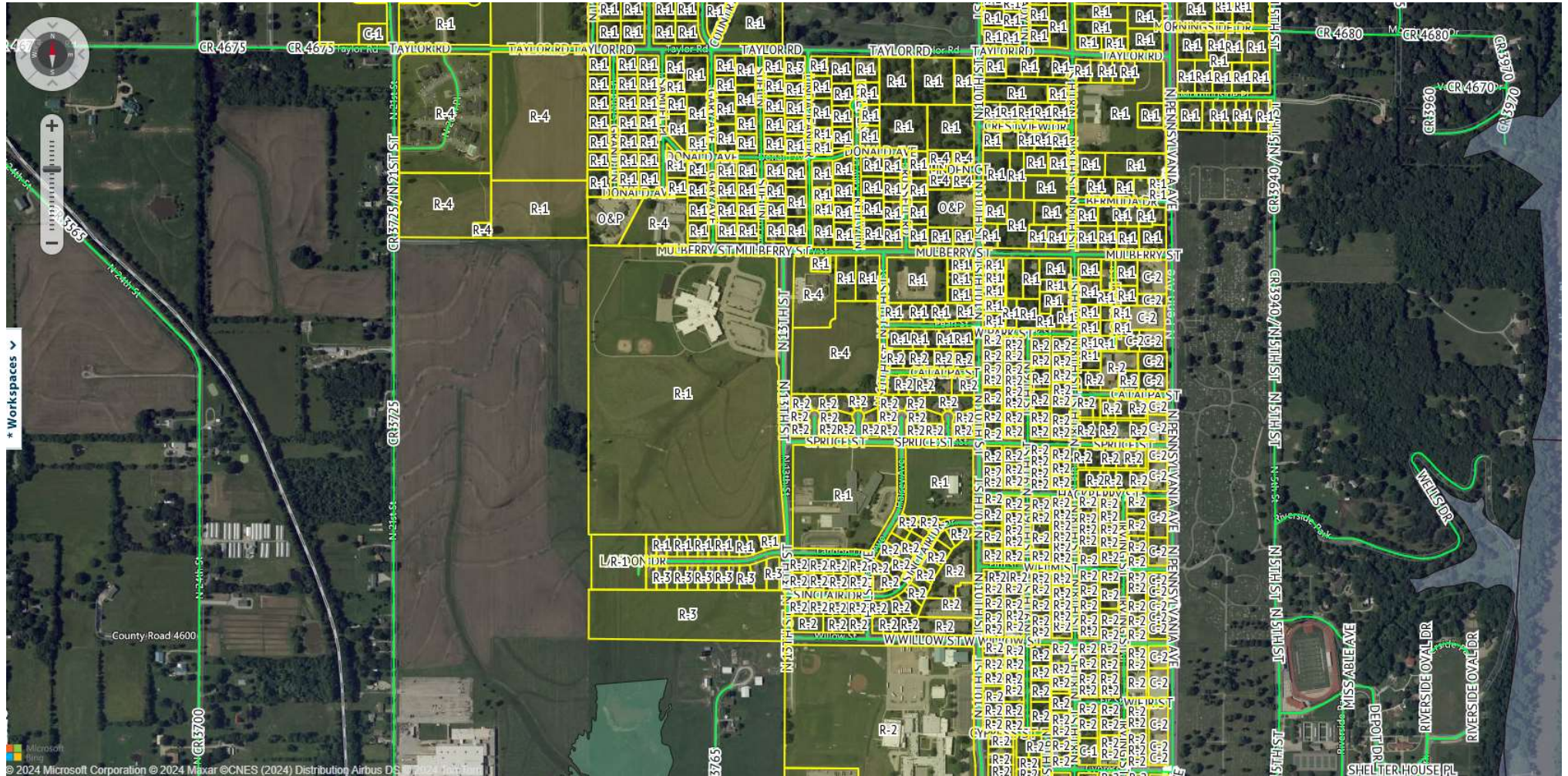
- FEMA Flood Hazard Zone AE 2018
- FEMA Flood Hazard Area A 2018
- FEMA Flood Hazard Zone 0.2 PC



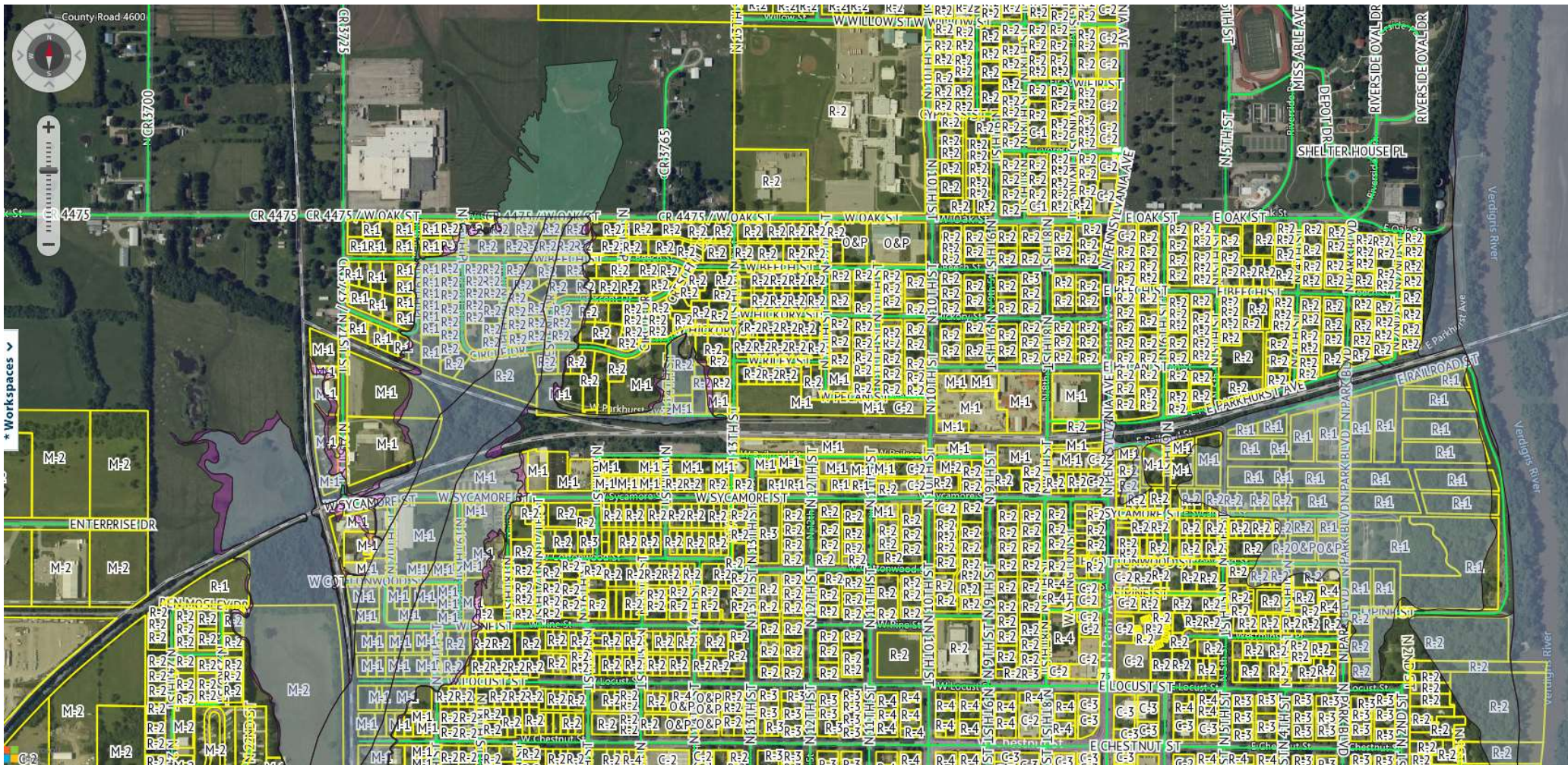
North of Taylor Road



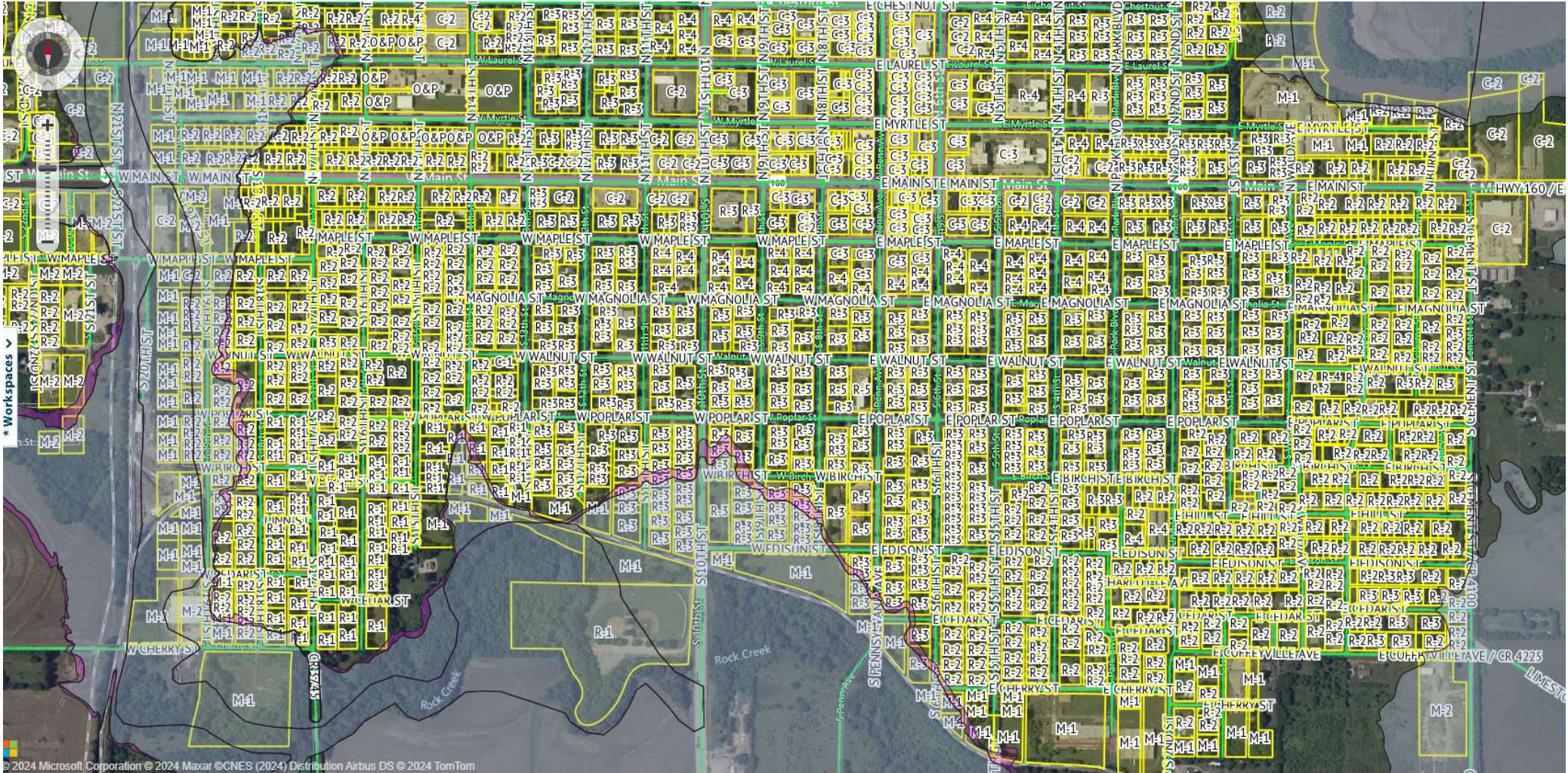
Taylor Road to Willow Street



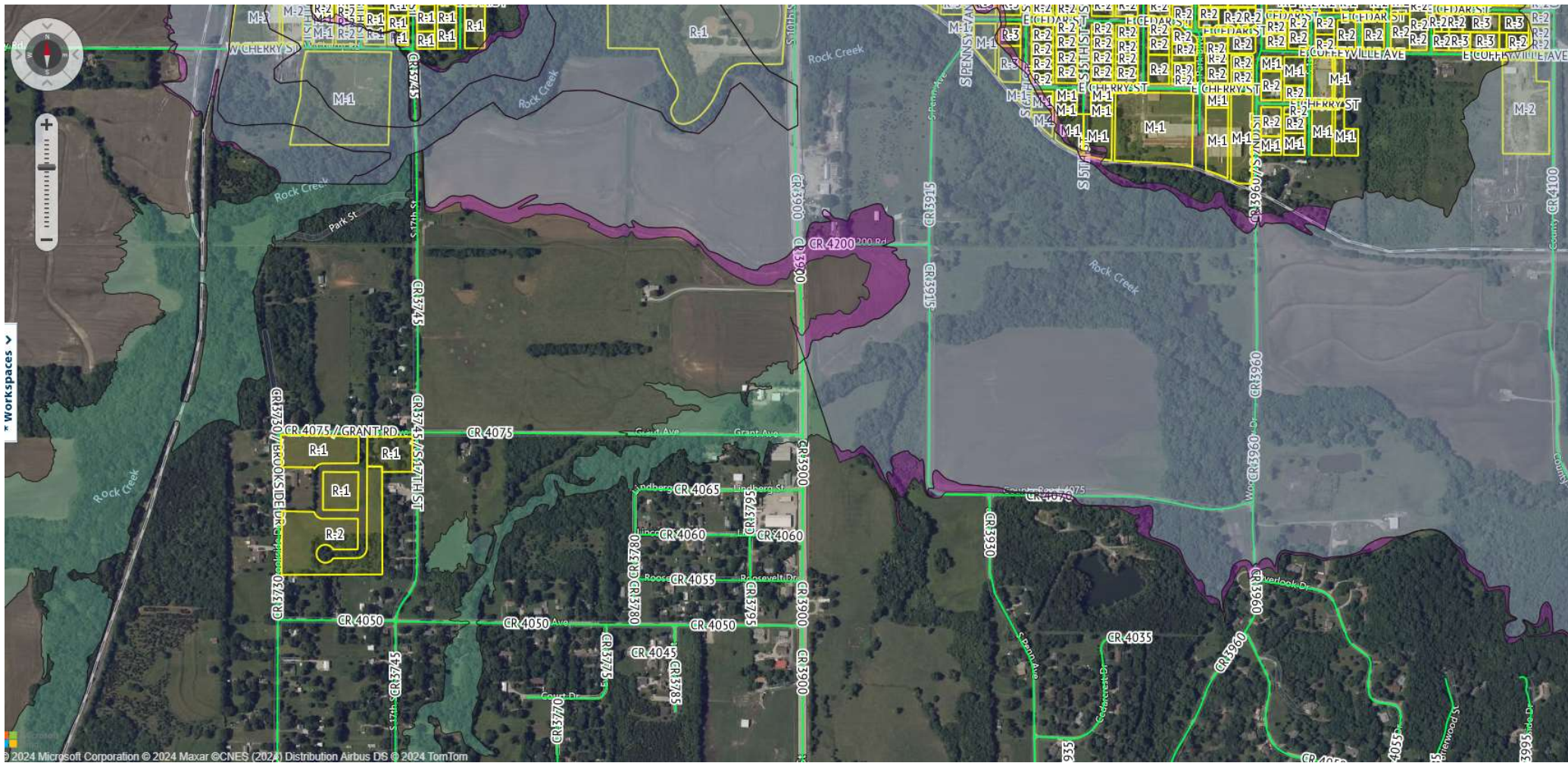
Willow Street to Chestnut Street (East City Limits)



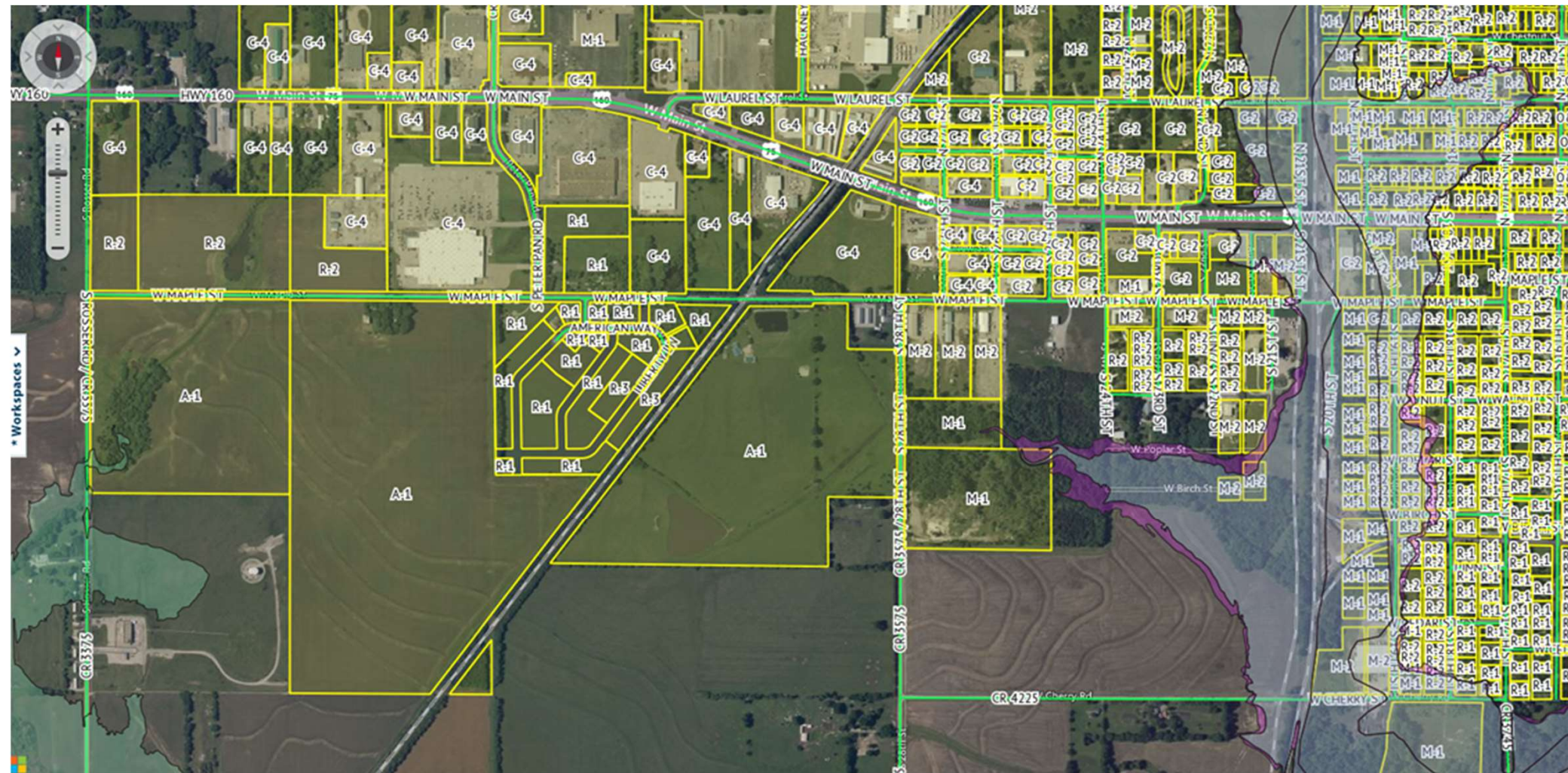
Chestnut Street to South City Limits (East City Limits)



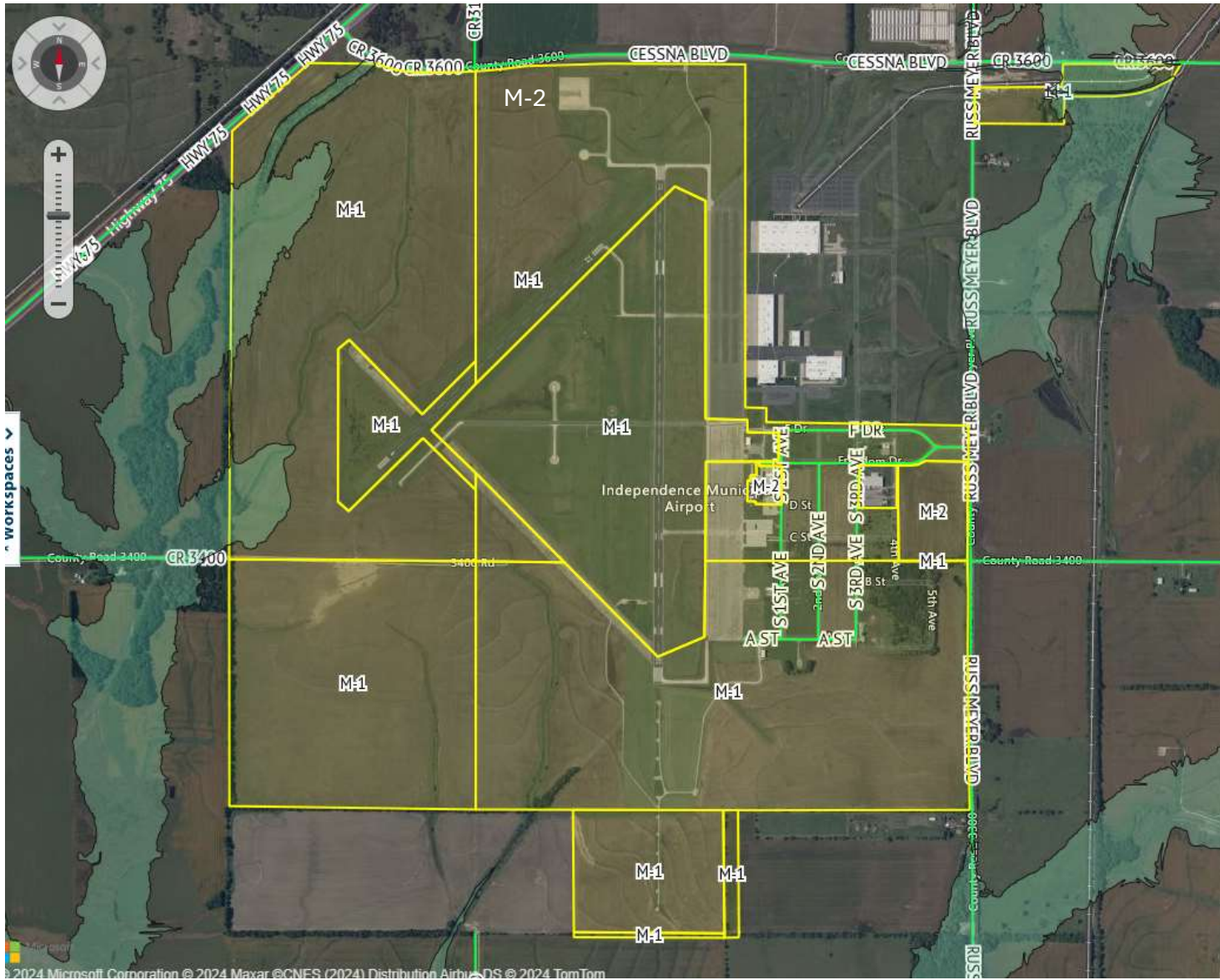
17th Street/Grant Avenue



Main Street to South City Limits (West City Limits)



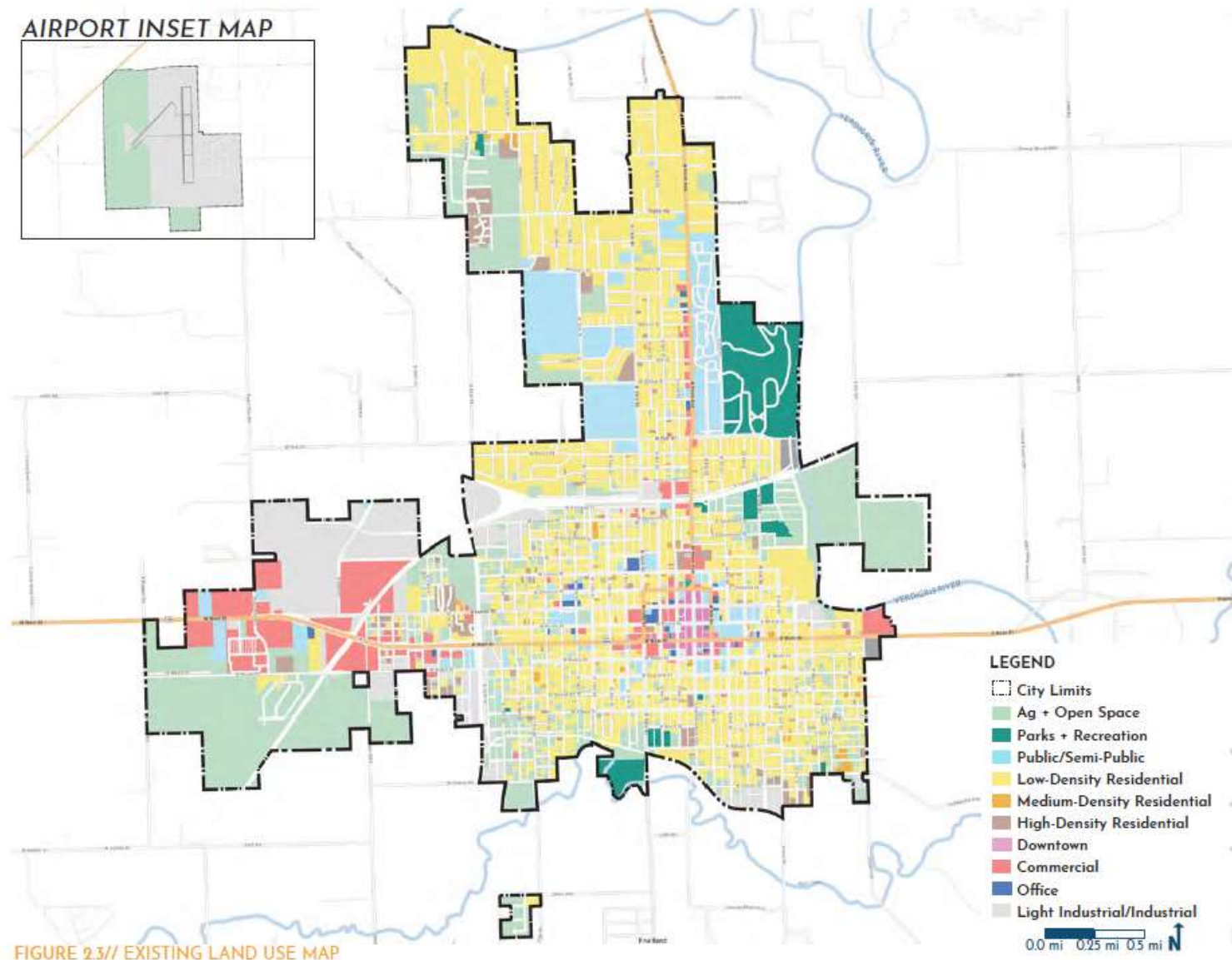
Independence Municipal Airport



Attachment B

Existing and Future Land Use Maps

Existing Land Use



Future Land Use

THE PLANNING BOUNDARY IS NOT A MASS ANNEXATION PLAN

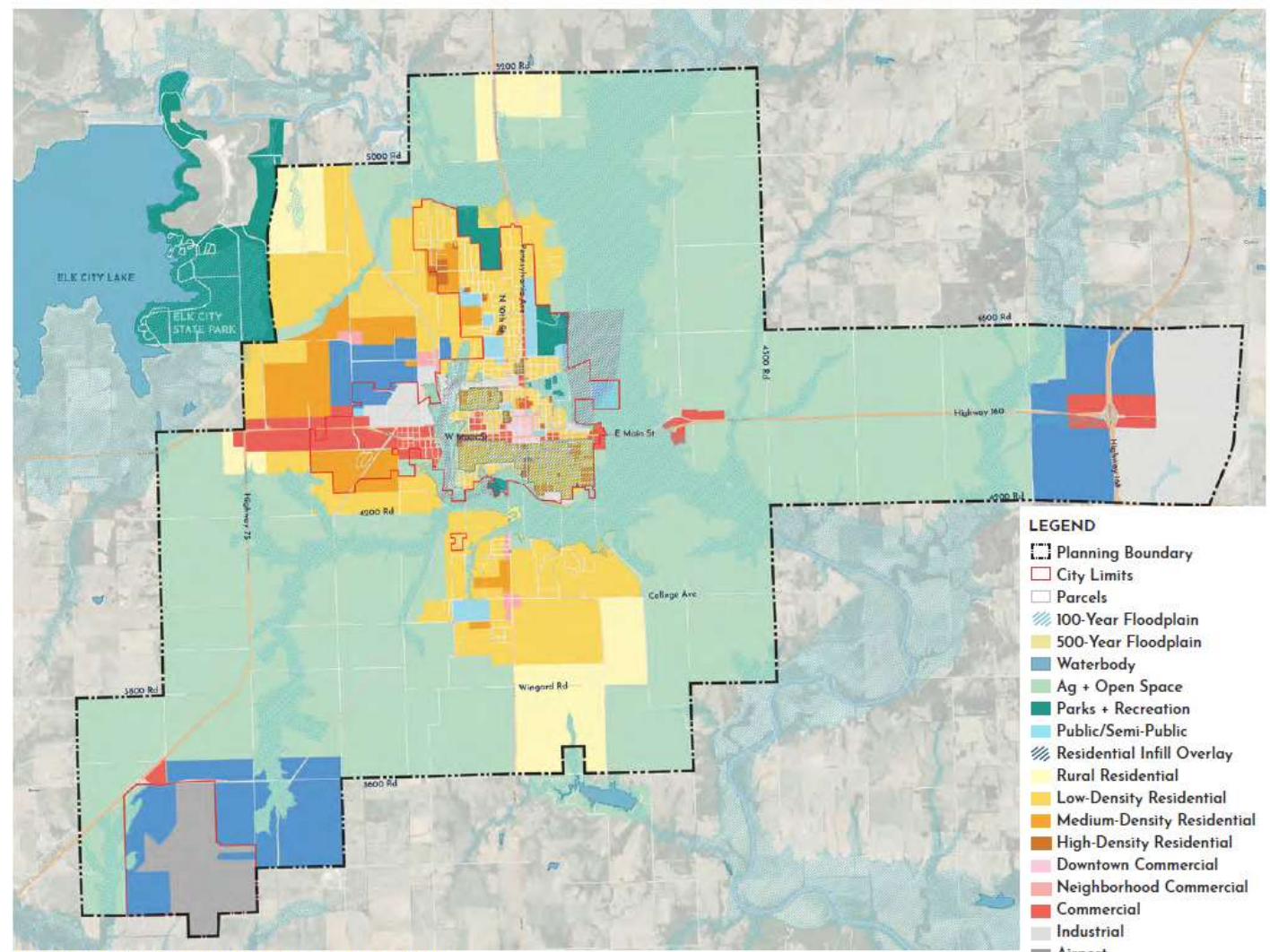


FIGURE 27 // PROPOSED FUTURE LAND USE MAP

Chapter 02: Future Land Use

LEGEND

- Planning Boundary
- City Limits
- Parcels
- 100-Year Floodplain
- 500-Year Floodplain
- Waterbody
- Ag + Open Space
- Parks + Recreation
- Public/Semi-Public
- Residential Infill Overlay
- Rural Residential
- Low-Density Residential
- Medium-Density Residential
- High-Density Residential
- Downtown Commercial
- Neighborhood Commercial
- Commercial
- Industrial
- Airport
- Business Park

0.0 mi 0.5 mi 1.0 mi

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

CHARLOTTE A. SCHMIDT
COUNTY CLERK
MONTGOMERY COUNTY
P.O. BOX 446
INDEPENDENCE, KANSAS 67301
620-330-1200

City Independence DATE October 17, 2024

In accordance to K.S.A. 79-1965 as Amended by 1981 House Bill 2329. The final rate levies on the Ad Valorem tax needed to finance the budget as published is determined by the final assessed valuation.

In the event the County Clerk determines it is necessary to change any amount of Ad Valorem tax to be levied in the budget so certified, the County Clerk shall give ten days notice to the taxing subdivision affected, prior to making the change.

	ESTIMATED LEVY	FINAL LEVY
General Operating	49.915	49.422
Bond & Interest		
Noxious Weed		
Employees Benefit	0.000	
Library	4.000	3.960
Industrial	0.379	0.375
Special Liability		
Law Enforcement, Fire & Ambulance Equipment		
Library Employee Benefits		
TOTAL	54.294	53.757

*Rates per \$1,000.00

Estimated Assessed Valuation for Budget \$67,487,222

Final Assessed Valuation for Final Levy \$68,160,337

I, Charlotte Scott Schmidt, County clerk of Montgomery County, State of Kansas, do hereby certify the above levies.

Dated at Independence, Kansas, this 17th day of October 2024



Charlotte A. Schmidt
Charlotte A. Schmidt
Montgomery County Clerk