

Commercial Properties Guidelines
Fairmount-Carlisle 353 Tax Abatement for Parcel-Specific Properties
Effective September 17, 2009

I. Introduction

This document is a follow-up to the Chapter 353 Fairmount-Carlisle Development Plan first approved by the City Council of Independence in February 2007 And Amendment 1 in November 2008 expanding the geographic area. These Commercial Properties Guidelines provide general procedures and requirements for property owners that wish to renovate or develop commercial property located within the development area as stipulated by the Fairmount-Carlisle 353 Redevelopment Plan Amendment 1. Property covered under these guidelines must be zoned O-1, O-2, C-1, C-2, C-3, BP, I-1, or I-2. The Redevelopment corporation has the option to assign, or “pass on”, the real estate tax abatement to the owners of specific parcels (“Parcel Specific Tax Abatement”) if they, too, redevelop or rehabilitate the properties in accordance with the Development Plan.

II. Purpose and Applicability

The purpose or intent of this program is to give the owners of specific parcels an incentive to rehabilitate their properties. As properties are improved over time, and other improvements are made as outlined in the Fairmount-Carlisle Development Plan, the redevelopment area is revitalized, which is a primary goal of the Fairmount-Carlisle Development Plan.

These guidelines specify minimum standards and requirements that should be met to ensure that the rehabilitation of parcel specific properties accomplishes the goals of the Fairmount-Carlisle Development Plan for neighborhood revitalization. These guidelines apply only to rehabilitation to projects where Parcel Specific Abatement is used.

The purpose of these guidelines is to establish minimum standards by which the use of tax abatement will be granted. These are intended to serve as a guide only; each project will be reviewed on a case-by-case basis.

All projects are expected to comply with statutory requirements set forth by the State of Missouri, Urban Redevelopment Corporations Law 353.020 to 353.150, and must comply with Building Code adopted by the City of Independence. All projects are subject to the development review process, which may include staff review, Planning Commission (public involvement review), City Council review (public involvement and final action) and other Boards and Commissions as needed. In order for projects to be considered, they must show evidence of compatibility with the location and surrounding environment

III. Eligible Property

Parcels eligible for Parcel Specific Tax Abatement include those parcels designated for redevelopment or rehabilitation in the Fairmount-Carlisle 353 Redevelopment Plan, provided that the assignment is in accordance with the conditions of the Fairmount-Carlisle 353 Redevelopment Plan. Eligible properties must be zoned O-1, O-2, C-1, C-2, C-3, BP, I-1, or I-2.

The assignment to individual property owners for commercial rehabilitation will be administered by the Fairmount-Carlisle Redevelopment Corporation.

The program may be used in connection with new construction, provided such new construction is in conformity with the Fairmount-Carlisle 353 Redevelopment Plan.

IV. Base Project Minimum

Parcel Specific Tax Abatement may be used in part for rehabilitation and/or improvements to a property. There is a “Base Project” minimum requirement for improvements in value of not less than a minimum of \$10,000 or 10% of market value from Jackson County tax roll (whichever is greater) investment for eligible improvements on the existing structure on the property. Rehabilitation or improvements to a detached accessory structure, or new construction of detached structure can also be included in this Base Project, if allowed by the local zoning ordinances. Real property improvements will be abated for ten years.

- 10% or \$10,000 50% abatement
- 20% 60% abatement
- 40% 70% abatement
- 60% 80% abatement
- 80% 90% abatement
- 100% 100% abatement (will require appraisal)

Once a Scope of Work and Budget have been approved by the Architectural Review Committee, any changes will require an amendment of the Memorandum of Understanding. Scope of work and investment levels can be changed only prior to Board Approval and filing with Jackson County. Once filed, no changes in abatement levels can be made.

V. Required Improvements

The base project for all rehabilitation, construction and/or additions receiving Parcel Specific Tax Abatement must comply with the following:

A. Cost Effective Energy Conservation Standards

1. Addition to Existing Structure. New construction must conform to local codes.
2. Rehabilitation of Existing Structure. To improve the thermal efficiency of the dwelling, the following are required:
 - a. Weather-strip all doors and windows to reduce infiltration of air when existing weather-stripping is inadequate or nonexistent.
 - b. Caulk or seal all openings, cracks or joints in the building envelope to reduce air infiltration.
 - c. Insulate all openings in exterior walls where the cavity has been exposed as a result of the rehabilitation. Insulate ceiling areas where necessary.
 - d. Adequately ventilate attic and crawl space areas.
3. Replacement Systems
 - a. Heating, ventilating and air conditioning system supply and return pipes and ducts must be insulated wherever they run through unconditioned spaces.

- b. Heating systems, burners and air conditioning systems should be carefully sized to be no greater than 15 percent oversized for the critical design, heating or cooling, except to satisfy the manufacturer's next closest nominal size.
- B. Driveways and Off-Street Parking.
 - 1. Pavement must not be broken or severely cracked in any location.
 - 2. No parking areas are allowed within the right-of-way, only driveway approaches.
 - 3. Driveway approach width should match the original width to maintain the historic intent of the property. This may be altered, if necessary, to accommodate current vehicular needs. All in accordance with the UDO. Street curbs required at frontage.
 - 4. The minimum amount of parking that must be provided must adhere to UDO for the proposed use; even if the use has attained "legal nonconforming" status per the UDO. In other words, the use should come into conformance with the parking requirements of the current UDO. However, consideration will be given to buildings that do not meet current parking regulations but which are used for the function for which they were originally designed.
- C. Sidewalks
 - 1. In conformance with the ordinances of the City of Independence, any sidewalk in front or alongside a commercial building or lot shall be in good repair. Any portion of a sidewalk that is not in good repair must be replaced.
 - 2. New or replacement sidewalks shall match the width of the sidewalks on adjacent properties and be constructed to the construction standards of the City of Independence.

The applicant may contact the Public Works department of the City of Independence for an inspection of sidewalks at any time. City Code requires that any portion of a sidewalk that the Public Works Department determines is not in good repair must be replaced. Applicants should be aware that sidewalks may become damaged over time or as a result of extensive rehabilitation or construction activities. Therefore, the applicant may need to replace portions of sidewalk which were in good condition at the beginning of the project. Applicants may want to be certain that the selected rehabilitation contractors guarantee that they will repair sidewalks damaged by them. Sidewalks must be maintained in good repair throughout the period of tax abatement.
- D. Landscape
 - 1. Minimum Required
 - a. Fences are used for screening between dissimilar uses only.
 - b. Parking lot landscaping per UDO
 - c. One street tree per 40 ft of street frontage
 - 2. Maintenance Improvements
 - a. Former paved or graveled areas should be improved with a minimum of three (3) inches of topsoil to promote growth of vegetation.
 - b. Retaining walls must have structurally sound integrity.
 - c. Improvements to reduce maintenance problems in high maintenance areas in front and side yard should be considered. This likely will include areas of severe slope (over 3:1 slope), areas where mowers cannot be used (grass or weeds adjacent to vertical elements).
 - d. Planting beds should be constructed to minimize future maintenance problems, including stripping sod (and weeds), adding topsoil and soil amendments, applying a pre-emergent treatment, and covering with a mulch material. An edging material also may be appropriate.

- E. Minimum Interior and Exterior Property Standards. Properties receiving tax abatement must meet and be maintained in compliance with the minimum standards, codes and ordinances of the City. Prior to receiving tax abatement, all work requiring a City Building Permit must receive a final inspection by the City. Noncompliance may result in loss of tax abatement.
- F. Architectural Review Criteria. New and existing buildings, structures and appurtenances thereof, that are constructed, moved, reconstructed, materially altered or materially required shall be visually compatible in accordance with Business District Overlay Standards or UDO.
- G. Electrical Service. There shall be minimum AMP brokered service to each commercial structure as determined by the City electrical code. Undergrounding of electrical service is required for commercial properties.

VI. Eligible Improvements

Any repair is acceptable in the Base Project requirement that may affect the health and safety of the occupants. Minor or cosmetic repairs by themselves, however, cannot be included as part of the Base Project. Examples of eligible improvements are listed below. This list is not all inclusive and only lists the type of work that may be done. Section VII, Required Improvements, specifies the improvements that must be done for a property to receive tax abatement. However, the following count toward the base project minimum:

- A. Structural alterations and reconstruction
- B. Changes for improved functions and modernization
- C. Elimination of health and safety hazards
- D. Changes for major aesthetic appeal and elimination of obsolescence (e.g. new exterior siding, adding new windows, railings). This may also include new monument signage and directional signage.
- E. Reconditioning or replacement of plumbing (including connecting to public water and/or sewer system) heating, air conditioning, including replacement of window air conditioning with a central system and electrical systems. Installation of new plumbing fixtures is permissible.
- F. Improvements for accessibility to the handicapped (e.g. remodeling for wheelchair access, widening doors, exterior ramps, installing power operated doors, etc).
- G. Roofing, gutters and downspouts.
- H. Flooring, tiling and carpeting.
- I. Energy Conservation improvements (e.g. new double pane windows, storm windows, steel insulated exterior doors, insulation, caulking and weather-stripping, etc.)
- J. Major landscape work and site improvement that improves the value of the property. Also, landscaping as required in Section VII. Required Improvements, or required to preserve the property from erosion, count toward the base project minimum. The correction of grading and drainage problems is also acceptable. Tree removal is acceptable if the tree is a safety hazard to the property. Repair of existing sidewalks and driveway is acceptable if it may affect the safety of the property. All parking lots must be striped and compliant with ADA requirements. Safe exit/entrance to/from public right-of-way.
- K. Driveways and paved off-street parking areas (the minimum required to meet standards per unit according to the Unified Development Ordinance). Street curbs required at frontage.
- L. Major interior and exterior painting. Renovations may include painting.

- M. Dumpster enclosure (behind building line)
- N. Adequate exterior lighting
- O. Any improvements required under Section VII, Required Improvements.
- P. Screening from residential uses as required by the UDO (fencing)
- Q. Signage – façade, monument, pole, directional

VII. Ineligible Expenses

Costs for other fencing and minor improvements such as minor landscape work (i.e. trees, shrubs, seeding or sodding), decorating and patch up painting do not count toward the base project minimum.

VIII. Architectural Exhibits

The improvements must comply with all local codes and ordinances. The property owner may decide to employ an architect or a consultant to prepare the application and or necessary exhibits. The property owner must provide the Redevelopment Corporation with the appropriate architectural exhibits that clearly show the scope of work to be accomplished. The following list of exhibits are recommended, but may be modified by the Redevelopment Corporation staff as required to suit the specific project.

- A. A Site Plan is required showing:
 - 1. The location of the structure(s),
 - 2. Sidewalks,
 - 3. Drives
 - 4. Streets, and other relevant detail. Include finished grade elevations at the property corners and building corners. Show the required flood elevation, if applicable. Plans and drawings must be of sufficient detail to ascertain adherence to standards and guidelines listed or referred to herein.
 - 5. Parking
 - 6. Landscaping. Where parking improvements are included a plot plan is required. Where landscape improvements are included, any format may be used to demonstrate compliance with minimum requirements.
 - 7. Signage
- B. Floor Plan is required showing:
 - 1. Layout of the existing conditions of the building including walls, doors, structural elements, etc.
 - 2. Identify the scope of the proposed work including the following:
 - Changes to the existing walls and rooms.
 - Additions to the existing structure.
 - Correction of deferred maintenance for ceilings, floors and walls.
 - Finishes on walls – must be clean or new.
 - Flooring finishes – must be clean or new.
 - Ceiling finishes – must be clean or new.
 - Restrooms – must be clean or new and in good working order.
- C. Building Site elevations of each side of the structure showing building materials, colors and signage. (Specify curb appeal – once they go over 30% they need to meet City Code.)
- D. Work Write-Up and Cost Estimate. Any format may be used for these documents; however, quantity and cost of each item must be shown. Also, include a complete description of the

work for each item (where necessary). The Rehabilitation Checklist (as detailed in XI) should be used to ensure all work items are considered. Cost estimates must include labor and materials sufficient to complete the work by a contractor. Property owners doing their own work can include the cost estimate for the labor in determining whether the minimum requirements for the Base Project are being met. The work write-up does not need to reflect the color or specific model numbers of appliances, bathroom fixtures, carpeting, etc.

The consultant who prepares the work write-up and cost estimate must be qualified for the specific scope proposed (an architect, engineering or inspection service) needs to inspect the property to assure: (1) there are no rodent problems, dry rot, termites and other infestation; (2) there are no defects that will affect the health and safety of the occupants; (3) the adequacy of the existing structural, heating, plumbing, electrical and roofing systems; and (4) the upgrading of thermal protection (where necessary). Architectural fees for preparing the work write-up can count toward the base project amount.

IX. Maximum Charges and Fees

The Fairmount-Carlisle Redevelopment Corporation may charge commercial properties a fee to cover the cost of the required inspection, application process, as outlined in XI. No appraisals are required.

X. Application/Approval Process

This describes a typical step-by-step application/approval process for Parcel Specific Tax Abatement.

- A. Orientation. The applicant for Parcel Specific abatement is required to attend an orientation meeting at which:
 - 1. Copies of the Tax Abatement Commercial Guidelines and related policies shall be discussed.
 - 2. A copy of the property evaluation form from Jackson County and Base Project Minimum requirement shall be provided.
- B. Project Identification/Illustration. The applicant must identify all elected projects, complete the property evaluation form and obtain drawings, if necessary, prior to the arrival of the inspector.
- C. The Redevelopment Corporation will determine the amount of the Base Project minimum requirement, which amount is not less than \$10,000 minimum investment or 10% of market value from Jackson County tax roll, whichever is greater, for a 50% abatement of real estate tax for 10 years.
- D. The Architectural Review Committee, appointed by the Redevelopment Corporation, in cooperation with staff of the City of Independence reviews the application to determine that:
 - 1. Requirements for the Base Project would be met
 - 2. Other requirements relating to minimum property standards, driveways and off-street parking, landscape, etc., would be met
 - 3. All work items that require a building permit should be noted on work write-up.
- F. MOU. Upon satisfactory completion of the application review, and a determination that the proposed project would be in compliance with the Commercial Tax Abatement Guidelines and policies, a commitment for tax abatement is issued in the form of a Memorandum of Understanding by the Fairmount-Carlisle Redevelopment Corporation.
- G. Permits. The applicant will apply for all required permits through the City of Independence.

- H. Rehabilitation construction may begin. The applicant has a (2 year) total period of time for full compliance although they are encouraged to complete work as soon as possible. An extension of one-year may be approved by the Board of Directors.

Once a Scope of Work and Budget have been approved by the Architectural Review Committee, any changes will require an amendment of the Memorandum of Understanding. Scope of work and investment levels can be changed only prior to Board Approval and filing with Jackson County. Once filed, no changes in abatement levels can be made.

- I. Final Inspection. When all work is complete according to the plans, exhibits and change orders, the applicant provides copies of paid invoices and approved permits (i.e. proof of final inspection from the City Building Inspector) to indicate that the property is ready for final inspection. A final inspection will be conducted by the ARC and staff to certify completion (and the final inspection fee paid to inspector). A Certificate of Completion will be issued.
- J. Approval. The Redevelopment Corporation Board of Directors approves each Parcel Specific Tax Abatement Project and the execution of the Missouri deeds. The deeds provide that the Redevelopment Corporation has “ownership: of the parcel for one day so that the parcel Specific Tax Abatement can “flow through” the Corporation to the specific parcel. Although the deeds are not recorded, but only intended for use as removal of real estate tax.
- K. Upon receipt of the Certificate of Compliance and the signed and notarized Missouri Deeds, the Fairmount-Carlisle Redevelopment Corporation approves and issues a Certificate of Tax Abatement, copies of which are filed with the Director of Assessment, Jackson County, Missouri, and the Manager of Finance, Independence, Missouri . The term of tax abatement shall be a 50% abatement of real estate tax for 10 years. (Dependent upon additional work determined by preliminary review)

Tax Abatement runs with the property for full ten (10) years after it begins (and except upon cancellation for default of covenants regarding property maintenance and plan compliance) and therefore continues in the event ownership of the property is transferred. (Excludes land assessment).

XI. Variances

In the event of practical hardship, the Fairmount-Carlisle Redevelopment Corporation may vary the strict application of these Tax Abatement Guidelines, provided the general intent and spirit of the Development Plan is preserved. From time to time, the Board has developed other policies regarding variances. These are available upon request. Procedural requirements will not be varied without a written request to the Fairmount-Carlisle Redevelopment Corporation Board of Directors. The request must be considered by the Board and receive an affirmative vote to be granted. No variances to the Base Project minimum or those that are not in accordance with the Fairmount-Carlisle Development Plan will be considered. The Fairmount-Carlisle Redevelopment Corporation has no authority regarding City Code requirements. All projects must comply with City requirements.

XII. Review/Appeals

- A. Review. All completed work will be reviewed by City staff to ensure code compliance and by a representative of the Fairmount-Carlisle Redevelopment Corporation to determine compliance with the Commitment for Tax Abatement prior to granting tax abatement.

B. Appeals-Tax Abatement. Determination by the Fairmount-Carlisle Redevelopment Corporation regarding the granting of tax abatement may be taken to the Independence City Council.

XIII. Report to City Council

The Fairmount-Carlisle Redevelopment Corporation will provide the City Council with a yearly report which documents all applications for tax abatement, all properties receiving tax abatement and improvements associated with granting the abatement. The report also will indicate the progress toward the stated goals of the Fairmount-Carlisle Development Plan.

XIV. Periodic Review

The Fairmount-Carlisle Redevelopment Corporation will conduct on-site exterior inspections annually by staff and may conduct on-site interior inspections every five years after a property has received tax abatement to ensure compliance with the guidelines. Properties with more than three deficiencies are given a notice to be in compliance within 30-60 days or a full inspection by the Fairmount-Carlisle Redevelopment Corporation contracted inspector will be required at the owners expense. Properties receiving tax abatement must also be maintained in compliance with the minimum standards, codes and ordinances of the City. Unresolved code violations or failure to comply with the guidelines may result in repeal of the tax abatement. The Redevelopment Corporation may initiate proceedings to revoke tax abatement any time code violations or non-compliance with these standards are reported as unresolved.

XV. Definitions

Definitions of terms not defined herein are found in either Section I.B of the Fairmount-Carlisle Redevelopment Plan dated November 2008 or in Article 14, Chapters 1-9 of the City of Independence City Code, known as the Unified Development Ordinance (UDO).