

EXHIBIT A

(*5% of Admin. fee for taxable improvement)

| Commercial & Industrial Properties -- New/Rehabilitation Projects | | |
|--|----------------------------|----------------|
| Increase in Assessed Value of: | | |
| \$0 - \$500,000 | \$500,000 - \$3,000,000 | \$3,000,000 + |
| 1-3 yr -- 95% | 1-6 yr -- 95% | 1-6 yr -- 95% |
| 4 yr -- 80% | 7 yr -- 70% | 7-10 yr -- 75% |
| 5 yr -- 70% | 8 yr -- 60% | |
| 6 yr -- 60% | 9 yr -- 50% | |
| 7 yr -- 50% | 10 yr -- 20% | |
| 8 yr -- 40% | | |
| 9 yr -- 30% | | |
| 10 yr -- 20% | | |

EXHIBIT B

(*5% of Admin. fee for taxable improvement)

| Residential Property – Rehabilitation Projects |
|--|
| Increase in Assessed Value of Rehabilitation Projects |
| 1-5 yr – 95% |

The primary intent of the Neighborhood Revitalization Act is to provide communities with a long-term increase and stabilization in their property tax base by encouraging rehabilitation or new construction, which might not otherwise occur.

Contact Information:

For more information about the Neighborhood Revitalization program, please contact:

Joshua Gentzler - Director
Community & Economic Development
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or
Tish Sims – City Clerk
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CITY OF LANSING

**Neighborhood
Revitalization:**

*A Tax Rebate
Incentive Program*



Application Procedures

- **BEFORE YOU BEGIN** construction obtain an application form from the City Clerk's office at City Hall, 800 First Terrace.
- If improvements meet the criteria for a tax rebate and *before construction begins* take Part 1 to the City Clerk's office. A \$50 for remodeling or \$100 for new construction application fee must accompany the form.
- The City Clerk will notify applicant of approval or denial within fifteen (15) working days of receiving the application.
- After receiving approval, the applicant/owner shall notify the City Clerk of commencement of construction by filing Part 2 of the application.
- To determine the status of the project, Part 3 of the application must be filed with the City Clerk's office by December 15 of the year the project was started.
- Upon filing Part 3 of the application and a determination of the new value of the property, the County Appraiser will notify the County Clerk, as well as the property owner, that the project meets eligibility requirements for a tax rebate. The tax rebate, less an administrative fee of 5% (or \$10, whichever is greater), will be paid to the property owner within a thirty (30) day period following the date of TAX DISTRIBUTION by the county.

**DO NOT START ANY CONSTRUCTION
UNTIL YOU HAVE RECEIVED
APPROVAL FROM THE
CITY OF LANSING.**

Criteria for Determining Eligibility

1. **"Structure"** means any building, wall, or other structure, including the building and improvements to the "living space." The only accessory structures allowed for the purposes of this plan will be garages.
2. Those approved under this plan will continue to receive the tax rebate for the full five(5) or ten (10) years following completion of the project.
3. There must be a minimum investment of \$5,000 for residential property and \$10,000 for commercial or industrial property, to apply and receive a tax rebate.
4. New, as well as the existing improvement, must conform to all codes, rules, and regulations in effect at the time the improvements are made. Tax rebates may be terminated if improvements or new construction do not conform to code during the ten-year period. (Code applicable at time of improvement.)
5. Qualified improvements or new construction eligible for tax rebates under the Neighborhood Revitalization Plan may submit only one application per piece of property. *Unless approved by City Council action.
6. In any given year (1 through 10), the rebate paid will be based upon the lesser of the increase in assessed value from the first year or the value as assessed in the current year.
7. Construction must be completed in **one** year. Extensions beyond that period will be considered on a case-by-case basis.

Frequently Asked Questions

1. **What is the Neighborhood Revitalization Plan?**
During the 1994 legislative session, lawmakers passed Senate Bill 732, which provides tax rebates for new construction and the rehabilitation of existing structures. Each municipality must adopt a plan and designate an area in which they want to promote revitalization and development or redevelopment.
2. **What is a "tax rebate"?**
It is a refund of the property taxes, which are paid on the actual value added to a property due to the improvement. Under the Neighborhood Revitalization Plan legislation, the taxes relating to the assessed value on the property prior to the improvement may not be reduced and will continue to be payable.
3. **What is "qualified improvement"?**
Qualified improvements to a structure include new construction and rehabilitation.
4. **What kind of "improvements" will increase the assessed value?**
New construction and major rehabilitations will increase the assessed value. Repairs generally will not increase the assessed value unless there are several major repairs completed at the same time.
5. **How can I determine if I am eligible?**
There must be a minimum investment of \$5,000 for residential and \$10,000 for commercial or industrial. New as well as existing improvements must conform to all codes, rules, and regulations in effect. You must secure a building permit for all improvements.
6. **Will the schedule of tax rebates as determined by the increase in assessed value in the first year ever change?**
Yes. The rebate paid in any given year (1-5 or 1-10) will be based on the lesser of the increase in assessed value from the first year or the value assessed in the current year.