



**Harrisonville Square Neighborhood
Redevelopment Plan
Harrisonville, Missouri**





Application for Approval
For the
Harrisonville Square Neighborhood Redevelopment Plan

Prepared & Submitted
on Behalf of the City of Harrisonville by:



LAUBER MUNICIPAL LAW, LLC
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Exhibits

Exhibit A	Vicinity Map and Legal Description
Exhibit B	Comprehensive Plan Map
Exhibit C	Zoning Map
Exhibit D	Tax Impact Analysis
Exhibit E	Infrastructure Deficiencies Summary
Exhibit F	Blight Study (to be attached when approved)
Exhibit G.....	Notice to Taxing Jurisdictions

Application Description

This Application is prepared pursuant to the Act and the City Code for approval of the historic Harrisonville Square and the surrounding neighborhood. This request is to identify the area as blight and to incentivize redevelopment in accordance with RSMo Chapter 353. The redevelopment area is located in and around the central core of the City as legally described and depicted in **Exhibit A**. This area consists of a mix of residential and commercial structures that composed the original core of the city. The average age of the structures in this area is higher than the balance of the remainder of the city and is often in need of maintenance and repair. The plan will provide tax abatement incentives to residential and commercial property owners for rehabilitation, new construction, and reconstruction as stipulated by the proposed Harrisonville Square Neighborhood Redevelopment Corporation's Guidelines.

The 353 Redevelopment Corporation

Pursuant to RSMo Chapter 353, the Harrisonville Square Neighborhood Redevelopment Corporation would be established as an urban redevelopment corporation to ensure and promote revitalization throughout the area. The Redevelopment Corporation will be responsible for implementing and administering the plan delineated herein to assist residential and commercial property owners to obtain tax abatement for such projects. Following the approval of this Harrisonville Square Neighborhood Redevelopment Plan, the Redevelopment Corporation's board members will be appointed and will finalize the corporate guidelines. The board will consist of five (5) total members appointed by the Board of Aldermen. One (1) of the five (5) shall be named by the Harrisonville School District for the Mayor's appointment.

Definitions

As used in this application and the 353 Plan, the following terms shall mean:

Act: The Missouri Urban Redevelopment Corporation Law, Chapter 353 of the Revised Statutes of Missouri.

Application: This Application for approval of this Redevelopment Plan for the Redevelopment Corporation.

Blighted Area: An area within the City, which the Board of Aldermen has determined because of age, obsolescence, inadequate or outmoded design, or physical deterioration, has become an economic and social liability. Furthermore, the conditions are conducive to ill-health, transmission of disease, crime or the inability to pay reasonable taxes.

Board of Aldermen: The governing body of Harrisonville, Missouri.

City: Harrisonville, Missouri.

City Code: The City Code of Harrisonville, Missouri.

Community Development Department: The Community Development Department of the City of Harrisonville, Missouri

HUD: The Department of Housing and Urban Development.

Parcel Specific Tax Abatement Guidelines: The guidelines that define the requirements of applicants receiving Tax Abatement that applies to individual property owners.

Redevelopment Area: The area designated as the Redevelopment Area for the Redevelopment Plan, as legally described and depicted in **Exhibit A**.

Redevelopment Corporation: The Harrisonville Square Neighborhood Redevelopment Corporation, a Missouri urban redevelopment corporation acting under the rules of the Act, its successors and assigns.

Redevelopment Plan: This Harrisonville Square Neighborhood Redevelopment Plan, prepared in accordance with the Act.

Tax Abatement: The abatement of taxes on real property to the extent provided in Section 353.110 of the Act.

Tax Abatement Program: The Program providing for Tax Abatement to the owners of commercial and residential property within the Redevelopment Area, which make substantial improvements.

Tax Impact Analysis: The Tax Impact Analysis attached as **Exhibit D**.

Redevelopment

The Redevelopment Area for the Redevelopment Plan includes all residential and commercial properties located in the area legally described and depicted in **Exhibit A**. This area is comprised of 957 parcels.

This Redevelopment Plan will help facilitate reinvestment and economic stabilization of the Redevelopment Area. The Redevelopment Plan promotes reinvestment in the existing housing stock, as well as targeted redevelopment and infill housing development to improve the overall quality and mix of housing to stabilize the neighborhood. The Redevelopment Plan also promotes reinvestment in the existing commercial structures within the area to encourage decreased vacancies and a return to a vibrant and attractive area for shops, services, and restaurants as had been historically located in this area. Neighborhood revitalization is essential to bolstering a viable local economy, expanding the tax base, increasing property valuations and supporting long range planning objectives that boost the economy through job creation and workforce housing.

RSMo 353 Background

353 Incentives in General

Chapter 353 is an economic development tool that cities can use to incentivize the removal of blight through improvements to real property by using tax abatements for a specified period. First, an urban redevelopment corporation is formed in accordance with Chapter 353, RSMo. Then the City's Board of Aldermen approves by ordinance a plan for blight remediation after proper notice and a public hearing. A 353 redevelopment plan creates property tax abatement for participants who make an investment in property to eliminate blight. Tax abatement can be employed in up to two phases for up to 25 years. During phase 1, the abatement can last up to 10 years and applies to improvements and any incremental increase in the value of the land. Improvements include any structure on the property, whether it existed before the existence of the plan or not. During phase 2, which is not required to be utilized, the abatement can last up to an additional 15 years after the expiration of phase 1 and can be set at 50% to 100% of the assessed valuation of both the land and improvements. The redevelopment plan provides a basic description of requirements a participant must complete to qualify for the tax abatement.

Summary of the Harrisonville Square Neighborhood Redevelopment Plan

Applications for Tax Abatement under this Redevelopment Plan will be accepted for a 7-year period. Residential and commercial properties within the redevelopment area are eligible to participate in this program. Upon project completion, which requires a \$100,000.00 minimum investment of a mix of interior and exterior improvements; abatement for commercial properties would occur for a period of ten (10) years during Phase 1 and zero (0) years during Phase 2. Likewise, upon project completion, which requires a \$10,000.00 investment with at least \$5,000 for exterior improvements, provided that the exterior improvements requirement will increase by one-half of one percent for each dollar of total improvement exceeding the \$10,000 minimum investment. Abatement for residential properties would occur for a period of five (5) years during Phase 1, and zero (0) years during Phase 2. Pursuant to statutory requirements, Phase 1 refers to an initial abatement period whereby property taxes are abated for improvements and any incremental increase in property value. Although it will not be utilized for this Plan, Phase 2 refers to subsequent abatement period whereby property taxes are abated for both land and

improvements. The Redevelopment Plan's objective is to frame sustainable revitalization through residential and commercial reinvestment, redevelopment, infill development, and targeted commercial development.

Goals

The goals of the Redevelopment Plan are:

- To stimulate private investment in housing to aid in increasing the area's commercial density;
- To encourage workforce housing development for a variety of ages and income ranges;
- To complement rental readiness standards that promote rehabilitation and modernization of existing rental units;
- To accomplish revitalization in a manner that enhances the style, scale, and character of the existing neighborhoods, so as to not detract from its original character;
- To increase residential and business real estate values to compete with regional markets;
- Create opportunities for community civic engagement that allows residents, property owners, and business owners to connect with local government and the City of Harrisonville.

The overall goal is to promote private reinvestment in residential neighborhoods and historic commercial areas in a manner that addresses blight, improves property values, enhances the repair, and scale of the existing neighborhoods and commercial areas. It is reflected in the Redevelopment Plan's approach to achieving revitalization through blight remediation, reinvestment in the building stock, and targeted reconstruction of single family and multifamily residential units and commercial development.

Revitalization Demands

The Redevelopment Plan will help shift worsening conditions that have led to blight in the area. The area's demographics and assets show a community that has struggled under an increasing number of lower income households and limited reinvestment from property owners and business owners. With an ever-growing need for affordable workforce housing in the region, the Redevelopment Plan will aid in providing ownership opportunities and neighborhood stabilization. Encouraging reinvestment in housing and commercial structures and offering this tax abatement incentive will ensure residential and commercial revitalization at a key time for the area. The implementation of this Redevelopment Plan has the potential to increase property values and create construction and other jobs to support population growth in the project area, in addition to increasing economic activity throughout the Redevelopment Area.

An analysis of the Redevelopment Area identifies previous prolonged periods of investment stagnation, both residential and commercial and property value decline. Recent years have

experienced significant new investment and rehabilitation, especially in commercial properties. City leaders would like to support and encourage continued investment, interest and rehabilitation in the community's historically relevant central corridor, both residential and commercial, while further enhancing the central corridor's future relevance.

The location of the Redevelopment Area also offers great connectivity to government offices, potential shopping, services, and restaurants, historical attractions, and parks. However, homeowners within the Redevelopment Area face challenges related to the limitations of older housing. Older architectural designs and standards restrict accessibility, offering narrow entrances, and step entries, none of which are conducive to "Aging in Place." Although, the age and condition of the housing stock make these units affordable, rehabilitation and remodeling upgrades are necessary to stabilize neighborhoods and reverse blight. Likewise century-old buildings present challenges for redevelopers seeking to utilize these spaces for modern needs and regulatory requirements, creating a barrier of entry for many who would otherwise seek to bring these historical spaces back to life. Redevelopment incentives will ease the financial burden on property owners so they can make modernization upgrades and accessibility improvements for property owners of all types.

Economic Expansion

The approximately 2,200 residents within the Redevelopment Area support commercial centers located within and adjacent to the Redevelopment Area. These commercial corridors play an important role in the area's long-term economic viability and appeal. A major part of a neighborhood's appeal has to do with access to historical attractions, service businesses, and shopping districts. Lack of investment and pride in ownership tends to destabilize neighborhoods and commercial areas. This destabilization comes from an overall lack of reinvestment by owners and in turn falling property values. Reinvestment in the housing stock and commercial building stock would add to the area's stability, strengthen the tax base, and increase property values.

Property values in the Redevelopment Area, with median property value calculated at \$84,221, are much lower than the City's median home value of \$140,800. Harrisonville's per capita income of \$24,201 and median household income of \$47,404, are about two-thirds the amount in the Kansas City metropolitan area and approximately 80% of the amount in the State of Missouri. The aging inventory of structures in the Redevelopment Area, combined with the area income levels and the lack of desired investment in recent years, indicate a need for support and assistance in the Redevelopment Area to encourage investment of residential and commercial properties.

Neighborhoods within the Redevelopment Area have slowly deteriorated from lack of reinvestment, showing signs of aging, outmoded design, and disrepair. This is true for both private property and public infrastructure. Aging existing structures and declining socioeconomics have started to affect the area negatively. Modernization of both residential and commercial properties and infrastructure improvements play an integral part of the revitalization.

Transportation Analysis

The primary transportation corridors running east to west through the study area are Mechanic St. (Missouri Route 7, which is classified as a Minor Arterial), Wall St. (which is classified as a Major Collector), and South St. (Missouri Route 2, which is classified as a Major Collector west of Independence St. and a Minor Arterial east of Independence St.). The primary transportation corridors running north to south through the study area are Independence St. (which is classified as a Minor Arterial) and Butler Dr./Ter. (which is classified as a Major Collector). These street classifications are in alignment with the Functional Classifications identified in the City of Harrisonville's 2040 Comprehensive Plan.

According to the Interactive Average Annual Daily Traffic Map from MoDOT (<https://www.modot.org/traffic-volume-maps>) the average annual daily traffic counts for these streets are as follows:

- Mechanic St.: 5,846
- Wall St.: 615
- South St. (Minor Arterial portion): 3,092
- South St. (Major Collector portion): 1,921
- Independence St.: 1,818
- Butler Dr./Ter.: 156

The City of Harrisonville does not currently have any signalized intersections within the redevelopment area. A comprehensive review of the infrastructure deficiencies in the plan area is provided at **Exhibit E**. The majority of residents own a vehicle. The Redevelopment Area's connectivity to government offices, schools, churches and community organizations help ensure residents have access to jobs and services.

Existing Land Use Patterns and Zoning

The City has adopted its 2040 Comprehensive Plan (the "Comprehensive Plan"). The Comprehensive Plan identifies most of the Redevelopment Area as Traditional Neighborhood or Historic Downtown. Approximately 86% of the parcels within the Redevelopment Area are residential, with the remaining tracts being commercial. It is estimated that of the residential parcels, 41% are owner-occupied and 59% are rental properties.

Key priorities listed in the Comprehensive Plan for areas identified as Traditional Neighborhood include modernization of aging building stock and expansion of quality housing options. The Comprehensive Plan further encourages reinvestment and revitalization efforts in the Historic Downtown. Included in the proposed implementation strategies is establishment of a program of Chapter 353 tax abatement within the downtown area and the adjacent neighborhoods to encourage reinvestment in aging properties which require substantial maintenance by providing property tax abatement to owners that initiate key improvements to properties.

This Redevelopment Plan will contribute to all of these stated principles by incentivizing the rehabilitation of existing housing in the area. The Redevelopment Plan addresses various facets of private improvements needed to ensure revitalization. Flat or declining housing prices and

economic conditions that do not offer growth or stability will continue without implementation of the Redevelopment Plan.

Parcel Specific Tax Abatement Guidelines

The Redevelopment Plan and program guidelines coordinate community partnerships with private owners, concerned citizens, not-for-profits, and the public sector to revitalize the Redevelopment Area. The Redevelopment Plan's focus is commercial and residential rehabilitation. Except as provided herein, parcels located within the Redevelopment Area are eligible for Tax Abatement, so long as the parcel is taxable, and that the owner is the direct recipient. Projects involving new construction on vacant lots will only be eligible to participate in the program if the previous structure on the lot is demolished and new construction commences with three (3) months from the date demolition of the previous structure commenced. The development of new multifamily or the construction of new rental units is not eligible for Parcel Specific Tax Abatement. However, the remodel of existing multifamily is eligible for Tax Abatement. Finally, any proposed residential project on parcels valued greater than the average home value in Harrisonville (determined by Cass County) must receive additional approval from the Redevelopment Corporation's Board prior to receiving Tax Abatement.

Abatement will apply to residential properties differently than commercial properties. A two-tiered abatement system allows individual property owners options to fit the needs of their property and finances. Applications for residential abatement shall be suspended each year when the total market value of properties applying for abatement in that year achieves an annual total aggregate cap of \$9,450,000 for residential properties, which represents approximately 7.5% of the total assessed valuation of residential properties within the redevelopment area at the time this Plan was approved. Likewise, applications for commercial abatement shall be suspended each year when the total market value of properties applying for abatement in that year achieves an annual total aggregate cap of \$4,950,000 for commercial properties, which represents approximately 15.0% of the total assessed valuation of commercial properties within the redevelopment area at the time this Plan was approved. Generally, applications for abatement shall be available for ten (10) tax years beginning in 2023 subject to all other limitations of this Plan.

Commercial Properties

Commercial properties are required to make a minimum rehabilitation investment that is equal to or greater than \$100,000.00. The investment in the rehabilitation of the property shall be for a mix of exterior and interior improvements.

Phase 1

Investment that meets this threshold provides the owner a ten (10) year freeze on the assessed value of the property's improvements and incremental increase in land values. The assessed value of the land is not affected by this freeze and taxes on the underlying property remain unchanged and continues to be taxed appropriately as "base" tax revenue to the taxing jurisdictions.

Phase 2

After the completion of Phase 1, abatement will end, and the participating properties will return to normal payment of property taxes.

Residential Properties

Residential properties are required to make a minimum rehabilitation investment that is equal to or greater than \$10,000.00 at the time of application. A minimum of \$5,000 of the total cost of the investment in the rehabilitation of the property shall be for exterior improvements visible to the public, which minimum dollar amount of exterior improvements shall increase by one-half of one percent (1/2%) for each dollar of proposed costs above the minimum investment of \$10,000.

Phase 1

Investment that meets this threshold provides the owner a five (5) year freeze on the assessed value of the property's improvements and incremental increase in land values. The market value of the land is not affected by this freeze and taxes on the underlying property remain unchanged and taxed appropriately.

Phase 2

After the completion of Phase 1, abatement will end, and the participating properties will return to normal payment of property taxes.

In accordance with the Act, the proposed Redevelopment Corporation will acquire the real property as a "pass-through" when property owners apply to the Redevelopment Corporation for the Tax Abatement program. While acting as a "pass-through" agency, the Redevelopment Corporation will assign Tax Abatement to participating residential and commercial parcel owners in accordance with the Parcel Specific Tax Abatement Guidelines. Proposed projects must meet this financial limitation as well as other project limitations outlined in the Parcel Specific Tax Abatement Guidelines. Individual parcel owners will be required to enter into an abatement agreement with the Redevelopment Corporation for the administration of the Tax Abatement Program.

Notice of Fundamental Requirements

The Tax Abatement Impact Analysis on Political Subdivisions is attached **Exhibit D**.

Exhibit G is a copy of the written notice provided to each taxing Political Subdivision having boundaries for ad valorem real estate taxation purposes which include any part within the Redevelopment Area as required by Section 353.110.3(1) of the Missouri State Statutes. The notice includes a copy of the Tax Abatement Impact Analysis, and it shall be provided to each Political Subdivision prior to the Public Hearing conducted by the Board of Aldermen concerning the Redevelopment Plan.

At the conclusion of the Tax Abatement incentive period, the Redevelopment Corporation will have achieved:

1. Increased investment in and external appearance of residential properties that lead to pride in ownership;
2. Increased investment in and use of service and commercial business properties;

3. Increased modern and sustainable housing to meet the needs of the local workforce; and
4. Improved rental readiness standards that mirror homeownership values.

Planned redevelopment is dependent upon individual owners to make financial investments in owner-occupied, commercial and single-family properties. Specific requirements of the redevelopment will be addressed in the Redevelopment Agreement, due to a variety of housing development patterns and platting configurations, proposals from homeowners for each lot configuration will need to be addressed on an individual basis.

CERTIFICATION OF BLIGHT

A blight study will be completed and presented to the Board of Aldermen for approval at a later date as contemplated in Section 353.060, RSMo. Upon its adoption by the Board of Aldermen, the blight study will be inserted into this Plan as **Exhibit F**.

ACQUISITION AND DEMOLITION

There are currently no plans for demolition of any structures within the Redevelopment Area, nor are there any current plans for the acquisition of any property for redevelopment purposes. This does not preclude the proposed Redevelopment Corporation from implementing such measures, in the future.

NEW BUILDINGS

The Redevelopment Plan does not include any specific new construction at this time; however, the proposed Redevelopment Corporation may, in the future implement this measure and will amend the plan in accordance with the Redevelopment Corporation law, if and when necessary.

OPEN SPACE

The current Redevelopment Plan does not include any specific measures for introducing additional public open space, however, should this change, the proposed Redevelopment Corporation could, amend the Redevelopment Plan in accordance with Redevelopment Corporation law if, and when necessary.

PROPERTIES FOR PUBLIC AGENCIES

The proposed Redevelopment Corporation does not plan to sell, donate, exchange or lease any property to any public agency within the Redevelopment Area.

STREET AND ALLEY CHANGES

The proposed Redevelopment Corporation does not include any recommended changes to the street or alley network within the Redevelopment Area. If the Redevelopment Corporation determines that such changes need to occur, they will submit an amended plan for approval by the Board of Aldermen.

HOUSING AND BUSINESS RELOCATION

The proposed Redevelopment Plan does not anticipate any relocation or displacement of businesses or residences, and as such do not anticipate the need for any person to require relocation

assistance. Furthermore, there are no projects or anticipated relocations of residents outside of the Redevelopment Area.

FINANCING

The proposed Redevelopment Plan does not require financing for any specific redevelopment project. However, the proposed Redevelopment Plan is directed at private property owners, who will with possible assistance from the City, secure financing for their respective rehabilitation projects. The City has committed to assist with the administration of the Tax Abatement Program.

MANAGEMENT

The City through the Community Development Department will take responsibility for providing technical assistance and administrative support to the proposed Board of Directors of the Redevelopment Corporation.

PUBLIC PROPERTY

There are no plans to change the uses of City owned property within the redevelopment area.

COMMITMENT TO NON-DISCRIMINATION

The Redevelopment Corporation acknowledges the existence of federal, state and local laws regarding fair employment practices applicable to this Redevelopment Plan and will be bound by and comply with all such laws.

PUBLIC ACCESS

The Redevelopment Corporation will make all facilities in the redevelopment area, which it may own in the future, and the benefits of the Tax Abatement Program of this Redevelopment Plan available to the public regardless of race, religion, color, sex, national origin or handicap.

PERFORMANCE BOND

If necessary and upon request by the Board of Aldermen, the Redevelopment Corporation will provide a performance bond or other security in an amount sufficient to cover land acquisition, clearance, remediation, and site preparation in accordance with an amended Redevelopment Plan.

TAX AGREEMENTS

Any tax agreements, entered into by the Redevelopment Corporation are required to be included in the Redevelopment Plan. This Redevelopment Plan does not include any such agreement.

CERTIFICATION OF NOTICES

Required notices related to this Redevelopment Plan were mailed to the appropriate parties, as required by the Act.

EXHIBIT A

Chapter 353 Boundaries

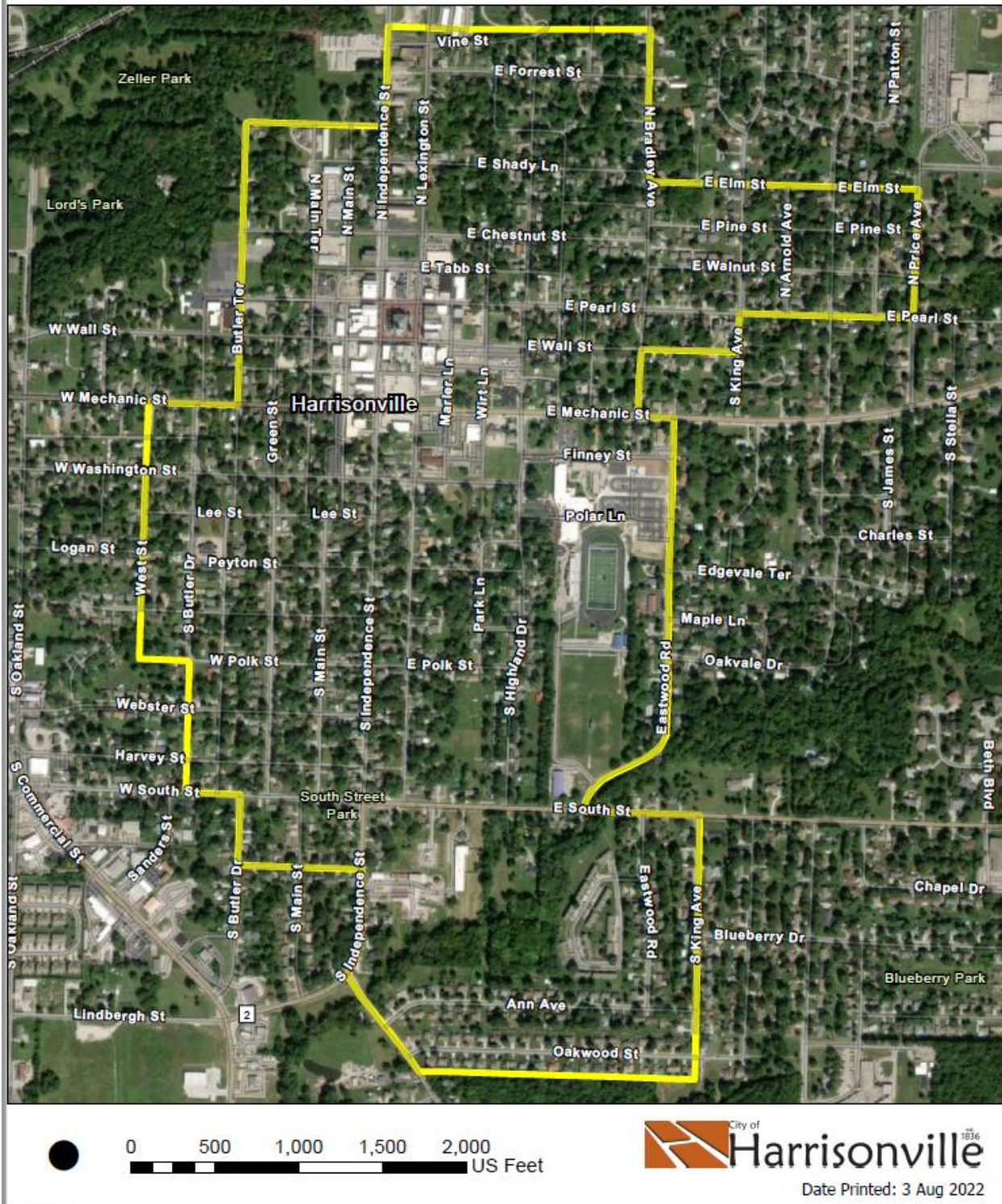
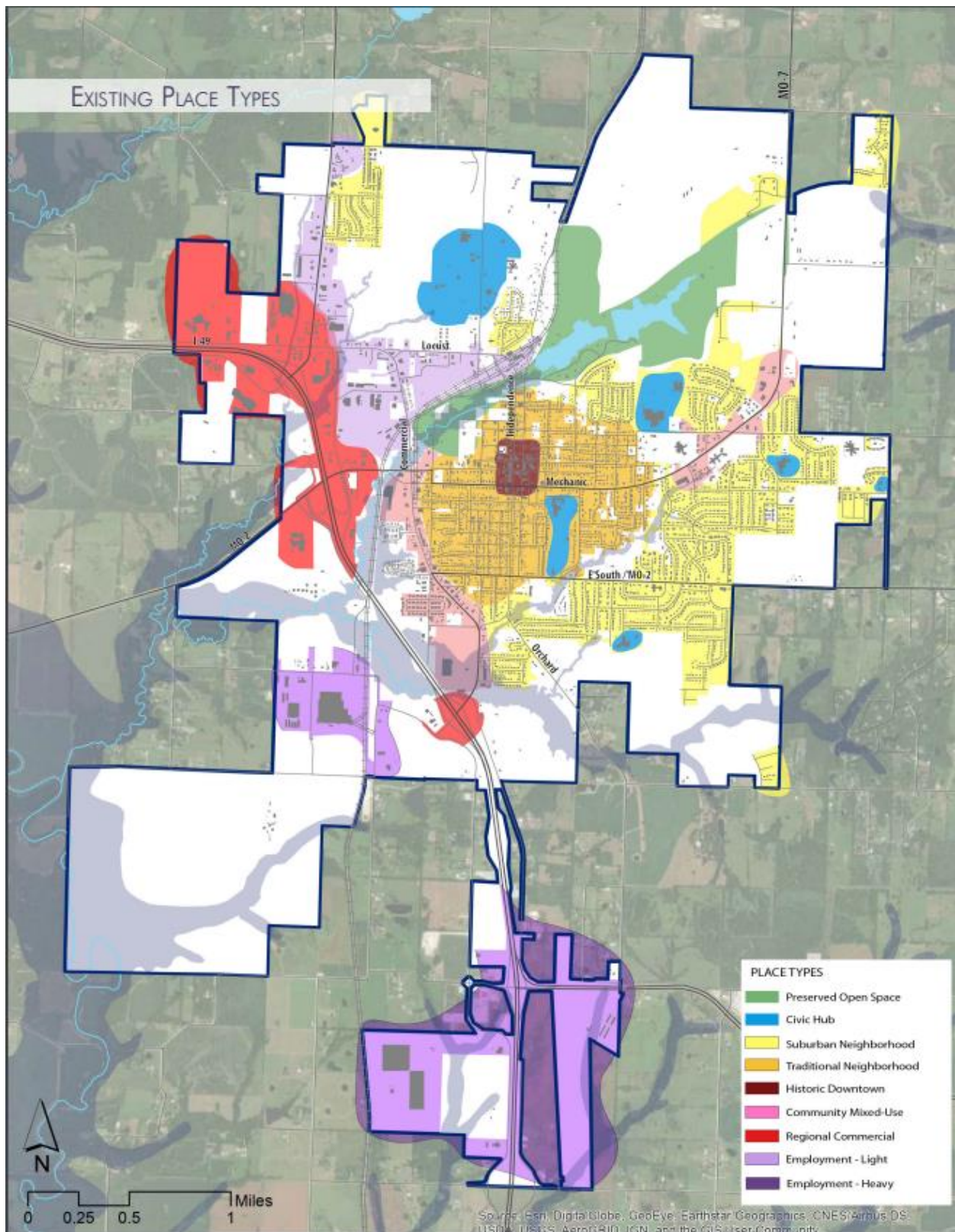


EXHIBIT B



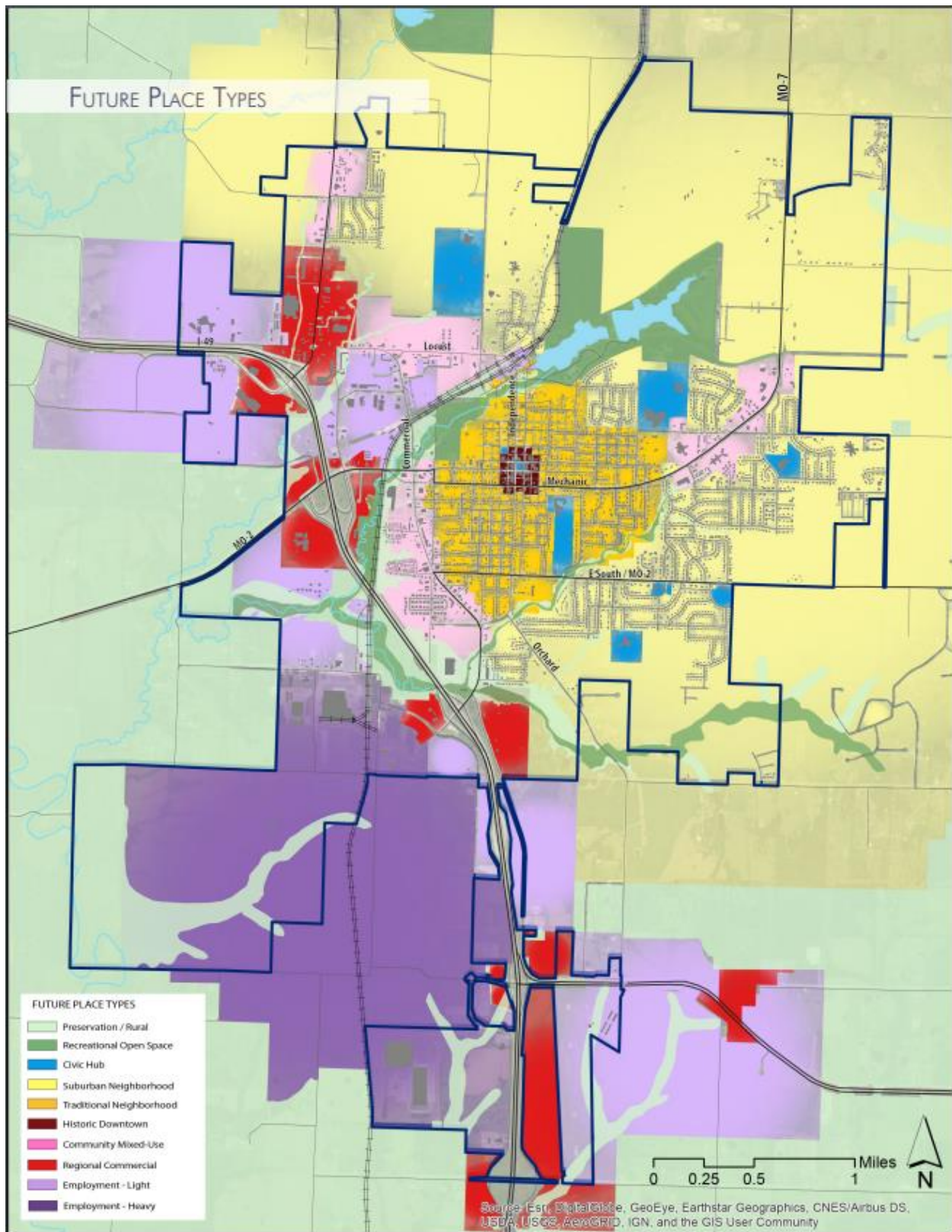


EXHIBIT C

Official Zoning Map

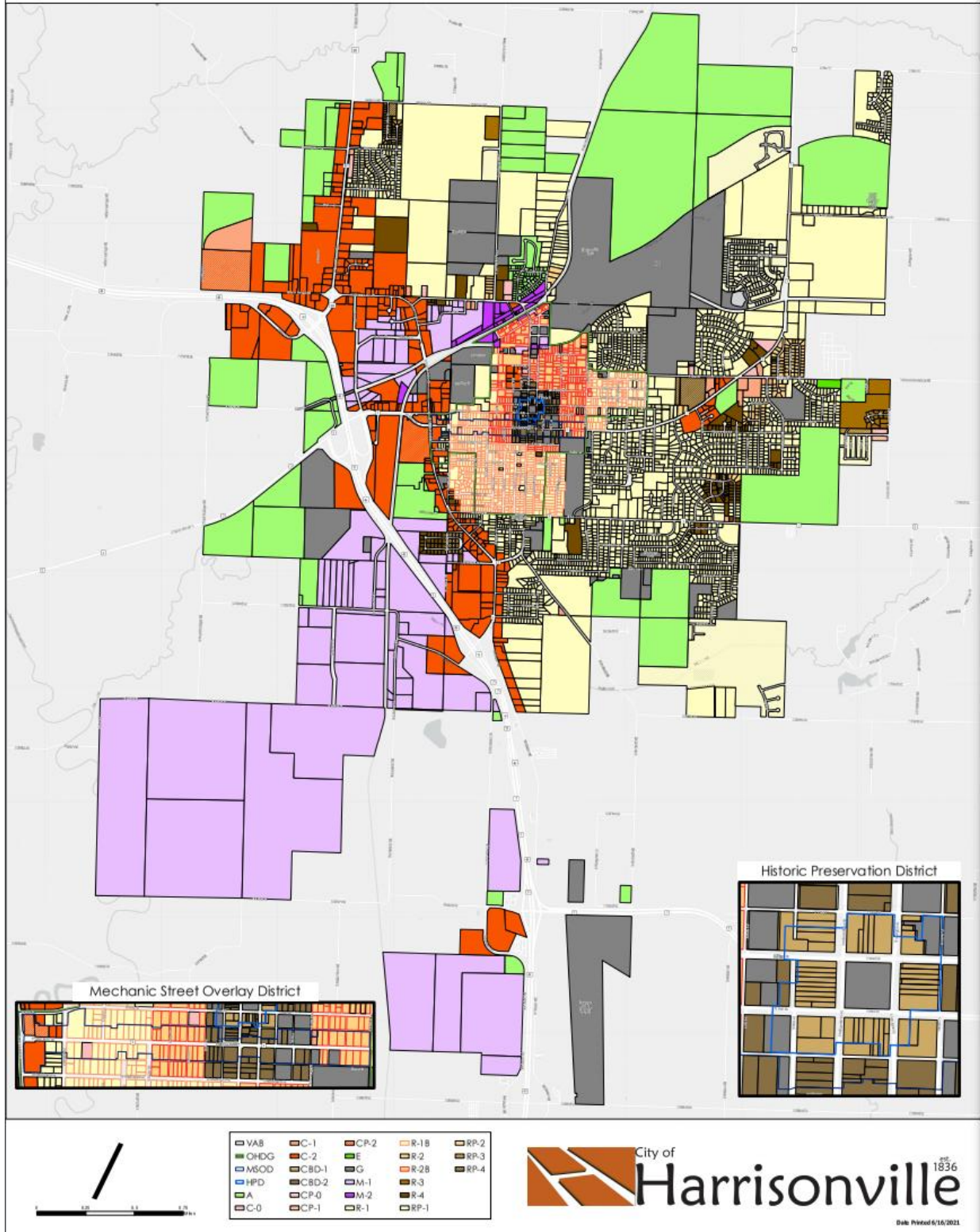


EXHIBIT D

[SEE ATTACHED TAX IMPACT ANALYSIS]

EXHIBIT E

[SEE ATTACHED INFRASTRUCTURE DEFICIENCIES ANALYSIS]

EXHIBIT F

**[SEE ATTACHED BLIGHT STUDY TO BE ADDED UPON APPROVAL BY THE
BOARD OF ALDERMEN]**

EXHIBIT G

[SEE ATTACHED NOTICE TO TAXING JURISDICTIONS]