



Chapter 353 Property Tax Abatement Downtown 353 District Program Guidelines for Residential Properties

Administered by the Excelsior Springs Redevelopment Corporation (ESRC)

The Program Guidelines for the Chapter 353 Downtown Excelsior Springs Residential District establishes procedures for the implementation of the Downtown Excelsior Springs Residential District Redevelopment Plan approved by the City of Excelsior Springs City Council by Ordinance No. 17-10-07 & 18-08-03, on October 16, 2017 and August 20, 2018.

The Downtown Chapter 353 District ("Downtown 353 District") allows the Excelsior Springs Redevelopment Corporation (ESRC) to receive tax abatement of property taxes for properties within the redevelopment area in accordance with the Downtown 353 District that are rehabilitated or redeveloped in accordance with the Redevelopment Plan. The purpose of the authority is to provide a streamlined, cost-effective means for individual property owners to obtain partial tax abatement on their properties in return for making improvements. Stock in the corporation is owned wholly by the City of Excelsior Springs and the corporation is managed by a board of directors.

Incorporated in 1882 in order to take advantage of the curative waters found in the mineral springs, Excelsior Springs is nestled in a small valley and clings to the rugged hillsides. The community was built around the many different kinds of mineral water that can be found in our local springs. Portions of the residential area that surrounds the downtown are included on the local and national register of historic places and include individual buildings on the national register as well. The exact boundary is depicted by the Boundary Map included as part of the Development Plan.

Purpose

The purpose of this program is to provide the owners of specific parcels an incentive to rehabilitate their properties to remove any blighting influences, encourage reinvestment, encourage preservation as appropriate, increase home ownership and improve the value and appearance of neighborhoods. As properties are improved over time and other improvements are made in accordance with the redevelopment plan, the redevelopment area is revitalized. ***In order to receive an abatement, ALL exterior blight must be removed or abated prior to an abatement of taxes. Failure to maintain a blight-free property will result in a loss of the abatement.***

DO NOT START WORK UNTIL THE REDEVELOPMENT CORPORATION AND CITY COUNCIL APPROVE YOUR APPLICATION. IF THERE IS AN EMERGENCY, NOTIFY CITY STAFF FOR AN EXEMPTION.

PROGRAM DESCRIPTION

The program is intended to preserve and enhance the homes within the neighborhoods included in the Abatement Area. Two historic neighborhoods have been identified as local historic districts ("Historic Districts") and require adherence to specific design guidelines and approval steps identified through the adopted Historic District Design Guidelines and the Excelsior Springs Code of Ordinances regarding the Historic Preservation Overlay District. Other neighborhoods not identified as a Historic District do not have specific design guidelines but are required to follow the eligible and non-eligible improvement guidelines in this document. See Attachment A for a full list of improvements.

Chapter 353 tax abatement provides that, once a property is transferred through a redevelopment corporation, the real property shall not be subject to assessment or payment of general ad valorem taxes for a period not to exceed ten (10) years, except on the basis of the assessed value of the land, exclusive of improvements, during the calendar year prior to the year in which the ESRC acquired title to the property (title is immediately transferred back to the homeowner). ***Thus, under a standard 353 project, the property owner is only paying taxes on the value of the land during the abatement period.***

The abatement period will cease once the project cost has been reimbursed or the approved number of years of abatement has expired.

Minimum Project Improvements Required

A. Base Improvement Value

In order to qualify for the 353 tax abatement, there is a minimum project improvement value that must be met. The “Base Improvement Value” minimum requirement shall be the value of not less than the Net Present Value @6.5 percent of the taxes abated over a ten-year abatement period based on the current assessed value (with an assumed annual increase in value of 0.54 percent), but *not less than \$3,500* for the eligible improvements on the existing structure(s) on the property. Net present value is used because it demonstrates the future value of an investment over time.

Certain improvement costs do not qualify for abatement (described below under Ineligible Improvements).

Fifty percent of actual construction cost must be for exterior improvements. Project Costs includes the entire cost of the project (construction, materials, architectural and engineering costs, fees, permits) excluding ineligible improvements. Construction Costs includes materials and labor, excluding architectural and engineering costs, fees, permits and financing costs.

B. Base Project Improvements

The minimum improvements required for all construction receiving tax abatement must comply with the following and will count toward the Base Improvement Value:

- All construction must conform to City codes.
- All broken windows/window panes and doors must be repaired.
- Each project must, as prescribed by City code, be provided with a minimum of one approved, listed, labeled and operational smoke detector per bedroom and one on each floor. Carbon monoxide detectors must be installed on each floor.
- In conformance with the ordinances of the City of Excelsior Springs, any sidewalk in front or alongside of a house or lot shall be in good repair. Any portion of a sidewalk that is not in good repair must be replaced. New or replacement sidewalks shall match the width of sidewalks on adjacent properties and be constructed to the construction standards of the City of Excelsior Springs. If a property owner is required to replace sidewalk, the property could qualify for up to an additional three (3) year tax abatement (beyond the initial 10 years) based on 50% of the then current full value of the property. This extension is available only if the cost of the sidewalk is incurred by the property owner within the initial ten (10) year tax abatement period and/or for the length of time necessary to recoup the cost of the sidewalk up to the additional three (3) years. The applicant may contact the Public Works Department for an inspection of sidewalks at any time. Applicants should be aware that sidewalks might become damaged over time or as a result of extensive home rehabilitation, and should confirm their contractors will repair any sidewalks they damage — otherwise the applicant is responsible for that repair.
- Existing retaining walls must be in good condition and restored to maintain structural integrity.
- Turf and/or planted beds are required in the front and back yards. Plantings shall not be overgrown.
- Electrical service must be provided to each dwelling unit. Where the electrical system in a structure constitutes a hazard to the occupants or the structure — due to inadequate service, improper fusing, insufficient receptacle and light outlets, improper wiring or installation, deterioration or damage, or similar reasons — the City will require the defects to be corrected to eliminate the hazard.

ELIGIBLE IMPROVEMENTS

A. General Improvements

Any repair is acceptable in the Base Project Improvements 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 exhaustive; a more complete list can be found in Attachment A.

- Structural alterations and reconstruction including additions, chimney repair, finished basements
- Masonry work
- Elimination of lead-based paint and asbestos removal on homes built prior to 1978
- Changes for aesthetic appeal and elimination of obsolescence (i.e. new exterior finishes, new porch and/or decks)
- Replacement of plumbing, furnace replacement, air conditioning including replacement of window units with central systems, new plumbing fixtures
- ADA accessible improvements
- Roof replacement/repair, gutters and downspouts
- Window and door replacement/repair
- Flooring, tiling, carpeting, painting (interior and exterior)
- Energy conservation improvements. Solar panels should be mounted flush with the roof on a secondary façade.
- Demolition
- Major landscaping and drainage improvements to preserve the property from erosion and/or fix drainage problems, and fencing
- Labor and materials

Wherever a property is located within the Chapter 353 Residential Area, there are items that, while they may be allowed, may or may not be eligible for Chapter 353 tax abatement. Refer to Attachment A for a complete list.

B. Local Historic District Properties

Properties located within local historic districts must follow the Historic District Design Guidelines. If a property owner within a local historic district removes any aluminum or synthetic siding and restores with a wood/wood-based product (as required within the Historic District Design Guidelines), the property could qualify for up to an additional five (5) years of tax abatement (beyond the initial 10 years) based on 50% of the then current full value of the property. This extension is available only if the cost of the historic district improvement is not recovered through abatement in the first ten (10) years. Properties within local historic districts must have exterior work approved by the Historic Preservation Commission.

C. Properties Outside Local Historic Districts

If a property located outside of the local historic districts opts to comply with the adopted Historic District Design Guidelines, the property could qualify for up to an additional five (5) years of tax abatement (beyond the initial 10 years) based on 50% of the then current full value of the property. This extension is available only if the cost of the historic district improvement is not recovered through abatement in the first ten (10) years.

D. Conversion to Home Ownership

Tax abatement is not intended for the conversion to additional rental units. Generally, it is not intended that an investor should be allowed to utilize tax abatement to rapidly accumulate properties that clearly and collectively constitute a multi-family project. An investor utilizing tax abatement shall not have an interest in more than seven units in a two-block area. Tax abatement shall not be used to convert owner-occupied dwelling units to rental units, or to further subdivide rental properties into a larger number of units. However, tax abatement may be used for the conversion of rental units to owner occupancy and/or to reduce the number of rental units within a previously converted structure. When an owner is converting properties to home ownership, more than seven (7) units may be owned.

INELIGIBLE IMPROVEMENTS

Although conventional improvements are encouraged within the neighborhoods, certain improvements cannot be applied toward a tax abatement calculation. These ineligible improvements are included in Attachment A.

PROGRAM IMPLEMENTATION

This describes a typical step-by-step application/approval process for a parcel-specific tax abatement.

A. Homeowner Responsibilities

1. The applicant is required to attend a preliminary/orientation meeting. At this time, applicants will receive the tax abatement policies and guidelines, lead-based paint booklet, and a copy of the Property Evaluation Form. These documents may also be found at www.cityofesmo.com/development/index.php/353-tax-abatement-program. To begin the process, the applicant should bring current pictures of the site and existing structures (interior and exterior), the most current real estate tax statement, and a completed Property Evaluation Form if already completed.
2. The applicant must identify all elected projects, complete the property evaluation form, and obtain drawings, if necessary, prior to arrival of the inspector.
3. An inspector, utilized by the ESRC, will examine and review the property to identify needed improvements and provide the owner a copy of the required improvements. The applicant is responsible for getting cost estimates and any required permits. City staff will review evaluation forms to verify items requiring building permits are indicated.
4. HPC (Historic Preservation Commission) shall review all applications to determine that HPC guidelines are met.
5. Upon satisfactory completion of the application review, and a determination that the proposed project would comply with the parcel-specific tax abatement guidelines, a commitment for tax abatement is issued as a Memorandum of Understanding by the ESRC. Properties receiving tax abatement must meet and be maintained in compliance with the City's minimum standards, codes and ordinances. Non-compliance may result in loss of tax abatement.
6. The applicant must apply for all required permits through the City.
7. A Notice to Proceed will be issued and rehabilitation construction may begin. Depending on the extent of work, homeowners are given a specific amount of time to accomplish substantial rehabilitation — up to one (1) year for full compliance.
8. Property owners failing to complete required improvements within the one-year time frame (from the “start”/inspection date) must submit a written extension request to the ESRC, stating the reason, remaining improvements, and a proposed time frame not to exceed one additional year. Failure to complete required improvements within the amended date approved by the ESRC Board will result in removal from the abatement process.
9. When all work is complete in accordance with the approved architectural exhibits and change orders, the applicant provides copies of paid invoices and approved permits to indicate the property is ready for final inspection. A City inspector will conduct a final inspection to certify completion and issue a Certificate of Completion.

B. Authority Responsibilities

1. The Excelsior Springs Redevelopment Corporation (ESRC) Board of Directors will approve each Parcel Specific Tax Abatement Project and the execution of the Missouri Deeds. The owner deeds the property to the Authority, and the Authority deeds the property back to the owner — a same-day “flow-through” that lets the abatement apply to the specific parcel.
2. Filing and recording of the respective deeds will be performed by staff assigned to the ESRC.
3. Upon receipt of the Certificate of Completion and the signed and notarized Missouri Deed, the City will issue a Certificate of Tax Abatement. Copies are filed with the Clay County Assessor and the Finance Director, City of Excelsior Springs. The term of the tax abatement is 100% abatement for 10 years, running with the property for the

full 10 years or the length of time necessary to recoup the cost of repairs, whichever is less — and continues if ownership of the property is transferred.

4. The ESRC will determine the amount of the base project minimum requirement (currently \$3,500).
5. The ESRC, in cooperation with City staff and, when appropriate, the HPC, reviews applications to determine that:
 - a. Requirements for the base project would be met.
 - b. Other requirements relating to minimum property standards, driveways and off-street parking, landscaping, etc. would be met.
 - c. All historic district guidelines are met.
 - d. All work items that require a building permit are noted in the work write-up upon City staff review.
6. The ESRC, upon request from the homeowner, may provide direction and advice to low- and moderate-income applicants about the availability of rehabilitation programs in addition to the tax abatement.

REVIEW & APPEALS

A. Review: All completed work will be reviewed by City staff to ensure code compliance, and by a representative of the ESRC (these may be the same person), to determine compliance with the tax-abatement commitment prior to granting the tax abatement.

B. Appeals — Tax Abatement: Determinations by the ESRC regarding the granting of a tax abatement may be appealed to the City of Excelsior Springs.

PERIODIC REVIEW

The ESRC will conduct on-site inspections, and may conduct on-site interior inspections, every three years after the property has received a tax abatement to ensure compliance with the guidelines. Properties receiving a 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 ESRC can initiate proceedings to revoke a tax abatement at any time code violations or noncompliance with these standards are reported as unresolved. Property owners refusing access to their structure for periodic review inspections shall have the property's tax abatement rescinded.

STEP-BY-STEP PROCESS CHECKLIST

Use this checklist to track your progress from orientation through the start of your tax abatement. It mirrors the checklist included in the application packet.

✓	Step	Task
☐	1	Schedule a preliminary/orientation meeting with the City's Economic Development Office to receive the tax abatement policies and guidelines, lead-based paint booklet, and property evaluation form. Call Keith Winge at 816-630-9594 or email kwinge@excelsiorsprings.gov to get started. Bring current pictures of the site (interior and exterior) and your most current real estate tax statement. DO NOT START WORK UNTIL THE REDEVELOPMENT CORPORATION AND CITY COUNCIL APPROVE THE TAX ABATEMENT. IF THERE IS AN EMERGENCY, NOTIFY CITY STAFF FOR AN EXEMPTION.

✓	Step	Task
☐	2	Identify all proposed improvements, complete the Property Evaluation Form, and obtain drawings if necessary.
☐	3	Meet the ESRC-utilized inspector on site. The inspector will identify needed improvements and give you a copy of the required improvement list. Get contractor cost estimates and identify any required permits.
☐	4	Take dated “before” photos of all exterior conditions, including any existing blight. All exterior blight must be remediated by the end of the project before abatement can be granted even if these items are not part of the tax abatement application.
☐	5	Complete the Project Budget Worksheet using your contractor estimates to confirm your project meets the Base Improvement Value (minimum \$3,500, or the calculated Net Present Value of abated taxes, whichever is greater) and that at least 50% of construction cost is exterior. Staff can help you figure this out at the preliminary meeting.
☐	6	If your property is in a local historic district, get your exterior work approved by the Historic Preservation Commission (HPC).
☐	7	Assemble all required attachments (see application) and pay the \$200 application fee. Pay at the cashier window on the 1st floor of the Hall of Waters, 201 E. Broadway, Excelsior Springs, MO.
☐	8	Submit your completed application packet to the Community Development Office on behalf of Excelsior Springs Redevelopment Corporation (ESRC).
☐	9	Redevelopment Corporation representative will notify applicant of the important dates going forward: ESRC Board review/approval, City Council approval date, and other pertinent dates.
☐	10	Attend ESRC Board review of your application (and Historic Preservation Commission review, if applicable).
☐	11	A redevelopment agreement will be approved by the ESRC and City Council and you must sign this document to proceed. Apply for any building permits.
☐	12	Complete construction within one year. When finished, submit “after” photos proving all exterior blight has been remediated — City staff may also conduct an onsite visit.
☐	13	If you can't finish within one year, submit a written extension request to ESRC before the deadline, stating the reason, remaining work, and a proposed completion date (not to exceed one additional year).
☐	14	When work is complete, submit paid invoices (organized by the categories from your submitted budget) and approved permits, and request your final inspection.
☐	15	Sign the Missouri Deed transferring the property to the Authority and back to you — a same-day “flow-through” transfer that lets the tax abatement be recorded.
☐	16	Maintain a blight-free, code-compliant property going forward. ESRC conducts periodic reviews at least every three years, and non-compliance can result in loss of the abatement.

PROGRAM TIMELINE AT A GLANCE

Process Timeline

Phase	Steps	What Happens
Before You Apply	1–6	Attend orientation, complete the property evaluation, get your inspection, document existing conditions, budget your project, and get HPC approval if applicable.
Application & Approval	7–11	Submit your complete application and fee, receive your Memorandum of Understanding, and pull your building permits.
Construction & Completion	12–14	Complete rehabilitation (up to 1 year, with a possible extension), then request your final inspection.
Abatement & Ongoing Compliance	15–16	Sign the flow-through deed, receive your certificates, and maintain a blight-free property. ESRC reviews at least every three years.

Abatement Duration at a Glance

Component	Abatement Timeline
Base Abatement	100% abatement for up to 10 years, or until the improvement cost is recouped — whichever is sooner
+ Sidewalk Replacement (if required)	Up to an additional 3 years at 50% abatement
+ Historic District Siding Compliance	Up to an additional 5 years at 50% abatement (wood/wood-based siding, in or electing into a historic district)
+ Historic District Guideline Improvements made on properties outside Historic Districts	Up to an additional 5 years at 50% abatement

ATTACHMENT A — ELIGIBLE & INELIGIBLE IMPROVEMENTS

Base Required Improvements	
Improvement	Clarification
Weather-strip, caulk and seal all openings, cracks and joints to reduce air infiltration	—
Replace exterior broken windows/window panes and doors	—
Installation of smoke detectors and carbon monoxide detectors	Each sleeping area must include at least 1 approved, listed, labeled and operational smoke detector plus each common area and basement. Carbon monoxide detectors installed and operational on each floor.
Insulate all openings in exterior walls where cavity has been exposed in rehab work	—
Minimum 1 off-street paved/permeable parking space required per unit, or in accordance with zoning requirements	Dimensional standards per City Code. No space shall be within right-of-way; only driveway or alley approaches are permitted, per the Zoning Code. Some properties may need to apply for a variance.
Sidewalk in front or alongside of a house or lot shall be in good repair. If not in good repair or nonexistent, the sidewalk must be replaced/reconstructed	Must match the width of sidewalks on adjacent properties and be constructed to City standards. May qualify for an additional 3 years of abatement. Sidewalk may only be required on one side of the street per City Code.
Any retaining walls must be restored to show structural integrity	—
Permanent plantings on property must not be overgrown	—
Front yard must contain turf and planting beds	—
Where the electrical, mechanical and plumbing system(s) in a structure constitutes a fire and/or other hazard to the occupants or structure, the defects must be corrected to eliminate the hazard	Even by reason of inadequate service, improper fusing, insufficient receptacle and light outlets, improper wiring or installation, deterioration or damage, or for similar reasons.

Eligible Improvements That Can Apply Toward Base	
Improvement	Clarification
Structural alterations and reconstruction including additions, chimney repair, finished basements	—
Masonry work	—
Elimination of lead-based paint and asbestos removal on homes built prior to 1978	—
Changes for exterior aesthetic appeal and elimination of obsolescence	New exterior finishes, new porch and/or decks

Installation and/or replacement of interior finishing for aesthetic appeal and elimination of obsolescence	Finishes could include countertops, cabinetry, sinks/tubs/showers including fixtures, flooring, and tile.
Replacement of plumbing, furnace replacement, new central air conditioning, replacement of window units with central systems, new plumbing fixtures	—
ADA accessible improvements	—
Roof replacement/repair, gutters and downspouts	Downspout/sump pumps must not flow directly into storm sewer/wastewater lines.
Exterior window and door replacement/repair and interior door replacement if associated with room addition/alterations	—
Flooring, tiling, carpeting, painting (interior and exterior)	—
Energy conservation improvements	Permanent improvements only (excludes appliances such as refrigerators, washer/dryer units, stoves, ovens, dishwashers). Solar panels should be mounted flush with the roof on a secondary façade.
Insulation	—
Demolition	If a complete demolition, a replacement home must be compatible with the neighborhood.
Drainage improvements and certain landscaping improvements	Qualified landscaping expenses must show landscaping made to preserve the property from erosion and/or fix drainage problems. Drainage must not result in runoff onto neighboring properties. Excludes irrigation systems and other landscaping not associated with drainage improvements.
Labor and materials	Labor must be a contractor and cannot be the property owners time.
Architect or engineer fees	—

Improvements Eligible for Additional Tax Abatement Years	
Improvement	Clarification
Sidewalk	Eligible for up to an additional 3 years*
Removal of aluminum and synthetic siding	Must be replaced with wood/wood-based siding material to qualify. (Aluminum/synthetic siding is allowed on homes outside local historic districts but will not apply toward the tax abatement calculation.) Eligible for up to an additional 5 years*
Improvements made to properties not within the local historic districts that meet historic district guidelines	Eligible for up to an additional 5 years*

Improvements Not Eligible for Tax Abatement	
Improvement	Clarification
Aluminum or vinyl siding	—
Replacement of window frames with aluminum, steel and vinyl window frames	Unless the window frames are currently aluminum, steel or vinyl
Removable fixtures	Includes light fixtures, ceiling fans, blinds/window treatments, shelving (non-built-ins), appliances (except as allowed under Eligible Improvements above)
Any improvements completed as part of an insurance claim or being reimbursed as part of an insurance claim	—
Sheds and foundation work to place sheds	—
Pools, in-ground and above-ground	—
Irrigation systems	—
Use of hazardous materials	—
Work included to create additional living units within a structure intended to be a single-family home	Existing multi-tenant buildings cannot increase current number of units, unless zoning designation allows.
Signage	—
Value of labor by the property owner for work not requiring a building permit	—
Minor landscaping improvements	—
Fencing	—

Exterior improvements to properties located within the local historic districts must seek approval through the City's preservation office and/or the Historic Preservation Commission.

353 TAX DISTRICT MAP

353 Tax District of Excelsior Springs, Missouri

Legend

 Current 353 District
 Parcels



Maria use for circulation purposes only. They do not represent a formal survey. While every effort has been made to ensure that these data are accurate and reliable within the limits of the current state of the art, The City of Encinitas Springs cannot assume liability for any damages caused by any errors or omissions in this data, nor as a result of the failure of the data to function on a particular system. The City of Encinitas Springs makes no warranty, expressed or implied, nor does the fact of distribution constitute such a warranty.



Updated 7/21/2021

Map current as of July 2021. Contact the Economic Development Office to confirm current district boundaries for your property.