CHAPTER 353 PROPERTY TAX ABATEMENT
DOWNTOWN 353 DISTRICT
PROGRAM GUIDELINES

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 Urban Redevelopment Corporation (URC) 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. Properties included in the Hall of Waters District are generally bounded [boundaries]. 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.
**Description of Program**
The program is intended to preserve and enhance the homes within the neighborhoods included in the Abatement Area and thereby enhance the neighborhoods they’re included in two historic neighborhoods have been identified as local historic districts (“Historic Districts”) and will require adherence to specific design guidelines and approval steps previously identified through adopted Historic District Design Guidelines and the Unified Development Code, Section 30-70, Historic Preservation Overlay District. Other neighborhoods not identified as a Historic District do not have specific guidelines but are required to follow eligible and non-eligible improvement guidelines contained herein in order to participate in the tax abatement program. See Attachment A for a list of improvements.

Chapter 353 tax abatement program 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 URC acquired title to the property (title to the property 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 first ten years of abatement.**

In addition, Missouri law allows for 50% abatement on the whole value of the property (land plus improvements) for up to an additional 15 years. Although Missouri law allows for an additional 15 years of abatement, Excelsior Springs program guidelines only allow for an additional five (5) year abatement in certain circumstances.

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 for the improvements 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 utilized 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 towards the Base Improvement Value:
   - All construction must conform to City codes.
To improve thermal efficiency of a dwelling, all doors and windows must be weather-stripped to reduce infiltration of air when existing is inadequate or nonexistent. All openings, cracks or joints must be caulked or sealed.

All broken windows/window panes and doors must be replaced.

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 not repaid 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 of the City of Excelsior Springs 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 or construction activities. Applicants may want to be certain that the contractors they choose to do their rehabilitation work will guarantee that they will repair sidewalks that they damage, otherwise the applicant will be responsible for repairing a sidewalk damaged by the contractor.

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 it is found that the electrical system in a structure constitutes a hazard to the occupants or the structure by reason of inadequate service, improper fusing, insufficient receptacle and light outlets, improper wiring or installation, deterioration or damage, or for similar reasons, the City will require the defects to be corrected to eliminate the hazard.

One street tree per City code is required.

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 a part of the Base project. Examples of eligible improvements are listed below. This is not inclusive and only lists the types of work that may be done. The Base Project Improvements, specifies the improvements that must be done for a property to receive tax abatement. The following improvements may apply toward the Base Project Value. A more complete list can be found in Attachment A.

- Structural alterations and reconstruction including additions, chimney repair, finish 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, drainage improvements to preserve the property from erosion and/or fixing 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 repaid within the initial ten (10) year tax abatement period and/or for the length of time necessary to recoup the cost of the historic district improvement up to the additional five (5) years. Properties within local historic districts must have exterior work approved by the HDRC.

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 repaid within the initial ten (10) year tax abatement period and/or for the length of time necessary to recoup the cost of the historic district improvement up to the additional five (5) 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. The use of tax abatement shall not be utilized for the purpose of converting owner-occupied dwelling units to rental units or for the purpose of further subdivision of 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 for the purpose of reducing 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, there are certain improvements that cannot be applied towards 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 parcel specific tax abatement.

A. Homeowners 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 https://cityofesmo.com/development/index.php/353-tax-abatement-program/
   o To begin the process, the applicant should bring
     ▪ current pictures of the site and existing structures (interior and exterior),
     ▪ most current real estate tax statement, and
     ▪ a completed property evaluation form if applicant has completed form.

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 URC will examine and review the property to identify needed improvements. The inspector will provide the owner of the property with a copy of the required improvements. The applicant will be responsible for getting estimate of costs, and any required permits. City staff will review evaluation forms to verify that the items requiring building permits are indicated.

4. HPC (Historic Preservation Commission) shall review all applications to determine HPC guidelines are met.

5. Upon satisfactory completion of the application review, and a determination that the proposed project would be in compliance with the parcel specific tax abatement guidelines, a commitment for tax abatement is issued in the form of a Memorandum of Understanding by the URC. For minimum interior and exterior property standards, properties receiving tax abatement must meet and be maintained in compliance with the minimum standards, codes and ordinance of the City. 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 to be completed, homeowners are provided a specific amount of time in which to accomplish substantial rehabilitation. A total period of up to one (1) year for full compliance is allowed for substantial rehabilitation.

8. Property owners failing to complete required improvements within the maximum time frame of one (1) year from the “start” date (date of inspection) must submit a request for extension to the URC to maintain the abatement. This request must state the reason for the extension, required improvements that remain to be completed, and proposed time frame for completion, not to exceed one year. Failure to complete required improvements within the amended date approved by the URC 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 that the property is ready for final inspection. A final inspection will be conducted by a City inspector to certify completion and a Certificate of Compliance will be issued.

B. Authority Responsibilities

1. The Urban Redevelopment Corporation (URC) Board of Directors will approve each Parcel Specific Tax Abatement Project and the execution of the Missouri Deeds. The owner will deed the property to the Authority and the Authority deeds the property thereafter back to the owner. These deeds provide that the Redevelopment Authority has “ownership” of the parcel for 24 hours so that the Parcel Specific Tax Abatement can “flow through” the authority to the specific parcel of land.

2. Those filings and recording of the respective deeds will be performed by the staff assigned to the Urban Redevelopment Corporation.

3. Upon receipt of the Certificate of Compliance and the signed and notarized Missouri Deed, the City will issue a Certificate of Tax Abatement. Copies of these documents are filed with the Clay County Assessor, Clay County, Missouri, and the Finance Director, City of Excelsior Springs, Missouri. The term of the tax abatement shall be for 100% abatement for 10 years. Abatement runs with the property for the full 10 years or for the length of time necessary to recoup the cost of the repairs, whichever is less, and therefore continues in the event ownership of the property is transferred.

4. The URC will determine the amount of the base project minimum requirement (The current minimum requirement is $3,500).

5. The URC, in cooperation with the City staff of the City of Excelsior Springs 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, landscape, etc. would be met.
   c. All historic district guidelines are met.
   d. All work items that require a building permit will be noted in the work write-up upon City staff review.

6. The URC, upon request from the homeowner, may provide some 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 URC (these may be the same person) to determine compliance with the commitment for tax abatement prior to granting the tax abatement.

B. Appeals-Tax Abatement: Determinations by the URC regarding the granting of tax abatement may be appealed to the City of Excelsior Springs.
Periodic Review
The URC will conduct on-site inspections and may conduct on-site interior inspections every three years after the property has received tax abatement to ensure compliance of the guidelines. Properties receiving tax abatement must also be maintained in compliance with the minimum standards, codes and ordinances of the City. Unresolved code violations or failures to comply with the guidelines may result in repeal of the tax abatement. The URC can initiate proceedings to revoke tax abatement anytime code violations or noncompliance with these standards are reported as unresolved. Property owners refusing access to their structure for the purpose of periodic review inspections shall have the property tax abatement rescinded.
## ATTACHMENT A

### IMPROVEMENT | CLARIFICATION
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**Base Required Improvements** |  
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 must be required per unit or in accordance with zoning requirements | Dimensional standards according to City Code. No space shall be within right-of-way; only driveway or alley approaches are permitted. Driveway approach shall not exceed the width identified within the Unified Development Ordinance for residential areas. Some properties may need to apply for 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 standards of City of Excelsior Springs. May qualify for an additional 3 years of abatement. Sidewalk requirement per City Code (i.e. sidewalk may only be required on one side of street). |  
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 |  
One street tree must be maintained in front yard | Tree species as approved within the Excelsior Springs street tree list. |  
Where it is found that 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 towards base** |  
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 |  

<table>
<thead>
<tr>
<th>Changes for exterior aesthetic appeal and elimination of obsolescence</th>
<th>New exterior finishes, new porch and/or decks</th>
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<tbody>
<tr>
<td>Installation and/or replacement of interior finishing for aesthetic appeal and elimination of obsolescence</td>
<td>Finishes could include countertops, cabinetry, sinks/tubs/showers including fixtures, flooring, and tile.</td>
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<td>Replacement of plumbing, furnace replacement, new central air conditioning, replacement of window units with central systems, new plumbing fixtures</td>
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<td>ADA accessible improvements</td>
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<td>Roof replacement/repair, gutters and downspouts</td>
<td>Downspout/sump pumps must not flow directly into storm sewer/wastewater lines.</td>
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<td>Exterior window and door replacement/repair and interior door replacement if associated with room addition/alterations</td>
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<td>Flooring, tiling, carpeting, painting (interior and exterior)</td>
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<tr>
<td>Energy conservation improvements</td>
<td>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.</td>
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<tr>
<td>Insulation</td>
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<tr>
<td>Demolition</td>
<td>If a complete demolition, a replacement home must be compatible with the neighborhood.</td>
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<td>Drainage improvements and certain landscaping improvement</td>
<td>Qualified landscaping expenses must show landscaping made to preserve the property from erosion and/or fixing drainage problems. Drainage must not result in runoff onto neighboring properties. Excludes irrigation systems and other landscaping not associated with drainage improvements.</td>
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<tr>
<td>Labor and materials</td>
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<tr>
<td><strong>Improvements eligible for additional tax abatement years</strong></td>
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<tr>
<td>Sidewalk</td>
<td>Eligible for up to an additional 3 years*</td>
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<tr>
<td>Removal of aluminum and synthetic siding</td>
<td>Must be replaced with wood/wood base siding material to qualify for tax abatement program. (aluminum and/or synthetic siding is allowed on homes not within local historic districts but will not apply towards tax abatement calculation)</td>
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<tr>
<td>Improvements made to properties not within the local historic districts that meet historic district guidelines</td>
<td>Eligible for up to an additional 5 years*</td>
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<td>Improvements not eligible for tax abatement</td>
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<tr>
<td>Aluminum or vinyl siding</td>
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<td>Replacement of window frames with</td>
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<tr>
<td>aluminum, steel and vinyl window frames</td>
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<td>Unless the window frames are currently</td>
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<td>aluminum, steel or vinyl</td>
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<td>Removable fixtures</td>
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<td>Includes light fixtures, ceiling fans,</td>
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<td>blinds/window treatments, shelving (non-buils-</td>
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<td>ins), appliances (except as allowed under</td>
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<td>Eligible Improvements above)</td>
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<td>Any improvements completed as a part of an</td>
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<td>insurance claim or being reimbursed as part of</td>
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<td>an insurance claim</td>
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<td>Sheds and foundation work to place sheds</td>
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<td>Pools, in-ground and above-ground</td>
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<td>Irrigation systems</td>
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<td>Use of hazardous materials</td>
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<td>Work included to create additional living</td>
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<td>units within a structure intended to be a</td>
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<td>single-family home</td>
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<td>Existing multi-tenant buildings cannot increase</td>
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<td>current number of units, unless zoning</td>
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<td>designation allows.</td>
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<td>Signage</td>
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<td>Value of labor by the property owner for</td>
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<td>work not requiring a building permit</td>
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<td>Minor landscaping improvements</td>
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<td>Fencing</td>
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Exterior improvements to properties located within the local historic districts must seek approval through the City’s preservation office and/or Historic District Review Commission.
Application for Residential Chapter 353 Tax Abatement

PROPERTY OWNER INFORMATION

Owner Name: ____________________________________________________________

Street Address: __________________________________ City/State/Zip: _____________

Phone No.: ___________________________ Email: ___________________________

Address of Requested Abatement: _________________________________________

DESCRIPTION OF IMPROVEMENTS

Exterior Improvements: Attach itemized bid(s) for work – be as specific as possible
Investment Amount: ___________________________

Interior Improvements: Attach itemized bid(s) for work – be as specific as possible
Investment Amount: ___________________________

PROJECT DESCRIPTION

Description of Project Timeline: __________________________________________

50% Exterior: Yes  No

Start of Construction: ___________________________ Estimated Date of Completion:

REQUIRED ATTACHMENTS:

1. Itemized cost of improvements including listing be exterior and interior
2. Current pictures of the site and existing structures
3. Legal Description of property
4. Most current real estate tax statement
5. Proof of property ownership
6. Application Fee ($200)

*50% of actual construction cost (excludes architectural & engineering costs, fees, permits and financing costs)