BUSINESS INCENTIVES

CITY OF DANVILLE

Introduction

By offering development incentives we increase the potential to attract investment, employment, and net tax revenues to the City of Danville. We follow a planning model based on the theory that partnership between the City and local business is necessary for smart economic growth. We believe those investing in the community deserve to have Danville invest in them.

The City of Danville has a variety of incentive programs available to both small and large businesses. We also maintain an open communication with local, state and federal business development agencies regarding economic development programs outside the management of the City.

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Overview

Tax Increment Financing (TIF) Districts

A TIF District is an area that has been designed for economic development improvements that will increase the property value. A portion of the property taxes generated within the TIF district are placed in a fund that is reserved for improvements to that specifically designated area. This can include City projects such as infrastructure improvements designed to benefit the district as a whole or financial development incentives designed to assist property owners with improvement projects. Generally speaking qualifying projects are those that produce permanent improvement to the building or property. TIF projects can only be managed through funds that have been generated from property taxes. This incentive model is designed to work with property owners by creating a public-private collaborative investment in the district. The more property values increase, the more funds are available for TIF funding improvements.

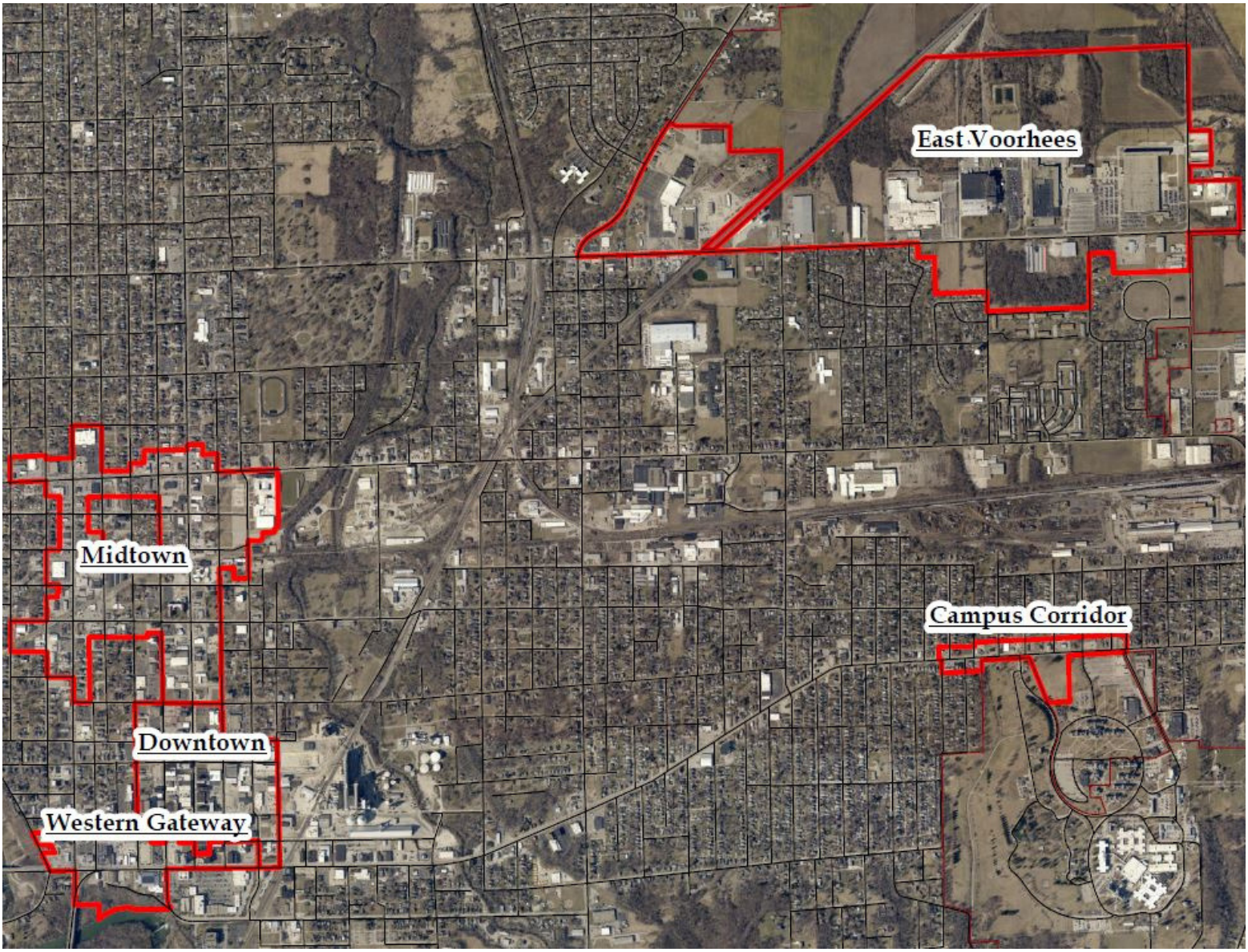
Small Business Revolving Loan Program

The small business Revolving Loan Program provides a low interest loan alternative for businesses experiencing a financing gap related to business improvements. The loan focuses primarily on business improvements and projects responsible for job creation

Enterprise Zones

An Enterprise Zone is an area that has been designated as ideal for certain types of economic development and investment. Generally speaking, Enterprise Zones are areas where larger commercial and industrial operations are located. However, small businesses are also eligible for Enterprise Zone Incentives. Unlike TIF Districts, Enterprise Zones do not generate funds to facilitate development incentives. Incentives in these areas deal primarily with reduced fees and various types of short and long-term tax abatements. These Incentives are designated to assist with up front expenses for new projects and larger expansions.

Tax Increment Financing (TIF) Districts



Our Districts

There are five active TIF districts in the City of Danville. The downtown TIF district is the newest district having been created in the summer of 2017.

Tax Increment Financing (TIF)

TIF Redevelopment Incentive Program (RIP)

The Redevelopment Incentive Program (RIP) is a grant/reimbursement program that provides financial assistance for permanent building and site improvements on properties located within the Downtown, Midtown, and Western Gateway Tax Increment Financing Districts. This program provides anywhere from a 10% to 50% reimbursement for qualifying improvements. Incentive rates are determined by how well projects match TIF district goals and which TIF District the property is located within. TIF revenues from these districts are the sole funding source for this program.

General Redevelopment Agreements

Properties and projects in all TIF Districts are eligible for incentives via redevelopment agreements. These agreements are evaluated on a case by case basis and may include financial assistance with the following; cost of studies, surveys, acquisitions, demolition, rehabilitation, reconstruction, job training, relocation costs, developer's interest costs, and others.

Downtown Design Plans

It is recognized and understood that the cost of having the necessary professional design plans prepared for a project can be somewhat expensive, especially if the project may not initially be able to move forward. When plans are needed, TIF assistance may be provided via a grant covering 50% of the cost of such plan preparation, up to but not exceeding $10,000. This will be considered separate from and not included in the calculation of the level of assistance provided based on the project review criteria above. The only caveats for participation and acceptance of this incentive is that the City must be provided a complete sealed set of the design plans that are created and the plans must be prepared by an business located within the State of Illinois.

Downtown Low Interest Loan

Larger projects which are above the funding scope of the RIP program can take advantage of a no-interest loan. This funding source is designed to fill any financial gaps that are keeping the development project from being implemented. Priorities for the no-interest loan include, but are not limited to; upper floor apartment creation/renovation, roof maintenance or replacement, and property purchase. Terms of the loan will differ depending on the project.

Downtown RIP 10%-50% Reimbursement

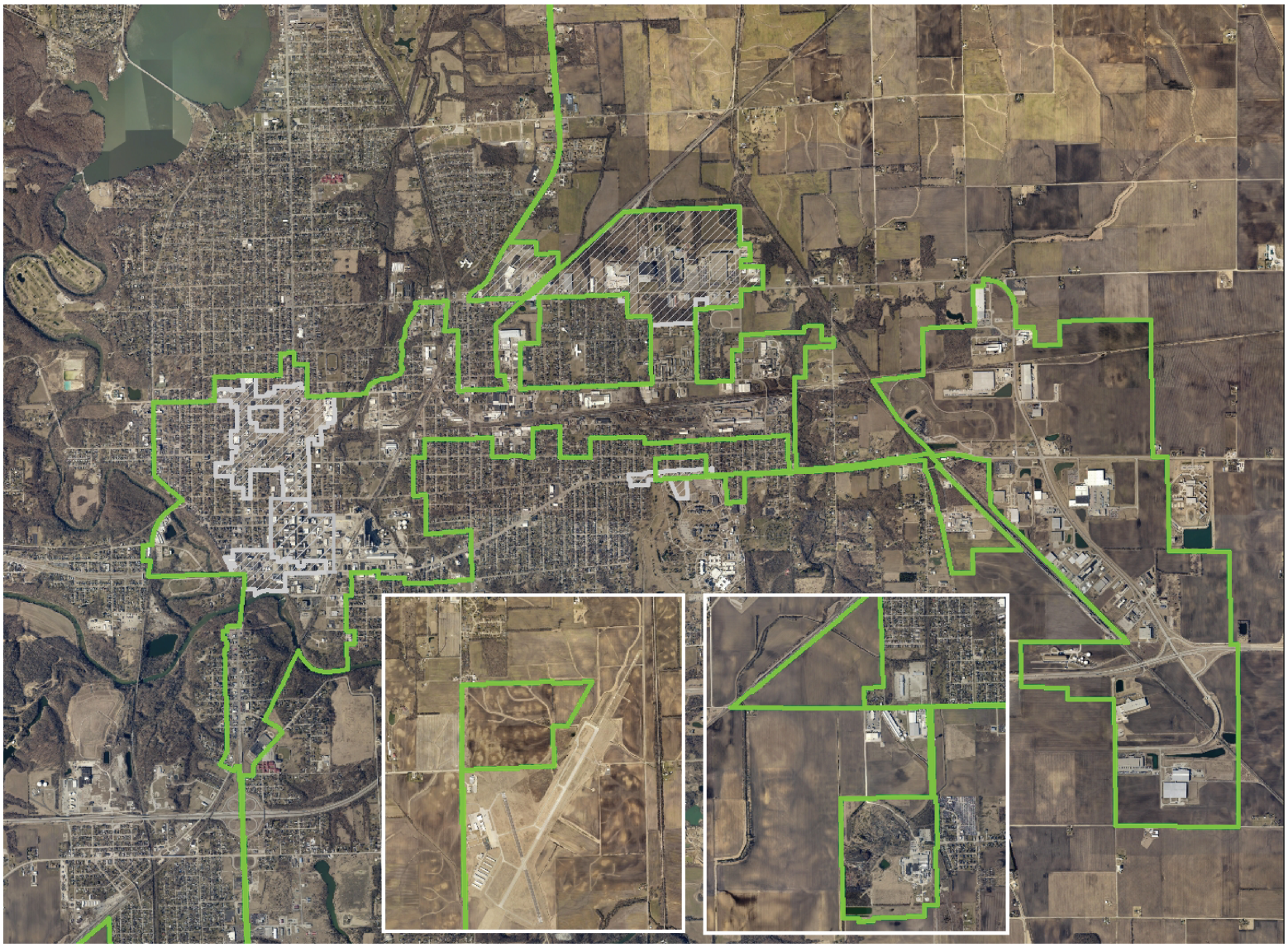
Facade improvements, code improvements, energy efficiency upgrades, historic preservation, vacant storefronts, and upper floor apartment creation.

Midtown & Western Gateway RIP up to 25% Reimbursement

Façade improvements, code improvements, site improvements including; parking lot, landscaping, lighting and fencing.

Note: Work completed prior to the establishment of a TIF agreement with the City is ineligible.

Enterprise Zone



Reduced City Permit Fees

The Enterprise Zone (in green) allows for a 50% reduction in City permitting fees (minimum fees still apply.

Sales Tax Credit

Purchase of qualifying building materials are exempt from sales tax. The material must be purchased in Illinois and be directly associated with the applied project. Contractors must obtain a tax exempt certificate prior to purchase.

Property Tax Abatement

Improvements to property located within the Enterprise Zone could qualify for a 10-year reduction of property taxes. The tax reduction is proportional to the cost of qualifying improvements. For example:

- $0 - $250,000 of improvements would qualify for a 25% property tax abatement
- $250,000 - $10,000,000 of improvements would qualify for a 50% property tax abatement All residential improvementsare set at a 50% abatement for 5 years.

Enterprise Zone - State Incentives

Income Tax Credit

.5% credit against the Illinois Income Tax towards investments in qualifying property.

Sales Tax Exemptions

Qualifying projects in an Enterprise Zone qualify for a 6.25% sales tax exemption on all tangible property that is used or consumed in the process of manufacturing or assembling property for wholesale, retail, or lease.

Utilities Tax Exemptions

Qualifying projects in an Enterprise Zone qualify for a 5% tax exemption on gas and electric.

Note: The brochure details regulations for the City of Danville only; County and State regulations must be completed through those respective entities. Assistance with County and State regulations is available through the SBDC at DACC or Vermilion Advantage. The information found in this document is to best of our knowledge up-to-date as of July 2017. This document is not legally binding and for general knowledge assistance only. For additional information, please feel free to contact our office.

Business Development Organizations

Vermilion Advantage

15 N Walnut St.
Danville, IL 61832
217-442-6201

Vermilion Advantage is a not for profit Economic Development agency serving Danville and Vermilion County. Vermilion Advantage, through membership value, provides strategic leadership on critical business issues- leading economic & workforce development, anticipating and responding to members' needs, addressing quality of life issues and providing a network of information & business contacts – advocating the pursuit of opportunities to strengthen the local economy and business environment.

Downtown Danville Inc.

149 N. Vermilion St.
Danville, IL 61832
217-213-6269

We all know that networking is a beneficial strategy to many aspects of life, operating a successful business is no different. Downtown Danville Inc. is the networking for businesses in the downtown area. DDI works with the SBDC, City of Danville and Vermilion Advantage to keep up to date on regional business activity and development plans. DDI plans downtown programs and events based on the needs of its membership and strives to create a network of business owners dedicated toward advancement of the downtown business community. Visit DDI and see if you might want to get involved.

Small Business Development Center at Danville Area Community College

Bremer Conference Center
DACC Campus
2000 E. Main St.
Danville, IL 61832
217-554-8669

While the City of Danville strives to make your interaction with the City as smooth as possible, we are not able to provide advisement and strategy for your business development. Luckily the professionals at the Illinois Small Business Development Center at DACC are close by to help with any assistance you may need to build and run a successful business. Contact the SBDC to find out how they can help you set and achieve your business goals.

About Us

The City of Danville is continuously working to improve our community and economy. City planners incorporate a quality of life focus in each aspect of our planning process with a goal of increased liveability for residents and improved impressions on visitors to our community.

Our Work

- Green space and recreation
- Historic preservation
- Community engagement
- Zoning and land use
- Economic development
- Urban design
- Transportation planning

Contact Us

Department of Urban Services
1155 E Voorhees Street, Suite A
Danville, IL 61832
Phone: (217) 431-2321
Fax: (217) 431-3444

More Information

For more information contact us visit us online at www.cityofdanville.org/economic-development

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ILLINOIS