



**CITY OF DANVILLE
DEPARTMENT OF URBAN SERVICES**

TAX INCREMENT FINANCING

TIF REDEVELOPMENT INCENTIVE PROGRAM

OVERVIEW

The Redevelopment Incentive Program (RIP) is a grant program that provides financial assistance for permanent building and site improvements on properties located within the Midtown and Western Gateway Tax Increment Financing Districts. The purpose of this program is to provide an incentive for existing businesses to expand and new businesses to locate within these TIF areas while also improving the quality of design and construction and increasing the value of property and improvements in these designated areas. The Midtown and Western Gateway TIF revenues are the sole funding source for this program.

GENERAL GUIDELINES

- Available only for properties within the Midtown or Western Gateway TIF Districts.
- An application for a RIP grant may only be made by a person or persons having an actual interest in the subject property. This includes an owner of record, tenant, beneficial owner of a trust, or a person having made an offer, which offer has been accepted, to purchase the subject property.
- Applications must be submitted, reviewed and approved before the project begins. Work completed prior to application approval is ineligible.
- Any debts owed to the City by the applicant or property owner must be paid up to date prior to submitting an application.
- All work funded by a RIP grant must be permanently affixed to the real estate. Examples of permanent improvements include: life safety and accessibility code improvements, repair/replacement of roof, floors, structural or partitioned walls or windows; repair/replacement of electrical, plumbing, heating or cooling systems; installation of an elevator, sprinklers, and fire or smoke alarm systems; façade restoration; and site improvements including parking lot paving, landscaping, lighting, or fencing.
- At least 50% of the grant funds must be used on the exterior of a structure or on site improvements.
- The amount of RIP assistance is contingent on a set of project review criteria. The more project review criteria the project meets, the higher the level of assistance. The grant amount approved will be between 10-30% of the cost of all permanent improvements. The minimum grant amount that can be awarded is \$1,000. The Director of the Department is authorized to approve individual grants of up to \$20,000. Individual grant amounts over \$20,000 must be approved by the City Council.
- RIP funding may not exceed \$50,000 per property in any 5 year period unless as part of a redevelopment agreement approved by the City Council.
- Grants are paid on a reimbursement basis for products or services already delivered. Grant funds are not given in advance.
- Grant approval is subject to the availability of funds in the City's TIF account.

ELIGIBLE COSTS

TIF revenues may only finance activities considered “TIF eligible” as defined under the Illinois Tax Increment Allocation Redevelopment Act. RIP grants may be utilized to fund only the following “TIF eligible” activities:

1. Costs of the rehabilitation, reconstruction, repair or remodeling of an existing private building;
2. Site preparation and improvement costs.

RIP grants may not fund the construction of a new, privately owned building, the acquisition of inventory, general operating costs, or furniture, fixtures, and equipment as these are not eligible costs.

PROCEDURES

A prospective applicant should meet with the staff of the Urban Services Department to discuss a potential project, review program guidelines and the process for receiving a RIP grant, and obtain an application form.

An applicant should submit a completed application and all required attachments to the Department.

The application will be reviewed and a determination made. If the application is approved the grant amount will be calculated based upon the review criteria and funding availability.

For grant amounts which require City Council approval, the application and staff review report will be submitted to the City Council for final action.

Once a grant amount has been determined and an application has received final approval, notice will be given and the project may proceed.

The grant check will be awarded after project completion or upon submittal of copies of invoices and proof of payment of all related costs.

Upon the completion of all work, actual project cost information, actual job creation/retention information and other documentation as provided for in the agreement shall be submitted by the applicant.

If you are considering investing in the Midtown or Western Gateway Tax Increment Financing areas and are interested in learning how TIF may be able to assist in this please contact the Urban Services Department at (217) 431-2321 for more details.