



**CITY OF DANVILLE
DEPARTMENT OF ENGINEERING & URBAN SERVICES**

TAX INCREMENT FINANCING

CRITERIA FOR PROJECT EVALUATION

All proposed development and/or redevelopment projects seeking Tax Increment Financing assistance within the City of Danville TIF Districts will be reviewed by a committee of City staff based on the set of criteria that follow. Any proposed project must first meet the Redevelopment Goals and Objectives as identified in the Redevelopment Plan for that particular area in order to be considered for TIF assistance. Once it has been established that the Goals & Objectives would indeed be met then the level of assistance granted will be determined by the number and the extent to which the following criteria would be met by the proposed project. The criteria are as follows:

- 1.) Is TIF assistance necessary? TIF funds will only be used to trigger projects that would not otherwise occur given prevailing market conditions. The developer/ property owner must provide compelling information that the use of TIF funding is essential to the project.
- 2.) Return on Investment The City will calculate and consider any additional amounts of local property taxes and sales taxes anticipated to be generated by the project. The total of these amounts will be the City's return on investment, and will be compared with the total project cost. The City's return benchmark or desired goal for a return on investment for most projects is seven years. However, said criteria may be relaxed if there are compelling reasons justifying the same.
- 3.) Job Creation The potential for a redevelopment project to create new jobs within the community is seen as a priority, and proposals will be judged in part, on how many new jobs will be created by the proposed project.
- 4.) Size of private investment The City will look at the amount of private investment being committed in determining the appropriate amount of TIF funds to commit to the project. Ideally, the City would like to see a private to public investment ratio of at least 3 to 1.
- 5.) Removal/replacement of dilapidated/deteriorated buildings If the project involves the demolition of dilapidated buildings or deteriorated buildings that are not likely to be rehabilitated without TIF assistance the extra costs involved will be taken into consideration.
- 6.) Zoning and Design The project should be harmonious with the surrounding uses, and must be an allowed use under the City zoning code. The proposed design of the building must blend well with the surrounding properties. If an historical building is involved, the project also needs preliminary approval from the Historic Preservation Commission.
- 7.) Diversity of service TIF funds should be used to diversify and supplement the existing business mix within the community. TIF funds should not necessarily be used to overcrowd a particular market segment already represented by local businesses. Does the project offer goods and services not already available in the community? Does the applicant's business offer goods and services deemed desirable and appropriate within the community?
- 8.) Financing and financial security The developer/ property owner must provide documentation of the financing for the project, as well as individual or corporate financial information, as requested by the TIF Committee. Is sufficient collateral and/or personal

backing available to reasonably ensure that the City will at least recover its principal in the event of default? Will the property be protected by sufficient commercial property insurance to protect the City's principal?

- 9.) City budget TIF revenues and expenditures are programmed on an annual basis according to the annual budget. TIF assistance will be awarded based on a first come first serve basis. Funding may be limited or denied based on these constraints.

GENERAL REQUIREMENTS AND RESTRICTIONS

1. In redeveloping these areas it is the intent of the City to promote only business development in the TIF Districts. Therefore, TIF funds will generally not be used to assist redevelopment projects that are primarily residential in nature.
2. Proposals for TIF funding will only be considered if they are 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.
3. The City of Danville reserves the right to require an appraisal of a subject property found eligible for TIF assistance, which appraisal shall be provided at the applicant's expense.
4. Proposals seeking TIF assistance and resulting development/redevelopment agreements will be considered in as timely a manner as possible.