



City of Darlington
Tax Increment District #6
Land Sale and Incentive Policy

Tax Incremental Financing (TIF) is a local government development tool that the City of Darlington is using to provide funds to acquire land for business, construct public infrastructure, promote development, and provide incentives to expand the City's tax base and create jobs. TIF allows the City to use a pool of property tax revenue of all overlaying tax districts within a defined area to finance property improvement and economic development projects. The creation of a TIF district allows the City to retain all property taxes levied by all local tax districts on the increased value of the improved property (i.e. the new project) until the City's share of the project costs are recovered. The proposed development should be consistent with and reinforce all City plans and policies.

The City will sell land located in TID #6 to a developer for \$1.00 if the developer is able to meet the following minimum requirements in addition to meeting all other City development ordinances:

- ♦ The new value created on the land by the development must be, at a minimum, \$135,000 per acre placed on the tax roll by the end of the tax year one year from the date of the commitment.
- ♦ The new development will create or allow for the retention of at least one job for every 2,000 square foot of building that is constructed. All jobs committed must be in place no more than three years from the occupancy date of the building.

If the developer is not able to meet the minimum requirements, land may still be sold at a price calculated on a graduated scale based upon the equalized value of improvements proposed for the site. The schedule of land price is as follows:

Equalized Value of Taxable Improvements per Acre	Price per Acre
\$	\$ 43,000
\$ 10,000	\$ 39,815
\$ 20,000	\$ 36,630
\$ 30,000	\$ 33,444
\$ 40,000	\$ 30,259
\$ 50,000	\$ 27,074
\$ 60,000	\$ 23,889
\$ 70,000	\$ 20,704
\$ 80,000	\$ 17,519
\$ 90,000	\$ 14,333
\$ 100,000	\$ 11,148
\$ 110,000	\$ 7,963
\$ 120,000	\$ 4,778
\$ 130,000	\$ 1,593
\$ 135,000	\$ 1.00

Development incentives are provided at the discretion of the Darlington City Council. The City Council will use a scoring matrix to guide its decision as to the actual amount of the development incentive. An example of the matrix is provided on the next page along with the method that the City uses to rank proposed developments in the TIF district. Development incentives must be used for eligible expenses as described on the following page.

In addition to meeting the minimum requirements, proposed developments may be eligible for additional incentives based upon the property tax value created, jobs created, quality of development and compatibility with City development objectives.

All development projects located in TIF #6 will enter into a development agreement with the City that describes the terms of the sale of land and any additional development incentives provided. The development agreement will commit the business or developer to creating an agreed upon value for property tax purposes and jobs by a certain date. Penalties for not achieving the agreed upon commitments will also be described in the development agreement.