



## City of Darlington Tax Increment District No. 8 Land Sale and TIF 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.

### Land Sale Price

The City will sell land located in TID No. 8 to a developer for the fair market value of \$45,000 per acre.

### Base TIF Assistance

If the developer is able to meet the following minimum requirements, in addition to meeting all other City development ordinances, the City may provide a base TIF assistance to the developer in an amount equal to \$45,000 per acre. Said base TIF assistance may be provided as an upfront grant, future "Pay As You Go" payments, or a combination thereof.

- ◆ The new value created on the land by the development must be, at a minimum, \$275,000 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, the City base TIF assistance may still be provided at a value calculated on a graduated scale based upon the equalized value of improvements proposed for the site. The schedule of TIF assistance is as follows:

<b>Equalized Value of Taxable Improvements Per Acre</b>	<b>Base TIF Assistance Per Acre</b>
\$ 150,000	No Sale
\$ 175,000	\$ 0
\$ 200,000	\$ 15,000
\$ 225,000	\$ 25,000
\$ 250,000	\$ 33,500
\$ 275,000	\$ 45,000

### **Additional TIF Assistance**

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. Incentives can be up to \$6,500 for every \$100,000 of value created. For example, a project that constructs a building with a value of \$1,000,000 would be eligible for development incentives up to \$65,000 ( $\$1,000,000 / \$100,000 = 10 \times \$6,500 = \$65,000$ ).

Development incentives are provided at the discretion of the Darlington Common Council. The Common 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 TID No. 8. Development incentives must be used for eligible expenses as described on the following page.

All development projects located in TID No. 8 will enter into a development agreement with the City that describes the terms of the 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.

<b>City of Darlington Prospect Matrix Analysis</b>				
<b>Criteria</b>	<b>A.</b>	<b>B.</b>	<b>C.</b>	<b>D.</b>
	<b>Weight</b>	<b>Maximum Score</b>	<b>Business Rating</b>	<b>Business Score</b>
1. Tax Base per Acre of Land				
2. Retain Existing Businesses and Jobs				
3. Compatible with Existing Industries				
4. Average Wage				
5. Number of Jobs				
6. Encourages Entrepreneurship				
7. Provide Industrial Diversity				
8. Environmentally Compatible				
9. Meets Aesthetic Standards				
<b>Total</b>				

**Matrix Notes:**  
A. Weight – Apply score between 1-10 for each criteria.  
B. Maximum Score – Multiply column A. by 10.  
C. Business Rating – Apply score between 1-10 for how business meets criteria.  
D. Business Score – Multiply column C. by 10.

**Prospect Score Summary:**  
Low Priority – Score: Less than 300  
Moderate Priority – Score: 300 to 500  
High Priority – Score: More than 500

Eligible uses for development incentives include:

- Excavation;
- Landscaping;
- Parking Lot;
- Street lights;
- Storm water detention basins & rain gardens;
- Walkways, trails or bicycling facilities;
- Other site amenities approved by the Darlington Common Council.