



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET ECONOMIC DEVELOPMENT PARTNERSHIP BOARD

DEPARTMENT: Economic Development

ACM: Christine Taylor, Assistant City Manager

DATE: April 10, 2024

SUBJECT

Receive a report, hold a discussion, give staff direction, and make a recommendation to City Council regarding the City of Denton's policies for incentives.

BACKGROUND

The City of Denton first adopted a Tax Abatement Policy in 1989. Chapter 312 of the Texas Tax Code requires that the Policy for Tax Abatement and Incentives must be approved by the City Council every two years. The current Tax Abatement Policy and Chapter 380 Policy were approved in May 2022. The Tax Abatement Policy expires in May 2022.

The Tax Abatement and Incentive Policy were separated into two policies in 2022: Denton Tax Abatement Policy and the Denton Chapter 380 Policy. The last update to the policies were developed to align with the City's Core Values and the three major goals of 2020 Economic Development Strategic Plan: Accelerate Recovery, Foster Growth, and Strengthen Community Inclusion. Strategic Growth Areas (SGA), identified in the strategic plan, replaced our former policy targeted industry sectors for cultivation and recruitment. An additional consideration to encourage minimum and/or living wage was added to the SGAs. An Incentive Evaluation Matrix incorporating these strategic initiatives and values was also developed.

Staff also included the Entrepreneurial-Tech Grant Program and Job Based Grants under one umbrella in the Chapter 380 policy, providing: Job based grant definitions, a stratified job based grant table, and made necessary third party verification updates to the Based Aircraft Grant.

Staff has prepared draft updates to the Tax Abatement Policy, (Exhibit 2) Chapter 380 Policy, (Exhibit 3) and Incentive Evaluation Matrix (Exhibit 4) for the Economic Development Partnership's consideration and recommendation to City Council. The following changes to both policies seek to:

- Update and align the city's core values that have changed slightly since the last policy update from Integrity, Transparency, Inclusion, Fiscal Responsibility, and Outstanding Customer Service to Inclusion, Collaboration, Quality Service, Strategic Focus and Fiscal Responsibility;
- Further the structure the policies priority considerations and public benefit factors around both the three major goals and the SGAs of the strategic plan;
- Incorporate possible underwriting of incentives into the policies;
- Update the Incentive Evaluation Matrix to match these changes;
- Update the Census maps

EXHIBITS

- Exhibit 1 – Agenda Information Sheet
- Exhibit 2 – Draft Denton Tax Abatement Policy Redline
- Exhibit 3 – Draft Denton Chapter 380 Policy Redline
- Exhibit 4 – Draft Incentive Evaluation Matrix
- Exhibit 5 – Presentation

Submitted by:
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Economic Development Program Administrator