



# City of Denton

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

---

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Economic Development

**ACM:** Christine Taylor, Assistant City Manager

**DATE:** November 19, 2024

### **SUBJECT**

Consider the adoption of an ordinance of the City of Denton approving an economic development agreement under Chapter 380 of the Local Government Code to promote economic development, stimulate business activity, and economic growth of the City of Denton between the City of Denton and Bloomfield Homes, L.P.; authorizing the expenditure of funds through sales tax rebates associated with the Texas Direct Pay Permit program; therefore, and providing an effective date.

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

### **INFORMATION/BACKGROUND**

Bloomfield Homes is a market leading homebuilder focused primarily in the Dallas–Fort Worth metroplex. The Company, headquartered in Southlake, Texas, was founded in 2004. The Company is currently constructing 248 new homes in two communities (Country Lakes and Glenwood Meadows) in the City of Denton.

#### **Project**

The Company pays local sales taxes on construction materials (lumber, stone, appliances, etc.) where suppliers have “places of business” or warehouses. Alternatively, the Company can utilize its Texas Direct Payment Permit. To qualify, a company must have an expected taxable purchases volume of at least \$800,000 annually, and the permit allows qualified purchasers to pay taxes directly to the Comptroller rather than to the seller. This allows a homebuilder to pay taxes on materials based on local tax rates due at “job sites.” The Company proposes that the City enters a 10-year Chapter 380 agreement. Through the use of their Direct Pay Permit, the company will receive a 33% rebate on sales tax and the City will retain 67% of the new revenue.

#### **Project Benefits**

Staff conducted analysis on the information provided by the Company to ensure policy criteria were met and determine both qualitative and quantitative public benefits. The tax revenue obtained from the agreement requires no significant cost or administration from the City. Additionally, this sales tax would otherwise would not be collected.

### **FISCAL INFORMATION**

The 10-year net benefits are estimated at \$186,000 with a 0% growth rate for materials pricing.

**RECOMMENDATION**

Chapter 380 Grant: sales tax rebate on materials at 33% for 10 years.

**PRIOR ACTION/REVIEW**

November 13, 2024: The Economic Development Partnership Board recommended approval (8-0-1).

**EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance and Agreement

Exhibit 3 – Presentation

Exhibit 4 – Secretary of State

Respectfully submitted:  
Brittany Sotelo  
Economic Development Director

Prepared By:  
Clay Parker  
Business Recruitment Specialist