City of Denton



City Hall 215 E. McKinney St. Denton, Texas 76201 www.cityofdenton.com

Meeting Agenda

Economic Development Partnership Board

Wednesday, November 13, 2024

11:00 AM

Development Service Center

After determining that a quorum is present, the Economic Development Partnership Board of the City of Denton, Texas, will convene in a Regular Meeting on Wednesday, November 13, 2024, at 11:00 a.m. in the Development Service Center Training Rooms 3, 4, and 5 at 401 N. Elm Street, Denton, Texas at which the following items will be considered:

1. ITEMS FOR CONSIDERATION

A. EDP24-079 Consider approval of the meeting minutes for September 11, 2024.

Attachments: Exhibit 1 - September 11, 2024 EDPB Meeting Minutes - DRAFT

B. EDP24-083 Receive a report, hold a discussion, and give staff direction regarding the meeting dates

and times for calendar year 2025.

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Meeting Dates

C. EDP24-081 Receive a report, hold a discussion, and make a recommendation to City Council

regarding an incentive agreement for Enginetech North America Corporation for a performance-based ad valorem tax rebate of 50% for five-years on Business Personal Property, a headquarters grant, and jobs-based grant including a Denton resident bonus;

total incentive amount not to exceed \$339,545.

<u>Attachments:</u> Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Presentation

D. EDP24-082 Receive a report, hold a discussion, and make a recommendation to City Council

regarding a Chp. 380 incentive for Bloomfield Homes, L.P. for 10 years authorizing the expenditure of funds through sales tax rebates associated with the Texas Direct Pay

Permit program.

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Presentation

2. WORK SESSION

A. EDP24-080 Staff Reports:

- 1. Downtown Economic Development Committee Update Jeremy Fykes
- 2. Director's Report Brittany Sotelo
- 3. EDPB Partnership Update Jamie Adams
- 4. Future Agenda Items Christine Taylor

<u>Attachments:</u> Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Downtown Economic Development Committee Update Presentation

Exhibit 3 - Director's Report Presentation

Exhibit 4 - EDPB Partnership Update Presentation

Exhibit 5 - Queue of Future Agenda Items

3. CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Economic Development Partnership Board or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

NOTE: The Economic Development Partnership Board reserves the right to adjourn into a Closed Meeting on any item on its open meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

CERTIFICATE

certify above notice official website that the of meeting posted the was on (https://tx-denton.civicplus.com/242/Public-Meetings-Agendas) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on November 8, 2024, in advance of the 72-hour posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

OFFICE OF THE CITY SECRETARY

NOTE: CITY OF DENTON'S DESIGNATED **PUBLIC** THE **MEETING** FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE REQUESTED 48 HOURS IMPAIRED, IF ΑT LEAST IN **ADVANCE** SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.

DENTON

City of Denton

City Hall 215 E. McKinney St. Denton, Texas 76201 www.cityofdenton.com

Legislation Text

File #: EDP24-079, Version: 1

AGENDA CAPTION

Consider approval of the meeting minutes for September 11, 2024.

MINUTES CITY OF DENTON ECONOMIC DEVELOPMENT PARTNERSHIP BOARD September 11, 2024

After determining that a quorum was present, the Economic Development Partnership Board convened in a Regular Meeting on Wednesday, September 11, 2024, at 11:02 a.m. in Training Rooms 3, 4, and 5 at the City of Denton Development Services Center, 401 N Elm St, Denton, Texas, 76201 at which the following items were considered:

PRESENT: Steven Edgar (Chair), Tony Clark (Vice-Chair), Erin Carter (ex-officio), Brian Danhof, Jeremy Fykes, Kerry Goree, Gerard Hudspeth, Paul Meltzer, Lee Ramsey, Aaron Roberts, and Clyde Rick Woolfolk

ABSENT: Jimmy Mejia, Sara Hensley (ex-officio), Susannah O'Bara (ex-officio), Jason Tomlinson

STAFF: Scott Bray, Christina Davis, Vanessa Esparza, Gary Packan, Clay Parker, Kristen Pulido, Cameron Robertson, Brittany Sotelo, Erica Sullivan, Christine Taylor, and Matilda Weeden

1. ITEMS FOR CONSIDERATION

A. <u>EDP24-068</u> Consider approval of the meeting minutes for August 14, 2024.

Clark made a motion to approve the minutes of August 14, 2024. Danhof seconded the motion. Motion carried (8-0).

AYES (8): Clark, Danhof, Edgar, Goree, Fykes, Meltzer, Roberts, Woolfolk

NAYS (0): None

ABSENT (2): Hudspeth and Ramsey

Hudspeth came in at 11:07 am.

B. <u>EDP24-070</u> Receive a report, hold a discussion, and make a recommendation to City Council to renew the contract between the City of Denton and Hickory and Rail Ventures, LLC in the not to exceed amount of \$158,172.

Hudspeth came in at 11:07 am.

Heather Gregory presented the item and discussion followed. Danhof made a motion to recommend approval to City Council to renew the contract between the City of Denton and Hickory and Rail Ventures, LLC in the not to exceed amount of \$158,172. Roberts seconded the motion. Motion carried (8-0).

Hudspeth left at 11:24 am.

AYES (7): Clark, Danhof, Edgar, Goree, Fykes, Roberts, Woolfolk

NAYS (0): None

ABSTAIN (1): Meltzer

ABSENT (2): Hudspeth and Ramsey

2. WORK SESSION

B. EDP24-072 Receive a report and hold a discussion regarding Denton Halloween.

Gary Packan presented the item and discussion followed.

C. EDP24-073 Staff Reports:

- 1. Director's Report Brittany Sotelo
- 2. Budget Update Christine Taylor
- 3. EDPB Partnership Update Jamie Adams
- 4. Quarterly Main Street Program Update Kristen Pulido
- 5. Economic Trends Report Matilda Weeden
- 6. Future Agenda Items Christine Taylor

Staff presented each item and discussion followed.

3. CONCLUDING ITEMS

With no further business, the meeting adjourned at 12:40 p.m.

Steven Edgar, Chair	Vanessa Esparza
Economic Development Partnership Board	Administrative Assistant

DENTON

City of Denton

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Legislation Text

File #: EDP24-083, Version: 1

AGENDA CAPTION

Receive a report, hold a discussion, and give staff direction regarding the meeting dates and times for calendar year 2025.

City of Denton



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

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

ACM: Christine Taylor

DATE: November 13, 2024

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the meeting dates and times for calendar year 2025.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Meeting Dates

Respectfully submitted: Vanessa Esparza Administrative Assistant

Calendar Year 2025

Economic Development Partnership Board Meeting Dates

The Board meets MONTHLY on the Second Wednesday. Meeting starts at 11:00 a.m. for approximately 1.5 hours.

January 8, 2025

February 12, 2025

March 12, 2025

April 9, 2025

May 14, 2025

June 11, 2025

July 9, 2025

August 13, 2025

September 10, 2025

October 8, 2025

November 12, 2025

December 10, 2025

City of Denton



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Legislation Text

File #: EDP24-081, Version: 1

AGENDA CAPTION

Receive a report, hold a discussion, and make a recommendation to City Council regarding an incentive agreement for Enginetech North America Corporation for a performance-based ad valorem tax rebate of 50% for five-years on Business Personal Property, a headquarters grant, and jobs-based grant including a Denton resident bonus; total incentive amount not to exceed \$339,545.

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

Receive a report, hold a discussion, and make a recommendation to City Council regarding an incentive agreement for Enginetech North America Corporation for a performance-based ad valorem tax rebate of 50% for five-years on Business Personal Property, a headquarters grant, and jobs-based grant including a Denton resident bonus; total incentive amount not to exceed \$339,545.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability, and Economic Development Strategic Plan Goals:

Goal 2: Foster Growth

- Supply Chain Logistics
- Advance Manufacturing
- Research & Development
- Energy Efficiency and Conservation
- Green Building Standards

Goal 2D: Competitive Denton

- Headquarters
- Workforce Collaborative
- Grow Your Own Talent Initiative

INFORMATION/BACKGROUND

Since 2018, Enginetech, a global plastic injection manufacturer based in India, has sought to expand their operations into North America. For the last six years they have been a key vendor in the supply chain for PACCAR using a patented process to create look-down mirrors and surge tanks.

Enginetech recently won a competitive contract with PACCAR Denton, which expedited the site search for the company to meet new product demands and deadlines. In mid-2024, they selected Denton and submitted their incentive application in August 2024 Before selecting Denton for their North America Headquarters, Enginetech considered South Carolina, McKinney, Houston, and Chillicothe. The original plan was to purchase a site and custom build their facility, but due to contract deadlines with PACCAR, the company is leasing a location at 2025 N. Masch Branch Road, Building 2. The leased building is about 23,000 square feet and will house four Toshiba Shibaura electric molding presses. Two machines will be purchased in year one and two more in Q4 of 2025. The company is leasing the facility and will add \$200,000 in improvements and \$5.7 Million in business personal property for machines and equipment.

Since identifying their new headquarters location, they have doubled their footprint developing three new products and obtaining multiple contracts. The Denton location will provide parts to PACCAR (Peterbilt

and Kenworth) in Canada, Denton, and Mexico and globally Enginetech manufactures engine parts for DAF and Leyland trucks. Other customers include Alstom, Caterpillar, Cummins, Daimler, Eicher, Kohler, Kubota, Sport Utility Vehicles, Man, Piaggio, Tafe, Tata Motors, and Volvo.

The company designs, tests, and manufactures their parts and hold patents on the parts and technology. The technology is so unique that they will be the only injection molding manufacturer of engine parts in Texas based on their NAICS codes. Their dedication to providing a superior product has earned them an IATF 16949 certification. This certification is an industry requirement that aligns automotive quality management systems globally. Additionally, PACCAR has awarded them their "Zero PPM" (zero defects in one million parts) award for the last three years.

The company will create 133 high-paying and knowledge-based jobs over five years making them a top 20 employer in Denton. They are also partnering with the Texas Workforce Commission to create training programs using North Central Texas College and plan to work with the Denton ISD to grow the talent pipeline.

Estimated value of incentive package offered:

Incentive	Estimated Value
City of Denton Chapter 380 Grant Business Personal Property Rebate	\$79,545
City of Denton Headquarters Grant	\$50,000
City of Denton Job Based Grant	\$194,000
City of Denton Residency Bonus	\$16,000
Estimated Value of Incentive Package	\$339,545

RECOMMENDATION

Staff recommends a performance-based incentive agreement to include a valuation threshold and cap on funding amount of \$339,545, consisting of an ad valorem tax rebate at 50% for five years for business personal property, a jobs-based grant (70 jobs based on "eligible jobs" in policy matrix and up to 32 additional jobs per Denton resident), and a headquarters grant.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

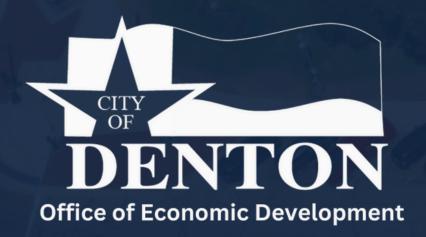
Exhibit 2 – Presentation

Respectfully submitted: Christina Davis Business Development Administrator November 13, 2024

Enginetech North America

ECONOMIC DEVELOPMENT INCENTIVE APPLICATION

Economic Development Partnership Board Prepared by: Christina Davis, Business Dev. Administrator



OBJECTIVE

Receive a report, hold a discussion, and make a recommendation to City Council regarding an economic development incentive application.

COMPANY BACKGROUND

- International company based in India with 500+ employees.
- Advanced injection molding manufacturer
 - Engineer and design automotive modules for global companies
- IATF 16949 certified systems manufacturer that provides highly engineered automotive/equipment parts with patents.
- Rapid growth in part to their new PACCAR partnership and expansion to the US.

COMPANY OVERVIEW

- Denton will be their North American headquarters.
- They manufacture injection molded engine parts the only one in Texas.
- This expansion will create 133 new jobs over 5-years.
- They are part of the Peterbilt supply chain:
 - PACCAR is their largest North American customer.
 - Awarded "Zero PPM" Quality award for the last three years by PACCAR.
 - Added three new product contracts last 30 days.

Our Customers







































Australia















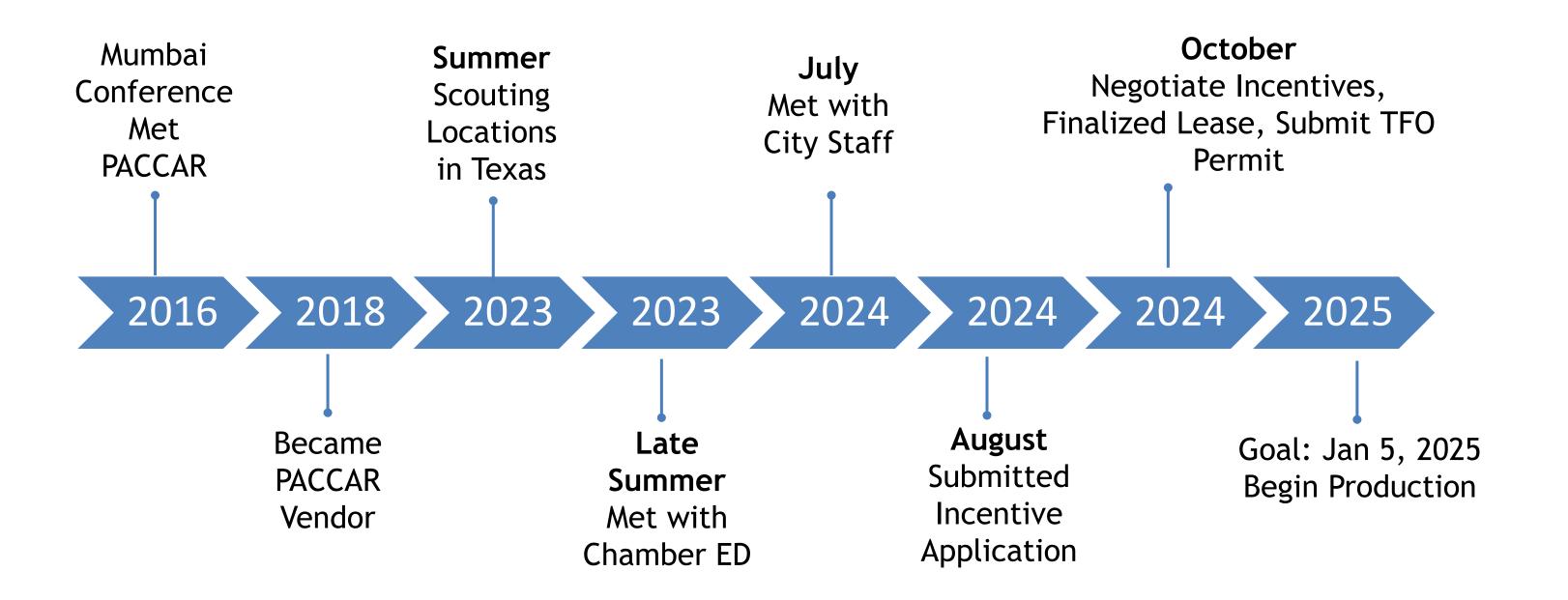








TIMELINE



EDP24-081, 11/13/2024

6 17

LOCATION: 2025 N. Masch Branch Rd.



INCENTIVE APPLICATION

TOTAL CAPITAL INVESTMENT

\$5.9

Million

IMPROVEMENTS

\$200

Thousand

BUS. PERSONAL PROPERTY

\$5.7

Million

NEW JOBS

133

INCENTIVE & PROJECT REVENUE GENERATION

	Year 1	Year 2	,	Year 3	Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10	Total
Proposed Incentive																		
50% Abate/Rebate on																		
BPP for 5 years	\$ 15,909	\$ 15,909	\$	15,909	\$ 15,909	\$	15,909	\$	-	\$	-	\$	-	\$	-	\$	-	\$ 79,545
Headquarters Grant	\$ 50,000																	\$ 50,000
Jobs equal to or > than \$	\$ 30,000	\$ 35,000	\$	45,000	\$ 15,000	\$	10,000											\$ 135,000
Jobs equal to \$90,000-\$	\$ 5,000	\$ 12,500	-		\$ 12,500	-												\$ 30,000
Jobs equal to \$75,000-\$	\$ 7,000	\$ 10,000	\$	7,000	\$ 3,000	\$	1											\$ 27,000
Jobs equal to \$65,000-\$	\$ 500	\$ 1,000	\$	500	\$	\$	1											\$ 2,000
Denton Residents	\$ 2,500	\$ 3,750	\$	6,500	\$ 750	\$	2,500											\$ 16,000
Job Based Grant																		
Subtotal	\$ 45,000	\$ 62,250	\$	59,000	\$ 31,250	\$	12,500											\$ 210,000
Cumulative																		
Incentive/Total	\$ 110,909	\$ 189,068	\$	263,977	\$ 311,136	\$	339,545	-		-		-		-		-		\$ 339,545
City Revenue BPP	Year 1	Year 2	,	Year 3	Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10	Total
50% BPP for 5 years,																		
100% for 5 years	\$ 15,909	\$ 15,909	\$	15,909	\$ 15,909	\$	15,909	\$	31,819	\$	31,819	\$	31,819	\$	31,819	\$	31,819	\$ 238,640
Cumulative City																		
Revenue/Total	\$ 15,909	\$ 31,819	\$	47,728	\$ 63,637	\$	79,546	\$	111,365	\$	143,184	\$	175,003	\$	26,822	\$	238,640	

Note: Land and building are not included, as they already exist on the tax rolls.

				Estimated	Estimated
		Estimated	Current	Increase to	Total
	Current	Increase	City	City	City
Project	VALUATION	VALUATION	REVENUE	REVENUE	REVENUE
Land	\$716,780	\$0	\$4,019	\$0	\$4,019
Improvements	\$2,437,828	\$200,000	\$13,668	\$1,121	\$14,790
BPP	\$0	\$5,675,000	\$0	\$31,819	\$31,819
Total Valuation	\$3,154,608	\$5,875,000	\$17,687	\$32,940	\$50,628

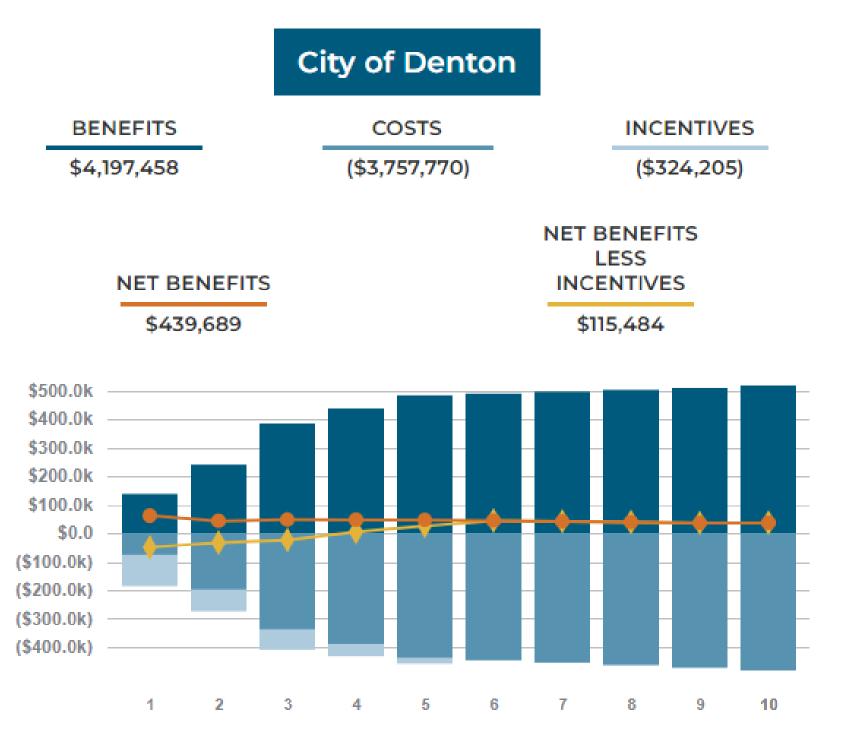
JOBS DETAIL / PAYROLL

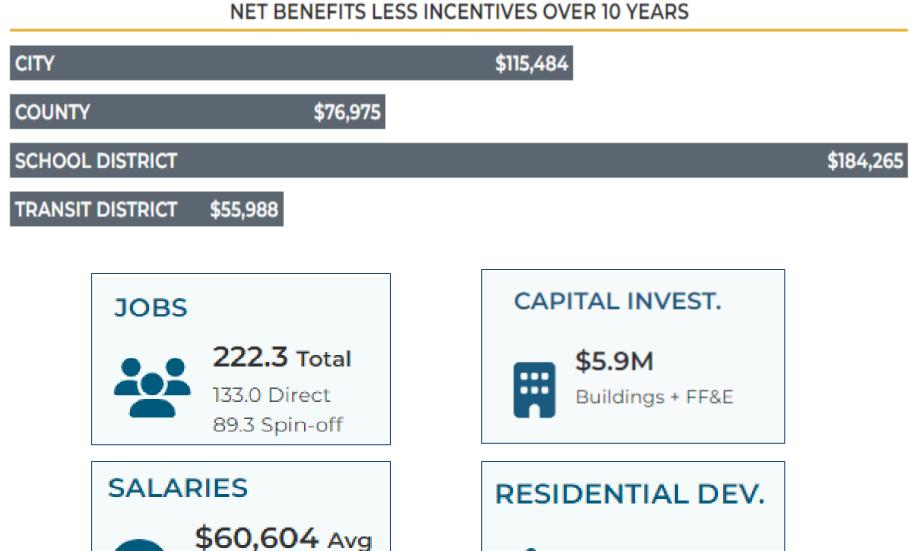
	Grant per New Eligible									
Salary		Job	Eligible Jobs	amount						
Jobs equal to or > than \$100,000	\$	5,000	27	\$	135,000					
Jobs equal to \$90,000-\$99,999	\$	2,500	12	\$	30,000					
Jobs equal to \$75,000-\$89,999	\$	1,000	27	\$	27,000					
Jobs equal to \$65,000-\$74,999	\$	500	4	\$	2,000					
Total			70	\$	194,000					
Denton Residents	\$	500	32	\$	16,000					
TOTAL Incentivised Jobs			102							

							Dana				Americal			Annual
New Jobs Created							Base Hourly	Annual Base	Annual	Total	Annual Base		Salary +	Payroll +
Job Type/Description	Year 1	Year 2	Year 3	Year 4	Year 5	Total Nbr.	Wage	Salary	Payroll	Nbr.	Salary	30% benefits	Benefits	Benefits
Plant Lead / Head	1					1	\$67.31	\$140,000	\$140,000	1	\$140,000	\$42,000	\$462,001	\$462,001
Engineering Manager		1	1			2	\$64.90	\$135,000	\$270,000	2	\$135,000	\$40,500	\$580,502	\$1,161,004
Quality Head	1					1	\$50.48	\$105,000	\$105,000	1	\$105,000	\$31,500	\$346,501	\$346,501
Accounting Manager	1		3	1		5	\$50.48	\$105,000	\$525,000	5	\$105,000	\$31,500	\$766,505	\$3,832,525
HR Manager	1					1	\$50.48	\$105,000	\$105,000	1	\$105,000	\$31,500	\$346,501	\$346,501
Planning / Production Control Manager	1	1	1			3	\$48.08	\$100,000	\$300,000	3	\$100,000	\$30,000	\$530,003	\$1,590,009
Sales Manager		1	2		1	4	\$48.08	\$100,000	\$400,000	4	\$100,000	\$30,000	\$630,004	\$2,520,016
Design Engineer		1	2	2	1	6	\$43.27	\$90,000	\$540,000	6	\$90,000	\$27,000	\$747,006	\$4,482,036
Production Manager : Injection Molding	1	2				3	\$40.87	\$85,000	\$255,000	3	\$85,000	\$25,500	\$450,503	\$1,351,509
Tooling Manager		1				1	\$39.66	\$82,500	\$82,500	1	\$82,500	\$24,750	\$272,251	\$272,251
Lean Six Sigma Engineer	1	2				3	\$36.06	\$75,000	\$225,000	3	\$75,000	\$22,500	\$397,503	\$1,192,509
Quality Engineer : In Process	1	3		5		9	\$34.86	\$72,500	\$652,500	9	\$72,500	\$21,750	\$819,259	\$7,373,331
Production Engineer : Injection Molding	3					3	\$32.93	\$68,500	\$205,500	3	\$68,500	\$20,550	\$363,053	\$1,089,159
Maintenance		2	1			3	\$31.25	\$65,000	\$195,000	3	\$65,000	\$19,500	\$344,503	\$1,033,509
Quality Inspector : Pre Despatch	2	4	1			7	\$28.85	\$60,000	\$420,000	7	\$60,000	\$18,000	\$558,007	\$3,906,049
Logisitics Manager	1	2	2			5	\$28.85	\$60,000	\$300,000	5	\$60,000	\$18,000	\$438,005	\$2,190,025
Quality Inspector : Incoming Material		1	2	3		6	\$28.85	\$60,000	\$360,000	6	\$60,000	\$18,000	\$498,006	\$2,988,036
Forklift Driver	1	1	1			3	\$28.85	\$60,000	\$180,000	3	\$60,000	\$18,000	\$318,003	\$954,009
Material Handler	1	2	1			4	\$26.44	\$55,000	\$220,000	4	\$55,000	\$16,500	\$346,504	\$1,386,016
Stores Manager	1	1	2	3		7	\$21.63	\$45,000	\$315,000	7	\$45,000	\$13,500	\$418,507	\$2,929,549
Machine Operators	8	14	24		10	56	\$21.63	\$45,000	\$2,520,000	56	\$45,000	\$13,500	\$2,623,556	\$146,919,136
TOTALS	25	39	43	14	12	133			\$8,315,500					\$188,325,681

EDP24-081, 11/13/2024

ECONOMIC IMPACT REPORT





3.0 Homes

19.8 Relocations



\$62,523 Direct

\$57,746 Spin-off

Projected Revenue and Financial Impact

Revenue Growth Forecast

Enginetech anticipates a 30% increase in revenue over the next three years, driven by local manufacturing efficiencies and increased demand for our key products.

Cost Savings Analysis

Local production is expected to mitigate Sea-freight Costs and Supply Risks. It directly benefits our customer as we come under the USMCA Umbrella.

Long-Term Commitment

Enginetech is committed to sustainable financial growth, with plans to help the community and infrastructure improvements, fostering a robust economic environment.

POLICY & PLAN ALIGNMENT

City of Denton Strategic Plan

 Key Focus Area #2: Foster Economic Opportunity and Affordability

Economic Development Strategic Plan

- Goal 2: Foster Growth
 - Supply Chain Logistics
 - Advance Manufacturing
 - Research & Development
 - Energy Efficiency and Conservation
 - Green Building Standards
- Goal 3: Strengthen Community Inclusion
 - Workforce Collaborative
 - Grow Your Own Talent Initiative

Benefits

North American Headquarters

Top 20 Employer Global Supply Chain 1 of 7
Injection
Molding in TX

Sustainable Practices

Potential Future Expansion

Knowledge Based Jobs

Grow talent Pipeline Educational Partner/Workforce Solutions

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Options and Directions

- Chapter 380 Grant:
 - Performance-based ad valorem tax rebate at 50% for 5 years
 - Jobs-based grant (70 jobs based on "eligible jobs" in policy matrix and up to
 32 additional jobs per Denton resident).
 - Agreement to include a valuation threshold and cap on funding amount of \$339,545.
- No incentive

Next Steps

If directed to move forward with an incentive, the next steps include:

City Council individual consideration

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QUESTIONS?

DENTON

City of Denton

City Hall 215 E. McKinney St. Denton, Texas 76201 www.cityofdenton.com

Legislation Text

File #: EDP24-082, Version: 1

AGENDA CAPTION

Receive a report, hold a discussion, and make a recommendation to City Council regarding a Chp. 380 incentive for Bloomfield Homes, L.P. for 10 years authorizing the expenditure of funds through sales tax rebates associated with the Texas Direct Pay Permit program.

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 13, 2024

SUBJECT

Receive a report, hold a discussion, and make a recommendation to City Council regarding a Chp. 380 incentive for Bloomfield Homes, L.P. for 10 years authorizing the expenditure of funds through sales tax rebates associated with the Texas Direct Pay Permit program.

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.

NEXT STEPS

The next step is a City Council individual consideration on Nov. 19, 2024.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Presentation

Respectfully submitted: Clay Parker Business Recruitment Specialist November 13, 2024

BL00MFIELD H0MES

ECONOMIC DEVELOPMENT INCENTIVE APPLICATION

Presented:

Clay Parker, Business Recruitment Specialist



OBJECTIVE

Present an incentive application for Bloomfield Homes and seek approval for a recommendation for City Council.

EDP24-082, 11/13/2024

COMPANY BACKGROUND

- Market leading homebuilder focused primarily in the DFW metro area.
- Headquartered in Southlake and founded in 2004.
- Constructing 248 new homes in two communities in Denton:



INCENTIVE REQUEST

- Bloomfield Homes pays local sales taxes on construction materials (lumber, stone, appliances, etc.) where suppliers have "places of business" or warehouses.
- Alternatively, Bloomfield homes can issue suppliers its Texas Direct Payment
 Permit. This allows a homebuilder to pay taxes on materials based on local tax rates due at "job sites."
- Bloomfield Homes 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.

EDP24-082, 11/13/2024

TEXAS DIRECT PAYMENT PERMIT

- Allows qualified purchasers to pay taxes directly to the Comptroller rather than to the seller.
 - To qualify, a company must have an expected taxable purchases volume of at least \$800k annually.
- Items purchased under a direct pay permit must be for the purchaser's own use and not for resale.
- Bloomfield Homes utilizes this permit to divert sales tax funds from material purchases to 21 communities like:
 - Anna

• Little Elm

Celina

Mansfield

Justin

Mesquite

Lavon

Midlothian

CONSTRUCTION MATERIALS TAX BREAKDOWN

Average cost of materials per house

\$75k



Local Sales
Tax Rate

1.5%

Average local sales tax from materials per house

\$1.1k

x 33% =

x 67% =

Bloomfield share per house

\$375

CoD share per house

\$750

NEW LOCAL SALES TAX 10-YEAR PROJECTION

CoD Share of Local
Sales Tax on Materials
per House

\$750

New Homes in Country
Lakes and Glenwood
Meadows

248

Total CoD Share of New Local Sales Tax

5186k

38

NEW LOCAL SALES TAX GROWTH RATE OPTIONS

Inflation Rate	CoD Share of New Local Sales Tax
Current Materials Prices (0% Inflation)	\$186,000.00
Materials Price Increasing 5% Annually	\$237,270.90
Materials Price Increasing 8% Annually	\$278,907.00

RETURN ON INVESTMENT

EXPANDS TAX BASE

 Provides the City with over \$186k in sales tax that would otherwise fall under a different jurisdiction.

BUSINESS RETENTION

- Retaining 992 construction jobs
 - Denton Labor Force: 83,745
 - 2023 Census Population Estimate: 158,361

SUSTAINABILITY

 Bloomfield Homes utilizes high efficiency HVAC, lighting, appliances, etc.

CHARITABLE COMPANY

 The company manages a food pantry and sponsors library reading programs.

INCENTIVE RECOMMENDATION

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

OPTIONS

- 1. Staff recommendation: 10-year, grant-based incentive.
- 2. No incentive.

NEXT STEPS

If directed to move forward with an incentive, the next steps include:

- Finalizing an agreement with legal
- City Council individual consideration

QUESTIONS?



City of Denton

City Hall 215 E. McKinney St. Denton, Texas 76201 www.cityofdenton.com

Legislation Text

File #: EDP24-080, Version: 1

AGENDA CAPTION

Staff Reports:

- 1. Downtown Economic Development Committee Update Jeremy Fykes
- 2. Director's Report Brittany Sotelo
- 3. EDPB Partnership Update Jamie Adams
- 4. Future Agenda Items Christine Taylor

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 13, 2024

SUBJECT

Staff Reports:

1. Downtown Economic Development Committee Update – Jeremy Fykes

- 2. Director's Report Brittany Sotelo
- 3. EDPB Partnership Update Jamie Adams
- 4. Future Agenda Items Christine Taylor

BACKGROUND

Downtown Economic Development Committee Update:

A report on projects and meetings coming through the Downtown Economic Development Committee in the last quarter.

Director's Report:

A brief update on department projects and progress from Director Brittany Sotelo.

EDPB Partnership Update:

A recap of recent and upcoming happenings within the Economic Development Partnership (EDP). Overview of key focus areas, EDP investor highlights, and meetings with key stakeholders in Denton.

Future Agenda Items:

An overview of current items in the Agenda Queue and discussion of possible future agenda items.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Downtown Economic Development Committee Update Presentation

Exhibit 3 – Director's Report Presentation

Exhibit 4 – EDPB Partnership Update Presentation

Exhibit 5 – Queue of Future Agenda Items

Respectfully submitted: Matilda Weeden Economic Development Specialist

Downtown Economic Development Committee Update July-Aug-Sept 2024

Jeremy Fykes-DEDC Chair



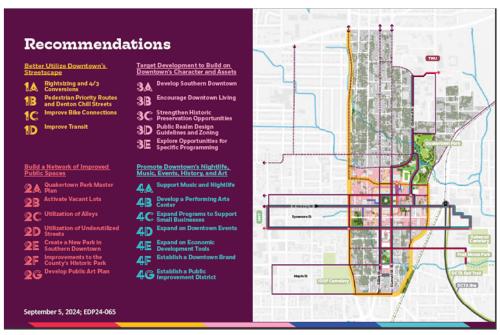
Design Downtown Plan

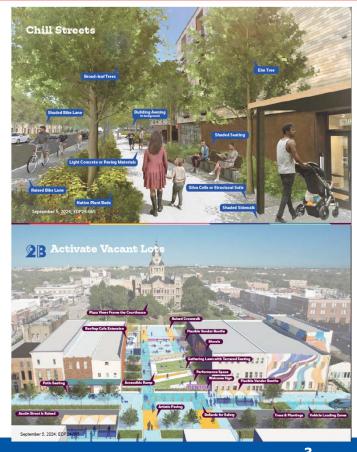
- Received a report from City Planning and Mend Collaborative on the Design Downtown Plan before it went to City Council.
- This plan was presented to City Council on September 17 for adoption and passed.



2

Design Downtown Plan







3

Construction Presentation

- Received a report from City Capital Projects on the downtown Construction
- Construction started on August 26 and finished September 12. Upon inspection, TXDOT needed to redo some areas, intermittent lane closures started September 24.
- City social media and Discover Denton made posts to let residents and visitors know that Denton businesses are still open.



4

Construction Presentation











DENTON

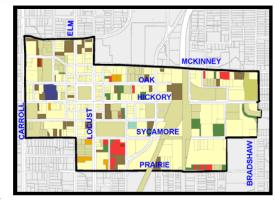
Downtown Reinvestment Grant





6

The Downtown Reinvestment Grant is available for buildings located within the Downtown Tax Increment Reinvestment Zone Number One.



FY 23-24 Tax Increment Reinvestment Zone Number One (Downtown) Grants

	Approved By								
Owner/Business	Address	Туре	Amount	DEDC	TIRZ	Council	Construction	Reimbursement	Completed
Bullseye Investments/Retail	108 W. Mckinney	Facade/Building Rehab	50,000	Χ	Х	X	X	X	Х
Little D Property Group/ Office Space & Retail	104-106 W Oak	Fire Suppression	50,000	Х	Х	Х	Х	X	Х
Little D Property Group/Office Space & Retail	104-106 W. Oak	Facade/Building Rehab	50,000	Х	Х	Х	X		
Green Eggs and Ham LLC/Restaurant	116 W. Oak	Fire Suppression	50,000	Х	Х	Х	X		
Green Eggs and Ham LLC/Restaurant	116 W. Oak	Facade/Building Rehab	50,000	Х	Х	Х	X		
Eagle Surveying LLC/ Office Space	212 W. Sycamore	Facade/Building Rehab	50,000	Х	Х	Х	X		
Axis Realty/Fine Arts Theater	113 N. Elm	380 Incentive Grant	1,076,366	Х	Х	Х			
Axis Realty/Fine Arts Theater	113 N. Elm	380 Incentive Grant	544,503	Х	Х	Х			
T-t-1 (1.000.000)									

Total \$1,920,869



7

Q3 Downtown Reinvestment Grant Process Overview

 Received a report from Main Street Program Manager on the review process for the Downtown Reinvestment Grant

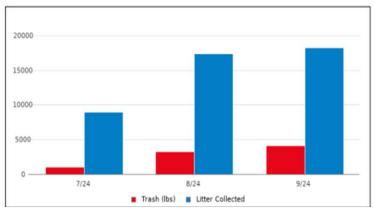
Date Paid	Grantee Name	Property Address	Amount Granted	Amount Paid	2021/2022	2024	Difference
12/20/202	1 Three Wishes Gifts	108 W. Oak St.	\$ 1,205.00	\$ 1,205.00	\$526K	\$569К	\$43K Increase
4/6/202	2 Salvage Secondhand Shoppe	225 W Oak St.	\$ 302.02	\$ 302.02	\$325K	\$330K	\$5K Increase
5/17/202	2One Way Investments	222 S. Elm St.	\$ 50,000.00	\$ 50,000.00	\$870K	\$978K	\$108K Increase
	Total Approved or Paid during FY 21/22		\$ 51,507.02	\$ 51,507.02			
Date Paid	Grantee Name	Property Address	Amount Granted	Amount Paid	2022/2023	2024	
1/23/202	3 Salon NV	305 S. Locust St.	\$ 50,000.00	\$ 50,000.00	\$220K	\$245K	\$25K Increase
4/28/202	3Chestnut Tree	107 W. Hickory St.	\$ 50,000.00	\$ 50,000.00	\$353K	\$356K	\$3K Increase
9/1/202	3 Denton Community Theater	214 W. Hickory	\$ 2,500.00	\$ 2,500.00	\$792K	\$852	\$60K increase
1/27/202	3Steve's Wine Bar	111 Industrial st	\$ 20,000.00	\$ 20,000.00	\$65K	\$80K	\$15K Increase
	Total Approved or Paid during FY 22/23		\$ 122,500.00	\$ 122,500.00			
Date Paid	Grantee Name	Property Address	Amount Granted	Amount Paid	2023/2024	2024	
		, ,					
	Robert Moses	115-117 W. Hickory St.	\$ 4,022.00	\$ 2,011.00	\$700K	\$728K	\$28K increase
4/5/202	4Bullseye Invest/Holdings	108 W McKinney St	\$ 50,000.00	\$ 50,000.00	\$218K	\$214K	\$4K decrease
9/5/202	4Little d Property LLC	104-106 W. Oak	\$ 50,000.00	\$ 50,000.00	*2021 \$680K	\$720K	\$40K increase
	Total Approved or Paid during FY 23/24		\$ 104,022.00	\$ 102,011.00			



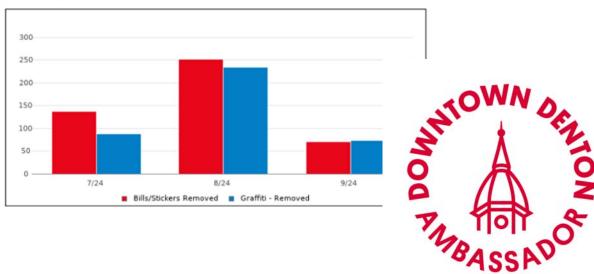
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Q3 Downtown Ambassador Program Update

July 2024 through September 2024



July 2024 through September 2024



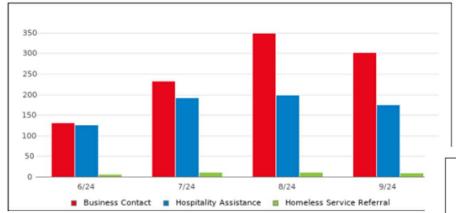
***Program started Jan. 22, 2024

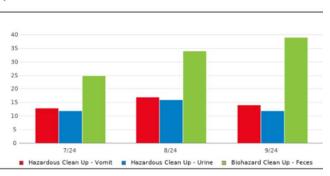


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Q3 Downtown Ambassador Program Update

June 2024 through September 2024









10

Q3 Downtown Openings and Closings

July-Sept	Business Start	Business Closure	Jobs (gained)	Jobs (lost)
Demure Stylez		×		2
Union Bear	x		90	
Omega's Dream Childcare	x	x	5	5
Denton Maker Center	х		2	
Three Roses Tea Room	x		5	
Boka Feliz	x		15	
Gangnam Chicken		x		7
TOTAL	5	3	117	14



11

Questions?



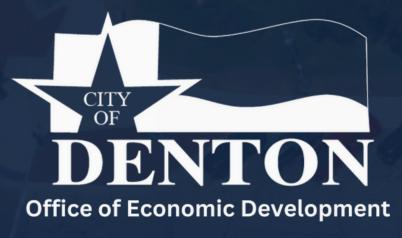
12

November 13, 2024

DIRECTOR'S REPORT

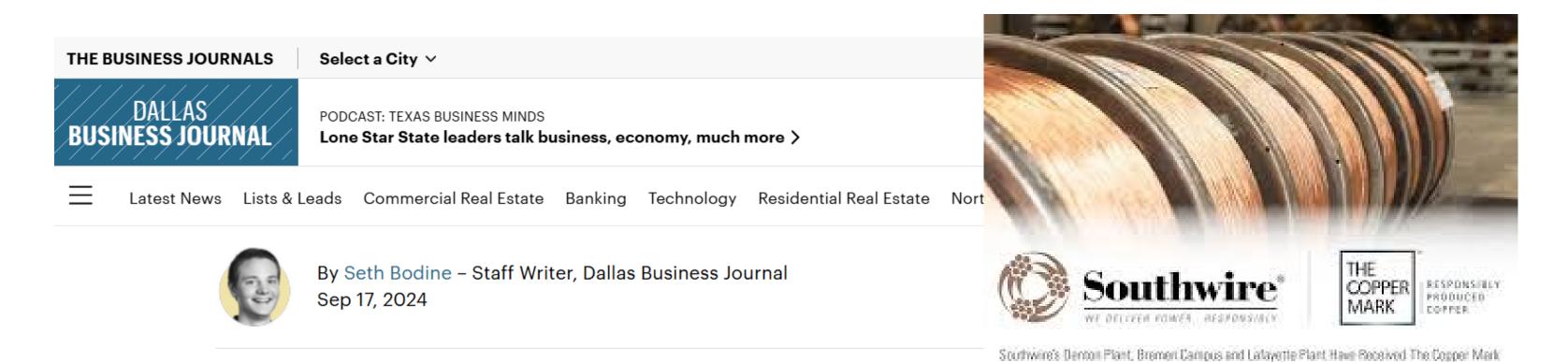
OFFICE OF ECONOMIC DEVELOPMENT

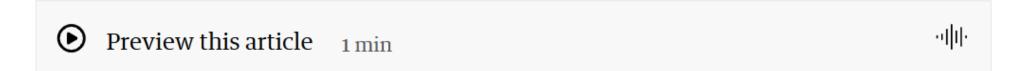
Brittany Sotelo Economic Development Director



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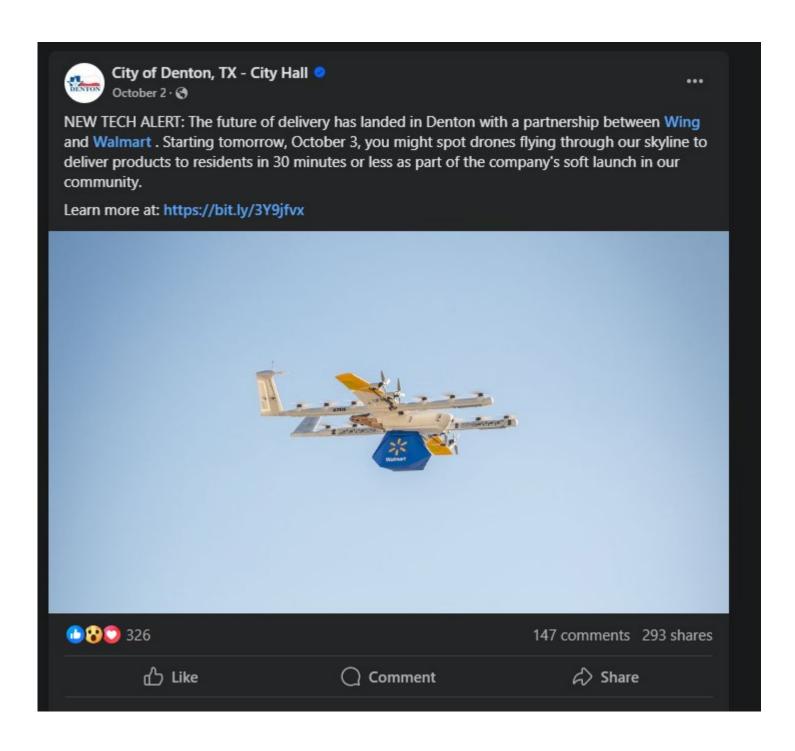
Southwire Expansion Approved





Southwire, a cable and wire company that already employs hundreds in North Texas, is seeking incentives for possible expansion in Denton. Read about the kind of jobs being offered and the other states being considered in this story.

WING LAUNCH



Wing in Denton:

- Oct. 2 Launch at Walmart on Loop 288
- Six-mile delivery radius
- 10 Delivery drones

About Wing:

- Subsidiary of Google's Alphabet company
- Delivery drone company
- Partner with Walmart, Doordash, and Apian (medical supply delivery group)

HOLT LUNSFORD GROUNDBREAKING



EDP24-080, Nov 13, 2024

- Groundbreaking of Denton Point III, IV, & V
- Three buildings, 451,856 sq. ft. development
- Class A warehouse space

MOVE AMERICA TRADESHOW



- Trade show focusing on Mobility,
 Technology, and Sustainability
- Attended informational sessions and met with leads
- Joined by Bill Kahn, R&D Engineer for Peterbilt

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TRAINING AND DEVELOPMENT



ATTENDED:

- TEDC Annual Conference
- Texas Downtown
 Association Conference
 - Panel Presentations
- UNT Advanced Air Mobility
 Symposium

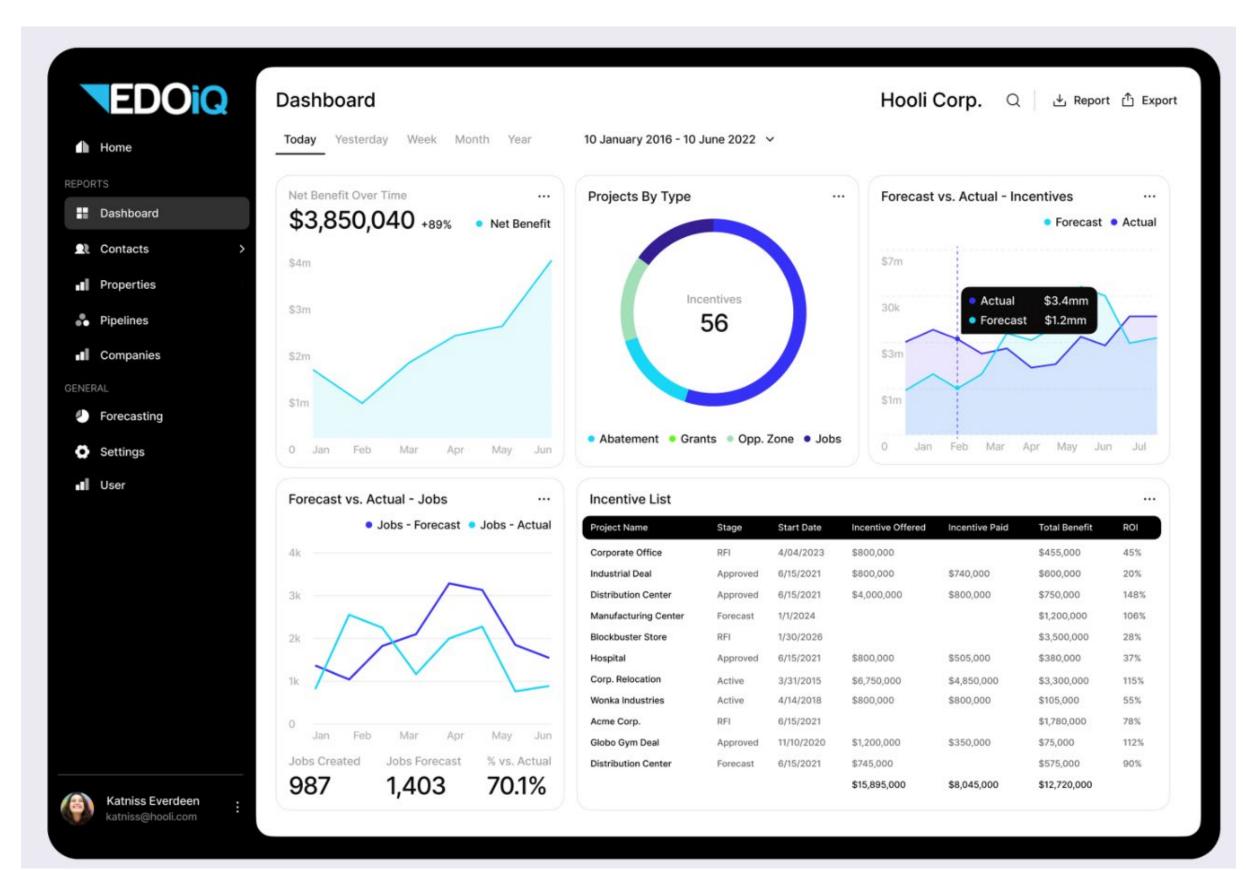
DALLAS REGIONAL CHAMBER (DRC)



- Met with Economic Dev.
 Team to strengthen
 partnership
- Discussed strengths and opportunities

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NEW CRM IMPLEMENTATION

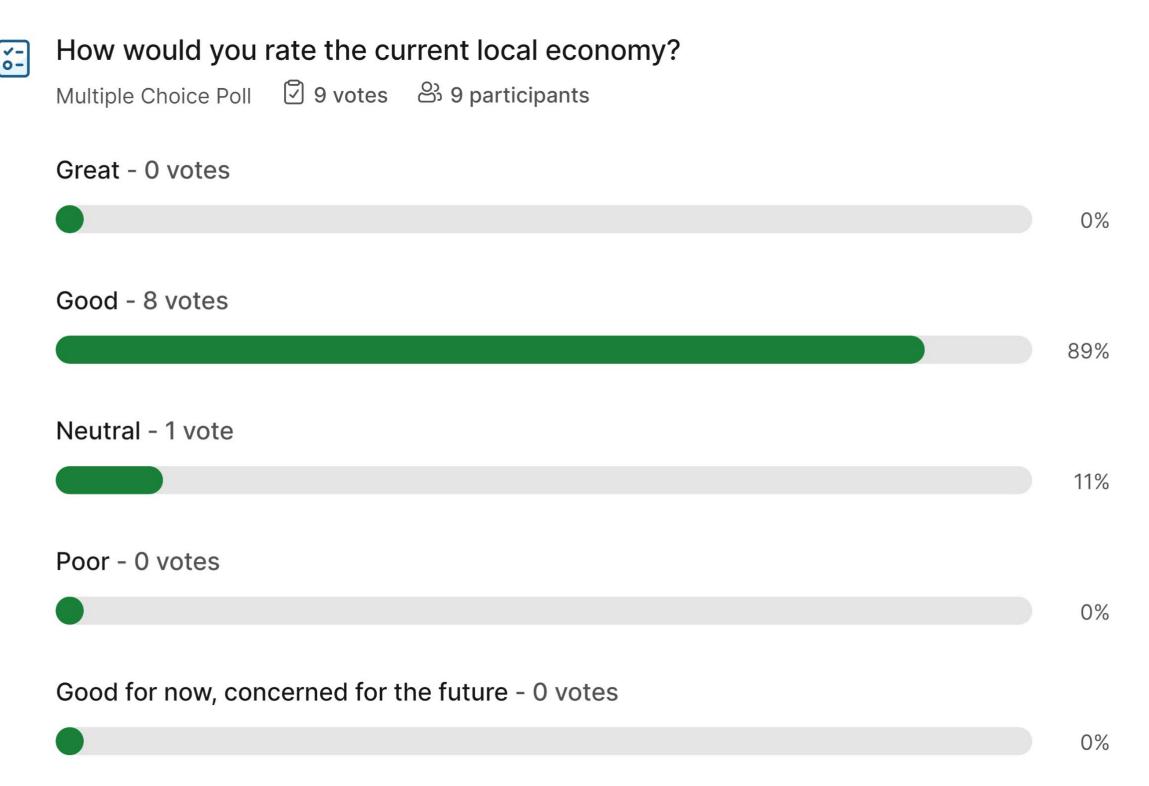


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Projects in Progress

- Downtown Area Utility Grant
- Small Business Bootcamp Workshops hosted by SCORE
- TIRZ #1 Boundary Amendment
- Incentive/Competitiveness Study RFI

Denton 360 Presentation



EDP24-080, Nov 13, 2024

Denton 360 Presentation



What are the top opportunities for Denton?

Wordcloud Poll

☑ 14 responses 🔒 9 participants



Denton 360 Presentation



What are the top challenges for Denton?

Wordcloud Poll

☑ 11 responses 🕏 7 participants



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THANK YOU

EDP24-080, Nov 13, 2024

NOVEMBER 2024 DENTON EDP REPORT

BUSINESS RETENTION AND EXPANSION UPDATE



DENTON, TEXAS

JAMIE ADAMS

Director of Strategic Partnerships
Denton Economic Development
Partnerships



The EDP has been actively engaging with already established businesses within a community to identify their needs and provide support to help them grow and remain in the area, essentially aiming to retain existing businesses and encourage their expansion.

Interviews and tours are conducted with businesess to collect information and provide the best resources for their overall success.





GOAL - CONDUCT 4 BR&E VISITS EACH MONTH



TASKED	Q1	Q2	Q3	Q4	YEAR TOTAL
48	0	16	14	14	44

KEY INDUSTRIAL VISITS

- JOSTENS
- TARGET DISTRIBUTION
- SAFRAN
- WINCO
- TETRA PAK

EDP24-080; November 13, 2024

OTHER INDUSTRY VISITS

- RESTAURANTS
- ENTERTAINMENT VENUES
- INDUSTRIAL DEVELOPERS
- CONTRACTORS
- SMALL BUSINESS OWNERS



Workforce Development

Education Partner Connection

TOP 5 CHALLENGES

Employee Satisfaction Ideas

Transportation Assistance

Incentives / Financial Assistance





HELP PROVIDED



EVENTS HOSTED IN 2024 THAT ADDRESSED BR&E

HR COMMUNITY LEADERS' ROUNDTABLE



- Partnership with North Texas SHRM and Denton EDP.
- Held at Denton Development Services Center.
- 44 HR Leaders in attendance

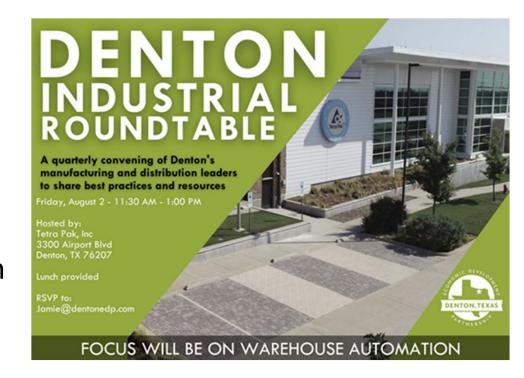


EVENTS HOSTED IN 2024 THAT ADDRESSED BR&E



INDUSTRIAL ROUNDTABLES

- Hosted two, one at UNT Discovery Park
- Focus was on workforce development
- Second was at Tetra Pak with a focus on Warehouse Automation
- Over 100 leaders attended



PLANS FOR 2025



MANUFACTURING DAY

Manufacturing Day is a celebration of modern manufacturing meant to inspire the next generation of manufacturers. This is an event designed to encourage students to learn skills that can be applied to employment in the manufacturing industry and beyond.





Economic Development Partnership Board

Meeting Date	Item Description	Presented By	Time
Wednesday, December 11, 2024			
Item for Consideration	Approval of Minutes	Chair	5
Work Session	Sustainability Green Business Program	Sustainability	15
Work Session - Staff Report	Economic Development Partnership Update	Jamie Adams	10
Work Session - Staff Report	Director Update	Brittany Sotelo	10
Work Session - Staff Report	Quarterly Main Street Program Update (Sept. Oct. Nov.)	Kristen Pulido	10
Work Session - Staff Report	Future Agenda Items	Christine Taylor	5
		Total Time	55
TBD:			