



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: June 17, 2025

SUBJECT

Consider 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 and to stimulate business activity and economic growth of the City of Denton between the City of Denton and Mayday Manufacturing Co. regarding the expansion of operations in the City of Denton; authorizing the expenditure of funds; therefore and providing an effective date. The Economic Development Partnership Board recommends approval (11-0-1).

BACKGROUND

Mayday Manufacturing Co. is an existing Denton business, which provides its clients with aerospace manufacturing services by producing precision bushings, sleeves, pins, and other close-tolerance machined parts. Additionally, the company produces parts with milled features and can add finishings to their products to provide a vertically integrated manufacturing process. These parts are used for landing gear, wings, actuators, engine mounts, rotary head components, flight controls, and auxiliary power unit (APU) mounts. The company has produced over 130,000 different parts numbers for major military and commercial aerospace design groups worldwide, serving more than 600 customers in 18 different countries. The company has been operating for 59 years.

In 2012, the company carried out an expansion and received a 75% ad valorem rebate on the added value. The 10-year agreement with the company was completed in 2022.

Project

Mayday Manufacturing Co. currently maintains a manufacturing facility located at 3100 Jim Christal Road in Denton. The company employs around 400 with an average salary greater than the local average.

The Denton facility has been identified as a potential location for expansion due to the City's demonstrated commitment to supporting the company's growth and success at this location, but the company's current operations has been in competition with other locations following recent economic shifts.

Mayday Manufacturing Co. plans to expand its existing facility and estimates that its investment in the building, machinery, and equipment will generate \$14.5 million in new capital investment. The project involves plans to create 50 jobs with an average salary of \$54,020.

STRATEGIC AND POLICY ALIGNMENT

City of Denton Strategic Plan

- Key Focus Area #3: Foster Economic Opportunity and Affordability

Economic Development Strategic Plan

- Goal 1: Accelerate Recovery
 - Business Retention and Workforce Development
 - Retain existing businesses
- Goal 2: Foster Growth
 - Energy Efficiency and Conservation

Policy Considerations

The project NAICS falls under the Connected Strategic Growth Areas (SGAs) industry targets and addressed the following SGA considerations detailed in the Incentive Evaluation Matrix (Exhibit 2):

- Engages in sustainable practices: Project has adopted sustainable or green business practices (e.g. LEED certification, renewable energy commitment or use, energy efficient construction);
- Pays a living wage for all new employees in accordance with the current “Living Wage” from the MIT Living Wage Calculator for Denton County;
- Expands the tax base through property, sales, Hotel Occupancy Tax (HOT), or other taxes to the City, County, DISD, and DCTA through the development of property, facility or by making improvements to an existing property or facility, through the development of a new business or expansion of an existing business, through the development of a new multi-tenant complex where businesses can locate, or through the addition or increase in jobs available in the City;
- Provides benefits to employees that may include: on-site childcare services; adult care; vouchers or other financial assistance for child or adult care; backup or temporary childcare services; flexible hours or remote work accommodations; and flexible spending accounts; 401(k) matching/pension; tuition reimbursement; or other benefits.

Project Benefits

Staff conducted analysis on the information provided by the company to ensure stated policy criteria were met and determine both qualitative and quantitative public benefits. Staff also used an economic impact analysis model to quantify the economic impact and rate of return. Total Impact, by Austin-based Impact DataSource, is a customized economic development modeling tool that performs economic and fiscal impact analysis and incentive analysis. The economic impact is based on a Regional Input-Output Modeling System (RIMS II) created by the U.S. Department of Commerce, Bureau of Economic Analysis, which is widely used to estimate the direct and secondary impacts of an event on the regional economy using input and output methods.

Quantitative Benefits and Economic Impact for the Community

- Capital Investment: \$14.5 million
- Total Jobs:
 - Direct Jobs: 50
 - Spin Off: 36.3
- 10-year net benefits estimated at \$522,349
- Rate of Return: 21.3%
- Payback period: 4.3 years

Qualitative Benefits and Community Impact

- Business retention and expansion
 - Retaining around 400 jobs in Denton
- Supply chain
 - Manufacturing company that is essential to the aerospace industry

- Sustainable practices and activities
 - Engaging in corporate carbon footprint reduction policies
- Education Collaboration
 - Partnerships with LaGrone Academy and UNT

STAFF RECOMMENDATION

Staff recommends approval of a Chapter 380 Grant, total not to exceed \$577,944 for the following:

- Performance-based ad valorem tax rebate at 60% for 10 years for the business expansion
- Expansion grant for \$25,000

PRIOR ACTION/REVIEW

May 14, 2025: The Economic Development Partnership Board recommended approval (11-0-1).

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Incentive Evaluation Matrix
Exhibit 3 – Economic Impact Summary
Exhibit 4 – Ordinance and Agreement
Exhibit 5 – Presentation

Respectfully submitted:
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