

4E Modify and Expand on Economic Development Tools

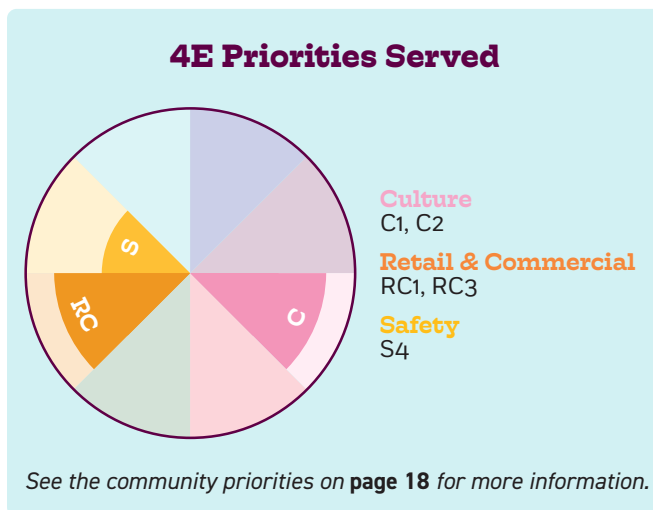
Denton employs a variety of economic development tools to enhance its Downtown area, yet many of these tools remain underutilized or are not applied with a clear strategy. Some resources available to the city are not utilized at all, leading to missed opportunities for growth and improvement. To address these challenges, it is crucial to explore how these tools can be used more effectively and strategically. By expanding, sharpening, and combining these economic development tools, Denton can ensure a more robust and successful implementation of its vision for Downtown.

The Case for Action

A review of Denton's existing funding sources revealed that several key economic development tools are in place but have not been extensively utilized.

The Tax Increment Reinvestment Zone (TIRZ) retains incremental increases in property tax revenue within a designated district, accumulating a balance of \$3.5 million and generating \$1 million annually. These TIRZ funds support Downtown Reinvestment Grants, providing up to \$200,000 per year to reimburse downtown businesses in building improvements such as roof and foundation repairs, new signs and awnings, and utility and fire suppression upgrades.

380 Agreements offer tax rebates or grants for new construction aimed at economic development. TIRZ revenue was used to provide grant funds for such an agreement with the Railyard project, now complete.



The Catalyst Fund, designed to support economic development initiatives citywide, currently has a balance of \$4.3 million and funds entrepreneur tech, expansion, and job-based grants.

Finally, Historic Tax Credits offer an annual property tax exemption of up to 50% on designated buildings with up to \$10,000 in qualifying improvements or restoration, but only two properties downtown currently utilize this exemption according to the city database.

Proposed Actions

The City of Denton should expand economic development opportunities in the following areas.

Existing Funding Sources to be Modified:

Tax-Increment Reinvestment Zone (TIRZ)

The current TIRZ covers a limited area, though it is now generating almost \$1 million per year in revenue and has \$3.5 million in current funding reserves.

