

City of Denton Economic Development Department

FY 2017-18 Budget Presentation



City Economic Development Department Responsibilities

- Respond to RFPs and develop prospects
- Analyze, negotiate, and administer incentives
- Handle business retention, business assistance, and workforce development activities
- Administer Main Street Program, facilitate Downtown events, coordinate S.H.O.P. Denton and other small business programs
- Provide technical, advisory, and customer service support to local businesses, other City departments, and the Chamber
- Liaison to the Economic Development Partnership Board, Downtown Task Force, and two TIRZ Boards



Accomplishments

- Expansion of Sally Beauty Supply
- Location of Med-Trans and upventur
- Opened Stoke Denton
- Moved Governor's Office of Economic Development and Dallas Regional Chamber request for proposal responses in-house and developed resource library
- Completed 2nd and final year of the EDP's Strategic Action Agenda
- 140 business retention visits or calls



Accomplishments

- Hosted first “T.C.B. in lil’ d” small business seminar during National Small Business Development Week
- Established City interdepartmental Downtown Parking Working Group
- Member of the Development Strike Team
- Brought 30 items to Council to date, including:
 - 4 Downtown Reinvestment Grants
 - 2 State of Texas Enterprise Project designations
 - Ch. 380 agreement for Sally Beauty
 - Rayzor Ranch Ch. 380 agreement amendment
 - West Gate Business Park’s Ch. 380 agreement amendment and Tax Abatement Agreement adoption



Goals

- Implement Total Impact 2.0
- Revise 2016 City of Denton Policy for Tax Abatement and Incentives
- Finalize incentive contract templates
- Write monthly column for *Denton Business Chronicle*
- Develop DTV series on economic development
- Institute new performance measures related to recruitment, BRE, workforce development, small business, downtown, customer service, and incentives



Current Performance Measures

Percentage of jobs in Denton paying equal to or greater than \$75,000

Target: 10.75%

Q2: 11.7%

Median Family Income

Target: \$63,411

Q2: \$68,189

Percentage Rate of Unemployment

Target: <3.9%

Q2: 3%

Percentage of jobs in Denton paying equal to or greater than \$25,000

Target: 68.5%

Q2: 70.4%

Increase in Return on Investment of incentives awarded

Target: 300%

Q2: 400%

Number of redeveloped properties in Downtown Denton

Target: 6

Q2: 11

Total net sales tax collections related to economic development incentives

Target: \$3.8 MM

Q2: \$1.88 MM

Number of business retention visits

Target: 105

Q2: 60



Proposed Performance Measures

Recruitment

- Number of RFPs returned in target industry sectors
- Submission of RFP responses in 4 working days or less
- Conversion of RFPs into prospects

Business Retention and Expansion

- Number of business retention visits in Downtown (24 per year)
- Number of business retention visits outside Downtown (24 per year)

Workforce

- Number of workforce development activities or grants facilitated (12 per year)

Small Business

- 10% increase in business participation in small business programs

Downtown

- Number (6 per year) and increase in value of redeveloped properties in Downtown

Customer Service

- Business assistance provided
- Completion of STaND report within 5 working days of receipt of all data

Incentives

- ROI of incentives awarded
- Total net sales tax collections related to ED incentives
- Total net property tax collections related to ED incentives



Cost Containment Strategies

- Monthly meetings among Economic Development, Legal, and Finance departments
- Cross training between Economic Development and Finance staff
- Internal cross training with Economic Development staff
- “Lunch and Learn” events between Economic Development and Development Services



Process Improvements

Completed:

- Requests for proposal responses from Governor's Office of Economic Development and Dallas Regional Chamber moved in-house

Future:

- Total Impact 2.0 (ED)
- Customer relationship management system for economic development (City & Chamber ED)
- Incentive contract templates (ED and Legal)
- STaND report "automation" (ED and Tech Services)
- Events (multidepartmental)



Expenditures

Payments out of the General Fund for Chapter 380 economic development incentives are budgeted under Economic Development Operations. The initiation of the O'Reilly hotel/convention center and WinCo distribution center incentives added \$911,223 to the FY 17-18 budget.



Budget Highlights

Expenses	FY 2014-15 Actuals	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2017-18 Proposed
Personal Services	554,973	575,393	703,036	653,886
Materials & Supplies	32,440	31,434	38,868	38,868
Maintenance	576	-	-	600
Insurance	9,034	9,724	6,205	6,288
Miscellaneous	177,426	211,891	189,947	320,148
Operations	1,941,251	2,049,990	2,562,049	3,678,545
Cost of Service	135,072	148,703	37,498	42,563
Fixed Assets	-	-	-	-
Total	2,850,772	3,027,135	3,537,603	4,740,898
FTEs	5.75	5.75	6.75	5.75



Operations Detail – Ch. 380 Rebates

Description	FY 2017-18 Proposed
Sally Beauty	24,238
Schlumberger	55,478
Mayday	34,452
USAG	24,395
Business Air	45,442
Victor Technologies	71,734
WinCo DC	422,304
Westgate	39,649

Description	FY 2017-18 Proposed
O'Reilly Property Tax	93,220
O'Reilly Sales & Const. Sales and Use	392,003
Denton Crossing	641,132
Unicorn Lake	89,604
Rayzor Ranch	1,488,067
Golden Triangle	155,015
Grand Total	\$3,576,733

Operations budget less Ch. 380 rebates: **\$101,812**



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Questions / Comments

