



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

CM/ DCM/ ACM: Bryan Langley

DATE: March 20, 2018

SUBJECT

Consider approval of a resolution replacing the current City of Denton Policy for Tax Abatement and Incentives to establish guidelines and criteria governing tax abatement agreements and other types of incentive agreements.

BACKGROUND

When the City Council desires to incentivize a company to locate or expand in Denton, it may use the tools of property tax abatement and property or sales tax rebate. The City has a Policy for Tax Abatement and Incentives that guides the use of these tools. Under state law, the Policy for Tax Abatement and Incentives must be approved by the City Council every two years; the deadline for approval is April 5, 2018.

Staff began the policy revision process in 2017 and presented a work session on the proposed revisions to the Economic Development Partnership (EDP) Board on Jan. 10, 2018. The EDP Board's suggestions and comments from that work session were presented to the City Council in a work session on Jan. 16. The feedback from the EDP Board and Council was incorporated into the draft and presented again to the EDP Board on Feb. 14 for its recommendation to Council. Council received a work session regarding the Board's recommendation for adoption (7-0) of the policy on Feb. 27. During that meeting, Councilmembers asked staff to modify the policy to include a minimum threshold of 95% of capital investment and jobs as stated in the application.

The policy being presented for approval has incorporated the edits requested by the EDP Board and City Council during all prior work sessions. The primary changes to the policy include improved formatting, expanded definitions, removal of the specific capital investment framework, more parameters around incentivizing retail projects, addition of a general jobs-based incentive option, and a minimum threshold of 95% of capital investment and jobs claimed in application.

PRIOR ACTION

February 27, 2018 – Work Session presented to City Council

February 14, 2018 – Economic Development Partnership Board recommends approval of the revised Policy for Tax Abatement and Incentives (7-0)

January 16, 2018 – Work Session presented to City Council

January 10, 2018 – Work Session presented to the Economic Development Partnership Board

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence;

Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Economic Development

Related Goal: 3.1 Develop targeted policies and incentives to achieve desired economic growth

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Resolution

Exhibit 3 – Revised Policy for Tax Abatement and Incentives

Exhibit 4 – Incentive Policy Revision Summary

Exhibit 5 – Presentation

Respectfully submitted:

Caroline Booth

Director of Economic Development