

Exhibit 3

Incentive Policy Revision Summary

Staff Proposed Change	EDP Board Comments	Council Comments
<ul style="list-style-type: none"> • Limit Ch. 380 tax rebate agreements to terms of 10 years or less <ul style="list-style-type: none"> • consistent with state law on the term of tax abatements 	<ul style="list-style-type: none"> • Desire to preserve the flexibility for Ch. 380 terms beyond 10 years; do not want to limit options <ul style="list-style-type: none"> • Option to grant more than one 10-year phase with thresholds to initiate subsequent phases • Option to reduce percentage of incentive over the term of the grant 	<ul style="list-style-type: none"> • Agree with EDP Board comments
<ul style="list-style-type: none"> • Exclude retail projects except those that address a gap or leakage in the Denton market <ul style="list-style-type: none"> • Project must generate at least \$15 million in annual taxable sales to be considered • Sales tax rebates will be capped at 50% of sales tax receipts 	<ul style="list-style-type: none"> • Reword to “Prioritize retail projects that address a gap or leakage in the City of Denton” • Define “retail” • Define “leakage” 	<ul style="list-style-type: none"> • Concerned that “prioritize” conveys that retail is a target industry and prefer that another term be used
<ul style="list-style-type: none"> • Remove existing capital-investment based framework and “additional factors” <ul style="list-style-type: none"> • Retain \$5 million minimum value of structure and business personal property to be considered for a tax incentive 	<ul style="list-style-type: none"> • Retain some additional factors, such as use of green technologies, local hiring and contractors, and community involvement, but don’t tie to increased percentage of incentive 	<ul style="list-style-type: none"> • Agree with EDP Board comments • Stated that any additional factors claimed in the incentive application and used in the decision-making process must be referenced in the contract as a compliance requirement and verified prior to an incentive payment being made
<ul style="list-style-type: none"> • Addition of minimum thresholds: <ul style="list-style-type: none"> • New development – Denton Central Appraisal District (DCAD) valuation of the project must be at least 80% of 	<ul style="list-style-type: none"> • Allow the ability for an incentivized company to request an amendment to its incentive agreement if it doesn’t meet the minimum threshold 	<ul style="list-style-type: none"> • Some felt that applicants should be expected to make 100% of the valuation and hiring projections in their applications

<p>the eligible investment submitted in the incentive application</p> <ul style="list-style-type: none"> • Expansion/redevelopment – DCAD valuation of the incremental increase in value must be at least 50% of the eligible investment submitted in the incentive application • Jobs – actual jobs created must be at least 80% of what is submitted in the application 	<ul style="list-style-type: none"> • Allow for a proportional reduction in the incentive if the threshold is missed • Do not terminate an incentive if a company doesn't meet its threshold in a given year, but do not make an incentive payment in that year 	<p>and any deviations from that should be addressed in the contract</p> <ul style="list-style-type: none"> • Others felt that handling it that way would remove predictability and negatively affect equity based on a company's ability to negotiate
<ul style="list-style-type: none"> • Addition of jobs-based incentive option for businesses that do not meet the \$5 million minimum value of structures and business personal property or \$15 million in annual taxable sales <ul style="list-style-type: none"> • Criteria could include net new jobs created with wages above the Denton County median or net new knowledge-based or high-skilled jobs created in one of Denton's target industry sectors 	<ul style="list-style-type: none"> • Concern regarding a business with no significant capital investment being easily able to leave the community • Desire for a minimum threshold of jobs created to be eligible to apply for such an incentive • Possible use of total payroll as a threshold 	<ul style="list-style-type: none"> • Agree with EDP Board comments on concerns regarding mobility of businesses without significant capital investment in the community • Want to include businesses that do qualify for other incentives