

Policy for Tax Abatement and Incentives

Caroline Booth – Economic Development

March 20, 2018



Background:

- ▶ The Denton City Council has the ability to use tax incentives for economic development.
- ▶ State law requires Council approval of a policy governing the use of tax incentives every two years.
- ▶ Current policy expires on April 5, 2018

Background:

- ▶ Staff began the policy revision process in 2017.
- ▶ 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
 - ▶ Minimum threshold of 95% of capital investment and jobs claimed in application

Background:

- ▶ Economic Development Partnership Board reviewed the revised policy on Jan. 10 and Feb. 14.
- ▶ EDP Board recommends approval 7-0
- ▶ Council reviewed the revised policy on Jan. 16 and Feb. 27.

Key Points:

- ▶ For tax incentives to be available as an economic development tool, Council must approve an incentive policy every two years.
- ▶ The revised policy has been thoroughly vetted by the EDP Board and Council; EDP Board recommends approval 7-0.



Caroline Booth