

**MINUTES
CITY OF DENTON
ECONOMIC DEVELOPMENT PARTNERSHIP BOARD**

January 10, 2018

After determining that a quorum was present, the Economic Development Partnership Board convened on Wednesday, December 13, 2017, at 11:07 a.m. The meeting was held in the City Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas, 76201.

PRESENT: Jim Fykes, Jill Jester, Jimmy Mejia, Carroll Ann Simmons, Keely Briggs, Gerard Hudspeth, John Baines, Marty Rivers, Bob Eames, BJ Crain, and Steve Edgar

ABSENT: Carine Feyten, Neal Smatresk

EX-OFFICIO: Present: Chuck Carpenter
Absent: Todd Hileman and Jamie Wilson

STAFF PRESENT: Bryan Langley, Caroline Booth, Adam Gawarecki, Julie Glover, Michelle Cunningham, Erica Sullivan, Christina Davis, and Michelle Coughlin

1. WORK SESSION

- A. EDP18-001 Receive a report, hold a discussion, and give staff direction regarding the City of Denton's Policy for Tax Abatement and Incentives and Public Improvement District Guidelines.**

Booth opened the discussion and gave background information regarding incentive tools that are available if the City Council votes to incentivize a company to locate or expand in Denton. Rivers asked for an example of each that currently exists - Tax Abatement, Tax Rebate, and Public Improvement District. Booth answered and gave an example of each.

Booth explained that the City's ability to use these incentive tools is granted by either the Texas Tax Code or Local Government Code. Under state law the Policy for Tax Abatement and Incentives must be approved by the City Council every two years. With regard to Public Improvement District Guidelines for Mixed Use or Residential PIDs, there is no legal requirement for PID Guidelines or a PID policy to be approved by the City Council.

As part of the review and revision process, staff proposed changes to the policy based on experience learned from prior incentive agreements.

The following list of proposed content changes was provided to the Board for their review and discussion.

<ul style="list-style-type: none"> ▪ Limit Chapter 380 tax rebate agreements to term of 10 years or less, which is consistent with state law on the terms of tax abatements
<ul style="list-style-type: none"> ▪ Exclude retail projects except those that address a gap or leakage in the City of Denton market
<ul style="list-style-type: none"> ▪ Project must generate at least \$15 million in annual taxable sales to be considered
<ul style="list-style-type: none"> ▪ Sales tax rebates will be capped at 50% of sales tax receipts
<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

Board Recommendations:

- “Target retail projects that address a gap or leakage in the City of Denton Market. Include in the application the definition of “gap or leakage” and “retail”.
- Include in the application for the company to describe their culture as relates to their plans for charitable contribution to the community.
- Fykes would like the ability to include projects similar to Rayzor Ranch or Unicorn Lake. The Board agreed, they would like flexibility to make suggestions for projects as needed.

12:10 p.m. - The Board took a break and then resumed the meeting as a working lunch to discuss Edgar and Mejia left the meeting due to prior commitments.

Public Improvement District Guidelines for Mixed-Use or Residential PIDs

Staff proposed the following changes:

<ul style="list-style-type: none"> ▪ Develop a PID application
<ul style="list-style-type: none"> ▪ Establish an interdepartmental task force to review PID applications (Economic Development, Development Services, Legal, and Finance.
<ul style="list-style-type: none"> ▪ Require a Service and Assessment Plan prior to establishment of a PID.
<ul style="list-style-type: none"> ▪ Require a home value threshold. Options: Greater than the median City of Denton home value or median Denton County home value based on the most recent ACS Census.

Board Recommendations:

- Use the new home market value instead of existing home value.
- Include a description as to the potential added value if the PID was to be established.

REGULAR MEETING - 12:30 p.m.

A. EDP18-002 STAFF REPORTS TO THE EDP BOARD:

The back-up information for each Staff update listed below was provided to the Board Members in their packet of information.

Due to time constraints, the Board chose only to receive Staff update on the December 26, 2017, Downtown fire, from Julie Glover.

1. Update on December 2017 City Economic Development Dept. Activity
2. December 2017 City RFI Summary
3. FY16-17 City RFI Annual Report
4. Update on December 26 Downtown fire

Glover said the owners of the Downtown Mini Mall were in the process of obtaining three different bids from three different companies for restoration of the building. As of the date of the EDPB meeting, no decisions had been made.

5. January 2018 Chamber Activity Report

B. EDP-18-00 Consider approval of the minutes of the November 13, 2017, meeting.

Jester made a motion to approve the minutes as presented. Simmons seconded the motion. The motion was approved unanimously with a vote of ().

The meeting adjourned at 1:30 p.m.