

RESOLUTION NO. 1033-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBREY, TEXAS, REPEALING RESOLUTION NO. 951-24 APPROVING THE POLICY STATEMENT FOR ECONOMIC DEVELOPMENT INCENTIVES AND ADOPTING A NEW POLICY STATEMENT FOR ECONOMIC DEVELOPMENT INCENTIVES TO REESTABLISH REAUTHORIZE CRITERIA FOR INCENTIVES TO PROMOTE STATE AND LOCAL ECONOMIC DEVELOPMENT AND TO STIMULATE BUSINESS AND COMMERCIAL ACTIVITY OFFERED BY THE CITY OF AUBREY AND BY THE AUBREY MUNICIPAL DEVELOPMENT DISTRICT; PROVIDING GENERAL PURPOSE AND OBJECTIVES; PROVIDING CRITERIA; PROVIDING VALUE INCENTIVES; PROVIDING AVAILABLE INCENTIVES AND TARGETED INCENTIVES; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR ADOPTION OF THE POLICY SET FORTH IN EXHIBIT "A" AND ESTABLISHING THE EFFECTIVE PERIOD FOR TAX ABATEMENT; PROVIDING FOR THE REPEAL OF CONFLICTING POLICIES; PROVIDING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the attraction of long-term investment and the establishment of permanent new jobs in the City of Aubrey (the "City") will enhance the economic base of area taxing entities; and

WHEREAS, the City must compete with other communities across the nation currently offering tax inducements and other incentives to attract new commercial development; and

WHEREAS, granting economic development incentives is one of the principle means by which the public sector and the private sector can forge a partnership to promote real economic growth within a community; and

WHEREAS, any economic development incentives offered must be strictly limited in application to those new and existing businesses that bring new wealth to the community in order to avoid reducing the needed tax revenues of area taxing authorities; and

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes municipalities to establish and provide for economic development programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, as an incentive for the development or the redevelopment of property within the municipality; and

WHEREAS, Chapter 312 of the Texas Tax Code authorizes a City to enter into a tax abatement agreement after the adoption of guidelines and criteria that are effective for two (2) years; and

WHEREAS, the City Aubrey desires to repeal existing economic development policies and programs approved by resolution and to adopt an updated program to develop and expand the local economy by promoting and encouraging projects that will enhance the City's economic base, that will stimulate business and commercial activity, and that will diversify and expand job opportunities; and

WHEREAS, the City previously adopted its Policy Statement for Economic Development Incentives pursuant to Resolution No. 951-24 on January 25, 2024 after holding a public hearing; and

WHEREAS, on December 9, 2025, the Aubrey Municipal Development District ("AMDD") took action to approve the Policy Statement for Economic Development Incentives (2026) set forth in **Exhibit "A"** hereto; and

WHEREAS, on January 22, 2026, at an open public meeting, the City Council of the City of Aubrey considered this Resolution adopting the Policy Statement for Economic Development Incentives (2026) (**Exhibit "A"**) hereto and held a public hearing on the adoption and reauthorizations of guidelines and criteria for economic development and tax abatement set forth in **Exhibit "A"** for the City and for the AMDD at which members of the public were afforded the opportunity to speak, in accordance with Chapter 312 of the Texas Tax Code; and

WHEREAS, the City Council hereby elects to remain eligible to participate in tax abatement and has determined that the adoption and reauthorization of the Policy Statement for Economic Development Incentives as set forth in **Exhibit "A"** for itself and for the AMDD, and compliance with the provisions of Chapter 312 of the Tax Code and other applicable State laws relative to economic development incentives, serves the public health, safety and welfare and supports and enhances economic development for both new facilities and structures and for the expansion or modernization of existing facilities and structures within the City;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUBREY, TEXAS:

I.

Incorporation of Premises

The facts and recitations contained in the preamble of this Resolution are findings of the City County, are hereby found and declared by the City Council to be true and correct, and are incorporated herein in their entirety.

II.

Adoption of Policy – Effective Period

The Policy Statement for Economic Development Incentives (2026) and related economic development program, as described in **Exhibit "A"**, attached hereto and incorporated herein for all purposes, is hereby adopted as the guidelines and criteria for the City of Aubrey to make loans and grants of public money to promote economic development and stimulate business and

commercial activity in the City pursuant to Chapter 380 of the *Texas Local Government Code*, as amended, electing to become eligible to participate in tax abatement and to provide tax abatements pursuant to Chapter 312 of the *Texas Tax Code*, and other sections of State law authorizing such economic development incentives. The Policy Statement for Economic Development Incentives as set forth in **Exhibit “A”** shall be effective for a period of two (2) years from the date of adoption.

Further the City Council hereby adopts and approves The Policy Statement for Economic Development Incentives (2026) set forth in **Exhibit “A”** as the guidelines and criteria for the Aubrey Municipal Development District when making loans and grants of public money to promote economic development and stimulate business and commercial activity in the City and the extraterritorial jurisdiction pursuant to Chapter 377 of the *Texas Local Government Code*, as amended and to provide tax abatements pursuant to Chapter 312 of the *Texas Tax Code*, and other sections of State law authorizing such economic development incentives by the AMDD.

The Policy Statement for Economic Development Incentives (2026) shall remain in effect until January 22, 2028 pursuant to Section 312.002 of the Texas Tax Code (the “Effective Period”), and during the Effective Period, the guidelines and criteria for tax abatement set forth in **Exhibit “A”** may be amended or repealed only by a vote of three-fourths of the members of the City Council.

III. Conflicting Policies Repealed

The City of Aubrey hereby repeals any and all economic development policies, including without limitation tax abatement policies, that conflict with **Exhibit “A”**, previously adopted whether adopted by resolution or otherwise.

IV. Severability

Should any section, subsection, sentence, clause or phrase of this Resolution or **Exhibit “A”** hereto be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Resolution and **Exhibit “A”** shall remain in full force and effect. Aubrey hereby declares that it would have passed this Resolution adopting **Exhibit “A”**, and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences clauses and phrases be declared unconstitutional or invalid.

V. Effective Date/Internet Posting Required

This Resolution shall be effective immediately upon its approval. Upon approval, the Policy set forth in Exhibit “A” shall be posted on the internet website for the City and the AMDD as required for compliance with Section 312.002 of the Texas Tax Code as required for the City and AMDD to maintain eligibility for participation in tax abatement.

PASSED AND APPROVED this 22nd day of January, 2026.


Chris Rich, Mayor

ATTEST:


Jenny Hicks, City Secretary



APPROVED AS TO FORM:


Patricia A. Adams, City Attorney

EXHIBIT “A”
POLICY STATEMENT FOR ECONOMIC DEVELOPMENT INCENTIVES



CITY OF AUBREY, TEXAS

POLICY STATEMENT FOR ECONOMIC DEVELOPMENT INCENTIVES (2026)

I. GENERAL PURPOSE AND OBJECTIVES

The City of Aubrey (the “City”) is committed to the promotion of job creation and high-quality development in all parts of the city and to an ongoing improvement in the quality of life for its citizens. In so far as these objectives are generally served by the enhancement and expansion of the local economy, the City of Aubrey and/or the Aubrey Municipal Development District (“MDD”) will, on a case-by-case basis, give consideration to providing incentives as stimulation for economic development in Aubrey. It is the policy of the City of Aubrey and the MDD that said consideration will be provided in accordance with the procedures and criteria in this Policy; however, this Policy shall not be construed as a limitation on the authority of the City or the MDD to provide economic development incentives. Additionally, nothing herein shall imply or suggest that either the City of Aubrey or MDD are under any obligation to provide incentives to any applicant. All applicants shall be considered on a case-by-case basis. This policy shall serve as nonexclusive reference material for City staff, City officials, MDD Board Members, and applicants to use in drafting and comparing alternative economic development incentive applications or proposals.

II. CRITERIA

Any request for incentives¹ shall be evaluated based upon a subjective review of the following criteria that each applicant will be requested to address in narrative as well as an application form to be provided by the City Secretary or Executive Director of the MDD, as appropriate.

Fiscal Impact

- How much real and personal property value will be added to the tax roll?
- How much direct sales tax will be generated?
- How will this project affect existing business?
- What infrastructure construction would be required?
- What is the total projected annual operating budget of this facility?

Community Impact

- What effect would the project have on the local housing market?
- What environmental impact, if any, will be created by the project?
- How compatible is the project with the City’s comprehensive plan?
- What effect would the project have on other taxing entities?

¹ These requirements are not applicable to MDD grant programs, including but not limited to the MDD TIP grant.

Employment Impact

- How many jobs will be brought to Aubrey?
- What types of jobs will be created?
- What will be the total annual payroll?

Target Industries

- Retail/Restaurant/Entertainment
- Manufacturing
- Healthcare
- Hospitality: Accommodations, Entertainment, Sports/Recreation/Leisure
- Professional Services
- Educational Services

Priority Geographic Areas

- Hwy. 377 in City limits or the City's extra-territorial jurisdiction
- Downtown Aubrey

III. VALUE INCENTIVES

The subjective criteria outlined in Section II will be used in determining whether it is in the best interests of the City of Aubrey that an incentive is offered to a particular applicant. Specific considerations will include the degree to which the individual project furthers the goals and objectives of the community, as well as the relative impact of the project.

IV. AVAILABLE INCENTIVES

The City of Aubrey and/or the MDD may consider providing one or a combination of any of the following economic development incentives:

A. Tax Abatement

The City has elected to participate in tax abatement and will consider providing tax abatements for real and/or personal property. Abatement will be conditioned upon improvement being made to the property and eligibility under applicable State law. A cost/benefit analysis will be performed to determine the feasibility of the project. Once a determination has been made that a tax abatement is an appropriate incentive type for the program at issue, the value and term of the abatement may be considered by reference to the following table:

Tax Abatement for Real and/or Personal Property

<u>Amount of Capital Investment</u>	<u>Years of Abatement</u>	<u>% Abatement</u>
\$ 500,000 - 1,999,999	1-3	10- 50%
\$ 2,000,000 - 4,999,999	1-4	10- 75%
\$ 5,000,000 - 9,999,999	1-5	10- 75%
\$10,000,000 - 19,999,999	1-6	10-100%

\$20,000,000 - 39,999,999	1-7	10-100%
\$40,000,000 - 59,999,999	1-8	10-100%
\$60,000,000 or greater	Not to exceed 10	10-100%

B. Sales Tax Rebates

The City and/or the MDD may consider sales tax rebates for projects with a minimum of a \$500,000 investment and projected new taxable sales of no less than \$1,000,000.00 per year.

C. Hotel Occupancy Tax Rebate

The City may consider rebates of hotel occupancy tax in accordance with the provisions of State law for qualifying projects pursuant to Chapter 351 of the Texas Tax Code, as amended and other applicable law.

D. Fee Waivers

The City may consider a negotiated reduction of any city fees associated with the development of the project.

E. Infrastructure Improvements

The City may consider the provision of, or participation in, the extension of community infrastructure to the project site, including water, wastewater, drainage, road improvements, and/or pedestrian and parking infrastructure in business districts.

F. Loans and Grants

The City may consider providing loans and grants of City funds, may underwrite or guaranty loans and financial obligations, and may acquire, purchase, convey, or assign loans and grants and any rights or obligations arising thereunder, as permitted by Chapter 380 of the Texas Local Government Code, as amended, and in accordance with the Texas Constitution

The Aubrey Municipal Development District may consider providing grants to applicants, as permitted by State law, including without limitation Chapter 377 of the Texas Local Government Code, as amended.

G. Fast Track City Services

The City may provide fast track service involving all inspections, permitting, and planning activities for an approved project. The City Manager will designate appropriate City Staff to assist with the progress of the project.

V. TARGETED INCENTIVES

Along with Section IV., the City and/or the MDD may consider providing one or a combination of any of the following targeted incentives in order to further its respective strategic objectives:

A. Job Creation

The City may consider an incentive for the creation and maintenance of jobs within the City of Aubrey by offering a grant payment for companies that create or relocate a minimum of 25 full-time jobs. The company must maintain the number of jobs created and/or relocated for at least a 2-year period to receive the total grant payment. Each job eligible for grant payment must pay at least 100% of the average annual wage for Denton County, as determined by the United States Dept. of Labor, Bureau of Labor Statistics.

For each job paying 100-124% of the average annual wage for Denton County, the incentive is \$3,000 per job, payable as \$1,500 each year over a two-year period.

For each job paying 125% or more of the average annual wage for Denton County, the incentive is \$5,000 per job, payable as \$2,500 each year over a two-year period.

The maximum grant amount cannot exceed 50% of the net new ad valorem and business personal property taxes paid annually to the City of Aubrey as a result of the project.

B. Specialty Retail, Entertainment, and Restaurant

The City and/or MDD may consider providing incentives to “destination” retailers and restaurants that have the capability to attract customers from outside the area and fit well into the existing retail/restaurant economy to provide new and different shopping, dining, and/or entertainment experiences. Local, regional, and national retailers or restaurants may apply if they meet the above qualifications. This incentive may also be considered for existing “destination” retailers and restaurants that are expanding or relocating if their added square footage is a minimum of 50% larger than their current space.

In order to qualify for incentives, “destination” retailers and restaurants may own the property, otherwise they are required to sign a minimum 5-year lease with the property owner. Based on the value of the incentive requested, the City may require the tenant to sign and maintain a lease for a period longer than five (5) years, but not to exceed ten (10) years. Consideration for incentives shall require a return on investment (“ROI”) for the City; any and all incentives under this provision shall be limited by an ROI of 10:1 (for example, a \$1 million investment, maximum incentive would be \$100,000).

Incentives that may be considered for a “destination” retailer or restaurant as outlined above are as follows:

1. Matching Grants

The City and/or MDD may reimburse up to 50% of the costs of tenant improvements (including FFE – fixtures, furniture, and equipment).

2. Grease Trap Rebate

The City and/or MDD may consider a rebate equal to fifty percent (50%) of the cost to purchase and install or upgrade an existing grease trap up to a maximum of \$10,000 per project for “destination” restaurants.

C. Sale, Lease, or Exchange of Land or Buildings:

In accordance with the provisions of applicable State law, including without limitation, Sections 253.0125, 272.001, and 377.071 of the Texas Local Government Code, the-MDD may consider the sale, lease, or exchange of land without the necessity of accepting written bids pursuant to a published notice and at or below market value to further the economic development objectives identified herein.

The MDD may consider providing any of the incentives listed above to tenants of MDD owned buildings. These incentives may be combined with additional incentives, including:

- i. **Build-to-Suit / Leaseback:** An agreement where the MDD builds a building or facility to suit the needs of an applicant in exchange for a commitment from the applicant to lease the facility and in consideration for applicant compliance with specified performance criteria.
- ii. **Free / Reduced-Cost Land:** Any provision where the MDD provides free or reduced-cost land to an applicant in consideration for applicant compliance with specified performance criteria.
- iii. **Free / Reduced-Cost Building:** Any provision where the MDD provides a free or reduced-cost building for an applicant in consideration for applicant compliance with specified performance criteria..
- iv. **Land Lease:** Any provision where the MDD leases rights to MDD-owned land to an applicant to allow construction of their facility in consideration for applicant compliance with specified performance criteria.

These incentives will be evaluated on a case-by-case basis so that the total incentive package may be designed specifically for each project as well as provide maximum flexibility for an incentive package that accommodates the unique needs of each project. The City will, and MDD may, require a recapture provision on all incentives granted. These recapture provisions would specify requirements a company must fulfill in order to continue to receive incentives and would specify the process for recapture of incentives

should a company be in default of its contract with the City or MDD. Nothing herein shall imply or suggest that the City of Aubrey or MDD is under any obligation to provide incentives to any applicant.

CITY OF AUBREY
ECONOMIC DEVELOPMENT INCENTIVES
MATRIX and PROCEDURAL GUIDELINES

The following matrix shall provide a framework for identifying the potential incentives that are applicable to various classifications of projects. Term and amount of incentives shall be determined on a case-by-case basis in the sole discretion of the City and/or MDD.

Potential Incentive	Corporate	Industrial	Retail	Hotel/Facility	Development	Expansion
Tax Abatement	X	X	-	X	-	-
Sales Tax Rebate	-	-	X	X	X	-
Sales Tax Grants/TIP/Sign	-	-	X	-	X	-
Construction Sales Tax	X	X	X	X	X	X
Fee Reductions/Credits	X	X	X	X	X	X
Land/Building Related	X	X	X	X	-	-
Employment Related	X	X	-	X	-	-
Infrastructure Assistance	X	X	X	X	X	X
HOT Tax Rebate	-	-	-	X	-	-

Any person, organization, or corporation desiring that the City of Aubrey or MDD consider providing incentives to encourage location or expansion of operations within the City limits of Aubrey (or the extraterritorial jurisdiction for the purposes of an incentive from the MDD) shall comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest that City or MDD is under any obligation to provide incentives to any applicant. The award of incentives lies within the sole discretion of the City and/or MDD, as applicable.

Preliminary Application Steps

- A. Applicant shall complete the City and/or MDD Application for Incentives, a substantial copy of which is attached hereto as Exhibit “A”, or specific grant application for the MDD as required by the MDD. Included in said application shall be a statement regarding the applicant’s desire for consideration of available incentives listed in the Policy Statement for Economic Development Incentives.
- B. Applicant shall address all criteria questions outlined in Section II of the Incentive Policy Statement.
- C. Applicant shall prepare a plat showing the precise location of the property and all roadways

within 500 feet of the site.

(see next page)

- D. If the property is described by metes and bounds, a complete legal description shall be provided.
- E. Project description, including the following:
- Describe the type of building proposed (e.g. number of stories, style, materials). *Include pictures or drawings when possible.*
 - Describe the development concept (e.g. single building or campus setting, open space, surface, or structured parking). *Include pictures or drawings when possible.*
 - Describe the extent that any infrastructure components will be enhanced or expanded by the project.
 - Provide timing estimates for major milestones of the project.
 - Provide estimates of project data by phase and date, including but not limited to:
 - i. The type, number, use, square footage, and location of all the proposed improvements on the property.
 - ii. Total capital investment including acquisitions, improvements, building costs, and equipment.
 - iii. Estimated appraised value of all proposed improvements and existing improvements on the property.
 - iv. Acquisition cost of all business personal property.
 - v. Estimated appraised value of all business personal property.
 - vi. Number, type, quality, and wage levels of new Full-Time Equivalent (FTE) employees.
 - vii. All new payroll added.
 - viii. Average employees' annual salary.
 - ix. Number of employees with salary \$50,000 or greater.
 - x. Taxable sales generated from the project.
 - xi. Hotel occupancy tax generated (if applicable).
- F. Applicant shall complete all forms and information and submit them to the City Secretary, City of Aubrey, Texas, 107 South Main, Aubrey, TX 76227-5519.

Once an application has been submitted to the City Secretary, it shall be regarded as a matter of public record and will be available for inspection by the public. Any proprietary information included as a part of the application should be so indicated, marked in advance, and supplied in such a manner so as to be readily separated from the remainder of the application.

Consideration of the Application

- A. The application will be sent to the Aubrey Municipal Development District Board for review and comments. Additional information may be requested as needed.

- B. The Aubrey Municipal Development District Board will make a recommendation to the City Council regarding the incentive request.
- C. The City Council of Aubrey will consider the application at a regular or called meeting(s). Additional information may be requested as needed.
- D. If a tax abatement, HOT tax rebate, or sales tax rebate is being considered, the City Council of Aubrey will comply with applicable law and may hold a public hearing and consider establishment of a tax reinvestment zone to determine whether the project is feasible, practical, and would be of benefit to the land to be included in the zone and municipality.
- E. If a tax abatement, HOT tax rebate, or sales tax rebate is being considered, the City Council of Aubrey will comply with applicable law and may consider adoption of an ordinance designating the area described in the legal description of the proposed project as a commercial/industrial tax abatement zone.
- F. If a tax abatement, HOT tax rebate, or sales tax rebate is being considered, the City Council of Aubrey will comply with applicable law and may consider approval of the terms and conditions of a contract between the City, the MDD, and the applicant governing the provision of the tax abatement.
- G. The final decision on any incentive application will rest with the Aubrey City Council.

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Exhibit “A”
Representative Form of Incentive Application



APPLICATION FOR INCENTIVES CITY OF AUBREY, TEXAS

PROPERTY OWNER: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE NUMBER: _____ FAX NUMBER: _____

PROPERTY OWNER'S REPRESENTATIVE: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE NUMBER: _____ FAX NUMBER: _____

PROPERTY ADDRESS: _____

CITY, STATE, ZIP: _____

PROPERTY LEGAL DESCRIPTION: _____
(Provide Plat; Provide Metes and Bounds if available)

DESCRIPTION OF PROJECT: (See list items E and F in Procedural Guidelines.)

PROJECTED OCCUPANCY/INITIATION OF OPERATIONS: _____

PROVIDE CORPORATE/DEVELOPMENT HISTORY, RESUME OF KEY INDIVIDUALS OR DEVELOPMENTS RELEVANT WITH PROJECT, AND FINANCIAL INFORMATION ON CORPORATION OR KEY STAKEHOLDERS.

Please complete a written narrative response to the questions in Section II of the “Policy Statement for Economic Development Incentives”. Please itemize the incentives applicant is requesting from Section IV and V above. Please include any additional information necessary to address the criteria outlined therein.

The offer of Incentives by any Incentive Agreement shall expire ninety (90) days from the date it is provided to the Applicant unless the Applicant requests an extension in writing and provides a reason for request. If granted, the City will offer the extension writing. The expiration of any offered Incentive Agreement shall not preclude continued negotiations toward the development of an alternative Agreement.

INDEMNIFICATION: THE APPLICANT SHALL CERTIFY THAT THEY ARE SOLELY RESPONSIBLE FOR OVERSEEING THE WORK, AND BY SUBMISSION OF THIS APPLICATION, THE APPLICANT DOES HEREBY RELEASE AND HOLD HARMLESS THE CITY, THE MDD, AND/OR THEIR RESPECTIVE OFFICIALS, AGENTS, EMPLOYEES, OFFICERS, AND/OR DIRECTORS LIABLE FOR ANY CLAIMS AND /OR DAMAGES, INCLUDING WITHOUT LIMITATION, CLAIMS FOR PROPERTY DAMAGE, PERSONAL INJURY, DEATH, OR ANY OTHER TYPE OF DAMAGE, INCLUDING WITHOUT LIMITATION, ECONOMIC, MONETARY, NON-MONETARY, OR EQUITABLE DAMAGE OR LOSS ARISING OUT OF OR RELATED IN ANY WAY TO THIS POLICY, A REQUESTED INCENTIVE, AND AWARDED INCENTIVE, OR A PROPOSED PROJECT (COLLECTIVELY “CLAIM(S”)). FURTHER, BY SUBMISSION OF AN APPLICATION FOR INCENTIVES, APPLICANT AGREES TO INDEMNIFY, DEFEND, RELEASE AND HOLD HARMLESS THE CITY, THE MDD, AND / OR THEIR RESPECTIVE OFFICIALS, AGENTS, EMPLOYEES, OFFICERS, AND / OR DIRECTORS FROM ANY CLAIMS OR DAMAGES AS DEFINED OR DESCRIBED HEREIN RESULTING FROM OR ARISING OUT OF THE PROJECT, INCLUDING ATTORNEY FEES AND COSTS OF LITIGATION.

Signature of Property Owner: _____ Date: _____

Signature of Business Owner: _____

Date: _____

(if different from Property Owner)

The City/MDD reserves the right to approve or deny any application for incentives for any reason. Though the policy includes examples of priority projects, the City and the MDD Board are not obligated to provide funding for all or any incentive requests. Further, the City/MDD reserves the right to request the applicant to modify the proposed project to better accommodate the existing priorities of the City Comprehensive Plan or the MDD Economic Development Strategic Plan.