

City of Lewisville Economic Development Policy Update

February 27, 2026



Agenda

Purpose and goals of Economic Development Policy update

Overview of retained incentives

Overview of modified & new incentives

Modified – Tax Abatement, Façade & Grease Trap Grants

New – Small Business Assistance & Mural Grants

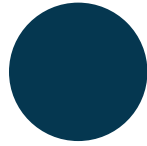
Discussion



Discussion Preview

Are City Council priorities accurately reflected in the policy?

- **Sector-specific industries**
- **Focus areas**
- **Modified and new incentives**



Goals of Policy Update

Goal 1

- Ensure the policy complies with statutory requirements regarding tax abatement criteria.

Goal 2

- Ensure the policy aligns with current economic conditions and City Council priorities.

Goal 3

- Streamline the policy so that it is user-friendly.

Why should the City of Lewisville adopt an Economic Development Policy?

1

Required By Statute

Chapter 312 Tax Abatements

Chapter 380 Agreements (grants, loans, land)

2

Communicate Local Priorities

Desired Outcomes

Desired Project Types

Focus Areas

Available Incentives



Desired Outcomes

- Attract businesses that increase the City’s tax base and add well-paying jobs, especially in sector-specific industries such as **medical, life science, high technology, outdoor recreation, semiconductor, and other related fields** (hereinafter referred to as “Sector-Specific Industry”)
 - Lean into strengths (Industries/businesses with existing presence in Lewisville)
 - Capitalize on synergies (Industries/businesses that supply/serve DFW businesses)
 - Be forward-looking (AI considerations and industries/businesses that are likely to see exponential growth in DFW)
- Retain and support local businesses that seek to expand
- Promote high-quality real estate development throughout the City, including construction and retrofit of buildings with on-site energy generation, energy efficient design and/or ample exterior green space, and



Desired Outcomes

- Encourage the redevelopment and revitalization of targeted areas within the City, including the **Old Town District, I-35 corridor, Business 121 corridor**, and other focus areas designated by the City Council (“City Focus Area”).
- Projects that directly relate to Lewisville 2035 objectives and/or action items.

Desired Project Types & Focus Areas



Job Creation/Retention and Capital Investment Projects

The City will prioritize providing incentives to businesses that align with one or more of the following criteria:

- The business will diversify the local economy,
- The business is likely to create additional indirect or induced jobs in addition to the direct jobs that are created,
- The business is engaged in a Sector-Specific Industry,
- The business will prioritize local hiring,
- The business pays an average salary or wage of at least \$60,000 annually, but no less than the Asset Limited, Income Constrained, Employed (ALICE) wage threshold for a single individual in Denton County, as determined by the most current applicable data,
- The business agrees to use skills-based hiring or engage in workforce development programs, including programs that prepare workers to use artificial intelligence, and/or
- The business provides additional community benefits, such as the successful implementation of the Lewisville 2035 Plan.



Salary or Wage Requirements - ALICE

UNITED FOR ALICE WAGE TOOL

Exploring the Impact of Wage Levels and Occupations on ALICE

In 2022, 42% of U.S. households were struggling to make ends meet. This includes households with income below the Federal Poverty Level (FPL), and households who are **ALICE** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed). With income above the FPL, ALICE households earn too much to qualify as “poor” but are still unable to cover basic household expenses.

While cost of living varies considerably from one state, region, and county to another, a household’s ability to afford basic expenses also depends on how much they have an opportunity to earn. This tool provides insight into how different wage levels impact an ALICE household’s ability to afford a bare-bones budget.

The **ALICE Household Survival Budget** estimates the minimum cost of household necessities (housing, child care, food, transportation, health care, and technology) plus taxes, and a contingency fund (miscellaneous) equal to 10% of the budget. The ALICE Wage Tool identifies the counties where a certain hourly wage can support the Household Survival Budget for a selected household type. For example, when selecting a wage of \$9 per hour and a family of three (two workers, one child), the map shows that with two adults working full-time, year-round, \$9 per hour cannot support basic household costs in any county in the U.S. At \$14 per hour, two adults working full time, year-round can afford the Household Survival Budget in 53% of U.S. counties.

Salary or Wage Requirements - ALICE

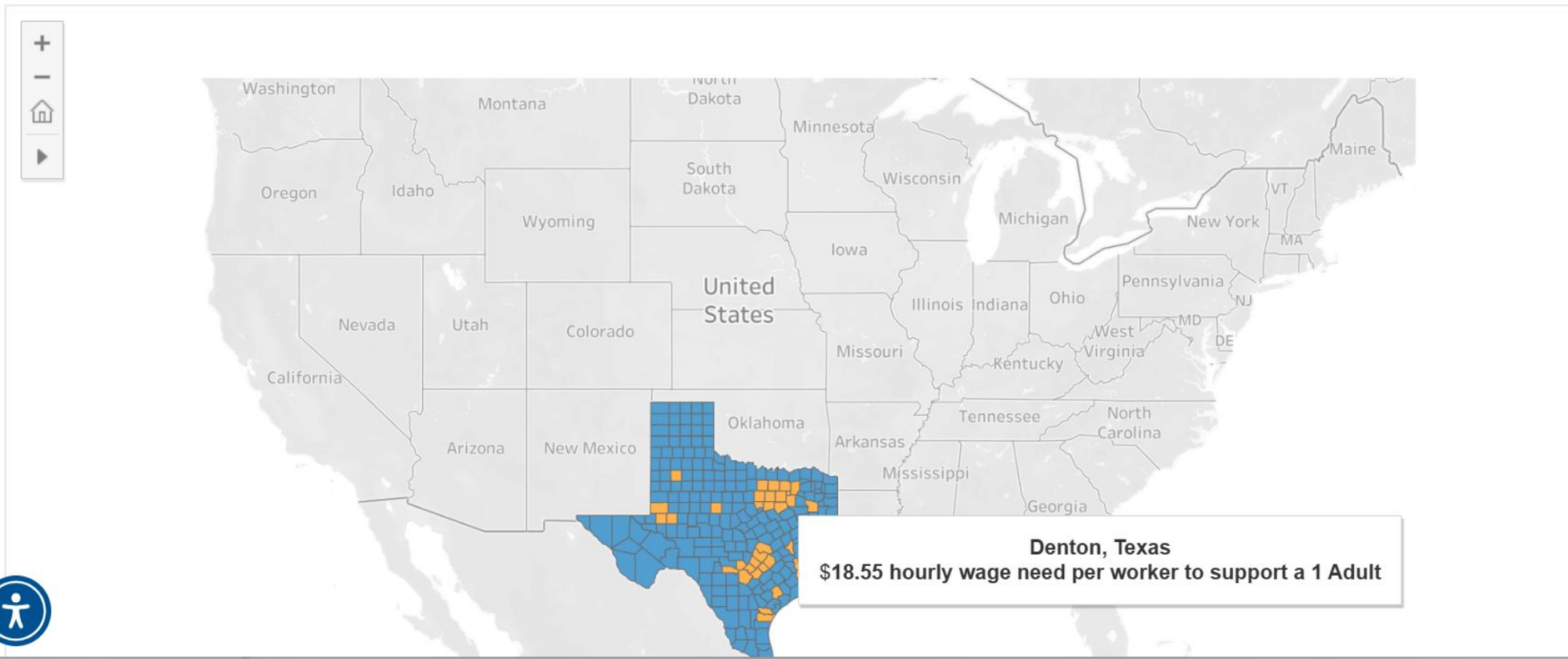
Texas

14

1 Adult

- 1 Adult - 1 worker
- 2 Adults - 2 workers
- Family of 2 - 1 worker, 1 Child
- Family of 3 - 2 workers, 1 Child
- Family of 4 - 2 workers, 2 Children

1 Adult on \$14 per Hour per Worker Wage Compared to Household Survival Budget, Texas





Real Estate Development Projects

The City will prioritize providing incentives to the types of projects listed below:

- Project involves the occupancy of a vacant building,
- Project is designed to attract a destination retailer and/or restaurant,
- Project is built for a corporate location or relocation, particularly for Sector-Specific Industries,
- Project is located in a City Focus Area,
- Project involves the redevelopment of a multi-tenant commercial property,
- Project involves the relocation of a non-conforming use out of Old Town,
- Project involves public-private master-planned development,
- Project will incorporate on-site energy generation and/or energy efficient design, or
- Project involves the substantial rehabilitation of a multifamily residential property and includes affordable housing units.

Summary of Incentives

Summary of Proposed Policy

Citywide		Real Property Tax Abatement
Citywide		Development Fee Reduction/Waiver
Citywide		Sales Tax Grant
Citywide		Real Property Tax Grant
Citywide		Business Personal Property Tax Grant
Citywide	★	Small Business Assistance Grant
Citywide	★	Mural Grant
Focus Area	★	Façade Improvement Grant
Focus Area	★	Grease Trap Grant



Additional tools include: Tax Increment Financing (TIF), Neighborhood Empowerment Zone (NEZ) designation, and Housing Financing Corporation or Public Facility Corporation partnerships.



Administration of Incentives

In general, incentives will be administered as follows:

- Financial incentives will be administered on a cost reimbursement basis. However, on a case-by-case basis, the City may consider an alternative payment schedule, including partial or full upfront payment.
- A written agreement must be signed and approved by the Lewisville City Council before any incentives will be provided and prior to any work being performed, unless otherwise specified by the City.
- Written incentive agreements may include performance metrics.
- Projects that include a Sector-Specific Industry, are located in a City Focus Area, include energy efficient design or ample exterior green space, incorporate meaningful workforce development initiatives such as employee training, upskilling, education partnerships, or participation in state workforce programs may receive priority consideration and more favorable incentive terms.

Incentives – Retained from Prior Policy

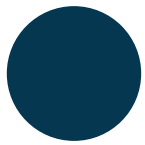


Incentives – Retained from Prior Policy

- Property Tax Abatement
- Development Fee Reduction/Waiver
- Sales Tax Grants
 - Taxable Sales And Use (Generated By Operating Business)
 - Construction Purchases
- Real Property Tax Grant
- Business Personal Property Tax Grant
- Façade Improvement Grant (Old Town)
- Grease Trap Grant (Old Town)
- Loans
- Neighborhood Empowerment Zones (NEZ)

Incentives – New & Modified

Tax Abatement



Tax Abatement – Property Tax and Business Personal Property

A Property Tax Abatement reduces the municipal property tax liability for a project in accordance with Chapter 312 of the Texas Tax Code.

- Only municipal property tax liability is eligible for abatement for a maximum of ten (10) years.
- The value of the abatement is equal to an agreed-upon percentage (%) of the project’s eligible municipal property tax liability.

Minimum Qualifications: A project requesting a tax abatement must meet at least two of the following minimum qualifications to be considered:

Criteria	Amount
Corporate/Regional HQ	N/A
★ Average Salary	\$60,000
Payroll	\$8,000,000
Real Property (<i>added value</i>)	\$10,000,000
Personal Property (<i>added value</i>)	\$1,000,000
Targeted Site	N/A
Annual Taxable Sales & Uses	\$25,000,000

Proposed changes:

- Average salary or wage of at least \$60,000 annually, but no less than the Asset Limited, Income Constrained, Employed (ALICE) wage threshold for a single individual in Denton County

Grants



Grants – Small Business Grant

Definition of a Small Business

- A business that meets at least one of the following criteria:
 - Employs fewer than 50 full-time equivalent employees,
 - Generates less than \$5 million in annual gross revenue.

Eligibility for Small Business Assistance Grant

- Small businesses that currently lease or own commercial space within the City,
- Small businesses that intend to locate, relocate, or expand into commercial space within the City, or
- Property owners or developers improving commercial spaces for eligible small business tenants.



Grants – Small Business Grant (cont.)

Eligible Business Types

- Retail,
- Restaurants/Food & Beverage,
- Experience-based businesses,
- Art, culture, and creative businesses,
- Micro Manufacturing/Maker Spaces with a retail component (located in Old Town),
- Unique local concepts, or
- Other businesses that create meaningful economic activity, activate vacant spaces, or contribute to the vibrancy of the surrounding area.



Grants – Small Business Grant (cont.)

Eligible Expenses

- Eligible project costs may include, but are not limited to:
 - **Tenant Improvements:** Interior build-out, finishes, and layout modifications; life-safety improvements (sprinkler systems, alarms, suppression equipment); ADA accessibility improvements.
 - **Façade Improvements (if located outside of a City Focus Area):** including brick repair, awnings, windows, fixtures, signage, landscaping, and lighting.
 - **Activation Improvements (if located inside of a City Focus Area):** activation of outdoor space for patrons.
 - **Business Expansion Costs:** Equipment essential to business operations.
- The value of the grant is equal to an agreed-upon percentage (%) of project costs. The grant value may not exceed **\$10,000**.



Grants – Mural Grant

Eligibility for Mural Grant

- Businesses that currently lease or own commercial space within the City,
- Businesses that intend to locate, relocate, or expand into commercial space within the City, or
- Property owners or developers improving commercial spaces for eligible business tenants.

Eligible Location of Mural

- Exterior building walls that are visible from a public right-of-way or public space, in good structural condition, and installed on privately owned property.

Eligible Expenses

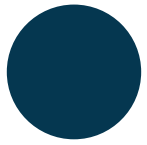
- Eligible project costs may include, but are not limited to: artist design fees and labor, surface preparation (cleaning, priming, minor repairs), paint, sealants, and materials, equipment rental (lifts, scaffolding), and required permits or inspections.
- The grant value may equal **up to 50% of eligible project costs, up to a maximum of \$10,000 per mural.**



Grants – Façade Improvement Grant (Business 121 Corridor)

Eligibility for the Façade Improvement Grant

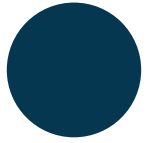
- Businesses that currently lease or own commercial space within the City,
- Businesses that intend to locate, relocate, or expand into commercial space within the City, or
- Property owners or developers improving commercial spaces for eligible small business tenants.



Grants – Façade Improvement (Business 121 Corridor)

Eligible Expenses

- Maximum grant is **50% of eligible improvements or \$250,000, whichever is greater.**
- Eligible **façade improvements** include, but are not limited to: brick repair, awnings, windows, fixtures, signage, landscaping, and lighting.
- Eligible **parking lot improvements** include resurfacing, space reduction and activation of excess parking spaces, added open space or uses, landscaping, and wayfinding signage.
- Retail shopping centers are also eligible for grant funding related to **unique design elements** (e.g. public art, children’s play areas, permanent outdoor seating).
- The City Manager may authorize up to \$500,000 for eligible projects that align with high-priority City plans and initiatives and/or involve large tracts of land.



Grants – Grease Trap Grant

Eligibility for Grease Trap Grant

- Businesses that currently lease or own commercial space within the City,
- Businesses that intend to locate, relocate, or expand into commercial space within the City, or
- Property owners or developers improving commercial spaces for eligible business tenants.

Eligible Expenses

- Maximum grant is **50% of eligible costs or \$10,000 whichever is greater.**

Discussion/Questions



Discussion

Are City Council priorities accurately reflected in the policy?

- **Sector-specific industries**
- **Focus areas**
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