



FY 2006 Annual Report

Presented to the DeSoto City Council on November 7, 2006



DEDC's Mission Statement

To plan, promote, finance, and create opportunities for the retention, growth, and attraction of enterprises that enhance the tax base, quality of life, and level of employment for the citizens of DeSoto, TX.



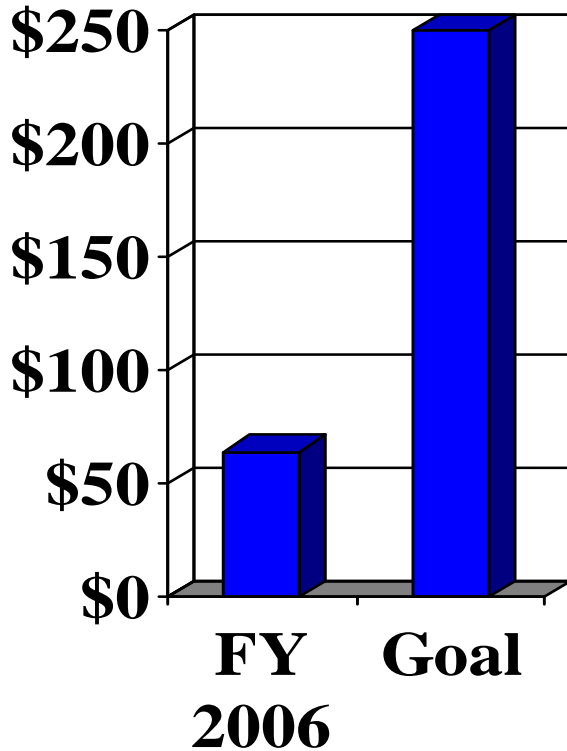
Goals of the DEDC's 2006 Five - Year Strategic Plan

1. Attract a net, minimum outside investment of \$250 M.
2. Generate of \$4.1 M in additional property tax and sales tax revenue. (The equivalent of 13 cents/\$100)
3. Increase the proportion of the non-residential property tax base above 29.2%.
4. Increase the net sales tax revenue by 39.4% from \$6 M to \$8.4 M.



Goal #1: Attract a Minimum Outside Investment of \$250 Million

Millions

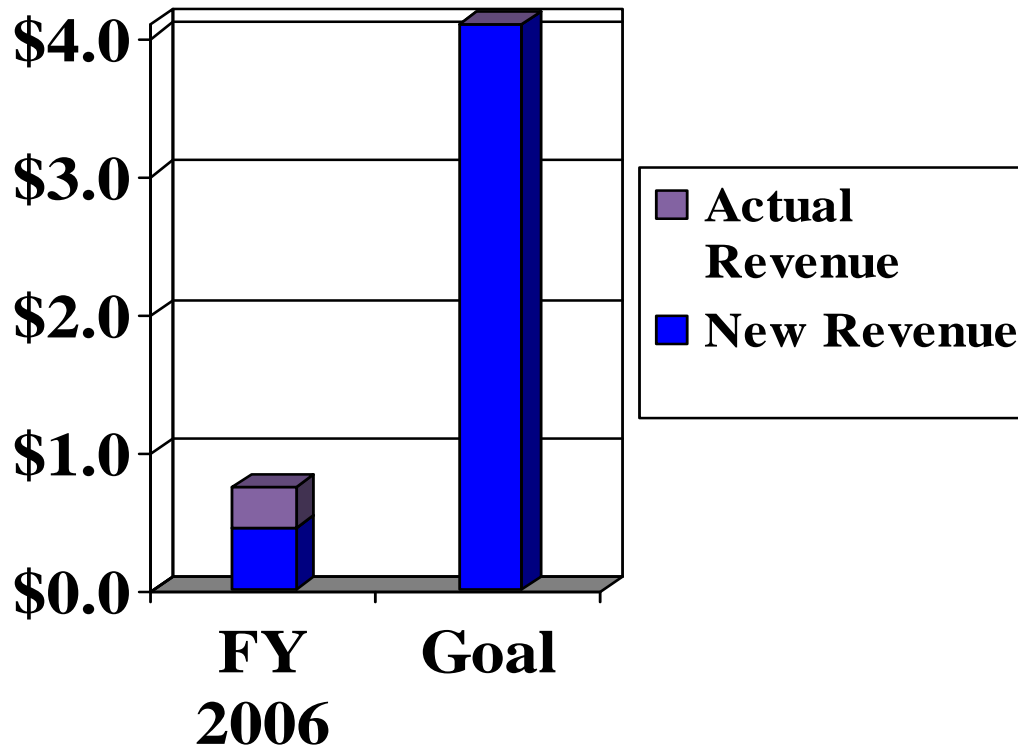


- **\$64,059,008** was made or committed in 2006
- **25.62%** of the \$250 million five-year target was accomplished in 2006
- **\$185,940,992** remains to be invested to reach our five-year goal of \$250 million by Sept. 30, 2011



Goal #2: Generate \$4.1M in Additional Property and Sales Tax Revenue

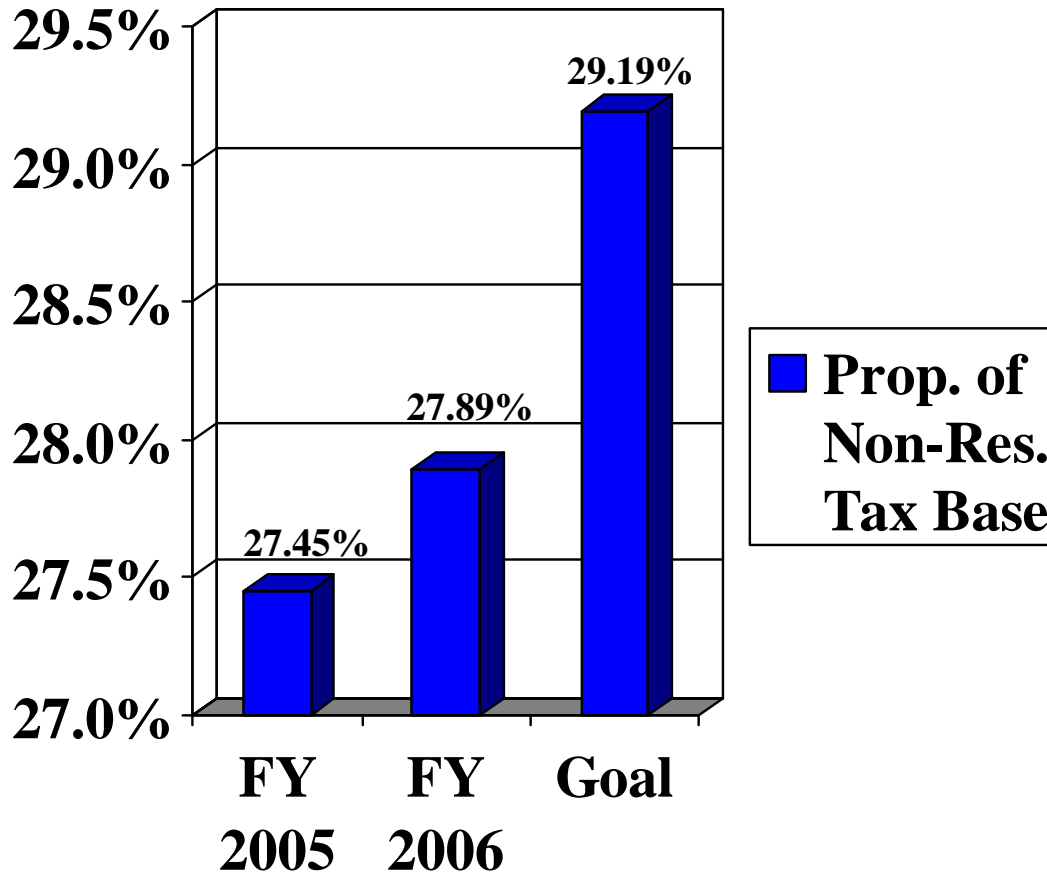
Millions



- **\$731,455** in property and sales tax revenue made or committed in 2006
- **18%** of the \$4.1 million target gained in 2006
- **\$3,368,545** in property and sales tax revenue is needed to reach our five-year goal of \$4.1 million by Sept. 30, 2011



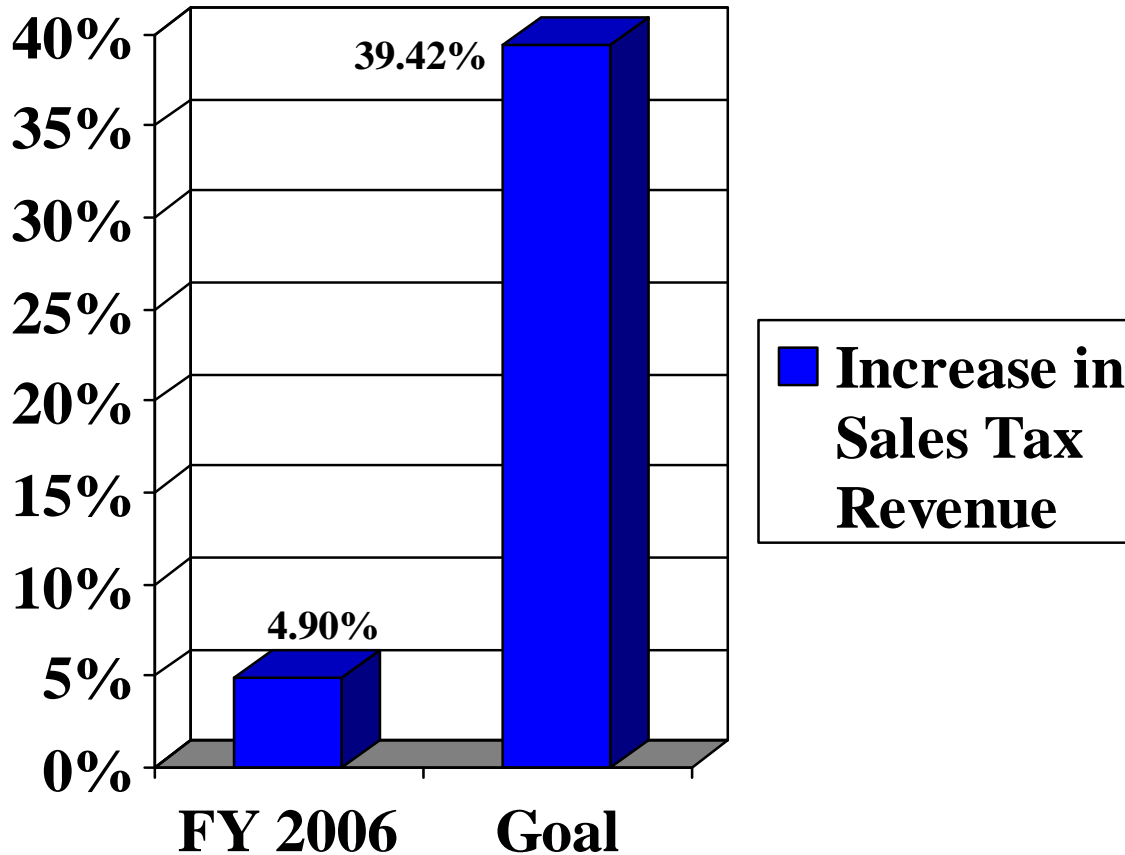
Goal #3: Increase the Proportion of the Non-Residential Tax Base Above 29.19%



- **27.45%** - proportion of the non-residential tax base in FY 2005
- **27.89%** - proportion of the non-residential tax base in FY 2006
- **0.44%** percentage point gained in FY 2006
- **1.30%** percentage points to reach five-year goal by Sept. 30, 2011



Goal #4: Increase the Sales Tax Revenue Base by 39.42% from \$6M to \$8.4M



- **\$289,448** - increase in the baseline sales tax revenue base in FY 2006
- **4.90%** - percentage of increase in the baseline sales tax revenue in FY 2006
- **34.52%** - percentage points to go to reach five-year goal by Sept. 30, 2006



2006 Overview

Number of Formal Inquiries	468
Number of Written Proposals	156
Number of Prospects Visited	50
Number of Known Prospect Visits	70
Number of Visits to Local Firms for Expansion	15
Number of Jobs Created or Committed	390



2006 Overview

Sq. Ft. Commercial Space Added	638,800
Sq. Ft. Commercial Space Committed	150,200
Total	789,000
Total Grant Funding Committed	\$ 815,000
Total Grant Funding Paid	\$ 381,135
Total Grant Commitment Outstanding	\$ 1,392,738



2006 Operating Budget

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Revenue				
Sales Tax	1,152,166	1,157,247	(5,081)	-0.4%
Interest	81,495	32,000	49,495	154.7%
Total	1,233,661	1,189,247	44,414	3.7%
Expense				
Operations	524,392	545,536	21,144	3.9%
Project Development				
HSM Contamination Study	10,000			
K-H Signal Warrant Study	15,900			
Winkelmann & Assoc. Study	7,805			
Options & Leases	70,525			
Professional Fees	7,210			
Total	111,440	158,000	46,560	29.5%
Current Portion LTD*	285,732	272,468	(13,264)	-4.9%
Total	921,564	976,004	54,440	5.6%

*CIP \$4,000,000 Bond#1



2006 Incentive Grants Awarded

New Development

Hampton Inn (3/27/2005)	\$	400,000
RediMix (11/28/05)*	\$	186,000
SITCO Lumber (1/23/2006)	\$	35,000
Total	\$	621,000

Retention & Expansion

ZEP Manufacturing (11/28/2005)	\$	30,000
Texas Air Manufacturing (6/26/2006)	\$	100,000
Kwik Kopy Digiprint (9/25/2006)	\$	10,000
Total	\$	110,000

Infrastructure

Backage Road, Holiday Inn Exp. (8/28/2006)		84,000
Total	\$	84,000

Grand Total	\$	815,000
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*RediMix defaulted.



Concluding Remarks

- The DEDC Board of Directors and Staff continue to market and develop the City of DeSoto.
- We want to promote business development and maintain the greatest quality of life for DeSoto.
- The DEDC thanks you for your continued support, and we will continue to work diligently to bring positive economic growth to DeSoto.