



FY 2007 Annual Report

Presented to the DeSoto City Council on December 18, 2007



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.



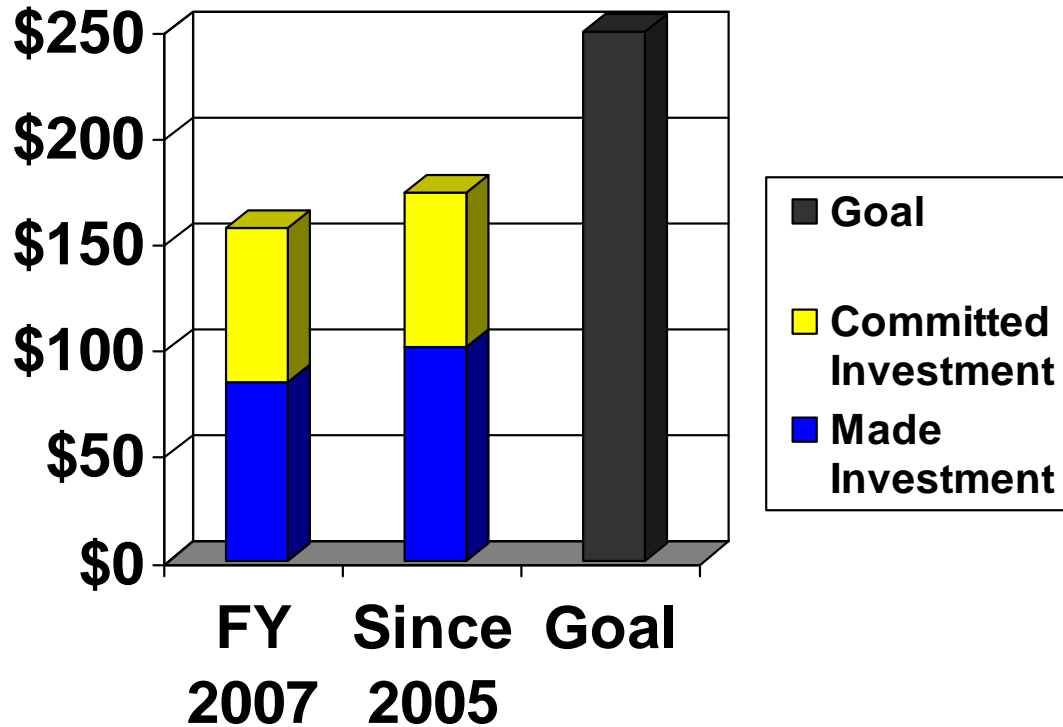
Goals of the DEDC's 2006 Five - Year Strategic Plan

1. Attract a net, minimum outside investment of \$250 M.
2. Generate \$4.1 M in additional property tax and sales tax revenue.
3. Increase the proportion of the non-residential property tax base above 29.2%.
4. Increase the net sales tax revenue by 39.4%.



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

Millions



- **\$157 million** was made or committed in FY 2007
- **\$174 million** was made or committed since October 1, 2005
- **69.6%** of the \$250 million five-year target has been completed since October 1, 2005
- **\$76 million** remains to be invested to reach our five-year goal of \$250 million by Sept. 30, 2011



\$157 Million Made or Committed in FY 2007

➤ **\$84,265,979**

- Due to investments which were made or committed in FY 2006 and reported by DCAD in the 2007 tax rolls
- Due to an increase in the tax value appraisals

➤ **\$73,050,000**

- Due to investments which were made or committed in FY 2007, but will not be reported by DCAD until 2008.



Unreported Investments Made or Committed in FY 2007

	Investment Committed	Investment Made
Hampton Inn & Suites		\$4,000,000
Quorum Equities	\$12,000,000	
First National Bank		\$5,000,000
MCM Grande' Fun Dome		\$2,000,000
La Quinta Inn & Suites		\$2,500,000
Marriott Towne Place Suites	\$4,000,000	
Trammell Crow Town Center	\$14,000,000	
Hillwood's CTC Bldg. #1		\$18,000,000
Whataburger		\$800,000
Bank of America		\$1,200,000
Chase Bank		\$700,000
HSM Corner Development		\$600,000
Car Wash on Belt Line Rd		\$350,000
Southwest Iron Works		\$200,000
Steel Case		\$500,000
Project Jones	\$7,200,000	
	\$37,200,000	\$35,850,000
Total	\$73,050,000	



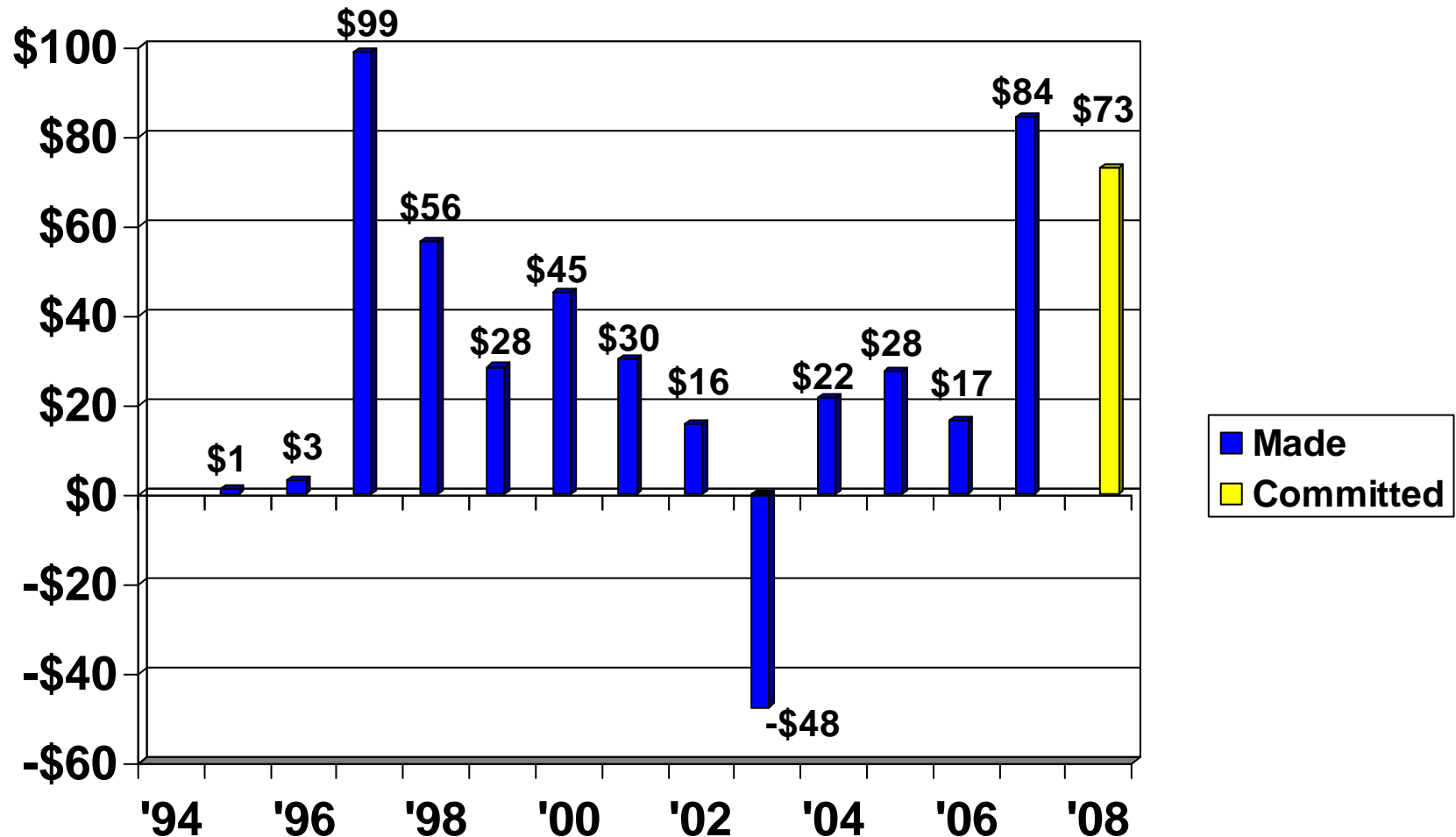
Notes for the following slide (Slide #8)

The figures in this slide reflect the annual increases in DeSoto's non-residential tax base since 1994. From 1994 to 1995 the taxable value of DeSoto's non-residential tax base grew by approximately \$1 million. From 1995 to 1996, the taxable value of DeSoto's non-residential tax base grew by approximately \$3 million. From 2005 to 2006, the taxable value of DeSoto's non-residential tax base grew by approximately \$17 million. From 2006 to 2007, the non-residential tax base grew by \$84 million. Project commitments which were made in 2007, but will not be reported by the Dallas Central Appraisal District until 2008, equate to approximately \$73 million. The loss of -\$48 million in taxable value in 2003 is attributed to the declining economy and declining tax appraisals.



Annual Increases in Non-Residential Taxable Values Since 1994

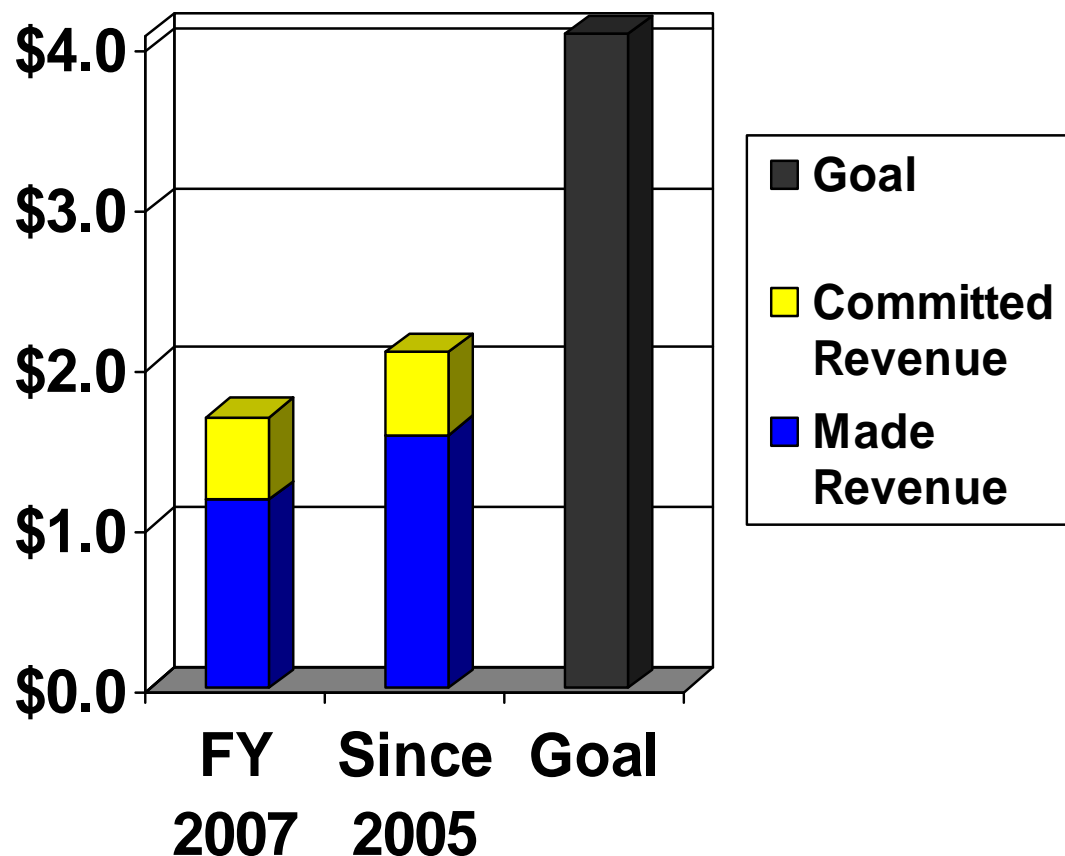
Millions





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

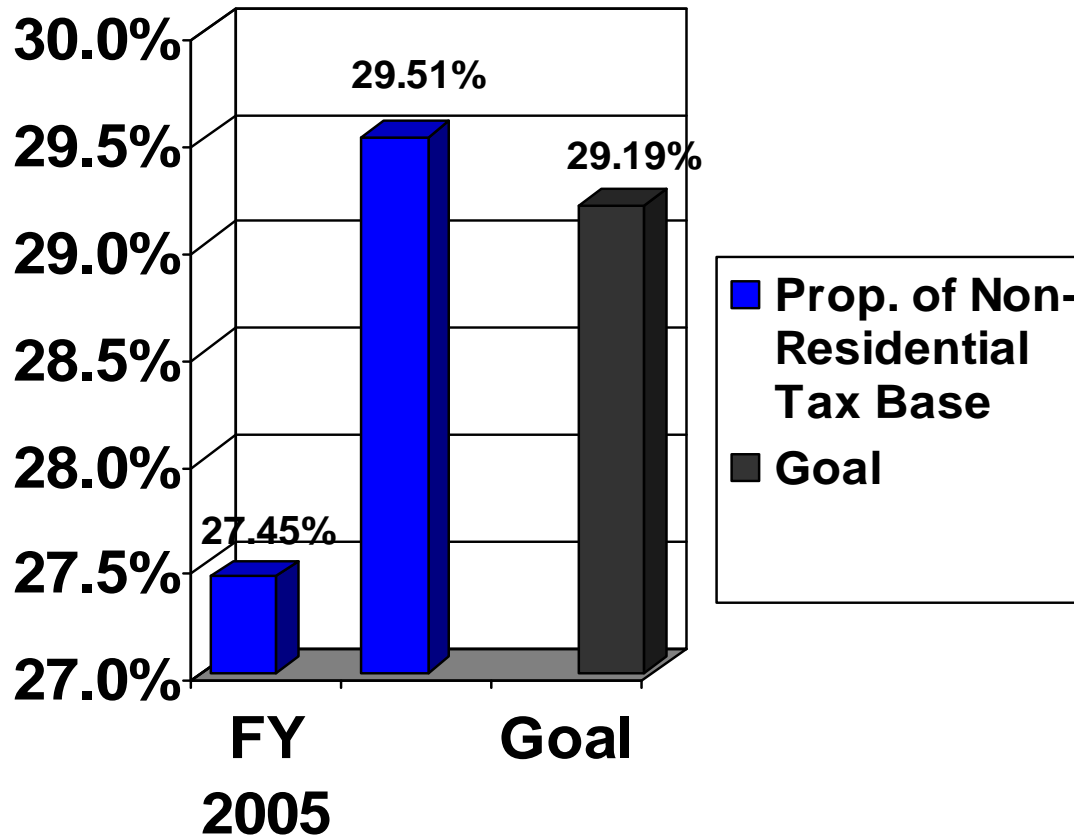
Millions



- **\$1.7M** in tax revenue made or committed in FY 2007
- **\$2.1M** in tax revenue made or committed since October 1, 2005
- **51.4%** of the \$4.1 million target completed since October 1, 2005
- **\$2M** is needed to reach our five-year goal of \$4.1 million by Sept. 30, 2011



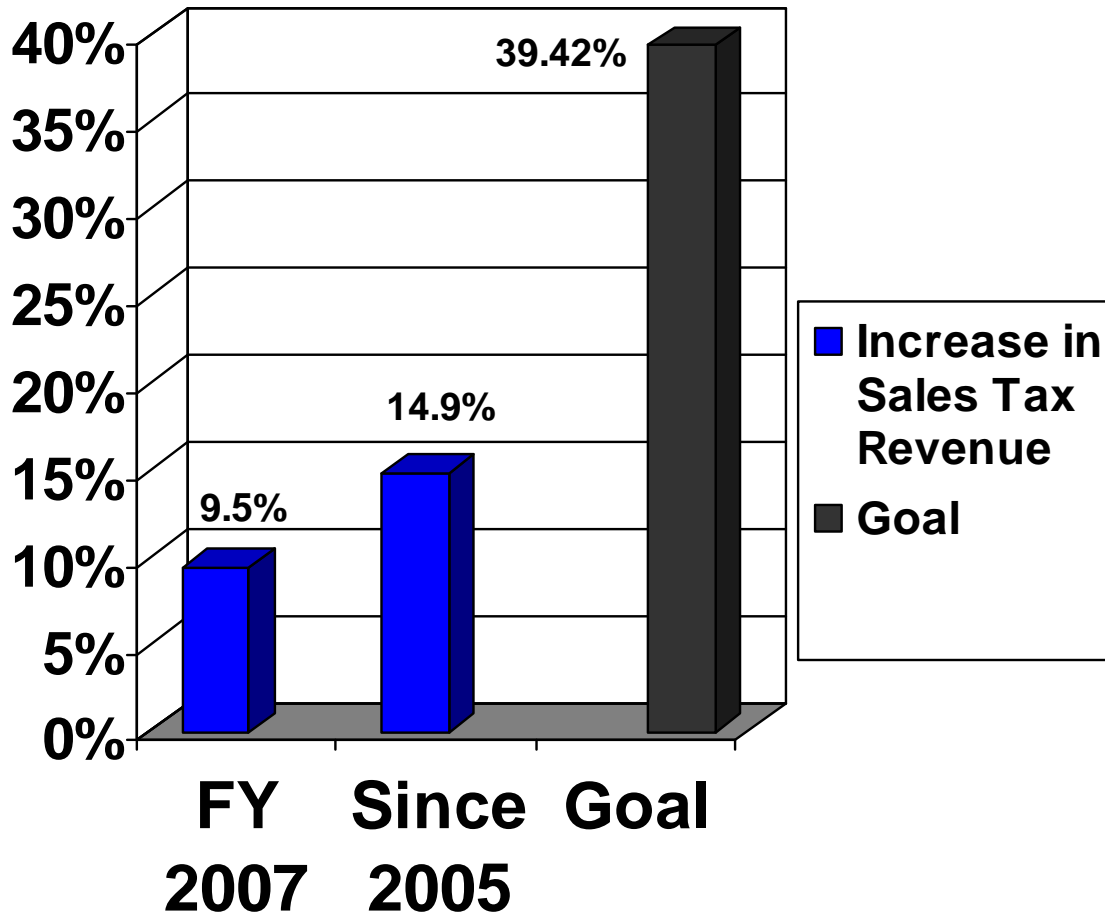
Goal #3: Increase the Proportion of the Non-Residential Tax Base Above 29.19%



- **27.45%** - proportion of the non-residential tax base on Oct. 1, 2005
- **29.51%** - proportion of the non-residential tax base in FY 2007
- **0.44%** gained in FY 2006
- **1.62%** gained in FY 2007
- With investments made and committed, the five-year goal has been **surpassed**



Goal #4: Increase the Sales Tax Revenue Base by 39.42%



- **\$581,956** - increase in the baseline sales tax revenue in FY 2007
- **\$871,403** increase in the baseline sales tax revenue since October 1, 2005
- **14.9%** - increase in the baseline sales tax revenue since October 1, 2005
- **24.5%** - to go to reach five-year goal by Sept. 30, 2011



2007 Overview

Number of Formal Inquiries	240
Number of Written Proposals	97
Number of Prospects Visited	80
Number of Known Prospect Visits	57
Number of Visits to Local Firms for Expansion	22
Number of Jobs Created or Committed	508



2007 Overview

Sq. Ft. Commercial Space Added	796,200
Sq. Ft. Commercial Space Committed	168,000
Total	964,200
Total Grant Funding Committed	\$ 2,547,405
Total Grant Funding Paid	\$ 684,179
Total Grant Commitment Outstanding	\$ 3,859,964



2007 Operating Budget

	Actual	Budget	Variance	% Variance
Revenue				
Sales Tax	\$1,165,587	\$1,257,250	-\$91,663	-7.3%
Interest	\$109,927	\$81,500	\$29,429	36.1%
Total	\$1,275,514	\$1,338,750	-\$62,234	-4.6%
Expense				
Operations	\$561,194	\$590,472	\$29,278	5.0%
Prospect Development				
Buxton Company	\$50,000			
Whittaker & Associates, Inc.	\$5,000			
Education/Workforce Dev.	\$8,000			
Teague Nall & Perkins (Infra.) <i>(infra. cost opinions)</i>	\$18,600			
Teague Nall & Perkins (Dnge.) <i>(drainage study - 40 acres)</i>	\$21,100			
Total	\$102,700	\$541,000	\$438,300	81.0%
Current Portion LTD*	\$272,596	\$285,732	\$13,137	4.6%
City Bond Debt (Polk Street)	\$30,879	\$30,879	\$0	0.0%
Total	\$967,368	\$1,448,083	\$480,715	33.2%

*CIP \$4,000,000 Bond



2007 Incentive Grants Awarded

New Development

MCM Grande' Hotel	\$	225,000
Project Jones	\$	1,364,055
Total	\$	1,589,055

Retention & Expansion

Texas Air Manufacturing	\$	100,000
Kwik Kopy Digiprint	\$	10,000
McGraw Hill Publishing, Inc.	\$	700,000
Total	\$	810,000

Infrastructure

Backage Road for Holiday Inn Express		84,000
DWU Polk Street Reimbursement		64,350
Total	\$	148,350

Grand Total	\$	2,547,405
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2007 Grant Obligations, Grants Funded, and Grants Outstanding

New Development

	Beginning Obligation	2007 Grant Funding	Outstanding
Kauffman Tire	\$ 109,838	\$ -	\$ 109,838
Holiday Inn Express	\$ 296,900	\$ 3,000	\$ 293,900
Walgreens	\$ 75,000	\$ 75,000	\$ -
Hampton Inn & Suites	\$ 400,000	\$ -	\$ 400,000
Quorum Equities	\$ 400,000	\$ -	\$ 400,000
MCM Grande*	\$ 225,000	\$ -	\$ 225,000
Project Jones*^	\$ 1,364,055	\$ -	\$ 1,364,055
Total	\$ 2,870,793	\$ 78,000	\$ 2,792,793

Retention & Expansion

	Beginning Obligation	2007 Grant Funding	Outstanding
DW Distribution (Tax Abatement Reimb.)	\$ 270,000	\$ 77,829	\$ 192,171
DIAB	\$ 175,000	\$ -	\$ 175,000
Kwik Kopy Digiprint	\$ 10,000	\$ 10,000	\$ -
McGraw Hill Publishing, Inc.*	\$ 700,000	\$ -	\$ 700,000
Texas Air Manufacturing	\$ 100,000	\$ 100,000	\$ -
Total	\$ 1,255,000	\$ 187,829	\$ 1,067,171

Infrastructure

	Beginning Obligation	2007 Grant Funding	Outstanding
Backage Road for Holiday Inn Express	\$ 84,000	\$ 84,000	\$ -
DW Distribution Road Extension	\$ 270,000	\$ 270,000	\$ -
DWU Polk Street Reimbursement	\$ 64,350	\$ 64,350	\$ -
	\$ 418,350	\$ 418,350	\$ -

Grand Total

\$ 4,544,143	\$ 684,179	\$ 3,859,964
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* Grants awarded in FY 2007

^ Incentive agreement pending; MOU with City to follow



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.