



FY 2008-2009 First Quarter Report

October 1, 2008 – December 30, 2008

Presented to the DeSoto City Council on February 3, 2009



DEDC's Mission Statement

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



Major Initiatives

- Marketing and Business Attraction
- Strategic Infrastructure Investments
- New Industrial & Commercial Development
- Business Retention and Expansion
- Commercial Redevelopment
- Administration



Marketing and Business Attraction

- New businesses recently locating in DeSoto:

Technology Container

(100,000 sf in Hillwood's CTC Building # 1; 60 employees)

Cintas Corporation

(80 employees; 350,000 sf in Hillwood's CTC Building #1)

Hampton Inn, Holiday Inn Express & La Quinta

(Three new hotels; 45 employees total)

Home Care Network – (2,500 s.f. and 27 employees)





Marketing and Business Attraction

- Site Location Partnership completed their campaign that included letters (2), phone calls (3), e-mail messages (2) to set up phone and/or face-to-face meetings with DEDC staff. Two leads have resulted from this campaign.
- DEDC contracted with CHA to complete a feasibility study for a heliport-vertiport. Study is complete. DEDC and P&Z board members toured the Garland Heliport on January 17, 2009.



Strategic Investments in Infrastructure

- Initiated several joint meetings with Council to discuss options to improve Danieldale Road, widen Polk Street, install the needed utilities at Centre Park Plaza and the 95 acre tract east of Polk Street, and construct a backage road between Wintergreen Road and Southpointe Drive.
- Engaged Teague Nall & Perkins to conduct necessary site assessments and due diligence studies for the same project above, except for improving Danieldale Road.



New Commercial & Industrial Development

➤ Industrial Projects in Progress:

Project Chassis – seeking 50,000 sf with 50 employees. Relocation from coastal Texas.

Hillwood – Hillwood purchased additional land to provide for a larger building site in their project on Centre Park Blvd. Completion of next two spec buildings will not commence until end of 2009.



New Commercial & Industrial Development

➤ Retail/Commercial Projects in Progress:

Project Bridge (power center) – expect decision in early spring relative to timeliness for project.

Project Patel (lost financing; bldg. Permit was issued)

Project Z (2 hotels; 3 restaurants; anticipate project in early spring.

Project Robbins (purchase of former grocery store) LOI's in progress.

Project Pangman (purchase of former grocer store) LOI's and lease agreement in progress.



Reported Investments Made or Committed in FY 2008

\$46,250,000 of investments were made in the City of DeSoto during fiscal year ending September 30, 2008. As noted in the annual report, the DEDC was directly involved in six key projects including Hampton Inn, Quorum Equities, Marriott Towne Place Suites, ComTex Communications, Cintas and Technology Container Corp. The investment amount was sourced from DCAD and the full value of these projects was not reflected in the July 2008 appraisals. The balance that will be appraised in January 2009 is anticipated to be an additional \$25 million.



Business Retention & Expansion

- Met with DIAB and presented grant for expansion.
- Appointments are in progress for major companies; e.g. Solar Turbines, ZEP, and Texas Air Manufacturing.



Commercial Redevelopment

- The DEDC is working to redevelop the former Kmart property on the SWC of Pleasant Run Road and I-35E (Project Pangman).
- The DEDC is also collaborating with the new owner of the Townsend Square shopping center to redevelop the former Albertson's building (Project Robbins).
- The DEDC is also working with the owner of the burned out strip center on the SWC of Hampton and Pleasant Run Road to redevelop their property.



Administration

- DEDC has contracted with NNR & Associates, LLC to have Norma Nichols serve as Interim Executive Director.
- Board hired the Waters Consulting Group to identify and attract proposed candidates for the DEDC's next Executive Director. Four finalists have been identified.



Overview

Number of Formal Inquiries	20
Number of Written Proposals	10
Number of Prospects Visited	10
Number of Known Prospect Visits	15
Number of Visits to Local Firms for Expansion	5
Number of Jobs Created or Committed	195

(Cintas, Technology Container, Comtex, Hampton Inn, La Quinta, & Holiday Inn Express)



Operating Budget

	Current Actual	Current Budget	Current Variance	Current %Variance	YTD Actual	YTD Budget	YTD Variance	YTD %Variance
Revenue								
Sales Tax	\$316,348	\$364,527	(\$48,179)	-13.2%	\$316,348	\$364,527	(\$48,179)	-13.2%
Interest	\$7,669	\$7,500	\$169	2.3%	\$7,669	\$7,500	\$169	2.3%
Total Revenues	\$324,017	\$372,027	(\$48,010)	-12.9%	\$324,017	\$372,027	(\$48,010)	-12.9%
Expenses								
Operations	\$69,469	\$143,254	(\$73,785)	-51.5%	\$69,469	\$143,254	(\$73,785)	-51.5%
Prospect Development								
Eng/Arch Studies	\$0	\$1,250	(\$1,250)	-100.0%	\$0	\$1,250	(\$1,250)	-100.0%
Project Legal	\$460	\$1,500	(\$1,040)	-69.3%	\$460	\$1,500	(\$1,040)	-69.3%
Retail/Commercial/Spec.	\$0	\$10,000	(\$10,000)	-100.0%	\$0	\$10,000	(\$10,000)	-100.0%
Industrial Warehouse/Spec.	\$0	\$10,000	(\$10,000)	-100.0%	\$0	\$10,000	(\$10,000)	-100.0%
Expansion/Retention	\$0	\$2,500	(\$2,500)	-100.0%	\$0	\$2,500	(\$2,500)	-100.0%
Education/Workforce	\$0	\$2,500	(\$2,500)	-100.0%	\$0	\$2,500	(\$2,500)	-100.0%
Subtotal	\$69,929	\$171,004	(\$101,075)	-59.1%	\$69,929	\$171,004	(\$101,075)	-59.1%
Current Portion - LTD	\$0	\$272,065	(\$272,065)	-100.0%	\$0	\$272,065	(\$272,065)	-100.0%
Polk Steet - City Debt	\$0	\$30,695	(\$30,695)	-100.0%	\$0	\$30,695	(\$30,695)	-100.0%
Total Expenses	\$69,929	\$473,764	(\$403,835)	-85.2%	\$69,929	\$473,764	(\$403,835)	-85.2%



Grant Obligations, Grants Funded, & Grants Outstanding

	Beginning Obligation	Grants Funded To Date	Outstanding Balance
NEW DEVELOPMENT			
Kauffman Tire	\$109,838	\$31,281	\$78,557
Hampton Inn & Suites	\$400,000	\$400,000	\$0
Quorum Equities' DeSoto Medical Park	\$400,000	\$0	\$400,000
Cintas	\$384,000	\$300,000	\$384,000
Hillwood/City of DeSoto	\$682,000	\$0	\$682,000
TOTAL	\$1,975,838	\$731,281	\$1,544,557
RETENTION & EXPANSION			
DW Distribution	\$359,740	\$205,410	\$154,330
DIAB	\$175,000	\$159,075	\$0
McGraw Hill Companies	\$342,949	\$0	\$342,949
TOTAL	\$877,689	\$364,485	\$497,279
INFRASTRUCTURE			
Proposed Infrastructure Debt	\$4,800,000		\$4,800,000
GRAND TOTAL	\$7,653,527	\$1,095,766	\$6,841,836



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 in DeSoto.
- ✔ The DEDC thanks you for your continued support, and we will continue to work diligently to bring positive economic growth to DeSoto.