



FY 2008-2009 Second Quarter Report

January 1, 2009 – March 31, 2009

Presented to the DeSoto City Council on May 19, 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:

ITT and Cato are locating in the retail adjacent to the Wal-Mart on Belt Line.

Jazzy's Restaurant and Lantern Dental

There were 18 Commercial C.O.'s issued first quarter.



Marketing and Business Attraction

- DEDC is currently working with CHA and NCTCOG to get DeSoto placed in the regional and national heliport/vertiport plan. Necessary for FAA funding.
- Participated in the CoreNet Conference held in Dallas April 26 – 28.
- Advertising in NOW, Site Selection, and Texas Real Estate magazine. Cooperating with Trammell Crow for funding ads.



Strategic Investments in Infrastructure

- Engaged Teague Nall & Perkins to complete the proposal for water and wastewater improvements for 95 acre tract on Polk. Estimated cost is \$94,000.



New Commercial & Industrial Development

➤ Industrial Projects in Progress:

Project CM – Existing company seeking 150,000 build to suit in Eagle Industrial Park.



New Commercial & Industrial Development

➤ Retail/Commercial Projects in Progress:

Project Z (2 hotels; 3 restaurants; on hold due to financing).

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

Project Aldi – (Purchase of Winn Dixie) Council and DEDC approved incentive package.

Project Wildwood – medical mixed use project – Bolton Boone on hold due to financing issue.



Reported Investments Made or Committed

\$5,000,000 investment committed for Winn Dixie grocery store - reuse for Aldi of Texas.



Business Retention & Expansion

- Met with DIAB, Solar Turbines, ZEP, Texas Air Manufacturing, and McGraw Hill.

All companies are in stable condition with no layoffs planned for the year. Two companies are planning on adding positions.



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 working with Aldi's of Texas to redevelop the Winn Dixie on Hampton Road. Project is in planning stages.



Administration

- DEDC has hired Randal Levingston for the position of Director of Marketing commencing April 26, 2009.

Randal comes from Pepsi Co as a Project Manager for their site selection for the Frito Lay, Pepsi Co, and Gatorade brands.

He has also been the Director of Business Expansion and Retention for the Plano EDC.



Overview

| | |
|---|----|
| Number of Formal Inquiries | 8 |
| Number of Written Proposals | 2 |
| Number of Visits to Local Firms for Expansion | 5 |
| Number of Jobs Committed | 18 |



Operating Budget

| | Current Actual | Current Budget | Current Variance | Current %Variance | YTD Actual | YTD Budget | YTD Variance | YTD %Variance |
|-----------------------------|-------------------|-------------------|---------------------|----------------------|------------------|------------------|--------------------|------------------|
| Revenue | | | | | | | | |
| Sales Tax | \$305,613 | \$360,466 | (\$54,852) | -15.2% | \$621,961 | \$724,993 | (\$103,032) | -14.2% |
| Interest | \$513 | \$4,313 | (\$3,800) | -88.1% | \$8,182 | \$8,627 | (\$445) | -5.2% |
| Total Revenues | \$306,127 | \$364,779 | (\$58,652) | -16.1% | \$630,143 | \$733,620 | (\$103,477) | -14.1% |
| Expenses | | | | | | | | |
| Operations | \$72,939 | \$143,254 | (\$70,315) | -49.1% | \$127,927 | \$143,254 | (\$15,327) | -10.7% |
| Prospect Development | | | | | | | | |
| Eng/Arch Studies | \$0 | \$1,250 | (\$1,250) | -100.0% | \$0 | \$2,500 | (\$2,500) | -100.0% |
| Project Legal | \$40 | \$1,500 | (\$1,460) | -97.3% | \$580 | \$3,000 | (\$2,420) | -80.7% |
| Retail/Commercial/Spec. | \$0 | \$10,000 | (\$10,000) | -100.0% | \$0 | \$20,000 | (\$20,000) | -100.0% |
| Industrial Warehouse/Spec. | \$190 | \$10,000 | (\$9,810) | -98.1% | \$190 | \$20,000 | (\$19,810) | -99.1% |
| Expansion/Retention | \$0 | \$2,500 | (\$2,500) | -100.0% | \$2,200 | \$5,000 | (\$2,800) | -56.0% |
| Education/Workforce | \$0 | \$2,500 | (\$2,500) | -100.0% | \$0 | \$5,000 | (\$5,000) | -100.0% |
| Subtotal | \$73,169 | \$171,004 | (\$97,835) | -57.2% | \$130,896 | \$198,754 | (\$67,858) | -34.1% |
| Current Portion - LTD | \$204,916 | \$204,916 | \$0 | 0.0% | \$204,916 | \$272,065 | (\$67,149) | -24.7% |
| Polk Steet - City Debt | \$20,616 | \$20,616 | \$0 | 0.0% | \$20,616 | \$30,695 | (\$10,079) | -32.8% |
| Total Expenses | \$298,701 | \$396,537 | (\$97,835) | -24.7% | \$356,428 | \$501,514 | (\$145,086) | -28.9% |



Grant Obligations, Grants Funded, & Grants Outstanding

| | Beginning Obligation | Grants Funded To Date | Outstanding Balance |
|--------------------------------------|-------------------------|--------------------------|------------------------|
| NEW DEVELOPMENT | | | |
| Kauffman Tire | \$109,838 | \$46,127 | \$63,711 |
| 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 | \$746,127 | \$1,529,711 |
| RETENTION & EXPANSION | | | |
| DW Distribution | \$359,740 | \$205,410 | \$154,330 |
| DIAB | \$175,000 | \$159,075 | \$0 |
| McGraw Hill Companies | \$342,949 | \$42,949 | \$300,000 |
| TOTAL | \$877,689 | \$407,434 | \$454,330 |
| INFRASTRUCTURE | | | |
| Proposed Infrastructure Debt | \$4,800,000 | | \$4,800,000 |
| GRAND TOTAL | \$7,653,527 | \$1,153,561 | \$6,784,041 |



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.