



FY 2008-2009 Third Quarter Report

April 1, 2009 – June 30, 2009

Presented to the DeSoto City Council on August 18, 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, Texas.



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:**
- There were 8 Commercial C.O.'s issued third quarter.
- **Industrial Park Expansion:**
- Blaze X Sprinklers expanded and purchased the 1615 Osprey Drive Building.



Marketing and Business Attraction

- DEDC is currently working with NCTCOG to get DeSoto placed in the regional and national heliport/vertiport plan. Necessary for FAA funding. Additional funding source identified with DOT at state level.
- Participated in Texas One meeting with site selection consultants in New York and Duff & Phelps in Houston.



Marketing and Business Attraction (Continued)

- Revising ads and updating website.
- Twitter running as of June 2009.



Strategic Investments in Infrastructure

- Engaged Teague Nall & Perkins to complete the proposal for water and wastewater improvements for 95 acre tract on Polk. Cost is \$86,000.



New Commercial & Industrial Development

- **Industrial Projects in Progress:**
- Project CM – Existing company seeking 150,000 build to suit in Eagle Industrial Park.
- Project Air – Existing company seeking to expand to 30,000 s.f.



New Commercial & Industrial Development

- **Retail/Commercial Projects in Progress:**
- **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 Financing approved. Incentive from DEDC is pending.



New Commercial & Industrial Development (Continued)

- **Retail /Commercial Projects in Progress:**
- **Project Monarch** – call center interested in former Albertson’s grocery.
- Jazz and comedy club interested in Town Center.
- Bakery interested in Town Center.



New Commercial & Industrial Development – (Continued)

- **Retail/Commercial Projects in Progress:**
- Family entertainment recruited – staff and board member met with firm principal.
- Project Tea Cup – call center interested in former Albertson's grocery.



Reported Investments Made or Committed

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



Business Retention & Expansion

- First Breakfast with the Mayor held in July 2009.
- Business survey mailed out to 200 companies in July 2009.
- 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). A developer has hired a commercial broker to purchase the building.
- The DEDC is working with Aldi's of Texas to redevelop the Winn Dixie on Hampton Road. Project remains in planning stages.



Overview

Number of Formal Inquiries	10
Number of Written Proposals	2
Number of Visits to Local Firms for Expansion	3
Number of Jobs Committed	120



Operating Budget

	Current Actual	Current Budget	Current Variance	Current %Variance	YTD Actual	YTD Budget	YTD Variance	YTD %Variance
Revenue								
Sales Tax	\$317,743	\$337,062	(\$19,319)	-5.7%	\$939,704	\$1,062,055	(\$122,350)	-11.5%
Interest	\$9,880	\$4,313	\$5,567	129.1%	\$18,062	\$12,941	\$5,122	39.6%
Total Revenues	\$327,623	\$341,375	(\$13,752)	-4.0%	\$957,767	\$1,074,995	(\$117,229)	-10.9%
Expenses								
Operations	\$84,776	\$274,716	(\$189,941)	-69.1%	\$211,826	\$274,716	(\$62,890)	-22.9%
Prospect Development								
Eng/Arch Studies	\$0	\$1,250	(\$1,250)	-100.0%	\$0	\$3,750	(\$3,750)	-100.0%
Project Legal	\$200	\$1,500	(\$1,300)	-86.7%	\$1,340	\$4,500	(\$3,160)	-70.2%
Retail/Commercial/Spec.	\$0	\$10,000	(\$10,000)	-100.0%	\$0	\$30,000	(\$30,000)	-100.0%
Industrial Warehouse/Spec.	\$2,500	\$10,000	(\$7,500)	-75.0%	\$21,177	\$30,000	(\$8,823)	-29.4%
Expansion/Retention	\$658	\$2,500	(\$1,842)	-73.7%	\$4,343	\$7,500	(\$3,157)	-42.1%
Education/Workforce	\$0	\$2,500	(\$2,500)	-100.0%	\$0	\$7,500	(\$7,500)	-100.0%
New Infrastructure Debt	\$0	\$25,000	\$25,000	100.0%	\$0	\$225,000	(\$225,000)	-100.0%
Subtotal	\$88,133	\$327,466	(\$214,333)	-65.5%	\$238,685	\$582,966	(\$344,281)	-59.1%
Current Portion - LTD	\$0	\$272,065	(\$272,065)	-100.0%	\$204,916	\$204,916	\$0	0.0%
Polk Steet - City Debt	\$0	\$30,695	(\$30,695)	-100.0%	\$20,616	\$20,616	\$0	0.0%
Total Expenses	\$88,133	\$630,226	(\$517,093)	-82.0%	\$464,218	\$808,498	(\$344,280)	-42.6%



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
ALDI Inc. Denton Division	\$50,000		\$50,000
TOTAL	\$2,025,838	\$746,127	\$1,579,711
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	\$7,703,527	\$1,153,561	\$6,834,041



DEDC Investment Committee

- **Members:**
- Curtistene McCowan – Chairperson
- Norma Nichols – DEDC Exec. Director
- Aaron Carter – DEDC Sec./Treasurer
- Camelia Browder – Dir. of Finance/City
- Millie Garcia – DEDC Exec. Secretary



DEDC Investment Committee

(Continued)

- The purpose of this committee is to review the investment policy to make sure that it's in compliance with the wishes of the Board and the State and make changes as needed.
- This committee reviews the DEDC Investments, Financials, and Operating Budget. Any recommendations are passed along to the board for consideration.



DEDC Investment Committee (Continued)

- Committee meets quarterly.
- Dates Met: August 15 & October 7, 2008; January 20, April 21, and July 21, 2009.
- The Officers are required to have 10 hours of continuing education credits.
- Curtistene McCowan and Millie Garcia attended the Public Funds Investment Act Workshop on July 1st and July 2nd, 2009.



DEDC Investment Committee

(Continued)

- Included in your Council Packet are the approved minutes for:
- August 15, 2008
- October 7, 2008
- January 20, 2009
- April 21, 2009
- If you have any questions, please contact any of the committee members.



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.