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DESOTO ECONOMIC DEVELOPMENT CORPORATION

Press Release

FOR IMMEDIATE RELEASE - May 7, 2003

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Hillwood's Crossroads Trade Center Comes to DeSoto, TX!

The proposed Crossroads Trade Center of the Hillwood Development Company involves the construction of approximately 1,730,000 sf of warehouse/distribution space on a 113 acre site in the Eagle Business and Industrial Park in DeSoto, TX, over a five year period.

Two forms of incentives were offered to Hillwood to build their proposed warehouse/distribution facility in DeSoto, TX.

- 1) **100% Triple Freeport Equivalency** tax abatement on all Freeport eligible inventory goods which are held in inventory for less than 175 days. Therefore, an inventory tax will not be paid by Hillwood or their tenants on Freeport eligible inventory in the building for less than 175 days. However, all other inventory items which do not qualify for the Freeport exemption will be taxed at the full tax rate.
- 2) **Real Property Tax Abatement** incentives are based upon a declining schedule and are contingent upon a minimum of the following two constraints:

Minimum of 200,000 sf for each building/warehouse constructed

Minimum Building Construction Cost of \$5,000,000 for each building/warehouse

The DEDC has committed to partner with the City of DeSoto to partially "reimburse" the City for revenues they will forego by offering tax abatement. The degree of DEDC and City partnership will be discussed in a joint work session between the City Council and the DEDC Board of Directors on Thursday, June 26th. Tuesday night, May 6th, the DeSoto City Council approved the following tax abatement schedule,



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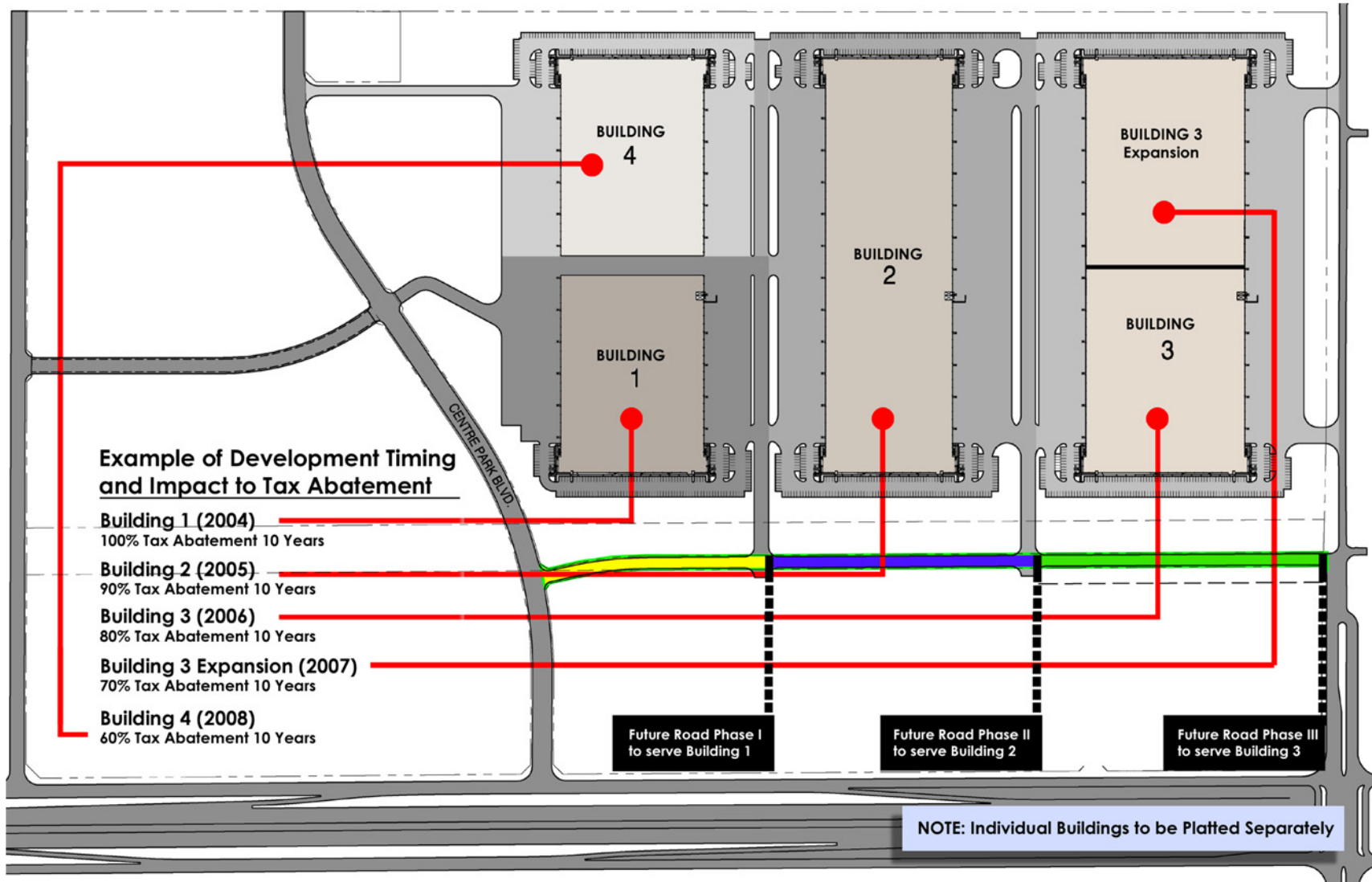
which had been previously recommended and approved by the DEDC Board of Directors, for the Hillwood Crossroads Trade Center:

Year Certificate of Occupancy Received	Percent of Tax Abatement	Term of Tax Abatement
2004	100%	10 years
2005	90%	10 years
2006	80%	10 years
2007	70%	10 years
2008	60%	10 years

Based upon the given tax abatement schedule, Hillwood would receive 100% tax abatement for 10 years on any building(s) built, and for which a certificate of occupancy is issued by the City of DeSoto, in 2004. Hillwood would receive 90% tax abatement for 10 years on any building(s) built, and for which a certificate of occupancy is issued by the City of DeSoto, in 2005. Hillwood would receive 80% tax abatement for 10 years on any building(s) built, and for which certificate of occupancy is issued by the City of DeSoto, in 2006. Hillwood would receive 70% ax abatement for 10 years on any building(s) built, and for which a certificate of occupancy is issued by the City of DeSoto, in 2007. Hillwood would receive 60% tax abatement for 10 years on any building(s) built, and for which a certificate of occupancy is issued by the City of DeSoto, in 2008.

For any year that a new building is not constructed, Hillwood would not receive the scheduled rate of tax abatement. For example, if Hillwood built one building in 2004, two buildings in 2005, no buildings in 2006 and 2007, and three buildings in 2008, Hillwood would receive: 1) 100% tax abatement for 10 years for the one building built in 2004, 2) 90% tax abatement for 10 years for each of the two buildings built in 2005, and 3) 60% tax abatement for 10 years for each of the three buildings built in 2008. Note that no buildings were built in 2006 and 2007, so the scheduled tax abatement rates of 80% and 70% were also skipped.

[End of Article]





 HILLWOOD
A PEROT COMPANY®