



DESOTO DEVELOPMENT CORPORATION
REGULAR BOARD MEETING MINUTES
Monday, January 13, 2025

The Board of Directors of the DeSoto Development Corporation (DDC) met on **Monday, January 12, 2025, at 6:00 p.m.** in the Council Conference Room located in City Hall at the DeSoto Town Center, 211 East Pleasant Run Road, DeSoto, Texas 75115, The meeting was streamed live on Facebook and archived on the websites.

As authorized by Section 551.071(2) of the Texas Government Code, this meeting may be convened into a closed Executive Session to seek confidential legal advice from the Corporation's attorney on any agenda item listed herein.

"Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of members, including the presiding officer, will be physically present at the location noted on this Agenda."

REGULAR SESSION - THE MEETING WAS CALLED TO ORDER BY PRESIDENT MICHAEL BALDWIN AT 6:08 P.M.

Present:

Michael Baldwin, Board President
Latosha Herron Bruff, Vice-President
Felicia Pierson, Secretary/Treasurer
Akilah Wallace, Director
Mark Jones, Director
Dr. Micaela Herndon, Director

Present via Video Conference:

Dr. Ahmad Garrett-Price, Director

Staff Present:

Matt Carlson – DDC Chief Executive Officer
Antoine Long - Economic Development Manager
Soledad Garcia – Economic Development Project Coordinator
Melba Hill – Economic Development Specialist
Tracy Cormier – Director of Financial Services
Councilman Andre Byrd – City Council Liaison

Also Present:

Victoria Thomas, Attorney

Councilman Andre' Byrd offered the invocation.



REGULAR AGENDA— NEW BUSINESS— Items for discussion and/or possible action:

1. City Council Liaison Update – Councilman Andre’ Byrd, Sr., Councilman Byrd

An update on city events included the upgrade of old street lights to LED fixtures and the upcoming elections

2. Finance Status Report – Managing Director of Financial Services Tracy Cormier.

FY23/24 Year End

Mr. Cormier presented unaudited financial reports for September 2024, showing revenues for FY23/24 of \$3.568 million, a net gain of \$753,100 from the previous fiscal year of \$3.496 million. Interest revenues of \$470,809 accounted for \$144,412 of the total revenue increase from the previous year.

Operating expenses were also well under budget, ending the year at approximately 74% of budgeted amounts. (Excluding Business Grants and Advertising expenditures)

The net effect of annual operations (Total Revenues less Operating Expenses plus unspent Business Grants and Advertising allowances) was the addition of approximately \$1,415,407 to the Corporation’s fund balance.

October 2024 Statement

Revenue expectations were met for October 2024. As this is the beginning of the fiscal year, the DDC sales tax revenue received in October and November 2024 will be posted to FY 2024. These sales tax revenues were collected for August and September, respectively. Total revenue as a percentage currently stands at 7.6%.

Expenditures are well under budget, expending 2.3% of the budgeted amount.

Mr. Cormier advised that beginning in FY 24/25, DeSoto Parks Development Corporation (DPDC) revenues and expenses will be presented in a separate fund with separate statements for clarity and ease of tracking the DPDC's debt obligation in the future.

November 2024 Statement

Revenue expectations were met for November 2024. This is the beginning of the fiscal year, and the DDC sales tax revenue received in October and November 2024 will be posted to FY 2024. These sales tax revenues were collected for August and September, respectively. Total revenue as a percentage stand at 8.7%.

Expenditure is well under budget, having expended 4.4% of the budgeted amount.

3. Review of Sales Tax Trends for FY 24

Soledad Garcia presented an analysis of sales tax data identifying major economic drivers in DeSoto. The key sectors identified were retail trade and accommodation services, and



department stores being the largest contributors with department stores showing significant seasonal fluctuations. All other contributors were relatively consistent in nature from quarter to quarter and none making more than a 5% total contribution to total sales tax revenues.

4. Presentation regarding Creation of a Tech Innovation Fund & Potential Innovation Lab
Antoine Long

Mr. Long led the discussion on potentially creating a hub for tech innovation companies in DeSoto. The potential use of underutilized assets like the DeSoto heliport and some currently vacant city-owned space was discussed as potential start-up space for these ventures with little or no cost to the company.

The Board also discussed establishing a revolving loan fund to support these tech start-up businesses. Staff suggested the Board consider a \$500,000.00 amount to establish the fund with initial investments capped at \$50,000 per company. Exploration of investment strategies, including equity stakes and forgiving initial investments if equity grows significantly, were also discussed.

Examples from McKinney and other cities / regions were discussed as successful models from which to learn. The meeting discussed the potential of utilizing city-owned buildings as co-working spaces for tech companies. The Board emphasized the need for gauging interest among stakeholders and ensuring readiness of policies before proceeding. Based on the support of the Board, staff will continue to draft an operating white paper to more firmly outline a start-up plan.

5. Presentation regarding Hampton Road Redevelopment Corridor Map Revisions and Proposed Dates of Rezoning Hearings - Matt Carlson, Chief Executive Officer

Mr. Carlson provided an update on the Hampton Road Redevelopment project, focusing on rezoning the rezoning of commercial properties along the corridor. The plan involves restricting the residential components based on community feedback. The Planning and Zoning Commission will review the proposal on January 14 and January 28, with a city council meeting scheduled for February 18.

6. Presentation regarding Authorized Use of DDC Project Funds – Victoria Thomas, Board General Counsel – Nichols, Jackson

Ms. Thomas presented a brief overview of the Texas State Economic Development statutes and the explicit uses allowed under those statutes of sales tax funds.

7. Update & Discussion of Esports Project Matching Grant - Antoine Long -- Economic Development Manager

The Esports project with the school district was discussed, highlighting the success of the Program and the need to double the grant to expand facilities. The board asks to provide industry partner contacts to match the \$30,000 grant funds before the next school year.



8. Presentation regarding Community Missionary Baptist Church Purchase and Potential Financial Impacts on DeSoto Development Corporation -Matt Carlson, Chief Executive Officer

The discussion focused on the acquisition of property from the Community Missionary Baptist Church, including the financial arrangements and potential development plans. The city plans to purchase the property for \$6.65 million, with \$2 million from bond proceeds and \$4.65 million as an interest-free loan. The city is hopeful for the end of April 2025.

CONSENT AGENDA

The DDC Chief Executive lists items on the Consent Agenda and recommends them to the DDC Board of Directors for a single vote of approval. At the request of a board director, any item on the Consent Agenda may be removed for a separate vote.

1. Consider approving the October, FY23/24 Year End & November Financial Statements
2. Consider approving the minutes of the October 10, 2024, Regular Meeting of the Board.
3. Consider approving the minutes of the October 22, 2024, Special Called Meeting of the Board.
4. Consider approving the November 1-2, 2024, Special Called Meeting (Year End Retreat)
5. Approve the DeSoto Parks Development Corporation's (DPDC) request to expend \$2,000,000.00 from the DPDC fund balance to support the McCowan Aquatic & Recreation Center.

All board items were approved unanimously on a motion by Director Mark Jones and seconded by Director Akilah Wallace.

Executive Session at 8:26 pm

D. EXECUTIVE SESSION UNDER TEXAS GOVERNMENT CODE:

1. Pursuant to Texas Government Code Section 551.087 to discuss or deliberate regarding commercial or financial information that the Board has received from a business prospect that the Board seeks to have expand in or near the territory of the Board and with which the Board is conducting economic development negotiations, to wit: Project Rocker 1 and 2.
2. Pursuant to Texas Government Code Section 551.072 to deliberate the purchase, exchange, lease, or value of three (3) assemblages or parcels of real property located within the city limits of DeSoto, Texas.

Executive Session completed at 9:00 pm

E. RETURN TO OPEN SESSION

Take any action as a result of the executive session

1. No action was taken on the item under Section 551.072



2. Regarding the item under Section 551.087

The subject matter of the deliberation being the potential for an economic development incentive agreement for the applicant – Allied Stone, Inc.

Based on the Board’s review of Allied Stone Inc.’s request for incentives to support a new \$22M equipment expansion and associated workforce expansion of approximately 200 full-time jobs, and;

Based on the Texas State Enterprise Fund’s commitment to an eight-year program of workforce incentives totaling \$1,050,000;

The DeSoto Development Corporation Board of Directors found sufficient reason and approved to request that the DeSoto City Council authorize the City Manager to negotiate and enter into a Chapter 380 agreement with Allied Stone Inc., in an amount not to exceed \$650,000 over a six-year period, consisting of a mix of business personal property taxes and annual inventory taxes. A motion was properly made, duly seconded, and approved.

D. BRIEFING BY CHIEF EXECUTIVE OFFICER —Matt Carlson

Mr. Carlson delivered a brief update on the business plan goals, department goals, and staff personal and professional development plans.

BOARD ANNOUNCEMENTS

The Board of Directors expressed gratitude and appreciation to Vice President Latosha Herron Bruff as she stepped down from the DDC Board. The Board and Staff wish her well.

ADJOURNMENT

At 9:18 p.m.

For - Melba Hill
J. Matt Carlson—Chief Executive Officer