



**DESOTO ECONOMIC DEVELOPMENT CORPORATION
BOARD MEETING MINUTES
JANUARY 28, 2019**

The DeSoto Economic Development Corporation Board met at **9:00 a.m. on Monday, January 28, 2019** in the Council Conference Room located in City Hall at the DeSoto Town Center, 211 East Pleasant Run Road, DeSoto Texas 75115.

Present: Perry Holloway, Board President
Curtis Krohn, Board Vice President
Bobby Waddle, Board Treasurer
Michelle Jordan, Board Director
Dr. Delva King, Board Director

Staff Present: Joe Newman – Chief Executive Officer
Vanessa Barrios – Research and Business Development Manager
Cynthia Noble – Administrative Assistant

Also Present: Melissa Adams — Accounting Manager, City of DeSoto
Tracy Cormier — Director of Budget, City of DeSoto
Pete Smith — Attorney, Nichols, Jackson, Dillard, Hager & Smith, LLP
The Honorable Rachel Proctor — Mayor Pro-Tempore, City of DeSoto, City Council Liaison
Dr. Tarron Richardson — City Manager, City of DeSoto
Leticia Shelton — Deputy City Manager, City of DeSoto
Terry Toomey — Executive Director, The Industry HUB
Monte Anderson — Owner, Options Real Estate
Shmara Punch — Director of Member Relations, DeSoto Chamber of Commerce
Arbin Harrison, III — Concerned Citizen
Dr. Patricia A. Russell-Harrison Ed.D — Concerned Citizen
Natalie A. Wood-Smith — Concerned Citizen
Tamica Jones — Owner, Sheer Elegance Boutique

Absent: None

At 9:04 a.m., Board Vice President Curtis Krohn called the meeting to order and acknowledged the presence of a quorum.

A. REGULAR SESSION – CALL TO ORDER

1. Invocation was given by Board Treasurer Bobby Waddle.
2. Board Vice President Curtis Krohn introduced and welcomed the New Board Member Dr. Delva King.

3. Dr. Delva King took the oath given by Pete Smith, Attorney, Nichols, Jackson, Dillard, Hager & Smith.

B. CONSENT AGENDA

1. Minutes and income and expenses:
 - a. Consideration and approval of the December 17, 2018 DeSoto Economic Development Corporation (DEDC) Board Meeting Minutes.
 - b. Consideration and approval of the DEDC November 30, 2018 income and expenses.

Motion by Board Treasurer Bobby Waddle to approve the consent agenda items as presented.

Motion seconded by Board Director Perry Holloway. Motion approved by Board members Curtis Krohn, Bobby Waddle, Michelle Jordan, Dr. Delva King, and Perry Holloway.

C. REGULAR AGENDA - NEW BUSINESS

1. City Council Liaison's update regarding city events, meetings, etc. by the Honorable Rachel Proctor.
 - a. The Honorable Rachel Proctor said that the City of DeSoto celebrated the Fire Department's promotions on Saturday, January 12, 2019 from 2:00 p.m. to 4:00 p.m. at the Civic Center's Bluebonnet Room. Due to its success it may be held on a Saturday in the future. Also, she informed the Board of Directors that the City of DeSoto has appointed a New Assistant Fire Chief Bryan Southard. She encouraged everyone to congratulate him on his appointment.
 - b. The Honorable Rachel Proctor reported that the City of DeSoto has created a Census 2020 Complete Count Committee. She explained that it is for the purpose of implementing local outreach efforts and raising community awareness to participate in the Census 2020.
 - c. The Honorable Rachel Proctor exclaimed that the City of DeSoto is 70 years old. The 70th Anniversary Celebration will be held on Saturday, March 2, 2019 at 10:00 a.m. at the DeSoto Town Center located at 211 E. Pleasant Run Road, DeSoto, TX 75115 in the City Council Chambers.
2. Grow DeSoto Incubator finish out and financial status report. Presentation by Monte Anderson.
 - a. Monte Anderson reported to the Board of Directors that in November 2018 the net income was \$13,957. In addition, he reported the December 2018 net income as \$12,887 which has yet to be reconciled to include the rent, and it will be reconciled in next month's Financial Status Report. Therefore, he concluded that DEDC's income and expenses were nearly equivalent over the last two months.
 - b. Mr. Anderson said that he expects a fifty percent tenant turnover rate during the first year. However, he noted that there were many different things going on with the occupants that can be a challenge for them. As an example, he explained that the Mexican food restaurant was asked to move out of their space. He pointed out that many people have been working to help them improve, but they kept slipping farther behind on the rent and had children sleeping in their restaurant which would appear unprofessional to the other tenants and visiting customers.
 - c. Mr. Anderson emphasized that there are a thousand things we need to teach the business owners to do for their success. He said we provide a lot of help, guidance, and a great deal of training for the entrepreneurs. He noted we have learned a lot from this process as well. He pointed out how now the selection committee has become more selective than in the beginning of our tenant search.

- d. Mr. Anderson felt the problems are proof that the Grow DeSoto Market Place (Incubator) is greatly needed in this community. He said we approved a new lease for BC International Café to replace the vacated Mexican food restaurant. He exclaimed that oftentimes unfortunately we must turn people away.
- e. Lastly, Mr. Anderson proclaimed that there are some shining stars among our tenants; Peace, Love & Eat received accolades such as the number one African American restaurant in the Dallas—Fort Worth Metroplex in the Dallas Observer last week.

3. DeSoto Chamber of Commerce Update – Dr. Tarron Richardson, City Manager, City of DeSoto.

a. MEMBER SERVICES:

i. Member Networking are as follows:

- 1. Good Morning DeSoto will be held Tuesday, February 5, at 8:00 a.m. at TownPlace Suites.
- 2. The State of the City Luncheon will be held on Thursday, February 7, from 11:00 a.m. to 1:00 p.m. at Home2 Suites. (This event was moved to the Civic Center in the Blue Bonnet Ballroom).

ii. The Ribbon-Cutting Ceremonies and Ground Breaking Ceremonies are as follows:

- 1. Dunkin Donuts' Ribbon Cutting will be held on Saturday, February 2, 2019 at 10:00 a.m.

iii. The Upcoming Ribbon Cuttings/Groundbreaking Ceremonies are as follows:

- 1. Several are pending, but none are confirmed.

iv. Small Business Workshop: There are no workshops pending.

v. Group Health Insurance: It is now available to DeSoto Chamber members only.

- 1. It is Benafix Solutions which is for three plus employees and has a seventy to eighty percent approval rating.

b. ECONOMIC/ BUSINESS DEVELOPMENT/BREP/SHOP LOCAL:

i. For the Revolving Loan Program; no revolving loans are pending.

- 1. This is good considering that the DeSoto Chamber of Commerce and DEDC are evaluating the benefits of the Revolving Loan Program.

c. COMMUNITY EVENTS (leading, assisting, or promoting):

i. A Networking Event was held on Friday, January 25, 2019 from 6:00 p.m. to 10:00 p.m. at the Grow DeSoto Market Place.

- 1. We are exploring marketing campaigns that will bring more visibility to it.

d. TOURISM ACTIVITIES:

i. Print Publication(s):

- 1. The 2018-2019 Community Guide was delivered.

ii. Reunion / Groups: There were no requests this month.

iii. Advertising Campaigns:

- 1. There were no campaigns at this time. In the 2019 budget, we removed funds for advertising on billboards since it did not create the amount of foot traffic that we wanted.

e. FUNDRAISING/ BUDGET:

i. Foreign Travel: There was no foreign travel scheduled at this time.

- ii. The DeSoto Living Festival will be held on Saturday, April 13, 2019 from 10:00 a.m. to 4:00 p.m. at DeSoto East Middle School. We will have alternative planning for the weather; we will have the ability to bring the event inside. The changes due to the weather had an impact on the attendance last year.

- iii. Sales Campaign: There were no sales campaigns at this time.
- f. FACILITIES / OFFICE OPERATIONS:
 - i. Interim Offices:
 - 1. The DeSoto Chamber of Commerce office has been completely purchased.
 - ii. The Personnel changes include: The Board of Directors for the DeSoto Chamber of Commerce decided to hire a fourth person. We are currently evaluating the organizational structure and may decide to operate without a director.
- g. COMMUNITY EVENTS ADDITIONAL INFORMATION:
 - i. Shmara Punch, Director of Member Relations, DeSoto Chamber of Commerce, elaborated on the planning of the DeSoto Living Festival. She explained that they will have a lot more support and help this year since they have developed a partnership with the DeSoto Independent School District and the Parks and Recreation Department to make sure the event is a success. Already many of the vendors have said they are eager to participate in the event.
 - ii. Ms. Punch explained how she added a networking event from 11:00 a.m. to 11:30 a.m. at the State of the City Luncheon to promote their motto of "Networking, Connect and Grow". We already have a primary sponsor for that event who will get to promote their business. The members see an additional benefit from participation and attending early.
- h. SITE VISITS:
 - i. Shmara Punch, Director of Member Relations, also included in the Board Packet the Business Retention Visits Report for the Board of Directors to review. She discussed a problem that Ojeda had with catering an event at the Manderley. She connected Ojeda, the City of DeSoto and the Manderley Event Center to solve the problem. During the resolution process they learned about some of the restrictions they could have encountered that could have hindered the event. Addressing these issues assures that they can continue to work together in the future.
 - ii. Ms. Punch said that they will be meeting with Goldman Sachs who developing a program that offers free business classes for the business owners at Dallas County Community College. Also she informed them that Northwood University will be offering some business classes at a reduced rate to the business owners to help them obtain a degree.
 - iii. Ms. Punch reported the DeSoto Chamber of Commerce had the Ugly Sweater Party & Membership Appreciation Celebration which was held on Thursday, December 20, 2018 from 11:00 a.m. to 2:00 p.m. at the Chamber of Commerce offices.
 - iv. Ms. Punch reported how Methodist Charleston Medical Center was connected with Kay Bee Cakes to contract with them to provide catering for the hospital, since the hospital provides catering events in their banquet hall.
 - v. Dr. Richardson and Ms. Punch discussed ideas they wish to implement to increase membership which is their primary revenue stream. Ms. Punch discussed the benefits of having the Ambassador Program, implementing auto pay, targeted marketing, and visiting dropped members who may not be aware of their expired membership and showing them new benefits of continued membership.
 - vi. In conclusion, Dr. Richardson said that his focus is on developing a better organizational model and providing a new funding strategy. He explains that he would prefer to use the DEDC funds to support the DeSoto Chamber of Commerce to incentivize another business and conduct the business of economic development.

4. Financial Status Report. Presentation by Ms. Melissa Adams, Accounting Manager, City of DeSoto. The Financial Status Report included: A General Fund Balance Sheet, Summary of Revenues and Expenditures, and Details of Revenues and Expenditures as of December 31, 2018. Ms. Adams discussed the updates to the November 30, 2018 Financial Status Report placed in the consent agenda.
5. The Industry HUB's Activity Summary Report for December 2018 presented by Ms. Terry Toomey, Executive Director of the Industry HUB.
 - a. Ms. Terry Toomey said that the tenants are experiencing an after Christmas slowdown in sales in January. She said that some of this may be due to the government shut down, but they missed their sales goals during the Christmas season due to competition with online sales.
 - b. Ms. Toomey will be implementing a brand new training session possibly on Tuesday and Thursday morning at 7:30 a.m. She explained that she has licensed a program and she is underwriting the expense. She said she reinvests about fifty percent of the consultant fee back into the programs. She wants it to be free and open to the entire community, including surrounding cities. We are starting with programs in all digital marketing. She has hired a digital marketing specialist to provide training and he is working on a stipend.
 - c. Ms. Toomey said that they want to display a television screen with a rolling advertising of all the upcoming events and programs. Ms. Toomey explained that if the individual tenants put money into a pool for advertising Mr. Monte Anderson of Options Real Estate said he would match it.
 - d. Ms. Toomey said that this is a constant evaluation of what is working or not working and refining the process.
 - e. Ms. Toomey emphasized that we should create a co-working office space that does not have a year-long lease to occupy the unleased office spaces; we could consider a membership instead of a lease.
 - f. Ms. Toomey explained that online sales and market reality checks are essential for their success.
 - g. Ms. Tamica Jones, Owner, Sheer Elegance Boutique, expressed her concerns about the lack of marketing for the Grow DeSoto Market Place. And she emphasized a great need to receive more funds for marketing the building from the DEDC Board of Directors. She explained that after seven months, people still are not aware of their existence. She believes that many of the tenants will not last another three months without advertising assistance and more foot traffic.
 - h. In response to Ms. Jones's suggestions, Ms. Toomey reported that The Industry HUB is re-doing the over the street banner. Also she will place a street sign at eye level in front of the building. Ms. Toomey said that we are making more efforts for integration with the DeSoto Chamber of Commerce, the Best Southwest (BSW), and other groups. She reached out to the Mayor Curtistene McCowan and the Honorable Rachel Proctor about contacts for sororities and other groups to do events in the Grow DeSoto Market Place.
 - i. The Honorable Rachel Proctor suggested marketing the building on the blue directional signs. The Board of Directors continued to discuss marketing ideas with Ms. Toomey, who welcomed any suggestions.

6. Discussion and possible action to renew and or amend the Administrative Services Agreement between the DeSoto Economic Development Corporation and the City of DeSoto.
 - a. Dr. Tarron Richardson, City Manager, City of DeSoto, provided details of the line items in the new agreement which included: \$10,000 for additional administrative services fees (this increase is due to additional services for the Grow DeSoto Market Place Incubator), \$55,000 for the original DEDC office administrative services fee, and \$22,000 for the unchanged DEDC office space rent.
Motion by Board Director Michelle Jordan to extend and amend the Administration Service Agreement between the DeSoto Economic Development Corporation and the City of DeSoto to add the \$10,000 fee for the additional expenses of the Grow DeSoto Market Place Incubator. Seconded by Board Director Perry Holloway. Approved by Board members Perry Holloway, Curtis Krohn, Michelle Jordan, Bobby Waddle, and Dr. Delva King.
7. Consideration and possible action to update the DEDC Strategic Plan for 2019-2023.
Board Vice President Curtis Krohn tabled item # 7 until the Board Retreat at a later date.
8. Consideration and action to obtain a Forensic Audit of DEDC funds. **Board Vice President Curtis Krohn tabled item #8 until the next meeting on Monday, February 11, 2019 to allow the opportunity for Joe Newman, CEO to get additional information on the cost of the forensic audit.**
9. Consideration and action to approve the election of DEDC 2019 officers. **Board Treasurer Bobby Waddle motion for Board Director Perry Holloway to be DEDC Board President, and Board Vice President Curtis Krohn to be the DEDC Board Vice President and Board Director Michelle Jordan to be DEDC Board Secretary/Treasurer. Seconded by Delva King. Approved by Board members Michelle Jordan, Bobby Waddle, Delva King, Perry Holloway and Curt Krohn.**

Board President Perry Holloway called a 5 minute break at 10:57 a.m.; whereas, afterwards he called the Board Directors into Executive Session at 11:10 a.m.

D. EXECUTIVE SESSION

Texas Government Code, Section 551.087: Economic Development Deliberation.

1. **Deliberation and Discussion Regarding the Economic Development Incentive Agreement between Project Housewares and the DeSoto Economic Development Corporation.**

Texas Government Code, Section 551.074: Personnel:

1. **Annual Review of the CEO Joe Newman.**

Board President Perry Holloway Reconvened into Open Session at 11:49 a.m.

E. RECONVENE INTO OPEN SESSION

F. ACTION AS A RESULT OF EXECUTIVE SESSION

Motion by Board Vice President Curtis Krohn to approve that the Board Directors acknowledge the CEO's (Joe Newman) fulfillment of two of the three incentives to be fulfilled as stated in his contract, and that he receives the appropriate payment for fulfilling two of the three goals as stated in his

contract. Seconded by Board President Perry Holloway. Approved by Board members Bobby Waddle, Michelle Jordan, Delva King, Perry Holloway and Curt Krohn.

G. BRIEFING BY THE CHIEF EXECUTIVE OFFICER REGARDING THE STATUS OF PENDING DEDC PROJECTS

1. Joe Newman, CEO, pointed out and discussed the Score Card included at the end of his report. In his report, he reported that the sales tax had increased in January by 22.9 percent. He hypothesized that it could be due to an audit, but the state comptroller's office had no evidence of that. He deducted that the Grow DeSoto Market Place incubator probably played a part in the increase, but the majority of the increase in sales is probably due to a major company, such as Kohl's increase in their online sales. He elaborated that the DEDC and the City of DeSoto returned a portion of their sales tax back to Kohl's per their incentive agreement. He reported the economy seems to be doing well. He says the Scorecard shows the projects the DEDC is presently working on as well as future projects. In conclusion, he announced that unemployment rate currently is doing very well. Finally, he gave to the Board of Directors a draft of proposed board meeting dates for their review.

H. BOARD ANNOUNCEMENTS

Board Director Curtis Krohn announced that he will bring Gospel Fest tickets to the next meeting on Monday, February 11, 2019. He said the tickets are \$10.00 and are from the Concerned DeSoto Citizens. The proceeds go to benefit the DeSoto High School seniors for scholarships and other high school events. The Faith Bible Church 2019 Gospel Fest will be held on Sunday, February 17, 2019 at 4:30 p.m. at Faith Bible Church. In addition, he announced to the Board Directors that it is the Concerned DeSoto Citizens' 30th Anniversary, so they will have their 30th Gala to be held on Friday, June 21, 2019 at 7:00 p.m. at the Magnuson Grand Hotel.

I. ADJOURNMENT

With no further business to discuss Board President Perry Holloway adjourned the meeting at 11:50 a.m.



Perry Holloway, Board President



Curtis Krohn, Board Vice President