



**DESOTO ECONOMIC DEVELOPMENT CORPORATION
BOARD MEETING MINUTES
JUNE 24, 2019**

The DeSoto Economic Development Corporation Board met at **9:00 a.m. on Monday, June 24, 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
Michelle Jordan, Board Secretary/Treasurer
Bobby Waddle, 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
Andre` Byrd, Sr. — Councilmember, City Council Liaison, City of DeSoto
Isom Cameron — Interim Deputy City Manager, Director of Public Utilities, City of DeSoto
Kenneth Govan — Board Chairman Elect, DeSoto Chamber of Commerce
Pete Smith — Attorney, Nichols, Jackson, Dillard, Hager & Smith, LLP
Terry Toomey — Executive Director, The Industry HUB
Monte Anderson — Owner, Options Real Estate
Dr. Dinah Marks — Councilmember, City of DeSoto
Nicole Raphiel — Councilmember, City of DeSoto

Absent: Curtis Krohn, Board Vice President
Mayor Curtistene McCowan — Mayor, City of DeSoto
Rene Johnson — Interim City Manager, City of DeSoto
Leticia Shelton — Deputy City Manager, City of DeSoto

At 9:00 a.m., Board President Perry Holloway called the meeting to order and acknowledged the presence of a quorum.

A. REGULAR SESSION – CALL TO ORDER

1. Invocation was given by Councilman Andre` Byrd, Sr., City Council Liaison, City of DeSoto.

B. CONSENT AGENDA

1. Minutes and income and expenses:

- a. Consideration and approval of the May 20, 2019 DEDC Board Meeting Minutes.
- b. Consideration and approval of the DEDC April 30, 2019 income and expenses.
- c. Consideration and approval of the annual sponsorship of all of the DeSoto Rotary Club's 14 Colonies of 13 Flags in the amount of \$4,200. (Same amount as previous years).

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

Motion seconded by Board Director Dr. Delva King. Motion approved by Board members Bobby Waddle, Perry Holloway, and Dr. Delva King. Board Director Curtis Khron and Board Secretary/Treasurer Michelle Jordan were not present for the motion.

C. REGULAR AGENDA - NEW BUSINESS

1. City Council Liaison's update regarding city events, meetings, etc. by councilmember Andre` Byrd, Sr., City Council Liaison. .
 - a. Councilmember Andre` Byrd, Sr., City council Liaison announced the joint DeSoto City Council and DeSoto Independent School District Board meeting will be on Thursday, June 27, 2019 at 6:00 p.m. at the DeSoto Town Center's Civic Center in the Bluebonnet Room. He noted the importance of re-establishing and maintaining that relationship, and keeping it vibrant and moving forward.
 - b. Councilmember Byrd said there will be a combined Celebration for July 4th Independence Day with the City of Lancaster, the City of Duncanville, and the City of DeSoto at Grimes Park to be held on Thursday, July 4, 2019 starting at 6:00 p.m. Don Diego and Chrisette Michele will be our special guest.
 - c. Councilmember Byrd informed the Board of Directors that during the DeSoto City Council Work Session, the City Council was educated by the Women Business Enterprise Alliance on what we can do to increase the success of minority and women owned businesses in DeSoto by establishing partnerships with them on City projects.
2. Grow DeSoto Market Place Incubator financial status report. Presentation by Monte Anderson, Options Real Estate.
 - a. Monte Anderson, Options Real Estate, said the management fees were not collected all year and they were billed all at once in this month's report. Joe Newman, CEO, said utilities were higher than expected, and he noted the additional cost for added marketing expenses.
 - b. Mr. Newman brought to the attention of the Board of Directors the letter that was received by an unsatisfied tenant. Mr. Anderson explained why the lease was not going to be renewed to this tenant. He explained that her rent was several months behind, she was only opening 2 days a week, Also he said she was disgruntle the entire time and inciting discord among the tenants despite the fact we were doing all of the things that she was complaining about. He concluded she didn't take her business seriously enough.
 - c. Alwyn Dowell is moving to a larger space in the center of the Grow DeSoto Market Place shopping center strip. He has a manufacturing operation in Eagle Park
 - d. On a positive note, Mr. Anderson said Shells & Tails will be moving. They are purchasing the space where the automotive shop is located next to the gas station on Beltline near Hampton Rd. He said the owner is going to buy the building and completely redo it. He elaborated that he will have a Cajun seafood market and an outdoor restaurant/café. He

emphasized that this business owner is making money and has reserves in the bank. He said this business owner is an example of what we are striving for each tenant at Grow DeSoto Market Place to become.

- e. Likewise, Mr. Anderson said James McGee, Owner, Peace, Love & Eat, has made money every month. Also, he said Mary Porter, Owner, Delightful Sweets and Kathy Boyd, Owner, KayBee Cakes are making money as well (although he noted not as much as James McGee). He added, "But they are diligent and consistent in their efforts!" In addition, Virginia Montgomery, Tiger House Hat Shop, is moving to a bigger space inside the Grow DeSoto Market Place, so she is growing as well.
- f. Mr. Anderson said he is handling each new lead personally with the help of Lena Liles, COO, Options Real Estate. Currently he reports he has approximately eleven people he is reviewing to become tenants of the Grow DeSoto Market Place.
- g. Mr. Anderson said we are dealing with people who do not have any experience in business and they are learning. Consequently, he said that this is the nature of an incubator. Terry Toomey, Executive Director, The Industry HUB, interjected sometimes in an incubator environment you learn what you do *not* want to do. Mr. Anderson explained although it is in the lease that the tenants must be open a certain number of hours and we emphasize it in the interview process, some tenants still do not comply. However, he said the troubles we run into during this process show us our weaknesses and where we can grow in our community. He said we are moving in the right direction to be better than before.

3. DeSoto Chamber of Commerce Update – Kenneth Govan, Board Chairman Elect, DeSoto Chamber of Commerce.

a. MEMBER SERVICES:

i. Member Networking are as follows:

- 1. Good Morning DeSoto will be held on Tuesday, July 2, 2019 at 8:00 a.m. at the the Glo by Best Western Hotel, in DeSoto, Texas.

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

- 1. Pho Thai was held on Thursday June 21, 2019 at 12:00 p.m. at Grow DeSoto Market Place.

iii. Group Health Insurance is now available to the DeSoto Chamber of Commerce members only.

- 1. Benafix Solutions is meeting with members to provide medical, life, dental, vision, short-term disability and life insurance to DeSoto Chamber of Commerce members as a member benefit.

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

- i. Plans to improve the BREP program for more detail company and industry information to enhance the company's and the DEDC's benefits.

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

- i. The Grow DeSoto Small Business Training Classes will be held every Tuesday and Thursday from 7:30 a.m. to 8:30 a.m. at the Grow DeSoto Market Place.

d. TOURISM ACTIVITIES:

i. Print Publication(s):

- 1. DeSoto's "Livability" advertisement with the Best Southwest Partnership Magazine is moving forward. We are in the approval phase.

e. FUNDRAISING/ BUDGET:

i. Foreign Travel:

1. The 2019 foreign travel destination is a Tuscany Trip. For DeSoto Chamber of Commerce members only, the early bird cost of the trip will be \$2799. Three people signed up.

ii. Marketing Campaign:

1. We are developing new marketing materials for sponsorships for all of the events for the 2019 -2020 calendar year.
2. We are developing the new website. We are working on the transition from the Chamber Master Database based website service to the Chamber Nation service.

iii. Top Golf Tournament:

1. The Top Golf Tournament will be held on Thursday, August 29, 2019 from 6:00 p.m. to 9:00 p.m. at Top Golf at 8787 Park Lane, Dallas, TX 75231.

f. The Site Visit Report by Councilmen Andre' Bryd, Sr. is as follows:

- i. Councilmember Andre' Byrd, Sr. asked the Board of Directors about the value of the site visit report. He explained that since he is new to the position he wanted to fully understand the DEDC's focus regarding the required site visits in order to ensure their compliance with the service agreement and the DEDC's goals.
- ii. In response, Joe Newman, CEO, explained the details of the site visits requirement on the service agreement between the DEDC and the DeSoto Chamber of Commerce. Also he discussed some of the items the DEDC are focusing more attention on such as the Hotels. He expanded on the idea that hotels will attract more much needed and requested restaurants and entertainment venues to DeSoto.
- iii. Vanessa Barrios, Research and Business Development Manager, interjected her focus has been on retention of the larger businesses, while the previous Member Relations Manager of the DeSoto Chamber of Commerce focused on retention and attraction of the smaller businesses. She elaborated that for the larger business, they collaboratively included the leadership such as the Mayor, Mr. Joe Newman, and the DeSoto ISD, etc. in the meetings and visits. In addition, she confirmed they collectively would reach out to everyone else. She explained since one person could not become an effective liaison to all the businesses, attacking it in this way allowed them to cover more ground.
- iv. In response, Board President Perry Holloway emphasized we need to have a collaborative effort among us; he feels that the DeSoto Chamber of Commerce should have the latitude to assure a high retention rate. In conclusion, he pointed out that it is less expensive to retain existing businesses than it is to bring new businesses to DeSoto.

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 May 31, 2019.

- a. Ms. Adams reminded the Board of Directors that the next preliminary audit will be in August 2019 and the official audit will be in January 2020.

5. The Industry HUB's Activity Summary Report for May 2019 presented by Ms. Terry Toomey, Executive Director of the Industry HUB.
- a. Terry Toomey, Executive Director, The Industry HUB, said that the committee is deciding to renew leases. She said they are being as flexible as possible, but there are basic requirements that the tenants need to perform. She said showing up is 90 percent of business, so she said those who are not opening when they are required to will be part of the decision making process to renew. She explained she will not be part of that process since she works with them on a daily basis. She said this will assure that the decision is not personality driven.
 - b. Ms. Toomey said Brandon Moore, Social Media Consultant, uncovered a lead to get an interview with NBC for James McGee at Peace, Love & Eat. Then she said Mr. Moore handed it off to Dalila Thomas, Public Relations Consultant, who developed the lead and got Mr. McGee the interview with NBC. Ms. Toomey said as soon as we received the active link on it Mr. McGee put it up on his website. She exclaimed within hours he had almost 1300 shares! She said as a result, Mr. McGee has been approached possibly by the Today Show and the Ellen Show. The advantage of a company like Mr. McGee's Peace, Love & Eat is that it is an evergreen topic that can go on at any time. Ms Toomey emphasized what she will be angling for is for him to go on a show as the "Chef Demo".
 - c. Ms. Toomey explained she is trying to get all the tenants to realize this is an education environment, so do not make quick decisions. She said they really don't know the questions to ask, such as the triple net of the back office cost involved in leasing another retail space. She said she is asking them to talk to her first so that she can make sure they are educated on all that is involved in the lease agreement before signing.
 - d. Ms. Toomey said we are requesting that the Interim City Manager have a bus stop at the Grow DeSoto Market Place to take them to the 4th of July Celebration Fireworks event so they can park at the Grow DeSoto Market Place.
 - e. Ms. Toomey reported Nasia Miller, Nappy and Happy, will not be renewing their lease. Furthermore, she mentioned they were located in a prime retail spot near the entrance. Also, she said the photographer, Enoch Odu, Business Growth House, will not be renewing. Likewise, she mentioned the ShuEsq will not be renewing and will be moving its business elsewhere since this was not their target audience. However, she reported Virginia Montgomery, Tiger House Hat, will be moving to a larger space within the Grow DeSoto Market Place. She said the tenant who sells the bracelets will be leaving as well. She explained since she only sold bracelets; she did not have enough products. On the other hand, Ms. Toomey reported that Kay Boyd, KayBee Cakes, has been doing well.
 - f. Ms Toomey said we are looking at what are the primary businesses we need to put in the Grow DeSoto Market Place. She pointed out that there are a large range of industries that are not being represented. Therefore, she encouraged everyone to be on the lookout for new possibilities.
 - g. Ms. Toomey said she did three Customer Service Training classes which received no traction. She said she had six classed but canceled the rest after giving only three. She believes it is the attitude of the tenants that since they have been doing this for a while, they don't need additional customer service training. However, she emphasized that good customer service companies are constantly training. Likewise, she has a Nimble Marketing class scheduled in order to get the businesses in tuned to responding to the market with the trends and with their inventory. Lastly, she said she is looking at some

new technology ideas to see how we can change things up to make it more responsive to our market.

- h. In conclusion, she exclaimed that lately we have received some major press and media coverage.

6. DEDC's Trip to the International Council of Shopping Centers (ICSC) Conference in Las Vegas, NA. Report by Vanessa Barrios, Research and Business Development Manager.

- a. Vanessa Barrios, Research and Business Development Manager, said this report is on contacts she made, and meetings she had while at the ICSC conference. She explained that the report is categorized. She said the first category is market analysis and research.
- b. Ms. Barrios said it was spearheaded by Councilmember Raphiel who wanted me to meet with providers of data platforms. She explained there are a lot of companies that can give their clients location based analysis and help with site selection. She said she met with four providers, and three of the four were location based retail intelligence platforms. She elaborated they track data from millions of cellphone users. She continued to say they can provide forecasting, and geo-fencing. She said they can also tell how successful a potential retailer will be at a specific site. Lastly, she said they can also provide local market research.
- c. Ms. Barrios reported the other provider is a full service retail recruitment firm similar to the Retail Coach. She said they will come to your community, assess your retail situation, and then recruit retailers based on your demographics. She mentioned we would have to contract with them for these platforms which would be a decision that would be made by the DEDC Board of Directors.
- d. Ms. Barrios talked about an experiential retailer called Flying Golf similar to Top Golf but on a smaller scale. She mentioned they are based out of Tulsa, Oklahoma. She explained it is a dining and golf experience entertainment venue. She said while there she gave them all of our DEDC marketing materials and demographics. She reported they are initially looking at sites in northern Dallas, but also they have spoken to some southern Dallas cities. She said she has been in contact with them, and she feels they are currently looking at sites to establish themselves.
- e. Next, Ms. Barrios discussed a retail grocery called Earth Flare based out of Ashville, North Carolina. Since it so happened that a grocery store recently left DeSoto, she feels that it is a great opportunity for us. She said they are an organic grocer who has not expanded into the Midwest or Texas yet, but we planted a seed in them and exchanged information.
- f. Ms. Barrios pointed out that Planet Fitness has specific criteria which are listed on the report. Likewise, she pointed out we have several locations in DeSoto that meet the criteria, so we exchanged information. She emphasized hopefully we will see a Planet Fitness here soon.
- g. Ms Barrios reported the restaurants that I approached were Jersey Mikes Subs, CKE Restaurants (Carl Jr. /Hardee's), Inspire Brands (Arby's/Sonic/Buffalo Wild Wings/Rusty Taco), Focus Brands (Auntie Anne's/Cinnabon/Jamba Juice/McAlister's Deli, and Moe's Southwest Grill/Schlotzky's). She found that Moe's Southwest was especially interested.
- h. Finally, Ms. Barrios said Forney EDC was there as well and we exchanged information. She reported that the Director of Little Elm EDC, who had more experience navigating the show, allowed Ms. Barrios to shadow her. She explained that many of the meetings are set up far in advance. In conclusion, she proclaimed the restaurants are interested in

southern cities. She said most of them are looking for franchisee, or they have franchisees that are looking for locations.

7. Consideration and action to approve Pegasus Consulting fee of \$2,000 to update the Hampton Road Redevelopment Project with new recommendations.
After some discussion, Board President Perry Holloway tabled this item until the next DEDC Board Meeting. **No Action.**
8. Discussion and action to authorize the DEDC Chief Executive Officer to negotiate and execute a purchase and sales agreement with the City of DeSoto for the purchase and resale of the city property to AIMS Center for Health and Wellness, PLLC, and to negotiate and execute a purchase and sale agreement with AIMS Center for Health and Wellness, PLLC including a restriction agreement and any amendments or instruments related thereto.
Board Director Bobby Waddle motioned to authorize the DEDC Chief Executive Officer to negotiate and execute a purchase and sales agreement with the City of DeSoto for the purchase and resale of the city property to AIMS Center for Health and Wellness, PLLC, and to negotiate and execute a purchase and sale agreement with AIMS Center for Health and Wellness, PLLC including a restriction agreement and any amendments or instruments related thereto. Seconded by Board Director Dr. Delva King. Approved by Board members Perry Holloway, Delva King, Bobby Waddle, and Michelle Jordan. Board Vice President Curtis Krohn was not present for this motion.

Board Secretary/Treasurer Michelle Jordan arrived at 10:34 a.m.

Board President Perry Holloway called a 10 minute break at 10:07; whereas afterwards the Board reconvened into Executive Session at 10:17 a.m.

D. EXECUTIVE SESSION

Texas Government Code, Section 551.087: Economic Development Deliberation.

1. Deliberation and Discussion Regarding the Economic Development Incentives for Project Methodist.
2. Deliberation and Discussion Regarding the Grant Program Application for Sustaita Enterprises, LLC for paving improvements Phase Two.

Board President Perry Holloway Reconvened into Open Session at 11:25 a.m.

E. RECONVENE INTO OPEN SESSION

F. ACTION AS A RESULT OF EXECUTIVE SESSION

No Action

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

- a. Joe Newman, CEO, said Perry Holloway and he met with the DeSoto City Council's Executive Session to discuss Project Germany and other incentive packages with Fuzzy's Taco; although

DEDC did not have anything to do with the deal. Dallas Regional Chamber (DRC) has been giving us the majority of the leads we have been receiving lately. He expanded twelve leads out of the group on the report came from DRC. Therefore, he said he thinks it is worthwhile to continue the membership with them as requested.

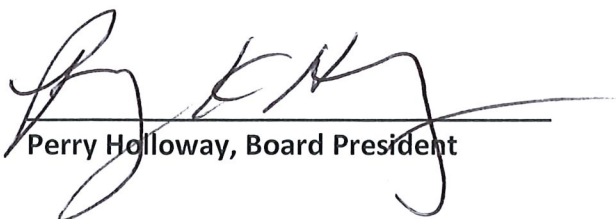
- b. Mr. Newman informed the Board of Directors that Terry Toomey, Executive Director, The Industry HUB, and he were interviewed by the Best Southwest magazine reporter Mr. Newman said he met with developers about a potential 39,000 square foot shopping center near Walmart on Beltline Road. He said that it will depend on what they want to put in there. If it will be a fine restaurant establishment, a nice entertainment venue, or a similar type of venue, then DEDC will consider it. He told the developers that the Board of Directors are probably not going to be interested in incentivizing dollar stores or chicken restaurants. However, he said he didn't encourage them or tell them definitively no to any of their ideas.
- c. Mr. Newman reported he attended the Texas Economic Development Council's Mid-Year Conference in Rockwall.
- d. Sales taxes percentage is up 10.68 percent, but it was down a couple a months this year, then barely up again to .11 percent this year. He explained we have been up and down quite a bit this year. Last year we were up about 11 percent, but we were up 3.68 percent this month, bringing it to 3.5 percent for the calendar year.
- e. Mr. Newman mentioned how the Scorecard shows business retention and the different projects that the DEDC has been working on throughout the year.
- f. In reference to the company that wants to change the contract that we thought was a done deal (who leased only part of the building), Mr. Newman said it is ok if they want to back out of the contract. Especially since we have another prospect who wants the entire building and who will potentially create 1000 jobs, he explained.
- g. Mr. Newman reported that Diab, Glasfloss, Solar Turbines, and NFI are talking expansion.
- h. Finally, Mr. Newman pointed out the unemployment rate displayed at the top of the Scorecard which shows how we compared to the neighboring cities.

H. BOARD ANNOUNCEMENTS

Mr. Newman pointed out to the Board of Directors Loop 9 on the aerial map. He said that Lancaster has started to get their 25 percent together to purchase the property for it, and they have begun the environmental already. He discussed the benefits of and impact of developing Loop 9 to DeSoto, because it will eventually connect Highway 35, 45, and 67 together.

I. ADJOURNMENT

With no further business to discuss Board President Perry Holloway adjourned the meeting at 11:40 a.m.



Perry Holloway, Board President



Curtis Krohn, Board Vice President