



**DESOTO ECONOMIC DEVELOPMENT CORPORATION
BOARD MEETING MINUTES
NOVEMBER 25, 2019**

The DeSoto Economic Development Corporation (DEDC) Board met at **9:00 a.m. on Monday, November 25, 2019** in the Council Conference Room located in City Hall at the DeSoto Town Center, 211 East Pleasant Run Road, DeSoto Texas 75115.

Present: Curtis Krohn, Board Vice President
Michelle Jordan, Board Secretary/Treasurer
Bobby Waddle, Board Director
Dr. Delva King, Board Director
Paul Griffin, Jr., Board Director

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

Also Present: Tracy Cormier — Director of Finance, City of DeSoto
Andre' Byrd, Sr. — Councilmember, City Council Liaison, City of DeSoto
Kenneth Govan — Board Chairman-Elect, DeSoto Chamber of Commerce
Pete Smith — Attorney, Nichols, Jackson, Dillard, Hager & Smith, LLP
Renee Johnson — Interim City Manager, City of DeSoto
Mayor Curtistene McCowan — Mayor, City of DeSoto
Monte Anderson — Owner, Options Real Estate
Terry Toomey — Executive Director, The Industry HUB
Alwyn Dowell, Sr. — Owner, Albra Dewyn, LLC

Absent: Melissa Adams — Accounting Manager, City of DeSoto

At 9:00 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 Director Bobby Waddle.
2. Board Vice President Curtis Krohn introduced and welcomed new Board Director Paul Griffin, Jr., to the DEDC Board of Directors.
3. Board Director Paul Griffin, Jr. was sworn in by Pete Smith, Attorney, Nichols, Jackson, Dillard, Hager & Smith, LLP.

B. CONSENT AGENDA

1. Minutes and income and expenses:

- a. Consideration and approval of the September 30, 2019 DEDC Board Meeting Minutes and the October 7, 2019 DEDC Board Meeting Minutes.
- b. Consideration and approval of the August 31, 2019 income and expenses.

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 Curtis Krohn, Bobby Waddle, and Dr. Delva King. Board Secretary/ Treasurer Michelle Jordan was not present for the motion.

Board Secretary/Treasurer Michelle Jordan arrived at 9:08 a.m.

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. Councilman Andre' Byrd, Sr., City Council Liaison, reported the DeSoto City Council was asked to approve a new plot of land Ten Mile Creek Estates phase 3c, north of Pleasant Run Road and east of Duncanville Road. It will consist of 81 lots, containing 35.95 acres. In addition he provided to a handout from the last DeSoto City Council meeting illustrating the City of DeSoto's decisions to purchase the land.
 - b. Councilman Byrd, Sr. also mentioned Kohler was present at the last DeSoto City Council meeting, and they are interested in establishing a Foreign Trade Zone. He explained they are currently closing their other location in Tennessee and bringing their business to the Dallas area. They are pleased with their operations in DeSoto, Texas. Therefore, they are interested in having a Foreign Trade Zone in DeSoto, since there are no zones currently in the southern sector.
 - c. Mr. Pete Smith, Attorney, NJDHS, pointed out that there are other sub-zones of the Dallas-Fort Worth Foreign Trade Zones around the Dallas-Fort Worth area. He explained that the equipment is taxable. However, he informed the Board of Directors that the inventory is not taxed, because it is stored temporarily without involving customs.
 - d. Councilman Byrd, Sr. reiterated this will help many businesses that require their inventory to be considered as part of a Foreign Trade Zone. He expounded that items will be held for only about 15 days. Also, he feels that DeSoto is ideal for many companies that need transport, because they can flow easily through the southern sector of DFW.
 - e. Lastly, Mr. Joe Newman, CEO, DEDC, read the definition of the Foreign Trade Zone for further clarification to the Board of Directors.
 - f. Councilman Byrd, Sr. asked Joe Newman operational questions posed at the last DeSoto City Council meeting regarding the specific process by which the DEDC solicits and follows up on an economic development lead.
 - g. Mr. Newman explained how oftentimes citizens may have misinformation regarding our capabilities to determine the type of businesses arbitrarily moving into DeSoto. He pointed out that we do not have the power to keep businesses from opening or purchasing properties in DeSoto. He said they are free to purchase whatever property

- they choose. However, he emphasized, that DEDC offers incentives to business that the DeSoto City Council recommends which are based on the desires of the DeSoto citizens.
- h. Councilman Byrd, Sr. mentioned that the DeSoto City Council wants to be aware of the process in order to better inform the citizens of the function and vision of the DEDC.
 - i. Board Vice President Curtis Krohn and Vanessa Barrios, Research and Business Development Manager, summarized that although programs like Civic Academy are informative to some, we need to have additional communication to educate the community as a whole on what is the role and purpose of the DEDC.
2. Grow DeSoto Market Place Incubator financial status report. Presentation by Monte Anderson, Options Real Estate.
- a. Monte Anderson, Options Real Estate, answered the Board of Director's questions regarding the Grow DeSoto Market Place financial report. He discussed the occupancy as about seventy-five percent which includes eight office spaces. Also, he said only one restaurant is available since one of the two spaces has been leased.
 - b. Joe Newman referred to the check listed on the report paid to Rick Keeler, Options Realty, for the court filing fee. He expounded that this reimbursement occurred because a tenant did not pay rent any longer, and Mr. Keeler paid the court filing fees to take the tenant to court. Mr. Newman clarified that this is uncommon for us to do; however, it is not unusual for any company to do as long as all of the supporting documentation is in place for the reimbursement.
 - c. Mr. Kenneth Govan, Board Chairman-Elect, DeSoto Chamber of Commerce, made a comment regarding the vetting process for the Grow DeSoto Market Place tenants. He said he has attended two or three "Pitch Monday" meetings and that the committee is asking some hard questions of the prospects.
 - d. Mr. Anderson discussed the vetting process and "Pitch Day". He talked about how the entry point amount for the tenant to start a business helps them to prevent potential bankruptcy while starting their business if it does not work out for them.
3. Discussion and possible action for the Grow DeSoto Market Place's tenant rent collection and mitigation decision process:
- a. Discussion regarding the DEDC Board of Director's satisfaction with how the rent is currently collected and possible action on any unacceptable items related thereto.
 - i. Board Director Curtis Krohn concluded that the Board of Directors is comfortable with the current collection of the rent process conducted by Monte Anderson with Joe Newman assisting him with any decisions that need to be made.
 - b. Discussion and possible action to determine how much grace period for rental payment extensions should be granted to the tenants.
 - i. Mr. Anderson said we are working hard with each tenant to help them financially meet their goals and remain in business. However, he feels if they are not open when they are supposed to, or they are not participating in the provided learning opportunities, then it is not prudent to keep being lenient with them.
 - c. Discussion and possible action to determine if the authority to extend rental payments will be given to Monte Anderson, Terry Toomey, Joe Newman and/or will require a DEDC Board action.
 - i. Board Vice President Curtis Krohn and Monte Anderson clarified that Monte Anderson is both the landlord to DEDC as well as the property manager of the

Grow DeSoto Market Place. It was consensus among the Board and Council members which were present that since Monte Anderson was hired to manage the property that he should handle these decisions.

- d. Discussion and possible action on the sublease agreement's mitigation process for the Grow DeSoto Market Place tenants to determine who will have the authority to decide whether or not to seek mitigation once the rental payment extension time is exhausted.
 - i. Board Director Curtis Krohn concluded that the Board of Directors is comfortable with the current collection of the rent process conducted by Monte Anderson with Joe Newman assisting him with any decisions that need to be made including mitigation.
- 4. The Industry HUB's Activity Summary Report for September 2019 and October 2019 presented by Terry Toomey, Executive Director of the Industry HUB.
 - a. Terry Toomey reiterated what Monte Anderson said that we are being more conscientious of who we are bringing into the Incubator.
 - b. Joe Newman asked Ms. Toomey about the launch of the Online Business training (B-Train). Ms. Toomey is offering the tenants online training since they were unable to train in class with her at the specified times. She describes the online program which consists of thirty-eight training modules on eight platforms that she has developed with Sondra Evans. It is a 24/7 streaming media training program. It will cost about \$25.00 to anyone who wants to participate.
 - c. Ms. Toomey explained that she has been there in more of an education role for the tenants and to help them explore their options and strategies for growing their business. She said she will be there as a mentor, as an educator, and as an advocate.
 - d. Ms. Toomey discussed the importance of the need for the business owners to change strategies based on the demands of the market, our ability to provide diversity with products and services, and the owner's availability to sell those products and services to the customer.
 - e. Board Director Paul Griffin, Jr. asked Ms. Toomey, "What are the partnerships we have for Grow DeSoto Marketplace?" Ms. Toomey explained that we have reached out and gained resources from SCORE Dallas, Small Business Association (SBA), Dallas Community Colleges, as well as partnering with companies like American Express and Goldman Sachs. Likewise, she is inviting all of the area Chambers of Commerce to each of our events. She explained that she is working with a senior level marketing class at DCCC to get them involved in developing new marketing ideas for Grow DeSoto Market Place. She said she is looking for the next new thing.
 - f. Ms. Toomey decided to have tenant meetings without herself being present so that the tenants could feel free to share their opinions openly with the Board Vice President Curtis Krohn and Joe Newman. She said she was concerned that attitudes amongst the tenants were beginning to develop, since she was involved in the day to day process of it all. She said she wanted to instill in the tenants the idea that whenever there is not a positive energy amongst them every customer who comes into the Grow DeSoto Market Place will feel it.
 - g. Vice President Krohn interjected that the feedback they received from the tenants at the last meeting was very positive towards Ms. Toomey. Overall they were grateful to her for her counsel, having her as a resource and for everything that was done to make their businesses successful.

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

October's Report:

- a. MEMBER SERVICES:
 - i. Member Networking are as follows:
 - ii. Good Morning DeSoto was held on Tuesday, November 5, 2019 at 8:00 a.m. at the Manderley Event Center in DeSoto, Texas.
- b. The Ribbon-Cutting Ceremonies and Ground Breaking Ceremonies were as follows:
 - i. Kids are Us has a ribbon-cutting.
- c. New Members
 - i. The new DeSoto Chamber members were as follows: Tom Thumb, TAR Business Services, Acapulco Restaurant, DeSoto Town Center Apt, The Manderley, AXA Advisors (Investments) PC Home Health, Comfort Rehab, Texas Trust Credit Union, Girlfriends Ministries, and Home2Suites.
- d. Group Health Insurance is now available to the DeSoto Chamber of Commerce members.
 - i. We had meeting with Liberty Mutual members and local businesses to offer this service as a member benefit.
- e. ECONOMIC/ BUSINESS DEVELOPMENT/BREP/SHOP LOCAL:
 - i. We visited SEW Eurodrive.
 - ii. We went to Brittle-Brittle, Inc. to set up BREP visit 4th quarter.
- f. COMMUNITY EVENTS (leading, assisting, or promoting):
 - i. We are promoting and attending Small Business Training held every Thursday at 7:00 a.m.
 - ii. We are attending "Pitch Mondays" for new business applicants to Grow DeSoto.
- g. TOURISM ACTIVITIES:
 - i. Tourism partnership Breakfast was held on Thursday, October 31, 2019.
 - ii. Participating in Leadership Southwest "DeSoto Day". We visited and Highlighted the below DeSoto Companies: 911 Southwest Regional Communication Center, Katherine Johnson Magnet School (DeSoto ISD), DeSoto Heliport, and Geekletes – e Sports.
- h. FUNDRAISING/ BUDGET:
 - i. Our new marketing campaign is underway.
 - ii. The 57th Annual Awards Dinner Elevate to new heights was held on Saturday, November 2, 2019 at 6 p.m. at Thorntree Golf Club.
 - iii. The Member Appreciation Luncheon was held on Thursday, November 14, 2019 at 11:30 a.m. at Methodist Charlton Medical Center.
- i. The Site Visit Report by Kenneth Govan is as follows:
 - i. Mr. Govan submitted a monthly site visit report, but didn't discuss it in the meeting.

November's Report:

- j. MEMBER SERVICES:
 - i. Member Networking are as follows:
 - ii. Good Morning DeSoto will be held on Tuesday, December 3, 2019 at 8:00 a.m. at the Manderley Event Center in DeSoto, Texas.

- k. The Ribbon-Cutting Ceremonies and Ground Breaking Ceremonies were as follows:
 - i. N/A
 - l. New Members
 - i. ACI Roofing and Bellwether Ridge Apartments became a new DeSoto Chamber member.
 - m. Group Health Insurance is now available to the DeSoto Chamber of Commerce members.
 - i. We will be meeting with Liberty Mutual members and local businesses to offer this service as a member benefit.
 - ii. Benafix Solutions is now meeting with members and local businesses to offer this service as a member benefit.
 - n. ECONOMIC/ BUSINESS DEVELOPMENT/BREP/SHOP LOCAL:
 - i. We will follow up with SEW Eurodrive to discuss training partnership.
 - o. COMMUNITY EVENTS (leading, assisting, or promoting):
 - i. We are attending "Pitch Mondays" for new business applicants to Grow DeSoto
 - ii. We accepted a proclamation in recognition of Small Business Saturday held on Tuesday, November 19, 2019 at the DeSoto City Council Meeting at City Hall.
 - p. TOURISM ACTIVITIES:
 - i. The Tourism partnership Breakfast was held on Thursday, October 31, 2019
 - ii. We will be participating in Leadership Southwest "DeSoto Day". We visited and Highlighted the below DeSoto Companies: 911 Southwest Regional Communication Center, Katherine Johnson Magnet School (DeSoto ISD), DeSoto Heliport, and Geekletes – e Sports.
 - q. FUNDRAISING/ BUDGET:
 - i. We executed a new CVB Agreement with the DeSoto City Council at the DeSoto City Council Meeting held on Tuesday, November 19, 2019 at City Hall.
 - ii. Jingle and Mingle will be held on Tuesday, December 10, 2019 at 5:00 p.m. to 6:30 p.m. at Plains Capital Bank.
 - r. The Site Visit Report by Kenneth Govan is as follows:
 - i. Mr. Govan submitted a monthly site visit report, but didn't discuss it in the meeting.
6. Financial Status Report. Presentation by Melissa Adams, Accounting Manager, City of DeSoto. Since Melissa Adams was not present for the meeting, the Financial Status Report was given by Joe Newman, CEO, DEDC, in conjunction with Tracy Cormier, Director of Finance, City of DeSoto.
- a. Mr. Newman and Mr. Cormier explained the Financial Status Report which included: A General Fund Balance Sheet, Summary of Revenues and Expenditures, and Details of Revenues and Expenditures as of September 30, 2019 and October 2019.
 - b. Mr. Newman and Mr. Cormier reviewed with the Board of Directors the Balance Sheet, Summary of Revenue and Expenditures, Summary of Sales Tax Revenue, Summary of Expenses Year to Date, and Budgeted Expenses Year to Date answered any questions they had regarding September's, and October's report.
7. Discussion and possible action to appoint an Audit Committee in preparation of the regular annual audit.
- Board Vice President Curtis Krohn decided to table agenda item # 7 until the next Board meeting in December 2019.**

8. Discussion and possible action to amend the DEDC Bylaws to include: A provision of Nepotism to Provide "No person related within the second degree by affinity, or within the third degree by consanguinity to the Mayor, any member of the City Council or the City Manager shall be employed at any time by the Corporation, or be appointed by the Board Directors to, or serve in any compensated position of the Corporation, or be a party to any contract with the Corporation" and to update references to state law."

Board Director Bobby Waddle motioned to amend the DEDC Bylaws to include: A provision of Nepotism to Provide "No person related within the second degree by affinity, or within the third degree by consanguinity to the Mayor, any member of the City Council or the City Manager shall be employed at any time by the Corporation, or be appointed by the Board Directors to, or serve in any compensated position of the Corporation, or be a party to any contract with the Corporation" and to update references to state law." Seconded by Board Secretary/Treasurer Michelle Jordan. Approved by Board members Curtis Krohn, Michelle Jordan, Bobby Waddle, Dr. Delva King, and Paul Griffin, Jr.

9. Consideration and action to approve the Pegasus Consulting fee for up to the amount of \$1500. **Motion by Board Secretary/Treasurer Michelle Jordan to approve the Pegasus Consulting fee for up to the amount of \$1500. Seconded by Board Director Dr. Delva King. Approved by Board members Curtis Krohn, Michelle Jordan, Bobby Waddle, Dr. Delva King, and Paul Griffin, Jr.**

Board Vice President Curt Krohn called for a ten minute break at 11:20 a.m.; whereas afterwards the Board reconvened into Executive Session at 11:30a.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 Economic Development Incentives for Project Germany.

Board Vice President Curtis Krohn Reconvened into Open Session at 11:44 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, presented the Board of Directors with his monthly activity report and Scorecard. He said he gave an update to the Rotary Club. He said Director Bobby Waddle invited him to speak at the Men's Lions club. Also, he mentioned that he changed the

signatures on the DEDC Checking accounts. He added Director Bobby Waddle to the account and removed all former Board members. He reiterated that it takes two directors signatures for the checks to be valid.

- b. Mr. Newman said during the tour of the SEW Eurodrive facility we learned a lot about their expansion plan. Likewise, he pointed out they do have enough room for expansion and they were looking at the plans to do so. We will follow-up with some training for them with the community college.
- c. Mr. Newman mentioned Director Krohn and Vanessa Barrios gave the presentation to the Civic Academy, which they handled for him while he was at another meeting. He said he heard it went very well.
- d. Mr. Newman said he sat in with the DeSoto City Council meeting when they were interviewing the seven citizens that applied to be on the DEDC Board of Directors. He felt there were some very good candidates. When he informed the candidates that the DEDC Board met every month at 9:00 a.m. for Board meetings, some were unable to commit to this time. He felt that we should do a better job of explaining amount of time it would take to serve as a Board member.
- e. Mr. Newman said he met with Kelvin Hoang regarding the strip center on the corner of Wintergreen and Cockrell Hill. The neighbors wanted to know if we could determine what businesses will go in there. He explained that it is zoned retail which is open to everyone, and we have no control over what will go in in the space unless the board gives incentives for the project.
- f. Mr. Newman said the citizens had the developer meet with them in order to discuss their desires for the strip center. He said developers often ask him what incentives are offered. He explained that it depends on the type of business it is. He said the Board will support what the DeSoto City Council and citizens say they want such as entertainment venues or upscale restaurants. Likewise, he said realistically, ultimately the Board of Directors will incentivize the things that the DeSoto City Council desires which are determined in part by the citizen's recommendations and the businesses that will create the most jobs and add to our quality of life.
- g. Mr. Newman toured Thorntree Country Club's facility and the surrounding community with Councilman Andre' Byrd, Sr. Councilman Byrd, Sr. said many of the citizens of that community are concerned with their direction. He said they want to partner with them to help them with the change of direction. Councilman Byrd, Sr. feels that it is not a resource that the City of DeSoto would want to lose.
- h. Mr. Newman reported the sales tax will not meet the 5 percent increase requirement this year. Also, he reported we are down 2.16 percent, but overall up for the year about 3 percent.
- i. Finally, Mr. Newman gave the Board of Directors a preliminary calendar for next year. He pointed out the Scorecard and asked the Board for any questions.

Michelle Jordan left the Board meeting at 11:55 a.m.


H. BOARD ANNOUNCEMENTS

No Board Announcements

I. ADJOURNMENT

With no further business to discuss Board Vice President Curtis Krohn adjourned the meeting at 12:02 p.m.



Curtis Krohn, Board Vice President

Michelle Jordan, Board Secretary/Treasurer