



## DESOTO ECONOMIC DEVELOPMENT CORPORATION

### BOARD MEETING MINUTES

June 23, 2014

The DeSoto Economic Development Corporation Board met at **9:00 a.m. on Monday, June 23, 2014**, in the Council Conference Room located in City Hall at the DeSoto Town Center, 211 East Pleasant Run Road, DeSoto Texas 75115.

**Present:** Lucious Williams, DEDC Board President  
Michael Hurtt, DEDC Board Vice-President  
Perry Holloway, DEDC Secretary/Treasurer  
Belinda May, DEDC Board Director  
Bill Dendy, DEDC Board Director  
Curtistene McCowan, DeSoto City Council Liaison

**Staff Present:** Jeremiah Quarles, CEO  
Antoine Long, DEDC Economic Development Specialist  
Alicia Villanueva, Administrative Assistant

**Also Present:** Joe J. Gorfida, Jr., City Attorney  
Tom Johnson, Managing Director of Development Services

At 9:02 a.m., Board President Williams called the meeting to order and acknowledged the presence of a quorum.

#### **A. REGULAR SESSION – CALL TO ORDER**

1. Invocation was given by Michael Hurtt

#### **B. CONSENT AGENDA**

1. Approval of the May 16, 2014 DEDC Board Meeting Minutes.  
**Motion by B. Dendy to approve Consent Agenda. Second by B. May. Motion approved 5-0.**

2. Approval of the DEDC Financials through May 31, 2014.  
**Motion by M. Hurtt to approve Consent Agenda. Second by B. Dendy. Motion approved 5-0.**

<b>C. REGULAR AGENDA – NEW BUSINESS</b>
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1. City Liaison Update – Council Member Curtistene McCowan updated DEDC Board on City Council events, meetings, projects etc.

- a. Solar Turbines request was approved by the City Council to use 80% masonry versus 100% masonry required on the north side of their expansion project.
- b. El Pollo Regio Special Use Permit (SUP) approved by City Council for drive thru purposes of the building.
- c. City Council is moving toward a vote on July 1<sup>st</sup> on proposed bond projects. Two categories of projects; Certificate of Occupancy projects and General Obligation Bonds.
  - i. Certificate of Occupancy projects that council will vote on in regards to feasibility study on aquatics center projected at \$20 million to build and operate facility; council is still waiting on all financials and information on overall impact of tax rate of the proposed aquatics center.
  - ii. General Obligation Bonds that will go to the voters: land acquisition \$6,000, fire station \$5 million, parks projects \$1.5 million, Parkerville Road widening \$6 million, aquatics center as aforementioned \$20 million.
  - iii. Certificates of Obligation: Chattey Rd \$4 million, Alley Reconstructions \$4.5 million, two joint projects with the City of DeSoto and Dallas County \$10 million, Hampton road \$3 million, water/sewer projects for Hampton Rd. and Chattey \$6 million
  - iv. Total cost of projects without the fire station will be around \$37 million. City Council will deliberate on projects at the July 1<sup>st</sup> City Council Meeting.

2. DeSoto Chamber of Commerce Update – Laura Terhune, President

- a. President Terhune was not present to give a Chamber of Commerce update.

## **D. BRIEFING BY JEREMIAH QUARLES, DEDC CHIEF EXECUTIVE OFFICER**

### **1. Scorecard update on current DEDC activities**

- a. With the opening of ALDI's on Tuesday June 17, the City of DeSoto gained 20 new jobs.
- b. There has been an increase of RFPs from the state and the Dallas Regional Chamber; the DEDC has submitted two RFPs in the past month.
- c. Quarterly Business Roundtable with Community Banks held on Wednesday June 11, the Small Business Development Center, DeSoto Chamber of Commerce, Bank of DeSoto, Chase Bank, Plains Capital Bank, and BBVA Compass Bank.
- d. Revolving Loan Fund committee will meet Friday, June 27 10:00-11:30am at the DeSoto Chamber of Commerce to review two applications.
- e. Project San Pedro is still on hold; CEO J. Quarles has been in contact with a representative from Minnesota who will give the DEDC an update in August on their status.
- f. Ken Pyatt with the DeSoto Heliport hopes to have a Certificate of Occupancy within the next two weeks.
- g. Solar Turbines has filled out application for infrastructure assistance and will present at the July DEDC board meeting.
- h. City of DeSoto unemployment rate went down from 7.0% to 6.3%.

### **2. Update on retention and expansion efforts – Antoine Long, Economic Development Specialist**

- a. A. Long noted the DEDC's activities for the month of May and June. Highlights include: ICSC conference in Las Vegas meetings with commercial developers and brokers; meeting with Development and Review Committee for a future family entertainment venue in DeSoto; RFP from Site Selection Partnership entitled "Project Torch" 150 jobs, \$3-5 million capital investment; meeting with Mathnasium representative looking to expand to DeSoto; site visit to Palomar, \$50 million annual revenue, expressed need for more employees; CEO reached out to Larry Miller of H-E-B to discuss acquisition of land at I-35E and Pleasant Run Rd, no brand decision has been made yet; CEO reached out to executives with Eatzi's Market and Bakery for a possible entry into DeSoto; RFP received from Office of the Governor entitled "Project Filter Can" 150 jobs, \$15 million capital investment company that manufactures green water filters; Site visit to Gold's Gym Express with David Garcia, he's looking to partner with DeSoto Eagle & Business Industrial Park employees.

### 3. Additional Announcements

- a. Audit Committee will be meeting on Friday, July 11, 2014 at 10:00am in the Council Conference Room

#### **E. EXECUTIVE SESSION**

Board President Williams announced at 10:03 a.m. that:

As authorized by Section 551.087 of the Texas Government Code – Deliberation of Economic Development Negotiations the Board would convene in Executive Session to consider and discuss for potential action:

1. Discussion regarding proposed amendment to the Dermody Properties/KTR Capital Partners contract
2. Discussion regarding economic development incentives for Seefried Properties

Board President Williams adjourned the Executive Session at 11:46 p.m and re-convened the meeting in Open Session stating the following action as a result:

#### **F. POTENTIAL ACTION RESULTING FROM EXECUTIVE SESSION**

1. B. May Motioned to make an amendment to the agreement between DeSoto Economic Development Corporation and KTR Capital Properties for economic development grant in the amount \$725,000.00 to be paid as follows:

A. One-Half (1/2) not to exceed \$362,500.00, to be provided in three(3) equal installments with the first installment to be paid following the Completion of Construction of the Infrastructure, the second installment to be paid the first anniversary of the date of Completion of Construction of the Infrastructure, and the remaining installment to be paid the second anniversary of the date of Completion of Construction of the Infrastructure.

B. One-Half (1/2) not to exceed \$362,500.00, to be provided in three (3) equal installments with the first installments to be paid after Company satisfaction of one of the following: (i) Completion of Construction of at least 300,000 square feet of the Improvements on the Land; or (ii) Completion of Construction of buildings comprising

the Improvements with a Taxable Value of at least \$15 Million Dollars, the second installment to be paid the first anniversary of that date of Company and the remaining installment to be paid the second anniversary of that date.

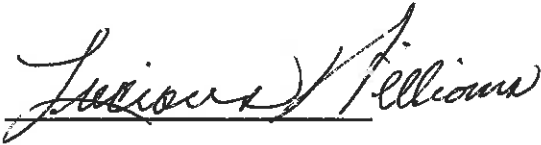
C. Letter of Credit or cash escrow posted by KTR for the full amount of the grant (\$362,500.00) secured by the "Infrastructure" for a period of five (5) years; DEDC may draw upon the full amount at the end of the five (5) years if the "Building Requirements" have not been met by KTR. **Second by M. Hurtt. Motion passed 5-0.**

2. B. May Motioned to authorize the chief executive officer to negotiate and execute an incentive agreement on behalf of the DEDC with Seefried Properties for an Infrastructure Grant in total grant amount of \$376,000.00 in two payments as follows:

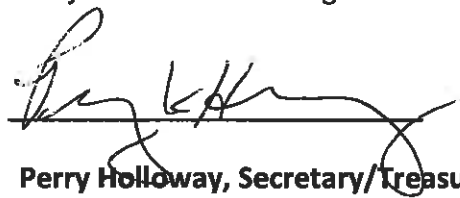
- I. Upon completion of construction of sewer lines and acceptance by the City of DeSoto
- II. Upon completion of construction of the building on the property and an executed lease for a tenant
- III. DEDC will also fund traffic lights when Seefried Properties meets requirements pursuant to the traffic study and after installation and acceptance. **Second by B. Dendy. Motion passed 5-0.**

#### **G. ADJOURNMENT**

With no further business to discuss President Williams adjourned the meeting at 11:51 a.m.



**Lucious Williams, Board President**



**Perry Holloway, Secretary/Treasurer**