



## DESOTO ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING MINUTES

**MARCH 30, 2020**

The DeSoto Economic Development Corporation (DEDC) Board met at **9:00 a.m. on Monday, March 30, 2020** by videoconference at [www.gotomeeting.com](http://www.gotomeeting.com) and was live streamed on the City of DeSoto's website at [www.desototexas.gov](http://www.desototexas.gov).

**Present:** Curtis Krohn, Board President  
Dr. Delva King, Board Vice President  
Michelle Jordan, Board Secretary/Treasurer  
Bobby Waddle, 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:** Melissa Adams — Accounting Manager, City of DeSoto  
Brandon Wright — City Manager, City of DeSoto  
Andre' Byrd, Sr. — Councilmember, City Council Liaison, City of DeSoto  
Kenneth Govan — Board Chairman, DeSoto Chamber of Commerce  
Pete Smith — Attorney, Nichols, Jackson, Dillard, Hager & Smith, LLP  
Terry Toomey — Executive Director, The Industry HUB  
Paula Lowe — CPA, Pattillo, Brown & Hill, LLP  
Monte Anderson — Owner, Options Real Estate  
Tracy Cormier — Director of Accounting, City of DeSoto  
Tom Figert — Director of Information Technology, City of DeSoto

**At 9:16 a.m., Board 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 DEDC Board President Curtis Krohn.

### **B. CONSENT AGENDA**

1. Minutes and income and expenses:
  - a. Consideration and approval of the February 24, 2020 DEDC Board Meeting Minutes.
  - b. Consideration and approval of the January 31, 2020 income and expenses.

- c. Consideration and approval of the Certified Commercial Investment Member (CCIM) - North Texas Chapter's commercial real estate association annual membership fee in the amount of \$1,500.

**Board Director Bobby Waddle motioned to approve the consent agenda items as presented Motion seconded by Board Vice President Dr. Delva King. Motion approved by Board members Curtis Krohn, Paul Griffin, Jr., Bobby Waddle, Michelle Jordan and Dr. Delva King.**

### **C. REGULAR AGENDA - NEW BUSINESS**

1. Grow DeSoto Market Place (GDMP) Incubator Financial Status Report. Presentation by Monte Anderson, Owner, Options Real Estate.
  - a. Monte Anderson asked the Board of Directors if they have any questions regarding the GDMP financials in the board packet.
  - b. Mr. Anderson said the biggest issue we face is what to do with rent abatement requests. He explained that among his properties, he has over 500 tenants asking about rent abatement.
2. Discussion and possible action concerning Grow DeSoto Market Place (GDMP) tenant's rent subsidies or other related assistance during the pandemic.
  - a. Monte Anderson said there are people who will not make it through this crisis. He explained the restaurants remained open by allowing them to serve take-out from their front window only. Also, he explained, we had to increase provisions for extra cleaning. He said only the essential businesses are remaining open like the roofers who are tenants in the Grow DeSoto Market Place. However, others like the hair salon and the art studio will have no revenue at all.
  - b. Mr. Anderson suggested that first he would tell the tenants to pay what they can. Then, he would readjust their lease by extending it with payments deferred to the backend, or by adding on the additional amount spread out over the term of the lease.
  - c. Mr. Anderson said that Terry Toomey, Executive Director, The Industry HUB, will have more information on the Small Business Association (SBA) loans for the tenants and community.
  - d. Terry Toomey said she is working with SBA to streamline their loan process to reduce the application paperwork and to allow for a six month coverage period. Because as it currently stands, she explained, the businesses would need to reapply again by the time they receive the first loan which covers only forty-five to sixty days. She said she is encouraging all of the businesses who are working with her to apply for the SBA loan. She informed them to visit the website [www.sba.gov](http://www.sba.gov) under "Disaster Loan" and begin the loan application process as soon as possible.
  - e. Ms. Toomey said that even though the tenants emphasized they do not wish to take on any extra debt, she explained to them that this loan is similar to a mortgage at 3.75% over 30 years. She expounded, that the small businesses need to apply for the loan even if they find that they do not need it, instead of, not applying for it and needing it when it is too late. She points out it can always be paid back early.
  - f. In addition, Joe Newman, CEO, interjected that he asked Monte Anderson for a reduction in the DEDC's rent at the Grow DeSoto Market Place since DEDC will be reducing and/or

deferring the GDMP tenant's rent during the pandemic period. Monte Anderson replied that the current rent to the DEDC is low at \$6.00 a square foot, so he will not additionally reduce the already reduced rent. Joe Newman clarified that DEDC also pays rent, taxes, maintenance, insurance, and utilities included within the rent payment each month.

- g. Board Vice President Dr. Delva King and Board Secretary/Treasurer Michelle Jordan agreed that there needs to be the type of relief described by Monte Anderson and Terry Toomey to assure the project's survival.
- h. Mr. Anderson explained to the Board that the tenants will be required to show us their financial statements in order to get the adjustments to their rent.
- i. Board Director Paul Griffin Jr. asked how much would the DEDC lose in income on rent each month while the tenants are not able to pay. Monte Anderson responded about \$19,000 a month in rental payment revenue will be lost.

**Board Vice President Dr. Delva King to authorize Monte Anderson, Joe Newman, and Terry Toomey to evaluate requests for the Grow DeSoto Market Place tenant's abatement of rent and to take initial action, based on their decision, determine what is appropriate for that particular tenant. Motion seconded by Board Director Paul Griffin, Jr. Motion approved by Board members Curtis Krohn, Dr. Delva King, Paul Griffin, Jr. Bobby Waddle, and Michelle Jordan.**

**Board President Curtis Krohn skipped item #3 until after items #4 through #6 were completed.**

- 3. Financial Status Report. Presentation by Melissa Adams, Accounting Manager, City of DeSoto.
  - a. Melissa Adams, Accounting Manager, City of DeSoto, 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 February 29, 2020.
  - b. Ms. Adams 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 and answered any questions they had regarding February's report.
- 4. Auditor's Annual Report for Fiscal Year 2019 by Paula Lowe, CPA, Pattillo, Brown & Hill, L.L.P.
  - a. Paula Lowe, CPA, explained that the Pattillo, Brown & Hill, L.L.P. are the new auditor's selected by the DEDC and the City of DeSoto for Fiscal Year 2019.
  - b. Ms. Lowe summarized the Final Auditor's Report for Fiscal Year 2019 to the DEDC Board.
  - c. Ms. Lowe pointed out some of the changes in the Auditor's Report for the year 2019. She explained that they reviewed how well the current policies and procedures were being followed by the DEDC. In conclusion, she said the DEDC's audit was rated clean with the highest rating category.

**Board President Curtis Krohn motioned to accept the audit as presented. Motion seconded by Board Director Paul Griffin, Jr. Motion approved by Board members Curtis Krohn, Dr. Delva King, Paul Griffin, Jr., and Bobby Waddle. Board Secretary/Treasurer Michelle Jordan was not present for the motion.**

**Board Secretary/Treasurer Michelle Jordan left the meeting at 10:15 a.m.**

5. 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 said the Danieldale PID was unanimously approved by the DeSoto City Council at the last City Council meeting on Tuesday, March 26, 2020. He explained that it is expected to bring roughly 400 million dollars to the city as a tax base over the next several years. He said a company in DeSoto, Wildwood Development, is the developer behind the Danieldale PID project. He expounded on the benefits for the City of DeSoto; saying this project will connect the Northwest sector of the city to the Roy Orr Trail which will expand the trail system throughout the city.
  - b. Councilmember Byrd, Sr. announced Brandon Wright, DeSoto City Manager, is now the new DeSoto City Manager. He reported Mr. Wright has agreed to start early, officially tomorrow, to assist with that project and help navigate the choppy waters.
  - c. Councilmember Byrd, Sr. said that Mayor Curtistene McCowan and the DeSoto Council felt that the NOVA incentive discussed in the DeSoto City Council Retreat will be better monitored by the DEDC.
6. DeSoto Chamber of Commerce Update – Kenneth Govan, Board Chairman, DeSoto Chamber of Commerce.
  - a. MEMBER SERVICES:
    - i. Member Networking are as follows:
      1. "Good Morning DeSoto" was held on Tuesday, March 3, 2020 from 8:00 a.m. to 10:00 a.m. at Town Place Hotel by Marriott. We had a guest visitor Rosalind Booker, Vice President of Collin County Black Chamber of Commerce to establish a new Chamber Partnership.
  - b. The Ribbon-Cutting Ceremonies and Ground Breaking Ceremonies are as follows:
    - i. Urgent Care – Lancaster scheduled for Saturday, March 19, 2020 at 11:30 a.m. was rescheduled due to COVID-19.
    - ii. TownPlace Rebranding Event scheduled for Saturday, March 19, 2020 at 5:30 p.m. was rescheduled due to COVID-19.
    - iii. Cheesesteak House Sports Bar scheduled for Sunday, March 20, 2020 at 5:00 p.m. was rescheduled due to COVID-19.
  - c. New Members are as follows:
    - i. Square Cabinetry, LLC is a new member.
    - ii. Cricket Wireless is a new member.
    - iii. I9 Sports is a new member.
    - iv. Victory Power Solutions is a new member.
    - v. Cash Store is a new member.
    - vi. Cheesesteak House Sports Bar is a new member.
    - vii. VySion Event Center is a new member.
    - viii. Urgent Care in Lancaster is a new member.
    - ix. Entrust of DeSoto Memory Care is a new member.
  - d. Group Health Insurance is now available to the DeSoto Chamber of Commerce members only.
    - i. Liberty Mutual met with local businesses to offer this service to them as a member benefit.

- ii. We have developed a new partnership with Terry Toomey, Executive Director, The Industry HUB, for the new entrepreneurs “On The Move Program”.
    - iii. Benafix Solutions met with members and local businesses to offer this service to them as a member benefit.
  - e. ECONOMIC/ BUSINESS DEVELOPMENT/BREP/SHOP LOCAL:
    - i. The DeSoto Chamber of Commerce made available the attached COVID-19 letter to the Chamber members and to the Board in the Chamber Report.
    - ii. We are working with Terry Toomey regarding the SBA information and ICSI with the businesses. We are working with the DEDC and Ms. Toomey on providing the public with a list of restaurants available to deliver or provide take-out orders as well as other ways to make sure those restaurants remain viable.
  - f. COMMUNITY EVENTS (leading, assisting, or promoting):
    - i. We attended “Pitch Mondays” for new business applicants to the Grow DeSoto Market Place.
    - ii. The DeSoto Chamber of Commerce hosted the Annual First Responders Appreciation Luncheon presented by Methodist Charlton Medical Center held on Thursday, March 12, 2020.
  - g. TOURISM ACTIVITIES:
    - i. We attended the City of DeSoto Parks and Recreation Department meeting of DeSoto hoteliers regarding upcoming community events and sports events.
  - h. FUNDRAISING/ BUDGET:
    - i. We are continuing the current marketing campaign.
  - i. PERSONNEL CHANGES:
    - i. No personnel changes at this time.
  - j. Mr. Site Visit Report by Kenneth Govan is as follows:
    - i. Mr. Govan submitted a monthly site visit report for discussion during the Board meeting with the Board of Directors.
7. Consideration and possible action to approve contributing to the Customer Service Initiative (ICSI) Program rollout at the Regional Economic Development (R.E.D.) Summit at ICSI’s host city in the amount of \$3000.
- a. Joe Newman, CEO, said the Desoto Chamber of Commerce’s presentation of the customer service initiative called the Inter-city Customer Service Initiative (ICSI) partnering with the City of DeSoto, Cedar Valley College, and the BSW Partnership Region at the RED Summit was postponed due to COVID-19.

**Board President Curtis Krohn motioned to approve contributing \$3000 to the Chamber of Commerce for DeSoto to participate in the Customer Service Initiative (ICSI) Program along with Cedar Valley College and Best Southwest (BSW) partnership. Motion seconded by Board Vice President Dr. Delva King. Motion approved by Board members Curtis Krohn, Dr. Delva King, Paul Griffin, Jr. and Bobby Waddle. Board Secretary/Treasurer Michelle Jordan was not present for the motion.**

**Board Secretary/Treasurer Michelle Jordan returned to the meeting at 10:45 a.m.**

- 8. The Industry HUB’s Activity Summary Report for January 2020 presented by Terry Toomey, Executive Director, The Industry HUB.

- a. Terry Toomey, executive Director, The Industry HUB, said they established a clean surface protocol prior to when Dallas County started enforcing it. We established with Monte Anderson, his cleaning crew, and the restaurants that they would wipe all surfaces with Clorox several times during the day. She said she provided the restaurants with Clorox wipes. Also, they posted Dallas County Orders updates on the front of the building and posted the only 50 people requirement in the building notices. Furthermore, we posted restaurants service at the window only. She explained they did all of these measures to keep our customers and tenants safe.
- b. Currently, Ms. Toomey said we are exploring and looking at all the technology available to help GDMP tenants do business in a new way. She points out we are not going to go back to business the same way prior to coronavirus. She exclaimed that she is exploring every avenue possible, and she is challenging the businesses to do business in a new way.
- c. Ms. Toomey said she posted the SBA call which will be tomorrow Tuesday, March 31, 2020 at 10:00 a.m. on the GDMP website; the DeSoto website, and the social media channels. Also, she will send direct invitations to the tenants and contacts on her list.

**Board President Curt Krohn called for a break at 11:04 a.m. He reminded them that the channel will remain open until the Board reconvenes after the Executive Session; while the Board logged into the videoconference meeting reserved at [www.gotomeetings.com](http://www.gotomeetings.com) to convene into Executive Session at 11:20 a.m. to discuss the following items:**

**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.
3. Deliberation and Discussion Regarding the Economic Development Incentives for Project Stone.

**Texas Government Code, Section 551.071: Consultation with General Counsel:**

1. Consultation with General Counsel regarding the Forensic Auditor's Report.

**Texas Government Code, Section 551.074: Personnel:**

1. Annual Review of Joe Newman, Chief Executive Officer.

**Board Director Paul Griffin, Jr. left the meeting at 11:59 a.m.**

**Board President Curtis Krohn reconvened into Open Session at 1:22 p.m.**

**E. RECONVENE INTO OPEN SESSION**

**F. ACTION AS A RESULT OF EXECUTIVE SESSION**

**Board Secretary/Treasurer Michelle Jordan to authorize the DEDC CEO, Joe Newman to negotiate and execute an incentive agreement with Kemi Surfaces, LLC, a subsidiary of Allied Stone, Inc. to provide an incentive of \$400,000 to be paid out over a 3 year period conditioned on the company**



creating and maintaining 30 jobs at the end of first year, an additional 30 jobs at the end of the second year, and an additional 30 jobs at the end of the third year. And a further incentive of \$100,000 to be paid at the end of the 6<sup>th</sup> year if Kemi Surfaces, LLC has created and maintained an additional 35 jobs at the end of the 6<sup>th</sup> year. All of which is conditioned on the company purchasing the former McGraw Hill Building. Motion seconded by Board Vice President Dr. Delva King. Motion approved by Board members Curtis Krohn, Dr. Delva King, Bobby Waddle, and Michelle Jordan. Board Director Paul Griffin, Jr. was not present for the motion.

Board President Curtis Krohn said that we are proud and grateful to have Joe Newman as CEO of DEDC. Board President Krohn said he was waiting on how many years Mr. Newman will commit to the DEDC. Then, Mr. Newman decided he will continue his contract for an additional year. Mr. Newman mentioned his current contract ends in February 2021. Board President Krohn said the Board was unanimous about extending his contract another year during the executive session.

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

1. Mr. Joe Newman, CEO, gave a brief summary of what projects the DEDC orchestrated and what activities were performed over the past month in the emailed report to the Board of Directors. Mr. Newman said that we face some challenging times, but he is sure we will be able to get through it. He said he is looking forward to the city's new strategic plan. He said he met with the city's consultant where he felt it was a good and productive session. He mentioned that The Retail Coach's presentation to the citizens at the DEDC's Town Hall Meeting originally scheduled for Tuesday, March 31, 2020 has been postponed due to COVID-19 as well. Furthermore, Mr. Newman feels that the Public improvement District will change the City for the better.
2. Mr. Newman said he is moving the DEDC Board Meeting for May back to the originally scheduled date since it was only moved to accommodate his attendance at the International Conference of Shopping Centers Conference (ICSC) in Las Vegas which has been postponed due to COVID-19.
3. Mr. Newman reported sales tax is up 6.77 percent for the calendar year. As compared to this time last year, he explained we are up 6.91 percent for the month of March sales tax. He pointed out we do expect the sales tax to significantly decrease over the next couple of months as a result of the coronavirus. He mentioned we may need to adjust our budget at some point; then we will do that in about 6 months. Lastly, he said the decrease in sales tax will affect the May Financial Report since there is a two month lag in the payment reflected on the report.

**H. BOARD ANNOUNCEMENTS**

No Board Announcements

**I. ADJOURNMENT**

With no further business to discuss Board President Curtis Krohn adjourned the meeting at 1:29 p.m.

  
Curtis Krohn, Board President

  
Dr. Delva King, Board Vice President