

EDITOR'S NOTEBOOK

City's buzz is good as summer winds down

Although some of the national news coverage would have you believe Dallas is a mosquito-infested sauna right now, personally this feels like an exciting time to be in the city.

Here's just a sample of the positive developments on the agenda:



Lauren Lawley Head
EDITOR

On the front page this week, reporter Jeff Bounds describes the region's expanding pool of angel investors, which means more money for startup ideas, and Candace Carlisle has the details on an important addition to Williams Square in Las Colinas. Atlanta-based Gables Residential expects to break ground early next year on a restaurant district that will provide a key amenity to the office and apartment dwellers around Lake Carolyn.

Grand Prairie marked a similar milestone, with the opening of its \$100 million outlet mall on Aug. 17. It is the first mall or major shopping center in the city, and the project had stalled during the recession.

Earlier this month, DART completed another significant step in its expansion plan, opening the Orange Line to connect Dallas and Irving via rail and bringing the system one step closer to offering rail service from Dallas/Fort Worth International Airport into downtown.

The Dallas Symphony Orchestra's new CEO starts in September, bringing with him successful experience from the Charlotte Symphony. That's a key hire for the symphony, which has a beautiful venue and a talented group of artists but is working on a financial turnaround.

We're less than two months away from the grand opening of Klyde Warren Park, an impressive project that will bring more walkable, outdoor space to the city and connect downtown more tightly with uptown. Real estate reporter Candace Carlisle recently sat down with the park's president, Mark Banta, who assures us the project is on schedule and will feature a restaurant operated by someone who will make people say, "Ohh."

To top it off, fall is on the way. This was my first North Texas summer, and I have been repeatedly assured that July and August 2012 had nothing on the heat wave of 2011, but I wasn't the only one smiling at the recent forecasts that our triple-digit days are behind us.

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JOIN THE CONVERSATION

When it comes to North Texas business, we want to know what you think. There are lots of ways to share your ideas and opinions:

- Send letters to the editor — don't forget to include your name, title and company — to dallasnewsroom@bizjournals.com
- Suggest a guest column by emailing editor Lauren Lawley Head at llawley@bizjournals.com
- Chat with us on Facebook, LinkedIn, Twitter (@DallasBizNews) and Google+



Employee ownership yields positive returns

In the midst of the worst American recession in 70 years, profound uncertainty plagues many retirement- and near-retirement-aged Americans. As some unemployed workers have had to raid their retirement savings to make ends meet, others have seen their savings depleted by weakness in the stock market, and yet others —



GUEST COLUMN
Whit Perryman

most of us — have too little spare cash to set aside much for the future. In all, working Americans' retirement situation is generally pretty bleak.

In spite of these troubling trends, one business structure offers real hope for building retirement savings for U.S. workers while creating other significant benefits as well. It's called private employee ownership, often referred to as an S corporation ESOP (or "S ESOP"). Through a combination of cultural and economic incentives, it has helped companies across the country remain strong in the face of a difficult economy, grow jobs and help millions of workers build meaningful retirement savings.

Our company, Vermeer Texas-Louisiana, is one such S ESOP business, and we have seen firsthand the enormous benefits employee-ownership provides for our employees. Vermeer established the ESOP structure in 1995, and today we are 100 percent employee-owned. We are located in Irving and employ 44 members of the local community, and all of us have seen firsthand the job stability and retirement security that our business structure provides.

Congress changed the tax code in the 1990s to allow the establishment of S ESOPs. These arrangements allow workers of a private company to own some or all of the business. The company gives shares of the company's stock to the workers — employees almost never make contributions to these plans — and held in a trust that is in every respect a retirement savings plan. As the company profits, the shares increase in value. As the employee stays with the company, they gain additional shares. Therefore, workers at S ESOP businesses go the extra mile to make their companies

successful. They reap the benefits of their efforts, too: A study from the National Center for Employee Ownership showed retirement accounts in S ESOP companies have balances three to five times higher than the average American's 401(k) plan. These account balances add up to about \$14 billion in savings for U.S. workers that wouldn't otherwise exist, according to a 2008 study by the University of Pennsylvania. And it's not just our company that's seen such a success.

A recent study by economist Alex Brill, who was the tax advisor to the bipartisan Simpson-Bowles deficit reduction commission, reports that S ESOPs have been better job-creators and job-retainers than other private firms. In fact, Brill's study, "An Analysis of the Benefits S ESOPs Provide to the U.S. Economy and Workforce," showed that in the decade ending in 2011, surveyed S ESOPs increased jobs by an astonishing 60 percent — and that while the overall private sector jobs remained flat. At Vermeer, in the past 10 years we have created 52 new jobs in Texas, 19 of which are in the Dallas Fort Worth area.

The Brill study also noted that S ESOPs are proliferating and with luck, more companies will adopt this model and benefit from the S ESOP structure that Congress first allowed in 1998.

Brill's study doesn't tell us anything that we at Vermeer don't already know. But since S ESOPs are a creation of the tax code, Brill's study and other data remind us that now is the time for policymakers and business leaders to take note: More S ESOPs means more good jobs, stronger businesses and communities and considerable worker savings. The tax code, in this sense, is doing something right.

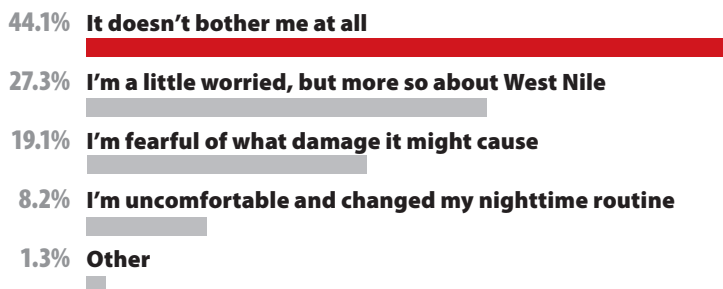
At a time when our economy is in need of a boost, let's preserve and expand models that have shown to succeed, especially those that can weather rough economic times.

Whit Perryman is CEO of Vermeer Equipment of Texas Inc., a full-service equipment dealer specializing in selling, leasing and servicing equipment manufactured by Vermeer Corp., with 135 employee owners and 11 facilities in Texas and one facility in Southern Louisiana.

BUSINESS PULSE

At dallasbusinessjournal.com, we asked:

How do you feel about aerial spraying for mosquitoes?



You said:

"I'd drop nukes if it would kill those disgusting, hideously annoying and dangerous insects."

"I'm all for controlling for disease, but this radical poisoning of the whole city is doing far more harm than good."

"...Put up a martin house, a bat house, buy a bug zapper and use your common sense. Dump the standing water out, get rid of that stack of tires. You already know the drill; don't act like this is your first summer in Texas."

"I hope we can all learn from this experience and approach the summer mosquito situation differently next year. ... I don't think anyone really LIKES the idea of widespread spraying of poisons of any kind."