

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION  
MINUTES OF THE BOARD OF DIRECTORS  
ON FEBRUARY 14, 2017  
AT 7:30 A.M.**

A meeting of the Sherman Economic Development Corporation Board of Directors was convened in the SEDCO Board Room at 307 W. Washington Street, Suite 102, Sherman, Texas on February 14, 2017 at 7:30 A.M.

MEMBERS PRESENT: Mr. Greg Kirkpatrick, Mr. John Sild, Mr. Tom Shields, Mr. Willie Steele

MEMBERS ABSENT: Mr. Brad Douglass

EX OFFICIO MEMBERS PRESENT: Mayor David Plyler, Deputy Mayor Jason Sofey, Mr. Robby Hefton, Councilman Terrence Steele, Dr. David Hicks

EX OFFICIO MEMBERS ABSENT: None

STAFF PRESENT: Mr. John Plotnik, Mr. Frank Gadek, Mrs. Stacey Jones, Ms. Ashton Ghaemi

STAFF ABSENT: None

GUESTS PRESENT: Mrs. Mary Lawrence, Mr. Brandon Shelby, Mr. Mark Anderson, Mr. Dusty Payne, Mr. Mark Fitte, Mr. Luis Barroeta

**CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN, RECOGNITION OF GUESTS AND VISITORS**

Mr. Kirkpatrick, Chairman of the Sherman Economic Development Corporation, called the meeting to order at 7:30 A.M., declared a quorum present, meeting declared open, recognition of guests and visitors including Emerson Process Management – Fisher Controls Plant Manager Mark Anderson and Human Resources Manager Dusty Payne, Washington Iron Works General Manager Mark Fitte, and Eaton B-Line Plant Manager Luis Barroeta.

**CONSIDER FOR APPROVAL THE MINUTES FOR THE FOLLOWING MEETING**

Motion was made by Mr. Steele and seconded by Mr. Sild to approve the regular scheduled meeting minutes of January 10, 2017. Motion was approved unanimously.

**GUEST COMMENTS**

Mr. Anderson distributed presentation slides titled, “Cultivating the Middle-Skill Workforce.” He noted the Texoma Workforce Initiative started in 2013, and he is the Steering Chair. Mr. Anderson said 50% of Sherman’s manufacturing employees are over the age of 45. He said the Texoma Workforce Initiative created the Advanced Manufacturing Program curriculum in 2016, and 10 students are currently in the program.

Mr. Anderson reported the initial focus was to recruit high school students for the Advanced Manufacturing Program, but in order to create a pipeline to continue the program, all marketing efforts will shift to middle school and elementary students, as they must choose a pathway by eighth grade. He noted that SEDCO, Denison Development Alliance and Grayson College collectively pay the salary for Anna Hicks, Director of Career Pathways, in which 25% of her time is focused on marketing the Advanced Manufacturing Program to Grayson County.

Mr. Anderson said at the program’s last meeting, SEDCO announced they can only support the junior and senior student marketing effort, and he is requesting the SEDCO Board of Directors continue their support to market to the middle school students. Mr. Anderson mentioned he met with Mr. Plotnik prior to the board meeting to request the continued support, but Mr. Plotnik said the issue is a lack of resources. Mr. Anderson asked the SEDCO Board of Directors to allow Mrs. Jones to continue to participate for five hours a month.

Mr. Fitte said there is a lot of interest from the students in the lower grades, because they are not sure yet what career path they want to take, also noting that it’s too late for the senior students.

Mr. Shields asked if volunteers were needed. Mr. Anderson replied that they only need Mrs. Jones to work five hours a month.

Mr. Payne discussed his experience with the student manufacturing tours and noted that the younger kids come through as a "captive audience" and show interest.

### **FINANCIALS**

Mrs. Lawrence presented the Financials for the quarter ended December 31, 2016 and reported the beginning balance is \$7.6 million with \$8.1 million in outstanding commitments, as detailed on the Incentive Schedule. Mr. Hefton noted the 2017 commitments total just over \$1 million.

Mr. Plotnik said SEDCO's current projects are estimated to cost \$2.5 million, not including land purchases, and with the other projects SEDCO is looking at for 2017, it could draw down the resources.

Councilman Steele asked about the County's contribution to the North Texas Regional Airport marketing agreement.

Mrs. Lawrence presented the Investment Report for the quarter ended December 31, 2016 and reported the Book Value as \$6.7 million, the Weighted Average Maturity as 103 days, and the Weighted Average Yield as 0.65%.

Motion to approve the Financials and the Investment Report for the quarter ended December 31, 2016 was made Mr. Steele and seconded by Mr. Sild. Motion was approved unanimously.

### **EXECUTIVE SESSION**

The Sherman Economic Development Corporation held an Executive Session pursuant to the provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in the following section:

**Section 551.087** – Economic Development: Discussion concerning the following Projects: Cellarman's, Inc, Trail, White, Let, Tackleberry, Dalmatian, Blue Phoenix, Mississippi, 20/20, Artemis, Bert, Cast Iron, Columbus Balbo, More Time, Robin Hood, Smart, Subway Tile, Watson, Fish Tank, Ying & Yang

**Section 551.072** – Real Property: Discussion concerning projects: Alpha, Box, Cole, Midway Building

**Section 551.071 (2)** – Consultations with Attorney

The open meeting recessed in executive session at 7:51 A.M.

### **RECONVENE OPEN MEETING AND CONSIDER ITEMS DISCUSSED IN EXECUTIVE SESSION**

Mr. Kirkpatrick reconvened the open meeting at 8:52 A.M.

Mr. Plotnik recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with Cellarman's American Pub, Inc. The agreement states that Cellarman's American Pub, Inc. will invest \$380,000 in facility improvements and new equipment at its facility at 2130 Texoma Parkway; and SEDCO will provide an incentive of \$19,000.

Motion to approve the Economic Development Performance Agreement with Cellarman's American Pub, Inc. was made by Mr. Shields and seconded by Mr. Sild. Motion was approved unanimously.

Mr. Plotnik recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with Fisher Controls INTL., LLC. The agreement states that Fisher Controls INTL., LLC will add an additional 30 full-time jobs at its facility at 4725 HWY 75 South, bringing the total number of employees to 340; and SEDCO will provide an incentive of \$150,000.

Motion to approve the Economic Development Performance Agreement with Fisher Controls INTL., LLC was made by Mr. Sild and seconded by Mr. Shields. Motion was approved unanimously.

### **ECONOMIC BAROMETER REPORT (January 2017)**

Mr. Gadek presented the Economic Barometer Report and noted the following: Total city building permits are up 9.80% from YTD 2016; utility customers are up .84% from YTD 2016; the Texas unemployment rate is 4.6%, and Sherman's unemployment rate is 3.6% as of December 2016.

Mr. Plotnik reported the months supply of real estate inventory for Grayson County was 3.4 months as of December 2016.

### **PRESIDENT'S REPORT (February 2017)**

Mr. Plotnik noted the FY 2016-2017 Completed Projects and Signed Agreements in the board packet and presented the following February 2017 President's Report:

#### Project Information

SEDCO is presently working 19 active projects with an estimated \$947,975,000 in investments and 2,342 new jobs.

#### SEDCO Operations/Administration

2017 is seeing a significant increase in interest, not only in expansions of jobs and investments from our existing primary employers, but new companies who are looking for available sites within the North Texas/DFW region. Our marketing of Sherman will continue to target site selectors and consultants who represent firms interested in new locations and expansions. In addition, we will increase our activity in reaching out to those companies that seek the availability of water, low power costs, and a community in clean air attainment with available shovel ready sites. All of which the City of Sherman offers in abundance.

In the next month, you'll notice a fresh look to our website, SEDCO.org. In 2016, SEDCO underwent a full rebranding with a new logo and company colors. In addition to the "new look," SEDCO.org was redesigned with site selectors, consultants, and target industries in mind. It features our available sites and incentives, provides current demographics and community contacts, highlights our existing industries, and markets Sherman's greatest attributes on a local, regional, national and international level.

Finally, special kudos to the Denison Development Alliance (DDA) for hosting an outstanding Economic Development Summit and discussing the many great things that are happening within our region. President Tony Kaai, the DDA Staff and Board did a great job in their presentations.

#### Below are events and meetings the SEDCO staff attended since our last report:

Career Connection Planning Committee  
Child and Family Guidance Center Board Meeting  
Coffee with the Mayor  
CWL Board Meeting  
DDA Annual Economic Development Summit  
Eye-Do Optical Ribbon Cutting  
Leadership Sherman – Social Agencies Day  
Manufacturing Tours Planning Meeting  
Sherman Chamber Annual Awards Luncheon  
Sherman Rotary  
SISD School Board Meeting  
THRMA  
TWC Manufacturing Committee Meeting

#### Business Recruitment

This past month, we hosted two site visits from new companies interested in a possible location in Sherman. We would like to thank our private and public leadership that assists us during these visits and lends their expertise toward infrastructure and workforce questions.

The 60,000 sq. ft. industrial building in Midway Industrial Park is estimated to be completed by the end of February. We mailed 120 flyers to the North Texas Society of Industrial and Office Realtors (SIOR) and sent an email blast to 2,328 national SIOR members. This speculative building offers a 30' clear height at the center and will be available for sale or lease.

At the beginning of February, Stacey Jones visited Governor Greg Abbott's Office of Economic Development & Tourism. This office provides information about projects interested in expanding or relocating to our area. She spoke to 11 team members from the Small Business, Finance, and Strategic Business Development departments about Sherman's expanding City infrastructure, existing industries, and workforce programs. The team shared information about the programs available through the Governor's Office to assist communities in growing their economy.

Business Retention/Expansion Program

Since our last report, we have visited with key leadership from the following Sherman companies: 903 Brewers, CertainTeed Corporation, Christmas Designers, Commissary Express, Emerson Process Management – Fisher Controls, Future Payment Technologies, GlobiTech, Panda Sherman Power, Sunny Delight, and Tyson Fresh Meats.

SEDCO sponsored a Sherman Safety Leaders Forum, hosted by Sunny Delight, with the following key employers in attendance: Alpla, Ball DPF/Nature’s Source, CertainTeed Corporation, Eaton, Emerson Process Management – Fisher Controls, GlobiTech, Kaiser Aluminum, Mueller Construction Company, Panda Sherman Power, Sunny Delight, Texas Instruments, and Washington Irons Works.

The Texoma Career Fair advertising paid off. There were 300 job seekers in attendance. The participating companies collected 568 applications, and to date, they have held 177 interviews. We received comments similar to the one below from all of the participants:

*“I would like to say this Career Fair was, by far, the best I have attended. Everything from the advertising, to the people running the event, did a great job. It lead to an awesome turn out and we would love to be a part of it again.” – Bryana Watson, Capio Partners*

Stacey Jones also attended the Texas Association of Workforce Boards (TAWB) Workforce Day in Austin. This event brought together workforce development board representatives and their partners in raising awareness among the Texas Legislature of the vital role workforce development plays in the Texas economy. Among the schedule of events was a panel discussion that included Texas Economic Development Council (TEDC) President & CEO, Carlton Schwab.

Incentives & Compliance

On January 24th, SEDCO presented GlobiTech with their final incentive payment of \$450,000 towards their \$18 Million capital investment in facility upgrades and the creation of 20 new jobs.

On February 1st, 903 Brewers received a SEDCO Small Business Grant of \$43,000 towards their \$215,000 capital investment in a new canning line and a 30-barrel brew system.

**BUSINESS RETENTION & EXPANSION UPDATE**

Mrs. Jones referred to the Business Retention/Expansion Program section of the February 2017 President’s Report and discussed her visit to Governor Greg Abbott’s Office of Economic Development & Tourism and her attendance at the Texas Association of Workforce Boards Workforce Day in Austin. She reported on the 10 existing industry visits, the success of the Texoma Career Fair, and the Safety Leaders Forum held at Sunny Delight with 12 employers in attendance.

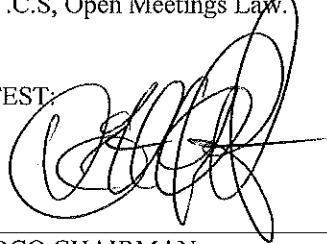
**ADJOURNMENT**

No other business came before the SEDCO Board. The meeting adjourned at 9:07 A.M.

**CERTIFICATION OF CHAIRMAN AND BOARD SECRETARY**


I, Greg Kirkpatrick, Chairman, and I, Brad Douglass, Board Secretary, do certify that these minutes of the Regular Meeting of the Sherman Economic Development Corporation of the City of Sherman, Texas are a true and correct record of the proceedings with Chapter 551, Govt. Code, V.T.C.S, Open Meetings Law.

ATTEST:



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SEDCO CHAIRMAN

ATTEST:

  
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BOARD SECRETARY