

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON MARCH 18, 2014
AT 7:30 A.M.**

A meeting of the Sherman Economic Development Corporation Board of Directors was in the SEDCO Board Room at 307 W. Washington Street, Suite 102, Sherman, Texas, on March 18, 2014, at 7:30 a.m.

MEMBERS PRESENT: Mr. Chris Pendergrass, Mr. Brooks Hull, Mr. Willie Steele
Mr. David Key, Mr. Dean Gilbert Jr.

MEMBERS ABSENT: None

EX OFFICIO MEMBERS PRESENT: Mayor Cary Wacker, Dr. Al Hambrick, Mr. George Olson,
Councilman David Plyler, Councilman Jason Sofey

EX OFFICIO MEMBERS ABSENT: None

STAFF PRESENT: Mr. Scott Connell, Mr. Frank Gadek, Mrs. Regina Troutz

STAFF ABSENT: None

GUESTS PRESENT: Mr. Robby Hefton, Mr. John Hunter Smith, Ms. Mary Lawrence,
Mr. Nate Strauch

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

Mr. Pendergrass, Chairman of the Sherman Economic Development Corporation, called the meeting to order at 7:31 a.m., declared a quorum present and opened the meeting.

CONSIDER THE APPROVAL OF MEETING MINUTES

Motion was made by Mr. Hull and seconded by Mr. Steele to approve the following meeting minutes:

Regular scheduled board meeting on February 18, 2014

Special called board meeting on March 7, 2014

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 Section 551.087.

The open meeting recessed and reconvened in executive session at 7:33 a.m.

The executive session recessed and reconvened in open session at 7:59 a.m.

RECONVENE OPEN MEETING AND CONSIDER ITEM DISCUSSED IN EXECUTIVE SESSION

Mr. Pendergrass reconvened the open meeting at 8:13 a.m. and welcomed visitors.

CONSIDER FOR APPROVAL ECONOMIC INCENTIVE FOR GLOBITECH

Mr. Scott Connell, SEDCO President, stated that SEDCO staff were notified by Globitech that the company is considering an expansion of their production capacity at their Sherman facility. Globitech produces silicon epitaxial products and services to the worldwide semiconductor industry. Mr. Connell outlined the performance agreement with Globitech that provides an incentive payment of \$480,000, to be divided into two payments and paid not earlier

than January 10, 2015 and July 1, 2015. The performance agreement is based on Globitech hiring ten new employees, in addition to, new capital investment of \$9,600,000 for production and support equipment.

Motion was made by Mr. Steele and seconded by Mr. Key to approve the performance agreement with Globitech for an incentive amount of \$480,000. Motion was approved unanimously.

CONSIDER FOR APPROVAL ECONOMIC INCENTIVE FOR PROJECT DIRECT CONNECT

Mr. Scott Connell, SEDCO President, stated that SEDCO staff have been working closely with Direct Connect, a company planning to establish a new call center operation in Sherman. Direct Connect is a new company that provides support functions for retailers that utilize credit and debit card equipment and processes. SEDCO staff have assisted Direct Connect on issues related to real estate, staffing and incentives. Mr. Connell outlined the performance agreement with Direct Connect that provides an incentive payment of \$300,000. The schedule is as follows: one payment of \$200,000, not earlier than May 1, 2014 after the hiring of 100 employees; and one payment of \$100,000, not earlier than January 1, 2015 after the hiring of an additional 50 employees.

Motion was made by Mr. Key and seconded by Mr. Steele to approve the performance agreement with Direct Connect for an incentive amount of \$300,000. Motion was approved unanimously.

FINANCIALS

Ms. Mary Lawrence presented the financials for January 2014. The net fund balance was \$9.6 million with \$9.8 million in commitments.

Motion was made by Mr. Hull and seconded by Mr. Gilbert, Jr. to approve the January 2014 financials as presented by Ms. Lawrence. Motion passed unanimously.

Mr. Frank Gadek, reviewed the February 2014 Economic Barometer Report. The EBR was noted that the Unemployment Rate was 5.7% for Grayson County.

PRESIDENT'S REPORT (February 2014)

Project Updates:

Panda – SEDCO is coordinating a tour of Panda for SEDCO Board and Sherman City Council on Friday March 21. We will meet at City Hall at 9:30 am and take a bus ride to the construction site. We plan to return on the bus to City Hall by 12noon. This will be posted as a public meeting and expect media to be present.

Southeastern Freight Lines – Closing on the sale of the property (13+ acres) in Progress Park I was completed February 5 with a net proceeds to SEDCO of \$377,977.55. The company has begun construction on the site. Additionally, the extension of Northgate Drive to accommodate the project was completed. The project is to be finished in about seven months.

Tyson – SEDCO staff conducted a site tour of the new equipment and facility renovations as a condition of the Economic Development Performance Agreement. The documentation of investment and new jobs was submitted for payment of the first incentive payment of \$230,000.

Modular Power Solutions – SEDCO staff conducted a site tour of the new equipment and facility renovations in Midway Industrial Park as a condition of the Economic Development Performance Agreement. Staff is working with company to update finalize contracts for signature.

Site Visits – SEDCO hosted meetings for Project GT-14, Project Nee, Project GUSA, Project Dunk and Project EF.

Proposals – SEDCO participated in a conference call and submitted follow up information for Project Sotech. SEDCO also provided continued follow up to Projects CAF, GT-14, Nee, GUSA, Dunk, and EF.

Real Estate:

The installation of water lines along Flanary Road and across to Progress Drive continues. The City of Sherman is conducting the work.

SEDCO received an updated notice from BNSF Railroad that they will install the concrete rail crossing on Howe Drive in April. Several other projects have delayed their timeline. SEDCO agreed in August to pay \$69,255 for the cost of the upgraded crossing.

Construction has begun on the US 75 southbound ramp at FM1417. The project is funded by a partnership of TX Department of Transportation, SEDCO and Harkinson Development. The project is expected to be completed by this summer.

Marketing:

SEDCO participated in the annual Team Texas Consultants day in Austin. The day included talks by leading site location consultants on key topics for company analysis (workforce, incentives, job training, energy).

Representatives were from Foote Consulting, Newmark Grubb Knight Frank, Kate McEnroe Consulting, Don Schjeldahl Group, Schneider Consulting, and Szatan & Associates. SEDCO co-hosted a reception for the consultants.

SEDCO participated with Oncor economic development team at the Plastec West trade show in Anaheim, California. Staff also attended a reception hosted by Site Location Partnership for site location consultants based in the Los Angeles area.

SEDCO staff participated with the Governor's Office and Texas One on a trip to Atlanta to meet site location consultants. Meetings were with SC&H Group, Kate McEnroe Consulting, CBRE and Ernst & Young.

Other:

Scott Connell was elected Vice Chair of the DFW Marketing Team – a program to bring all of the economic development agencies in North Texas together for joint marketing events.

Regina Troutz attended the Leadership Sherman class trip to Austin for the Legislative Day activities.

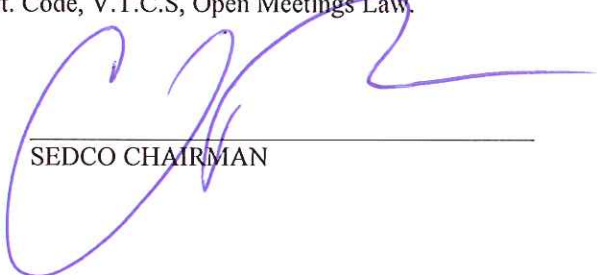
SEDCO staff participated in the first meetings of Viticulture and Fermentation Sciences study to consider further involvement by Grayson College in supporting wine, beer and spirits production industries.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:10 a.m.

CERTIFICATION OF CHAIRMAN AND SECRETARY

I, Chris Pendergrass, Board Chairman, and I, Willie Steele, Board Secretary, do certify that these minutes of the Executive Session 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.



SEDCO CHAIRMAN

ATTEST:



SEDCO SECRETARY