

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON JUNE 14, 2022
AT 11:30 A.M.**

A meeting of the Sherman Economic Development Corporation Board of Directors was convened in the SEDCO Board Room, 307 W. Washington St, Ste 102, Sherman, Texas on June 14, 2022, at 11:30 a.m.

MEMBERS PRESENT: Mrs. Janie Bates, Ms. Gail Utter, Mr. Scott Bandemir, Mr. Jason Brumm, Dr. Al Hambrick

MEMBERS ABSENT: None

EX OFFICIO MEMBERS PRESENT: Mayor Plyler, Mr. Terrence Steele, Mr. Robby Hefton, Mr. Shawn Teaman

EX OFFICIO MEMBERS ABSENT: Mr. Tyson Bennett

STAFF PRESENT: Mr. Kent Sharp, Ms. Brandy Washington, Mrs. Ashton Bellows, Mrs. Shannon Blake

STAFF ABSENT:

GUESTS PRESENT: Mr. Jeff Moore, Mr. Michael Hutchins, Mrs. Kristi Beets, Mr. Robert Roeden, Mr. Mickey Lyles

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

Mrs. Bates called the meeting to order at 11:31 a.m., declared a quorum present, meeting declared open, and recognized the following guests: Kristi Beets and Robert Roeden with BDO Consultants along with Mickey Lyles of Sunny Delight.

The invocation was given by Mr. Sharp.

PUBLIC COMMENTS

There were no public comments.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING MINUTES

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve the Regular Scheduled Meeting Minutes of May 10, 2022. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING FINANCIAL REPORTS

Mr. Sharp presented the Balance Sheet, Budget Report, and Commitments for the month ending April 30, 2022 and reported the following:

- Cash – SEDCO Checking: \$ 2,711,937.64
- Accounts Payable: \$ 34,328.75
- Fund Balance: \$ 13,803,453.11
- Revenues Over/Under Expenses: \$1,032,543.51
- Total Liabilities, Equity and Current Surplus (Deficit): \$14,870,325.37
- Revenue Total: 66.61 %
- Expense Total: 21.81 %

Motion was made by Dr. Hambrick and seconded by Mr. Bandemir to approve the financial reports for the month ending April 30, 2022. Motion was approved unanimously.

SALES TAX AND ECONOMIC BAROMETER REPORTS

Mr. Sharp reported a 6.11% increase in the sales tax.

Mrs. Bellows presented the May 2022 Economic Barometer Report and reported the following:

- Total building permits saw a 91% jump compared to May 2021, and the YTD was up 50%. There were 10 new multifamily permits for new duplexes on Tennessee Street and Peony Drive. Of the 13 commercial and industrial permits, the most notable was the renovation at the Park Manor Senior Apartments valued at \$7.8 million and the renovation of Piner Middle School valued at \$2.8 million.
- The city was up 313 customers from May 2021 and 13 customers from last month.
- Sales tax saw a slight drop of 1.09% compared to last May, but the YTD was up over 11%.
- In April, Grayson County's month's supply of housing inventory was 1.7 months, up from 1.2 months in March.
- Sherman's April unemployment rate was 3.4%, down from 3.6% in March.

DISCUSSION OF THE PROPOSED FY 2022-2023 SEDCO BUDGET

Mr. Sharp presented the proposed FY 2022-2023 SEDCO Budget. He reported on the following budget summary:

Proposed FY 22-23 Budget	ACCOUNT	ACTUAL	APPROVED	CURRENT	PROPOSED	VARIANCE		PROPOSED	FY21 VARIANCE TO
				ACTUAL (thru May 31st)	ACTUAL (thru fiscal year end)	PROPOSED TO	APPROVED FY21		
	850-9850-	FY 20-21	FY 21-22	FY 21-22	FY 21-22	APPROVED FY21	FY 22-23	APPROVED FY21	
SUMMARY									
Revenues									
Sales Tax 4A - SEDCO	60204	\$ 4,854,860	\$ 4,500,000	\$ 3,985,308	\$ 5,185,308	\$ 685,308	\$ 5,185,308	\$ 685,308	
Interest Earned	66001	\$ 42,752	\$ 58,500	\$ 16,268	\$ 27,888	\$ (30,612)	\$ 27,888	\$ (30,612)	
Miscellaneous Revenue	68010	\$ 695,810	\$ -	\$ -	\$ 525,000	\$ 525,000	\$ -	\$ -	
TOTAL REVENUES		\$ 5,593,422	\$ 4,558,500	\$ 4,001,577	\$ 5,738,196	\$ 1,179,696	\$ 5,213,196	\$ 654,696	
Expenses									
Personnel Expenses TOTAL	81000	\$ 385,952	\$ 460,738	\$ 275,327	\$ 475,472	\$ 14,734	\$ 460,827	\$ 89	
Supplies TOTAL	82000	\$ 6,355	\$ 13,800	\$ 11,972	\$ 17,069	\$ 3,269	\$ 13,500	\$ (300)	
Maintenance and Repairs TOTAL	83000	\$ 3,600	\$ 5,940	\$ 3,240	\$ 5,640	\$ (900)	\$ 8,580	\$ 2,640	
Utilities and Communications TOTAL	84000	\$ 12,527	\$ 13,037	\$ 7,008	\$ 12,286	\$ (751)	\$ 10,400	\$ (2,637)	
Contractual or Sundry Services TOTAL	85000	\$ 650,306	\$ 1,091,827	\$ 262,326	\$ 2,059,435	\$ 967,608	\$ 2,585,866	\$ 1,494,039	
Debt Service TOTAL	86000	\$ 655,027	\$ 602,892	\$ 301,446	\$ 602,892	\$ 0	\$ 666,056	\$ (36,896)	
Capital Expenses TOTAL	88000	\$ 2,175,171	\$ 7,000,000	\$ 1,113,238	\$ 1,183,238	\$ (5,816,762)	\$ 1,000,000	\$ (6,000,000)	
TOTAL EXPENSES		\$ 3,888,939	\$ 9,188,234	\$ 1,974,558	\$ 4,356,032	\$ (4,832,202)	\$ 4,645,229	\$ (4,543,005)	
NET INCOME (LOSS)		\$ 1,704,482	\$ (4,629,734)	\$ 2,027,019	\$ 1,382,164	\$ 6,011,898	\$ 567,967		Surplus or (Deficit) Amount
CASH & INVESTMENTS ENDING BALANCE		\$ 13,855,745	\$ 9,226,011	\$ 15,882,764	\$ 16,237,909	\$ 15,237,909	\$ 15,805,876		

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 Code Annotated, in accordance with the authority contained in the following sections:

- a. 551.071 (Consultation with Attorney)
- b. 551.072 (Deliberations about Real Property)
 1. Disposition and Acquisition
 2. G-0329 DUNMAN SHEROD A-G0329, ACRES 3.11
- c. 551.074 (Personnel Matters)
- d. 551.087 (Business Prospect/Economic Development)
 1. Wrap, EZ, Boston, Surprise, Wheat Bread, Orange TX, Perfect Fit, King, Shermanator, Orange, Toto

The open meeting recessed in executive session at 11:47 a.m.

RECONVENE OPEN MEETING AND CONSIDER APPROVAL OF THE ITEMS DISCUSSED IN EXECUTIVE SESSION

Mrs. Bates reconvened the open meeting at 12:55 p.m.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2022.01 (Toto)

Resolution No. SEDCO-2022.01: A resolution authorizing assistance for Starr Aircraft Products, Inc. The company will install a Tornado Shelter (EF 5 Rated – Level 8 Bullet Proof Military Grade) at 5236 N Hwy 1417, Sherman, Texas suited to the needs of employee safety. The company will spend at least \$100,819.45 purchasing and installing the tornado shelter at 5236 N Hwy 1417 in Sherman. SEDCO desires to invest Fifty Thousand and No/100's Dollars (\$50,000.00) in economic development incentives, which is fifty percent (50%) of the proposed capital expenditures of \$100,819.45.

Motion to approve Resolution No. SEDCO-2022.01 was made by Ms. Utter and seconded by Mr. Bandemir. Motion was approved unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2022.07 (Orange)

Resolution No. SEDCO-2022.07: A resolution authorizing assistance for Harvest Hill the parent company of Sunny Delight Beverages Co., who is reviewing locations for a product line expansion. SEDCO desires to invest up to Nine Hundred and One Thousand, Eight Hundred and No/100 Dollars (\$901,800.00) in economic development incentives, which is three percent (3%) of the proposed capital expenditures of Thirty Million, Sixty Thousand and No/100 Dollars (\$30,060,000.00) by the Company; and in addition to the capital investment incentive above, SEDCO authorizes the "Buy Local" grant which provides an additional 5%, but not to exceed Fifty Thousand and No/100 Dollars (\$50,000.00), of the total amount paid to local companies for goods and services related to this project purchased within the City of Sherman, Texas.

Motion to approve Resolution No. SEDCO-2022.07 was made by Ms. Utter and seconded by Dr. Hambrick. Motion was approved unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2022.08 (Shermanator)

Resolution No. SEDCO-2022.08: A resolution authorizing and approving an Amended and Restated Performance Agreement with 903 Brewers LLC, a Texas limited company, and related closing documents, and providing for immediate effective date.

Motion to approve Resolution No. SEDCO-2022.08 was made by Ms. Utter and seconded by Mr. Bandemir. Motion was approved unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2022.09 (Boston)

Resolution No. SEDCO-2022.09: A resolution authorizing assistance for GlobiTech, a company owned by GlobalWafters Company. The company will construct this new manufacturing facility in four phases and the estimated capital investment is \$1.25 Billion per phase (total \$5 Billion if all four phases are constructed). The minimum average capital investment per phase (to qualify for terms below) is \$750 Million. The company estimates creating 375 jobs per phase (total 1,500 jobs if all four phases are constructed). The minimum jobs created (to qualify for terms below) is 200 new jobs per phase at design volumes.

Motion to approve Resolution No. SEDCO-2022.09 was made by Ms. Utter and seconded by Mr. Brumm. Motion was approved unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2022.10 (G-0329 DUNMAN SHEROD A-G0329, ACRES 3.11)

Resolution No. SEDCO-2022.010: A resolution authorizing the execution of a real estate sale contract with Fisher Controls International and any and all documents necessary for the acquisition of approximately 3.098-acre tract of land located within the City of Sherman, Grayson County, Texas; providing a severability clause; and providing for an immediate effective date.

Motion to approve Resolution No. SEDCO-2022.10 was made by Ms. Utter and seconded by Mr. Bandemir. Motion was approved unanimously.

ADJOURNMENT

The meeting was adjourned at 12:58 p.m.

CERTIFICATION OF PRESIDING OFFICER

I, Janie Bates, Presiding Officer, do certify that these minutes of the Regular Scheduled Board 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.



PRESIDING OFFICER