

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON MARCH 21, 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 March 21, 2017 at 7:30 A.M.

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

MEMBERS ABSENT: None

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: Mr. Brandon Shelby

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 7:32 A.M., declared a quorum present, meeting declared open, recognition of guests and visitors.

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 February 14, 2017. Motion was approved unanimously.

SHERMAN INDEPENDENT SCHOOL DISTRICT BOND PRESENTATION

Dr. Hicks provided an overview of the process leading up to the Sherman ISD's Board decision to call for a bond election in May. Numerous community members were involved, and they set a vision and identified priorities. He noted that the district is in great shape but the facilities look the same. The bond provides an opportunity to address the educational and technological changes in manufacturing and the world. Specific items addressed through the bond proposal are improved classroom spaces and career and technology spaces; upgraded technology (district-wide technology was last overhauled 11 years ago); middle school projects to accommodate the 1.5% annual growth; two new replacement elementary schools; and fine arts, athletics and multi-purpose facilities.

The estimated tax impact of the \$308 million bond on the average home value of \$87,948 is \$16.86 per month, or \$202.32 per year. Property taxes for citizens 65 or older will not increase if appropriate homestead exemptions are filed and approved with the Grayson County Appraisal District.

Mr. Steele, who served on the committee, cited the economic impact on our community and noted that potential prospects ask about our schools. With two kids in high school, he said the improvements would provide facilities that give students a sense of pride in their school. He pointed out that demographics have changed, and that some schools are 80 years old. Mr. Douglass noted that the current high school was built for 1,400 students and that it now houses 1,835. He added that maintenance has been kept up and they have done a great job of adding on to the structure, but the hallways are narrow. He stated that he believes it's the right thing for our community.

Members were told of the Back the Bond Kickoff Rally scheduled for 5:00 p.m. on Tuesday, March 21st at the Grayson County Courthouse. Donations will be accepted, t-shirts will be for sale, and yard signs available to pick up.

Mr. Sofey asked when Phase 2 of the project would begin and what are the plans for the grade dynamics. Dr. Hicks said that Phase 2 would begin in approximately six years and would be two schools for 6-8 grades, each to hold

1,000 students. He said the high school project would take a year to design and two years to build. Chairman Kirkpatrick mentioned the risk involved with the financials changing over the 15-year plan. Mr. Sofey said that citizens may be upset if, after 10 years, the sports facilities are just updated instead of being rebuilt. Mr. Steele said there is history at the current facility and that there is interest in staying at that location with a remodel. Dr. Hicks responded that the new high school location will have the option for a new stadium and that decision can be made at a later time.

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: Tackleberry, White, Let, Mississippi, Blue Phoenix, Robin Hood, 20/20, Artemis, Branch, Cast Iron, Geo One, More Time, Subway Tile, Watson, Wind Cave, Zion Park, Ying & Yang

Section 551.072 – Real Property: Discussion concerning projects: Box, Cole, Midway Building, Northgate Drive

The open meeting recessed in executive session at 7:54 A.M.

RECONVENE OPEN MEETING AND CONSIDER ITEMS DISCUSSED IN EXECUTIVE SESSION

Mr. Kirkpatrick reconvened the open meeting at 8:20 A.M.

The Board unanimously approved the motion by Mr. Shields, seconded by Mr. Douglass, to fund up to \$900,000 on the Northgate Drive extension project.

ECONOMIC BAROMETER REPORT (February 2017)

Mr. Gadek presented the Economic Barometer Report and noted the following: New Residential building permits are up 116.67%; total city building permit values are up 157.54%; sales tax proceeds for Sherman Economic Development Corporation are up 1.07% for the calendar year; and Sherman's unemployment rate is 4%.

Mr. Plotnik reported the months supply of real estate inventory for Grayson County was 3.2 months as of January 2017. He also reported that he is talking to multi-family housing developers.

PRESIDENT'S REPORT (March 2017)

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

Project Information

SEDCO is presently working 16 active projects with an estimated \$967,500,000 in investments and 2,048 new jobs.

SEDCO Operations/Administration

In the past month, we have attended many events within Sherman and target marketing events in the DFW Metroplex with meetings throughout the State of Texas. We particularly appreciate our existing industries who have become a rich referral source with existing relationships for new industry that have interest in a North Texas location.

A number of companies have visited Sherman and toured our available sites with SEDCO responding to inquiries on an average of three per week.

Companies researching communities that offer available sites, abundant water, rail access, and clean air have pushed our community to the top of the list for location opportunities in North Texas, as we continue to market Sherman on a regional, national, and international effort.

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

- Buddy's Ribbon Cutting
- City Council Meeting
- Coffee with the Mayor
- Industrial Maintenance Technology Program Meeting
- Manufacturing Skills Development Grant Information Meeting

- North Texas Regional Leadership Day
- North Texas Young Pros Pillars Luncheon
- Restoration Senior Living Groundbreaking
- Sherman Chamber Ambassadors Meeting
- Sherman Chamber Events Committee
- Sherman Education Foundation's Circle of Success Dinner
- Sherman Rotary
- Sherman Water Treatment Plant Expansion Project Groundbreaking Ceremony
- TWC Manufacturing Committee Meeting

Business Recruitment

Since our last report, SEDCO hosted two site visits from new companies interested in a possible location in Sherman.

John Plotnik traveled to the DFW area to talk with real estate professionals about the opportunities available in Sherman, Texas at the following events and meetings: Connect Dallas 2017, a meeting with Provident Realty, and the Society of Industrial and Office Realtors March Event.

Business Retention/Expansion Program

Existing industry visits are critical. Our ongoing program will not only move toward increased relationships with our corporate citizens but is also a valuable resource for referrals within their respective industries. Since our last report, we have visited with key leadership from the following Sherman companies:

- Alpla
- Ball DPF/Nature's Source
- Eaton
- Emerson Process Management-Fisher Controls
- ICwedge Systems
- Modular Power Solutions
- Mueller Construction Company
- Omega Industries
- Panda Sherman Power
- Presco
- Royal Case
- Sarah USA Cosmetics
- Starr Aircraft
- Tyson
- Washington Iron Works

We also sponsored a Sherman Plant Manager's Forum hosted by Mueller Construction Company with the following key employers in attendance: Eaton, Emerson Process Management-Fisher Controls, ICwedge Systems, Modular Power Solutions, Panda Sherman Power, Presco, and Washington Iron Works.

On March 8th, Ball DPF/Nature's Source, Eaton, Emerson Process Management-Fisher Controls, and Washington Iron Works hosted 145 Piner Middle School eighth graders for Spring Manufacturing Tours to educate the students on career opportunities in manufacturing and the Advanced Manufacturing Program.

"Our entire team was very impressed with the level of positive energy the kids brought, and they were also very impressed with their questions and overall interaction with our folks during the visit. We are very thankful to Stacey Jones for coordinating this successful event. This type of initiative will pay big dividends to local manufacturers in the future." -Mark Anderson, Emerson Process Management-Fisher Controls Plant Manager

Incentives & Compliance

On February 14th, the SEDCO Board approved the following Economic Development Performance Agreements: SEDCO will grant Cellarman's a \$19,000 incentive towards a \$380,000 capital investment in facility improvements and new equipment at its facility at 2130 Texoma Parkway.

SEDCO will grant Fisher Controls INTL., LLC a \$150,000 incentive towards the creation of an additional 30 full-time jobs, bringing the total number of employees at its Sherman facility to 340.

On February 15th, SEDCO presented Christmas Designers with their final incentive payment of \$20,000 towards their \$275,000 capital investment in new equipment and facility renovations, as well as the creation of 36 jobs.

On March 16th, Metallenium Iron Works received their second incentive payment of \$20,000 after the company met the requirements in the Economic Development Performance Agreement by staffing an additional five full-time employees for a total of 25 employees at the Sherman facility.

BUSINESS RETENTION & EXPANSION UPDATE

Mrs. Jones referred to the Business Retention/Expansion Program section of the March 2017 President's Report and reported on 15 existing industry visits and the Plant Manager's Forum. She also discussed the success of the Spring Manufacturing Tours and mentioned that the Industrial Maintenance Technology (IMT) Program will be presented to the Sherman High School junior class on March 23rd.

Ms. Ghaemi presented the "Shine Your Shovel" advertisement that ran in the Dallas Business Journal's March 10th issue.

Mr. Shields asked Mr. Plotnik what he is hearing about Sherman in the DFW area. Mr. Plotnik responded that people are talking about what's going on in Sherman. Mr. Shields asked Mr. Hefton about calls to his office, and he said they were getting calls and are aggressively promoting to developers.

Mr. Plotnik shared the February 2017 North Texas Regional Airport Management Update report.

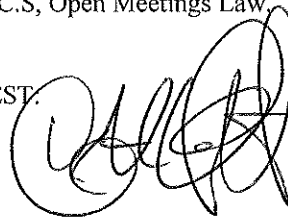
ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:36 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.



SEDCO CHAIRMAN

ATTEST:



BOARD SECRETARY