

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON MAY 12, 2015
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 May 12, 2015, at 7:30 a.m.

MEMBERS PRESENT: Mr. Brooks Hull, Mr. Willie Steele, Mr. Greg Kirkpatrick, Mr. John Sild

MEMBERS ABSENT: Mr. David Key

EX OFFICIO MEMBERS PRESENT: Mayor Cary Wacker, Deputy Mayor David Plyler, Councilman Jason Sofey, Dr. Al Hambrick, Mr. Robby Hefton

EX OFFICIO MEMBERS ABSENT: None

STAFF PRESENT: Mr. Scott Connell, Mr. Frank Gadek, Mrs. Stacey Jones

STAFF ABSENT: None

GUESTS PRESENT: Mr. Brandon Shelby, Ms. Mary Lawrence, Mr. Nate Strauch

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

Mr. Hull, 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.

CONSIDER FOR APPROVAL THE MINUTES FOR THE FOLLOWING MEETING:

Motion was made by Mr. Steele and seconded by Mr. Kirkpatrick to approve the regular scheduled meeting minutes of April 14, 2015. 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 requests for economic incentives for the following Projects: Lights, Lightning, Unit 2, Fanta, Temper, Eagle Solar, ML, Return, Composite Parts, Molten Lava, Patio, MPS 2, Car, Nolan HA, Finch, Two Face

Section 551.072 – Real Property: Discussion concerning Projects Cross and Truck

The open meeting recessed in executive session at 7:32 A.M.

RECONVENE OPEN MEETING AND CONSIDER ITEM DISCUSSED IN EXECUTIVE SESSION

Mr. Hull reconvened the open meeting at 8:13 A.M.

Mr. Connell proposed a Performance Agreement with Christmas Designers. Christmas Designers is working to relocate the company to the former Whitmire Plastics facility and spend \$140,000 in building renovations and \$135,000 in equipment over the next two years. They will hire three new permanent exempt employees and increase the seasonal workforce from 15 to 28 by December 2016. SEDCO will convey by grant a total of \$75,000 to be paid in three increments of \$35,000 not earlier than August 1, 2015, \$20,000 not earlier than December 15, 2015 and \$20,000 not earlier than December 15, 2016. The contract will expire on June 15, 2017.

Motion to approve the Christmas Designers Performance Agreement was made by Mr. Sild and seconded by Mr. Kirkpatrick, two in favor, one opposed. Motion approved.

FINANCIALS

Ms. Lawrence presented the financials for the month ended March 31, 2015; the net fund balance was just under \$7.3 million with \$8.1 million in commitments spread over several years.

Ms. Lawrence presented the Investment Report for the quarter ending March 31, 2015.

Motion to approve the financials for the month ended March 31, 2015, and the Investment Report for the quarter ending March 31, 2015, was made by Mr. Steele and seconded by Mr. Sild. Motion was approved unanimously.

Ms. Lawrence presented the Hotel Tax Report.

ECONOMIC BAROMETER REPORT (April 2015)

Mr. Gadek referred to the EBR report in the Board packet and noted that permit activity of residential is light, sales tax is edging slightly, unemployment rate is 3.8 and considered full employment.

BRE REPORT (April 2015)

Mrs. Jones referred to the report in the Board packet highlighting two BRE visits.

PRESIDENT'S REPORT (April 2015)

Mr. Connell referred to the report in the Board packet and discussed the following:

Project Updates:

- Kaiser Aluminum – The Sherman City Council addressed the tax abatement request at a series of meetings in April. The Council established the Reinvestment Zone and held public hearings on a six-year tax abatement plan.
- Emerson – Company indicates the construction of the new building is 98% complete. They anticipate a certificate of occupancy by the end of May.
- Site Visits – SEDCO hosted a site visit for Project Eagle Solar in April.
- Proposals – SEDCO submitted proposals for Projects Temper, Fanta, Cook and Two Face. SEDCO also submitted a follow up report for Project Eagle Solar.

Real Estate:

- SEDCO coordinated meetings for Joe Passanisi of Midway Industrial Park and City of Sherman departments to discuss development issues in Midway Industrial Park. The key issues are annexation, zoning, current and future infrastructure plans and easements. The company is reviewing options for further development that would establish more developed sites.
- SEDCO staff continued to work with David Baca Studios on renovation plans for the Sherman Youth Center building. We received the updated plans and estimated costs on April 23. Staff scheduled a final review with Mr. Baca and a separate meeting with the Real Estate Committee to review and give input.
- SEDCO began a review process for property near Progress Park. The site offers opportunities for a variety of commercial development scenarios.

Marketing:

- SEDCO staff members submitted the final data to HCK2 PR agency for the new SEDCO website. The company is inputting the data on the unique webpages and testing for functionality. The company will send us a click through version for review before making the conversion to html. We are on course for a June launch of the new website.
- Scott Connell attended the quarterly meeting for Texas One in Austin. Texas One presented a research report on Texas' competitiveness by KPMG.
- SEDCO was a core partner in the development of the Texoma branding project a few years ago. The project stalled as many new partners got engaged. The Sherman Chamber, Denison Chamber, DDA and SEDCO met to discuss moving the project forward. Look for the brand as it is launched this summer.
- Scott Connell attended the semi-annual conference for the Industrial Asset Management Council. IAMC is an association for corporate real estate executives and commercial real estate professionals. The Texas delegation hosted a few events.

Other:

- Brooks Hull and Scott Connell presented the quarterly SEDCO report (second qtr FY 2014-15) to Sherman City Council.
- Scott Connell made a presentation to the noon Lions Club regarding economic development projects.
- SEDCO staff attended the Austin College celebration for 100 years of Sherman Hall.
- SEDCO staff attended the Texas Tribune luncheon on Transportation.
- Frank Gadek attended the Board meeting for Center for Workplace Learning at Grayson College.
- Scott Connell testified at a hearing of the Texas House of Representatives Economic and Small Business Committee regarding legislation that would curtail the Type A Economic Development Sales Tax.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:25 A.M.

CERTIFICATION OF CHAIRMAN AND SECRETARY

I, Brooks Hull, Chairman, and I, David Key, 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:



SECRETARY