

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION  
MINUTES OF THE BOARD OF DIRECTORS  
ON MAY 13, 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 May 13, 2014, at 7:30 a.m.

MEMBERS PRESENT: Mr. Chris Pendergrass, Mr. Brooks Hull, Mr. Willie Steele

MEMBERS ABSENT: Mr. David Key, Mr. Dean Gilbert Jr.

EX OFFICIO MEMBERS PRESENT: Mayor Cary Wacker, Dr. Al Hambrick, Councilman David Plyler

EX OFFICIO MEMBERS ABSENT: Councilman Jason Sofey, Mr. George Olson

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

STAFF ABSENT: None

GUESTS PRESENT: Mr. Brandon Shelby, 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 7:34 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 April 8, 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 7:35 a.m.

The executive session recessed and reconvened in open session at 8:00 a.m.

**RECONVENE OPEN MEETING AND CONSIDER ITEM DISCUSSED IN EXECUTIVE SESSION**

Mr. Pendergrass reconvened the open meeting at 8:00 a.m. and welcomed visitors.

**CONSIDER FOR APPROVAL ECONOMIC INCENTIVE FOR GLOBITECH**

Mr. Scott Connell, SEDCO President, stated that the SEDCO Board approved an Economic Development Performance Agreement with GlobiTech at the March meeting. The agreement provides for the company to invest \$9.6 million in new production equipment and add 10 new jobs. The incentive is for \$480,000. The contracts were signed and are currently in place.

GlobiTech notified SEDCO staff that GlobiTech's parent company was excited about SEDCO's willingness to work with GlobiTech on their expansion project. Therefore, they decided to double their investment and job commitment

for the Sherman facility. Globitech will invest \$18 million and create 20 jobs. The time schedule is identical to the earlier agreement. 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 \$900,000, 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 20 new employees, in addition to, new capital investment of \$18,000,000 for production and support equipment.

Motion was made by Mr. Steele and seconded by Mr. Hull to approve the performance agreement with Globitech for an incentive amount of \$900,000. Motion was approved unanimously.

#### **FINANCIALS**

Mr. Scott Connell presented the financials for March 2014. The net fund balance was \$10 million with \$9.6 million in commitments.

Motion was made by Mr. Hull and seconded by Mr. Steele to approve the March 2014 financials as presented by Mr. Connell. Motion passed unanimously.

Mr. Frank Gadek, reviewed the April 2014 Economic Barometer Report. The EBR was noted that the Unemployment Rate was 5.3% for Grayson County.

#### **PRESIDENT'S REPORT (April 2014)**

##### Project Updates:

Panda – Panda hosted the Sherman City Council and SEDCO Board of Directors for a tour of the Sherman facility. Construction staffing is still at a high level of over 600 personnel. The company intends to complete construction in the middle part of 2014.

Southeastern Freight Lines – SEDCO has engaged in conversations with neighboring facilities regarding issues of stormwater discharge for Progress Park I. The Southeastern project is expected to be complete in September.

West Business Solutions – The company submitted documentation in accordance with the Economic Development Performance Agreement detailing the hiring of 22 new jobs over their current base of 376. They received the single payment of \$44,000. West is one of the largest employers in Grayson County.

Emerson/Fisher Controls – The company will host a groundbreaking for the facility expansion on Tuesday, May 13 at 11:00am.

Site Visits – SEDCO hosted site visits for Project Robot and Project TTech. We had follow up meetings for Project Moe, GUSA, Project EF, Project CAF,

Proposals – SEDCO submitted proposals for Project Mola, Ernestine VP, Safety Design, TTech, Robot. SEDCO also provided continued follow up to Projects CAF, GT-14, GUSA, TTech, Sotech, Moe, Rebound and Cross.

##### Real Estate:

The installation of water lines along Flanary Road and across to Progress Drive continues. The City of Sherman is conducting the work and they have installed lines further down Flanary Road in April. We expect the next section is along the creekline (east-west) to Progress Drive.

The project by BNSF Railroad to install the concrete rail crossing on Howe Drive is still on hold. We will keep all parties informed as we know further details. SEDCO agreed in August to pay \$69,255 for the cost of the upgraded crossing.



Texas Department of Transportation completed construction and opened the new US 75 southbound ramp at FM1417. They have resurfaced the frontage road and added a turn lane as part of the project. This is funded by a partnership of TX Department of Transportation, SEDCO and Harkinson Development.

The Real Estate Committee met with representatives of an energy exploration company that has presented a contract for exploration on SEDCO property. The issue is being evaluated by staff and legal counsel.

Marketing:

SEDCO is actively participating with other regional groups in a Viticulture Study Group to develop a strategy for advancing the oenology and viticulture programs at Grayson College and to grow the winemaking, beer making and distilled beverages industry in Texoma.

SEDCO staff attending the spring conference for the Industrial Asset Management Council in North Carolina. IAMC is a professional association for corporate real estate executives. Texas hosts a dinner and reception during the event.

Other:

Chris Pendergrass and Scott Connell presented the SEDCO quarterly report to Sherman City Council at the April 7 council meeting.

Scott Connell testified before the Economic Development and Small Business Committee of the Texas House of Representatives. Mr. Connell is on the Board of Directors of the Texas Economic Development Council. He was asked by them to speak about the Economic Development Sales Tax and its impact on the Sherman community.

Scott Connell spoke to the Sherman Noon Lions Club to provide an update on company expansions in Sherman.

**ADJOURNMENT**

No other business came before the SEDCO Board. The meeting adjourned at 8:14 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.



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SEDCO CHAIRMAN

ATTEST:



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SEDCO SECRETARY