

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON AUGUST 13, 2013
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 August 13, 2013, at 7:30 a.m.

MEMBERS PRESENT: Mr. Dean Gilbert, Jr., Mr. Chris Pendergrass, Mr. Mike Barnes,
Mr. Juston Dobbs

MEMBERS ABSENT: Mr. Todd Thompson

EX OFFICIO MEMBERS PRESENT: Mayor Cary Wacker, Dr. Al Hambrick, Mr. George Olson

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, Mr. David Gonier

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

Mr. Gilbert, Jr., Chairman of the Sherman Economic Development Corporation, called the meeting to order at 7:33 a.m., declared a quorum present and opened the meeting.

CONSIDER THE APPROVAL OF MEETING MINUTES

Motion was made by Mr. Barnes and seconded by Mr. Pendergrass to approve the regular scheduled meeting minutes of June 11, 2013. 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 and Section 551.072.

The open meeting recessed and reconvened in executive session at 7:38 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. Gilbert, Jr. reconvened the open meeting at 7:59 a.m. and welcomed visitors.

CONSIDER FOR APPROVAL ECONOMIC INCENTIVE

Motion was made by Mr. Pendergrass and seconded by Mr. Dobbs to approve a request from the City of Sherman for the funding of a water line extension along SH 289 and a sewer line extension to the SH 289 area. The water line is \$227,221.36 to be paid in one increment. The sewer line project is being financed with other City projects through Greater Texoma Utility Authority. SEDCO's portion over a 21 year payout is \$2,457,995.00. The motion was approved unanimously.

Motion was made by Mr. Barnes and seconded by Mr. Pendergrass to approve a performance agreement with West Business Solutions (West Asset Management) for the creation and staffing of 22 new full-time employment positions, in addition to, their current base employment of 376 employees at their Sherman, Texas call center. The performance agreement includes an incentive in the amount of \$44,000 to be made in one installment, no earlier than January 15, 2014, after all new employees are hired. Motion was approved unanimously.

Motion was made by Mr. Dobbs and seconded by Mr. Barnes to approve the tax abatement agreement for GlobiTech. The agreement outlines a one-time payment in the amount of \$140,000. Motion was approved unanimously.

Motion was made by Mr. Dobbs and seconded by Mr. Pendergrass to approve a contract for sale of real estate to Southeastern Freight Lines and necessary infrastructure improvements. The property consists of 13.77 acres in Progress Park I on the north side of FedEx Ground. The contract purchase price is in the amount of \$378,450. The motion included authorizing up to \$300,000 for road and utility improvements needed for the project. Motion was approved unanimously.

Mr. Scott Connell presented the proposed budget for FY 2013-2014. Motion was made by Mr. Barnes and seconded by Mr. Dobbs to approve the proposed budget for FY 2013-2014. Motion was approved unanimously.

FINANCIALS

Mr. Robby Hefton presented the financials for May and June 2013. The May 2013 financials show a net fund balance of \$9.3 MM with \$7.2 MM in commitments. May 2013 was noted to have land / infrastructure expenses of \$27 K. The June 2013 financials show a net fund balance of \$9.1 MM with \$8.5 MM in commitments. Mr. Hefton highlighted on the June 2013 financials the land / infrastructure expenses of \$200,000 for the TXDOT 1417 Ramp project. Mr. Hefton also noted the incentive payouts of \$26,000.

Motion was made by Mr. Pendergrass and seconded by Mr. Barnes to approve the May 2013 and June 2013 financials as presented by Mr. Hefton. Motion passed unanimously.

SEDCO President, Mr. Scott Connell, reviewed the June 2013 and July 2013 Economic Barometer Report and stated that the housing market is increasing, as well as, the sales tax.

PRESIDENT'S REPORT (July 2013)

SEDCO President, Scott Connell, gave the overview of the President's Report.

Project Updates:

- Panda – Construction continues to proceed on site. The vertical units have been installed and are visible from the surrounding area. SEDCO staff are hoping to schedule a tour of the facility in the near future.
- 903 Brewers – The company began operations and submitted a request for a payment according to the Promotional Agreement. SEDCO staff visited the facility and confirmed the work completion. The first installment was paid to the company.
- Site Visits - SEDCO hosted representatives from Projects Greentree, Freight Dock, Seventy Eight, Socrates, Pecan II.
- Proposals – SEDCO submitted proposals for Projects Greentree, Bassett Bridge, Cocktail Sauce, Seventy Eight, Socrates, MPS, Durbin, Tri, and PRS. SEDCO also provided continued follow up to Projects Apollo, Clip, Beach, EF, Freight Dock, Lightning, Marx, Miller, Shine and Seventy Eight.

Real Estate:

- SEDCO staff are investigating the cost to repaint monument signs at entrances to Progress Park I, II and III. The paint is fading and peeling.
- Project Freight Dock has presented an offer for a 13 acre site in Progress Park I. There are infrastructure costs to address needed road and utility extensions. SEDCO staff and Real Estate Committee members have reviewed initial estimates and are negotiating a plan to allow for flexibility for future use.

Marketing:

- Scott Connell participated in the 2013 Team Texas Showcase event that hosted 15 site location consultants from throughout the country at Las Colinas. The weekend event provided an excellent opportunity to spend time with the consultants and update them on activities in Sherman.
- SEDCO is working with Marketing Alliance to develop a quality online marketing brochure for Progress Park. It will include 3-D renderings of potential build out of the Park and detailed information of the properties, utility infrastructure and possible target industries. We hope to have it completed in early Fall.

Other:

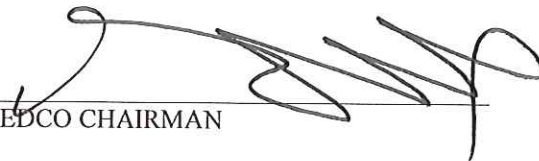
- On July 15, Dean Gilbert Jr. and Scott Connell presented the SEDCO Third Quarter report to Sherman City Council.
- Scott Connell attended the August meeting for Leadership Sherman – County Government.
- Scott Connell met with Judge Drue Bynum, Tony Kaai and Bill Retz to discuss details related to marketing the spec hangar facility under construction at NTRA.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:16 a.m.

CERTIFICATION OF CHAIRMAN AND SECRETARY

I, Dean Gilbert Jr., Board Chairman, and I, Chris Pendergrass, Board Vice-Chairman, 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 VICE-CHAIRMAN