

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON MAY 15, 2018
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 15, 2018 at 7:30 A.M.

MEMBERS PRESENT: Mr. John Sild, Mr. Brad Douglass, Mr. Tom Shields, Mr. Greg Kirkpatrick, Mrs. Janie Bates

MEMBERS ABSENT: None

EX OFFICIO MEMBERS PRESENT: Mayor David Plyler, Mr. Robby Hefton, Councilman Jason Sofey, Councilman Willie Steele, Dr. David Hicks

EX OFFICIO MEMBERS ABSENT: None

STAFF PRESENT: Mr. Frank Gadek, Mrs. Stacey Jones, Ms. Ashton Ghaemi

STAFF ABSENT: None

GUESTS PRESENT: Mr. Brandon Shelby, Mr. Terrence Steele, Mrs. Mary Lawrence

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

Mr. Sild, Chairman of the Sherman Economic Development Corporation, called the meeting to order at 7:31 a.m., declared a quorum present, meeting declared open, recognition of guests and visitors.

CONSIDER FOR APPROVAL THE MINUTES FOR THE FOLLOWING MEETINGS

Motion was made by Mr. Kirkpatrick and seconded by Mr. Douglass to approve the Special Called Board Meeting minutes of March 9, 2018 and March 22, 2018.

FINANCIALS

Mrs. Lawrence presented the Financials for the quarter ended March 31, 2018 and reported the Ending Fund Balance as \$8,385,177 and the Commitments as \$12,398,641. She also presented the Investment Report for the quarter ended March 31, 2018 and reported the Book Value as \$7,627,537, the Weighted Average Maturity as 68 days, and the Weighted Average Yield as 1.38%.

Motion to approve the Financials for the quarter ended March 31, 2018 was made by Mr. Shields and seconded by Mr. Kirkpatrick.

EXECUTIVE SESSION

Executive Session

The Sherman Economic Development Corporation will hold 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:

Section 551.087 – Economic Development: Discussion concerning the following Projects: Tackleberry, Lone Star, GNC, Test, Dahl, Kevin, Starlight, Graceful Energy, Northstar

Section 551.072 – Real Property: Discussion concerning projects: FS4, Northgate Drive, Truck, Graceful Energy

Section 551.074 – Personnel Matters: To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

The open meeting recessed in executive session at 7:35 a.m. Before discussions regarding Project Northstar took place, Mr. Shields signed the Conflict of Interest form.

RECONVENE OPEN MEETING AND CONSIDER ITEMS DISCUSSED IN EXECUTIVE SESSION

Mr. Sild reconvened the open meeting at 8:15 a.m.

Mr. Gadek recommended the approval of a land agreement between the Sherman Economic Development Corporation and GlobiTech. The agreement states GlobiTech will purchase 1.31 acres of land with the Grayson County Property ID of 12551, abutting Howe Drive from SEDCO for \$10,000, with \$1,000 of earnest money to be paid upon execution of the agreement.

Motion to approve the land agreement with GlobiTech was made by Mr. Douglass and seconded by Mr. Kirkpatrick. Motion was approved unanimously.

Mr. Gadek recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with GlobiTech. The agreement states that GlobiTech will invest \$650,000 in capital improvements at its 200 FM 1417 West facility, and SEDCO will provide a \$32,500 incentive upon proof that the conditions have been met.

Motion to approve the Economic Development Performance Agreement with GlobiTech was made by Mr. Shields and seconded by Mrs. Bates. Motion was approved unanimously.

Mr. Gadek recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with Northstar Signs and Graphics. The agreement states that Northstar will invest \$84,000 in capital improvements and hire four new full-time employees at its 316 West Lamar Street facility, and SEDCO will provide a \$14,000 incentive upon proof that the conditions have been met.

Motion to approve the Economic Development Performance Agreement with Northstar was made by Mrs. Bates and seconded by Mr. Douglass. Motion was approved by Mr. Sild, Mr. Douglass, Mr. Kirkpatrick, and Mrs. Bates. Mr. Shields abstained.

ECONOMIC BAROMETER REPORT (April 2018)

Mr. Gadek presented the Economic Barometer Report and noted the following: Sales tax proceeds had an increase of 5.32% from April 2017; the Grayson County months supply of inventory is 2.8; and Sherman's unemployment rate is 3.5% as of March 2018.

Mr. Douglass asked if Sherman's unemployment rate is comparable to nearby counties. Mrs. Bates stated Fannin County is the lowest with a rate of 3.3%.

PRESIDENT'S REPORT (May 2018)

Mr. Gadek presented the following May 2018 President's Report:

Since our last report...

SEDCO is presently working seven active projects with an estimated \$150,900,000 in investments and 711 new jobs.

SEDCO hosted one site visit and attended seven prospect meetings with companies interested in expanding to Sherman.

On March 9th, the SEDCO Board approved a Sherman Economic Development Corporation Economic Development Performance Agreement with Finisar Corporation. The agreement states that Finisar will invest \$160,000,000 in capital expenditure at its 6800 U.S. Highway 75 facility, and SEDCO will provide a \$1,000,000 incentive upon proof that the conditions have been met.

On March 16th, SEDCO presented an incentive payment to J.P. Hart Lumber Company, LLC. This payment comes after the company completed the first set of conditions in the SEDCO Economic Development Performance Agreement by investing \$8,554,376 and hiring six employees at the 407 Progress Drive location.

On March 21st, Stacey Jones served as the moderator for the Regional Leadership Breakfast at Austin College. The foundation for the discussion was the excellent resources in the region for educating and preparing the workforce and how everyone works together to be the most effective. It gave panelist a chance to answer and discuss both the current state and the future vision for building the talent pipeline.

On March 22nd, the SEDCO Board approved a Sherman Economic Development Corporation Economic Development Performance Agreement with Presco Polymers, LP. The agreement states Presco will invest \$950,000 in capital improvements at the 1201 East Pecan Street facility, and SEDCO will provide a \$47,500 incentive upon proof that the conditions have been met.

Stacey Jones was awarded the Certified Economic Developer (CEcD) designation by the International Economic Development Council, effective March 25, 2018. The CEcD designation was awarded to Jones after passing a rigorous three-part, two-day examination, testing her knowledge, proficiency and judgment in the key areas of economic development.

On April 2nd, Chairman John Sild presented the quarterly report to City Council.

On April 5th, Chairman John Sild presented an incentive check for \$150,000 to Emerson. This payment comes after the company exceeded the conditions in the SEDCO Economic Development Performance Agreement by hiring 45 of the required 30 employees.

On April 30th, SEDCO presented an incentive payment to Robit USA, LLC. This payment comes after the company completed the first set of conditions in the SEDCO Economic Development Performance Agreement by hiring 3 employees.

The same day, SEDCO presented an incentive payment to GlobiTech. This payment comes after the company completed the first set of conditions in the SEDCO Economic Development Performance Agreement by investing \$5,179,433 of the required \$4,875,000 in new equipment and technology that increased productivity at the 200 FM 1417 West location.

On April 11th, representatives from Finisar, the City of Sherman, Binswanger, and SEDCO attended the Dallas Business Journal's Best Real Estate Deals of 2017 Awards Dinner. SEDCO submitted the Finisar/Apple project, and it was selected as one of three finalists in the Rehab or Reuse category.

On May 5th, SEDCO hosted the Sherman Industry Appreciation Picnic at Pecan Grove Park West for the industries, their employees, and families. This was an opportunity for SEDCO to say, "Thank you" for their contribution to Sherman. The picnic featured snacks and drinks, family-friendly activities, and the 1st Annual Sherman Industry Showdown. Teams from Alorica, Douglass Distributing, Eaton, Emerson, Finisar, GlobiTech, Presco and Tyson competed in a bracket-style competition playing three rounds: Five-Legged Race, Limbo, and Tug-of-War. GlobiTech, Eaton, Presco, and Douglass Distributing won the first round. GlobiTech and Presco moved on to the final round, and GlobiTech took the title, trophy, and bragging rights!

Frank Gadek attended the Industrial Asset Management Council's Spring Professional Forum in Savannah, GA from May 7th-9th. During the forum, SEDCO served as a Texas Dinner Host to approximately 60 site selectors and real estate professionals.

Business Retention & Expansion

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. In the past month, we have visited with key leadership from the following Sherman companies:

- Emerson
- Finisar
- GlobiTech
- J.P. Hart Lumber Company
- Kaiser Aluminum
- Panda Sherman Power
- Progress Rail
- Robit USA, LLC
- Texas Instruments

On March 14th, we sponsored a Sherman Plant Managers Forum hosted by Emerson. The following key employers were in attendance: Clay Precision, Eaton, J.P. Hart Lumber Co., Finisar, Kaiser Aluminum, Panda Sherman Power, and Presco.

On March 29th, we sponsored a Human Resources Group meeting with the following key employers in attendance: CertainFeed, Emerson, and GlobiTech.

On April 11th, Frank Gadek presented on economic development to the Greater Texoma Association of Realtors.

On April 12th SEDCO sponsored the Workforce Solutions Texoma Career Connection. There were 783 job seekers visiting with 46 employers, and 10 of those were Sherman industries.

On April 25th, we sponsored a Safety Leaders Forum hosted by Kaiser Aluminum with the following key employers in attendance: Ball DPF, LLC, Finisar, GlobiTech, Mueller Construction Company, Panda Sherman Power, Ruiz Foods, Sunny Delight, and Texas Instruments.

Advanced Manufacturing Program (AMP) Update

On March 21st and 22nd the first year AMP students and their mentors toured the new AMP Lab and had the opportunity to meet the Grayson College instructor, Bob Carpenter.

On April 24th, school counselors and CTE Directors from the Sherman, Denison & Gunter Independent School Districts toured Eaton and Spectrum Brands to learn more about opportunities in manufacturing to help them market AMP to their students.

May 7th was the AMP End of Year Celebration where the consortium, industry sponsors and mentors celebrated with the students and teachers of the AMP program. As of May 8th, we have 28 students who will move into the second year, four students who will enter the third (and last) year, and 35 new first year enrollees. We are still waiting on new enrollment numbers from one school.

Industrial Maintenance Technician Program (IMT) Update

On April 27th, we interviewed Sherman High School juniors for the IMT Program and offered seven scholarships for the 2018-19 school year.

On May 10th, SEDCO hosted an IMT Graduate Reception where industry sponsors, mentors, and the SEDCO Board and Staff celebrated with Sherman's first IMT graduates and their families. The reception was followed by the Center for Workplace Learning Recognition Ceremony where the five SHS seniors walked across the stage in cap and gown to receive their IMT certificate.

Swap-It-Up

This Fall, SEDCO will launch an exciting new project to market AMP. The project is called Swap-It-Up, a competition like the team building game "Bigger and Better." The AMP students from Sherman, Pottsboro, and Whitesboro will team up and make trades with Chamber businesses over the course of six weeks. The winning team will be announced at the AMP Mid-Semester Celebration, and the final traded items will be donated to local charities.

Update: The project has been approved by the AMP instructors, and the Sherman Chamber of Commerce has agreed to partner with the project.

Next Steps: Receive approval from the Pottsboro and Whitesboro Chambers, contact local charities to identify needs, and promote the project through community networking events to secure business buy-in.

Community Activities

Below are events/meetings we attended this month:

- 2018 Nonprofit Symposium
- Athena Awards Luncheon
- Biz/Pro Women Networking Event
- Child and Family Guidance Board
- Children's Advocacy Center's Cattlemen's Ball
- City Council Meeting
- CJ's Coffee Grand Opening & Ribbon Cutting
- Coffee with the Mayor
- Crisis Center Board Meeting
- Crisis Center's Denim & Dollars Gala
- Global Outreach (GO!) Forum – Convocation
- GO! Forum Luncheon
- Manufacturing Consortium
- Presco's 75th Anniversary

- Sherman Boys and Girls Club Board Meeting
- Sherman Chamber Events Committee Meeting
- Sherman Chamber Golf Tournament
- Sherman Cultural District Town Hall Meeting
- Sherman Education Foundation's Circle of Success Dinner
- Sherman P&Z Meeting
- Sherman Rotary
- Sherman Service League Charity Ball
- Steve Jones' Retirement Reception
- Wok Kitchen Soft Opening
- Workforce Solutions Texoma Board

Ms. Ghaemi presented the 2018 Industry Appreciation Picnic and the "Ace of North Texas" marketing campaign videos.

BUSINESS RETENTION & EXPANSION UPDATE

Mrs. Jones referred to the Business Retention & Expansion section of the May 2018 Monthly Report and noted the IMT Graduate Reception and Graduation which celebrated Sherman's first five IMT graduates.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting was adjourned at 8:39 a.m.

CERTIFICATION OF VICE-CHAIRMAN AND BOARD SECRETARY

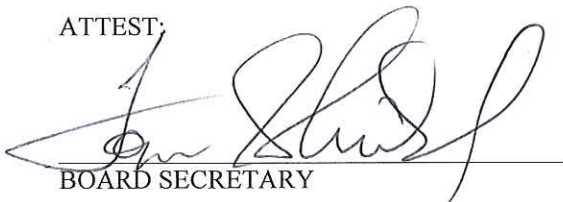
I, Brad Douglass, Vice-Chairman, and I, Tom Shields, Board Secretary, do certify that these minutes of the Regular Scheduled Board Meeting of the Sherman Economic Development Corporation of the City of Sherman, Texas are a true and correct record of the proceedings with Chapter 551, Govt. Code, V.T.C.S, Open Meetings Law.

ATTEST:



VICE-CHAIRMAN

ATTEST:



BOARD SECRETARY