

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON OCTOBER 15, 2013
AT 7:30 A.M.**

A meeting of the Sherman Economic Development Corporation Board of Directors was convened in the City of Sherman, City Council Chambers at 220 W. Mulberry, Sherman, Texas, on October 15, 2013, at 7:30 a.m.

MEMBERS PRESENT: Mr. Dean Gilbert, Jr., Mr. Chris Pendergrass, Mr. Brooks Hull,
Mr. David Key, Mr. Willie Steele

MEMBERS ABSENT: None

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

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. Pendergrass and seconded by Mr. Gilbert Jr. to approve the regular scheduled meeting minutes of August 13, 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.

The open meeting recessed and reconvened in executive session at 7:35 a.m.

The executive session recessed and reconvened in open session at 7:51 a.m.

RECONVENE OPEN MEETING AND CONSIDER ITEM DISCUSSED IN EXECUTIVE SESSION

Mr. Gilbert, Jr. reconvened the open meeting at 7:51 a.m. and welcomed visitors.

CONSIDER FOR APPROVAL ECONOMIC INCENTIVE

Motion was made by Mr. Pendergrass and seconded by Mr. Steele to approve a performance agreement with Progress Rail for an incentive payment of \$22,200, to be paid not earlier than January 15, 2014, for the purchase and installation of \$555,000 in new (not replacement) production equipment. Motion was approved unanimously.

FINANCIALS

Mr. Robby Hefton presented the Investment Reports for the quarters ending in March and June 2013. Mr. Hefton noted that the investment book value for both reports was about \$9.1 MM. The March 2013 Investment report

portfolio yield was 0.18% as of March 31, 2013. Also, accrued interest totaling \$2,000 was added to the principal and a \$1.0 MM certificate of deposit matured and was renewed. The June 2013 Investment Report portfolio yield was 0.17% as of June 30, 2013. Accrued interest totaling \$1,500 was added to the principal and a \$1.0 MM certificate of deposit matured and was renewed.

Motion was made by Mr. Hull and seconded by Mr. Pendergrass to approve the March and June 2013 Investment Reports as presented by Mr. Hefton. Motion passed unanimously.

Mr. Hefton presented the Investment Policy and noted the primary change is the policy will no longer reflect cash as an investment to align with the Texas state laws governing investment policies. Additional changes to the investment policy are highlighted in yellow.

Motion was made by Mr. Key and seconded by Mr. Hull to approve the Investment Policy as presented by Mr. Hefton. Motion passed unanimously.

Mr. Hefton presented the financials for July and August 2013. The July 2013 financials show a net fund balance of \$9.3 MM with \$8.4 MM in commitments. July 2013 was noted to have incentive payouts of \$6,393. The August 2013 financials show a net fund balance of \$9.3 MM with \$10.1 MM in commitments. Mr. Hefton highlighted on the August 2013 financials the land and infrastructure expenses of \$227,221. Mr. Hefton also noted the incentive payouts of \$141,107.

Motion was made by Mr. Steele and seconded by Mr. Pendergrass to approve the July and August 2013 financials as presented by Mr. Hefton. Motion passed unanimously.

SEDCO Executive Vice-President, Mr. Frank Gadek, reviewed the August and September 2013 Economic Barometer Reports. The August 2013 EBR was noted that the Unemployment Rate is 6.9% for Grayson County, while the September 2013 EBR showed an Unemployment Rate of 6.4% for Grayson County.

PRESIDENT'S REPORT (August and September 2013)

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

Project Updates:

- Panda – Construction continues to proceed on schedule. SEDCO staff and Mayor Cary Wacker toured the facility September 27 with Bechtel Construction site director Rich Marl. Construction employment is at peak levels of over 600 people. SEDCO staff are hoping to schedule a tour of the facility for SEDCO Board members and City Council members in the near future.
- Consolidated Container – SEDCO visited corporate headquarters in Atlanta while at a conference. We had follow up conversations regarding their recent project.
- Site Visits - SEDCO hosted representatives from Projects MPS, DC5, CAF.
- Proposals – SEDCO submitted initial proposals for Projects e-search Building, Cookie, Wall-E, Sagittal Crest, CAF, DC-5, and Bengal Tiger. SEDCO also provided continued follow up to Projects Apollo, CAF, Clip, Beach, DC-5, EF, Freight Dock, Marx, Miller, MPS, Sagittal Crest, Shine and Seventy Eight.

Real Estate:

- SEDCO staff having been actively working with Southeastern Freight Lines and their associates on issues related to the sales transaction. Documents were submitted for site platting and site plan approval. The items will be presented for Planning & Zoning Board approval on October 22.
- SEDCO staff are obtaining bids for repainting the monument signs at entrances to Progress Park I, II and III. The paint is fading and peeling.
- SEDCO partnered with the City of Sherman to expand the width of Howe Drive in two key areas – just outside of the truck entrance to Sunny Delight and behind Tyson. City staff installed the new road areas in September. Trucks parking in those areas had eroded the soil significantly (12-18 inches).

Marketing:

- SEDCO launched a new website for Progress Park that provides maps and data on the park. The site, www.ProgressParks.com, has interactive buttons to identify various information including highways,

railroads, existing companies, utility infrastructure, travel distances to major cities and available sites. The site was developed with Marketing Alliance. The company and SEDCO are completing an online brochure for Progress Park with more extensive data. The website will link to the new brochure.

- SEDCO is having a new short video produced that will provide aerial shots of places throughout the community. The initial video footage was filmed October 11. We expect to have a completed product in late Fall 2013.
- SEDCO participated in the annual North Texas Commercial Association of Realtors Expo in Dallas. Staff had a booth space and met a great number of contacts to assist in awareness of opportunities in Sherman.
- SEDCO joined with Denison Development Alliance to sponsor and attend the Momentum Conference in Atlanta September 10-11. The conference focuses on US sourcing of business process and IT operations.
- SEDCO participated on a Texas One trip to Bethesda, Maryland in September. The group met with site location consultants based on the Washington, DC area and companies in Maryland seeking possible locations in Texas.
- SEDCO participated with the Dallas-Fort Worth Marketing Team in an appreciation reception for commercial real estate professionals at the Perot Museum in Dallas.
- SEDCO attended the semi-annual meeting of the Industrial Asset Management Association for corporate real estate executives and participated in Texas-hosted events.

Other:

- In August, Scott Connell and Eddie Brown with the Sherman Chamber met with John Wright at the Herald Democrat to encourage more coverage of Sherman business news.
- Scott Connell met with Denison Development Alliance about expanding the Industrial Maintenance Training scholarship program in Sherman.
- SEDCO hosted a quarterly Plant Managers meeting. Brian Aspell with Champion Cooler spoke with the group about the Industrial Maintenance Training scholarship program.
- Scott Connell spoke to the Leadership Sherman class regarding SEDCO and economic development issues and spoke to the Grayson College Leadership Series.
- SEDCO purchased USB drives in the shape of Texas with SEDCO logo for special giveaways.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:18 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