

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE ANNUAL JOINT MEETING
OF THE BOARD OF DIRECTORS
AND THE SHERMAN CITY COUNCIL
SEPTEMBER 25, 2017
CITY COUNCIL CHAMBERS
12:00 PM**

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 September 25, 2017, at 12:00 p.m.

MEMBERS PRESENT:	Mr. Greg Kirkpatrick, Mr. John Sild, Mr. Tom Shields
MEMBERS ABSENT:	Mr. Brad Douglass
EX-OFFICIO MEMBERS PRESENT:	Mayor David Plyler, Deputy Mayor Jason Sofey, Mr. Robby Hefton, Council Member Terrence Steele, Dr. David Hicks
EX-OFFICIO MEMBERS ABSENT:	None
CITY COUNCIL MEMBERS PRESENT:	Mayor David Plyler, Deputy Mayor Jason Sofey, Council Members Charles Brown, Pamela Howeth, Terrence Steele, Willie Steele, and Shawn Teamann
CITY COUNCIL MEMBERS ABSENT:	None
STAFF PRESENT:	Mr. John Plotnik, Mr. Frank Gadek, Mrs. Stacey Jones, Ms. Ashton Ghaemi
STAFF ABSENT:	None
CITY STAFF AND GUESTS PRESENT:	Mr. Robby Hefton, Mr. Steve Ayers, Mr. Brandon Shelby, Mr. Zach Flores, Mr. Danny Jones, Mr. Mark Gibson, Mr. Clint Philpott, Mrs. Mary Lawrence, Mr. Bob Fair, Mr. Jason Jeffcoat, Mr. Bruce Dawsey, Mr. Chris Olson, Mr. Tom Brown, Mrs. Tammy Davis, Mr. Nate Strauch, Mr. Moises Duran, Mrs. Pam Cloer, Mr. Junior Jaimes, and Mrs. Linda Ashby.

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

Mayor Plyler called the meeting to order at 12:12 p.m., declared a quorum present, and opened the City Council Meeting.

He recognized several special guests, Craig Estes, State Senator; Diane Helms, District Director for Senator Estes; Jason Ross, District Director for Congressman John Ratcliffe; Dr. Jeremy McMillen, Grayson College President; and Dr. David Hicks, Superintendent of the Sherman Independent School District.

Greg Kirkpatrick, Chairman of the Sherman Economic Development Corporation, declared a quorum present at 12:13 p.m., and opened the SEDCO Meeting. He introduced the members of SEDCO, adding that they are one member short since Willie Steele was appointed to fill an unexpired term on the City Council.

SEDCO'S PRESENTATION OF THE 2016-2017 PROGRAM OF WORK RESULTS

John Plotnik, President of SEDCO, introduced his staff, Frank Gadek, Executive Vice President; Stacey Jones, Vice President of Business Retention & Expansion; and Ashton Ghaemi, Director of Research & Marketing.

He introduced SEDCO's Program of Work and asked Ms. Jones to discuss results from the 2016-2017 fiscal year. She said SEDCO completed six retention/expansion projects with Kaiser Aluminum, GlobiTech, 903 Brewers, Christmas Designers, Nature Source, and Washington Iron Works. The projects amounted to \$44.1 million in capital investment; 97 new, primary jobs; and \$2.1 million in incentives. The board also approved six new retention/expansion projects with a total capital investment of \$11.3 million; 70 primary jobs; and \$785,000 in incentives. These projects included Cellarman's, Emerson, Eaton, Certainteed, Synergy Windows & Doors, and GlobiTech.

An important part of SEDCO's mission is to have an ongoing dialogue with the current companies, in order to focus efforts on providing assistance in areas where they need it the most. To help promote that communication, SEDCO held 80 industry visits; four plant manager's forums; four Sherman Safety Leaders Forums; and five human resources group meetings. They also sponsored lunch for Mueller employees in gratitude for them storing the big shovel used in ribbon cuttings.

As part of Economic Development Week, they honored local industry employees and thanked them for choosing to work in Sherman. Twenty-five companies were visited and supplied with a banner to display, a letter of appreciation, and a professionally shot photograph of their entire workforce.

Mr. Plotnik reiterated that a primary job is a job in manufacturing, distribution, call centers, and data centers. It's a primary job that will typically create an additional four secondary jobs. Secondary jobs include the police force, lawyers, doctors, and other service-type jobs.

The next goal is to recruit targeted regional, state, national and international primary employers. Mr. Plotnik referenced J.P. Hart Lumber Company that is located in Progress Park. They are developing a facility that will be up to \$6 million, with 47 to 50 new jobs. He introduced Duane Sanders, Dallas Division President of J.P. Hart Lumber Company, as Sherman's newest corporate citizen.

Ms. Ghaemi discussed SEDCO's public relations activities during the past year. During that time, 10 advertisements have been placed in the Dallas Business Journal, an advertising campaign ran in the Texas Real Estates Business Magazine, and several videos are displayed on the website highlighting local industrial plants such as Presco and Tyson. The newest venture is with CBS Dallas and KRLD AM 1080 and targets real estate professionals in the Dallas-Fort Worth Metroplex.

Mr. Plotnik said another reason they work with existing industries is that many of these local companies compete within their own corporations for expansion projects and SEDCO works to grow the expansion projects in Sherman.

For example, Kaiser did a \$25 million expansion in Sherman. They received their last incentive check this past fiscal year. Sherman competed with sites in Kalamazoo, Michigan and in Canada for the project. When Sherman helps with incentive grants for these expansions, it helps lower their capital expense and operating costs.

Another goal is to continue workforce development programs, and Ms. Jones outlined SEDCO's continued efforts with the Texoma Regional Consortium. The Consortium is a partnership between Workforce Solutions Texoma, Denison Development Alliance, SEDCO, area school districts, and the industries, to develop middle skills workers for advanced manufacturing.

These efforts include a Spring Manufacturing Tour where over 300 Piner Middle School students toured six local industries. SEDCO also provided a \$50,000 match to the Texas Workforce Commission's \$100,000 High Demand Job Training Grant, which goes toward advance manufacturing program equipment for the new lab that is being built at Grayson College.

SEDCO also awarded Industrial Maintenance Technology Program scholarships to seven Sherman High School juniors, and each student has a community leader as a mentor. The students will be taking 10 college courses this year, their senior year, along with their high school requirements. When completed, they will graduate with an IMT Certificate. SEDCO also helped organize a mentoring program for the Advanced Manufacturing Program.

SEDCO also partners with the Denison Development Alliance and Grayson College supporting programs at the Center for Workplace Learning. They sponsor 10 Sherman Independent School District teachers and counselors for Business Education for Teachers, to help educate them about manufacturing career opportunities so they can help their students. SEDCO has held career fairs to help bring in job seekers and build the local workforce. Mr. Plotnik said the programs are aimed at giving students another option to college. He thanked Dr. Jeremy McMillen, President of Grayson College, for their partnership.

Another SEDCO goal is to target regional, state, national, and international allies to help attract business investments. SEDCO works with many regional and national partners, including Texas Governor Greg Abbott's Office, and the State Economic Development and Tourism Offices.

Important relationships include those with site selectors, consultants, and facilities managers because most companies outsource their location needs to a consultant or a broker. During the last fiscal year, SEDCO had over 300 site visits to Sherman. Three years ago, they were likely to have only one site visit from a broker or site selector during a three to four month period.

Mr. Gadek discussed SEDCO's management of their real estate to attract commercial real estate investments. He said they manage approximately 600 acres of land on the south end of Sherman, near US Hwy 75 and FM 1417. Their marketing approach is to have "shovel ready" sites, with infrastructure already in place. He discussed specific properties available through SEDCO, including sites in Progress Park, along Northgate Drive, and a "spec building" that they don't own but are helping to market, known as the Midway Facility.

Mr. Plotnik said another goal is to invest in projects that enhance Sherman's quality of place. Through a partnership with Grayson County and the Denison Development Alliance, SEDCO was able to help bring in Texas Aviation Partners to the North Texas Regional Airport at Perrin Field. The airport has an 8,000 foot and a 9,000 foot runway, and free airspace. He added that is "golden" for the communities.

While he didn't feel a commercial airline would land at the airport, he did reference an industry called airframe powerplant mechanics. The runways at the airport are long enough to bring in huge jets for engine repair and maintenance. Plans are to market the airport to similar types of industry.

In an effort to raise Sherman's profile in local, regional, state, national, and international markets, Ms. Ghaemi said they have published a monthly President's Report, which reaches over 1,000 people, and includes a "Company Spotlight." So far, nine companies have been highlighted, which gives them exposure while providing a community inside look.

SEDCO has hosted four Leadership Breakfasts and two Mentor Breakfasts and has launched a new website. She said their staff have attended several conferences and forums and co-hosted a private dinner for Texas site selectors, and Ms. Jones has met with the Office of Economic Development & Tourism in Governor Abbott's Office. This past year, SEDCO hosted the first Economic Development Week and visited 25 local industries for presentations.

SEDCO'S PRESENTATION OF THE 2008-2017 RETURN ON INVESTMENT REPORT

Mr. Plotnik presented a return on investment for SEDCO which encompasses data from 2008 through the present. Over the past nine years, the community invested around \$26 million and received about \$33 million in return on investment. That's a 125% return on investment.

SEDCO'S PRESENTATION OF THE 2017-2018 PROGRAM OF WORK

Mr. Plotnik said during the next fiscal year, they plan to mirror last year's Work Program. There will also be some additions to the program for FY 2017-2018. These include:

- Execute a national advertising campaign on job availability in Sherman
- Host a "Your Hometown" event with KRLD – CBS Dallas
- Produce new marketing videos
- Increase marketing efforts for the AMP
- Increase IMT Program scholarships from 7 to 10
- \$50,000 match to TWC's High Demand Job Training Grant for the Grayson College AMP Lab equipment
- Progress Park improvements and potential land acquisitions

According to the Governor's Office, statistically 1,500 people per day are moving into Texas. They are coming to Texas for jobs and because of the quality of life. Currently they are going to the major cities, because those are the ones of which they are aware. Sherman wants to capture some of those jobs. To do so, SEDCO will be meeting with the Human Resources Department of local companies to determine the types of skill-sets they plan to hire over the next two years, and to whom the resumes should be sent.

They are also in the process of determining the top 10 cities in the United States that have the highest unemployment rate. They will then advertise in those local papers, saying Sherman is north of Dallas and has these specific types of jobs available. Mr. Plotnik said this would be a key strategy and would be added to SEDCO's budget.

Ms. Ghaemi said on October 20, 2017, from 11:00 a.m. until 7:00 p.m., CBS Radio will host the "Your Hometown" event, live from the Old Iron Post Restaurant. There will be live updates, a live interview with the Mayor, interviews with community leaders, and seven pre-recorded stories about Sherman. Also for the new fiscal year, pre-focused, short videos will also target available sites, workforce development programs, and incentives.

Ms. Jones said they also plan to increase marketing efforts for AMP by partnering with the Denison Development Alliance and hosting regional commercials. They also plan to increase IMT scholarships from seven to ten, and have budgeted another \$50,000 if the Texas Workforce Commission's High Demand Job Training Grant become available.

Mr. Gadek said they plan to continue maintaining what they have and expand the utilities and properties that SEDCO owns.

CITY COUNCIL TO DISCUSS AND CONSIDER APPROVAL OF THE SEDCO 2017-2018 PROGRAM OF WORK

Mr. Plotnik asked for a vote from SEDCO Board Members on the Work Program for 2017-2018.

Motion to approve the SEDCO 2017-2018 Program of Work was made by Mr. Sild and seconded by Mr. Shields. Motion was approved unanimously.

Motion to approve the SEDCO 2017-2018 Program of Work was made by Deputy Mayor Sofey and seconded by Council Member Terrence Steele. Motion was approved unanimously.

SEDCO'S PRESENTATION OF THE FY 2017-2018 BUDGET

Ms. Jones said the beginning balance for the next fiscal year will be \$8.6 million. The administrative costs will increase due to salary increases and an estimated increase in insurance costs. She outlined several line items that increased including communications, land maintenance, luncheons/ meetings, retention/expansion, and marketing/attraction. The total administrative, operating, and programming expenses are \$1.1 million.

The incentive payouts are scheduled for 2017-2018 at \$1.5 million. That could change with additional incentives. Infrastructure projects at Progress Park will continue and SEDCO might possibly purchase additional land. Debt Service increased to \$393,803 because the Blalock Sewer Project was added.

Ms. Jones said total expenses, overall are \$5.3 million, with a net income loss of under \$1.6 million. This will culminate in a projected ending balance of \$7 million.

CITY COUNCIL TO DISCUSS AND CONSIDER APPROVAL OF THE SEDCO 2017-2018 BUDGET

Mr. Plotnik asked for a vote from SEDCO Board Members on the Budget for 2017-2018.

Motion to approve the SEDCO FY 2017-2018 Budget was made by Mr. Shields and seconded by Mr. Sild. Motion was approved unanimously.

Motion to approve the SEDCO FY 2017-2018 Budget was made by Deputy Mayor Sofey and seconded by Council Member Howeth. Motion was approved unanimously.

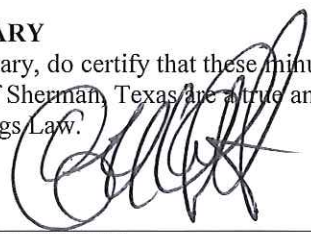
Mr. Plotnik thanked Deputy Mayor Jason Sofey and Council Member Terrence Steele for the time they have spent attending SEDCO Board Meetings. Mr. Kirkpatrick also thanked the SEDCO staff for their hard work and for the quick turn-around time they give on the many projects. Mayor Plyler thanked the SEDCO Board and staff for their hard work to enhance the quality of life in the community and to elevate Sherman both nationally and internationally.

ADJOURNMENT

No other business came before the City Council or SEDCO Board. The meeting adjourned at 12:57 p.m.

CERTIFICATION OF CHAIRMAN AND BOARD SECRETARY

I, Greg Kirkpatrick, Chairman, and I, Brad Douglass, 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.



SEDCO CHAIRMAN

ATTEST:



BOARD SECRETARY