

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON AUGUST 8, 2017
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 8, 2017 at 7:30 A.M.

MEMBERS PRESENT: Mr. Greg Kirkpatrick, Mr. John Sild, Mr. Brad Douglass, Mr. Tom Shields,
Mr. Willie Steele

MEMBERS ABSENT: None

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

EX OFFICIO MEMBERS ABSENT: Deputy Mayor Jason Sofey

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

STAFF ABSENT: None

GUESTS PRESENT: Mr. Brandon Shelby, Mrs. Tammy Davis, Mr. Billy Wadsack

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

Mr. Kirkpatrick, Chairman of the Sherman Economic Development Corporation, called the meeting to order at 7:34 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. Sild and seconded by Mr. Douglass to approve the regular scheduled meeting minutes of June 13, 2017. Motion was approved unanimously.

FINANCIALS

Mrs. Davis presented the Financials for the quarter ended June 30, 2017 and reported the Ending Fund Balance as \$8,582,571. She also referred to the Incentive Schedule and noted the \$9,839,293 in outstanding commitments.

Mrs. Davis also presented the Investment Report for the quarter ended June 30, 2017 and reported the Book Value as \$6,760,185 and the Weighted Average Yield as 0.87%.

Motion to approve the Financials and the Investment Report for the quarter ended June 30, 2017 was made Mr. Shields and seconded by Mr. Willie Steele. 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 the following section:

Section 551.087 – Economic Development: Discussion concerning the following Projects: Bear, Tackleberry, Overland, Aurora, Lynn, Red Oriole, Homecoming, Red, Cake, Carrot Flower, Green, Post Oak, Laminate, Glass, Synergy

Section 551.072 – Real Property: Discussion concerning projects: Box, Future, House, Northgate Drive, Truck

The open meeting recessed in executive session at 7:39 a.m. Before discussions regarding Project Synergy took place, Mr. Kirkpatrick signed the Conflict of Interest form and excused himself from executive session.

RECONVENE OPEN MEETING AND CONSIDER ITEMS DISCUSSED IN EXECUTIVE SESSION

After the discussions regarding Project Synergy were complete, Mr. Kirkpatrick returned for the remainder of the executive session and reconvened the open meeting at 8:10 a.m.

Mrs. Jones recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with CertainTeed Corporation. The agreement states that CertainTeed will invest \$50,000 and add an additional 10 full-time jobs at its facility at 1400 FM 1417 W, and SEDCO will provide an incentive of \$50,000 upon proof that the conditions have been met.

Motion to approve the Economic Development Performance Agreement with CertainTeed Corporation was made by Mr. Shields and seconded by Mr. Willie Steele. Motion was approved unanimously.

Mr. Gadek recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with Synergy Windows and Doors, LLC. The agreement states that Synergy will invest \$600,000 and add an additional 18 full-time jobs at its facility at 2909 Fallon Drive, and SEDCO will provide an incentive of \$54,000 upon proof that the conditions have been met.

Motion to approve the Economic Development Performance Agreement with Synergy Windows and Doors, LLC was made by Mr. Douglass and seconded by Mr. Willie Steele. Motion was approved by Mr. Sild, Mr. Douglass, Mr. Shields, and Mr. Willie Steele. Mr. Kirkpatrick abstained.

ECONOMIC BAROMETER REPORT (July 2017)

Mr. Gadek presented the Economic Barometer Report and noted the following: New residential city building permits are up 81.25% from YTD 2016; total city building permits value is up 92.89% from YTD 2016; SEDCO's sales tax proceeds are down -2.99% from YTD 2016; and Sherman's unemployment rate is 3.9%.

PRESIDENT'S REPORT (August 2017)

Mr. Plotnik noted the FY 2016-2017 Completed Projects and Signed Agreements in the board packet and presented the following August 2017 President's Report:

Project Information

SEDCO is presently working 17 active projects with an estimated \$1.5 billion in investments and 1,205 new jobs.

SEDCO Operations/Administration

We are preparing for our annual joint meeting with the City Council to approve the 2017-2018 Budget and Program of Work. Our proposal to the City Council includes a continuation of our workforce development efforts to increase the employee base and marketing this great city to national and international markets through new and unique advertising opportunities. SEDCO continues to present Sherman with a positive, business attitude, surplus water, available sites, and low utility costs. As a result, we are no longer considered that "little fishing village at Lake Texoma." Now, many are seeing us as the next expanding market for business and job creation. The following report highlights those activities we are developing for the benefit of the Sherman community.

On July 17th, the staff met with CBS News Radio KRLD to discuss potential radio advertisements to target site selectors in the DFW metroplex over the next fiscal year.

On July 18th, we hosted our Summer Leadership Breakfast with 19 industry representatives and community leaders in attendance. This quarterly event includes a round table discussion on the wants, needs and desires of multiple Sherman industries.

On August 4th, SEDCO sponsored a table at the Sherman Chamber New Teacher Luncheon. This special event is a SEDCO favorite, because we enjoy meeting and supporting the new SISD teachers. It's also a great opportunity for us to share about the Advanced Manufacturing Program and the Industrial Maintenance Technology Program and the opportunities available to our teachers to get involved in Business Education for Teachers.

Below are the events and meetings the SEDCO staff has attended since our last report:

Advanced Manufacturing Program Mentor Meeting
Careers in Texas Industries Week Planning Meeting
Coffee with the Mayor
Child and Family Guidance Board Meeting
City Council Meeting
Leadership Sherman Reunion Meeting

NTYP Pillars Luncheon
Sherman Chamber Events Committee
Sherman Chamber New Teacher Luncheon
Sherman Rotary
Workforce Solutions Texoma Board

Business Recruitment

Since our last report, SEDCO hosted nine visits from site selectors and real estate professionals. We also had six projects visit Sherman.

In June and July, SEDCO ran a mini-advertising campaign in the Texas Real Estate Business magazine which also included digital ads linked to our website in their e-newsletter. We're now receiving great feedback from our last marketing mailer campaign, "The Future is Looking Good," which included a pair of sunglasses with the SEDCO and Sherman Chamber of Commerce logos. Our next advertisement in the Dallas Business Journal will be published on August 11th in the Commercial Real Estate issue.

Business Retention/Expansion Program

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. Since our last report, we have visited with key leadership from the following Sherman companies:

- Asset Care
- Capio Partners
- CertainTeed
- Kaiser Aluminum
- Mueller Construction Company
- Synergy Windows & Doors
- Texas Instruments
- Washington Iron Works

We hosted a Sherman Safety Leaders Forum at Fulbelli's with the following key employers in attendance: Ball DPF/Nature's Source, CertainTeed, Douglass Distributing, Eaton, Emerson, GlobiTech, Kaiser Aluminum, Panda Sherman Power, Plyler Construction, Presco Products, Texas Instruments and Washington Iron Works.

We also sponsored a monthly Human Resources Group luncheon at Cellarman's with the following key employers in attendance: CertainTeed and Kaiser Aluminum.

On July 31st, Ruiz Foods – our second industry grant matching partner – presented a \$20,000 check towards the \$100,000 goal. Thank you, Ruiz Foods, we are well on our way!!!

Closing Thoughts

We often talk about economic growth and its connection to job creation, but what does economic growth actually mean? Well for example, Toyota America – just 25 minutes south of Sherman – is bringing in 250 families A WEEK! These 5,000 employees are permanent jobs, and this doesn't include the suppliers, clients and customers that will follow, all of which will impact our entire region. This is just Toyota! Our region will change with new wealth, ideas and energy. We must continue to be proactive, and thanks to our community leadership, we are ready to enjoy the expansion of economic development. We'll just need to teach them to speak "Texan."

John J. Plotnik, SIOR, CEcD
President, SEDCO

BUSINESS RETENTION & EXPANSION UPDATE

Mrs. Jones referred to the Business Retention/Expansion Program section of the August 2017 President's Report and also reported on 10 existing industry visits, a Plant Managers Forum hosted by Presco, and Eaton B-Line's \$20,000 industry grant matching check presentation.

Mr. Plotnik discussed SEDCO's contribution to the Director of Career Pathways and Initiative position at Grayson College's Center for Workplace Learning. He presented an activity log for Mrs. Anna Hicks, the current director, and the Advanced Manufacturing Program (AMP) activities, as well as the new AMP brochure.

Mr. Plotnik also presented the quarterly activity report for the North Texas Regional Airport.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:23 a.m.

CERTIFICATION OF CHAIRMAN AND BOARD SECRETARY

I, Greg Kirkpatrick, Chairman, and I, Brad Douglass, Board Secretary, do certify that these minutes of the Regular 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:



SEDCO CHAIRMAN

ATTEST:



BOARD SECRETARY