

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE ANNUAL JOINT MEETING
OF THE BOARD OF DIRECTORS
AND THE SHERMAN CITY COUNCIL
SEPTEMBER 27, 2018
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 27, 2018, at 12:00 p.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, Council Member Willie Steele, Dr. David Hicks

EX-OFFICIO MEMBERS ABSENT: Council Member Jason Sofey

CITY COUNCIL MEMBERS PRESENT: Mayor David Plyler, Deputy Mayor Pam Howeth, Council Members Daron Holland, Willie Steele, Josh Stevenson, Shawn Teamann

CITY COUNCIL MEMBERS ABSENT: Council Member Jason Sofey

STAFF PRESENT: Mrs. Stacey Jones, Ms. Ashton Ghaemi, Mrs. Dondra Kendall

STAFF ABSENT: None

CITY STAFF AND GUESTS PRESENT: Mr. Steve Ayers, Mr. Brandon Shelby, Mr. Terrence Steele, Mr. Zach Flores, Mr. Clint Philpott, Mrs. Mary Lawrence, Mrs. Tammy Davis, Mr. Nate Strauch, Mr. Jim Cross, Mrs. Linda Ashby, Mrs. Sandra Melton, Mr. Billy Wadsack

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 asked visitors to introduce themselves. Sandra Melton said she was a candidate for the City Council and had worked for the City for over 22 years. Billy Wadsack, a reporter for the Herald Democrat, was also in attendance.

INVOCATION BY COUNCIL MEMBER SHAWN TEAMANN

Council Member Shawn Teamann gave the invocation.

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

John Sild, Sherman Economic Development Corporation Chairman, called their meeting to order and introduced Stacey Jones, SEDCO Executive Vice President, and Ashton Ghaemi, Director of Research & Marketing. Ms. Jones said SEDCO had been very busy and presented highlights from their fiscal year for each of their goals.

SEDCO's first goal is to retain and expand existing primary employers and she said they completed five expansion projects for a total capital investment of just under \$2 million. The projects included 139 new jobs with incentives of almost \$637,000. There were nine new performance agreements with a total capital investment of almost \$220 million. These projects included 729 new jobs and just under \$4 million in incentives.

SEDCO conducted 62 Business Retention and Expansion visits and hosted four Plant Managers Forums, four Safety Leaders

Forums, and five Human Resource Group Meetings. Ms. Jones and Mark Anderson, Emerson Plant Manager and Chairman of the Texoma Manufacturing Consortium, also visited the corporate headquarters of Finisar Corporation in Sunnyvale, California, to discuss the Advanced Manufacturing Program with Michael Hurlston, Finisar CEO. The meeting resulted in a \$25,000 contribution to the AMP program.

Ms. Ghaemi said because of the industries' need for employees, SEDCO conducted a national human resources marketing campaign to publicize the industry openings to jobseekers through various media. These jobseekers were directed to the new job database, ShermanTXJobs.com, which features a list of current job openings and contact information.

SEDCO hosted the first Sherman Industry Appreciation Picnic in May and the event drew hundreds of industry employees and their families to Pecan Grove Park. There were many family-friendly games and snacks, and a Sherman Industry Showdown featured eight teams competing in three rounds of activities.

Ms. Jones said SEDCO's second goal is to recruit targeted regional, state, national, and international primary employers and allies. They worked with the Governor's Office of Economic Development and Tourism, the Dallas Regional Chamber, BNSF Railway, and their allies on 43 projects with an estimated \$2.8 billion in investments and over 8,200 new jobs. Five of these projects resulted in performance agreements and seven are still active. They also hosted visits from companies interested in Progress Park locations and worked with site selectors and real estate professionals.

Finisar Corporation purchased the former MEMC building and brings a \$160 million capital investment and over 500 jobs to Sherman. SEDCO assisted with the Finisar-Apple announcement and the ribbon cutting. They also continue to partner with Grayson County and the Denison Development Alliance to continue to market the North Texas Regional Airport.

Ms. Ghaemi said they completed their six-month contract with KRLD for radio spots that targeted top level company representatives and DFW real estate professionals. As part of the contract, KRLD hosted a "Your Hometown" live broadcast from the Old Iron Post and included interviews with industry representatives and community leaders, featuring a variety of stories from the City.

They completed a marketing video that featured available sites in Sherman, which is featured on Facebook and SEDCO's website, and was distributed to site selectors and real estate professionals. She also presented an industry video about Presco. She showed examples of marketing campaign advertisements that were published in the Dallas Business Journal that highlighted Sherman's key attributes.

Ms. Jones said SEDCO's third goal is to support workforce development and employment programs. They continue to partner with the Texoma Manufacturing Consortium to develop skilled workers for advanced manufacturing that fit the needs of regional industries. SEDCO provided a \$50,000 match to the Texas Workforce Commission's \$100,000 High Demand Job Training Grant, to complete equipment needs of the AMP Lab. AMP pledged to raise \$200,000 from the industry partners, and \$170,500 has been raised so far. Industry partners include Eaton, Emerson, Finisar, Presco, and Progress Rail.

There are currently 82 students from five schools enrolled in the AMP program, and three of those students are scheduled to graduate in May 2019. Schools in Sherman, Denison, Pottsboro, S&S, and Whitesboro participate in AMP, and SEDCO is involved in recruiting and organizing mentors and mentor groups for four of the schools. They also sponsor 10 teachers and counselors in the Business Education for Teachers Program.

SEDCO and Sherman industries also sponsored five Sherman High School seniors who successfully completed the Industrial Maintenance Technical Program. A second class of five students began in August 2018.

Ms. Ghaemi said on September 12, 2018, SEDCO launched a new marketing initiative for the AMP program called Swap It Up. Swap It Up is a six-week competition between AMP students at Pottsboro, Sherman, and Whitesboro High Schools. Each team trades products and services with Chamber businesses with the goal to provide the most valuable item to their chosen non-profit. The competition is currently in progress, and at the end, all products and services collected will be donated to the non-profits.

Ms. Jones said the next goal is to market and manage SEDCO real estate and attract commercial real estate investments. They sold 23.5 acres of Progress Park 2 and FedEx Freight has begun construction. There was a small site on the corner of the GlobiTech property which they purchased as a location for a substation and backup generation.

SEDCO purchased 64 acres which is now Progress Park 6 and are scheduled to close on an additional 57 acres tomorrow,

which will become Progress Park 7. They also purchased 0.84 acres east of the Schulman site and the structure is currently being used by the construction team.

The 60,000 square foot spec building in Midway Industrial Park is now fully leased by Modular Power Solutions, which discontinues SEDCO's quarterly lease payments.

She said the project to extend Northgate Drive in Progress Park 1 to the new West Travis Street extension is under construction, and the 7.71-acre tract located on the east side of Northgate Drive in Progress Park 1 is the new location for Fire Station No. 4.

Engineering for the new 12" sewer line in Progress Park 2 and the realignment of an existing 14" sewer line in Progress Park 6 are well underway and construction should begin in early November.

Ms. Ghaemi said Goal E is to raise Sherman's profile in local, regional, state, national, and international markets. Over the past year, SEDCO hosted three leadership breakfasts and one mentor breakfast, and the staff has attended various conferences. They continue to promote SEDCO and Sherman through various forms of media. Ms. Jones received the certified economic developer designation and Ms. Ghaemi completed two additional certification courses.

SEDCO submitted the Finisar/Apple Project to the Dallas Business Journal for their Best Real Estate Deals of 2017 recognition. The project was selected as one of three finalists in the Rehab or Reuse category.

Goal F is to continue economic impact reports on projects and return on investments. Ms. Ghaemi said SEDCO contracted with Impact Data Source to produce reports for 11 active projects.

SEDCO'S PRESENTATION OF THE 2018-2019 PROGRAM OF WORK

Ms. Ghaemi said the goals for the 2018-2019 Work Program are almost identical to last year's goals. They did remove Goal F and made it an action item for Goals A and B. The majority of the action items will remain the same.

Ms. Jones highlighted the new action items. SEDCO will continue improvements to Progress Park and investigate potential land acquisitions and exploring options to build on the existing land. She said since August 2017 there have been at least 20 requests for information that they could not respond to because of a lack of industrial space.

Sherman does have many assets in Progress Park that are potential rail served sites. SEDCO will contract with an engineering firm that specializes in rail design to produce a study that addresses land use, transportation routing and railroad infrastructure. This report will be used to market to companies that are looking for rail served sites.

Ms. Jones said they will continue to support the AMP program to increase participation by younger students.

Ms. Ghaemi said they plan to reconstruct the ShermanTXJobs.com website to be more visually inviting to jobseekers and to provide better analytics to list local industries, available jobs, and contact information. They also plan to add an interactive online map to assist with project submissions and that will showcase Progress Park and its assets. This should help streamline the submission process and provide a next-level presentation to site selectors.

SEDCO will also continue producing new existing industry videos, including one for Finisar, once they are in full production. Another video will feature their student workforce development programs and incentives.

SEDCO'S PRESENTATION OF THE FY 2017-2018 BUDGET

Ms. Ghaemi presented SEDCO's proposed Budget for 2018-2019. She highlighted several changes. Administrative Expenses decreased due to a staff reduction from four full time to 3.5 employees; Operating Expenses decreased due to the same staff reduction; and Program Expenses increased due to hiring a new President and software upgrades. Overall, the total operating expenses show a decrease for next fiscal year.

Land and Infrastructure increased based on the new actions for the 2018-2019 Work Program and Debt Service increased to include Northgate Drive and the sewer project.

Ms. Ghaemi introduced SEDCO's new part time employee Dondra Kendall.

CITY COUNCIL TO DISCUSS AND CONSIDER APPROVAL OF THE SEDCO 2018-2019 PROGRAM OF WORK

Robby Hefton, City Manager, asked if the incentive payouts scheduled for 2019 included the last payout for the Panda Phase II Expansion. He said that project hasn't happened and has been delayed. It may still happen, but it's not on schedule. Ms. Ghaemi said it is included in the budget, however it's about to expire. Mr. Hefton said it had to be budgeted because it's a contractual obligation, but they will not have met that obligation. Therefore, \$1 million "to the good" will be added to SEDCO's fund balance because that incentive won't be paid. Council Member Steele confirmed that this project incentive will not be extended. Mr. Hefton reiterated that there is an additional \$1 million that will be available for incentives that is not reflected in the proposed budget.

Council Member Stevenson asked about the results of the advertising to get people to relocate to Sherman for jobs. Ms. Ghaemi said the current site is not built well for analytics, so it really wasn't a "fair shot." Applications did increase during that period, but there was no way to attribute it to the website. The last push was nationwide, and they now plan to tailor the target audience to areas with a high unemployment rate and a high cost of living. They also have some new marketing ideas to help encourage relocations.

Council Member Steele said he didn't originally understand the impact of the AMP program, but it is impressive what that has turned into. He felt it was a good marketing tool for Sherman and for local industries. He said that program has done much more than he ever thought it would. He confirmed that the students that have graduated from the program have the option to be placed in a local industry, if they wish.

Several companies invited students to be interns during the summer. The local companies are very supportive of the AMP program. Janie Bates, SEDCO Board Member, said companies from Oklahoma were trying to recruit participants of the program. She said at Workforce Solutions Texoma they tell companies about the program and they are excited because they have trouble finding workers.

Council Member Steele asked about the requests for information they were unable to respond to because there was no space available. He asked if SEDCO was looking for space for additional sites, both warehouse sites and land in general. Mr. Sild said they are working on that and hope to have a building for future growth. They are looking long term.

Mayor Plyler asked for a vote on SEDCO's Work Program for 2018-2019. Motion to approve the SEDCO Work Program for FY 2018-2019 was made by Council Member Stevenson and seconded by Council Member Teamann. Motion was approved unanimously.

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

Mayor Plyler asked for a vote on SEDCO's Budget for 2018-2019. Motion to approve the SEDCO Budget for FY 2018-2019 was made by Council Member Howeth and seconded by Council Member Holland. Motion was approved unanimously.

Mr. Sild thanked Ms. Ghaemi, Ms. Jones, Ms. Kendall, Brad Douglass, and the SEDCO Board for their hard work with opportunities for Sherman. He said they are doing a great job and have really stepped up since they have been without a president.

ADJOURNMENT

There being no further business to come before the City Council or the Sherman Economic Development Corporation, motion was duly made and approved to adjourn the Joint Meeting at 12:42 p.m.

CERTIFICATION OF CHAIRMAN AND BOARD SECRETARY

I, Brad Douglass, Chairman, and I, Janie Bates, Board Secretary, do certify that these minutes of the Annual Joint 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:



CHAIRMAN



BOARD SECRETARY