

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON NOVEMBER 14, 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 November 14, 2017 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, Deputy Mayor Jason Sofey, Mr. Robby Hefton, Councilman Terrence Steele, Dr. David Hicks

EX OFFICIO MEMBERS ABSENT: None

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

STAFF ABSENT: None

GUESTS PRESENT: Ms. Mary Lawrence, Mr. Brandon Shelby

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 7:30 A.M., declared a quorum present, meeting declared open, recognition of guests and visitors.

CONSIDER FOR APPROVAL THE MINUTES FOR THE FOLLOWING MEETING

Motion was made by Mrs. Bates and seconded by Mr. Douglass to approve the regular scheduled meeting minutes of October 10, 2017.

FINANCIALS

Mrs. Lawrence presented the Financials for the quarter ended September 30, 2017 and reported the Net Fund Balance as \$8,759,198. She also referred to the Incentive Schedule and noted the \$720,850 in outstanding commitments for 2017.

Mrs. Lawrence presented the Investment Report for the quarter ended September 30, 2017 and reported the Weighted Average Maturity as 13 days and the Weighted Average Yield as 1.01%.

Motion to approve the Financials for the quarter ended September 30, 2017 was made by Mr. Shields and seconded by Mr. Kirkpatrick. Motion to approve the Investment Report for the quarter ended September 30, 2017 was made by Mr. Kirkpatrick and seconded by Mr. Shields.

Mrs. Lawrence presented the revised Investment Policy which included the following changes: In section 3.4, the Constant Maturity Treasury Rate reduced from one year to a three-month. In section 4.3, "SEDCO Board President" was changed to "SEDCO President." On the Approved List of Broker/Dealers and Financial Institutions, "Hilltop Securities, Inc." replaced "First Southwest Company."

Motion to approve the revised Investment Policy was made by Mr. Douglass and seconded by Mr. Shields.

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: Tackleberry, Lynn, Orange Fire, Red, Dorothy, Dusty 1 Trail, Dusty 2 Trail, Dusty 3 Trail, Ninja, Post Oak, Round-Up, Combi, Homecoming, Overland

Section 551.072 – Real Property: Discussion concerning projects: Northgate Drive, Truck, Progress Park VI

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

RECONVENE OPEN MEETING AND CONSIDER ITEMS DISCUSSED IN EXECUTIVE SESSION

Mr. Sild reconvened the open meeting at 7:54 a.m.

Mr. Gadek recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with Combicut, Inc. The agreement states that Combicut will invest \$890,000 and create three new full-time jobs at its facility at 1024 E. First St., and SEDCO will provide an incentive of \$35,600 upon proof that the conditions have been met.

Motion to approve the Economic Development Performance Agreement with Combicut, Inc. was made by Mr. Douglass and seconded by Mr. Shields. Motion was approved unanimously.

Mr. Gadek recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with Elevate Recoveries, LLC. The agreement states that Elevate Recoveries will invest \$220,000 and create 60 new full-time jobs at its facility at 1900 N Grand Ave., and SEDCO will provide an incentive of \$240,000 upon proof that the conditions have been met.

Motion to approve the Economic Development Performance Agreement with Elevate Recoveries, LLC was made by Mr. Kirkpatrick and seconded by Mr. Douglass.

ECONOMIC BAROMETER REPORT (October 2017)

Mr. Gadek presented the Economic Barometer Report and noted the following: Total city building permits are up 12.74% from YTD 2016; total city building permits value is up 91.61% from YTD 2016; SEDCO's sales tax proceeds had a slight decrease of -0.57% from YTD 2016; and Sherman's unemployment rate is 3.2% as of September 2017.

Mr. Douglass asked if that was the lowest recorded unemployment rate for Sherman, and Mrs. Bates said yes.

Mr. Gadek referred to the Local Market Update for September 2017 and noted the current median sales price is \$175,000, and in 2016 it was \$149,000.

Mr. Shields asked if SEDCO had received phone calls from the radio ads on KRLD 1080 AM, and Ms. Ghaemi said they are receiving good feedback. Mr. Shields said he had received phone calls.

PRESIDENT'S REPORT (November 2017)

Project Information:

SEDCO is presently working 12 active projects with an estimated \$766,370,000 in investments and 2,709 new jobs.

SEDCO Operations/Administration:

On October 10th, the SEDCO Board of Directors approved a Purchase and Sale Agreement to sell approximately 23.5 acres in Progress Park II to FedEx Freight, who is planning to invest \$10 million on a new facility and add 45 jobs.

On October 17th, we hosted our Fall Leadership Breakfast with 21 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 October 20th, CBS Radio KRLD AM 1080 and SEDCO hosted a "Your Hometown" event, live from the Old Iron Post. The day was filled with live updates, interviews with industry representatives and community leaders, and a variety of stories from around Sherman. Special thanks to the Old Iron Post and our interviewees, Mayor David Plyler, Robby Hefton, Janie Bates, Dr. David Hicks, Mark Anderson, Joe Hardt, Bill McKeeman, Sarah McRae, and Frank Gadek.

On October 24th, the MEMC building sold to Finisar Corporation, an optical communications company, for approximately \$20 million. The project is expected to bring science and engineering jobs to Sherman.

On November 1st, SEDCO closed on the purchase of 63.6 acres located west of Panda Sherman Power. As the acreage in Progress Park is quickly being earmarked for incoming projects, this new purchase is part of an effort to acquire more land to market to those companies looking to relocate or expand in Sherman. This, along with planned infrastructure, will give us a lead when competing with other regions for projects.

Community Activities:

Below are the events/meetings the SEDCO staff attended this month:

- Bank of Texas 23rd Annual Investment Seminar “Economic & Market Outlook”
- Child and Family Guidance Center (CFGC) Board Meeting
- CFGC Strategic Planning Meeting
- City Council Meeting
- City of Sherman Announcement
- Coffee with the Mayor
- Industrial Maintenance Technology (IMT) Student Meeting
- Leadership Sherman Alumni Reunion Committee
- Leadership Sherman Alumni Reunion
- Leadership Sherman/Congressman Ratcliffe Meeting
- Sherman Boys and Girls Club Board Meeting
- Sherman Chamber Ambassadors Year-End Meeting
- Sherman Chamber Events Committee
- Sherman Chamber Volunteer Lunch
- Sherman Rotary
- TWC Manufacturing Committee Meeting

Business Recruitment:

Mr. Plotnik attended the Society of Industrial and Office Realtors (SIOR) Fall World Conference in Chicago to discuss opportunities regarding available sites in Sherman. SIORs represent the majority of industrial and office companies seeking locations internationally and are important as firms seek new locations in North Texas.

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. In the past month, we have visited with key leadership from the following Sherman companies: Texas Instruments, Synergy Windows & Doors, Robit USA, 903 Brewers, Mueller Construction Company, Critical Access Billing Services and Commissary Express.

As part of SEDCO’s efforts to assist our existing industries in filling their open positions, we are launching a National Human Resources Marketing Campaign in January 2018. On November 16th, we will host a luncheon with HR and Plant Managers to discuss the campaign and explain how their information will be made available to jobseekers across the nation who are looking for employment in Texas.

On October 26th, we sponsored a Safety Leaders Forum hosted by Panda Sherman Power with representatives from Ball DPF/Nature’s Source, CertainTeed, Denison Industries, Eaton, Emerson, ESLIN, Mueller Construction, Sunny Delight, Texas Instruments, and Washington Iron Works.

Our 42 Advanced Manufacturing Program (AMP) students have been visiting our area industries and experiencing how the information being taught in the classroom applies to the actual production of products. This is creating excitement and giving the students a better understanding of the benefits of the AMP program.

On November 9th, the Red, White and You Career Fair hosted 42 companies and 221 jobseekers.

Final Thoughts:

Our goal is never to make a call on a project unless we can answer the question, “Would the project benefit by locating or expanding in our community?” There must be a business benefit, and it is up to SEDCO to answer that benefit. It may be logistics, incentives, site availability, power costs, available water, or a combination, but it must meet the business model of those projects we work. Much of this falls into qualifying the project, but mostly it falls in line with good business practice and being able to answer questions before they’re asked. Putting together a team to do this involves a number of public and private leadership which is truly an asset to our community. Sherman is moving toward great things and advancements. Next time you meet an elected official, give them a grin and thank them for their contributions to our great city.

John J. Plotnik, SIOR, CEcD, President

BUSINESS RETENTION & EXPANSION UPDATE

Mrs. Jones referred to the Business Retention & Expansion section of the November 2017 President's Report and noted the following: seven existing industry visits, the National Human Resources Marketing Campaign, the Safety Leaders Forum, the Red, White and You Career Fair, and an update on the Advanced Manufacturing Program (AMP).

Ms. Ghaemi discussed the plans for the National Human Resources Marketing Campaign that include working with CBS Dallas on digital advertising, working with CBC Creative on a new webpage for the company listings, and coordinating with the companies to collect job details and post-campaign data.

COMMENTS

Mr. Hefton provided an update on the property on the southeast corner of FM 1417 and Highway 75. He noted an asbestos abatement and said the tanks have been removed from underground. He said the goal was for the property to be cleared by the beginning of January. The new fire station design is underway, and the city plans to begin working on Northgate Drive in the next few weeks. Hefton said by summer they plan to have the project completed from FM 1417 to W. Travis St, and by late 2018 the school will start their new project.

Dr. Hicks thanked the board for their support of the bond, and he said the technology improvements had already started. He noted the design process for the new high school had already started as well, and the bonds will be issued in February.

Mr. Sild wished the board a Happy Thanksgiving.

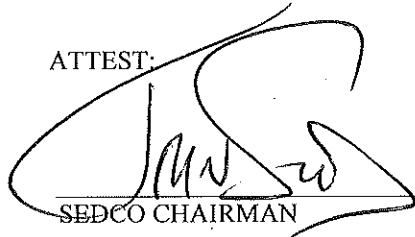
ADJOURNMENT

No other business came before the SEDCO Board. Mr. Sild asked for a motion to adjourn the meeting, and Mr. Douglass seconded the motion. The meeting was adjourned at 8:19 a.m.

CERTIFICATION OF CHAIRMAN AND BOARD SECRETARY

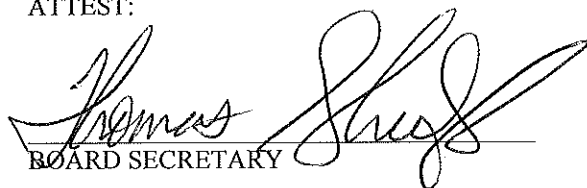
I, John Sild, Chairman, and I, Tom Shields, Board Secretary, do certify that these minutes of the Regular Meeting of the Sherman Economic Development Corporation of the City of Sherman, Texas are a true and correct record of the proceedings with Chapter 551, Govt. Code, V.T.C.S, Open Meetings Law.

ATTEST:



SEDCO CHAIRMAN

ATTEST:



BOARD SECRETARY