

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON MAY 14, 2013
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 May 14, 2013, at 7:32 a.m.

MEMBERS PRESENT: Dean Gilbert, Jr., Chris Pendergrass, Mike Barnes, Juston Dobbs, Todd Thompson

MEMBERS ABSENT: None

EX OFFICIO MEMBERS PRESENT: Dr. Al Hambrick

EX OFFICIO MEMBERS ABSENT: Cary Wacker, George Olson

STAFF PRESENT: Scott Connell, Frank Gadek , Regina Troutz

STAFF ABSENT: None

GUESTS PRESENT: John Hunter Smith, William Wadsack

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

Mr. Gilbert, Chairman of the Sherman Economic Development Corporation, called the meeting to order at 7:32 a.m., declared a quorum present and opened the meeting.

CONSIDER THE APPROVAL OF MEETING MINUTES

Motion was made by Mr. Dobbs and seconded by Mr. Barnes to approve the regular scheduled meeting minutes of April 9, 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 8:20 a.m.

RECONVENE OPEN MEETING AND CONSIDER ITEM DISCUSSED IN EXECUTIVE SESSION

Mr. Gilbert reconvened the open meeting at 8:20 a.m. and welcomed visitors.

CONSIDER FOR APPROVAL ECONOMIC INCENTIVE FOR PROJECT MODERNIZE

Motion was made by Mr. Thompson and seconded by Mr. Pendergrass to approve a performance agreement with Texas Instruments, Inc. for \$18 MM capital investment of new equipment at their Sherman business location at 6410 HWY 75 South, Sherman, TX 75090. The agreement includes an incentive in the amount of \$950,000 to be made in three installments, after documented proof of new equipment installations have been made. The incentive payout schedule is as follows: 1. \$275,500 after \$5,220,000 equipment has been installed, but not earlier than January 1, 2014. but not before May 1, 2013. 2. \$456,000 after additional \$8,640,000 equipment has been installed, but not earlier than January 1, 2015. 3. \$218,500 after the remaining \$4,140,000 equipment has been installed, but not earlier than October 1, 2015. The agreement is effective June 1, 2013 through April 3, 2016. Motion passed unanimously.

Motion was made by Mr. Dobbs and seconded by Mr. Barnes to approve a performance agreement with 903 Brewers for \$7,500 for promotional expenditures for their business located at 1718 S. Elm Street, Sherman, TX 75090. The agreement includes an incentive in the amount of \$7,500 to be made from June 1, 2013 through May 31, 2014, with payments limited to no more than one per month after documented proof of promotional expenditures has been provided to SEDCO. Motion passed unanimously.

FINANCIALS

No financials were presented this month.

Mr. Gadek noted the April 2013 economic barometer report that building permits were up for the year and up for the year-to-date, with values up for the month, as well as, up for year-to-date. Sales tax proceeds were up 2.15 percent for the month compared to last year, and down 1.15 percent year-to-date. In conclusion, the unemployment rate for Sherman was 6.7 percent compared to 7.5 percent the previous year during the month of March.

PRESIDENT'S REPORT (MAY 2013)

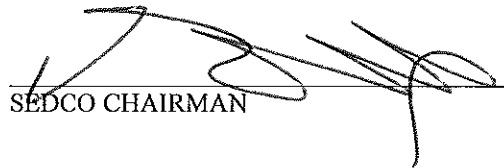
- Panda – The construction project has progressed to the mechanical phase. Significant vertical development is underway with major crane supports. Electric lines are being constructed from site to the Oncor electricity substation.
- Texas Instruments – City of Sherman City Council approved a tax abatement for a warehousing project (Project Depot) for Texas Instruments – 5 year, 55% with value of project \$300 million. The agreement moves to Grayson County Commissioners for approval.
- Site Visits - SEDCO hosted representatives from Project Freight Deck and Project Lightning. SEDCO staff visited offices of Project EF and Project S.
- Proposals – SEDCO submitted proposals for Projects Ramp Up, Big Man, Freight Deck, Rain, Smartphone UGL and Lions Two. SEDCO also provided continued follow up to Projects Apollo, Modernize, BGC, 903, Line, Beach, EF, Miller and Freight Deck.
- Benchmark Engineers began the Master Plan process for Progress Park. They have prepared the ownership maps, existing infrastructure maps, waterway maps and combined. They have begun to develop preliminary infrastructure investment projects. SEDCO staff is will be working with Benchmark staff to evaluate recommendations.
- The railroad upgrades to the Dorset Road crossing has been completed (as part of the Panda upgrades). SEDCO continues to work with BNSF Railroad for approvals to the Howe Drive crossing.
- SEDCO staff began reviewing various options to improve the data presentation on the website www.sedco.org, as well as, options for new communications to our key constituents. We expect to have a few new marketing elements to present in the coming months.
- SEDCO participated in the Texas Economic Development Council Legislative Day in Austin. Scott Connell met with Rep. Larry Phillips, staff members for Senator Craig Estes and Larry McManus with the Governor's Office of Economic Development & Tourism.
- Frank Gadek and Scott Connell met with Bob Edwards with Breco for a Business Retention visit.
- SEDCO welcomed Ms. Regina Troutz to the SEDCO team in the position of Economic Development Coordinator. She began duties on April 1.
- Scott Connell met with Judge Drue Bynum about NTRA and several active projects.
- Scott Connell met with Wally Johnson with the Sherman-Denison Metropolitan Planning Organization about growth prospects in the community for their five-year transportation planning report.
- Scott Connell spoke to the Texoma Human Resources Managers Association, Grayson Rotary Club and Sherman Kiwanis Club.
- Scott Connell met with Mayor Cary Wacker providing an update on SEDCO activities.
- Scott Connell presented the SEDCO Quarterly Report to City Council on April 15.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:40 a.m.

CERTIFICATION OF CHAIRMAN AND SECRETARY

I, Dean Gilbert Jr., Board Chairman, and I, Mike Barnes, 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:


SEDCO SECRETARY