

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON JUNE 11, 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 June 11, 2013, at 7:30 a.m.

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

MEMBERS ABSENT: Juston Dobbs

EX OFFICIO MEMBERS PRESENT: Mayor Cary Wacker, Dr. Al Hambrick, George Olson

EX OFFICIO MEMBERS ABSENT: None

STAFF PRESENT: Scott Connell, Regina Troutz

STAFF ABSENT: Frank Gadek

GUESTS PRESENT: Robby Hefton, John Hunter Smith, Aaron Harris

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

Mr. Pendergrass, Vice Chairman of the Sherman Economic Development Corporation, called the meeting to order at 7:34 a.m., declared a quorum present and opened the meeting.

CONSIDER THE APPROVAL OF MEETING MINUTES

Motion was made by Mr. Thompson and seconded by Mr. Barnes to approve the regular scheduled meeting minutes of May 14, 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 8:26 a.m.

RECONVENE OPEN MEETING AND CONSIDER ITEM DISCUSSED IN EXECUTIVE SESSION

Mr. Gilbert reconvened the open meeting at 8:26 a.m. and welcomed visitors.

CONSIDER FOR APPROVAL ECONOMIC INCENTIVE FOR PROJECT MODERNIZE

Motion was made by Mr. Barnes and seconded by Mr. Pendergrass to approve a performance agreement with Tyson Fresh Meats, Inc., located at 4500 S Hwy 75, Sherman, TX 75091. The agreement includes an incentive in the amount of \$460,000 to be made in two installments, after documented proof of at least \$11,000,000 in new manufacturing equipment installations and associated expenses have been made and the creation of 75 new full-time employees above the 1,426 current employees at the Sherman, TX facility.. The incentive payout schedule is as follows: 1. \$230,000 after \$4,000,000 in new manufacturing equipment has been installed and the creation of 75 new jobs in addition to the 1,426 current employees, but not earlier than January 10, 2014. 2. \$230,000 after additional \$7,000,000 in new manufacturing equipment has been installed and the employment level is maintained at or above 1,501 employees, but not earlier than January 10, 2015. This agreement is effective July 1, 2013 through July 10, 2015. Motion passed unanimously.

Motion was made by Mr. Thompson and seconded by Mr. Barnes to approve a performance agreement with Brookshire Grocery Store, whose home office is located at 1600 W. Southwest Loop 323, Tyler, TX 75701. The motion included the stipulation that the performance agreement focus on the targeted infrastructure of water and sewer. SEDCO's attorney, Mr. John Hunter Smith, will draft an addendum to add the additional language to the performance agreement. The agreement includes an incentive in the amount of \$160,000 to be made in one payment, after documented proof of at least \$160,000 in targeted infrastructure, after BGC receives a Certificate of Occupancy, and begins full-time operations at its location in Sherman, TX. The incentive payout will be made upon proof that the conditions have been met. Motion passed unanimously.

FINANCIALS

Mr. Robby Hefton presented the financials for March and April 2013. The March 2013 financials show a net fund balance of \$9.1 MM with \$7.4 MM in commitments. March 2013 was noted to have non-recurring expenses for marketing and attraction, such as, the aerals and mapping. April 2013 financials show a net fund balance of \$9 MM with \$7.2 MM in commitments. Mr. Hefton highlighted on the April 2013 financials the Eco Green incentive payout of \$217,000. Mr. Hefton also noted that sales tax is currently flat.

Motion was made by Mr. Barnes to approve the financials as presented. Motion was seconded by Mr. Thompson. Motion passed unanimously.

PRESIDENT'S REPORT (MAY 2013)

SEDCO President, Scott Connell, gave a presentation on the new data website www.shermanheadlight.com in addition to the President's Report.

- Panda – Large equipment structures have been put in place, visible from the highway. Significant amounts of equipment for installation have been delivered to the site including heavy equipment via rail. SEDCO has requested speed limit signs for Progress Drive (on behalf of Bechtel) to encourage slow speeds as the traffic picks up with additional staffing.
- Texas Instruments – Grayson County Commissioners approved a tax abatement for a warehousing project (Project Depot) for Texas Instruments – 5 year, 55% with value of project \$300 million. The agreement was previously approved by the Sherman City Council.
- Presco – Company provided documentation and SEDCO staff toured the facility to complete the incentive contract. Presco invested an estimated \$487,477 in new equipment to improve processes. SEDCO provided cash incentive of \$21,000.
- Tyson – Scott Connell spoke to Sherman City Council requesting an updated ordinance recommending the company's application for Texas Enterprise Zone status. The company was notified of their approval for the state benefit of multi-year reimbursement of state sales tax.
- Site Visits - SEDCO hosted representatives from Project Miller. SEDCO staff also made a presentation to a representative of Project Ramp Up at the Dallas Chamber offices.
- Proposals – SEDCO submitted proposals for Projects Slider, McCarthy and Fox. SEDCO also provided continued follow up to Projects Apollo, Clip, BGC, Line, Princeton Phone Call, Lions Two, Beach, EF, Miller and Freight Dock.
- SEDCO staff members are working with Benchmark Engineers on the details of the maps designed with existing infrastructure and proposed investments. We look forward to presenting the final documents to SEDCO Board in the coming weeks.
- SEDCO launched the new www.ShermanHeadlight.com as an addition to the main www.sedco.org. Sherman Headlight provides a broad array of market data for the Sherman-Denison area. It allows the user to customize the specific demographics and timelines then displays the data in attractive graphs. The system will be updated regularly by the designers Avalanche Consulting as new data is available. A graphic for accessing the site has been placed prominently on the SEDCO homepage. Providing Headlight with the general updated community data on the website will provide staff the opportunity to focus on direct client information.
- Scott Connell spoke to Don Rodger's Austin College Political Science class regarding economic development. The class was beginning a simulation project on a site selection process.
- Scott Connell hosted lunch with Sherman City Council member David Plyler.
- SEDCO hosted a second quarter Plant Managers Forum at Austin College. President Marjorie Hass spoke about recent college outreach programs.
- Scott Connell joined Jeremy McMillan, president of Grayson College, for lunch to update on activities.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:37 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