

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON MAY 14, 2024
AT 11:30 A.M.**

A meeting of the Sherman Economic Development Corporation Board of Directors was convened in the SEDCO Board Room, 307 W. Washington St, Ste 102, Sherman, Texas on May 14, 2024, at 11:30 a.m.

MEMBERS PRESENT: Mrs. Janie Bates, Mr. Scott Bandemir, Mr. Jason Brumm, Ms. Gail Utter, Dr. Al Hambrick, Mrs. Robin Phillips, Mr. Willie Steele

MEMBERS ABSENT: None

EX OFFICIO Mayor David Plyler, Mr. Robby Hefton, Mr. Terrence Steele, Dr. Thomas O'Neal, Mr. Shawn Teamann, Mr. Juston Dobbs

STAFF PRESENT: Mr. Kent Sharp, Mrs. Ashton Bellows, Mrs. Shannon Blake, Ms. April Day

STAFF ABSENT: None

GUESTS PRESENT: Mr. Jeff Moore, Mrs. Mary Lawrence, Mr. Michael Hutchins

**CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN,
RECOGNITION OF GUESTS, INVOCATION**

Mrs. Bates called the meeting to order at 11:32 a.m., declared a quorum present, meeting declared open. She welcomed acting Sherman ISD superintendent, Dr. Thomas O'Neal, to the meeting.

The invocation was given by Mr. Sharp.

PUBLIC COMMENTS

There were no public comments.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING MINUTES

Motion was made by Ms. Utter and seconded by Mr. Brumm to approve the Regular Scheduled Meeting Minutes of April 9, 2024. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING FINANCIAL REPORTS

Mr. Sharp presented the Balance Sheet, Budget Report, Anomalies, and Commitments for the month ending March 31, 2024, and reported the following:

- Cash – SEDCO Checking: \$4,334,485.62
- Accounts Payable: \$9,549.33
- Fund Balance: \$ 21,598,675.27
- Revenues Over/Under Expenses: \$2,657,012.49
- Total Liabilities, Equity and Current Surplus (Deficit): \$24,335,237.09
- Revenue Total: \$587,212.65

- Expense Total: \$386,446.23

On the Anomalies Report, Mr. Sharp noted that Tools & Supplies increased to 108.35% used due to replacement of the SEDCO Office's lobby furniture and other organizational storage items; Travel & Training increased to 51.61% used due to SemiCon registration fees, FabTech registration fees, a SCORE Workshop fee, FLT seminar fee, and travel to Austin for TEDC's board meeting; and Luncheons & Meetings increased to 76.93% used due to catering for the SEDCO Board Meeting in March.

On the Commitments Report, Mr. Sharp noted that the paid year-to-date was \$978,016.

Motion was made by Mr. Bandemir and seconded by Dr. Hambrick to approve the financial reports for the month ending March 31, 2024. Motion was approved unanimously.

Mrs. Lawrence presented the investment report for the quarter ending March 31, 2024 and reported the portfolio book value and market value were approximately \$19.9 million. Of this amount, \$10.9 million was held in a Local Government Investment Pool (LGIP) and \$9 million was held in Certificates of Deposit (CD). Activity during the quarter included the deposits and maturities of Certificates of Deposit of \$6 million and \$3.1 million, respectively, as well as interest earned on the investments. The weighted average yield on the portfolio was 5.23%, 23 basis points below the three-month Constant Maturity Treasury Index of 5.46%, and 6 basis points above the previous quarter. The weighted average maturity for the portfolio increased from 120 days at December 31, 2023, to 183 days at March 31, 2024.

Motion was made by Ms. Utter and seconded by Mr. Steele to approve the investment report for the month ending March 31, 2024. Motion was approved unanimously.

SALES TAX AND ECONOMIC BAROMETER REPORTS

Mr. Sharp reported a 5.23% cumulative year-to-date sales tax for the month of May.

Mrs. Bellows presented the April 2024 Economic Barometer Report and reported the following:

1. New residential permits were up 370% compared to April 2023 with the majority of the permits for homes in Sweetwater Springs and Heritage Ranch. Commercial and industrial permits were down 55% from this time last year but up about 8% on the YTD. The most notable permit was for the finish out at Chipotle Mexican Grill valued at \$600,000.
2. The city is up 393 water customers on the YTD and 74 customers from March.
3. Sales tax increased 38.28% compared to April 2023 and increased 31.4% on the YTD.
4. Grayson County's months supply of housing inventory as of March was 5.1 months, up from 4.5 months in February.
5. Sherman's unemployment was 3.7% in March, down from 4.1% the month prior.

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2024.06 (LICENSE AGREEMENT FOR .3443 AC LAYDOWN YARD IN PROGRESS PARK II)

A resolution authorizing a license agreement with Garney Companies for a laydown yard of 0.3443 acres in Progress Park II beginning with the execution of the License Agreement between SEDCO and Garney Companies with a term ending December 31, 2024. Garney Companies will pay \$100 to SEDCO upon execution of the License Agreement.

Motion to approve Resolution No. SEDCO-2024.06 was made by Ms. Utter and seconded by Mr. Bandemir. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2024.08 (PROGRESS PARK 1 NORTHGATE DRIVE PHASE FOUR REPLAT, BLOCK 1, LOT 6, .0495 AC. EASEMENT)

A resolution authorizing and approving Oncor use of a 0.9286-acre transmission line easement area within the E. Jones Survey, Abstract No. 625, Grayson County, Texas, generally located in close proximity to Northgate Drive between a retention pond and a Sherman Fire Station.

Motion to approve Resolution No. SEDCO-2024.08 was made by Mrs. Phillips and seconded by Dr. Hambrick. 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 Code Annotated, in accordance with the authority contained in the following sections:

- a. 551.071 (Consultation with Attorney)
- b. 551.072 (Deliberations about Real Property)
 - 1. Disposition and Acquisition
 - 2. Sherod Dunman Survey, Abstract 329, Southeast corner of Howe & Dorsett Dr, 5.23 ac
 - 3. Sherod Dunman Survey, Abstract 329, Southeast corner of Howe & Dorsett Dr, 5.08 ac
- c. 551.074 (Personnel Matters)
- d. 551.087 (Business Prospect/Economic Development)
 - 1. Wrap, EZ, Zion, Ice House, Hedron Dune, Safari, Delta, Aerotex, Harvest, Diamond

The open meeting recessed in executive session at 11:42 a.m.

RECONVENE OPEN MEETING AND CONSIDER APPROVAL OF THE ITEMS DISCUSSED IN EXECUTIVE SESSION

Mrs. Bates reconvened the open meeting at 12:20 p.m.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2024.07 (PROJECT HARVEST)

A resolution authorizing and approving financial assistance in the amount of up to \$290,000 for Harvest Hill Holdings, Inc., the parent company of Sunny Delight Beverages Co., for a product line expansion and equipment upgrades. This amount will be paid in two equal annual installments to support the estimated \$8,000,000 capital expenditure expansion at the Sherman facility. Company will maintain an annual average of 140 employees. Company will provide a paid receipt of a \$2,900.00 donation, which is 1% of the total value of the incentive, to Masterkey Ministries before the cash disbursement from SEDCO is issued.

Motion to approve Resolution No. SEDCO-2024.07 was made by Ms. Utter and seconded by Mr. Bandemir. Motion was approved unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2024.09 (PROJECT DIAMOND)

A resolution authorizing and approving financial assistance for Coherent Corporation in the amount up to \$2,941,571.43 based on 3% of the company's actual capital expenditure costs estimated to be \$98,052,381. This assistance will be paid in seven installments to support the relocation of the diamond growth process and epi capacity from existing facilities in California and Illinois, and the establishment of a new 6" Indium Phosphide (InP) production line with capacity expansion. The company will maintain an annual average of 338 employees. Coherent Corporation will provide a paid receipt of a \$29,415.71 donation, which is 1% of the total value of the incentive, to the Advanced Manufacturing Program.

Motion to approve Resolution No. SEDCO-2024.09 was made by Dr. Hambrick and seconded by Mr. Brumm. Motion was approved unanimously.

ADJOURNMENT

The meeting was adjourned at 12:21 p.m.

CERTIFICATION OF PRESIDING OFFICER

I, Janie Bates, Presiding Officer, do certify that these minutes of the Regular Scheduled Board 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.



PRESIDING OFFICER