

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
SPECIAL CALLED MEETING MINUTES OF THE BOARD OF DIRECTORS
ON MARCH 9, 2018
AT 7:30 AM**

A special called 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 March 9, 2018, 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, Mr. Jason Sofey, Dr. David Hicks

EX OFFICIO MEMBERS ABSENT: Mr. Robby Hefton, Mr. Willie Steele

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

STAFF ABSENT: None

GUESTS PRESENT: 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 7:32 a.m., declared a quorum present, meeting declared open, and recognized guests.

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, Ice, Murray, Jenny, Dahl, Dorothy, Kevin, Heather

Section 551.072 – Real Property: Discussion concerning: FS4, Intersection, Northgate Drive, Truck

Section 551.074 – Personnel Matters: To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

The open meeting recessed in executive session at 7:33 a.m.

RECONVENE OPEN MEETING AND CONSIDER ITEM DISCUSSED IN EXECUTIVE SESSION

Mr. Sild reconvened the open meeting at 8:04 a.m.

Mr. Gadek recommended the approval of a Sherman Economic Development Corporation Economic Development Performance Agreement with Finisar Corporation. The agreement states that Finisar will invest \$160,000,000 in capital expenditure at its 6800 U.S. Highway 75 facility, and SEDCO will provide a \$1,000,000 incentive upon proof that the conditions have been met.

Motion to approve the Economic Development Performance Agreement with Finisar Corporation was made by Mr. Shields and seconded by Mr. Kirkpatrick. Motion was approved unanimously.

ECONOMIC BAROMETER REPORT (February 2018)

Mr. Gadek presented the Economic Barometer Report and noted the following: City Building Permits Value increased 272.19% from February 2017; City water customers increased 1.99% from YTD 2017; Grayson

County's Months Supply of Inventory decreased -28.57% from January 2017; and SEDCO's sales tax proceeds increased 3.78% from February 2017.

Mr. Douglass mentioned a Dallas Morning News article that said Dallas is offering a housing discount to Amazon.

MONTHLY REPORT (March 2018)

Project Updates

SEDCO is presently working 8 active projects with an estimated \$325,000,000 in investments and 1,220 new jobs.

Since our last report, the SEDCO staff hosted four prospect visits with companies interested in expanding to Sherman.

On February 15th, SEDCO Board Chairman John Sild presented a check for \$24,675 to Eaton B-Line's Plant Manager Luis Barroeta. This payment comes after the company completed the conditions in the SEDCO Economic Development Performance Agreement by investing \$505,029 in new equipment and technology that increased productivity at the 4900 Marshall Street location.

On February 27th, the SEDCO Board approved an Addendum to the Sherman Economic Development Corporation Economic Development Performance Agreement with J.P. Hart Lumber Company, LLC to amend sections 1.2, 2.1, and 2.2 of the Performance Agreement to increase the investment value from "*between \$5.5 Million and \$6.5 Million*" to "*up to \$9.5 Million.*"

They also approved an Assignment Sale Agreement to purchase 0.84 acres east of the 22 acres SEDCO currently owns at FM 1417 and HWY 75 from 58 Aggie Development, LLC.

On March 1st, SEDCO Board Chairman John Sild presented a check for \$31,842 to Cellarman's owner, Randy Derzapf. This payment comes after the brewery completed the conditions in the SEDCO Economic Development Performance Agreement by investing \$521,097 in capital expenditures for a 1,400-sq. ft., two story brew house and new equipment at the 2130 Texoma Parkway location. Cellarman's payment includes the performance agreement's \$19,000

On Friday, March 2nd, representatives of the City of Sherman and SEDCO toured Finisar with Congressman Ratcliffe and his staff to view the progress of the facility's remodel.

Business Retention & Expansion

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:

- CertainTeed
- Christmas Designers
- Consolidated Container Company
- Eaton
- Modular Power Solutions
- Presco

On March 6th, a group of Sherman High School juniors toured the Industrial Maintenance Technology Lab at Grayson College. Each of the students have completed scholarship applications. We are planning interviews for April 6th.

Marketing

On May 5th, SEDCO will host an Appreciation Picnic for the Sherman industries, the employees, and their families. This is an opportunity for the SEDCO Board of Directors and Staff to say, "Thank you" for their contribution to Sherman. The picnic will feature a brief presentation, snacks and drinks, family-friendly activities, and the 1st Annual Sherman Industry Showdown. Eight company teams will compete in a bracket-style competition playing four rounds: Limbo, Five-legged Race, Smashmallow Challenge, and Tug-o-War. The winning team will receive a trophy to showcase at their industry and bragging rights!

From the Intern's Desk

SEDCO's intern, May Nguyen, is currently working on an exciting project for the AMP students in the Fall semester. The project is called Swap-It-Up, a competition like the ice breaker/team building game "Bigger and Better." The students will team up based on their location and make trades with Chamber businesses within

Grayson County over the course of six weeks. The winning team will be announced at the AMP Mid-Semester Celebration, and the final traded items will be donated to non-profits of the team's choosing. The project was approved by the Texoma Manufacturing Consortium on March 7th. The next step is to present the project to the AMP instructors and work with them to implement the project into the curriculum. We want to say a big thank you to Katy Country and Mad Rock radio stations for already agreeing to sponsor the competition! They will assist in marketing AMP and Swap-It-Up through weekly on-air discussions of the competition.

Community Activities

Below are events/meetings we attended this month:

- Business Education for Teachers Planning Meeting
- Career Connection Committee Meeting
- City Council Meeting
- Express Employment Professionals Grand Opening and Ribbon Cutting
- Hey Day Groundbreaking
- Industrial Maintenance Technician Program Tour
- North Texas Young Pros Luncheon
- Planning and Zoning Meeting
- Sherman Chamber Events Committee
- Sherman High School Career Expo
- Texas Workforce Commission Manufacturing Meeting
- Women Get Connected Texoma

BUSINESS RETENTION & EXPANSION UPDATE

Mrs. Jones referred to the Business Retention & Expansion section of the March 2018 Monthly Report and noted six existing industry visits and the Industrial Maintenance Technology Lab tour for Sherman High School juniors.

COMMENTS

Mrs. Bates said the Advanced Manufacturing Program (AMP) has raised \$125,500 with a goal of \$200,000. They received two matching grants from the Texas Workforce Commission, and \$400,000 was invested in equipment.

Mr. Kirkpatrick said he was surprised there had not been more contributions from the industries.

Mrs. Bates said the challenge is between the local facility and approvals on the corporate level. She mentioned that they were looking at talking to Finisar about reworking the curriculum for a new pathway.

Mrs. Bates also noted that SEDCO and the Denison Development Alliance are paying the tuition for the Sherman and Denison students, but they still need tuition for 15 students. Mr. Douglass offered to provide gas cards for the Whitesboro students.

Ms. Ghaemi provided an update on the National Human Resources Marketing Campaign and noted the upcoming Sherman Industry Appreciation Picnic on May 5th. She also discussed the planning of the Swap-It-Up Competition which promotes AMP and will launch this fall.

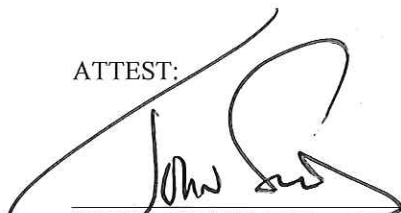
ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:25 a.m.

CERTIFICATION OF CHAIRMAN AND ~~BOARD SECRETARY~~

I, John Sild, Chairman, and I, Tom Shields, ^{Brad Douglas, vice-chairman} ~~Board Secretary~~, do certify that these minutes of the Special Called 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
vice-chairman