

**CITY OF SHERMAN
CITY COUNCIL CALLED MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
THURSDAY, JUNE 16, 2022
12:00 P.M.**

- A. 1. CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN**
- A. 2. PLEDGE OF ALLEGIANCE LED BY MAYOR DAVID PLYLER**
- A. 3. INVOCATION BY MAYOR DAVID PLYLER**

Citizen Comments

B. 1. CITIZEN COMMENTS

During this meeting, the City Council welcomes public comment **only** on agenda items listed under the Open Meeting portion of the agenda, in accordance with Texas Government Code Section 551.007. For items not listed on the agenda, those matters may be discussed with City staff during regular business hours, or with the Mayor or any Council member by contacting them at times other than at City Council meetings.

Public Hearing

C. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6499

Designation City of Sherman Industrial Reinvestment Zone No. 12; Providing Eligibility of the Zone for Commercial-Industrial Tax Abatement; Containing Findings that the Area Described Qualifies for Designation as a Tax Abatement Reinvestment Zone Pursuant to Chapter 312 of the Texas Tax Code and that the Improvements Proposed by the Land's Owner, GLOBITECH INCORPORATED, are Feasible and Practicable and of Benefit to the Land and the City; Authorizing the City Manager to Negotiate Written Agreements with the Owners of any Taxable Real and Tangible Personal Property Located within the Designated Zone; Authorizing the City Manager to Take All Other Actions Necessary to Effectuate the Same; Providing a Repealing Clause and Severability Clause

Close Public Hearing and Consider Adoption of Ordinances

C. 2. ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number 6499

D. COUNCIL COMMENTS

Executive Session

E. 1. EXECUTIVE SESSION

In accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the City Council may hold an Executive Session if the discussion of any of the items identified in this agenda, or any of the items identified below, concern one or more of the following:

Tex. Gov't Code § 551.071	Seeking the advice of its attorney about pending or contemplated litigation, settlement offers or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.
Tex. Gov't Code § 551.072	Deliberating the purchase, exchange, lease or value of real property if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.
Tex. Gov't Code § 551.073	Deliberating a negotiated contract for a prospective gift or donation to the City if deliberation in an Open Meeting would have a detrimental effect on the position of the City in negotiations with a third person.
Tex. Gov't Code § 551.074	Deliberating the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.
Tex. Gov't Code § 551.076	Deliberating the deployment, or specific occasions for implementation, of security personnel or devices or a security audit.
Tex. Gov't Code § 551.087	Discussing or deliberating commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay or expand in or near the City and with which the City is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect.
Tex. Gov't Code § 551.089	Deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementation of security personnel, critical infrastructure or security devices.

The Council reconvenes into General Session

F. 1. OPEN MEETING

Reconvene into Open Meeting and Consider Action, if any, on items discussed in Executive Session

G. ADJOURNMENT

COUNCIL CALENDAR

CERTIFICATION

I, the undersigned authority, do hereby certify that the above Notice of Called Meeting of the City Council of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board at City Hall of said City of Sherman, Texas, a place convenient to the public, and said notice was posted on June 10, 2022 at 4:00 p.m., and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 10th day of June, 2022.
City of Sherman, Texas

City Clerk

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time.

All agenda items are subject to final action by the City Council.

An unscheduled closed executive session may be held if the discussion of any of the above agenda items concerns the purchase, exchange, lease or value of real property; the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; the deployment or use of security personnel or equipment; or requires consultations with the City Attorney.

At the discretion of the City Council, non-agenda items under the headings of "Citizens Requests", "Media Questions", and "Council Concerns" may be presented to the Council for informational purposes; however, by law, the Council shall not discuss, deliberate, or vote upon such matters except that a statement of specific factual information, a recitation of existing policy, and deliberations concerning the placing of the subject on a subsequent agenda may take place.

The City Attorney has approved the Executive Session items on this agenda.

PERSONS WITH DISABILITIES, WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT LINDA ASHBY AT (903) 892-7204, TWO (2) WORKING DAYS PRIOR TO THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

Mayor

David Plyler

Deputy Mayor

Pamela L. Howeth

Council Members

Henry Marroquin, Council-At-Large, PL #1

Juston Dobbs, Council-At-Large, PL #2

Shawn C. Teamann, Council – District #1

Josh Stevenson, Council – District #2

Pamela L. Howeth, Council – District #3

Daron Holland, Council – District #4



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Called Meeting

C. 1.

Meeting Date: 06/16/2022

Prepared By: Teri Fine, Assistant to the City Manager

Approved By: Robby Hefton, City Manager

Caption:

INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6499

Designation City of Sherman Industrial Reinvestment Zone No. 12; Providing Eligibility of the Zone for Commercial-Industrial Tax Abatement; Containing Findings that the Area Described Qualifies for Designation as a Tax Abatement Reinvestment Zone Pursuant to Chapter 312 of the Texas Tax Code and that the Improvements Proposed by the Land's Owner, GLOBITECH INCORPORATED, are Feasible and Practicable and of Benefit to the Land and the City; Authorizing the City Manager to Negotiate Written Agreements with the Owners of any Taxable Real and Tangible Personal Property Located within the Designated Zone; Authorizing the City Manager to Take All Other Actions Necessary to Effectuate the Same; Providing a Repealing Clause and Severability Clause

Issue:

The Creation of a new industrial reinvestment zone in response to a tax abatement request by Globitech Incorporated.

Background:

City staff has been working with SEDCO, Globitech, and the other taxing entities on a project to bring a silicon manufacturing plant to Sherman, to be potentially located in the Blalock Industrial Park. This phased project would bring up to 1,500 jobs and about \$5 billion in total investment to Sherman. It would be built by Global Wafers, Inc. the parent company of Globitech, Inc. which currently has operations in Sherman.

The company is seeking tax abatement and other incentives from the City and from the other taxing entities to help offset the costs of constructing and equipping such a large project. As of June 10th, the company has not selected Sherman as the location for this project. Several other sites worldwide are under consideration, and the collective local incentives will be the primary consideration the company uses to make its final decision.

Prior to offering tax abatement incentives, State law requires the City to first take action to establish a Tax Reinvestment Zone under Chapter 312 of the Tax Code. This agenda item creates the Zone so that the City and the other taxing entities can consider granting tax abatements under Chapter 312. The actual incentive agreements would be considered at the June 20th Council meeting, and the other taxing entities would be considering action on their respective agreements soon.

City staff expects to hear from the Company the week on June 20th on their final decision on location for this project.

Origination:

Clobitech Incorporated

Financial Consideration:

There is no cost to establishing the Reinvestment Zone. After abatements and other incentives, at full build-out this project would add an estimated \$5M - \$7M in annual direct revenues to the City, in addition to the indirect effects created through their employment of up to 1,500 employees.

Staff Recommendation:

The staff recommends that the City Council introduce and hold the public hearing on the ordinance and consider the adoption.

Alternatives:

No Alternatives are recommended.

Attachments

Ordinance No. 6499

Reinvestment Zone Map

ORDINANCE NO. 6499

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, DESIGNATING CITY OF SHERMAN INDUSTRIAL REINVESTMENT ZONE NO. 12; PROVIDING ELIGIBILITY OF THE ZONE FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT; CONTAINING FINDINGS THAT THE AREA DESCRIBED QUALIFIES FOR DESIGNATION AS A TAX ABATEMENT REINVESTMENT ZONE PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE AND THAT THE IMPROVEMENTS PROPOSED BY THE LAND'S OWNER, GLOBITECH INCORPORATED, ARE FEASIBLE AND PRACTICABLE AND OF BENEFIT TO THE LAND AND THE CITY; AUTHORIZING THE CITY MANAGER TO NEGOTIATE WRITTEN AGREEMENTS WITH THE OWNERS OF ANY TAXABLE REAL AND TANGIBLE PERSONAL PROPERTY LOCATED WITHIN THE DESIGNATED ZONE; AUTHORIZING THE CITY MANAGER TO TAKE ALL OTHER ACTIONS NECESSARY TO EFFECTUATE THE SAME; PROVIDING A REPEALING CLAUSE AND SEVERABILITY CLAUSE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED WAS NOTICED AND OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, GlobiTech Incorporated ("GlobiTech") is under contract to purchase from the Sherman Economic Development Corporation ("SEDCO") approximately 143± acres of land in the City of Sherman, Grayson County, Texas, as more particularly described and depicted in Exhibit A, attached hereto (the "Land");

WHEREAS, GlobiTech is considering constructing and developing a major semiconductor wafer fabrication facility on the Land in multiple phases along with other ancillary facilities such as required parking and landscaping (collectively, the "Improvements");

WHEREAS, GlobiTech has represented that the Improvements and tangible personal property would constitute an approximate investment of \$5 Billion by GlobiTech over a multi-year period and that, when fully operational, the Improvements would be expected to bring new employment to the City of Sherman, Texas ("City"), with Phase I employment totaling approximately 375 full-time jobs;

WHEREAS, GlobiTech has represented that Phase I of the Improvements would consist of a manufacturing building containing approximately 800,000± square feet, one or more operations support buildings, and other ancillary facilities and would be used to fabricate semiconductor wafers for use in industrial, automotive, communications and personal electronics products;

WHEREAS, GlobiTech has applied for a tax abatement pursuant to Chapter 312 of the Texas Tax Code from multiple taxing units, including the City, for the project, which requires GlobiTech to own an interest in the Land and the Land to be located within a tax abatement reinvestment zone established pursuant to Chapter 312 of the Texas Tax Code;

WHEREAS, GlobiTech also has applied for an economic incentive pursuant to Chapter 313 of the Texas Tax Code from the Sherman Independent School District for the project, which requires GlobiTech to own an interest in the Land and the Land to be located within a tax abatement reinvestment zone established pursuant to Chapter 312 of the Texas Tax Code;

WHEREAS, GlobiTech has requested, and the City desires, to establish a new tax abatement reinvestment zone to facilitate the applications of GlobiTech pursuant to Chapters 312 and 313 of the Texas Tax Code on the condition that GlobiTech acquires fee simple title in and to the Land from SEDCO within ____ days of the effective date of this Ordinance;

WHEREAS, the City has established guidelines and criteria governing tax abatement agreements by the City and has previously adopted a resolution stating that the City elects to become eligible to participate in tax abatement;

WHEREAS, the Sherman City Council has caused notice to be published in a newspaper having general circulation in the City and has delivered such notice to the presiding officer of the governing body of each taxing unit that includes in its boundaries the Land described herein;

WHEREAS, the City Council has conducted a public hearing on the designation of the Land described herein as a reinvestment zone and has complied with all other requirements imposed by law;

WHEREAS, the City Council finds that it is in the best interest of the City and its citizens to designate the City of Sherman Industrial Reinvestment Zone No. 12, as described herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the Sherman City Council finds that the Land described in Exhibit A, attached hereto, if designated as a tax abatement reinvestment zone, will be reasonably likely to contribute to the retention or expansion of primary employment, or to attract major investment in the area of the zone that will be of benefit to the property and contribute to the economic development of the City. The City Council further finds that the Improvements sought are feasible and practicable and would be of benefit to the Land to be included in the zone and to the City after the expiration of a tax abatement agreement.

SECTION 2. That pursuant to Section 312.201 of the Texas Tax Code, the Land described in Exhibit A, attached hereto, is hereby designated as a reinvestment zone and for identification shall be known as the “City of Sherman Industrial Reinvestment Zone No. 12” on the condition that GlobiTech acquires fee simple title in and to the Land from SEDCO within ____ days of the effective date of this Ordinance.

SECTION 3. That the property within the City of Sherman Industrial Reinvestment Zone No. 12 is eligible for commercial-industrial tax abatement.

SECTION 4. That the City Council hereby authorizes tax abatement agreements with GlobiTech as the owner of taxable real and tangible personal property located within the City of Sherman Industrial Reinvestment Zone No. 12, subject to the guidelines and criteria governing tax abatement, heretofore adopted by the City Council, and subject to compliance with the applicable requirements set forth in Section 312.205 of the Texas Tax Code, and on the condition that GlobiTech acquires fee simple title in and to the Land from SEDCO within ____ days of the effective date of this Ordinance. The City Manager, or his designee, is hereby authorized to negotiate the tax abatement agreements, and any instruments or amendments related thereto, with GlobiTech as the owner of taxable real and tangible personal property located within the reinvestment zone designated herein in accordance with this Ordinance. The City Manager, or his designee, is further authorized to negotiate economic development incentive agreements pursuant to Chapter 380 of the Texas Local Government Code with GlobiTech as the owner of taxable real and tangible personal property located within the reinvestment zone designated herein in accordance with this Ordinance. The City Manager, or his designee, is further authorized to take any and all actions necessary to effectuate the provisions of this Ordinance.

SECTION 5. That all provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict, but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 6. That in the event any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional and/or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, regardless of whether any one or more sections, subsections, sentences, clauses or phrases is declared unconstitutional and/or invalid.

SECTION 7. That it is hereby officially found and determined that the meeting at which this Ordinance was introduced and passed was open to the public and that public notice of the time, place and purpose of said meeting were given as required by law.

SECTION 8. That this Ordinance shall become effective from and after its adoption.

[The remainder of this page intentionally left blank.]

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
SHERMAN, TEXAS on this 16th day of June, 2022.**

DAVID PLYLER, MAYOR

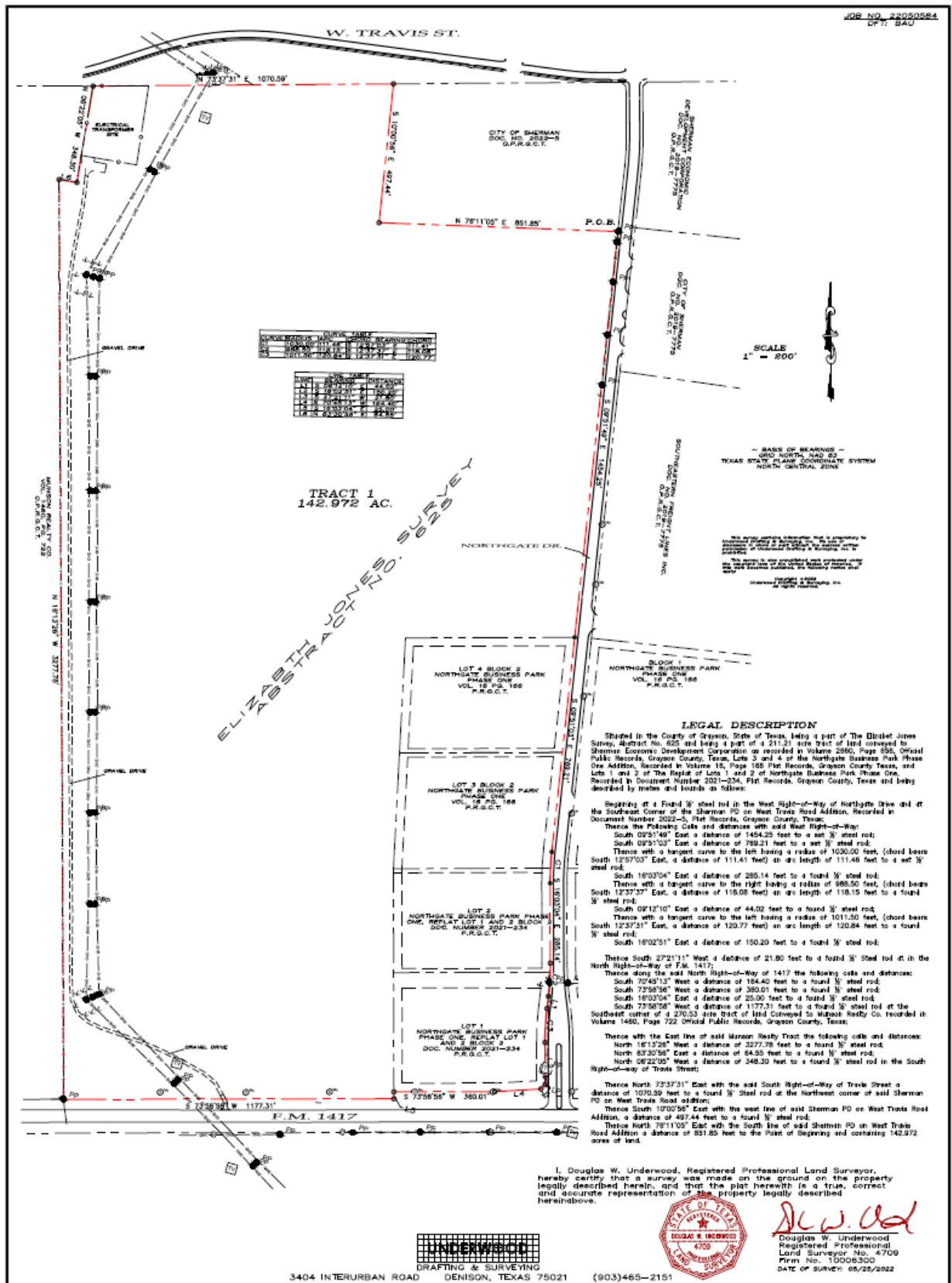
ATTEST:

LINDA ASHBY, CITY CLERK

**APPROVED AS TO FORM:
THE LAW FIRM OF ABERNATHY,
ROEDER, BOYD & HULLETT, P.C.**

RYAN D. PITTMAN, CITY ATTORNEY

Exhibit A



Reinvestment Zone Map

Reinvestment Zone
Boundary

Property ID

125123

231110

231109

439206

439205

Google Earth

1417

1417

1417

1000 ft

Southeastern Freight Lines

PedEx Ground





City Council Called Meeting

C. 2.

Meeting Date: 06/16/2022

Approved By: Robby Hefton, City Manager

Caption:

ADOPTION OF ORDINANCES

Consider Adoption of Ordinance Number 6499

Issue:

C. 1. INTRODUCTION AND PUBLIC HEARING OF ORDINANCE NO. 6499

Designation City of Sherman Industrial Reinvestment Zone No. 12; Providing Eligibility of the Zone for Commercial-Industrial Tax Abatement; Containing Findings that the Area Described Qualifies for Designation as a Tax Abatement Reinvestment Zone Pursuant to Chapter 312 of the Texas Tax Code and that the Improvements Proposed by the Land's Owner, GLOBITECH INCORPORATED, are Feasible and Practicable and of Benefit to the Land and the City; Authorizing the City Manager to Negotiate Written Agreements with the Owners of any Taxable Real and Tangible Personal Property Located within the Designated Zone; Authorizing the City Manager to Take All Other Actions Necessary to Effectuate the Same; Providing a Repealing Clause and Severability Clause



SHERMAN CITY COUNCIL

Agenda Communication Form

City Council Called Meeting

Meeting Date: 06/16/2022

Approved By: Robby Hefton, City Manager

Caption:

COUNCIL CALENDAR

Attachments

2022 Council Calendar

2022

Council Calendar

January						
Su	Mo	Tu	We	Th	Fr	Sa
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	Holiday
	Holiday for Firefighters/Police Only
	City Council Regular Meeting
	City Council Called Meeting
	Special Called Meeting
	Budget Workshop
	Cancelled City Council Meeting

CALLED MEETINGS	
1/18/2022	Rescheduled - Martin Luther King, Jr. Day
2/9/2022	CIP-Public Works Planning Session
2/23/2022	Joint Meeting - Legal Training (Canceled-Bad Weather)
3/23/2022	Joint Meeting - Legal Training
4/19/2022	Budget Planning Meeting
5/26/2022	Capital Improvement Program Work Session
6/7/2022	Budget Workshop - Day 1
6/16/2022	Special Called Meeting
7/5/2022	Rescheduled - Independence Day
9/6/2022	Rescheduled - Labor Day