

REAL ESTATE MARKET OVERVIEW

Sherman- Denison

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2001



REAL ESTATE CENTER

Market Report 1491

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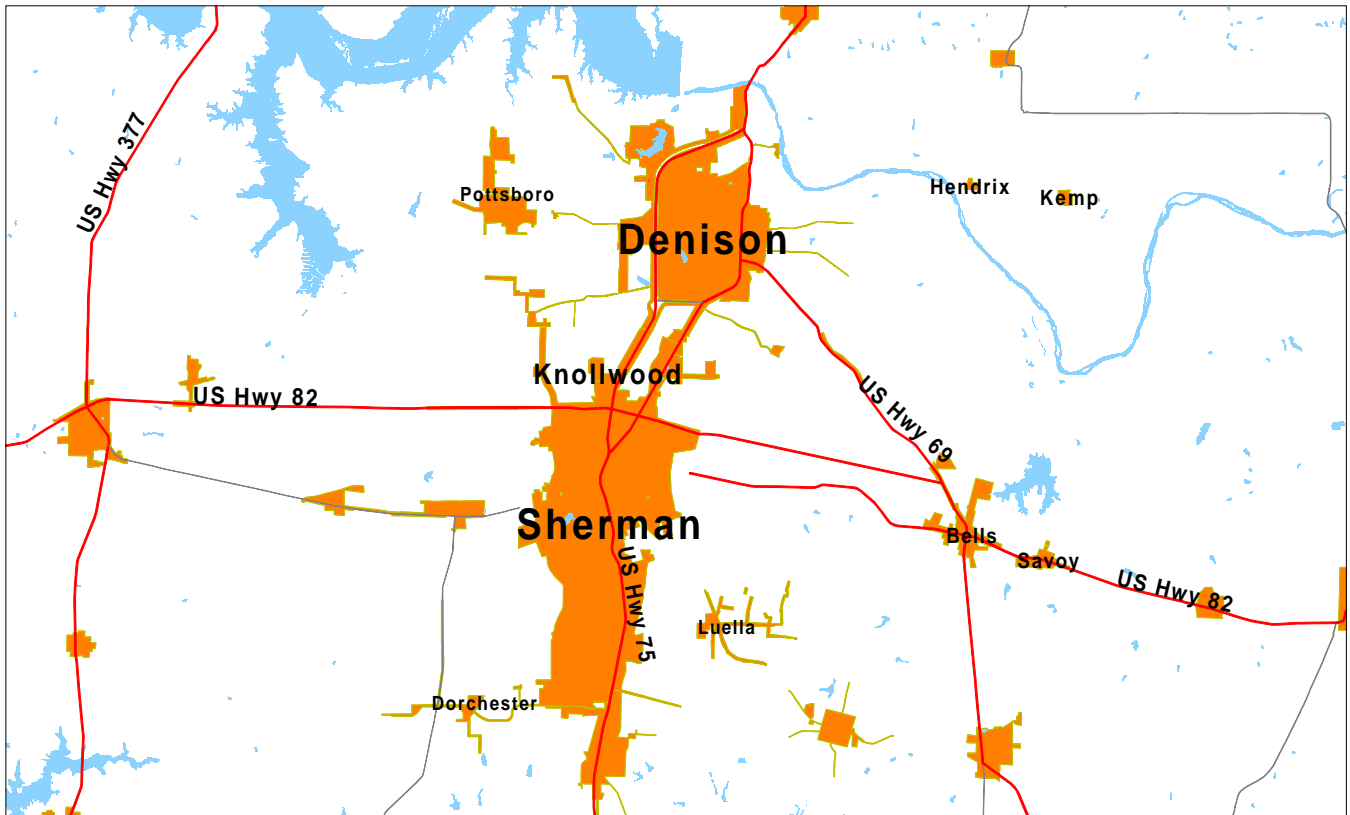
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Real Estate Market Overview

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Area Cities and Towns

Ambrose	Southmayd
Denison	Tom Bean
Luella	Whitesboro
Pottsboro	Whitewright
Sherman	

County
Grayson

Land Area of Sherman-Denison MSA

943 square miles

Population Density (2000)

117 people per square mile

The Sherman-Denison MSA is located on U.S. 75 along the Texas-Oklahoma border. Sherman, 30 miles from the Oklahoma border and 66 miles from Dallas, is considered the northern end of the

Dallas telecommunications corridor. The city is named after General Sidney Sherman, commander of the Republic of Texas cavalry at the Battle of San Jacinto, who was credited with first saying, "Remember the Alamo!"

Denison is four miles from the Oklahoma border and 75 miles north of Dallas. The city has been designated a Texas Main Street City by the Texas Historical Commission and is the birthplace of Dwight D. Eisenhower.

POPULATION

Sherman-Denison MSA Population

Year	Population
1990	95,005
1991	95,582
1992	95,292
1993	95,911
1994	96,829
1995	97,792
1996	99,892
1997	100,670
1998	102,019
1999	103,728
2000	110,595

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990–2000 (in percent)
Denison	22,773	4.83
Sherman	35,082	8.66

Source: U.S. Census Bureau

The Sherman-Denison MSA population increased at an average rate of 1.5 percent per year during the past decade, a rate slower than the state as a whole during

the 1990s. Texas State Data Center population projections forecast 8.6 percent growth in population for the next two decades. The Texas Water Development Board predicts the area

will reach a population of 111,226 by 2010 and 114,702 by 2020 — a growth rate of 0.4 percent per year over the next 20 years.

Texas Metropolitan Area Population Change, 1990–2000 (in percent)

McAllen-Edinburg-Mission	48.5	Galveston-Texas City	15.1
Austin-San Marcos	48.2	Tyler	15.5
Laredo	44.9	El Paso	14.9
Dallas	31.5	Corpus Christi	14.3
Brownsville-Harlingen-San Benito	28.9	Victoria	13.1
Brazoria County	26.1	Waco	12.9
Houston	25.8	Texarkana	9.4
Fort Worth-Arlington	25.1	Lubbock	9.0
Bryan-College Station	25.1	Wichita Falls	7.8
Texas	22.8	Longview-Marshall	7.7
Killeen-Temple	22.6	Beaumont-Port Arthur	6.6
San Antonio	20.2	Abilene	5.8
Sherman-Denison	16.4	San Angelo	5.6
Amarillo	16.2	Odessa-Midland	5.1

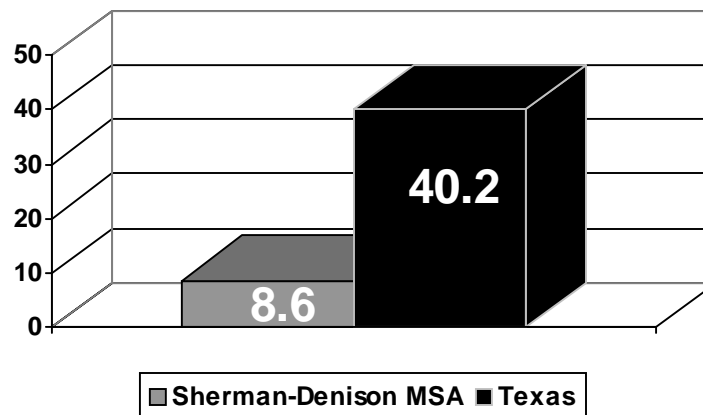
Source: U.S. Census Bureau

Sherman-Denison MSA Projected Population

Year	Texas State Data Center	Texas Water Development Board
2005	103,131	—
2010	105,566	110,226
2015	106,810	—
2020	107,851	114,702

Sources: Texas State Data Center and Texas Water Development Board

Projected Population Growth, 2000–2020 (in percent)



Source: Texas State Data Center

Household Composition

	Grayson County	Texas
Median household size (1990)	2.84	2.73
Median age	37	33
Population younger than 18 (1999, in percent)	25.4	28.5
Population 65 and older (1999, in percent)	15.4	10.1

Source: U.S. Census Bureau

Ethnic Distribution (in percent)

Ethnicity	Grayson County		Texas	
	1990	2000	1990	2000
White	88.7	84.0	60.8	55.2
Hispanic	2.8	6.8	25.3	29.3
Black	6.9	5.8	11.7	12.2
Asian	0.5	0.6	0.3	2.8
American Indian	1.1	1.2	1.8	0.5
Other	0.0	0.0	0.1	0.0
Two or more races*	—	1.7	—	1.1

*For the 2000 Census, the Census Bureau changed the "race" options, allowing people to report their race as "other" or as two or more races.

Source: U.S. Census Bureau

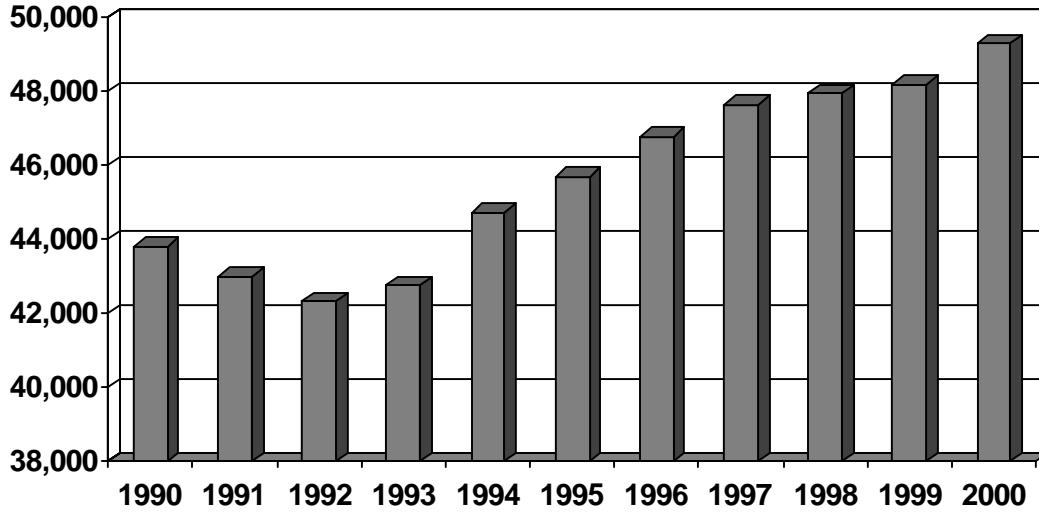
Household size in Grayson County is larger than in the state as a whole. The county also has a larger portion of population age 65 and older. The Sherman-

Denison area has grown more ethnically diverse over the past decade, with the Hispanic population increasing most, as it has in the state as a whole. The MSA's average per capita

income for 1999 was \$23,521. The state average per capita income for 1999 was \$26,834, according to the U.S. Bureau of Economic Analysis.

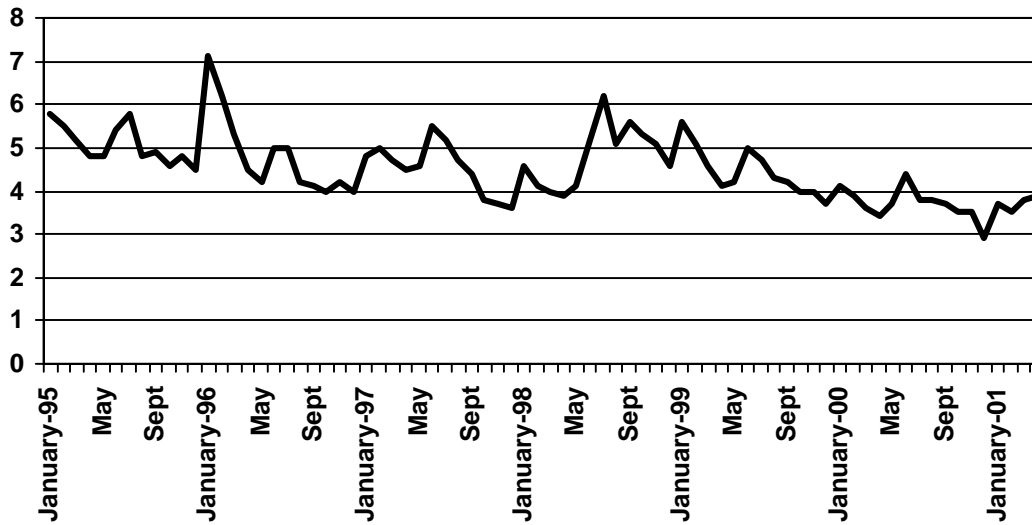
EMPLOYMENT

Sherman-Denison MSA Employment



Source: U.S. Bureau of Labor Statistics

Sherman-Denison MSA Unemployment Rate (in percent)



Source: U.S. Bureau of Labor Statistics

Top Ten Employers	Top Ten Private Employers
MEMC Southwest Silicon wafer product 1,250 employees	MEMC Southwest Silicon wafer product 1,250 employees
Wilson N. Jones Regional Health System Health care 1,250 employees	Wilson N. Jones Regional Health System Health care 1,250 employees
Texas Instruments Semiconductors and defense electronics 1,200 employees	Texas Instruments Semiconductors and defense 1,200 employees
Texoma Medical Center Health Services 1,170 employees	CIGNA Medical claims processing 900 employees
CIGNA Medical claims processing 900 employees	Johnson and Johnson Health care products 700 employees
Sherman Independent School District Education 890 employees	Alcoa Building Products Vinyl siding 400 employees
Johnson and Johnson Health care products 700 employees	Kwikset Corporation Residential locks 375 employees
Grayson County Government 450 employees	Fisher Controls Rotary control valves 365 employees
Denison Independent School District Education 400 employees	Proctor and Gamble-Sundor Food products 325 employees
City of Sherman Government 400 employees	Cooper B-Line Systems Cable trays and enclosures 325 employees

Sources: Sherman Chamber of Commerce and City of Denison

Employment Growth by Industry	Sherman-Denison MSA	Texas
Employment growth, 2000 (in percent)	1.1	3.2
Unemployment rate (in percent)	3.7	4.2
New jobs in 2000	500	288,900
Employment growth by sector, 2000 (in percent)		
Services	4.2	4.7
Trade	0.0	3.1
Manufacturing	-1.0	0.1
Mining	0.0	2.3
Finance, insurance and real estate	0.0	1.3
Construction	0.0	6.2
Government	0.0	1.7
Transportation, communications and public utilities	0.0	5.1

Sources: U.S. Bureau of Labor Statistics and Texas Workforce Commission

Texas Metropolitan Area Employment Change, 1990–2000 (in percent)

Austin-San Marcos	58.8	El Paso	15.4
Laredo	40.3	Waco	14.3
McAllen-Edinburg-Mission	35.8	Lubbock	14.0
Dallas	30.4	Sherman-Denison	12.5
Brownsville-Harlingen-San Benito	30.1	Longview-Marshall	12.2
Bryan-College Station	29.2	Abilene	11.4
Killeen-Temple	28.7	San Angelo	10.7
San Antonio	28.6	Corpus Christi	10.3
Fort Worth-Arlington	23.7	Galveston-Texas City	8.2
Texas	23.3	Wichita Falls	7.8
Tyler	22.9	Odessa-Midland	6.5
Victoria	22.4	Texarkana	4.5
Houston	22.1	Beaumont-Port Arthur	3.5
Amarillo	18.6	Brazoria County	2.3

Source: U.S. Bureau of Labor Statistics, February 2001

Nonagricultural employment increased 1.1 percent during 2000, less than the 1.8 percent increase during 1999, according to the Texas Workforce Commission. The U.S. Bureau of Labor Statistics reports

total civilian employment for 2000 was 49,269, up 2.2 percent from 1999.

Employment growth in the area is slower than employment growth across the state. Unemployment

decreased slightly to 3.7 percent for 2000, down from 4.4 percent in 1999. Manufacturers and the health care industry are major employers in the area.

JOB MARKET

According to the Sherman Economic Development Council, about 1,800 jobs have been created since 1997, representing an investment of \$160 million.

CEMLANK announced plans to build a \$50 million factory that will open in fall 2001. The plant will employ 60 to 80 people. The company makes fiber cement that is used as an alternative to wood siding.

IBP, Inc., is opening a meat-processing unit that will employ 1,000 people in Sherman. GlobiTech is building its headquarters in Sherman's Northgate Technology Park and will employ 120 when the project is completed.

Procter and Gamble spent \$3 million to expand their food and beverage division, including the addition of new manufacturing equipment and creation of five jobs.

In Pottsboro, the Tanglewood Resort & Conference Center will employ 250 people.

The Liberty-Owens-Ford plant closed as a result of company streamlining in 2000, laying off 408 employees. Mental Health Mental Retardation Services of Texoma cut 11 positions and \$800,000 in expenses in February 2001. The closure of Integrated Health Services will mean a loss of 75-80 jobs. Two hundred employees were displaced as a result of the closing of

AGP's refinery in Sherman and the Pilkington-Owens-Ford windshield factory. MEMC Southwest laid off 530 employees in the first half of 2001.

In Denison, the Beatrice Foods plant closed in 2000 because of poor sales; 100 employees lost their jobs. Svedala laid off 20 employees in March 2001. HORIZON Pharmacies, Inc., laid off 26 employees and cut administrative costs to improve cash flow.

Telecommunications manufacturer GE-ACT laid off 25 employees in Bonham. Bonham Manufacturing Company is moving its 120-employee operation to Brownwood.

MAJOR INDUSTRIES

The services industry, which makes up the largest share of Sherman-Denison MSA employment, grew by 500 jobs over the past year, representing 28 percent of area employment growth. Health services is the largest component of the services sector.

Retail and wholesale trade represents 21 percent of nonagricultural employment. Manufacturing is an important part of the local economy and accounts for 21 percent of local jobs. The Sherman-Denison MSA has the highest

percentage of manufacturing employment in the state. Area manufacturers include Procter & Gamble, Folgers, Raytheon, Johnson & Johnson, Technical Institute and Globitech. Manufacturing employment fell by 100 jobs between 1999 and 2000.

Government accounts for 13 percent of employment and includes local school districts, city and county employees. The construction sector, which added no new jobs during 2000, represents 6 percent of the area's workforce.

During 2000, Grayson County had \$38.8 million in agricultural receipts, up from \$37.5 million in 1999. The Texas Agricultural Extension Service reports beef and wheat are the top agricultural products, representing 25 and 18 percent of receipts, respectively. Other area products include hay, sorghum, nursery products, milk and horses. For 2001, agricultural receipts are expected to be \$41.4 million.

BUSINESS CLIMATE

Tax Rates, 2000

Grayson County Taxing Entity	Tax Rate per \$100 Valuation	Grayson County Taxing Entity	Tax Rate per \$100 Valuation
City of Sherman	\$0.40	City of Denison	\$0.58
Sherman ISD	1.69	Denison ISD	1.50
Community College	0.10	Community College	0.10
Grayson County	0.44	Grayson County	0.44
Total	\$2.63	Total	\$2.62

Source: Grayson County Appraisal District

Sherman-Denison MSA Retail Sales

Year	Total Sales	Sales per Capita
1990	\$677,627,937	\$7,133
1991	671,973,392	7,030
1992	727,624,242	7,636
1993	791,978,974	8,257
1994	877,367,005	9,061
1995	989,139,091	10,114
1996	1,077,010,651	10,781
1997	1,017,073,074	10,103
1998	1,015,049,739	9,950
1999	1,145,684,457	11,045
2000	1,265,214,998	11,440
	2000 State Average \$12,612	

Source: Texas Comptroller's Office

Area retail sales come largely from people who live in Grayson County and within a 30-mile radius of Sherman, supplemented with sales from tourism. The sales tax rate is 8 percent in Sherman and 8.25 percent in Denison. The hotel-motel tax rate is 11 percent in Sherman and 13 percent in Denison.

The Sherman Economic Development Corporation collects a three-eighths-cent sales tax for economic development, amounting to approximately \$2.1 million per year. Denison collects a one-quarter-cent sales tax for economic development. The area has an established freepoint that eliminates ad valorem taxes on

inventory. Two enterprise zones are located in Sherman. The Grayson County Airport is included in Foreign Trade Zone 39. Tax abatements are also available in the area.

The Sherman-Denison area exported \$99.6 million in products during 1999, down from \$116.9 million in products exported in 1998.

EDUCATION

Educational Level, Persons Age 25 and Older (in percent)

Level of Education	Grayson County MSA	Texas
High school graduate	30.0	25.6
Some college, no degree	21.5	21.1
Associate's degree	6.6	5.2
Bachelor's degree	8.8	13.9
Graduate or professional degree	5.2	6.5

Source: U.S. Census Bureau

Local College and University Enrollment

School	Fall 2000	2005 (estimated)	2010 (estimated)
Grayson County Community College	3,200	3,304	3,358
Austin College	1,300	n/a	n/a

Sources: Educational institutions and the Texas Higher Education Coordinating Board, January 2001

Grayson County Community College is located in Denison and offers training programs for businesses and for-credit courses. The Texas Higher Education Coordinating Board projects enrollment at Grayson County Community College will decline slightly over the next ten years. In 2000, the College's Economic and Workforce Development Center moved into a new facility that features a seminar and conference area and computer classrooms.

Austin College is a four-year private liberal arts college and is the oldest college in Texas operating under its original charter. The Mary Wright Center, which opened in April 2000,

provides offices for student services, a post office, dining hall, bookstore, convenience store and meeting space.

Construction on the Jerry E. Apple Stadium and Calder Field at Austin College started in February 2000. The Hughey Gymnasium is being renovated and a new fitness center is under construction. The project will be completed in 2001.

Sherman ISD has twelve schools with approximately 6000 students. Refurbishment of the Walter Carpenter Auditorium was funded with donated money and is still in progress.

Denison Independent School District (DISD) is making major improvements to its nine campuses as

a result of a \$13.1 million bond issue passed in 1996. The school district has about \$2 million in grants for special programs, providing the continuing grants are approved. The bond issue is allowing campuses to invest in the latest technology. DISD is the second largest employer in Denison, employing 400 people.

The Pottsboro ISD provided education to 1,289 students in the 1998–1999 school year. The district's budget for 2000 was more than \$8 million.

Texoma Christian School plans to build a new school on W. Houston and FM 1417. No construction date has been set.

TRANSPORTATION AND INFRASTRUCTURE ISSUES

The primary transportation artery through the Sherman-Denison area is U.S. Highway 75, connecting Sherman to Dallas. U.S. Highways 82 and 69 and State Highways 91, 56 and 11 also run through the area. A proposal exists for an extension of I-45 north to Sherman, but no construction date has been set. A project to expand U.S. 70 to four lanes between Durant and I-35 broke ground in January 2001.

Three carriers — Burlington Northern-Santa Fe, Southern Pacific and Texas Northeastern — provide rail service. There are four freight carriers in the area: Central Freight, CFMotor, Ryder Trucking and Yellow Freight.

The Grayson County Airport is located in Denison and was formerly

an Air Force base. It has a 1,354-acre airfield and a 254-acre industrial complex. The County has budgeted \$100,000 toward consulting fees for preparation of an airport master plan for the next two decades. The airport will receive \$150,000 in federal funds to be used for capital improvements.

The City of Sherman receives water from the Trinity Aquifer, from local wells and surface water from Lake Texoma. The City of Denison obtains groundwater from the Woodbine Aquifer wells and surface water from Lake Randall and Lake Texoma. These sources are sufficient to meet water needs through 2050.

The City of Pottsboro is supplied by three water wells within the city and from the city of Denison. Pottsboro has

approved \$1.8 million in revenue bonds to build a water line connecting it with Denison to solve its water problems. Residents' average water bills will increase from \$9.25 to \$19.25.

The Post Oak Creek wastewater treatment plant serving the City of Sherman has recently been expanded. A 20-acre flood control lake is being considered for northwest Sherman.

Denison operates two wastewater treatment plants and has no immediate expansion plans. The Texoma Solid Waste Agency plans to develop a new landfill near Whitesboro. The project is currently undergoing technical review.

PUBLIC FACILITIES

The municipal auditorium in Sherman is being renovated with an expected completion date in 2001. The Glennie O. Ham Community Center provides facilities for youth, teenagers and community groups. Other city facilities include the Oliver Dewey Mayer Outdoor Theater and the Municipal Ballroom. The Sherman City Council has created an Arts and Cultural Overlay District to attract businesses and generate activity in the town.

Grayson County has received \$101,065 from a charitable foundation to develop a Historic Research Center in Frontier Village, an existing collection of old homes and log cabins from all over the county.

The 80,000-square-foot former Denison High School building on Main Street is being renovated as a

multiuse center for offices, businesses and cultural events. The project will cost \$3.5 million and will also include a 700-seat performing arts center. A library is planned in downtown. A site has not yet been selected.

Whitesboro is constructing a \$1 million city hall. Ground was broken for a new Fannin County Correctional Center off Highway 121 south of Bonham. The project is expected to be completed in July 2001. Van Alstyne is adding a new police station attached to the town's EMS facility and fire station. The project cost the city \$7,900. About 74 percent of the cost was donated by local businesses and individuals.

Sherman's city parks offer a variety of sports and recreational activities. The Baker Park is situated on a natural lake and offers fishing opportunities.

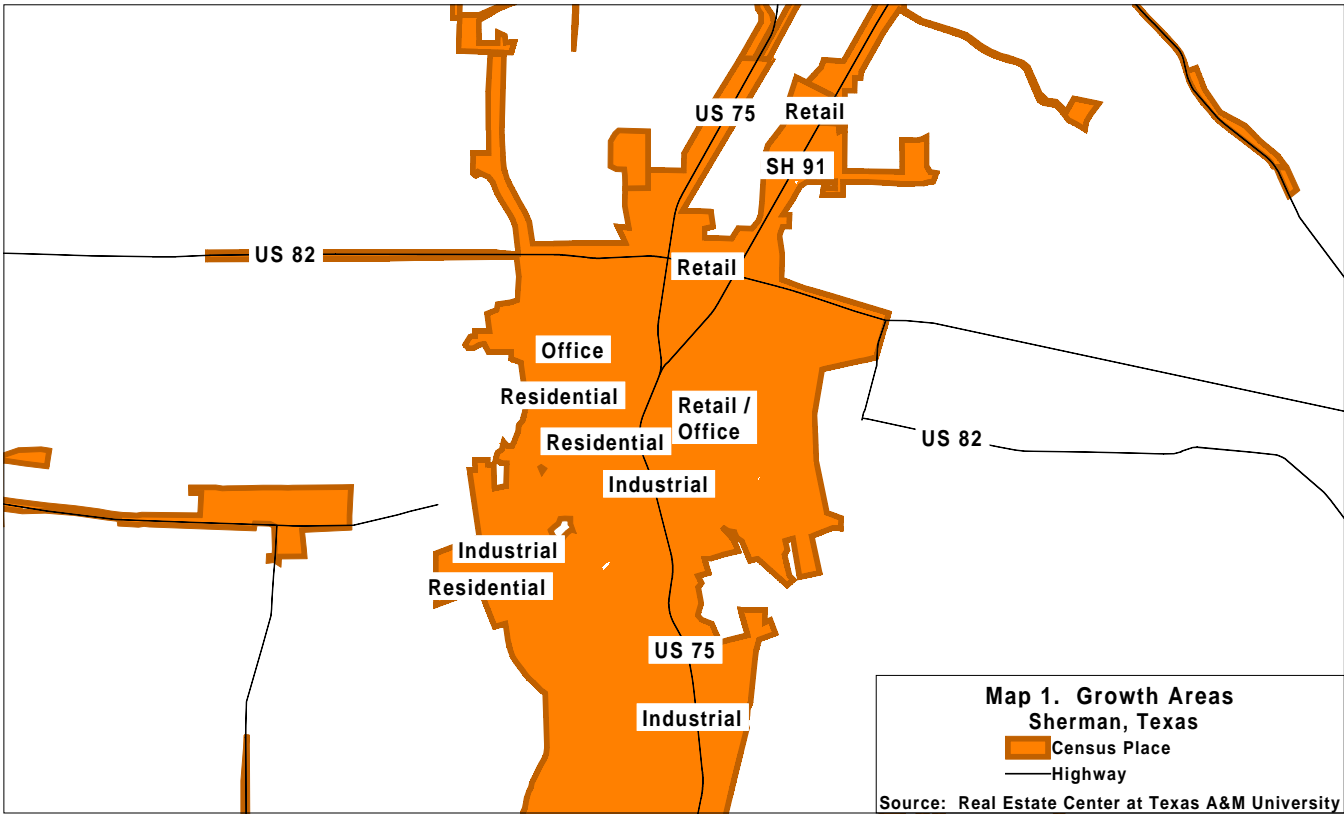
Fairview Park has a swimming pool.

Sherman will build the Pecan Grove Park around Dean Gilbert Lake at FM 1417 and U.S. Highway 82.

Munson Park in Denison consists of 120 acres with playing fields. The W.B. Munson Foundation proposes to give the city \$165,000 for improvements to Munson Park, and the City of Denison is planning a pavillion and skate park at the park. The 148-acre Waterloo Park has an indoor pool and a lake.

The Eisenhower Birthplace State Historical Park in Denison encompasses a ten-acre neighborhood with historical buildings and grounds, picnic facilities and other amenities. The Arts district has a number of art galleries and studios. Denison received grants worth \$250,000 from the Smith Foundation to improve lighting at several ballfields.

URBAN GROWTH PATTERNS



Map 1 shows the major growth areas in the Sherman area. Retail growth in Sherman has been concentrated along the northern part of U.S. 75 while industrial growth has been occurring along the southern

portion of U.S. 75. Residential growth has been occurring in west and northwest Sherman. Downtown Denison has seen redevelopment activity; 209 buildings have been rehabilitated over the past

decade. Residential growth in Denison is happening mostly in the western part of the city, with some to the south.

HOUSING

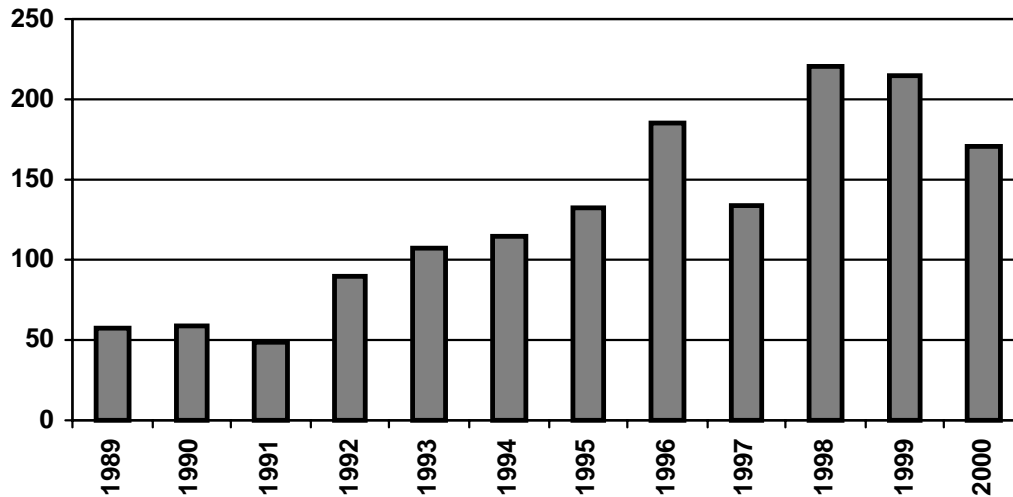
Housing Affordability – First Quarter 2001

	Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
Sherman-Denison	71	1.74	1.35

*The THAI is the ratio of median household income to the income required to buy the median-priced home using currently available mortgage financing. Standard financing is a 30-year loan covering 80 percent of the cost of the home. A THAI of 1.00 indicates that the median household income is just enough to qualify for a loan sufficient to purchase the median-priced home.

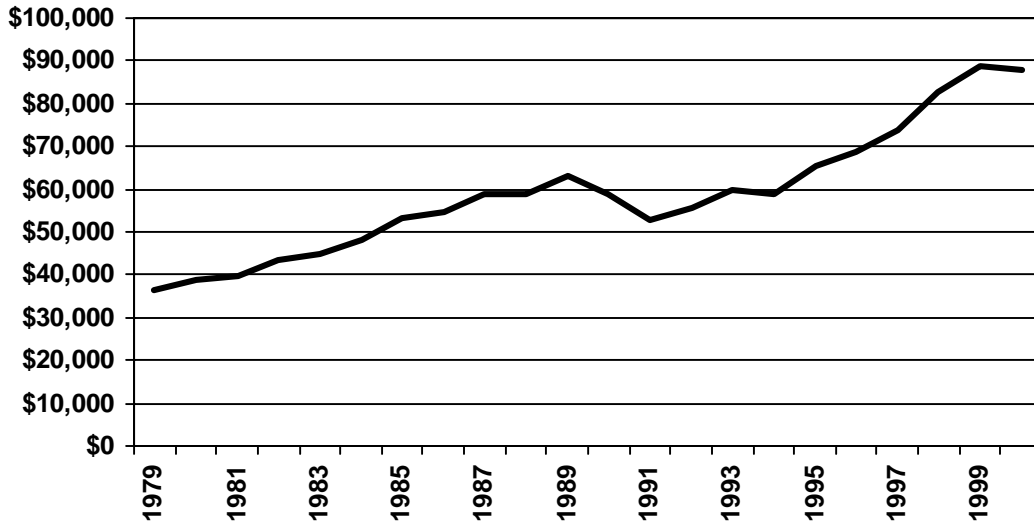
Source: Real Estate Center at Texas A&M University

Sherman-Denison MSA Single-family Permits



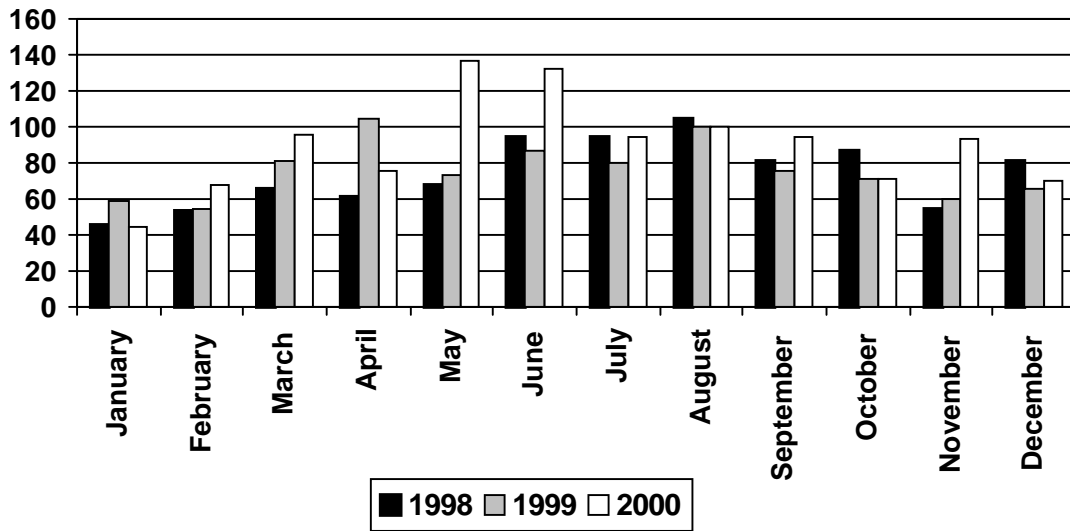
Source: U.S. Census Bureau

Average Sales Price of Single-family Sherman-Denison Homes



Source: Real Estate Center at Texas A&M University

Single-family Home Sales Volume, Sherman-Denison Area



Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold, Sherman-Denison Area (in percent)

	1997	1998	1999	2000
Less than \$60,000	45.9	39.0	36.1	36.7
60,000–79,999	20.1	17.4	17.7	16.4
80,000–99,999	13.8	17.3	16.2	14.2
100,000–119,999	5.0	7.5	8.3	11.2
120,000–139,999	6.0	7.3	7.6	6.8
140,000–159,999	2.5	4.5	3.9	4.6
160,000–179,999	2.8	2.5	3.6	4.0
180,000–199,999	1.3	1.2	2.3	2.0
200,000–249,999	1.4	1.7	2.4	1.9
250,000–299,999	0.8	0.9	0.7	0.9
300,000 or more	0.6	0.8	1.2	1.1

Source: Real Estate Center at Texas A&M University

In 2000, a total of 171 single-family home permits were issued in the MSA with an average value of \$113,700. In 1999, 215 single-family homes were permitted at an average value of \$98,100. Forty-three homes were permitted in the first five months of 2001. According to the City of Sherman, 57 single-family building permits were issued in 2000. The City of Denison issued 50 single-family permits in 2000 and four permits in the first quarter of 2001.

Home sales were up from 1999 to 2000. In 2000, 1,073 homes were sold through the MLS, compared with 912 in 1999. The average sales price of houses reported sold through the MLS fell from \$88,800 in 1999 to \$87,900 in 2000. The area had a 6.4-month inventory of homes for sale in 2000.

Homes are being built primarily in three subdivisions in Sherman — Bent Brook, Pebble Brook and Laurel Creek. Pebble Brook homes are priced between \$95,000 and \$125,000; homes in Bent

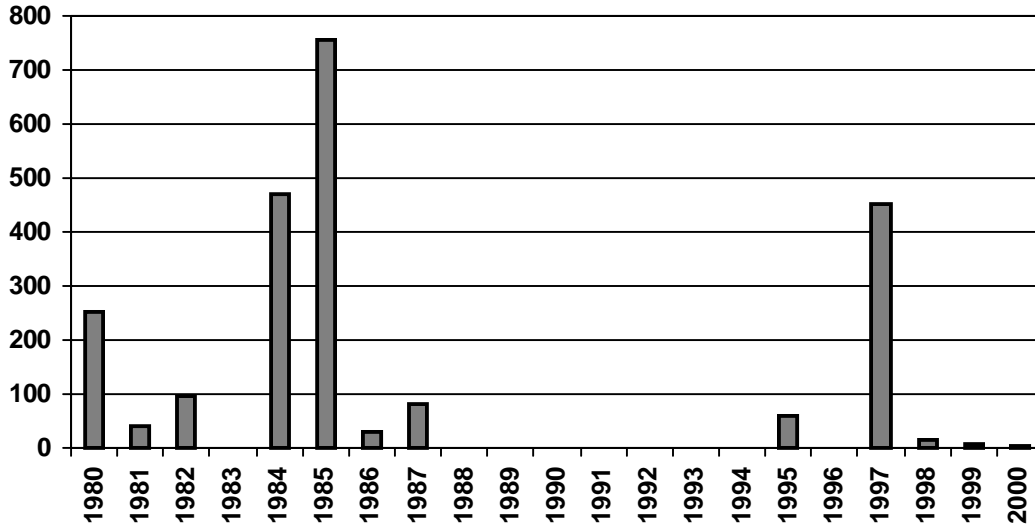
Brook are more expensive. Bent Brook is close to completion, while Pebble Brook has just been started.

Country Ridge Estates, a 100-lot subdivision, is in the planning stage. Homes will be priced at around \$70,000. Some homes are being purchased by people commuting to the Plano area.

In Denison, construction began in 2000 on two subdivisions. Greenwood will have 26 lots and Renaissance Addition will have 27 lots.

MULTIFAMILY

Sherman-Denison MSA Multifamily Building Permits (in units)



Source: U.S. Census Bureau

In 2000, five new multifamily units were permitted, down from eight in 1999, according to the U.S. Census Bureau. Because of the size of the area, a single new apartment complex can have a significant impact on the area's

occupancy rates. According to the Census Bureau, no new multifamily permits were issued in the MSA during the first five months of 2001.

In Denison, permits were issued in 2000 for eight duplexes and one

multifamily project; one duplex was permitted in the first quarter of 2001, according to the City of Denison. There was no multifamily activity in Sherman in 2000.

MANUFACTURED HOUSING

Sherman-Denison MSA Manufactured Home Sales

	Manufactured Homes Sold	Proportion of New Single-family Homes (in percent)
1997	322	70.6
1998	369	62.6
1999	422	66.2
2000*	274	80.8

*Through third quarter

Source: Texas Manufactured Housing Association

Through the third quarter of 2000, manufactured housing represented more than 80 percent of all new single-family housing sold in the Sherman-Denison area, in part

because of the rural areas surrounding Sherman and Denison. The increase in 2000 can be attributed to growth in manufactured home sales and a decrease in single-family site-built

homes in the area. The City of Sherman permitted four new manufactured homes in 2000.

RETAIL MARKET

Sherman issued 24 commercial building permits in 2000. Denison issued six permits for new businesses in 2000 and one permit in the first quarter of 2001. Retail space is almost fully occupied in the Sherman area, according to the Sherman Economic Development Corporation.

Restaurant sales are expected to grow 7.7 percent during 2001 to a total of \$123.7 million, according to the Texas Restaurant Association. Red Lobster remodeled its Sherman restaurant with brighter dining rooms and a different style of bar equipped with aquariums.

The Midway Mall in Sherman contains 590,000 square feet of space and has more than 90 stores. Dillard's, JCPenney, Sears, Mervyn's and Goody's anchor the mall. A new strip shopping center called Shafer Plaza II is under construction in Sherman.

A 70,000-square-foot, 20-acre development by T-Mark Properties is coming up along U.S. 75 in west Denison. The traveler's hotel at Main Street and Crockett Avenue in Denison is being renovated for a hotel, restaurant and shops.

In Pottsboro, a new retail shopping center is planned at Highway 120 and Georgetown Road. Georgetown

Crossing will have a convenience store, restaurant and open-air shopping center. Construction is expected to begin in 2001.

The Tanglewood Resort & Conference Center in Pottsboro has been completed and will employ 250 people.

In Whitewright, a historical movie house was gutted and renovated. In Van Alstyne, a 38.7-acre site is being developed into a commercial complex with a McDonald's restaurant planned.

OFFICE MARKET

According to the Sherman Economic Development Corporation, the few multitenant office buildings with more than 25,000 square feet have an occupancy rate of 98 percent. At the Wilson N. Jones

Hospital, a five-story, \$27 million office building will be constructed. The office and ambulatory care center is expected to open during summer 2001. A five-story parking garage with

a capacity of 800 vehicles is being built to serve the medical complex. The North Texas Audiology and Hearing Aid Clinic opened in 2000 in the Morrison Medical Office Building.

INDUSTRIAL MARKET

There is no speculative industrial space in the Sherman area. All buildings have single tenants. Almost all of the industrial space is occupied, according to the Sherman Economic Development Corporation. The City of Sherman issued one industrial permit in 2000.

Four industrial parks are located in Sherman. The Northgate Technology Park has 51 acres, Northgate Business Park has 212 acres, Northgate Industrial Park has 238 acres and Midway Industrial Park has 311 acres.

GlobiTech, a high-tech company, broke ground on a 97,000-square-foot facility in early 2000. The \$62.5 million project is in Northgate Technology Park. The manufacturing unit puts microthin coatings on silicon wafers used in computer chips.

CEMPLANK will be constructing a \$50 million fiber cement manufacturing plant over the next year in

Sherman. The plant will be the largest fiber cement facility in the U.S., producing 180 million square feet of product per year.

The Sherman Economic Development Council has offered Cooper B-Line \$500,000 as an incentive to double the size of their existing facility by adding 250,000 square feet. The company, which manufactures products for the telecom industry, will invest \$14 million to \$19 million and employ an additional 175 workers.

The Sherman Technology Consortium is made up of SEDCO, the Texoma Workforce Development Board, Grayson County College, Sherman ISD, Austin College and the Texas Engineering Extension Service. The consortium will train and equip area residents in technology skills through the development of a training facility near the Northgate Technology Park. The multimillion dollar facility

will offer classrooms, laboratory space and distance learning facilities.

In Denison, a 254-acre industrial complex adjacent to the county airport has a number of sites available. Good connections to U.S. 75 and U.S. 82 and adjacent railroad services have attracted a number of tenants to the complex. Besides aviation-related industries, tenants include City Industries, Denison Industries and the Greater Texoma Utility Authority. The Denison Industrial Foundation owns industrial land north of Denison on Highway 91. The land is available for build-to-suit and lease opportunities. Denison Industrial Park East has 100 acres with infrastructure.

Reeddrill, one of Denison's largest employers, received a tax abatement for a new 450,000-square-foot warehouse being built in west Denison.

CONCLUSION

The Sherman-Denison area has a strong manufacturing and technology sector that continues to attract new businesses. With the addition of the Northgate Industrial

Park, the area has industrial and business land available for growth. The area's location along U.S. 75 places it in the path of northward growth from the Dallas Metroplex. The

area has become known as the North Texas Technology Corridor, with a backbone of semiconductor and silicon-wafer-related facilities.