TEDC 2026 CEDA APPLICATION

All Applications Must Be Received by August 28, 2026

The 2026 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

AWARD CATEGORIES

The CEDA will be awarded to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying. In addition to CEDA by population, applicants will be considered for five criteria awards such as: Innovativeness, Transferability, Community Commitment & Leverage, Measured Objectives and Secondary Benefits.

- Population less than 10,000 ☐
- Population 10,001 to 20,000 ☐
- Population 20,001 to 50,000 ☐
- Population 50,001 to 100,000 ☑
- Population 100,001 to 250,000 ☐
- Population 250,001 and above ☐

NOMINATION:

Name of Community: Sherman, TX

TEDC Member Name: Kent Sharp (SEDCO) (individual member, organization)

Telephone #: 903.868.2566

Email Address: kents@sedco.org

Community Population (as currently marketed): 55,000

Community/Organization Linked-In Profile: linkedin.com/company/shermanedc

Application Submitted By: Kent Sharp, SEDCO President

Email Address: kents@sedco.org

Media Contacts: [optional]

Organization: Herald Democrat Contact Name: Michael Hutchins

Email Address: mhutchins@cherryroad.com

Organization: KXII Contact Name: _____

Email Address: news12@kxii.com

SHERMAN ECONOMIC DEVELOPMENT CORPORATION

COHERENT EXPANSION

From business retention to the optical backbone of AI and the next wave of semiconductor growth

In Sherman, the Coherent story is not one expansion. It is a series of decisions, each one building on the last.

Coherent has been an established Sherman employer since 2018, producing advanced optoelectronic products including 3D sensing technology, vertical cavity surface emitting lasers (VCSELs) used in iPhones for facial recognition, and data transceivers. When the company began evaluating where to relocate product lines and add production capacity, Sherman Economic Development Corporation worked to keep that investment in Sherman.

A 2024 performance agreement helped anchor nearly $100 million in qualified investment tied to the relocation of epi capacity and a diamond growth process from facilities in California and Illinois, along with the launch and planned expansion of a 6-inch indium phosphide (InP) production line. That agreement retained 338 full-time jobs and added 38 more.

By 2026, the Sherman operation had grown to 403 employees. SEDCO approved another $100 million expansion with 65 new jobs, additional infrastructure and clean room improvements, and two phases of product expansion. The second agreement also included a Buy Local Grant to push more project spending into Sherman businesses.

Those local wins helped keep Coherent positioned for what came next: a broader Sherman expansion now exceeding $680 million, a fourfold increase in wafer capacity and a manufacturing role at the center of the AI infrastructure buildout.

$680M+	403	200+	4X
SHERMAN CAPITAL INVESTMENT	JOBS RETAINED	NEW JOBS ACROSS EXPANSION	WAFER CAPACITY

INNOVATIVENESS

A retention strategy built for the next decision.

The innovation in this project was not a complicated incentive structure. It was a disciplined retention strategy that stayed ahead of Coherent's next capital decision.

SEDCO did not wait for one large announcement. It worked through multiple phases as Coherent's technology, customers and capacity needs evolved. Each agreement was performance based, tied to documented capital expenditures and employment, and structured to protect public funds while giving the company confidence to keep investing in Sherman.

The local tools also created benefits beyond the company itself. The 2024 agreement required a community contribution, equal to 1% of the incentive value of $30,500 to Sherman's Advanced Manufacturing Program. The 2026 agreement added a Buy Local Grant, encouraging qualifying purchases from Sherman businesses.

The technology makes the story even more significant. Coherent's Sherman site is home to the world's first and largest volume production 6-inch InP manufacturing platform. InP devices are critical to the high-speed optical connections that move massive amounts of data through AI systems.



WHY IT MATTERS:

Sherman is not only part of the semiconductor supply chain. Coherent is manufacturing photonic technology, the light that connects the processors, memory and systems powering modern AI.

TRANSFERABILITY

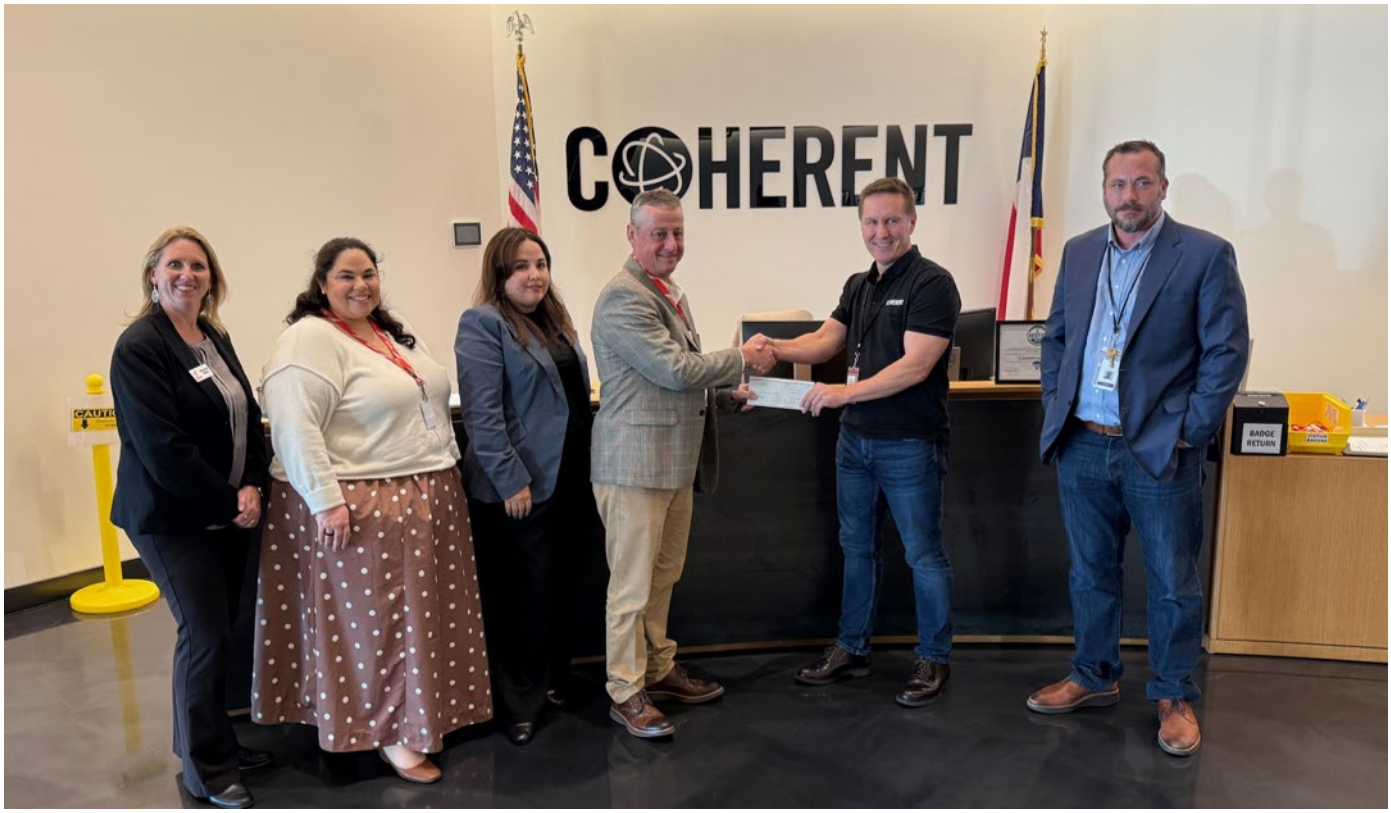
The model is simple: retain, reinvest, leverage, grow.

Sherman's approach can be replicated by economic development organizations of any size because it relies on tools most communities already have business retention relationships, performance agreements, local partnerships and persistence.

The key is to treat an existing employer's next investment with the same urgency as a recruitment prospect. In Coherent's case, that meant understanding which product lines were mobile, what new technology was coming, and what would make Sherman the best place for the next phase.

SEDCO then matched public participation to actual performance. Capital incentives are earned through documented investment and employment. Local purchasing and community involvement requirements extend the return beyond the company. Just as important, the relationship continued after each agreement was signed.

That last point is what makes the model powerful. One retained production line can lead to a new cleanroom. A new cleanroom can lead to greater capacity. Greater capacity can put the community in position when a new customer, new market or new federal program creates the next opportunity.



COMMUNITY COMMITMENT & LEVERAGE

SEDCO's investment helped keep an important technology manufacturer positioned for continued growth in Sherman. The Sherman operation has since attracted additional state, federal, and private sector support.

In February 2026, the State of Texas announced a $14.076 million Texas Semiconductor Innovation Fund grant supporting Coherent's continued expansion of indium phosphide manufacturing in Sherman. The state identified more than $154 million in capital investment associated with that expansion.

In March 2026, NVIDIA and Coherent announced a multiyear strategic partnership focused on optical technologies for next generation AI infrastructure. NVIDIA committed to invest $2 billion in Coherent to support research and development, future capacity, and U.S. based manufacturing, along with a ten-year multibillion dollar purchase commitment.

In June 2026, Coherent announced a letter of intent for up to $50 million in direct CHIPS and Science Act funding from the U.S. Department of Commerce for its Sherman expansion.

These later investments are separate from SEDCO's original agreements, but they demonstrate the value of retaining an established technology employer with significant potential for future growth. Together, these local, state, federal, and private investments demonstrate the broader impact of supporting an existing employer with the capacity to continue growing in Sherman.

$5.94M	$14.076M	$50M	$2B
SEDCO PERFORMANCE-BASED ASSISTANCE	TEXAS TSIF GRANT	PROPOSED CHIPS FUNDING	NVIDIA INVESTMENT IN COHERENT

MEASURED OBJECTIVES

Clear commitments. Measurable results. Continued growth.

SEDCO's agreements with Coherent established specific performance measures tied to capital investment, employment and community benefit. Incentive payments are earned only after the company documents eligible expenditures and meets its employment requirements.

Measure	Result
Capital Investment	$680 million in Sherman
Jobs Retained	Minimum annual average of 403 employees
New Jobs	200 new jobs planned
SEDCO Capital Incentive	Up to $3 million
Buy Local Grant	Up to $50,000
Community Involvement	$30,500 committed to Sherman High School Advanced Manufacturing, Electrical Engineering Technology and Robotics programs

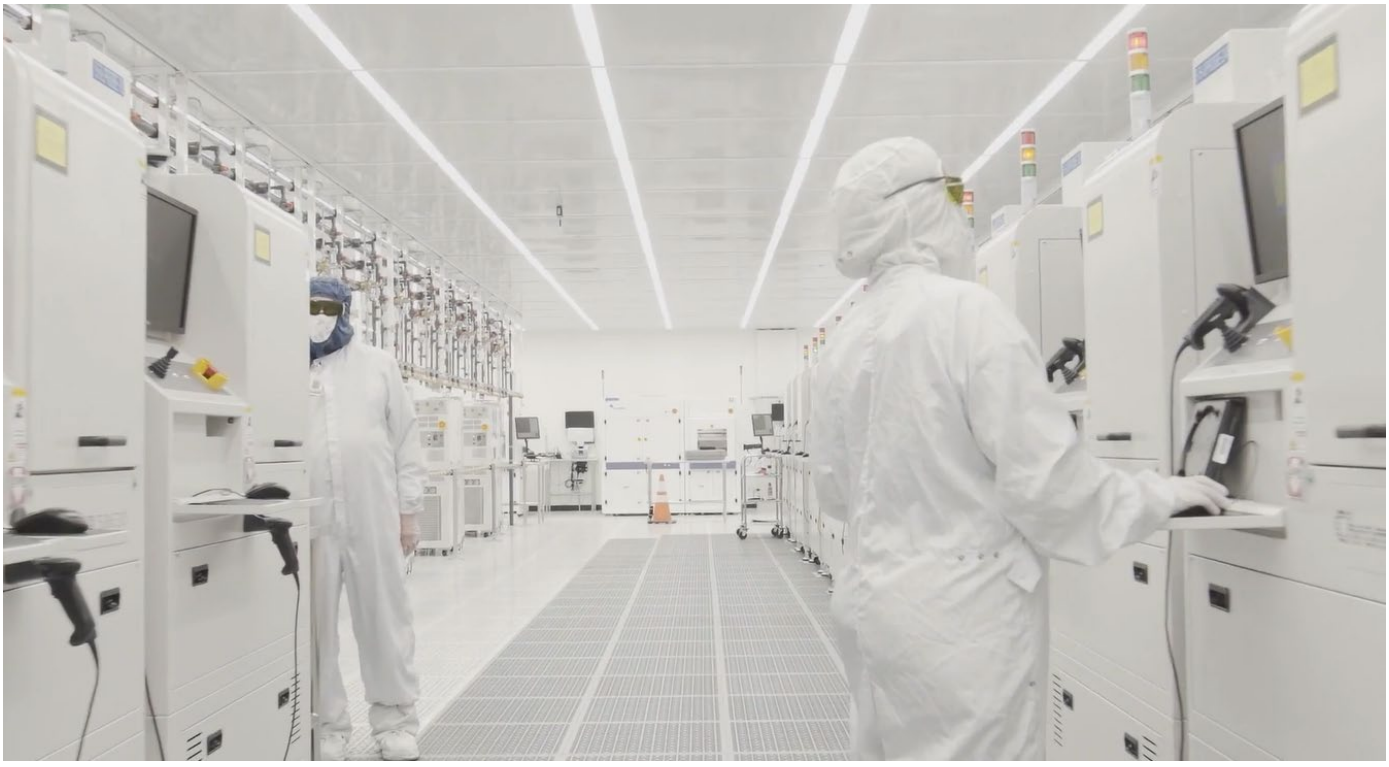
2X
MANUFACTURING SPACE

4X
WAFER CAPACITY

550+
DIRECT POSITIONS

1,000+
DIRECT AND INDIRECT JOBS

The results show a clear progression from retaining an established employer to securing new investment, new production capacity and continued job growth in Sherman.



THE BEST RETENTION PROJECTS DO MORE THAN KEEP A COMPANY. THEY GIVE THAT COMPANY EVERY REASON TO INVEST AGAIN.

SECONDARY BENEFITS

A local expansion with national relevance.

Coherent's growth strengthens Sherman's broader semiconductor and advanced manufacturing ecosystem. Its photonics operation complements major local investments in semiconductor fabrication and silicon wafer production, giving suppliers and future prospects another reason to consider Sherman.

The expansion also creates more opportunities for engineers, technicians, maintenance professionals and skilled production workers. That demand supports stronger alignment with schools, colleges and workforce partners, including Austin College's engineering program and internship opportunities, while giving local students more pathways into advanced manufacturing careers.

Coherent's growth is also creating a direct investment in Sherman's future workforce. Through SEDCO's Community Involvement Obligation, the company committed $30,500 to Sherman High School programs supporting Advanced Manufacturing, Electrical Engineering Technology and Robotics. The investment helps strengthen the local talent pipeline and connects students with the technical skills needed by Sherman's growing semiconductor sector.

The benefits extend into the local business community as well. SEDCO's Buy Local Grant encourages qualifying project spending with Sherman companies, helping more of the economic activity generated by the expansion remain in the community.

There is also a strong recruitment benefit. Site selectors and corporate decision makers do not have to take Sherman's word for it when they ask whether a global technology company can succeed here. Coherent's continued reinvestment provides proof.

The project also has national relevance. Indium phosphide photonic devices are essential to moving data efficiently through AI datacenters and advanced communications networks. Expanding production in Sherman strengthens domestic manufacturing capacity for a technology that is becoming increasingly important to the nation's economic and technology infrastructure.

That national significance was on full display at Coherent's June 2026 groundbreaking, which brought NVIDIA founder and CEO Jensen Huang, Coherent CEO Jim Anderson, state economic development leadership and local officials together in Sherman. The message was clear: the next generation of AI infrastructure will require more American manufacturing capacity, and Sherman is helping build it.



Pictured from left: Adriana Cruz, Executive Director of Texas Economic Development & Tourism; Jensen Huang, Founder and CEO of NVIDIA; Jim Anderson, CEO of Coherent; Shawn Teamann, Mayor of Sherman; and Bill Frauenhofer, Executive Director for Semiconductor Investment and Innovation at the U.S. Department of Commerce.

LONG TERM IMPACT

A relationship that continues to create the next opportunity.

Coherent's Sherman story shows what business retention can become when a community stays engaged beyond the first deal.

SEDCO helped retain the company's existing workforce, relocate strategic production to Sherman, establish new 6-inch InP capability and support successive rounds of expansion. The result is more capital investment, more high-skill jobs, a stronger semiconductor cluster and a deeper role for Sherman in the domestic supply chain.

For a community, there is a meaningful difference between keeping a company and helping it choose you again. Coherent has continued to choose Sherman.

That is the lasting value of this project. It did not simply protect what was already here. It created the conditions for the next investment, the next product line and the next opportunity.

