

**CITY OF HONDO  
ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS MEEETING  
MINUTES  
JANUARY 5, 2006  
6:00 P.M.**

The City of Hondo Economic Development Corporation Board of Directors met on the 5<sup>th</sup> day of January, 2006, at 6:00 p.m. in the City Council Chambers, City Hall, 1600 Avenue M, Hondo, Texas.

Present: Board members Arturo Dominguez, Jr., President, Ann-Michelle Long, Secretary, Aniceto Colunga, Keith Lutz, and Eric Torres

Absent: Board members James Garcia and Vance Tomey

City Staff: Robert T. Herrera, City Manager, Carol Buttler, Assistant City Manager, Debbie Sills, City Treasurer, and Beatrice Cervantez, City Secretary

President Dominguez called the meeting to order at 6:01 p.m.

( 3.) DISCUSS THE ECONOMIC DEVELOPMENT CORPORATION (EDC) REPORT TO THE STATE COMPTROLLER.

Debbie Sills presented the Revenues and Expenditures report for Fiscal Year 2004-2005. By consensus, the Board approved the EDC report to be forwarded to the City Council by Secretary of the Board Ann-Michelle Long and submitted by City staff to the State Comptroller. President Dominguez requested an update at the next Board meeting regarding the downtown development project.

( 4.) DISCUSS THE ADOPTION OF A MISSION STATEMENT.

President Dominguez read the proposed mission statement:

“To promote, encourage, enhance and attract the creation of primary jobs and expansion of the local tax base through projects which assist in the creation, retention and expansion of new and existing employers.”

Robert T. Herrera said he had developed this mission statement after reading several models throughout the state. The word “primary” comes from state legislation that created the 4B economic development tax, and it means full-time position or the equivalent. Mr. Herrera said the Board could propose changes before formal adoption at a later date. President Dominguez said the proposed mission statement summarizes what he believes this Corporation wants.

( 5.) DISCUSS THE ADOPTION OF THE CORPORATION'S PRIMARY ECONOMIC DEVELOPMENT GOALS.

President Dominguez said the Board needs to give the City Manager direction and ideas about businesses they are looking to attract and what should be funded. Under Objective I – to provide assistance to existing employers to create new jobs, retain existing jobs and increase capital investment, the Board discussed the importance of maintaining communications with large employers regarding their continued success in Hondo and whether they might need assistance.

Following a presentation by Mr. Herrera of the three primary economic development objectives of the CoHEDC, President Dominguez suggested that the Board discuss each goal, one by one. By consensus, the Board was in agreement.

President Dominguez discussed Objective II – to create new permanent jobs and increase the tax base through employer attraction. By consensus, the Board accepted this goal. President Dominguez then discussed Objective III – to educate the public about economic development issues, keeping local citizens, businesses, industries and volunteer associations informed about economic development initiatives. Mr. Herrera said City staff and outside sources would help with development of a site specific to economic development with a link to the Chamber of Commerce and a link from the City's website. Mr. Herrera said it was amazing how many people visit the City's website and are interested in communities located west of San Antonio.

Board members requested information on the number of visits to the Hondo websites. They also suggested links on the City's web page to assist businesses by communicating available resources. It was consensus of the Board to move forward with the recommended Objectives.

( 6.) REVIEW PROPOSED CITY OF HONDO HEDC APPLICATION.

President Dominguez discussed the proposed HEDC application to be made available to anyone who wants to present a request to the Board for funding assistance. Mr. Herrera said the proposed application was prepared with job creation as a priority. Keith Lutz suggested adding references. President Dominguez suggested creating a preliminary form to state what the applicant is interested in doing before they proceed with completing the CoHEDC application for funding. Mr. Lutz said the City could provide the mission statement and other pertinent information and if the business meets the criteria and proposes to bring new jobs, the applicant can then decide whether to move forward and make application. Mr. Herrera suggested a letter of interest asking if funding is available for what the applicant is proposing.

Mayor James W. Danner said that whatever the Board decides, they need to have some indication of financial position so that staff can delineate which applicants are true players and are financially capable of accomplishing what they are proposing. Ms. Sills suggested conducting a credit check before moving forward with completing an application. Mr. Herrera discussed a basic application for applicants requesting a small amount of funding. Mr. Lutz said that other than adding references and the authorization for credit release, he agreed with the application presented by City staff. Mayor Danner suggested that trade and bank references be added as well. It was consensus of the Board to proceed with these changes.

( 7.) RECEIVE REPORT FROM CITY MANAGER ON CURRENT ECONOMIC DEVELOPMENT ACTIVITIES.

Mr. Herrera reported on the Walmart Supercenter project that was going well. He discussed the amount collected for permits. Their goal was initially to open by August 2006, but he believed it might be July. Mr. Herrera said the City was still negotiating with a company to bring in a rail spur. This operation will bring additional jobs to the City. They currently employ 25 full-time employees, and some of them would be relocating from San Antonio. Walmart expects to hire from 100-125 additional people, including part-time and full-time jobs. The City hopes that at least 25% of the additional work force will seek homes in Hondo, and this might be a good opportunity for housing development. Mr. Herrera discussed other projects that will help bring in more development. He said the City was doing its part in hopes that developers will come in and move forward with their projects.

The City is also upsizing and relocating U.S. 90 utilities and will soon kick off the highway widening program. These projects should help draw additional commercial development to Hondo now that utilities will be available. Mr. Herrera said there would be additional opportunities surrounding the Walmart development within the next 12-15 months. He said Walmart tends to attract other development. Mr. Herrera discussed the availability of a secondary road system on 22<sup>nd</sup> Street which could be funded through a grant or may be a project for the 4B Corporation to consider for funding.

Mr. Herrera said that in the last 30 days, there were an additional 10 new housing projects started. President Dominguez said he and Mr. Herrera met with Beverly Gruber regarding the Hospital's request for CoHEDC assistance towards \$750,000 needed to receive a loan for \$11.5 million. Mr. Dominguez said the 4B Board should consider the possibility of funding some of that amount, maybe in payments. Mr. Herrera said that according to the City Attorney, this would be

allowed but may be restricted depending on how the project is defined. The funds would have to go towards a public purpose such as sewer. Mayor Danner said it was still not certain exactly what USDA would be requiring at this point.

President Dominguez said that after Crane Plumbing, the Hospital is the biggest employer. He asked the Board if they believed they should be going in a different direction. Mr. Dominguez said the goal of the Board was to initially raise funds and make small amounts available. Mrs. Long said she believed they were on the right track. There were many projects mentioned that she agreed are needed. Mr. Dominguez said it would take another 1-2 years to build up the 4B fund and make larger amounts available. In the meantime, they could authorize small amounts as projects come up. He said goal setting should help the Board to accomplish their mission. President Dominguez said he would like to meet every 4-6 weeks and by consensus, the Board agreed to start meeting on a regular basis. Mr. Dominguez said the Board needs to discuss each strategy in one-hour sessions.

Mayor Danner said the CoHEDC's Objective I was also the Chamber HEDC's Number One goal and should be prioritized. He said the City needs help with developing incentives and putting together an incentives package to be made available to potential businesses wanting to come in. Mayor Danner said some of the work has been done but it was still in the initial stage.

There being no further business to come before the Board, the meeting was adjourned at 6:55 p.m.

PASSED AND APPROVED ON THE 28<sup>TH</sup> DAY OF FEBRUARY, 2006.

---

ARTURO DOMINGUEZ, JR.  
PRESIDENT

ATTEST:

---

Ann-Michelle Long, Secretary

Minutes Prepared by: \_\_\_\_\_  
Beatrice Cervantez, City Secretary