

**MINUTES
CITY OF HONDO
ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
AUGUST 28, 2007, 5:30 P.M.**

The City of Hondo Economic Development Corporation Board of Directors (CoHEDC) met on the 28th day of August, 2007, at 5:32 p.m. in the City Council Chambers, City Hall, 1600 Avenue M, Hondo, Texas.

Present: Board Members Arturo Dominguez, Jr., President, Keith Lutz, Eric Torres, Jim Tomey, James Garcia and Aniceto Colunga.

Absent: Ann-Michelle Long, Secretary

City Staff: Robert T. Herrera, City Manager and Yolanda C. Benitez, City Secretary

Guests: Mayor James Danner, Clay Binford and Jeff Kuhn, Bond Counsel from Fulbright and Jaworski, Abraham Hinojosa and Luis Elizondo-Thompson, Financial Advisors from Estrada-Hinojosa

President Dominguez called the meeting to order at 5.32 p.m.

3. APPROVAL OF MINUTES

Motion was made by Aniceto Colunga and seconded by Keith Lutz, to approve the minutes of the August 14, 2007 meeting, as written. Motion carried 5 to 0.

4. DISCUSSION REGARDING PURCHASE OF RAIL SWITCH AND SPUR FROM CITY MANAGER AND BOND COUNSEL.

City Manager Robert Herrera explained the issue with the rail switch and spur and noted that the amount from the HEDC would still be \$875,000.

Clay Binford, of Fulbright and Jaworski, stated that there are limitations on the use of the proceeds and explained the taxable items. He also explained the options available.

Luis Elizondo-Thompson, of Estrada-Hinojosa, reviewed the projects being proposed.

Mr. Herrera stated that he will be meeting with the four Hondo banks on Wednesday, August 29, 2007 regarding their interest in participating in the issuance of the Certificates of Obligation.

Board member James Garcia inquired as to the date that the vote on the tax rate would take place. City Secretary Yolanda Benitez replied that the anticipated date that the council will vote on the tax rate is September 24, 2007.

It was the consensus of the Board members to accept the recommendation of Bond Counsel with regard to this item.

5. PUBLIC HEARING REGARDING THE FOLLOWING:

The City of Hondo 4B Economic Development Corporation (the "Corporation"), created by the City of Hondo, Texas (the "City"), and the City intend to participate in "Projects", as

defined in the Development Corporation Act of 1979, as amended, Texas Revised Civil Statutes Annotated Article 5190.6, including (a) constructing, acquiring, purchasing, renovating, equipping, enlarging, and improving (i) certain commercial streets and roads within the City's limits, particularly being the extension of 22nd Street and Veterans Boulevard, respectively and (ii) infrastructure development within the industrial park that is a part of the Hondo Municipal Airport (the "Airport"); (b) purchasing a railroad switch and related spur line near the Airport; and (c) the payment of professional services related to the construction, design, and financing of the aforementioned projects, which projects will promote or develop new or expanded business enterprises in the City.

President Dominguez opened the public hearing at 5:53 p.m.

No one came forward to speak with regard to this item; however, President Dominguez stated that he would keep the public hearing open for a few minutes in case someone arrived and wished to speak.

There being no one present wishing to speak, President Dominguez closed the public hearing at 6:02 p.m.

6. **ADJOURN:** There being no further business to come before the Board, President Dominguez adjourned the meeting at 6:03 p.m.

PASSED AND APPROVED ON THIS 16th DAY OF October, 2007.

ARTURO DOMINGUEZ, JR.
PRESIDENT

ATTEST:

ANN-MICHELLE LONG, SECRETARY

YOLANDA C. BENITEZ, CITY SECRETARY