

CITY OF HONDO  
ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS MEEETING  
MINUTES  
JANUARY 11, 2005  
6:00 P.M.

The City of Hondo Economic Development Corporation Board of Directors met on the 11<sup>th</sup> day of January, 2005, at 6:00 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 and Kevin Christiansen

Absent: Secretary of the Board Ann-Michelle Long, James Garcia and Trinidad Cuellar

City Staff: Robert T. Herrera, City Manager, Carol Buttler, Director of Community Development, Debbie Sills, City Treasurer, and Beatrice Cervantez, City Secretary

Chairman Dominguez called the meeting to order at 6:00 p.m.

3. APPROVAL OF MINUTES.

Motion was made by Keith Lutz, seconded by Eric Torres, to approve the minutes of the August 23, 2004 minutes, as written. Motion carried: 4 Ayes; 0 Nays.

4. A. TREASURER'S REPORT-CURRENT FUNDS AS OF DECEMBER 31, 2004, PROJECTIONS, AND AVERAGE MONTHLY INCOME

Debbie Sills presented the Treasurer's Report for the City of Hondo Economic Development Corporation. As of December 31, 2005, the balance was \$84,118.31. Mr. Herrera discussed the State Comptroller's Allocation Historical Summary furnished to the Board members that shows local sales and use tax allocations for Hondo from 1982 through 2004. He projected that in 2005, Hondo would receive an additional \$250,000 from the 4B half cent sales tax.

B. ANNUAL REPORT TO THE COMPTROLLER

Debbie Sills advised the Board that it was not necessary for the 4B Corporation to submit an annual report to the State Comptroller for the Year 2004 since they had just incorporated. A copy of an email from the Comptroller was included in the agenda packet.

5. PRESIDENT'S OVERVIEW-PURPOSE OF MEETING-WHERE ARE WE TODAY, WHICH WAY SHOULD WE GO AND HOW TO GET THERE.

President Dominguez said this Board was a direct result of Mayor Ed Fisher who was always in a position to lead and had the foresight to realize that economic development was important to Hondo's future. Mayor Fisher was a proponent behind the drive to create a 4B Corporation to fund economic development. He asked for a moment of silence to pay tribute to Mayor Ed Fisher. President Dominguez said he would like to cover all sectors of the community and help improve the state of the economy.

President Dominguez moved up Item #7 in order to allow Rita Vance to make her presentations due to other commitments.

7. PRESENTATION BY MS. RITA VANCE & EVELYNE BARBUTTI,  
CHAMBER OF COMMERCE

Rita Vance said that when she joined the Chamber of Commerce 2-3 years ago she noticed there was a need to revitalize Main Street. The Chamber could not make improvements on its own, and the City could not assist at that time. The Chamber members decided to form their own committee. Now the project has been placed on hold, and Ms. Vance said they would like direction on how to proceed.

Sean Nooner, Chamber of Commerce President, said Hondo was behind on providing incentives that attract development. There are no tax abatements or enterprise zones nor are there tax breaks that are based on investments, jobs, and hiring of minorities. Mr. Nooner discussed that there are groups in San Antonio that can offer tax abatement programs. He said the main goal for the Hondo Chamber is to have something similar with a key focus to attract people to Hondo.

In response to President Dominguez' question, Evelyne Barbutti said there are a lot of retirees coming to Hondo. She said prospective businesses also want to come to Hondo because they know that in the next 3-5 years Hondo will be experiencing significant business and job growth.

6. PRESENTATION BY MR. JIM DANNER, CHAIR-HONDO ECONOMIC  
DEVELOPMENT COMMITTEE

A. OVERVIEW OF COMMITTEE'S PLAN

B. HOW DOES HE ENVISION HED COMMITTEE & HED CORPORATION  
WORKING TOGETHER?

C. HONDO STRATEGIC ECONOMIC DEVELOPMENT PLAN

Jim Danner, Chairman of the Hondo Economic Development Committee, presented the Hondo Strategic Economic Development Plan completed by the Committee in July 2003. He discussed the history of the Plan and reported on what they had accomplished.

All but five key issues were accomplished. These include (1) a 5-year Capital Improvement Plan for the City including input from citizens, the different boards and the Chamber of Commerce; (2) to develop an incentives package to attract new business and housing to Hondo; (3) to create a business recruitment team; (4) to develop an educational program on the benefits of becoming a "home rule" city and then appointing a committee to work on its passage; and (5) for this Committee to incorporate as a 501C(3) non-profit corporation to enable them to hold fundraisers. This citizens group will serve as a conduit, alongside the City, to promote different areas of economic development. Mr. Danner stated that the 5-year CIP Plan and adoption of a Home Rule Charter are his priorities.

9. CURRENT CITY OF HONDO ECONOMIC ACTIVITY ACTIONS-CITY  
MANAGER, MR. HERRERA & CAROL BUTTLER

A. AIRPORT ACTIVITY

Michael Corrigan, Chairman of the Airport Advisory Board, discussed economic indicators in the last year. He said the Airport had been stagnant for a few years but could have an economic impact by drawing people in from the outside. Mr. Corrigan discussed the need for a terminal for pilots to make one stop. He also discussed the EAA Fly-In event that was coming to Hondo and their plans to stay permanently. Mr. Corrigan said this event will have a significant economic impact for Hondo. He said the first year will be a learning experience but will improve in subsequent years.

Mr. Corrigan said the Airport was being maintained well, from the grass upkeep and building demolition to upgrading the Airport Master Plan. He said the Airport needs a terminal, and the Board will also be working on signage. Mr. Corrigan discussed the new hangars and new tenants at the Airport. He said the City also needs to develop the Industrial Park.

Mr. Herrera said it was extremely important to have infrastructure in place. It is costly for the City to pressurize the water at the Airport and in the City. He discussed the Airport Master Plan grant to study the 3,300 acres that the City plans to develop for an appropriate business use. The Plan will assist the City in getting land released for development, it will help point the City in the right direction, and it will point out any deficiencies.

Mr. Herrera said Hondo was still being considered for the flight training school. There were six to seven other communities also vying for this school. If awarded, it would bring 200 white collar positions and other economic benefits for the City. He said the U.S. Government had not determined when they would have the results, possibly in Late January or Early February.

Mr. Herrera said the Department of Defense was also interested in the Airport location but did not want it announced publicly yet. Other individuals and companies are considering Hondo for business development. Mr. Herrera discussed the timeline for the Airport Master Plan study.

President Dominguez asked what the first priority was for the Airport. Mr. Corrigan replied that a nice FBO/terminal building was needed for pilots. A grant is available to the City to fund this project, but must meet infrastructure requirements. He said the Airport is gradually improving, and things are getting done. Mr. Herrera said the Airport has done well in the last two years of balancing the budget and building it up, but the City needs current plans in order to enhance Airport development.

Evelyne Barbutti discussed the large turnout expected for the Fly-In, between 1,000 and 3,000. Mr. Herrera said the EAA handles the management of the event, and the Chamber will assist with the vendors.

#### B. HIGHWAY 90 DEVELOPMENT-WAL MART

Carol Buttler said the City completed most of the preliminary work on the Walmart development project, and the next step was to seek site plan and subdivision plat approval. A discussion ensued regarding the potential for commercial development near the proposed Walmart Supercenter.

Ms. Buttler went on to discuss how the Walmart development will benefit the City in that area of town. They will be assisting with water line needs, road development, and a traffic light in addition to increasing the tax base. Keith Lutz said a 50% increase in sales tax was projected. Mr. Herrera discussed that there was also interest in developing property on West US 90 but there is limited water and sewer service available to that area. He said he hoped that with the US 90 expansion project by TxDOT, the City would be able to expand utility lines.

#### C. DOWNTOWN HONDO REDEVELOPMENT

Steve Trevino, Chairman of the Downtown Advisory Board, discussed the following items:

(1) Beautification of the downtown area and what the community can do to assist in its revitalization to attract visitors and provide parking. He said parking was an issue, and Lt. Wesley Beck was working on a diagram of what he believed was the best possible parking arrangement.

(2) To bring a farmer's market, live shows, and other such attractions to Hondo;

(3) To select a catchphrase that would draw attention to the downtown area on the right side of the railroad tracks.

Mr. Trevino discussed the types of retail and merchandise that might be popular for this area. He discussed the need to help businesses get creative in order to compete with large retail stores.

Mr. Trevino went on to discuss the possibility of an amphitheatre near the County Courthouse. Mr. Herrera said if there is a funding need, there is an opportunity to make a request to the City's HEDC. They would need to be projects that promote the City. Mr. Herrera said the Corporation can also provide leverage for grants.

President Dominguez asked Mr. Trevino what his Committee's Number 1 priority was, and Mr. Trevino replied that overall beautification of the downtown areas was their first priority. Ms. Barbutti asked if all requests need to be brought to a meeting, and Mr. Herrera said he would check but believed that anything less than debt issuance could be done internally. President Dominguez said the Corporation can generate debt if needed. Ms. Buttler reported on a grant for decorative lighting that she and a grant consultant were reviewing.

#### D. DISCUSS FUTURE RAILROAD CROSSING

The City Manager presented 1998 figures for a railroad crossing where the new light is being installed. He said such a crossing is difficult to get, but it is possible. If the Board directs, the City can start the process. Mr. Herrera said in the likelihood that Union Pacific would approve of the crossing, the City would then have to pay for most of the expense. The Board also discussed other highway improvements needed that would attract more development and prepare Hondo for projected growth. President Dominguez asked if the Board wanted to pursue the feasibility of a railroad crossing, and by consensus, the Board agreed.

#### E. OTHER CITY OF HONDO INITIATED ECONOMIC DEVELOPMENT EFFORTS

Mr. Herrera discussed information provided in the agenda packet that the Board should review thoroughly. It discusses leveraging for other development in addition to public and private grants. Mr. Herrera discussed infrastructure

projects in progress or that are being proposed by the City that will help attract development to Hondo. President Dominguez said lots of demands are placed on the City, and now the 4B Corporation will be able help with funding.

8. REVIEW OF ECONOMIC DEVELOPMENT PLANNING PROPOSAL BY HAWES, HILL, CALDERON, LLP-DISCUSS COST PROPOSAL.

President Dominguez discussed the need for economic development planning and training. He suggested inviting interested groups to help map out the future of Hondo. President Dominguez recommended dividing the expense to hire the firm of Hawes, Hill, Calderon, LLP so that the City of Hondo, the City's HEDC and the Chamber's HEDC will each pay \$833.00 of the \$2,500 study.

Mr. Herrera said this firm does a variety of projects, one of which is to provide education on the types of economic incentive packages that are available. It is a 3-4 hour session in a classroom setting that discusses the pros and cons of different development opportunities. Jim Danner said the Chamber HEDC was interested in funding their portion.

Motion was made by Keith Lutz, seconded by Eric Torres, to accept the proposal by Hawes, Hill, Calderon, LLP, and that the Corporation fund 1/3 of the cost to conduct a study. Motion carried: 4 Ayes; 0 Nays.

President Dominguez said he would like for this Board to meet once a quarter.

There being no further business to come before the Board, President Dominguez adjourned the meeting at 7:40 p.m.

PASSED AND APPROVED ON THE 24<sup>TH</sup> DAY OF AUGUST, 2005.

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ARTURO DOMINGUEZ, PRESIDENT

ATTEST:

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Ann-Michelle Long, Secretary

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