

CITY OF HONDO
ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEEETING
MINUTES
AUGUST 24, 2005
6:00 P.M.

The City of Hondo Economic Development Corporation Board of Directors met on the 24th day of August , 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, Ann-Michelle Long, Secretary, Aniceto Colunga, Keith Lutz, and Vance Tomey

Absent: Board Members Eric Torres and James Garcia (Mr. Garcia arrived during Item #8 discussion.)

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 6:05 p.m.

(3.) APPROVAL OF JANUARY 11, 2005 MINUTES

Following minor corrections to the minutes, motion was made by Keith Lutz, seconded by Ann-Michelle Long, to approve the minutes of the January 11, 2005 Economic Development Corporation Board meeting with corrections. Motion carried: 4 Ayes 0 Nays.

(4.) INTRODUCTION OF NEWEST 4B BOARD MEMBER – ANICETO COLUNGA RECOGNITION OF FORMER BOARD MEMBER.

Chairman Dominguez introduced and welcomed new Board Member Aniceto Colunga who was appointed to replace the Late Trinidad Cuellar.

(5.) TREASURER REPORT

Current Funds as of July 31, 2005, end of 3rd Quarter 2005
Analysis/Projections, Monthly Breakdowns
Expenditure Report

Debbie Sills, City Treasurer, presented the Treasurer report and answered questions. Mr. Herrera presented an update from the State Comptroller showing a trend that revenues from the 4B half-cent tax will meet or exceed budget projections. He clarified that the purpose of the \$40,000 annual transfer, in monthly increments, to the General Fund was for overhead expenses. Mr. Herrera

discussed the proposed budget for the 4B Corporation that would not change significantly. The only expense that was added for FY 2005-2006 was funding for the downtown development project. This Board would be hearing a proposal from the Downtown Advisory Committee regarding this project. It was consensus of the Board to accept the Treasurer's Report.

(8.) FUNDING REQUEST – DOWNTOWN ADVISORY BOARD –
Mr. Steve Trevino - DOWNTOWN HONDO REDESIGN PLANS

Chairman Dominguez presented an update regarding work by the Downtown Advisory Board. Wayne Cooper of Halff Associates presented a progress report on the downtown redesign plans. Mr. Cooper discussed factors that were considered in order to come up with two concepts. He said the downtown location is a logical choice for development because of its infrastructure, density, and landmark recognition. He discussed other factors they considered: Downtown is separated by the railroad track, locations of City Hall and the Courthouse, the abundance of parking, and downtown business hours.

Mr. Cooper discussed both concepts in detail and said the plans would be available for review at City Hall. He discussed the need for ideas about adjacent land uses that would support the downtown area and make it more viable. He also discussed the need to develop ideas about character treatments, aesthetic guidelines, building facades and materials, on a long-term basis.

Steve Trevino, Downtown Advisory Committee Chairman, discussed the expenses involved and asked if the facade theme would be affordable. Mr. Cooper said Jim Carrillo (with Halff Associates) would work with the Committee on determining cost. President Dominguez recalled that the Board and the City authorized \$2,500 payment to Mr. Carrillo for a walk-through in order to come up with an idea. He asked what would be included in the next \$15,000 being proposed. Mr. Cooper said his firm would develop a final concept based on input from the Downtown Committee, the 4B Board and citizens. Mr. Cooper said they would compile information on costs (including construction) in order to establish budgets and time frames using an incremental approach for each phase of the project.

Mr. Herrera asked Mr. Cooper if there would be any net reduction of parking areas on either concept. Mr. Cooper said parking currently consists of 620 spaces, including public and private parking. He said Concept #1 would include 556 spaces, with a reduction of 64 spaces; and Concept #2 would include 555 spaces, with a reduction of 65 spaces. A discussion ensued regarding the need for additional parking spaces in the downtown district. Mr. Cooper discussed ideas for maximizing existing parking spaces in order to create additional spaces.

The Board and staff then discussed with Mr. Cooper ideas and suggestions for signage and entryways that might attract visitors to the downtown area.

In response to President Dominguez' questions, Mr. Cooper said that depending on material costs and work involved, the project cost could range anywhere between \$500,000 to \$1 million. He said grant funding is available for different pieces such as sidewalks, and his firm also provides grant writing services. He said the project could be completed in phases and suggested that the Board come up with a master plan and determine how they would like to implement it.

To the question of why the City is spending public funds for Downtown Hondo, Mr. Trevino said his response would be that Downtown is the heart of the City. He said the City needs someone who is qualified to assist the City with making the downtown district come to life to benefit everyone.

Mr. Herrera discussed the need to include technology for a PA system. Mr. Cooper suggested including plenty of wiring to accommodate future upgrades instead of installing a system that might become obsolete.

Evelyne Barbutti discussed her concerns with access for large trucks through narrow streets (as proposed in the drawings) and also with lack of parking in certain parts of town. Mr. Cooper said no definitive parking study was done but his firm could perform one before the final plans are completed. Ms. Barbutti suggested inviting input from the downtown merchants. Mr. Herrera said he was not aware of problems with narrow streets in other places although the City would have to address perceived concerns with truck traffic. Mr. Cooper said TxDOT will sometimes allow narrow streets, but it is possible that they will not allow it for Avenue M. This would have to be discussed with TxDOT officials.

Sean Noonan said the downtown area has visibility problems and asked if the trees to be planted at the corners would cause further obstructions. Mr. Cooper said the project would be planned so that the diameter of the trees and shrubs would not exceed a certain size and therefore not obstruct visibility. In response to Mr. Lutz' question regarding a parking buffer, Mr. Cooper said parking would go further back and help the obstruction problem for more safe traffic flow. President Dominguez said part of the problem was with illegally parked cars.

Mr. Herrera said part of this exercise was to look at existing buildings and make recommendations on adopting a uniform design. He discussed the use of canopies which can further improve the appearance of the buildings. Mr. Cooper suggested developing guidelines for a uniform downtown appearance specific to Downtown Hondo.

Mr. Trevino reported on the Committee's walk-through and different ideas they had discussed. President Dominguez recommended approval for funding to Halff Associates in the amount of \$15,000 for the initial concept drawings and \$7,500 plus \$300 expenses for the final drawings. Mr. Herrera said the City Council was aware of this expense which was included in the City's budget.

Motion was made by Keith Lutz, seconded by Aniceto Colunga, to approve up to \$23,000 for Halff & Associates to continue with the downtown project as discussed. Motion carried: 5 Ayes; 0 Nays. Mr. Cooper agreed to provide periodic updates on this project.

(6.) CHAIRMAN'S OVERVIEW – WHERE ARE WE TODAY?

President Dominguez discussed the perception that this Board may not be active since they do not meet on a regular basis. He discussed the board's goal of \$500,000 in sales tax revenue before undertaking any project. President Dominguez then reported on the Board's training, activities and progress and said he felt they were at a point where they needed to start the planning process. He presented a memo to Mr. Herrera recommending how he would like the Board to proceed.

President Dominguez said he hoped the 4B Corporation would be a bridge for projects like the Downtown project. He said he hoped other boards that have funding needs would also come to the 4B Board to ask for money. President Dominguez said if a corporation was interested in locating to Hondo and needed money to start, they also could make a request to the Board.

(7.) CHAIRPERSON & SECRETARY APPOINTMENT – RENEW OR SELECT NEW

President Dominguez said he would like the Board to decide on whether to select the same members or elect new officers every fiscal year. He then requested nominations for chair person and secretary, effective upon the start of the next fiscal year.

Motion was made by Keith Lutz, seconded by James Garcia, to elect Arturo Dominguez and Ann-Michelle Long to continue serving on the 4B Board as chairman and secretary. Motion carried: 5 Ayes; 0 Nays.

(9.) CURRENT CITY OF HONDO ECONOMIC ACTIVITY ACTIONS AND NEW LEGISLATION (ROBERT T. HERRERA AND CAROL BUTTLER)

Mr. Herrera agreed that the Board should start thinking about building its own fund and establish its own credit. He discussed strategies for establishing a good credit rating in order to get better interest rates when financing a project. Mr. Herrera went on to discuss the Airport Master Plan and the goal to develop 3,300 acres into an industrial complex. He presented a draft of a map prepared by a consultant that the City believed would be performing the comprehensive study. Mr. Herrera said the project includes the Airport development plan, a road system and a railroad spur desirable in developing commercial, industrial and aviation related properties.

Mr. Herrera said the Council had asked him to pursue negotiations with a group for a railroad spur. He went on to report on his discussions with Union Pacific regarding the possibility of a new railroad crossing adjacent to the Wal-mart property (Veterans Boulevard). This may require closure of two existing crossings. This proposal will be discussed further with the City Council, and Mr. Herrera said he was confident that the proposed crossing could be accomplished. The cost would be funded by the City and could perhaps qualify as a 4B project. The cost is \$350,000 for one crossing, but it could open up further development to the north and east of Hondo.

Mr. Herrera said land owners had already approached the City and offered to dedicate thoroughfares and rights-of-way. Recently enacted legislation allows 4B corporations to entertain sewer development, walks, buildings, etc. that were not allowed before, as long as such improvements are tied back to promotion, development and retention of a business. Mr. Herrera said the City was also approached by two different individuals interested in airport properties for subdivision development. He said overall interest was increasing, and the City would require some assistance from the 4B Corporation.

Ms. Buttler gave a progress report regarding the Wal-mart project. Mr. Herrera discussed briefly the U.S. 90 turn lane that was funded with certificates of obligation authorized by the City Council. This project will make traveling safer while hopefully attracting additional development to the areas surrounding Wal-mart. In response to Ms. Barbutti's question, Ms. Buttler discussed the Main Street Program that provides funding for certain improvements such as sidewalks and lighting. It's a once-a-year funding cycle, and the City did not have sufficient information available to meet this year's deadline but would target next summer's deadline. Mr. Tomey discussed the need for technical expertise and familiarity with this type project. Ms. Buttler said she knew of a grant consultant who deals with this type grant and who could probably assist the City with preparing a grant application.

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President Dominguez said he did not anticipate scheduling another meeting until Fall.

There being no further business to come before the Board, President Dominguez adjourned the meeting at 7:10 p.m.

PASSED AND APPROVED ON THE 28TH DAY OF FEBRUARY, 2006.

ARTURO DOMINGUEZ, JR.
PRESIDENT

ATTEST:

Ann-Michelle Long, Secretary

Minutes prepared by:

Beatrice Cervantez, City Secretary