

**Sonora Economic Development Corporation**  
**307 E. Oak**  
**Sonora TX 76950**  
**MINUTES OF BOARD MEETING**

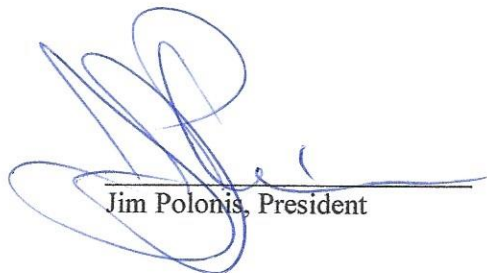
The Sonora Economic Development Corporation (SEDC) board of directors met in regular session at the Sonora Economic Development meeting room on December 4, 2019 with the following directors present: Jim Polonis, Tonya Brown, Jo Ann Hernandez, Pascual Hernandez, Espy Whitehead, Tara Wagoner and Anita Hudson.

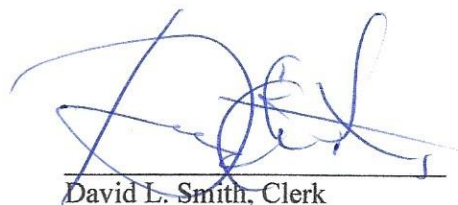
1. Jim called the meeting to order with a quorum present at 11:32 a.m.
2. Tonya gave the invocation.
3. Lunch was served and the only matter discussed was the City Council's possibly calling an election to ask the voters to reduce the SEDC portion of the sales tax revenue by half, why that is not a good idea and how to make a presentation to the council at the Joint Council/Board meeting on December 9, requesting that the City not do that and proposing an agreement with the City to help them, within the parameters of what SEDC can do, with their budget short fall problems, starting the discussion with the proposed contract SEDC has presented to them.

David presented a sheet of discussion points (a copy of which is attached), which were discussed along with some other points, among them were

- The money the City would get is not significant as compared with the City budget. This year it would be approximately ½ of 1%.
  - We need to have a vibrant EDC ready when the reliever route moving toward completion.
  - We need to work together as a team for the benefit of Sonora
  - David needs to be ready on the list of businesses helped that are still open.
  - David needs to determine the dollars in the group of 5 Max Howorth is working on and what % this is of the total projects and see if Max can estimate the total affect of our total outlay on the assumption that they would be about the same as the 5 studied.
  - Jim will be in a position to recommend switching the Eaton Hill project to the Hotel/Motel tax after this year, either way.
  - Each member listed one or more persons SEDC has helped in the past and ask them to be at the meeting.
4. There were no committee reports or public comments.
  5. At 1:10 p.m., upon motion by Pascual and second by Espy, the meeting adjourned.

Approved by the SEDC Board of Directors this the 8<sup>th</sup> day of January, 2020.

  
Jim Polonis, President

  
David L. Smith, Clerk

DISCUSSION POINTS FOR JOINT CITY COUNCIL - SEDC MEETING  
(Revised 12/6/19)

The SEDC Board understands that the City is in a tight spot financially.

They want to help, but would like to do it in a way that does not permanently take away the SEDC/City ability to seek and/or respond to Economic Development opportunities for Sonora in the future. We need to have a vibrant EDC ready when the reliever route is moving toward completion.

Our proposed contract gives you pretty much what you would get by holding a successful election to reduce our funds.

The contract the board proposes is an offer and the board is here to negotiate if you have issues with it.

The board's concern is that if half of the Economic Development funds disappear permanently into the General Fund, the City and SEDC will not have the flexibility of respond to economic development opportunities in the future.

By doing a contract in several-year increments, we feel that SEDC can keep sufficient reserves to be able to respond to a prospective new business and still give the City and SEDC the flexibility to begin helping the City immediately, with the opportunity for the Council and Board to review, adjust and extend our agreement as future, unknown, possibilities may require.

With a contract and its fulfilling projects, selected by the City, Economic Development funds can begin helping as early as February. With a successful election it would be June at the earliest.

By directing additional SEDC dollars to the Love's infrastructure project, the City can then use funds planned for that elsewhere, or you may want to use some of it elsewhere, such as an airport or swimming pool project.

Keep in mind that half of SEDC's yearly economic development funds only amounts to one-half of 1 percent of the City's annual budget. On a permanent basis, this will be a terrible blow to Sonora economic development activity for not very much help on the City Budget.

SEDC has made a huge impact for the good on our City:

- It has contributed \$336,014.00 to City projects, at the airport, the swimming pool and the golf course and including the Loves infrastructure.
- It has contributed \$135,513.00 to County projects at the arena.
- It has, in addition to Eaton Hill, contributed \$145,342.51 to other public Projects, such as The Ice House Ranch Museum and the Viva Sonora park.
- In all, about 58% of the SEDC projects funds have contributed to Public Projects.
- SEDC has, in that period helped 55 businesses, 46 of which (80%) are still in business.

- Not counting the \$225,000 contributed toward the Love's infrastructure, SEDC has contributed another \$454, 313.31 toward businesses that remain open today and only \$61,128.44, over that 20 year period, to businesses that are no longer open.

When SEDC helps a business, the taxes go on year after year and a significant portion of the salaries paid is spent in Sonora and those dollars have a continuing impact on our economy as a portion of those dollars turn over and over in our city.

"Don't eat the seed corn," is an ancient expression, that comes to us out of the agriculture heritage of our Country, and it is a wise admonition.

- The funds and activities of the Economic Development Corporation are the seed corn of economic development for any City.
- We urge you not to start our City down the path of eating the seed corn.