

8

NOTICE OF MEETING

SPECIAL SESSION OF THE CITY COUNCIL

TO BE HELD ON

MAY 6, 1983, AT 11:30 A.M.


IN THE CITY COUNCIL CHAMBERS

1. Canvass the Run Off Election held on May 3, 1983.
2. Presentations.
3. Inducation of Councilman Place V.
4. Reception.
5. Election of Mayor Pro Tempore.
6. Mental Health/Mental Retardation presentation.
7. Discussion of the Abilene Housing Finance Corporation.
8. Discussion of the Minority Business Development Corporation.
9. Pending & Contemplated Litigation.

9

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulleting board at the City Hall of the City of Abilene on the 3rd of May, 1983, at 10:00 a.m.

  
Assistant City Secretary

CITY COUNCIL OF THE CITY OF ABILENE  
CITY COUNCIL CHAMBER OF CITY HALL

The City Council of the City of Abilene, Texas, met in special session May 6, 1983, at 11:30 a.m., in the City Council Chambers of City Hall. Mayor Elbert E. Hall was present and presiding with Councilman Julian Bridges, Councilwoman Billye Proctor, Councilmen Carlos Rodriguez, A. E. Fogle, Jr., L. D. Hilton and Harold D. Nixon. City Manager, Ed Seegmiller, City Attorney Harvey Cargill, Jr., and Assistant City Secretary, Kelly Beard were also present.

Councilman L. D. Hilton lead the invocation.

Mayor Hall asked the Assistant City Secretary to read the following results of the May 3, 1983, Regular City Run Off Election:

<u>COUNCILMAN PLACE V</u>	<u>ABS</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>TOTAL</u>
Welton Robinson	165	502	570	422	367	352	343	329	453	429	344	4,276
Bobbie Lee Wolfe	119	174	312	126	650	202	395	233	276	269	219	2,975
Total Votes	284	676	882	548	1017	554	738	562	729	698	563	7,251
TOTAL BALLOTS	287	679	883	549	1019	555	741	565	731	701	568	7,278

BALLOTS USED FOR ENTIRE RUN OFF

<u>PRECINCT</u>	<u>BALLOTS</u>
A	01001-02000
B	03001-04000 07001-08000
C	09001-10000 11001-12000
D	13001-14000 17001-18000
E	62201-63200 63201-64200
F	64201-65200 65201-66200
G	66201-67200
H	67201-68200 68201-69200
I	69201-70200 70201-71200
J	71201-72200
ABSENTEE	51201-52200
TOTAL	18,000

Councilman Hilton moved approval of the resolution canvassing the Regular City Run Off Election held May 3, 1983 and to declare Welton Robinson the City Councilman for Place V. Councilman Nixon seconded the motion. The motion carried as follows:

AYES: Councilman Bridges, Councilwoman Proctor, Councilmen Rodriguez, Fogle, Hilton, Nixon and Mayor Hall.  
NAYS: None.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, CANVASSING THE RETURNS AND DECLARING THE RESULTS OF A RUNOFF ELECTION HELD IN THE CITY OF ABILENE, ON MAY 3, 1983.

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MAY 3,

Mayor Hall presented Mr. Hilton with a statement from the City asking him to pay back .002739726073 of his \$1 per year salary because he served two days short of his three year term. Mayor Hall also gave Mr. Hilton a magnifying glass in appreciation for his diligence in reading the minutes. Mayor Hall gave Mr. Hilton a City tie-tack, a paper weight, a Certificate of Appreciation and a City bracelet for Mrs. Hilton.

Mr. Hilton, in turn, presented each of the Council Members with a key ring with the Abilene Christian University logo. He said the key rings were to remind the Council Members that while he was getting caught up with work at ACU, the Council Members were getting further behind in theirs. He also presented the women he worked with each a red rose.

Mr. Welton Robinson was sworn in by the Assistant City Secretary as Councilman Place V. A reception was held honoring Mr. Robinson and Mr. Hilton following the induction.

Mayor Hall reconvened the Council to elect the Mayor Pro Tempore. Councilman Rodriguez moved to elect Councilman A. E. Fogle, Jr., as the Mayor Pro Tempore. Councilman Bridges seconded the motion with the inclusion of Councilman Rodriguez as Deputy Mayor Pro Tempore. The motion carried as follows:

AYES: Councilman Bridges, Councilwoman Proctor, Councilmen Rodriguez, Fogle, Robinson, Nixon and Mayor Hall.  
NAYS: None.

ELECTION  
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TEMPORE  
DEPUTY

Mr. Russ Evans, Executive Director of the Regional Mental Health/Mental Retardation Center, presented a video tape of the activities that take place at the MH/MR Center. He said the State and National philosophy regarding the mentally retarded and the mentally ill has been to deinstitutionalize those people who are capable of existing in the community. Why should a person live in an institution if he can function in a community with certain support and why keep someone in an institution at the rate of \$67 to \$100 per day if that person can live in a community at \$8 to \$10 per day. Mr. Evans explained that the MH/MR Center covers the counties of Taylor, Callahan, and Jones. He said the MH/MR Center is an agency of the State and a unit of government. The Board of Trustees was appointed in 1965 and was one of the first in the State of Texas. The Center came into being as a service provider in July, 1971 and at that time the annual budget was \$472,000. Since that time, the Center has grown to include a staff of 103 and an annual budget in excess of \$2.25 million.

Mr. Evans used an organizational chart to describe the functions of the MH/MR Center. He said the Board of Trustees are appointed by various sponsor agencies and is made up of doctors, lawyers and businessmen. His job as the Executive Director is to translate the policies of the Board of Trustees into actual procedure. The rest of the MH/MR Center is made up of Personnel Services, Fiscal Services, Evaluation and Planning Services, Clinical Services, and Medical Services. Programs available at the MH/MR Center are Adult Mental Services, Rape Crisis Services, Transitional Services, Family Mental Health Services, Youth Mental Health Services, Mental Retardation Services, Immediate Care Facility Services for the Mentally Retarded, various residential programs, Advancing Babies' Chances, and Drug Abuse Services.

Mr. Evans said at any one time, the MH/MR Center has between 35 and 50 funding sources depending on what contracts are available and what other agencies want to purchase services. Social service agencies are sometimes viewed as being a drain on the economy, but of the \$2.25 million budget the MH/MR Center will operate with, it expects to bring in \$1.94 million from outside of the Abilene-Taylor County area. About \$1.8 million of those funds will be left in the Abilene-Taylor County area.

Mayor Hall said he noticed where Mr. Evans was projecting a deficit of \$75,000 for the MH/MR Center and included in the MH/MR Center budget was \$50,000 support from the City. Mr. Evans said the \$50,000 was the actual amount the City has committed to provide to the MH/MR Center for the period September 1, 1982 to August 31, 1983.

Mayor Hall asked where the interest income comes from that the MH/MR Center will receive. Mr. Evans said beginning the present fiscal year, the Center has been able to draw a quarter of the State grant in aid at a time. Whenever the Center receives each quarter's grant in aid, it is deposited in a CD or some other interest bearing account. In addition to that, the Center has a cash reserve. The State recommends a two month operating reserve, something similar to the City of Abilene's operating reserve. That cash



reserve is very important to the Center, because about 44 percent of its funding is in "soft dollars"--monies that in appearance are available, however, because of budget cuts or unforeseen expenses, those monies sometimes disappear.

Mayor Hall asked if last year a part of the Center's budget included an additional amount to be committed to the reserve. Mr. Evans said when the Center is able to create some additional funds through employee vacancies or other lapses, that money is put into the reserve fund. He said their cash reserve unencumbered should be approximately \$375,000, although presently the amount is closer to \$300,000.

Mr. Evans said a problem occurring because of the biennial budget is the Center has not been able to keep Center salaries commensurate with State employees. He said the Center's raises have been substantially less and the State is one of the Center's biggest competitors for the work force.

Mayor Hall said he understands the Center's attitude toward getting a reserve built up in case of emergencies. He said the City normally gets its reserve out of either non-spent budgeted items or savings of estimates of cost. He said one of the things he remembered that was not too attractive about the contribution the Center asked of the City was that part of the contribution was to go into a reserve that was a budgeted item. Mr. Evans said even if the additional money been forthcoming from the City, the Center would still have a projected deficit. He said during the second year of the biennial budget, there is generally considerably less additional State grant in aid money to be distributed. However, employee pay raises must still be considered. Therefore, the Center usually tries to hit a happy medium between generating some kind of a deficit in order to provide reasonable pay raises with a clear understanding that it is a one year proposition.

Mayor Hall asked what will happen if the Center ends up on August 31, 1983 with the deficit of \$75,000. Mr. Evans said it was not a matter of the Center spending more than it has but that the Center will have used some of its reserve. He said the Center squeezes nickels all year long and a lot of the equipment buys are held until the last quarter to make sure there are enough funds. If things are extremely tight, the equipment just will not get bought. He said for two years in a row, merit raises have not been given to anyone working at the Center. He said the budget deficit at the moment does not appear that it will be as much as the projected \$75,000.

Mayor Hall said the Council felt that at the last Budget hearings, they did not have much choice regarding the contribution to the MH/MR Center. He felt the Council would be more receptive if the Center kept the Council posted and perhaps give the Council some opportunity to participate in the Center's budgeting. He asked if the State prepared the Center's budget or if the Center Staff prepared its budget. Mr. Evans said the Center only has the freedom to determine where the funds go in terms of programs. Otherwise, the State regulates the format of the Center's budget. He said Mr. McDaniel, the City's Assistant City Manager for Fiscal Resources, is sent a MH/MR Center budget each year and the Center is audited approximately 19 times per year.

Councilman Bridges asked what share or percentage of the budget the City has contributed. He asked if that percentage been more or less stable--has it increased or has it declined. What will MH/MR request of the City for 1984. Mr. Evans said the percentage of the City's participation on the overall budget has remained fairly constant or has increased a little. The total figure asked of the City last year was slightly over \$70,000. It is the intent of the MH/MR to ask for the same figure this year and the next year. He said the Staff sits down to build a budget and to figure out how much money the MH/MR can anticipate in the way of revenue. Then the MH/MR Board decides what programs the Center can afford to do without. If the City gives the Center less than what is asked for, the Center simply has to reduce some service accordingly. Councilman Bridges asked if those percentage figures could be given to the Council by the Budget sessions. Mr. Evans said that would be possible.

Councilwoman Proctor said Mr. Evans stated that the MH/MR Center was formed in 1971 by AISD, the City, and the County. Mr. Evans said he did not clarify one thing--it takes two of those organizations in combination to create a center. The original sponsor agencies of the Center, who did the initial study, were the AISD, Taylor County and the City. At that time, the Center actually came into being as a service provider, the AISD, for some reason, elected to opt out and never participated in terms of providing a portion of the revenue. The MH/MR had some contracts with the AISD from time to time for services, but the AISD has never been a participating agency in the same terms that the City and County has.

Councilwoman Proctor said she understood from the Council's last meeting the Center provides a lot of services for the AISD. Mr. Evans said that has dropped off considerably in the last few years because of some budget limitations, as well as their elections to do some things in-house rather than to contract them out. The AISD has had some budgetary problems that cost more contracted out as compared to doing them in-house.

Councilwoman Proctor asked if the Center receives referrals of people about children in the schools who have problems. Mr. Evans said that was correct, but the Center gets those children sort of in a back door way because the School Board may recommend the Center to the parents. Directly, the Center does a number of things with the AISD. For instance, the Center provides presentations at schools, consultations with special ed people, and provides a person who is a member of the ARG Board, but very little money actually changes hands.

Councilwoman Proctor asked if Mr. Evans has explored the avenue of approaching the AISD direct to ask that it become a participating agency. Mr. Evans said no, he has not. He said drawing from what he knows on the history of the Center and the AISD relations, he would hesitate to say more because he just does not know.

Councilman Rodriguez asked if the figures given in the Center's budget were pretty stable throughout the year. Mr. Evans said some of the organizations' contributions are really very fluid and they will vary from a significant amount of money to giving you zero. The funds received may vary from year to year depending upon their own limitations. For example, the rehabilitation committee--the Center Board meets with the committee each year when a budget is started, and between the two groups, an educated guess is given to try to determine how much money in services will be purchased from the Center. State grant in aid and tax base entities such as the City commits certain things.

Councilman Rodriguez asked who could go to the MH/MR Center. Mr. Evans said the Center does a very limited amount of advertising and the main reason is because the Center does more business than the Staff knows what to do with, but there is a certain amount of literature around and the Center is advertised on television. The Center has brochures and anyone in the three counties, Taylor, Callahan, and Jones are eligible to receive services. The State requires that a charge for the services are not to exceed the cost for providing those services. The States also says the Center may not charge indigent clients. The Center has a sliding fee scale, depending on the number of dependents, family income, etc., and some percentage is paid of what the total fee is. The Center accepts referrals from other agencies, doctors and self referrals.

Councilman Fogle asked if Mr. Evans would like to see the Center's reserve built up to a certain amount. Mr. Evans said the reserve is currently at \$240,000, but the ideal figure would be around \$375,000 according to the present budget. A percentage of the budget is based on the department recommendation--roughly two months of operating expenses. As compared to other centers, the MH/MR Center is probably in pretty sound financial condition, especially when in 1975, the Center was \$145,000 in the hole.

Councilman Robinson asked what the Center's average monthly amount of persons receiving services. Mr. Evans said that varies considerably from program to program. The Center will roughly admit 2,000 people, 1,000 of which will either be new patients or people who have been in service previously. Probably the best figure in terms of the most active part of the Center is the medication clinic where perhaps 400 to 500 persons a month will come in.

Mayor Hall asked what the Center has accomplished. Mr. Evans talked about a schizophrenic who was discharged about 24 months ago from spending 13 years in State hospitals. The man will probably not get much better, but while he was in an institution, it was costing the taxpayer \$67.85 a day to maintain that individual. He now lives in Abilene at a cost of \$38.98 per visit. His annual cost in an institution was \$10,177.50 and it is costing \$476.76 to maintain the same man in the Abilene community. He said it is also the Center's purpose to take persons out of the institutions who have problems and try to provide the treatment and rehabilitation so they can function in the community. There are now some 200 mentally retarded people living in Abilene most of which are living almost entirely independently with a minimum of supervision from the Center who just a few



years ago were the taxpayers' liability. Most of those people are working and earning their own way.

Mrs. Joy Carter, Chairman of the MH/MR Board, wished to thank the Council for the opportunity to tell the Council of the work that is being done at the Center. She mentioned that of the money coming into the Center, perhaps 40 percent might come from local funds whereas the other 60 percent comes from the Center's collections and contracting.

She wanted to assure the Council that the MH/MR Board was a conservative Board. Sometimes, she said the Board perhaps squeezes too tightly upon the Staff to figure within a certain amount. She said a number of years, the Center was in trouble in terms of being able to continue to operate. However, the Board members from that time and the Board members now are determined not to let the Center get into that kind of shape again.

She said all merit raises and benefits for employees come after the plans for provision of services to the clients. She said the Staff should be commended for their willingness to step aside.

She said it was her belief that people who are service oriented should not be penalized. The Center has professional Staff and very dedicated Staff. She said the funding for the equipment Mr. Evans used for the presentation came as a result of the ICFMR funding. The benefit the Abilene community has is that those funds that come from outside sources requires no limitations on the use of the money. The equipment is used to train employees and provide informative films and documentations.

Mrs. Carter said the Staff cooperatives and whatever talents that are innate within the individual Staff member are tapped, utilized and very willingly given. She said the MH/MR Staff is one that the City can be proud of for delivering the kinds of services necessary to relieve the burden of taxpayers' money concerning the persons with mental problems.

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She said the Center is so restrained by the limitations and the requirements in order to be eligible for the dollar that if the Center did not have to spend \$9 of the \$10 dollars it receives in giving reasons as to why the Center needs it, a great deal of the money goes into a lot of paper work and red tape. The Center is responsible to 32 different agencies and it is responsible for satisfying those agencies' needs.

Mr. Ray Scott, member of the Housing Finance Corporation board, said he was available to answer questions from the Council about the Corporation. Mayor Hall asked Mr. Scott to tell the Council how the Housing Finance Corporation came about and how it operates.

Mr. Scott said the Corporation had its beginning in April, 1980. Through enabling legislation, tax exempt bonds were allowed to be sold to generate funds to finance single family housing as well as multi-family housing. While it is true that the initial impetus for creating the program was born out of frustration for financing single family housing, the legislation also allowed for the issuance of bonds to construct multi-family units as well. Shortly, after the Corporation's creation in 1980, there was a program that was presented to the board by a bonding agency out of Louisiana called Howard Wheel and Associates. The board was able to generate a \$20 million tax exempt bond issue that was closed on December 31, 1980 in New York. Out of that, after the cost of issuance was deducted, about \$17 million of funds were available to provide financing for housing in the Abilene market place. Since that time, the credit market place was very unstable, very erratic, and a number of programs were presented to the board.

Mayor Hall said that first transaction was actually \$3 million. He said that left \$17 million to disperse for the use of qualified buyers of single family residences. Mr. Scott said the dispersement was on a first come first serve basis. There was an income limit that was established-- their incomes could not exceed \$40,000 adjusted gross income. They had to present their tax returns as evidence that they qualified to participate in the program.

Mayor Hall asked if those persons went to a saving and loan association to qualify themselves for the purchase. Mr. Scott said under the normal guidelines of any loan that would be processed. Mayor Hall asked if the terms of the mortgage different than ordinary mortgages. Mr. Scott said it was and it was well below the average market rate. At the end of seven

years the note would need to be refinanced, but there was a backup lending institution out of California which guaranteed refinancing. Therefore, there were provisions made at the outset for refinancing. Mayor Hall asked if all of the City's savings and loan associations participated. Mr. Scott said those who wanted to participate in the program did. Mr. Scott said the associations paid an upfront fee which could be redeemed at the closing. Their expenses would be covered, but they would have to put up fees in advance in order to have the program available. Mayor Hall asked if there was some fee of the Housing Finance Corporation that would ensure to it so there would be income. Mr. Scott said it was a very small fraction of the total amount and it is paid on a semi-annual basis for administration purposes. Mayor Hall asked if it would determine the mortgage. Mr. Scott said it would until the bonds were paid off because it was on the bond indebtedness. Mayor Hall asked what was done with that money. Mr. Scott said when the last issue is collected, there will be \$31,006.27 left in the bank account. Mr. Scott said the Corporation has had expenses up to date of \$22,988.73, which the major portion of those expenses have been in two public information programs to make the public aware of the various kinds of financing that were available to them. Workshops were held and advertising campaigns were arranged to explain in detail the various kinds of programs that were available to the public. Some of the public would be buying low cost housing. In fact, that segment of the market were more apt to arbitrarily preclude themselves from the market place because they were not aware of the various programs that were available.

Mayor Hall said the reason he asked about the fees was because there was an issuance of bonds in Ft. Worth and Dallas. Apparently, people were sleeping at the building at night in order to get in line to make themselves qualified. The news article spoke of one savings and loan association not participating because they had to forfeit some fees under previous programming. Mr. Scott said each year, prior to February 1, the State Housing Agency has to establish an amount they are going to allow to be funded each year under the Federal regulations. This year, the Agency determined that they would allow \$700 million to be distributed in the State of Texas. Then there is a further restriction that the State Association will allow 70 percent of whatever that amount is to be available to local housing corporations such as Abilene's. The other 30 percent is retained by the Texas Housing Agency. Everyone madly rushes down to make applications and in Abilene's situation, there were two factors involved: 1) insufficient local lender interest and to put at risk three points on a \$10 or \$20 million issue; and 2) Abilene's Corporation would have been asked to sign a bond purchase agreement in the blind not knowing for sure what the rates were going to be. The Board did not feel it could conscientiously do that.

Mayor Hall asked if the Corporation in Abilene was in worse shape because of less local interest than cities such as Dallas or Ft. Worth. Mr. Scott said there were some people in Dallas and Ft. Worth who were willing to take the risk. The Nation has been in a declining interest rate market and it is very risky to pay on a \$20 million issue because a local savings and loan association would have to put up at least \$600,000 that it may never see again. Most savings and loans are not able to put up that much risk. Some of the lenders in Dallas and Ft. Worth were not able to participate because they had also made some bad judgements earlier and had lost their fees.

Mayor Hall said he noticed the income limit in Dallas and Ft. Worth is \$45,000, but the Abilene Housing Finance Corporation has raised their limit to \$50,000. Mr. Scott said he wanted to tell the Council that the Corporation did not decide not to do any further bond programs, because the Board continually reviewed and solicited any information to try to find something that would be workable in the Abilene market place. Unfortunately, it takes all parties working together--lending institutions, who in turn sometimes attempts to collect their fees from the building community or from the realtor community.

Mayor Hall asked if in the Corporation's public education program, did the Board inform the public that there was money available for apartment projects. Mr. Scott said that was not included in their information program. He said one of the programs contacted all of the lending institutions, realtors, and builders to get them to also make contributions. Some of the proceeds that are reflected are funds that came from the realtor, builder, and lender entities. He said the Board went to the media and they participated in many cases by matching dollar for dollar in terms of advertising in order to get the information out to the general public. He said all of the officers in the local lending institutions read the Wall Street Journal and the other periodicals that continually come out with information about different programs.



Therefore, the Board did not feel it was necessary to inform the savings and loan associations.

Mr. Scott said, regarding multi-family housing, the first package that was brought to the Corporation was in March of 1982, which was 15 months after its issue of the single family housing project. He said the Corporation found out about the direct placement program, which is where a package is put together and the Corporation would only be used as a conduit to accomplish the tax exempt status of the funds. There was a local buyer who bought the entire \$3.2 million worth of bonds that were issued to fund the project. The Corporation did not go out and seek projects of this type nor did it make choices between one project and another. In succeeding months, the Corporation had a proposal brought to it in July, 1982 by International Properties. Another project was brought to the Corporation in October, 1982, and then the final one was presented to the Corporation in February of 1983. The Corporation conducted extensive market research and determined the needs had been met in terms of adequate housing for the low to moderate income.

Mayor Hall said the figures he has indicates that Abilene's housing needs were met in the sense that there were beginning to be vacancies. But, the figures did not show a difference between vacancies for low income and need for low income. He asked if the Corporation has decided that the need of the low income housing has been met. Mr. Scott said of the projects that were done through the Abilene Housing Finance Corporation, 20 percent of the units are required to be set aside for families who make 80 percent of the median income in Abilene, which would be \$15,000. At least 20 percent of those units are set aside even if they have to stay vacant in order for a qualified client to occupy those.

Mayor Hall said with the lack of housing for the Dyess Air Force Base people, he did not feel he could say the housing needs for the low to moderate income citizens have been met. He asked who monitors the qualifying of persons with the median income to take up residence in one of the units. Mr. Scott said the developer must send a report to the Board and to the trustee bank. The lending institution, in order to insure that their loans will be maintained as tax exempt status, would also have a responsibility in that area. Different issues have different criteria as to how often the reports come in--some are on an annual basis and some are more often than that. It is not the responsibility of the Abilene Housing Finance Corporation.

Mayor Hall asked if Mr. Scott was convinced that those entities were adhering to criteria. Mr. Scott said if he was guessing, he would hope that those entities were adhering to the criteria.

Mayor Hall asked if the Board would be more comfortable knowing it must have some guidelines from the Council. Mr. Scott said he had some suggestions for by-law changes. He said the Board had no problems with regulations the Council might feel the Corporation needs to operate under. He said there was nothing being done by the Corporation that was intended to be done in secret. Mr. Scott said on the back page of the by-laws under Article 7-01, the current by-laws state that they, "may be altered, changed or amended by any meeting of the Board at which a quorum is present. Provided notice of the proposed alteration, change or amendment be contained in the notice of such meeting by the affirmative vote of a majority of the directors at such meeting and present thereat." So, Mr. Scott said, under the present arrangement a quorum of the Board could change the by-laws. His proposed amendment would read, "these by-laws may be altered, changed or amended in either of the following manners: 1) the members of the Board may file with the governing body of the City an application in writing seeking permission to amend the by-laws specifying in such application the amendment proposed to be made. Such governing body shall consider such application and if it shall by appropriate resolution duly find and determine that it is wise, expedient, necessary, or advisable that the proposed amendment be made, shall authorize the same to be made and shall approve the form of the proposed amendment and the Board may amend these by-laws by adopting such amendment at a meeting of the Board. 2) the governing body of the City may at its sole discretion and at any time, if it show by appropriate resolution duly find and determine that it wise, expedient, necessary and advisable that such amendment be made, amend these by-laws by notice in writing inform the Board of such amendment."

Mr. Scott said the second proposed amendment to the by-laws is: "The Board may by appropriate resolution issue bonds of the Corporation as defined for the purposes and subject to the limitations set forth in the Texas Housing Finance Corporations Act provided that the Board shall consult with and obtain the advise of the City fiscal advisor, First Southwest Company, or its successor



and at least 15 days prior to issuing any such bonds, the Board shall give written notice of the City directed to the City Finance Director of its intentions to issue such bonds and certifying that it has consulted with and obtained the advise of the City's fiscal advisor with respect to the issuance of such bonds."

Mayor Hall asked Mr. Scott what the effects of that change would be. Mr. Scott said it would be changed so the Board would have not surprises. He said the Council would be completely aware of any intentions the Board would have to issue bonds and the Council would also have the comfort and consolation knowing that the City's financial advisor had also been consulted and had reviewed the matter and felt comfortable with it. Yet, at the same time, leave some flexibility with the Board and minimize the amount of time that would be consumed by the Council looking at each proposal that came along. Any time programs of this nature are considered, there will be a distruptive affect among the entire populace while a program is being implemented. Persons may postpone their decisions and as a result cost themselves dollars waiting. That is why the Board feels that at least the preliminary discussions can be done with the Corporation.

Mayor Hall asked if Mr. Scott still felt there was a purpose for a housing finance corporation or if he has felt it has served its purpose. Mr. Scott said he felt there was still a purpose for a housing finance corporation. He said there is approximately \$700 million worth of funds that should be made to continue by the Federal legislation, which are currently under the sunset provisions of the Federal regulations. He said Senator Raul from Delaware has introduced a bill and has 64 Senate sponsors to repeal the sunset provision of the legislation to allow it to continue on in its present form. That being the case, he felt Abilene would be remiss not to have in place a vehicle to avail itself of some funds that would be very attractive and very helpful to the community.

Mayor Hall said during the Brinkcraft bond issue, action had to be taken by the Council before April 14 before some kind of legislation occurred. He asked if that legislation ever took place. Mr. Scott said he was not sure, but he did know that it related to only one portion of the bond program as far as multi-family is concerned, and that was FSLIC insured portion of it. Even if the bill passed, it would have only eliminated that portion where Brinkcraft felt like it had a double guarantee on the project.

Mayor Hall felt that a housing finance corporation and perhaps a health facility development corporation were entities that the citizens did not actually accept. If housing was provided for low income persons, then perhaps the housing finance corporation would be palatable. He wondered if the Board had skewed off from that line.

Councilman Bridges asked if Mr. Scott could give the Council a ballpark figure as to what percent of low income units were still vacant in Abilene. Mr. Scott said he did not know that at the present time, but he would find out. Councilman Bridges said it seemed to him that the original purpose of the legislation was to provide a needed opportunity in cities such as Abilene. If the Corporation has already met that needed opportunity, then it would influence the way he feels about authorizing future projects.

Councilwoman Proctor said she noticed in his proposed amendment to Article 7 that the Board would notify the City Finance Director approximately 15 days prior to issuance. She said that was basically what happened during the Brinkcraft issuance. Mr. Scott said there is one exception and that is prior to notifying the City Finance Director, the Board will consult with the City's fiscal advisor.

Mayor Hall said the Abilene Industrial Development has been given a set of fairly vague guidelines that keep them from bringing everything to the Council that comes before that Corporation. Then, before that Corporation issues their letter of inducement and since the Corporation knows it must obtain approval of the City's fiscal advisor, the letter of inducement cannot be done before obtaining the approval of the City's fiscal advisor. The City has a good system with the Abilene Industrial Development Corporation and the Council never feels crowded into hasty decisions.

Councilman Rodriguez asked if the Abilene Housing Finance Corporation's meeting were scheduled so that members of the Council or any other interested parties could attend the meeting. Mr. Scott said the meetings are not scheduled on a regular basis--they are primarily called meetings. Mr. Scott said the Corporation's bond attorney said the Corporation does not have to post the meetings. Mr. Scott said for the benefit of the Council members

who were not at the meeting concerning the Brinkcraft issuance, the Federal legislation that had been passed requiring that any requests for the issuance of bonds be approved by the local governing body or the top City official. He said the Corporation was already in mid-stream of the project when the Board was made aware of the provision. The bond counsel for the Corporation simply mailed the necessary documents to the Board for the top City official's signature. He came to City Hall to have Mayor Hall sign it, and Mayor Hall noticed something was amiss.

Councilman Fogle said it concerned him that there was no policing of the occupancy of the multi-family apartments and that the Abilene Housing Finance Corporation does not know whether the proper things are being done or not. Mr. Scott said the Board receives affidavits when multi-family apartments are being filled, but the Board does not actually see that being done. Councilman Fogle said he sees no difference between multi-family housing with low income people than single family housing as long as the program is working.

Mayor Hall asked if the Corporation has any projects proposed currently. Mr. Scott said a moratorium had been established for further projects.

Councilman Robinson asked how the issuance of the tax exempt bonds for housing would affect the City's need for tax exempt bonds in the future. Mr. Scott said it would not affect the credit worthiness of the City. The projects themselves stand as collateral for the bonds. He said if the whole world as a total is taken as far as bond buyers are concerned and a small chip is taken out, the amount may be reduced some, but it will be so insignificant that it will not make a difference. A lot of the bond buyers are not the typical regular bond buyers. For example, the bond buyer who bought the full project of \$3.2 million is an oil man in Abilene. There are other situations where the lending institutions that are participating in the program may buy some of the bonds because they have a need for some tax considerations.

Councilman Nixon said he was having a hard time reconciling the need for bonding in the \$50,000 income bracket either to the builder or to the buyer. He asked Mr. Scott if he felt comfortable knowing that 80 percent of a project was in that bracket. He also wondered what percentage of Abilene's population was in the \$15,000 bracket or the \$50,000 bracket. Mr. Scott said he did not know the percentage for the population's income. He reminded that the program was for the low to moderate income. Federal legislation set out the 80 percent to 20 percent regulation. Councilman Nixon felt that the percentages were probably in reverse order.

Mayor Hall asked if the Board has heard complaints from builders who were not using the tax exempt bonds. Mr. Scott said he has heard no complaints. He said what is taking place is that there has to be an interest level at a certain figure with today's rent levels to make the numbers work. Some builders have chosen to accomplish that through a different method rather than using tax exempt bonds. Those builders allow the lending institution to participate with them in the ultimate profit of the development in lieu of gaining a below market rate interest. Those are business decisions that some builders have made.

Mayor Hall suggested that the Abilene Housing Finance Corporation continue its moratorium and let the Council look at its proposed amendments to the by-laws.

Mr. Scott mentioned that all of the Board members terms have expired. Mayor Hall said the Council was aware of that.

Councilwoman Proctor said Mr. Scott told the Council that there had been some hesitancy on the part of some savings and loan associations concerning the single family housing. She asked if Mr. Scott believed those savings and loan associations would feel any differently about participating in a multi-family housing program. Mr. Scott said the market has sort of stabilized, and the previous problem was that it was going down all the time. Councilwoman Proctor asked if it was the bond issuance that she had to go to a savings and loan as a realtor pre-pay points. Mr. Bob Stephens, member of the Housing Finance Corporation Board, said the \$17 million project was where the lenders who participated put up the fee to reserve the money and then as the individual loan closed against it, part of that fee was reimbursed. The lenders got their fees back if the loan closed--if no one borrowed the money, the money was gone from the lender. Since that time there have been some commitments sold through private investors. His savings and loan association did not lose money on the bond issue. However, some of the

other programs, lenders were wanting sometimes as high as three points up front with rates falling down--specifically the FHA and VA market. No one could tell what kind of rate would be on the bonds. Therefore, it would be hard for a lender to put up three points with rates falling each day. The lender did not necessarily have to put the money up--builders, realtors, anyone could have put the money up on the three points, but in canvassing certain groups, no one seemed to want to put up the money because of the falling market.

Councilwoman Proctor asked if the Board had been looking all along at individual home financing at the same time it was looking at multi-family. That has been stabilized for some time. Mr. Scott said it was on a first come first serve basis and the Texas Housing Agency had the money allocated (\$490 million) available for local housing agencies. The Board was asked if it wanted to sign a bond purchase agreement not knowing what the rate was going to be and not having lender support at that time. It would have been an untrue document that the Board would have signed and it would have served no purpose with lenders not willing at that time. Once the money started being distributed based on who signed up first, 45 day cycles were set up and if a lender's number was drawn then he had 45 days in which to get his issuance papers drawn up and the bonds sold. If that was not accomplished in the 45 days, which several of them did not, the money went back into the pool and the next lender got his chance. Therefore, there is no single family bond money available this year or until January, 1984 because the Board did not commit anything last January.

Mayor Hall felt like the City had gotten into a position where it was helping to stabilize the housing industry, because the Board decides if there are no vacancies, then bonds are issued. He said it seemed that the City was playing economics and encouraging persons to look into the possibility of buying homes. Mr. Scott asked what kind of criteria would the Council think the Board would need to utilize when requests are made to it for multi-family units to determine whether or not it is needed in the community. Mayor Hall said he would think it would have to include the low income occupancies.

Mr. Lee Roy George, Director of Planning and Community Development, presented the Council the background on the Economic Business Development Corporation. Mr. George mentioned that a development center is currently being funded out of the Community Development Program. The Business Development Center has been funded since October, 1979 after the Staff had a request from local citizens to have assistance in the area of business development. The Staff chose as the sponsor of that Business Development Center, the GI Forum out of Ft. Worth. The GI Forum had a number of years of experience in conducting economic development related activities for cities and the Staff did not have the expertise. The Staff chose with the Council's participation and with the assistance of the Community Development Committee as a sponsoring agency the GI Forum. The Community Development Committee has been the sponsoring agency since the program has been funded. The program was funded initially with \$50,000 per year, however, last year it was cut to \$40,000.

The Staff heard of some interest locally to sponsor the business development center. Some questioned why the Staff went all the way to Ft. Worth to have a sponsor. Those local agencies began to develop with the Staff the possibility of local sponsorship. Since that time, the Staff has received word that the GI Forum of Ft. Worth no longer wishes to sponsor the business development center in Abilene. The GI Forum has said they will continue to sponsor until the City has found someone to take over that sponsorship. One of the agencies interested in the sponsorship are the local Mexican-American Chamber of Commerce and a group of local business development men in Abilene. Mr. George said there has been local interest to create a local non-profit corporation. The Staff has had a request to conduct some economic development activities from a local individual to assist small and minority businesses.

Mr. George said the Staff has had several meetings with those who wished to become sponsors--the Mexican-American Chamber of Commerce, a black businessmen's group, and some local lenders. Any kind of an economic development corporation would necessitate local lenders' involvement. On March 21, 1983, the Staff asked a representative from a Ft. Worth Economic Development Corporation to conduct a seminar in Abilene. His name was Frank Moss and he talked with anyone who was interested and gave the Staff some ideas of some of the things the City of Ft. Worth was doing in regard to economic development. In Ft. Worth, initially the city funded their economic development corporation through community development funds,

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however, over the last several years, the agency has pulled away from the city and has become self-sufficient. The corporation has indicated that they were doing a good job assisting local small and minority businesses in the Ft. Worth area. The concensus of those attending the seminar was that the creation of a local non-profit development corporation to promote and assist small and minority economic development was both needed and desired.

Mr. George said the Staff was at a point now where they needed some guidance from the Council in order to continue with the economic development corporation. Mr. George said some of the goals of an economic development corporation would be to identify economic development needs of local, small and minority businesses, and to develop strategies, programs and activities to meet those economic development needs as appropriate, and to support small and minority businesses in general. Some of the objectives of a corporation would be to provide a mechanism for the provision of management and technical assistance to small and minority businesses, to assist small and minority businesses in obtaining loans to increase the effectiveness of existing businesses or to develop new businesses where appropriate, to provide procurement assistance for businesses attempting to obtain contracts for goods or services, and to provide other services designed to strengthen small and minority businesses within the capabilities of the Abilene Economic Development Corporation.

Mr. George said some of the functions that would be performed by the Abilene Economic Development Corporation would be to plan business development in working with local agencies, small and minority businesses and their planning for future growth, financial packaging, and management and technical assistance in a variety of different areas--marketing, accounting, advertising, record keeping, business management, inventory control and personnel management, and finally, business education and training, such as sales development, resource libraries and workshops.

Mr. George said some community development funds that are received from HUD for assisting in the start up of businesses might be used for the first two or three years to build up enough funds to insure the maintenance and operation of such a program. Other funding may appear through large businesses making endowments and so forth. Ft. Worth people told the City Staff that the Small Business Administration had initially funded their operation particularly in regard to the revolving loan that Ft. Worth has in the amount of about \$1 million. Mr. George said hopefully, the corporation formed in Abilene would also become self-sufficient.

Mr. George said Ft. Worth has a seven member staff--an Executive Director, a Director of Client Services, a Business Analyst, a Loan Analyst, an Administrative Assistant, an Executive Secretary and an Economic Development Specialist. The Business Development Center in Abilene currently has a three member staff. If an Economic Development Corporation was started in Abilene, he felt perhaps a maximum of five staff members would be needed.

Mr. George said usually in a non-profit corporation a board of directors is appointed. The articles of incorporation is written and the board is established with various terms. He said Ft. Worth has a 16 member board of directors, although they were going back and reevaluating their board of directors and perhaps making some changes in their by-laws with regard to other minorities as well, but they are going to be more geared toward assisting new businesses get started. He felt that there will be a need for a 14 to 16 member board of directors in Abilene.

Mr. George said the implementation of this program depends on the acceptance of the City Council, the acceptance of the residents of the local business community, and the acceptance of a local financial community. The local financial community has been working with the Staff on the Business Development Center activities. The lending institutions have been giving good signs to the Staff that they would be willing to participate with a economic development corporation.

If the Council would like to proceed further, Mr. George said the Staff would have to go back to the Community Development Committee to discuss funding, staffing, etc.

Mayor Hall asked if Mr. George had any dollar figures in mind for the minimum staffing of an economic development corporation. Mr. George said he did not have dollar figures, but he felt that it is very imperative that the City fund it at a level where the kind of expertise can be insured in order to gain some quality individuals who can make it a viable program.

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Mr. George said the local Business Development Center is being funded at about \$40,000 per year. No budget has been worked up, but he felt that for staffing purposes, more money will be needed than what is being funded for the Center now. He felt that the salaries for the two extra people will be disproportionately higher than the existing salaries of the three persons working in the Business Development Center. The Center has primarily been active in loan procurement and loan packaging. However, the qualifications of the new people working in an economic development corporation will be much greater, therefore, causing the salaries to be disproportionately higher.

Councilman Rodriguez said he has been working with the Business Development Center and the economic development project since October, 1981. There has been some interest from local groups wanting to take the responsibility of the Business Development Center. Those groups felt that since the Center was being sponsored from an out of town office, the project was probably not getting the input it needed. It was established fairly quick that the Center should be locally sponsored. The corporation in Ft. Worth had done an adequate job with what they had to work with, but the Center and Staff in Abilene wanted to do more than that. He said the Executive Director would have to be someone who can take the corporation and reach out and go into the community and find out exactly the problems are and what can be done, therefore, a highly skilled person will be needed. Councilman Rodriguez said the local Business Development Center was helping businesses get started and helping existing businesses expand, but it does not have the funding to do other things. He said he would like to see a corporation funded in such a way that it could actually help new and existing businesses thrive within the community. Anytime a business is productive, the sales tax will increase, and people will be employed.

Councilman Rodriguez said the board of directors would be persons who would be appointed by the Council and who would be interested in the community and be representative of all groups. Financial people would need to be on the board, as well as, Mexican-Americans, blacks, and any other persons in the community who would have an interest in the community.

Mayor Hall said if an economic development corporation was funded with community development funds, then it would be necessarily restricted to minority and low income groups. Mr. George said the corporation would exist to principally benefit low and moderate income persons. Councilman Rodriguez felt the corporation would be looking at economic development in many ways--business development would only be one aspect.

Mayor Hall asked if only one person could be employed to handle the initial request, then the other staff could be employed as needed. Councilman Rodriguez felt that the Business Development Center Staff could be doing much more if they had better resources to work with. Mr. George said due to the economic circumstances, the Center Staff's involvement has been somewhat more restricted. The Center Staff does submit a report each quarter to the City. Mr. Wayne Herrington, Assistant Director of Planning and Community Development, said monthly, the Center has about 20 clients to come in for management technical assistance. One or two come in for loan packaging. These are basically different people who come in each month. The Center averages approximately 200 persons per year who come in for assistance.

Councilman Rodriguez said he has been talking with some of the minority businessmen in Abilene and he said many of them did not realize the Center existed. He felt that an economic development corporation would be able to develop better advertising to make more people aware of the opportunity. He said many people in business currently are keeping records in shoe boxes. Whenever those persons go to the bank to request a loan, they do not have all of the information in such a manner that they can present it adequately as a bank officer would request. An economic development corporation would be able to assist those persons to keep better records and to prepare them for loans.

Mr. George said the Business Development Center Staff were becoming more reactive instead of proactive. They wait until someone comes in requesting assistance, rather than getting out into the community. Someone currently from the GI Forum comes to Abilene and reports to the Staff usually around Budget time on the Center's progress.

Councilman Rodriguez said he has talked with the Staff at the Business Development Center and he felt that those persons are not necessarily doing what they should be doing. Several persons he has talked with are convinced



they could not get help from the Center because it does not have the clerical help to take care of the persons coming into the Center. The Business Development Center in Abilene currently is nothing like the corporation that is in operation in Ft. Worth. Mr. George said the Center is primarily working with persons on loan packaging and procurement and deals with the Small Business Administration. Those funds, unfortunately, are also kind of drying up. The Center depends to a large extent on the local economic conditions of the Small Business Administration and others who actually assist with small and minority businesses. The Ft. Worth corporation was started very cautiously with a \$1/2 million grant from the community development program for the area. They had focused their early years on assisting existing businesses and minority businesses.

Councilwoman Proctor asked Mr. George if he considered \$50,000 to be moderate income. Mr. George said \$35,000 to \$50,000 would be considered moderate income.

Councilman Nixon asked if it was not possible to expand what is being done already at the Business Development Center instead of trying to create another entity. Mr. George said that would be a possibility with some modifications and that is really what the Staff had in mind. The Center is governed by the GI Forum in Ft. Worth, but has a local board who has very little accountability to the Council. He said the Executive Director's position at the Center is currently vacant. The only persons running the Center now is a field director and an executive secretary. The Staff had fully intended to fold in the existing operation into the local economic development corporation after it is formed. What is known as the Business Development Center will be replaced by an economic development corporation if approved. Those employees now working in the Center will probably be implemented in the corporation.

Councilman Bridges said it looked to him that the corporation would be a considerable expansion on the current Center depending on how much funding the City will be willing to give. He felt that the corporation would need an Executive Director, but the Loan and Business Analyst might be combined; an Executive Secretary will be needed, but whether or not the other positions, as patterned by Ft. Worth, were filled might be a later decision. Specialists would be needed for the first two positions, and since those persons would be quality persons, they would probably have to be paid quality salaries. Those persons will be expected to go into the community and recruit clients as well as make contacts with lending institutions. And, hopefully, the corporation will become self-supporting, so funding for a corporation would not last for eternity. He hoped that the persons working in the corporation would be able to draw on the expertise of the City Staff and others in the community such as accountants, bankers, and lawyers who could provide some of the functions of the corporation. He hoped also the corporation would generate enthusiasm from the Chamber of Commerce as well as the Black Chamber of Commerce and the Mexican-American Chamber of Commerce. He asked that Mr. Joe Perez and Mr. Manny Flores be allowed to speak to the Council since they have been participating with Community Development Committee and the Mexican-American Chamber of Commerce.

Mr. Manny Flores said he endorses the Business Development Center or at least the idea it represents. He said he is concerned that the Staff and City does not duplicate the efforts. He said if duplication of the efforts of the Small Business Administration is done, he feels ground will be lost. He felt that as Chairman of the Community Development Committee, the funding for the corporation will probably wind up on his lap. He said if the corporation functions as a source of expertise to the small business person, it would be doing a very important service to the community.

Councilwoman Proctor said she has found that it is very difficult to always have good communications with the Small Business Administration, but their purpose is to provide funding. She asked Mr. Flores if he saw the corporation as being more an enabler, facilitator and a friend that will help persons go through the bank to SBA to get expansion funds or funds for their businesses. Mr. Flores said he felt the corporation would be a facilitator to assist that person to package a request for a loan so that the SBA can support or guarantee that loan with a financial institution. The SBA will guarantee up to 40 to 90 percent depending upon the loan. The small businessman does not have the knowledge of how to ask for a loan, and the businesses that are in operation need guidance, management and accounting expertise.



Mr. Joe Perez said the aim of the Mexican-American Chamber of Commerce was to bring the sponsorship of the Center to Abilene. Since that time, the possibility of an economic development corporation has come up. He also wanted to tell the Council that he endorses the idea of a corporation, but he wanted to say that the Business Development Center has been doing the same job, at least to assist and to package loans. Unfortunately, those persons did not have the budget or the manpower to go into the community and visit with the small businessmen. He asked if the economic development corporation would have the money to loan to businesses. Councilman Rodriguez said he would envision the corporation to be seeded by the City at the beginning perhaps by community development funds, but eventually be self-sufficient. However, with the help of financial institutions to guarantee that perhaps a businessperson would be approved a loan, will be the purpose of the corporation. The corporation would be set up to assist persons in management or accounting to put together their loans to go to financial institutions. The financial institution would then see that the loans were coming from the corporation and it has already gone through all of the leg work of preparing the loan. When a person from a small business comes in and asks for a loan, most of the time they are not prepared. Therefore, the financial officer must go through the steps of preparing a loan or submitting the paperwork for a loan. The purpose of the corporation would be to help those small businesspersons with those steps. If enough money was funded into the corporation's seed money, then perhaps a loan program could be established. The Ft. Worth corporation started out with a loan from the SBA. That corporation has put the money into a long term revolving loan program, and as their loans were paid back, the money was put into high interest bearing accounts.

Mr. Perez said the Business Development Center was basically doing just that, except the only difference between the Center and the proposed economic development corporation is that he was led to believe that there would eventually be some seed money where loans could be received from the corporation. Then later on in the future, the corporation could not only assist a business in accounting or management, but also provide loans for those businesses. He said at the present time, the Center is helping the small business community receive loans from various lending institutions by loan packaging, but the lending institutions will only give guarantee loans--the loans are not direct loans from the Government.

Councilman Rodriguez said the loan or the seed money would initially be to provide staffing for the corporation. Then, if more money or left over money was available, perhaps a revolving loan could be set up. Mr. George said that would depend upon the level of funding that is recommended. It will also depend upon the SBA. He said initially, Ft. Worth had about \$1 million they secured from the SBA on an open blank check. They are now recirculating that money by having loans paid off. He felt that there could be enough money placed into the corporation to provide the adequate staffing plus provide loans. He felt it would mean a multi-year funding of community development monies that it would take to get the same kind of money that Ft. Worth received. Mr. George said if the corporation got into the lending business, it would not be in direct competition with local lending institutions.

Councilman Fogle asked if the qualifying of loans under the SBA could be used as a vehicle to obtain loans from local lending institutions. Mr. George said that was possible, but he felt the corporation should not be limited since the local institutions are in the business of lending money. The corporation will also deal with persons applying for loans from the local lending institutions by helping to package the loan and conduct background paperwork for a loan. Councilman Fogle mentioned that the Council of Governments is in the process of setting up a Small Business Corporation, 503. Therefore, there may be some type of working together. Mr. George said probably under the Reagan Administration in the next few years, there will be funds placed into economic development programs. He felt there will be some expansions of existing SBA loan programs also.

Mr. Perez said then he understood that the Business Development Center would basically stay the same--only the name would be changed to the Economic Development Corporation. Councilman Bridges said that was not quite correct. He felt that it should be made clear that the corporation will not be primarily a lending institution, although that must not be discounted either if the corporation could obtain an SBA loan. He said he noticed in the newspaper some \$341,000 would be available for funding. Mr. George said the announcement was for an additional \$341,000 for a job bill that was recently passed by Congress. He said he is still not sure what the guidelines for that program would be. He felt like the program would allow the use of those funds for about the same purposes that the City is using the existing



community development funds. Councilman Bridges said the corporation would not just be a mild expansion of the Center. Of course, the whole program is dependent upon whether the Community Development Committee and the Council approves it.

Councilman Rodriguez asked how much more money should be funded to the Center to do a more adequate job. Mr. Perez said the Mexican-American Chamber of Commerce submitted a proposal to fund the Center for \$60,000. Councilman Rodriguez said even with the funds of \$60,000, the field director for the Center could only receive \$15,000 annual salary. He felt the corporation could not get a qualified person to do the job for \$15,000. He felt that the funding for a loan would not necessarily have to come from the corporation itself. If the corporation was so established, it would assure a business minded person a loan. Mr. Perez said unless the corporation could guarantee loans or make actual loans, then it would probably just be duplicating the activities of the Business Development Center.

Mr. Robert English, said in 1975, as one of the incorporators of the Abilene Black Chamber of Commerce, one of his goals as the purpose of the organization was to stimulate some kind of economic developments, specifically for black businessmen and women. He said he wrote a 20 page documentary on economic development for the NAACP which he presented to the Community Development Committee and the City Council for \$1.2 million. He said at least if the thinking can be stimulated in the area of economic development, then any reports or public appearances are vital.

Mr. English said he felt like an economic development corporation would be a viable organization. He also felt that it should be more than just a facilitator or act as a go-between for businesses and local lending institutions. The economy must be stimulated in Abilene for minority and small businesspersons. Economic development will not only strengthen small and minority businesses, but the whole economy of Abilene. He hoped that the Council would not lose the thought that the corporation become a self-sufficient organization one day. He said in a way he could understand Mr. Perez' point because the corporation will sort of be an extension of the Business Development Center if it does nothing but technical assistance and loan packaging. However, an economic development corporation would provide contact to the community and provide the revolving loan aspect. He felt it would not be in direct competition with the local lending institutions. He said perhaps persons could say that the Abilene Housing Finance Corporation is in direct competition with lending institutions. He said, however, he thought that competition is the spirit of American capitalism, and the City should not shy away from that.


Councilman Rodriguez said the presentation was merely an update for the other Council members to let them know what he and other Staff had been doing in the area and what they would like to see done. He felt that it would be important for the Council to absorb what has been said in the presentation before any action is taken. He mentioned again that the GI Forum from Ft. Worth has indicated that it would like to discontinue its sponsorship of the Business Development Center. If the Council does not adopt the concept of an economic development corporation, then he feels strongly about continuing the operation of the Business Development Center through a local group. He said one of the reasons why he would like to see an economic development corporation is because the City has had requests from local groups to operate the Business Development Center and he can see a lot of interest and expertise because of those proposals. If those groups got together and worked together, perhaps it would make for a stronger Center. If that does not happen, then he suggests the City continue with the Business Development Center and award the sponsorship to one of the local groups.

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Councilman Bridges has seen the positive interest in an economic development corporation by sitting in on Community Development Committee meetings and in talking with the Staff, and he really hopes that the Council can follow through with creating the corporation. He also thinks the Staff is enthusiastic about the corporation. He wanted to say that there are some outstanding people on the Community Development Com. and was interested in seeing the community development funds used in a responsible way. He feels that when the Committee brings its recommendation to the Council, the Council should respect that recommendation and weigh it very carefully before making a decision. He reminded the Council that there is a time frame if community development block grant funds are going to be used. If those funds are not used, then perhaps the City might have a black mark against it with HUD because they will want to know why the City did not use those funds. He asked Mr. Flores if the Community Development Committee will be making a recommendation soon to the Council. Mr. Flores said their next meeting will

be held May 17, 1983, and even though he could not speak for the entire Community Development Committee, he felt that they would try to accommodate the Council by getting their recommendations and an idea of the funding needed to them as soon as possible.

  
Assistant City Secretary

  
Mayor