

**MINUTES OF THE  
HENDERSON CITY COUNCIL  
AND HEDCO WORKSHOP**

August 3, 2021

The City Council and Henderson Economic Development Corporation (HEDCO) met on this date at 5:00 P.M. with Mayor John (Buzz) Fullen presiding. Council Members present included Tommy Goode, Michael Searcy, Henry Pace, Melissa Morton and Steve Higginbotham. HEDCO Members present were Noble Welch, Raymond Mitchel, Joe Sorrels, and Terry Tyson.

Staff members present at workshop included City Manager Jay Abercrombie, City Secretary Cheryl Jimerson, City Attorney Joe Shumate, Police Chief Chad Taylor, HEDCO Director John Clary, Director of Marketing Karin Greene, and HEDCO Assistant Karen Smith. Invited to the meeting was Dylon Culp a potential HEDCO Board Member.

Mayor Fullen called the Workshop to order; Noble Welch called the workshop to order.

Mayor Fullen opened the meeting with prayer and turned the floor over to Carlton Swabb with the Texas Economic Development Board.

Guest speaker Carlton Swabb started a power point presentation explaining the differences between Type A and B Economic Development Corporations (EDC) or both.

There is a total of 725 EDC's in Texas:

- 207 are Type A
- 518 are Type B
- about 100 of those are both Type A and B

Type A Corporations have a 5 member board

Type B Corporations have a 7 member board

**The Type A sales tax** is primarily intended for manufacturing and industrial development. EDCs may use Type A revenue to fund land, buildings, equipment, facilities expenditures, targeted infrastructure and improvements for projects including:

- manufacturing and industrial facilities, recycling facilities, distribution centers, and small warehouse facilities;
- research and development facilities, regional or national corporate headquarters facilities, primary job training facilities operated by higher education institutions, job training classes, telephone call centers and career centers not located within a junior college taxing district;
- certain infrastructure improvements that promote or develop new or expanded business enterprises;
- aviation facilities;
- commuter rail, light rail or commuter bus operations;
- port-related facilities, railports, rail switching facilities, marine ports, inland ports; and
- maintenance and operating costs associated with projects.

With voter approval, Type A EDCs may fund projects eligible under Type B without voting to abolish the Type A tax and impose the Type B tax. In this situation, a Type A EDC must publish notice of its intent to fund a Type B project, hold at least one public hearing and conduct a special election.

Type A EDCs also may seek voter approval to spend Type A sales tax funds to clean up contaminated property. A Type A corporation cannot assume, or pay principal or interest on, debts that existed before voters agreed to establish the EDC.

**The Type B sales tax** may be used for any project eligible under Type A rules and several other project types, including quality of life improvements. Type B corporations may pay for land, buildings, equipment, facilities, targeted infrastructure and improvements for:

- professional and amateur sports and athletic facilities, tourism and entertainment facilities, convention facilities and public parks;
- related store, restaurant, concession, parking and transportation facilities;
- related street, water and sewer facilities; and
- affordable housing.

To promote and develop new and expanded business enterprises that create or retain primary jobs, a Type B EDC may fund:

- public safety facilities;
- recycling facilities;

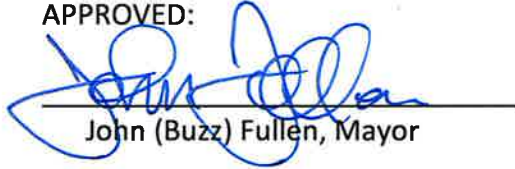
- streets, roads, drainage and related improvements;
- demolition of existing structures;
- general municipally owned improvements; and
- maintenance and operating costs associated with projects.

Type B EDCs also may seek voter approval to spend Type B sales tax funds for a water supply, water conservation program or cleanup of contaminated property.

**ADJOURNMENT:**

There being no further business to be considered at this time, upon a motion by Council Member Steve Higginbotham, duly seconded by Council Member Melissa Morton; with a unanimous vote of the Council, and HEDCO Member Noble Welch the meeting was adjourned at 7:28 p.m.

APPROVED:



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John (Buzz) Fullen, Mayor

ATTEST:



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Cheryl Jimerson, City Secretary