

Steven Bankler, CPA
Client Spotlight



Mark Holland and Don Lee have been doing business together for over thirty three years. Their paths crossed when Don's sons were being taught by Mark's wife and the two families joined a country club at the same time. It has been an interesting path ever since. Don Lee's background includes managing Knowlton's Creamery, preaching as an ordained Episcopal priest, and serving as CEO of South Texas Liquid Terminal (STLT). Mark, a CPA, came to Texas directly out of law school in Washington D.C. He is currently practicing law with his son in the same building as Steve's office. In addition, he also serves as CFO and CLO for STLT.

STLT, the first mutual endeavor of these two businessmen, was established in San Antonio and began serving South Texas in 1975 as a transloading terminal with

four rail car spots on leased track. After sustained growth which included several moves, Union Pacific forced another relocation in 2005 due to rail traffic congestion. Additional expansion required STLT to set up operations in Hondo, Texas at the Hondo Air Park.

STLT is now served by Hondo Railway (HRR), another Holland and Lee entity. This Class III shortline railroad is one of about five hundred in the US. It has access to both Union Pacific and Burlington Northern, a unique feature for a shortline. Shortline rails are best described as "the first mile, last mile operator" which generate business for the big railways. Becoming a shortline rail business requires significant capital investment. The company currently has a fifty acre railyard and two locomotives. The railyard serves as a

transloading facility to support the demand for high fructose corn syrup for companies such as Coca Cola. The syrup is brought in by major rail lines and then switched by HRR to STLT for transloading to sterile trucks for shipping to the bottlers and food processors.

HRR expanded their rail line to transload ethanol and currently shortlines about half of the ethanol brought into San Antonio. The ethanol is then shipped by truck to oil company tank farms for blending with gasoline.



Most recently, the Eagle Ford shale in south Texas has brought a huge growth spurt to the Hondo Railway (HRR). With oil and gas production from south of San Antonio all the way to Laredo, HRR is well positioned to serve as the 'pipeline' for these wells until pipeline can be laid. Frac sand – glacier sand from

up north - is a key component to the hydrolic fracking operations in south Texas and is transloaded at HRR where it is delivered to oilfield service companies working in south Texas. HRR is designed to operate unit trains, a railway train in which all cars are shipped from the same origin to the same destination and are usually carrying only one commodity. Unit trains can consist of up to 100 cars and offer significant freight rate savings.

Mark was one of Steve's first clients when he opened his doors in 1977. Over the years, Steve has provided Mark and Don with sophisticated tax planning and reduction strategies.

Hondo Railway is located at 915 Carter Street, Hondo, Texas 78861. Find out more by calling (830) 426-5662.