



THE HONDO ECONOMIC DEVELOPMENT CORPORATION, (HEDC) Meeting Minutes

Type of Meeting: Regular Meeting
Date and Time: Thursday, April 16th, 2026 7:00 a.m.
Location: South Texas Regional Airport Board Room
700 Vandenberg Road, Hondo, TX 78861

1. Determination of Quorum

1.1 Call to Order

Chair J. Gruber, Vice-Chair Ronnie Miller, Treasurer Brett Riff, Rachel Ramirez, Roger Hernandez & Rose Mary Mares.

Secretary Ashley Lowe was not present.

“President J. Gruber called the meeting to order at 7:03 a.m.”

- 2. Public Forum:** *Upon recognition by the Chair, persons desiring to address the Board may speak on any topic not to exceed three (3) minutes in length. Board Members are prohibited from deliberating on any item presented but may recommend placement on a future agenda for discussion.*

No comments were made by a visitor.

- 3. Consent Agenda:** *All consent items are considered to be routine and will be enacted by one motion. If requested by a Board Member, any item may be taken off the Consent Agenda by the Chair for individual consideration.*

3.1 Approval of March 19th, 2026 regular meeting minutes.

“Ronnie Miller made the motion to approve the consent agenda items. Roger Hernandez seconded the motion. Motion carried 6-0”

4. Consider Items: Consider and take any action necessary

4.1 Present and discuss Economic Gardening Pilot Project – Sean Patty

Sean Patty presented the concept of an Economic Gardening Pilot Project, focusing on strategies to strengthen the local economy by supporting and scaling existing businesses rather than relying solely on external recruitment. He introduced the “economic bucket” framework to illustrate how money flows into and out of a community, emphasizing the importance of increasing inflows (such as export employment, tourism, and primary jobs) while minimizing outflows (such as external spending and non-local procurement).



The presentation highlighted the role of “primary jobs,” defined as businesses that export goods or services outside the local market, thereby bringing new revenue into the community. Examples included manufacturing, aviation services, and remote employment. Sean also discussed common outflows, including online shopping, corporate profit distribution, and external vendor usage, reinforcing the need for local retention strategies such as shop-local initiatives.

Sean contrasted traditional economic development approaches—often focused on recruiting large employers (“whale hunting”)—with the Economic Gardening model, which prioritizes growing local “stage two” companies. These are firms with 10–100 employees and \$1M–\$50M in annual revenue that are poised for expansion but require targeted data and market intelligence to scale. He cited national and regional data indicating that while only about 15–18% of businesses fall into this category, they account for approximately 40% or more of job creation.

Five local companies were identified as qualified participants for the pilot program: Corrigan Air Center, Hondo Railway, Medina Ag Products, Hondo Aerospace, and Range Ward. Each company expressed interest in participating and identified potential growth opportunities that could benefit from advanced market research, such as identifying target customers, geographic demand clusters, and industry-specific opportunities.

The proposed pilot would partner with the National Center for Economic Gardening to provide approximately 40 hours of customized research per company. This would include tools such as market heat maps, customer identification, and competitive analysis to help businesses make data-driven growth decisions. The Economic Development Corporation (EDC) would serve as the liaison, oversee the process, and track performance metrics such as job creation and revenue growth through pre- and post-project evaluations.

The total cost of the pilot program was presented as \$23,750 (\$4,750 per company). Sean emphasized that the investment aligns with the EDC’s mission to foster local job creation, increase capital investment, and strengthen the overall economic base by supporting scalable, locally rooted businesses.

Discussion included clarification that the EDC would have access to the research outputs and remain engaged throughout the process. Board members acknowledged the innovative approach and the potential for measurable economic impact through targeted support of high-growth local firms.

“Ronnie Miller made the motion to approve funding of the Economic Gardening Pilot Project in the amount of \$23,750 as presented. Rose Mary Mares seconded the motion. Motion carried 6-0”

5. **Discussion Items: Discuss with no formal action to be taken**

5.1 Update on +/- 26.43 acres (ID 513163) for residential development.

Sean Patty provided an update on the ±26.43-acre residential development site (ID 513163). He reported that **DR Horton has withdrawn from the project** due to FAA-related deed restrictions tied to the property. These restrictions, which include height limitations and required aviation easements, were identified as concerns for national builders, particularly regarding potential impacts on marketability and legal exposure.

Sean noted that a recent meeting was held with Development Services and local builders to gauge interest and gather feedback on development expectations and design standards. The discussion was productive, and as a result, **five letters of commitment were received from local builders** expressing interest in participating in the project. While the letters were received too late to include in the board packet, they will be distributed for review.

The letters indicate **strong local builder interest**, including:

- Willingness to purchase lots upfront in smaller tranches (e.g., 6–10 lots initially),
- Indicative pricing around **\$30,000 per lot**, and
- Interest in additional product types, including **townhome or multifamily development**, with one proposal offering approximately **\$120,000 for designated tracts**.

Builders mentioned included Gear Construction, Loco Armadillo Enterprises- LLC, Brighter Door- LLC., Rosenberg Farm Homes, and C2 Texas Properties- LLC, all identified as local or regionally active. Board discussion confirmed familiarity with several of the builders and reinforced that interest is locally driven.

Sean emphasized that **no action is required at this time**, but the level of commitment demonstrates viable interest in advancing the project through a locally driven development approach.

Additional discussion included a nearby **102-acre property (Phil Backe property)** currently listed for sale at approximately \$2.6 million, with conceptual plans for 267 lots. While noted as a potential large-scale opportunity, it was acknowledged that such a project would represent a significant undertaking and financial commitment.

Board discussion highlighted caution regarding market conditions and development strategy. It was advised that the EDC **avoid holding residential inventory** and instead structure deals to shift risk to builders where possible, even if that requires discounted lot pricing.

Sean concluded by reiterating that, despite challenges with national builders due to FAA restrictions, **the project continues to show promise through strong local builder engagement**, and further evaluation will be brought back to the board at a later date.

6. Standing Reports

6.1 Executive Director Report – Sean Patty & Kaitlynn Jensen

Under approved programs, Sean reported that the **LiftFund program continues to perform effectively**, with two additional local businesses receiving funding in March. He emphasized that the program is achieving its intended purpose of supporting small business growth within the community.

Regarding the Chamber of Commerce funding, Sean shared guidance received from the EDC attorney indicating that, under marketing and promotional allowances, **EDC funds may be used for most Chamber-related activities except employee salaries and conference expenses**. Based on this interpretation, approximately \$12,000 of the previously discussed \$35,000 allocation would be ineligible. Sean noted that a follow-up meeting with Chamber staff is scheduled to further review options and develop a compliant path forward for Board consideration.

Marketing and communications efforts were highlighted, with Kaitlynn providing performance updates across multiple platforms. Social media engagement has increased significantly, driven by recent high-performing posts, including a video that generated substantial reach and interaction. Facebook activity showed notable growth in followers and page visits, while Instagram continues to expand through business engagement and tagging. The monthly newsletter subscriber base also increased, with strong open rates reported.

Kaitlynn also reported success with the “**Morning SIPS**” **business engagement series**, which drew 18 attendees and received highly positive feedback, including strong interest in attending future sessions. Additionally, an upcoming August 12 event has already reached full vendor capacity, with 30 vendors and multiple food trucks confirmed.

Sean further highlighted a new **business case study initiative**, featuring Sisters Boutique in Floresville as a model for scalable retail success in a comparable market. The initiative aims to provide actionable insights and replicable strategies for local businesses, with plans to bring the business owners to Hondo to share best practices directly with the community.

The Board acknowledged the positive momentum across programs and marketing efforts, with continued focus on supporting local business growth and ensuring compliance in funding allocations.

7. **Executive Session:** *As authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001, the Board may enter into a closed Executive Session at any time concerning any and all subjects and for any and all purposes permitted by the Act, including, but not limited to, the following:*

- 8.1 Section 551.071 - Consultation with the Board's attorney
- 8.2 Section 551.072 - Deliberation regarding the purchase, exchange, lease or value of real property
- 8.3 Section 551.074 - Deliberation on personnel matters
- 8.4 Section 551.087 - Deliberation regarding economic development negotiations

8. **Actions Resulting from Executive Session**

"No action was taken"

9. **Adjournment**

"Rose Mary Mares made a motion to adjourn, and Ronnie Miller seconded. The meeting was adjourned at 8:07 a.m."

ATTEST:



Ashley Lowe, Board Secretary

On 5/21/20 _____