

**MINUTES OF
THE HONDO ECONOMIC DEVELOPMENT CORPORATION, (HEDC)
CITY OF HONDO
TYPE B ECONOMIC DEVELOPMENT CORPORATION**

**HEDC REGULAR BOARD MEETING
700 Vandenberg
Airport Board Room
Hondo, Texas 78861**

August 15th, 2024 at 4:00 P.M.

BOARD MEMBERS' BUSINESS

1. Roll call to determine presence and Quorum.

Chair J. Gruber, Vice Chair Ronnie Miller, Treasurer Brett Riff, Secretary Ashley Lowe, Roger Hernandez, Rose Mary Mares

Absent: Rachel Ramirez

Staff Present: EDC Director Sean Patty

2. Call to Order.

"President J. Gruber called the meeting to order at 4:07 p.m."

3. PUBLIC FORUM

No comments were made by a visitor.

4. Consent Agenda

a. Minutes from the July 2024 meeting.

Action item: Motion to approve the Consent Agenda

Roger Hernandez motioned to approve consent agenda and Ronnie Miller promptly seconded the motion. Motion carried 6-0.

5. Review of YTD Financials.

Executive Director Sean Patty presented an overview of the sales tax collections and financials for the City of Hondo. He reported that July's total sales tax collections amounted to \$168,301.98, reflecting a 2.3% decrease year-over-year. He provided a two-year comparison of tax collections, noting that the net payment to the city, of which the city receives approximately 33%, has shown a flat trend. Year-to-date, Hondo's net payment stands at \$1.736 million, slightly up from \$1.713 million the prior year, with a year-over-year fiscal growth of just 1.3%. Sean highlighted concerns about a downward trend in monthly comparisons, indicating a sluggish economic environment.

Additionally, Sean reviewed the budget usage report, explaining the current financial status. He pointed out that the EDC still needs to collect \$104,000 in revenue to meet the budgeted amount. On the expenditure side, the EDC is performing well, with \$281,000 remaining for potential expenses. Sean emphasized that personnel costs and services are within budget and that overall financials are in good shape. The Board agreed that a more detailed financial report could be reviewed quarterly, while the current summary format is preferred for monthly updates.

6. Presentation by Jena Prevo – (Hondo Area Chamber of Commerce) regarding a collaborative Alley Way Project to help in revitalization of downtown Hondo.

Presentation Overview: Jena Prevo presented a proposal to the board concerning a collaborative project focused on revitalizing downtown Hondo through the beautification of alleyways. The Chamber of Commerce, working closely with downtown businesses, identified economic struggles and underutilized spaces as key areas for improvement. With the Chamber's office located downtown, Jena observed the potential for transforming alleyways into more inviting, community-friendly spaces.

Key Points Discussed:

1. Economic and Community Benefits:

- Jena emphasized that beautifying alleyways can contribute positively to the downtown area by creating walkable spaces that encourage more foot traffic and community engagement.
- The initial focus is on the alley between Studio B and God's Country Sweets and Treats, aiming to create a space that could be used for lunch breaks, community gatherings, and events like the "Night on 90."
- Enhanced walkability and aesthetic improvements could also address issues such as vandalism and unauthorized activities in the alleys.

2. Collaborative Effort:

- The project is intended to be a collaborative effort between the Chamber, the Economic Development Corporation (EDC), and the City of Hondo.
- Jena reported that she has already spoken with most businesses in the affected area, and while there was some hesitancy from a business that uses its backspace for deliveries, most feedback was positive, with businesses recognizing the potential for increased customer engagement.

- The City of Hondo has expressed willingness to contribute to the project by providing financial support and utilizing city resources like the streets crew and Parks and Recreation department.

3. **Vision and Design:**

- The proposed alleyway transformation includes adding walkable paths, seating areas, and possibly lighting to make the space more inviting. There was also mention of potentially using the backs of buildings for secondary shops and spaces, adding further economic value.
- Jena shared images of successful alleyway revitalizations in other communities as inspiration, highlighting how these projects could lead to significant long-term benefits for downtown Hondo.

4. **Cost Considerations:**

- While initial estimates suggest that lighting and canopy installations could be relatively low-cost, Jena mentioned that the city's involvement in repaving or installing pavers might influence the total cost. The project remains flexible, with the potential to adjust based on available resources and business feedback.

5. **Next Steps:**

- The project is still in the early stages, with the next steps involving further consultation with downtown businesses, finalizing designs, and securing approvals and funding.
- Jena proposed the idea of hosting a grand opening upon completion of the alleyway project to celebrate the revitalization and encourage community participation.

Board Feedback:

- The board expressed support for the project, recognizing its potential to spark further investment and improvement in the downtown area.
- There was discussion about addressing practical concerns, such as utility access, lighting costs, and potential security issues.
- The board appreciated Jena's initiative and encouraged continued collaboration among all stakeholders to bring the project to fruition.

1. **Present, review & discuss possible funding for the BluDot Open Rewards Incentive Program for \$5,000 effective Oct 1, 2024.**

Action item: Motion to approve BluDot Open Rewards Incentive Program for \$5,000 effective Oct 1, 2024.

During the meeting, **Sean Patty** presented a detailed proposal for the BluDot Open Rewards Incentive Program, which is a three-component customer relationship management (CRM) tool designed to support local businesses by encouraging consumer spending within Hondo's city limits. Sean emphasized the potential benefits of the program in reducing retail leakage and driving more revenue to local businesses.

Program Components:

1. **CRM System:** This feature allows businesses to manage their customer interactions efficiently, helping them maintain and grow their customer base by utilizing data-driven insights.
2. **Business Directory:** This component offers a centralized directory of local businesses, making it easier for consumers to find and support local shops, restaurants, and services.
3. **Rewards Program:** The rewards system incentivizes consumers to shop locally by offering a percentage of their spending back in the form of credits. Shoppers would upload their receipts through the BluDot app, and the system would reimburse a portion of their spending, typically set at 5%. The funds for these reimbursements would be provided by the Hondo Economic Development Corporation (HEDC).

Cost and Implementation:

- The program is designed to support up to 250 local businesses and would cost approximately **\$395 per month**, amounting to just under **\$5,000 annually**. This expenditure would be treated as a grant to support local businesses.
- Sean proposed a trial period of one year, beginning with the next fiscal year, to assess the program's effectiveness in boosting local commerce.

Feedback from Other Communities:

- Sean shared positive outcomes from other communities that have implemented the BluDot system, including **Clyde and Cibolo, TX**. These communities reported an increase in local spending and a noticeable reduction in retail leakage, indicating that the program effectively kept consumer dollars within the local economy.

Board Discussion:

- The Board engaged in a thorough discussion about the potential impact of the BluDot Open Rewards Incentive Program. Several points were raised, including:
 - **Eligibility Criteria:** Clarification on which businesses would be eligible to participate in the program, with considerations for including all locally-owned businesses within Hondo's city limits.
 - **Funding Cap:** The potential need to establish a cap on reimbursements to ensure the program remains within budget while still being effective.
 - **Promotional Strategy:** The importance of a robust marketing and outreach plan to ensure both businesses and consumers are aware of the program and understand how to participate.
 - **Evaluation Metrics:** Suggestions to define clear metrics for evaluating the program's success, such as the increase in local spending, number of businesses participating, and consumer engagement levels.

Integration with Business Retention & Expansion Efforts:

- Sean also discussed the alignment of the BluDot Open Rewards Incentive Program with the HEDC's broader **Business Retention & Expansion (BRE) efforts**. He highlighted

that the program could serve as an additional tool in the HEDC's toolkit to support existing businesses and help them thrive in a competitive market.

- The Board agreed that the program would not only help retain local businesses but also attract new ones by showcasing Hondo's commitment to creating a business-friendly environment.

Conclusion:

The discussion concluded with general support for the BluDot Open Rewards Incentive Program, recognizing it as an innovative approach to fostering local economic growth. The Board expressed interest in continuing the dialogue and refining the program details before making a final decision.

2. Review and discussion and possible action on Personnel matters.

Action item: Motion to approve discussion of Personnel matters in closed session due to deliberation of the appointment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee. Under Section 551.074 of the Texas Government Code.

Roger Hernandez made a motion to approve discussion of personnel matters in closed session and Ashley Lowe promptly seconded the motion. The motion carried 6-0.

Action item: Motion to adjourn to Executive Session for discussion of Personnel matters and Contract negotiations.

Roger Hernandez made a motion to adjourn to Executive Session for discussion of Personnel matters and contract negotiations. Ashley Lowe promptly seconded the motion. The motion carried 6-0.

The Board entered Executive Session at 4:54: p.m.

ADJOURNMENT OF OPEN MEETING TO GO INTO EXECUTIVE SESSION IN ORDER TO DISCUSS MATTERS LISTED ON THE AGENDA PERTAINING TO PERSONNEL MATTERS & CONTRACT NEGOTIATIONS.

EXECUTIVE SESSION

A closed executive session may be conducted under authorization of Texas Government Code Annotated Chapter 551. Such closed meetings may be held only for the purpose of a discussion. Any action as a result of a discussion, must be taken in open session. The following executive session is authorized under Section 551.074, to deliberate the appointment. Employment, reassignment, duties, discipline, or dismissal of a public officer or employee.

The following executive session is authorized under Section 551.073, to deliberate the contract negotiations.

3. Return to open session from closed session.

a. Return to open session.

The Board returned to open session at 5:24 p.m.

b. Discuss and/or take appropriate action, if any, regarding personnel and contract matters.

Possible Action item: Motion to _____ {act on items in closed session}.

No action was taken by the Board.

4. Executive Director Report.

Sean Patty provided a detailed overview of ongoing activities and initiatives under the purview of the Hondo Economic Development Corporation (HEDC). Key highlights include:

1. Marketing and Social Media Metrics:

- The HEDC's website continues to see growth in visitor numbers, with over 14,000 visits reported. Sean emphasized the importance of these metrics in tracking the success of their marketing efforts.
- On Facebook, the HEDC's page has seen consistent growth, with 27 new followers added so far this month, marking it as the third-highest growth month for the year. Posts focusing on local businesses, such as Capital Farm Credit and Westbound Supply, have seen significant engagement, with some reaching over 6,000 people.
- Sean is personally involved in crafting many of the posts, especially those related to local stories, which have proven to be the most engaging.

2. Website and Business Directory:

- The HEDC's website now includes a robust MLS (Multiple Listing Service) system powered by GIS Webtech, featuring local commercial properties. Sean highlighted the importance of involving local realtors in this effort to showcase available properties.
- A newly launched Business Directory is now live on the website. Businesses can update their own information, and there is a focus on making this a comprehensive local job board. Several businesses, including Dixon Automotive and Medina Electric, have already posted job opportunities.

3. Project Tracker and CRM System:

- Sean updated the board on the status of various projects tracked through the HEDC's CRM system, BluDot. For Q3, 16 site visits and business calls have been logged, with detailed tracking of these interactions to ensure follow-up and continuity.
- A notable project involving a \$3 billion proposal for a 10,000-foot runway was discussed. Despite initial interest, the project was ultimately shelved due to a lack of funding from TxDOT.

4. Pole Banner Project:

- o Sean introduced the collaborative effort to design and install light pole banners along Hwy 90. The Chamber of Commerce is leading the design work, the city will handle installation, and the HEDC will cover the costs.
- o Feedback from the community has been sought through social media, with several designs receiving varying levels of public engagement. Sean emphasized the importance of community involvement in the final decision.

This report provided a comprehensive overview of the ongoing efforts to enhance the visibility of local businesses and the HEDC's role in supporting economic development in Hondo. The meeting proceeded without requiring immediate action on the discussed items.

5. Directors Comments.

No further comments were made from EDC Board Members.

6. Adjourn.

Chair of the Hondo EDC Board, J. Gruber, entertained a motion to adjourn the meeting at 5:49 p.m. Ronnie Miller made a motion and Rose Mary Mares seconded. The motion was approved 6-0.

Attest:



Ashley Lowe

Board Secretary

On Sept 19th, 2024