



**THE HONDO ECONOMIC DEVELOPMENT CORPORATION, (HEDC)
Meeting Minutes**

Type of Meeting: Regular Meeting
Date and Time: Thursday, December 19th, 2024 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

“President J. Gruber called the meeting to order at 7:04 a.m.”

2. Conflict of Interest Declarations

There were no conflict of interest declarations.

3. 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 deliberation on any item presented but may recommend placement on a future agenda for discussion.*

No comments were made by a visitor.

4. 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.*

4.1 Approval of November 21st, 2024 regular meeting minutes.

“Rose Mary Mares made a motion to approve consent agenda. Rachel Ramirez promptly seconded.”

5. Consider Items: Consider and take any action necessary

5.1 Open Rewards Program Status

Update for the Hondo Economic Development Corporation Board Meeting: Open Rewards Program

The BluDot Open Rewards Incentive Program has shown promising results since its implementation. The program incentivizes local shopping by offering credits for purchases within the city limits, with receipts uploaded via the BluDot app.

• **Economic Impact:**

- **Total economic impact:** \$144,188 reflecting a **20x return on investment.**
- **Number of users:** 349 participants actively engaging with the program.
- **Top retailers:** Local businesses, alongside major retailers like Walmart and H-E-B, contributed significantly to the program's success.

Key Points and Challenges:

1. Fund Usage:

- \$7,500 of EDC funds were deposited, and the funds have been effectively allocated.
- BluDot has confirmed that all accumulated balances are accounted for, ensuring smooth participant redemption.

2. Promotional Opportunities:

- Suggestions include showcasing program success through static screenshots or articles since the app does not support a shareable link for live updates.
- Sorellas, a local boutique, demonstrated effective in-store promotion by actively engaging customers to participate.

3. Lessons Learned:

- Major retailers like Walmart and H-E-B have had significant participation, but discussions suggest potentially limiting future rounds to small, locally owned businesses to focus on local economic growth.
- Participant feedback highlights the need for clarity between claim and redeem functions in the app to streamline user experience.

4. Future Plans:

- Consider launching the next round in **August of 2025**, coinciding with back-to-school shopping to capitalize on local spending during a traditionally active retail period.
- Potentially fund up to \$10,000, for the next cycle, focusing on strategic periods to maximize impact.
- Adjust program parameters to support smaller, locally owned businesses exclusively.

5. Communication Improvements:

- Ensure participants receive timely notifications about program updates and deadlines.
- Work with local media to amplify program awareness and outcomes.

Closing Notes:

The Open Rewards Program has been a clear success, fostering local spending and community engagement. Moving forward, refining program guidelines and focusing on small businesses can further enhance its effectiveness while aligning with the HEDC's mission.

5.2 Project Stella; Project BiRD, Project HCF (Executive Session)

See Executive Director's Report

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

6.1 David Petr – Marketing Alliance update

No update was provided, as the guest was unable to attend.

7. Standing Reports

7.1 Financial Report

Reference was made to the Board Packet for review of monthly sales tax and General Ledger Detail vs. Budget. In January of 2025, Chris Hill will provide a 1st quarter update on the financials.

7.2 Executive Director Report (Sean Patty)

Business Retention & Expansion Program Update

During the recent Hondo Economic Development Corporation Board Meeting, the discussion around the Business Retention & Expansion (BRE) program highlighted key challenges and opportunities in supporting local businesses and addressing the broader economic environment of Hondo.

Key Insights and Challenges:

1. Fundamental Issues Beyond the BRE Program:

- A significant comment noted that while the BRE program provides vital support, it alone cannot "save businesses" that face systemic issues like population decline.
- The EDC is focused on addressing foundational concerns such as housing availability and job opportunities, which are critical for reversing population trends and supporting a sustainable business environment.

2. Business Closures and Struggles:

- Numerous businesses have closed or relocated within the past year.
- Factors contributing to these closures include location challenges, insufficient customer traffic, labor shortages coupled with high overhead.

3. Resistance to Change:

- Some businesses have been hesitant to engage with new initiatives, such as the BluDot Open Rewards Incentive Program, which aims to drive customer traffic.
- The EDC respects these decisions but recognizes that it cannot intervene if businesses are unwilling to adapt or explore collaborative opportunities.

Strategic Focus:

• Long-Term Goals:

- The EDC is working on what was referred to as the "three-legged stool" approach, emphasizing housing development, job creation, and being more attractive for families.
- Housing is identified as the most critical component to attract more residents, who in turn will support local businesses, schools, and retail growth.
- There are three active housing projects being explored, which are expected to significantly improve the city's economic outlook.

• Realistic Outlook:

- The EDC acknowledges that the path to recovery and growth is a "long, slow pull." Efforts are aimed at strengthening the community and creating a solid foundation for sustainable economic development.

Conclusion:

The BRE program continues to engage with local businesses to provide guidance and resources, recognizing that not every business can be saved but that collective efforts can lead to a stronger, more resilient economy. The ongoing focus on housing, jobs, and community support is central to achieving this vision.



Update from the Hondo Economic Development Corporation Board Meeting on Potential Housing Developments

The consideration of potential housing projects was a significant topic of discussion during the recent HEDC board meeting, reflecting its long-term implications for Hondo's growth and infrastructure. Key points include:

1. **Growth Management:**

Board members emphasized the inevitability of growth and the importance of proactive management. If a project proceeds without the city's involvement, it is likely to be larger and less controlled. Engaging in the development phase could lead to a more contained and community-focused outcome. This approach aligns with Hondo's long-term vision for sustainable growth.

2. **Infrastructure and Revenue Opportunities:**

- Collaboration on housing project(s) offers numerous benefits, including improved water pressure, enhanced wastewater treatment capacity, and a potential increase in city revenue through utilities. These enhancements could address current infrastructure challenges and support future growth.

3. **Current Discussions and Actions:**

Recent meetings with developers are exploring funding mechanisms such as Public Improvement Districts (PIDs) and Tax Increment Reinvestment Zones (TIRZ) to support projects within the city limits. Discussions remain in the early stages, with no commitments requested from the EDC at this time.

4. **Project Impact:**

The projects could result in the development of a large number of homes. This influx of residents would support local schools, businesses, and the retail sector, potentially influencing large employers, such as Walmart, to maintain or expand operations locally.

5. **Community Sentiment:**

While there is resistance from some community members who oppose growth, the board underscored the broader benefits of such developments for Hondo. The project could attract young families and professionals, fostering a more vibrant and diverse community.

6. **Strategic Considerations:**

Board members highlighted the need for careful deliberation, balancing personal opinions with what is ultimately best for Hondo. The goal is to maximize the benefits of development while minimizing potential drawbacks.

This discussion underscores the importance of strategic planning and collaboration to ensure that growth in Hondo aligns with community values and long-term sustainability.

8. **Topics for Future Meetings:** *Board/Staff discussion*

The Board recommended more discussions with TXDOT on improvement of traffic flow, in particular an overpass at Castro & Hwy 90 as well as a dedicated turning lanes for increased truck traffic.



9. **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:*

- 9.1 Section 551.071 - Consultation with the Board's attorney
- 9.2 Section 551.072 - Deliberation regarding the purchase, exchange, lease or value of real property
- 9.3 Section 551.074 - Deliberation on personnel matters
- 9.4 Section 551.087 - Deliberation regarding economic development negotiations

The Board did not convene to Executive Session.

10. **Actions Resulting from Executive Session**

No action was taken.

11. **Adjournment**

"A motion was made by Ronnie Miller to adjourn the meeting. Rose Mary Mares promptly seconded and the meeting was adjourned at 8:14 a.m."

ATTEST:

A handwritten signature in blue ink, appearing to be "AL", written over a horizontal line.

Ashley Lowe, Board Secretary

On 1/16/25