

**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**

**JANUARY 18, 2024 at 3:00 P.M.**

**BOARD MEMBERS' BUSINESS**

**1. Called the meeting to order**

“President J. Gruber called the meeting to order at 4:05 p.m.”

**2. Quorum check.**

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

Absent: Roger Henderson, Rachel Ramirez

Staff Present: City Manager John Naron, Mayor John McAnelly, Director of Aviation Ryan Elder, CEO of Marketing Alliance David Petr, CEO HYSKY Society Danielle McLean, EDC Director Doug Dowler, EDC Business Retention & Expansion Sean Patty

**3. Public Forum**

No comments were made by a visitor

**4. Consent Agenda**

J. Gruber initiated the discussion by proposing the approval of the consent agenda, highlighting the necessary corrections. Rosemary Mares promptly seconded the motion. Motion carried 5-0.

**5. Presentation from John Naron, City Manager City of Hondo, “Upcoming Certificate of Obligation”, Sources and Uses.**

John Naron provided an update on the upcoming certificate of obligation. He announced that the council approved the obligation for planned projects, including trunk lines supported by the EDC board. The approved projects involve renovations to the Fair Hall and improvements to baseball fields. The Fair Hall will undergo a \$400k remodel funded by the city, with plans for public input. The trunk line, critical for various areas, will be expanded to a 27-inch line. The industrial park and airport will benefit from this expansion. Naron also discussed plans to relocate a 10-inch line through the Golden Eye property and address concerns about its impact on development.

Additionally, electrical line upgrades are in progress, allowing businesses to tie into the trunk line for power. The Water Development Board is being approached for a low-interest loan to enhance the wastewater treatment plant, potentially doubling its capacity. We're going to be able to increase the size of the wastewater treatment plant, which again, I mean, it all works towards economic development, not only for the city, but also for you because I think the Goldeneye project itself is bringing about 250,000 gallons per day, just in sewer. We're also buying water rights which, depending on pricing, it could be anywhere between 250 to 312K.”

Naron discussed plans to upgrade the downtown Grand storage tank, emphasizing the importance of investing in infrastructure for the benefit of both businesses and taxpayers. He stressed that any improvement in water infrastructure, be it pipe replacement or storage tank upgrades, has a positive ripple effect on the community.

Looking ahead, Naron suggested collaboration on projects between the city and EDC, proposing the idea of displaying signs to inform the public about EDC's investments. He expressed the belief that such visibility would not only serve as good marketing for EDC but also increase awareness among the public about the organization's role in driving economic development and job creation.

**6. Review, discuss, and possible action for the approval of Project HySky. Video presentation by Danielle McLean.**

Danielle McLean, CEO of Project HYSKY, introduced the organization as a one-year-old nonprofit focused on advancing hydrogen aviation. She highlighted their roots in the Vertical Flight Society and their mission to serve companies building hydrogen-powered aircraft.

McLean emphasized the strategic opportunity for South Texas Regional Airport to explore hydrogen, citing its potential for profitability, job creation, and

dominance in aviation and energy sectors. She explained that hydrogen aviation is on the rise, offering a cost-effective alternative to jet fuel.

The presentation delved into the global shift towards hydrogen energy, with the United States investing \$8 billion in hydrogen hubs, including the Gulf Coast Hydrogen Hub in Texas. McLean projected that this hub, which includes Hondo, could produce 1/3 of the world's hydrogen, translating to an \$85 billion market for hydrogen aviation in Texas.

Addressing the need for a dedicated airport for hydrogen aviation, McLean identified South Texas Regional Airport as an ideal location due to its proximity to the hydrogen hub, abundant sunshine for solar energy production, uncrowded airspace, and access to railways for hydrogen transport.

McLean concluded by envisioning the High Sky Research Center at South Texas Regional Airport as a hub for hydrogen aviation companies to build the next generation of aircraft.

**Action item:** Motion to approve Project HySky as an EDC project

Motion was made to table item to a called Special Meeting on January 31<sup>st</sup> at 4:00 p.m. at the South Texas Regional Airport. Motion carried 5-0.

## **7. Review, discuss, and possible action for the approval of Project Rise Broadband.**

- a. Resolution approving the project for construction of Broadband Fiber internet to the South Texas Regional Airport and the HEDC offices.

In summary, Doug Dowler continued with a focus on the introduction of high-speed broadband fiber into the South Texas Regional Airport. The broadband offers a one-gigabyte download and upload speed, significantly faster than current capabilities. This high-speed connection is expected to handle large data files, including engineering drawings, and provide enhanced capabilities for airport systems.

The broadband fiber network is also extended to the airport's Industrial Park, catering to additional companies with broadband fiber requirements. Doug highlighted two options from the current provider, with the chosen option being a five-year deal at \$250 per month and a \$7,000 construction cost. This deal was compared to the initial offer, resulting in a significant cost savings of \$9,000 over the five-year period. The broadband initiative is seen as a valuable asset for both the airport and potential businesses in the region.

**Action item:** Motion to approve Project Rise Broadband as an EDC project

Motion was made to approve Project Rise Broadband. Motion carried 5-0.

- b. Resolution approving the expenditure of \$7,000 for construction of Broadband Fiber internet to the South Texas Regional Airport and the HEDC offices.

**Action item:** Resolution to approve request to City Council for expenditure of \$7,000 from the EDC Fund Balance for construction costs of Project Rise Broadband. Thus providing Broadband Fiber internet access to the South Texas Regional Airport offices.

A motion was made to approve resolution of \$7,000 expenditure to fund construction costs of Project Rise Broadband. Motion carried 5-0.

## **8. Business Retention and Expansion Report**

Sean Patty, the Business Retention & Expansion Coordinator, presented the pipeline report, highlighting that there are currently 32 Requests for Information (RFIs). The software used for tracking is EDOIQ. The projects are categorized into leads and active projects. Patty mentioned the importance of having robust broadband fiber infrastructure to support these initiatives.

The total value of active and lead inquiries is approximately \$1.1 billion, with around 1,400 jobs actively in progress. The three active projects are ARAS MRO, Project Boise Cascade, and Project High Sky, pending approval. Projects in the lead status are still open for consideration, having submitted proposals and awaiting decisions.

Patty explained that inactive projects could be due to various reasons, such as specific power requirements, proximity to a port, or not meeting certain criteria. The presentation provided an overview of the current pipeline and the factors influencing project status.

## **9. Executive Director Report**

Doug Dowler, Executive Director of the Hondo EDC, provided a report during the meeting. He mentioned the preparation for the annual work plan presentation and the budgeting process for the fiscal year 2024-2025. A copy of the annual work plan from October 2023 to September 2024 was provided in the meeting materials.

Dowler proposed a work plan budget and project development retreat on Friday, February 9<sup>th</sup> from 9 AM to 3:30 PM. The purpose of the retreat would include discussions on funding requests, justification for expenditures, and the introduction of a requirement for performance agreements for those seeking funding. Funding recipients, such as the training center and Chamber of Commerce, would need to appear before the board to justify their requests.

Dowler emphasized the goal of having all expenditures in the budget pre-approved by the board. The plan includes recipients submitting funding requests in May, the preparation of a draft budget for review in June, board action on the proposed budget in July, and the presentation to the City Council for approval on September 24<sup>th</sup>.

The annual report for the City Council is tentatively scheduled to be presented at their February 26<sup>th</sup> meeting. Dowler concluded by outlining the budget preparation schedule and the timeline leading up to the presentation to the City Council in August.

## **10. Directors Comments. Video Interview by David Petr from Marketing Alliance Inc.**

In summary, David Petr, Founder & CEO of Marketing Alliance, presented information to the EDC board. Marketing Alliance specializes in economic development marketing and has been in business for 22 years, working in 29 states with 430 communities. The company aims to help cities, counties, and states better position themselves for economic development opportunities, including job retention, creation, capital investment, and quality of life improvements.

Petr highlighted the company's passion and purpose-driven approach and mentioned their previous work with Doug in Snyder, Texas. The focus of their work involves understanding the value proposition of a community, creating a dynamic website, and driving traffic through digital marketing campaigns.

He discussed the ongoing strategic planning process, intending to maximize opportunities, mitigate challenges, and create a plan for intentional growth over the next three years. Petr emphasized the importance of understanding what makes Hondo unique and how to attract businesses.

During the presentation, Petr engaged in a conversation with the board, asking them about their reasons for serving on the board and their goals for the EDC in the next three years. He expressed his intention to gather insights and information to craft a strategic plan tailored to Hondo's unique strengths and challenges.

#### **11. Adjourn.**

Chair of the Hondo EDC Board, J. Gruber, made a motion to adjourn the meeting at 5:43 p.m. The motion was second by Ronnie Miller, and there was support from the Board.

**Attest:**

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**Ashley Lowe**

**Board Secretary**

On \_\_\_\_\_, 2024