

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

July 25th, 2024 at 4:00 P.M.

BOARD MEMBERS' BUSINESS

1. Roll call to determine presence and Quorum.

Chair J. Gruber, Vice Chair Ronnie Miller, Secretary Ashley Lowe, Roger Hernandez, Rachel Ramirez

Absent: Treasurer Brett Riff, Rose Mary Mares

Staff Present: EDC Director Sean Patty

2. Call to Order.

"President J. Gruber called the meeting to order at 4:06 p.m."

3. PUBLIC FORUM

No comments were made by a visitor.

4. Consent Agenda

a. Minutes from the June 2024 meeting.

Action item: Motion to approve the Consent Agenda

Roger Hernandez motioned to approve consent agenda and Rachel Ramirez promptly seconded the motion. Motion carried 5-0.

**5. Presentation and possible action on April - June 2024 quarterly financials.
-Chris Hill CFO-City of Hondo**

Action item: Motion to approve the April - June 2024 quarterly financials.

Ronnie Miller motioned to approve the April - June 2024 quarterly financials and Roger Hernandez promptly seconded the motion. Motion carried 5-0

6. Review & discuss finalized HEDC Budget for 2024-2025, in the amount of \$899,723.

Action item: Motion to approve 2024-2025 HEDC Budget for \$899,723.

It was confirmed that \$35,000 is allocated to the Chamber of Commerce. Additionally, discussions were held about creating a formal agreement for the \$30,000 shared services payment. Sean Patty shared the budget, which was reviewed in the council budget workshop, and no significant issues were anticipated for its approval. There was a query made by Ronnie Miller about the interest collection on a loan to the airport, which will be verified with Chris Hill, Director of Finance with the City of Hondo, for specific details on payment schedules.

7. Review and discuss possible funding of South Texas Regional Airport Signage, in the amount of interest payment received from STRA airport loan. (\$29,942)

The Board reviewed and discussed possible funding of the South Texas Regional Airport (STRA) signage using the interest payment received from the STRA airport loan, totaling \$29,942. Several renditions of the proposed signage were examined, including the idea of selling advertising spots on the sign to businesses in the park. Discussions touched on the need to wait for attorney input regarding the process, and the possibility of the EDC managing the project locally to expedite it. It was noted that the sign design might feature backlit and LED elements for better visibility. The discussion was preliminary, with no immediate action taken, pending further cost details.

8. Review and discuss site plans for Project Navigator at the South Texas Regional Airport.

The Board reviewed and discussed the site plan for Project Navigator at the South Texas Regional Airport. The initial design concept includes a two-story building with an outdoor space, covering a footprint of 4200 square feet. The overall square footage is 5282, with the ground floor featuring a kitchen, bathrooms, and seating for about 100 people, while the upper level hosts a bar area and an open space. The proposed site plan positions the building near the current FBO, with parking and green space considerations.

Discussions highlighted the importance of covering the outdoor area to provide a comfortable dining experience throughout the year. Suggestions included adding pergolas, misters, or using movable shrub walls for flexibility. The design aims to cater to both airport visitors and local workers, with the potential for a breakfast and lunch menu appealing to the nearby employee population. The next steps involve refining the design, estimating costs, and determining the funding commitment from both the airport and the EDC. The idea of a design competition or an RFP for the restaurant operator was also discussed as a potential approach to finalize the project. The board expressed strong support for the concept and emphasized the importance of ensuring the project is both functional and aesthetically pleasing.

9. Review and discuss MEP survey report for Project 1116B 18th St in downtown Hondo

The Board reviewed and discussed the key survey report for Project 1116B, located at 18th Street in downtown Hondo. The property, which has been on the market for several months, was initially considered for potential EDC purchase, renovation, and leasing to businesses. The survey report highlighted several significant issues:

1. **HVAC Systems:** The current HVAC systems are insufficient, providing only six tons of capacity, whereas at least ten tons are needed for restaurant use. Additionally, one system is very old and inadequate for proper ventilation.
2. **Electrical Systems:** The electrical systems appear to be in adequate condition, but the panel may need upgrading, and additional receptacles are required.
3. **Plumbing:** The plumbing needs substantial work, including the installation of an ADA-accessible restroom, hot water heater, and grease trap.
4. **Roof Condition:** The condition of the roof is unknown as it hasn't been inspected due to difficulty finding a contractor willing to do the inspection.
5. **Kitchen Exhaust Hood:** The existing kitchen exhaust hood is disconnected and sealed, requiring further attention.
6. **ADA Compliance:** There are several ADA compliance issues that need to be addressed according to the Texas Department of Licensing and Regulation (TDLR) standards.

The property is currently listed for sale at approximately \$268,000, however, the board noted that it is likely overpriced given the extensive renovations needed.

Board members discussed the potential uses for the property, including leasing it to a business like the Hondo Collective, a group of 20-25 vendors currently hosting a monthly pop-up market. However, concerns were raised about the high costs of renovation, parking difficulties, and the possibility of asbestos remediation.

Given these concerns, the board leaned towards passing on the property.

10. Executive Director Report.

A. The review of the Strategic Plan Workshop was conducted. The discussion covered the following key points:

1. Workshop Feedback: The feedback on the Strategic Plan Workshop was generally positive. Participants appreciated the inclusion of diverse stakeholders, including council members and community partners, which contributed to a more collaborative environment. The external facilitator, John Maynard, was noted for his effective approach and the alignment it fostered among participants.
2. Positives:
 - o The involvement of various local leaders and community members added valuable perspectives.
 - o The workshop helped reinforce a unified vision and goals for Hondo's economic development.
 - o The emphasis on focusing on achievable, small-scale projects rather than solely aiming for large, high-risk ventures was well-received.
3. Areas for Improvement:
 - o Some attendees felt that the workshop lacked a clear conclusion on next steps and specific recommendations for moving forward.
 - o There was a desire for more concrete strategies and action plans rather than just an overview of past successes from other communities.
4. Future Considerations:
 - o There is interest in making such workshops an annual event to maintain community engagement and continuous improvement.
 - o A more structured approach with definitive goals and actionable plans is recommended for future workshops.

Overall, the workshop was deemed beneficial, and suggestions for improvement include enhancing the focus on actionable outcomes and ensuring clear follow-up on the strategic recommendations.

B. Monthly Report – Sean Patty, Director of Economic Development

Sean Patty provided an update on several ongoing and upcoming projects. The Aeros MRO project is advancing with plans for assembly lines in progress. Capital Farm Credit remains at status quo, while Boise Cascade's construction is underway, with active transportation of materials. Builders FirstSource has completed a pre-development meeting and is awaiting land closure. This \$75 million project promises up to 80 jobs and further Hondo developments. James Avery is working on expanding its break room facilities, expected to be completed by October, although no new hires are anticipated in the immediate term.

Atlas Earth is pursuing a \$3 billion project for advanced aviation, with Hondo as a potential site contingent on the availability of a 10,000-foot runway. Project Avero is under consideration for a new corporate office and training center, while Project Flight Forward's aviation proposal has been recently resubmitted. Additionally, Project Manila 2.0 is evaluating Hondo for a potential site.

In terms of digital marketing, the EDC website saw an increase in traffic from 125 visitors in April to a projected 1,052 in July. Social media engagement also grew, with Facebook followers rising from 241 in April to 380 in July, and LinkedIn followers increasing to over 100. These platforms have been utilized to promote local businesses and events.

Community engagement efforts have been focused on supporting local businesses, especially those experiencing decreased retail sales. Potential partnerships are being explored to help reduce rental costs for struggling businesses. For downtown revitalization, proposals include murals and banner installations along Highway 90 to enhance Hondo's visibility, with an estimated cost of \$15,000 for 55 banners.

Looking ahead, there are plans to explore festive decorations for Christmas, including large LED displays to further boost community spirit and engagement.

11. Directors Comments.

No further comments were made from EDC Board Members.

12. Adjourn.

Chair of the Hondo EDC Board, J. Gruber, entertained a motion to adjourn the meeting at 5:30 p.m. Roger Hernandez made a motion and Ronnie Miller seconded. The motion was approved 5-0.

Attest:



Ashley Lowe

Board Secretary

On August 15th, 2024