



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

Type of Meeting: Regular Meeting  
Date and Time: Thursday, July 17<sup>th</sup>, 2025 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, Treasurer Brett Riff, Secretary Ashley Lowe, Rachel Ramirez, Roger Hernandez & Rose Mary Mares.

Absent: Vice-Chair Ronnie Miller

*“President J. Gruber called the meeting to order at 7:01 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 June 19<sup>h</sup>, 2025 regular meeting minutes.

*“Brett Riff made the motion to approve the consent agenda items. Rose Mary seconded the motion. Motion carried 5-0”*

### 4. **Consider Items: Consider and take any action necessary**

#### 4.1 Presentation and request for funds for Hondo Downtown Business Assoc. (Melissa Claire)

Melissa Claire explained that after her previous funding request for Oktoberfest, the Hondo Downtown Business Association chose to pursue the event under the newly created nonprofit. The HDBA was formally established as a 501(c)(6) organization on May 7, 2025, with a mission to promote the common business interests of its members and revitalize Hondo’s historic downtown.

- **Purpose of HDBA:**

- Focus exclusively on Hondo’s Central Business District (CBD) north and south of Hwy 90.
- Provide advocacy, support, and marketing for downtown business owners.
- Facilitate collaboration with the City, HEDC, and private sector for revitalization projects.
- Organize biannual downtown events, including Oktoberfest and a spring event.



- Offer digital marketing and business visibility initiatives for member businesses.
  - Give back to the community through charitable partnerships (e.g., Meals on Wheels).
- **Funding Request:**
  - \$7,500 in seed funds to assist with legal and organizational startup costs, including:
    - Attorney fees
    - Logo and branding development
    - Digital platform and social media activation
    - Launch event expenses
    - Membership dues for relevant professional networks
  - These funds would help formally launch HDBA and position it for sustainable growth and grant-seeking.
- **Current Board Members of HDBA:**
  - President: Joe Claire
  - Vice President: Landon (Salon Landon)
  - Secretary: Blair Terrill (Hondo Collective Market)
  - Treasurer: Delma (TNT Cleaners, moving downtown)
  - Member-at-Large: Melissa Claire
- **Funding Model:**
  - Business membership dues and renewals
  - Corporate sponsorships
  - Event sponsorships
  - Future pursuit of Hotel Occupancy Tax (HOT) funds
  - Grants through Texas Downtown Association and other sources
- **Long-Term Goals:**
  - Improve safety, beautification, and engagement in downtown Hondo
  - Encourage tourism to increase hotel stays and local spending
  - Address code enforcement issues and advocate for downtown needs
  - Serve as a collaborative, boots-on-the-ground group to support HEDC and City initiatives in the CBD

**Board Discussion:**

- Several board members expressed appreciation for the effort and thoroughness of the presentation.
- Concerns were raised regarding overlap with existing efforts from the Chamber of Commerce and EDC, and whether the HDBA might fragment rather than unify local economic development efforts.
- Board members emphasized the importance of clear alignment, collaboration, and avoiding siloed initiatives.
- Members discussed the potential of HDBA to serve as an implementation partner or "boots on the ground" for EDC projects specifically tied to downtown.
- The need for accountability and deliverables was discussed if funding were to be approved—similar to arrangements with other organizations such as the Chamber of Commerce and Capital Farm Credit.

***"No formal action was taken at this time. Board members requested time to further review the proposal and better understand how the HDBA would align with existing initiatives."***

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

### **5.1 LiftFund Small Business Empowerment Program (Sean Patty – Director HEDC)**

Sean Patty introduced a proposed pilot partnership between HEDC and LiftFund, a Community Development Financial Institution (CDFI), aimed at expanding access to capital for small businesses within the Hondo city limits. The initiative aligns with HEDC's core mission of reinvesting local sales tax revenue into the community to foster economic growth.

#### **Key Discussion Points:**

- **Proposal Overview:**
  - Launch a **zero-percent interest loan program** for Hondo small businesses, subsidized by HEDC in partnership with LiftFund.
  - Proposed **budget: \$105,000**, with \$100,000 allocated as a deposit with LiftFund for interest rate buy-downs and \$5,000 for marketing and outreach.
  - Loan amounts to businesses could range from **\$500 to \$35,000**, with typical terms of **36 months**.
  - Businesses must be located within—or intend to locate within—the city limits of Hondo.
  - HEDC would not be involved in underwriting, risk assessment, or loan administration; all lending activities would be handled by LiftFund.
  - Program would run for **12 months** starting October 1 (pending approval and budget adoption).
- **Expected Outcomes:**
  - Increased access to capital for underserved and start-up businesses.
  - Economic growth through job creation and business expansion.
  - Estimated leveraging of approximately **\$400,000** in capital impact from the \$100,000 investment.
  - Quarterly reporting from LiftFund on loan activity, borrower status, and metrics.
- **Risk and Return Clarification:**
  - Funds provided are **not loans from HEDC**, but a **grant-style subsidy** to reduce the interest burden for businesses.
  - If no loans are issued, the \$100,000 would be returned; only the \$5,000 marketing expense would be spent.
  - HEDC is **not financially liable** for loan defaults—LiftFund bears the underwriting risk.
- **Board Dialogue and Concerns:**
  - Clarifications were sought on the structure, liability, and financial mechanics of the program.
  - Questions arose about how this initiative fits into broader economic development efforts.
  - A suggestion was made to map out a full **"business development flow"**—from idea incubation to capital access and infrastructure support (e.g., programs like PACE).
  - General consensus on the potential of the program, with calls for strategic alignment and clarity in its role within HEDC's long-term plan.

***“No formal action was taken. The item was presented for discussion only. Further planning and budgeting steps will be considered before a vote on implementation.”***

## **6. Standing Reports**

### **6.1 Budget Report (Sales Tax)**

#### **Summary of Discussion:**

Sean Patty presented the financials for the current fiscal year through June, noting that **approximately 75% of the fiscal year has been completed.**

- **Revenue Performance:**
  - Sales tax collections, along with other revenue such as interest income, are **above budget projections at 77% collected to date.**
  - Year-over-year, Hondo's sales tax revenue is up **2.7% compared to the previous fiscal year**, despite initially budgeting for flat or decreased collections.
  - **Monthly sales tax collection** for the most recent reporting period was **up 10% year-over-year.**
- **Expense Report:**
  - **Personnel expenses** are tracking at **62%**, well within budgeted parameters for this point in the fiscal year.
  - **Entertainment line item** is currently **over budget by \$800.**
  - **Contingency expenses** are also over budget, due to **rent payments.**
- **Total Expenditures:**
  - Overall, HEDC is at **56% of total budgeted expenditures**, which reflects conservative spending and fiscal stewardship. Board members emphasized that under-spending is not due to lack of activity but rather reflects a cautious, strategic approach to reinvestment.
- **Discussion on Reinvestment Philosophy:**
  - There was consensus that while HEDC remains committed to sound financial management, it must also proactively pursue meaningful projects that benefit local businesses—such as façade improvements, business incentives, and development partnerships.
  - The façade improvement program was praised for its visible impact on downtown aesthetics and business confidence.
- **Sales Tax Distribution Overview:**
  - Sean presented data on the **Top 10 Sales Tax Contributors**, noting the significant role of large remote retailers like **Home Depot** (with \$22,000 collected year-to-date).
  - The board reviewed a chart showing where sales tax revenue originates, pointing out that while many top contributors are national companies headquartered out of state, **city and locally owned businesses reinvest more directly into Hondo's economy.**

## 6.2 Executive Director Report

### Overview:

Kaitlynn Jensen provided a comprehensive update on the Hondo Economic Development Corporation's (EDC) social media and marketing efforts.

### Key Metrics (June 15 – July 12):

- **Total Views:** Over 63,000
- **Post Engagements:** 5,000+
- **New Followers:** 71
- Significant engagement increase noted when Boise Cascade was tagged or mentioned in posts.

### Content Analysis:

- Posts with **photos** continue to generate the highest engagement.
- **Facebook** remains the strongest platform in terms of local engagement.
- **LinkedIn** presents more challenges in gaining traction but is identified as a valuable platform for broader economic outreach.

### Audience Demographics:

- Predominantly **female audience** on Facebook.
- LinkedIn analytics indicate a need for more targeted efforts due to lower visibility and engagement.

### Content Initiatives:

- Launch of a **Small Business Video Series** featuring 45-second promotional videos for local businesses.
  - **Examples shown:**
    - *La Hacienda Boutique*
    - *Texan Bank*
  - Each video ends with a unified tagline: *"We jumped on the train to Hondo. You should too."*

### Newsletter Performance:

- **June Open Rate:** 71% (35 of 49 recipients)
- **July Open Rate:** 96%
- **Reason for increase:** Improved subject lines

### Milestone Achieved:

- Reached **1,000 Facebook followers** as of the second Friday in July.

**Activity Metrics:**

- Q2 concluded with a significant increase in **in-person business calls** (doubled from Q1 to 62 visits).
- Continued focus on Business Retention and Expansion (BRE) efforts.
- Outreach includes both visible and less-public-facing businesses to ensure all are supported.

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

***“The Board requested an overview of how the separate EDC initiatives fit into the needs of business life-cycle program”***

**8. 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


**9. Actions Resulting from Executive Session**

***“The Board did not enter into Executive Session.”***

**10. Adjournment**

***“Rose Mary Mares made a motion to adjourn, and Ashley Lowe seconded. The meeting was adjourned at 8:14 a.m.”***

**ATTEST:**

  
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Ashley Lowe, Board Secretary

On 8-21-25