



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

Type of Meeting: Regular Meeting
Date and Time: Thursday, March 19th, 2026 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, Secretary Ashley Lowe, Treasurer Brett Riff, Rachel Ramirez, Roger Hernandez & Rose Mary Mares.

Vice-Chair Ronnie Miller was not present.

“President J. Gruber called the meeting to order at 7:02 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 February 19th, 2026 regular meeting minutes.

“Brett Riff made the motion to approve the consent agenda items. Ashley Lowe seconded the motion. Motion carried 6-0”

4. Consider Items: Consider and take any action necessary

4.1

“No items were presented for action”

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

5.1 Discussion on +/- 26.43 acres (ID 513163) for residential development.

Summary of Discussion:

The Board discussed a potential residential development opportunity on approximately 26.43 acres located near the Sheriff's Department and the cattle auction area, with access points along Avenue U and near 14th Street. This discussion stemmed from a recent collaborative forum involving local infill developers, City staff, Development Services, and Economic Development representatives focused on promoting sustainable housing growth and improving communication around development processes.

Feedback from the forum emphasized a strong desire for **quality, attainable housing** that maintains Hondo's small-town character. Concerns were raised regarding large national homebuilders, including the potential for lower-quality, rapidly constructed housing and the export of profits out of the community. In contrast, participants expressed support for a locally driven development approach that prioritizes long-term sustainability, local investment, and community involvement.

It was noted that the property is currently under contract with a national builder; however, progress has stalled due to complications related to FAA-required deed restrictions, including height limitations and aviation-related disclosures. As a result, the timeline for private development remains uncertain.

In response, staff introduced a conceptual alternative in which the City and the EDC would partner to acquire and develop the property. Under this model, the EDC would act as the master developer, working in coordination with the City to install infrastructure and prepare lots for sale to local builders. A preliminary site concept was presented for discussion purposes only, illustrating approximately 50 single-family lots, potential multifamily areas, and a mix of lot sizes to support diverse housing options.

Key development principles discussed included:

- Targeting **attainable housing** with home prices below \$300,000
- Encouraging **multiple local builders** to avoid "cookie-cutter" construction
- Incorporating **small-town design elements**, such as grid street patterns, alleys, sidewalks, and walkability
- Utilizing existing nearby park amenities rather than duplicating public spaces
- Exploring **underground utilities** to enhance aesthetics and long-term value
- Designing for **multi-generational living**, including smaller homes and community-oriented layouts

The Board also discussed financing mechanisms, including the potential use of a **Public Improvement District (PID)** to fund infrastructure costs, ensuring that new development does not burden existing residents. Additional tools, such as sales tax-backed financing and



partnerships with organizations like Government Capital, were introduced as potential funding strategies.

Staff further highlighted the opportunity to align housing development with workforce recruitment initiatives, including partnerships with programs like MakeMyMove to attract targeted professionals such as healthcare workers and educators.

The project was presented as a **phased, long-term initiative**, with the southern portion developed first, followed by potential expansion northward. Board members were asked to consider whether there is interest in continuing to explore this development approach.

Action Taken:

No formal action was taken. The item was presented for discussion and direction only.

5.2 Discussion on +/- 4.00 acres (ID 4100, 4103) for commercial lease.

Summary of Discussion:

The Board discussed a potential economic development opportunity involving approximately 4.00 acres and an existing 14,000 square foot industrial facility currently listed for sale. The discussion was prompted by outreach to Range Ward, a growing manufacturing company operating in Hondo that specializes in innovative agricultural trailer products. The company, which relocated manufacturing operations from Canada to Hondo, has experienced rapid growth and is currently operating out of a 15,000 square foot facility that no longer meets its space needs.

Staff noted that Range Ward is a **primary job provider**, exporting products outside the community and generating new revenue into the local economy. The company currently employs approximately 10 individuals, with plans to expand; however, a majority of its workforce resides outside of Hondo, reflecting broader workforce challenges in the region.

It was reported that the company has received interest from another community offering a build-to-suit facility, prompting urgency around local retention efforts. Staff emphasized that business retention is a core function of the EDC and that losing such a company would represent both an economic and strategic loss.

A potential solution was presented in which the EDC would purchase the subject property (listed at approximately \$1.5 million) and enter into a **long-term lease agreement** with Range Ward. The intent would be to provide a transitional “bridge” arrangement, allowing the company to expand operations immediately without overextending capital, while maintaining the option to purchase the property in the future. The company has indicated interest in eventually owning a facility to support long-term investments and site modifications.

The property was described as having sufficient capacity for the company’s needs, including additional undeveloped acreage for future expansion. While the current ownership has expressed a preference to sell rather than lease, discussions indicated some openness to negotiation.



Staff outlined that, under an EDC ownership model, lease terms could be structured as an **incentive**, including subsidized rates to support business growth. Consideration was also given to establishing defined terms for eventual purchase by the tenant.

Board discussion included consideration of:

- The EDC's role in **property ownership and leasing** as a business retention tool
- Whether such action would set a precedent, with consensus that supporting high-impact, sales tax-generating businesses aligns with EDC goals
- The **financial risk vs. economic return**, including sales tax contributions (approximately \$15,000 year-to-date)
- The importance of **visibility and location**, particularly for a manufacturing operation with truck traffic and distribution needs
- The need for **due diligence**, including financial review, formal application, and project analysis prior to any commitment

Board members expressed that while the concept represents a departure from past practices, it aligns with the EDC's mission to support and retain local industry. The presence of an identified tenant with clear expansion needs was viewed as a significant advantage compared to speculative real estate investments.

Action Taken:

No formal action was taken. The Board expressed interest in continuing to explore the opportunity and directed staff to conduct further due diligence, including engagement with the company and evaluation of financial and legal considerations.

6. Standing Reports

6.1 Executive Director Report – Sean Patty & Kaitlynn Jensen

Summary of Discussion:

The Executive Director provided an update on key performance areas, including sales tax collections, program activity, and ongoing marketing efforts.

Sales tax revenues were reported to be **up approximately 15% year-over-year** comparing February to February. This growth was attributed in part to expanding local businesses, including manufacturing operations such as Range Ward, as well as ongoing efforts to ensure proper allocation and capture of sales tax revenues. Staff noted that some additional gains may result from correcting misallocations or identifying businesses not previously reporting locally. Efforts are ongoing in coordination with third-party consultants to identify and capture all eligible sales tax revenue.

The Board reviewed top sales tax contributors, noting that most sectors experienced positive growth during the reporting period.



Under approved programs, staff reported activity with the LiftFund partnership, including **one loan successfully closed and funded** to support a local business expansion and job retention. Another loan is anticipated to be approved and reported in the following month. The program continues to serve as a tool for supporting small business growth and retention within the community.

Marketing efforts were also highlighted, including a targeted outreach campaign focused on aviation and airport-related industries. A recent email campaign reached 846 targeted recipients, achieving a 30% open rate and a 3.1% click-through rate. Staff indicated plans for continued follow-up engagement with interested prospects.

Additionally, it was reported that TxDOT has identified the community as a potential location for **Advanced Air Mobility (AAM)** initiatives, following prior Council action supporting the designation. This recognition positions the community for potential future opportunities in emerging aviation technologies.

Staff also provided an overview of social media and digital engagement metrics, noting continued growth across platforms, including Facebook, LinkedIn, and a newly launched Instagram account. Email newsletter subscriptions increased significantly, aided by in-person event promotion and QR code integration.

Upcoming marketing and community engagement initiatives include a “Clock Out” networking event in partnership with the City and Chamber, featuring local vendors, food, and entertainment, as well as a new quarterly “Morning Sips” workshop designed to provide hands-on marketing support for local businesses. Early registration for the workshop indicates strong interest.

The Executive Director concluded with a reminder of the upcoming budget workshop scheduled for April 9.

Action Taken:

No formal action was taken. The report was presented for informational purposes only.

7. **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

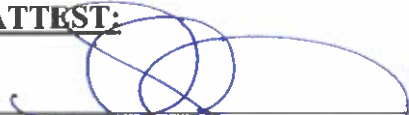
8. Actions Resulting from Executive Session

“No action was taken”

9. Adjournment

“Rose Mary Mares made a motion to adjourn, and Roger Hernandez seconded. The meeting was adjourned at 8:05 a.m.”

ATTEST:



Ashley Lowe, Board Secretary

On 4/21/26