



THE HONDO ECONOMIC DEVELOPMENT CORPORATION, (HEDC) Meeting Minutes

Type of Meeting: Regular Meeting
Date and Time: Thursday, May 21st, 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, Vice-Chair Ronnie Miller, Treasurer Brett Riff, Secretary Ashley Lowe, & Rose Mary Mares.

Rachel Ramirez and Roger Hernandez were not present.

“President J. Gruber called the meeting to order at 7:00 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 April 16th, 2026 regular meeting minutes.

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

4. Consider Items: Consider and take any action necessary

- 4.1 Presentation of Q2 Financials – Chris Hill

Chris Hill, CFO for the City of Hondo, presented the Q2 Financial Report for the Hondo Economic Development Corporation through the mid-year period ending March 31, 2026. Mr. Hill reviewed the Profit & Loss Statement and Balance Sheet, noting that the organization should be near the 50% mark of the annual budget at this point in the fiscal year.

Mr. Hill reported that sales tax revenue continues to perform strongly. After adjusting the reporting periods to align with the proper collection months, sales tax revenues were up approximately 8.8% over the previous year. He noted that the previous fiscal year ended near a 10% increase, making the last two years particularly strong for sales tax growth.

Interest income was reported at \$47,008.18 compared to the annual budgeted amount of \$100,000, placing revenues nearly on target for the mid-year point. Mr. Hill explained that the interest payment



related to the South Texas Regional Airport loan was not yet reflected because the payment is not due until June 13, 2026. He stated that this upcoming payment would represent the third annual payment on the original 2023 loan agreement unless another arrangement is made prior to the due date.

Mr. Hill advised that the Corporation's debt obligations for the year had already been paid, including principal payments due on February 1. Payroll expenses were slightly below budget at approximately 2% under projections. Office supply expenses were also under budget.

Discussion followed regarding the travel and training expense categories. Mr. Hill recommended consolidating several separate travel-related line items, such as mileage, meals, parking, and airport expenses, into a single category for easier reporting consistency, similar to the format used in the City's financial statements. When combined, the travel-related expenses totaled approximately \$8,500 against a \$10,000 annual budget, remaining under budget overall.

Mr. Hill also discussed approved expenditures that exceeded the original budget, including the previously approved \$105,000 LiftFund allocation and the additional \$30,000 Downtown Facade Program funding. He explained that formal budget amendments are completed twice annually—mid-year and year-end—and that the upcoming amendments would add a total of \$135,000 in both expenditures and corresponding sales tax revenue offsets. He noted that even with these additions, the organization remained in strong financial condition due to higher-than-anticipated sales tax collections.

Without the additional LiftFund expenditure, the organization would reflect a positive net position of approximately \$54,007.51 through the first six months of the fiscal year, demonstrating that operations remain aligned with budget expectations.

Reviewing the Balance Sheet, Mr. Hill highlighted the Corporation's seven-month certificate of deposit earning 3.75% interest, which is scheduled to mature on July 17, 2026. He commented that the rate remains favorable in the current market environment.

Mr. Hill also reviewed the airport loan balance, which currently stands at approximately \$573,840, reduced from the original balance of \$598,000. He explained that the principal reduction is smaller during the early years of the loan structure.

Regarding outstanding debt, Mr. Hill stated that the 2016 bond issuance has only one remaining payment, while the 2021 bond issuance has four remaining payments. A debt service schedule was included in the financial packet for Board review.

Mr. Hill concluded by stating that the Corporation's financial position remains strong and that all financial indicators appear to be in good condition.

“Ashley Lowe made the motion to approve the financials as presented. Ronnie Miller seconded the motion. Motion carried 5-0”

4.2 Airport Note Forgiveness in Exchange for +/- 26 acres – Ryan Elder

Ryan Elder presented information regarding a potential proposal involving the forgiveness of the South Texas Regional Airport note in exchange for approximately 26 acres of airport-owned property. Mr. Elder explained that preliminary discussions had taken place regarding possible future development opportunities involving collaboration between the Hondo Economic Development Corporation and the City of Hondo on the subject property.

Mr. Elder stated that through those discussions, the concept emerged of satisfying the remaining airport debt by transferring ownership of the land rather than requiring repayment of the outstanding note balance. He noted that no formal decision had been made regarding development of the property, but the proposal was intended to create flexibility and eliminate the need for additional capital investment into the land acquisition itself.

Discussion clarified that, in lieu of repayment of the airport note, the airport would transfer approximately 26 acres to the HEDC. Chris Hill reviewed the remaining balance on the airport note, stating that after the upcoming June 2026 interest payment, the remaining balance would total approximately \$553,840.

Board members discussed the location and boundaries of the proposed acreage, which extends generally from Harper Road toward 14th Street near the Sheriff's Department and jail facilities. Maps of the property were displayed for reference during the discussion.

Additional discussion focused on the development potential of the property. Staff referenced prior interest from developers, including a local investor involved in nearby multifamily redevelopment projects as well as prior conversations with national homebuilders. It was noted that although some national builders have slowed activity due to broader market conditions and inventory concerns, local builders continue to experience strong demand for housing in Hondo. Board members and staff discussed the ongoing shortage of available housing inventory within the community and the potential for the site to serve as a catalyst for future residential growth.

Staff also highlighted existing infrastructure advantages associated with the property, including proximity to water and wastewater utilities, drainage improvements, flat topography, nearby walking trail opportunities, and access to existing roadways.

Mr. Hill presented preliminary calculations showing that the remaining debt balance would equate to an estimated land value of approximately \$20,979 per acre based on the proposed 26.4-acre transfer. Board members questioned whether an updated appraisal would be necessary to establish fair market value.

Mr. Elder explained that the Federal Aviation Administration requires a fair market value appraisal for airport property transactions and noted that the current appraisal was more than 365 days old and would therefore require updating to comply with FAA regulations. He stated that some portions of the property had previously been appraised at values higher than the estimated amount discussed.

Board members discussed the importance of further evaluation before taking formal action. It was confirmed that no decision or execution of an agreement was being requested at this meeting and that the discussion was intended primarily as an introduction and statement of interest for future consideration. Board consensus supported continuing discussions and obtaining additional information before moving forward with any formal agreement.

4.3 Funding Request – Hondo Area Chamber of Commerce - Haley Decker

Julia Kramer, President of the Hondo Area Chamber of Commerce Board, presented an update regarding the Chamber's current operations and funding request.

Ms. Kramer informed the Board that the Chamber is currently operating without staff following the recent resignation of the Executive Director and the departure of a previous office administrator. Despite the staffing transition, she emphasized that the Chamber remains active and operational. The Chamber Board is currently focused on regaining administrative access to organizational programs, accounts, and communication tools to ensure continuity of operations and public engagement.

Ms. Kramer stated that the Chamber intends to continue all regularly scheduled programming and events, including Coffee with the Chamber events, Clock Outs, Shop Hops, Downtown Dine Out, Carhart & Cocktails, and Christmas in God's Country. She noted that upcoming events are already being planned and that sponsorship support from local businesses continues to assist with event operations and promotions.

Additional future initiatives discussed included possible leadership and community development programming such as leadership summits and speaker events beginning in future years.

Ms. Kramer then presented a proposed funding request totaling approximately \$40,000, based largely on prior year's operating expenses. The proposed budget included approximately \$23,005.95 for tourism and event supplies, covering event-related expenses, permits, venue infrastructure, and promotional activities. Additional requested funding categories included marketing and advertising, social media and tourism promotion, branding and content creation, website and SEO enhancements, software subscriptions, collaborative business promotions, ambassador programs, tourism materials, visitor welcome bags, and contingency funding.

Ms. Kramer explained that the requested funds would not be used for salaries and acknowledged prior discussions regarding limitations on the use of public funds for staffing expenses. She also shared the Chamber's newly adopted mission statement focused on supporting businesses, promoting economic and community development, fostering connections, and enhancing tourism and local business growth.

Board members discussed the Chamber's current staffing situation, operational continuity, and financial needs. Questions were raised regarding who is currently answering phones and handling daily office operations. Ms. Kramer responded that Chamber Board members are currently handling communications and administrative duties while evaluating next steps regarding staffing.

Discussion also occurred regarding the Chamber's existing performance agreement requirements related to public funding. Staff noted that future funding considerations would require review of agreements, performance measures, and compliance with eligible expenditures under applicable Texas hotel occupancy tax guidelines and economic development funding regulations.

Board members requested additional financial information prior to making any funding decisions, including the Chamber's full organizational budget, revenue sources, and any related funding requests submitted to the City of Hondo. Staff indicated that budget workshops for the upcoming fiscal year would occur later in the summer, allowing additional time for review and discussion.

Additional discussion focused on the Chamber's Downtown Dine Out event, including plans to retain event proceeds for Chamber operations rather than donating proceeds externally as done previously. Board members discussed the importance of evaluating both revenue sources and expenditure priorities moving forward.

No action was taken on the funding request. The Board agreed to revisit the item at a future meeting after receiving additional financial documentation and budget information from the Chamber.

4.4 New Banners on Hwy 90 – Sean Patty

Banners have been ordered to celebrate the 250th anniversary of our nation's founding. These will be installed by the City of Hondo's Electric Utilities Department in the coming weeks. No further action was taken.

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

No items were available for discussion.

6. Standing Reports

6.1 Executive Director Report – Update on budget, sales tax, marketing & approved programs

Executive Director Sean Patty presented updates regarding sales tax collections, approved economic development programs, marketing initiatives, and community outreach activities.

Mr. Patty reported that sales tax revenues continue to perform strongly. April sales tax receipts were up approximately 5% year-over-year, while fiscal year-to-date collections are approximately 18.5% higher than the prior year. He reviewed the top ten sales tax producers and noted that most businesses on the list experienced year-over-year growth. Board members discussed the impact of tourism and regional economic activity on surrounding communities and sales tax trends.



Mr. Patty provided an update on the LiftFund small business loan partnership program, reporting that a new loan had recently closed in the amount of approximately \$36,007.81. This brought the total amount of subsidized loan volume facilitated through the program to approximately \$136,000 for local businesses.

An update was also provided on the Downtown Facade Improvement Program. Mr. Patty reported that a reimbursement had recently been completed bringing the total façade reimbursement amount awarded by the HEDC to approximately \$69,000. He noted that the participating businesses have collectively invested approximately \$238,000 into building improvements and capital projects within the community through the program. Board members discussed the recent renovations completed and complimented the quality of the improvements.

The Board reviewed newly produced patriotic light pole banners commemorating the upcoming 250th anniversary of the United States. Mr. Patty stated that approximately 40 banners had been ordered at a relatively low cost and would soon be installed throughout the community with assistance from City Electric Department staff.

Marketing and social media updates were presented by Kaitlynn Jensen. It was reported that the HEDC's Facebook page experienced its strongest growth month to date, reaching approximately 1,562 followers at the time of reporting. Social media content generated approximately 102,000 views during the month, representing a 161% increase over previous reporting periods. Staff attributed much of the growth to recently released business highlight features and a business case study series spotlighting local businesses.

Top-performing content included features on 18th Street businesses, Sisters Boutique, and Stitch in Texas Custom Embroidery. Staff noted that the Sisters Boutique case study alone generated approximately 29,000 views through combined audience engagement and content sharing.

Instagram engagement and newsletter subscription growth were also discussed. Ms. Jensen reported continued increases in subscribers, interactions, and audience engagement through ongoing digital marketing efforts.

Ms. Jensen provided an update regarding the Lunch Bites business education series. The most recent session, held May 6, featured a presentation from an Action Coach representative discussing strategies for building stronger and more profitable businesses. Approximately 20 participants attended the event, and attendee feedback was overwhelmingly positive. Survey responses indicated strong interest in future topics including marketing, social media, business finance, taxes, artificial intelligence, and work-life balance.

It was reported that Lunch Bites speakers have already been scheduled through May 2027. Additional discussion occurred regarding future meeting locations as the South Texas Regional Training Center transitions to new lease arrangements with educational partners. Possible future locations discussed included the Hondo Community Center and the Senior Center.

Ms. Jensen also provided an update on the "Morning Sips" workshop series, including an upcoming session focused on social media reels and carousel content creation. Due to strong interest, the session had already reached its attendance cap and established a waiting list. Board



members complimented the educational programming and noted the value the workshops provide to local businesses and entrepreneurs.

The Board thanked staff for the report and ongoing economic development and marketing efforts.

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 Brett Riff seconded. The meeting was adjourned at 8:06 a.m."

ATTEST:

Ashley Lowe, Board Secretary

On 6/18/20