



THE HONDO ECONOMIC DEVELOPMENT CORPORATION, (HEDC) Meeting Minutes

Type of Meeting: Regular Meeting
Date and Time: Thursday, November 20th, 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, Vice-Chair Ronnie Miller, Secretary Ashley Lowe, Treasurer Brett Riff, Roger Hernandez, Rachel Ramirez & Rose Mary Mares.

“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 October 16th, 2025 regular meeting minutes.

“Brett Riff made the motion to approve the consent agenda items. Rose Mary Mares seconded the motion. Motion carried 7-0”

4. Consider Items: Consider and take any action necessary

4.1 Presentation of Q4 and Fiscal Year 2024-2025 Financials (Chris Hill – CFO City of Hondo)

Mr. Hill presented the unaudited year-end financials for the HEDC for the fiscal year ending September 30, 2025. He noted that the annual audit will begin next month, with completion expected during the first quarter of 2026.

Sales Tax Revenue:

Mr. Hill reported that sales tax receipts experienced a significant positive trend in the final quarter of the fiscal year. While revenues had trended slightly negative earlier in the year, the final four months showed strong growth. A substantial payment received in November—reflecting October activity—required a \$46,000 receivable adjustment. After this adjustment, sales tax revenue ended **10% above budget**, totaling **\$769,383** compared to a budgeted **\$695,769**, representing a surplus of **\$73,614**. He noted these figures are actuals and not expected to change materially during the audit.



Interest Income:

Interest revenue also exceeded expectations. The HEDC budgeted \$102,000 and finished with \$103,000 in interest earnings.

Expenses:

Mr. Hill reviewed expenditures and noted that total operating expenses were significantly below budget:

- **Personnel expenses** came in 7% under budget, largely due to staffing transitions earlier in the year.
- **Supplies** were slightly over budget by \$252.
- **Other services and operating expenses** were notably below budget by 39%.
Overall, **total operating expenses were 29% under budget**, contributing to a strong year-end position.

Year-End Surplus:

Higher revenues combined with lower expenses resulted in a **\$168,000 surplus** for FY 2024–2025, which Mr. Hill described as “a great year” for the corporation. Board members offered positive feedback on the financial performance.

Balance Sheet Overview:

Mr. Hill reviewed financial balances as of year-end:

- **Operating cash:** \$243,000, including \$105,000 allocated for an upcoming LIFT payment, leaving **\$138,000 in available operating cash**.
- **Certificates of Deposit (CDs):** Approximately **\$2.5 million**.
- **Sales tax receivable:** Adjusted to reflect the two-month lag in state disbursements; October and November payments have since been received.
- **Debt obligations:**
 - 2016 debt will be fully retired in **2027**.
 - 2021 refunded debt, at a 2% interest rate and not callable, will be paid off by **2030**.

Upcoming CD Maturity:

The CFO reported that the HEDC’s 7-month CD will mature on **December 17**. He recommended renewing the CD with TXN Bank, noting that a recent CD purchased by the City earned a favorable 4% rate. The Board expressed agreement with keeping the CD in place for another seven-month term.

“Rose Mary Mares made the motion to renew the 7-month CD with TXN Bank. Ashley Lowe seconded the motion. Motion carried 5-0” J. Gruber and Ronnie Miller abstained.

“Ronnie Miller made the motion to approve the presented financials. Rose Mary Mares seconded the motion. Motion carried 7-0”



4.2 Quotes for possible appraisal on parcels 16427, 16428, 16435, 16436 & 16438 for appraised value. Sean Patty, HEDC Director

Summary of Presentation:

Sean Patty presented background information regarding five adjacent downtown parcels located at Avenue M and 19th Street (commonly referred to as the Clyde Haak properties). These parcels include several vacant or deteriorated buildings formerly used as a sandwich shop and other small commercial uses. Mr. Patty noted that the owner has expressed interest in the potential sale of the properties, prompting the HEDC to review appraisal options.

Downtown Value Context:

- To frame the significance of the properties, the Director shared an analysis of assessed values per acre within the Downtown Central Business District (CBD).
- Using 62 parcels located along K Street, M Street, and 19th Street, the **average downtown value per acre is approximately \$1.7 million**, including both land and improvements.
- The **average taxable value per acre** within the CBD is **\$35,859**, demonstrating strong productivity relative to acreage size.
- The Director emphasized that downtown contributes disproportionately high value per acre to the tax base, underscoring the strategic importance of reinvestment, increased occupancy, and repositioning underutilized properties.

Current Condition of Subject Parcels:

- The five parcels under discussion have an **average assessed value of approximately \$293,000** and an **average taxable value of just \$6,109**, largely due to vacancy and dilapidated conditions.
- Board members acknowledged that these properties are currently under-performing assets in a prime location.

Appraisal Quotes:

- Three appraisal quotes were obtained.
- Any appraisal selected would require approximately **3–4 weeks** to complete.

Board Discussion:

- The Board revisited discussions from prior meetings regarding the owner's interest in selling the properties and the EDC's potential role in acquisition.
- Members agreed that obtaining professional appraisals is a critical step in determining whether the properties are feasible for EDC purchase, clearing, and eventual redevelopment or resale.

"The Board did not take any action at this time."



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

No items were presented for discussion.

6. Standing Reports

6.1 Executive Director Report – Sean Patty

Facade Improvement Grant Program Update:

The Executive Director provided an overview of current expenditures related to the Facade Improvement Grant Program.

- The program was budgeted at **\$100,000** in the previous fiscal year.
- For the current fiscal year, the HEDC budgeted **\$30,000**, which has been fully obligated due to projects already in motion.
- Board members noted that the increased utilization is partly due to the expansion of eligible commercial areas.

Future Funding Needs:

Due to strong program momentum and demand, the Director advised that the Board may need to **consider a budget amendment next month** to allocate additional funds for the facade grant program. Many projects take several months to complete, and unused funding from the previous year (\$80,000) highlighted the need for more consistent deployment.

Marketing & Social Media Update (Kaitlynn Jensen):

Social Media Metrics:

- Facebook followers increased to **1,231**, with steady month-over-month growth.
- Top-performing posts continued to be **Business Spotlights**, which reach extended networks and garner higher engagement.

LinkedIn:

- LinkedIn showed modest growth with **two new followers** last month. The Director noted LinkedIn content tends to perform better when tied to business-oriented announcements (e.g., LiftFund).

Newsletter:

- The newsletter continues to grow, gaining **seven new subscribers** since last month.
- Upcoming editions will highlight LiftFund, local business promotions, and additional holiday content.



Open Rewards Program Update:

Sean Patty reported strong performance in the Open Rewards local shopping incentive program.

- **Total economic impact as of August 1:** \$157,000
- **Total economic impact as of now:** \$391,000
- **User count:** Increased from 451 to 590 since August.

Board members discussed personal experiences using the program and noted widespread adoption, strong merchant participation, and highly positive customer feedback.

The Director shared several examples of user-submitted comments praising the program, its convenience, and its role in encouraging local shopping.

Pink Friday & Small Business Saturday Promotions (Kaitlynn Jensen):

- The HEDC is offering **10% Open Rewards incentives** on both Pink Friday and Small Business Saturday to encourage local holiday shopping.
- Flyers have been distributed widely, including to retailers, restaurants, the Chamber of Commerce, and social media platforms.
- Additional outreach included text alerts, app notifications, and daily Facebook Story posts.

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

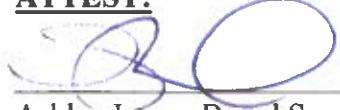
8. Actions Resulting from Executive Session

“The Board did not enter into Executive Session.”

9. Adjournment

“Brett Riff made a motion to adjourn, and Roger Hernandez seconded. The meeting was adjourned at 7:43 a.m.”

ATTEST:



Ashley Lowe, Board Secretary

On 11/15/24