



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

Type of Meeting: Regular Meeting  
Date and Time: Thursday, October 16<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, Secretary Ashley Lowe, Treasurer Brett Riff, & Rose Mary Mares.

Absent: Vice-Chair Ronnie Miller, Roger Hernandez & Rachel Ramirez

*“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 September 18<sup>th</sup>, 2025 regular meeting minutes.

*“Ashley Lowe made the motion to approve the consent agenda items. Rose Mary Mares seconded the motion. Motion carried 4-0”*

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

#### 4.1 Resolution ED 5-25 Approval of an expenditure to Lift Fund in the amount of \$105,000 for the 0% interest loan project. (Revised) – Sean Patty HEDC Director

The Board considered Resolution ED 5-25 approving an expenditure to Lift Fund in the amount of **\$105,000** to support the **0% Interest Loan Program** for small businesses.

#### **Discussion Summary:**

- Executive Director Sean Patty provided an overview of the program’s development, which began in June and was formally introduced at a public hearing in July. The resolution had undergone multiple revisions between the EDC’s legal counsel (Jeff Moore) and the City Attorney (Michael McCann) to ensure compliance and include detailed program components within the resolution and funding agreement.

- The expenditure consists of **\$100,000 for the interest buy-down** and **\$5,000 for marketing and outreach**, as outlined in Exhibit B of the agreement.
- The program's goal is to facilitate **at least \$400,000 in low-interest capital** for Hondo's small business community by providing interest subsidies for loans up to **\$35,000 per business** through Lift Fund.
- Brett Riff raised questions regarding written confirmation that any unused funds would be returned to the HEDC after one year. Sean Patty confirmed this provision had been communicated verbally but would be added in writing to the final agreement before City Council consideration.
- Additional clarifications will also be made to ensure consistency in Exhibit A's "Statement of Work" language (clarifying that Lift Fund will aim to provide *up to* \$35,000 per loan, totaling approximately \$400,000 in lending).
- Sean Patty emphasized that **Lift Fund will manage all underwriting, tracking, and reporting** responsibilities, while HEDC's role will focus on marketing and community engagement to encourage participation.
- Board members discussed eligibility, noting that applicants could include established or home-based businesses generating at least \$10,000 annually within Medina County. The program excludes adult entertainment, gambling, lending, and marijuana-related industries.
- The Director confirmed that the City Council would review the resolution following HEDC approval and that both the **Mayor and City Secretary** would execute the final agreement on behalf of the City.
- Board members voiced support for the initiative, citing its potential to reach businesses unable to qualify for traditional bank financing and to strengthen the local business ecosystem.

***"Ashley Lowe made the motion to approve the consent agenda items. Brett Riff seconded the motion. Motion carried 4-0"***

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

**Discussion Summary:**

The Board reviewed quotes for potential appraisals on several properties located at the corner of **Avenue M and Highway 90**. Sean Patty explained that the owner had approached the HEDC to inquire whether the Corporation would be interested in purchasing his property, which includes multiple parcels totaling roughly one acre.

Sean Patty stated that while the owner referenced the **Medina County Appraisal District's assessed value**, the HEDC would need to obtain a **formal appraisal** to determine fair market value before any potential negotiations could proceed.

Board Chair, J. Gruber, confirmed that he and Sean Patty had discussed the matter, including the cost of the appraisals and the potential feasibility of purchasing the property. He emphasized that

the purpose of the discussion was exploratory and not a recommendation to move forward at this stage.

Two **appraisal quotes** were included in the meeting packet:

- One for approximately **\$6,500**, and
- Another for approximately **\$7,800**.

Board members discussed the **high cost of the appraisals**, noting they had anticipated a range closer to \$3,000–\$3,500. Given the uncertainty of whether a sale could be finalized, several members expressed caution about authorizing the expenditure without clearer direction from the property owner.

Members discussed the property's **prime location** and its long-term redevelopment potential for **retail, hospitality, or restaurant use**, should the HEDC ever gain control of the site.

Board members also considered the historical and visual prominence of the location, agreeing that redeveloping it could be a significant improvement for the Highway 90 corridor. Several potential future uses were discussed.

The Board agreed that additional information would be beneficial before making any financial commitment. A third appraisal quote will be sought for comparison.

**Action Taken:**

No formal action was taken. The Board directed staff to:

- Obtain a **third appraisal quote** for comparison, and
- Continue **informal discussions** with the property owner to clarify expectations and potential pricing before bringing the item back for further consideration.

**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**

Mr. Patty began his report by reiterating the HEDC's mission to *create a robust economic environment where businesses thrive and Hondo prospers*.

He discussed ongoing activity and momentum within the community, noting a recent meeting with City staff and a representative from *Viewpoint*, a Dennis Quaid–produced program that expressed interest in featuring Hondo. The discussion highlighted Hondo's many community



assets, including its strong school system, housing opportunities, industrial development, and the economic activity at Boise Cascade and the South Texas Regional Airport.

Mr. Patty shared data showing that many individuals commute into Hondo for work, with 20%–50% of employees at the city’s top employers residing outside the 78861 ZIP code. He noted that additional housing could help capture more of these workers as residents, contributing to community vitality and local spending.

He also referenced *Strong Towns’ Public Investment Process*, emphasizing the importance of “humbly observing where people in the community struggle” as a guiding principle for sustainable development. With 21% of residents living below the poverty line and a per capita income of \$21,000 (compared to \$37,000 statewide), Mr. Patty underscored the need to create more economic opportunity and raise local standards of living.

He reviewed the updated **Strategic Work Plan**, aligned with the existing Three-Year Economic Development Strategy, outlining six key focus areas for FY 2025-26:

1. Fostering a vibrant downtown.
2. Supporting local businesses.
3. Developing a skilled workforce.
4. Expanding critical infrastructure.
5. Attracting new industries.
6. Sharing Hondo’s story with the world.

He explained that this plan would serve as a performance guide for HEDC staff, with clear actionable steps for accountability.

Mr. Patty announced that Hondo has been invited to participate in the **Texas Historical Commission’s First Street Initiative**, a new educational program to support downtown revitalization without the administrative requirements of the Main Street Program. The initiative includes quarterly virtual workshops and actionable community steps to strengthen downtown development.

He then presented **sales tax performance data** for FY 2024, reporting a **4% year-over-year increase**, with September revenues up **13.61%** over the prior year. Despite some business closures, overall trends indicate a healthy local economy.

Under **Retail Attraction**, Mr. Patty discussed outreach efforts to restaurant and lodging chains, including Huddle House, QuickTrip, and hotel developers. He highlighted Hondo’s strong brand representation for a community of 8,500 residents, citing the presence of major national retailers and restaurants as indicators of market strength.

He also reported upcoming travel related to the **INCubatoredu program**, with visits to Fredericksburg ISD and Bell ISD to observe entrepreneurship curriculum implementation. These visits will inform Hondo ISD’s “shadow year” before full program launch. Board members discussed CTE programming improvements at Hondo High School and opportunities for future alignment with entrepreneurship education.

Kaitlynn Jensen reported continued **social media growth**, surpassing 1,200 Facebook followers and nearing 300 LinkedIn followers. September showed a major increase in engagement attributed to business highlights and workshop promotions. The **Lunch B.I.T.E.S. Workshop** was waitlisted, drawing 26 attendees and receiving strong feedback (4.2/5 rating) for its practical small business marketing content.

Sean Patty also provided updates on the **Open Rewards Program**, which now reflects an **economic impact of \$304,000** from a \$17,500 HEDC investment, with 453 participating consumers. The program will continue through January 2026, and the Board expressed support for its continuation in future fiscal years.

Mr. Patty concluded by summarizing upcoming staff travel for training and conferences, emphasizing continued focus on community storytelling, workforce partnerships, and retail recruitment 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**

*"The Board did not enter into Executive Session."*

**9. Adjournment**

*"Rose Mary Mares made a motion to adjourn, and Brett Riff seconded. The meeting was adjourned at 8:01 a.m."*

**ATTEST:**



Ashley Lowe, Board Secretary

On 11-20-2025