



THIS IS GOD'S COUNTRY

REGULAR CITY COUNCIL MEETING

June 23, 2025 at 6:00 PM

City Council Chambers
1600 Avenue M, Hondo, TX

AGENDA

Notice is hereby given that a Regular City Council Meeting of the governing body of the City of Hondo will be held June 23, 2025 at 6:00 p.m. in the City Council Chambers, City Hall at 1600 Avenue M, Hondo, Texas, for the purpose of discussing matters incident and related to the City of Hondo.

The public may also access the meeting remotely through video/conference from your computer, tablet or smart phone at: <https://boxcast.tv/channel/aetaajdf64jalxx2009a>. Persons may submit questions or comments for items on the agenda by email to: rdolphus@hondo-tx.org. Questions or comments submitted by email must be received by the city at least 1 hour prior to the scheduled start of the meeting in order to be presented to the City Council during the meeting.

The following items will be discussed, to-wit:

1. **CALL TO ORDER.**
2. **QUORUM CHECK.**
3. **INVOCATION.**
4. **PLEDGE OF ALLEGIANCE.**
5. **CITIZENS'/PUBLIC COMMENTS**

Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.

CONSENT

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Council Member.

6. **CONSIDERATION AND APPROVAL OF THE APRIL 28, 2025 REGULAR CITY COUNCIL MINUTES. (REBEKAH DOLPHUS, CITY SECRETARY)**
7. **CONSIDERATION AND APPROVAL OF THE MAY 12, 2025 REGULAR CITY COUNCIL MINUTES. (REBEKAH DOLPHUS, CITY SECRETARY)**
8. **CONSIDERATION AND APPROVAL OF RESOLUTION NO. 456-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, SUPPORTING THE CITY OF HONDO'S APPLICATION TO THE TEXAS DEPARTMENT OF TRANSPORTATION'S 2025 TRANSPORTATION ALTERNATIVES SET-ASIDE (TA) CALL FOR PROJECTS**

OTHER BUSINESS

9. **DISCUSS AND CONSIDER ACTION TO ACCEPT BIDS FOR THE SALE OF THREE REAL PROPERTY TRACTS, AUTHORIZE THE CITY MANAGER TO NEGOTIATE THE SALE CONTRACT, AND EXECUTE SALE CONTRACT, DEEDS, AND ALL DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION AND DEED TRANSFER CONCERNING THE FOLLOWING THREE REAL PROPERTY TRACTS (JOHN NARON, CITY MANAGER):**

A. RFB #25-002 - 6.0 Acre Tract of land situated within the Corporate Limits of the City of Hondo, in Medina County, Texas, out of Survey No. 157, Abstract No. 360, L. Esser, original Grantee, being a portion of that certain 3517.90 acres of land, more or less, described in a Deed without Warranty to the City of Hondo from the United States of America, dated July 16, 1948, as recorded in Volume 144 on Page 72 of the Deed Records of Medina County, Texas, and a portion of that certain 448.952 acre tract of land described in a Deed of Release to the City of Hondo from the United States of America, acting by and through Manager, Airports Division, Southwest Region, Federal Aviation Administration Department of Transportation, dated November 13, 1985, as recorded in Volume 23 on Page 705 of the Official Public Records of Medina County, Texas.

B. RFB #25-003 - 20.373 Acre Tract of land situated within the Corporate Limits of the City of Hondo, in Medina County, Texas, out of Survey No. 157, Abstract No. 360, L. Esser, original Grantee, being a portion of that certain 3517.90 acres of land, more or less, described in a Deed without Warranty to the City of Hondo from the United States of America, dated July 16, 1948, as recorded in Volume 144 on Page 73 of the Deed Records of Medina County, Texas, and being a portion of that certain 448.952 acre tract of land described in a Deed of Release to the City of Hondo from the United States of America, acting by and through Manager, Airports Division, Southwest Region, Federal Aviation Administration Department of Transportation, dated November 13, 1985, as recorded in Volume 23 on Page 706 of the Official Public Records of Medina County, Texas.

C. RFB #25-004 - 35.86 Acre Tract of land being situated in the City of Hondo in Medina County, Texas, being approximately 20.95 Acres out of Survey No. 155, Abstract 358, L. Esser, original grantee and approximately 14.91 Acres out of Survey No. 157, Abstract No. 360, L. Esser, original grantee, and being out

of a 3517.90 Acre Tract conveyed from the United States of America to the City of Hondo by deed dated July 16, 1948, and recorded in Volume 144, Page 73 of the Deed Records of Medina County, Texas.

10. **ADJOURN.**

I hereby certify that the above Notice of Regular City Council Meeting of the governing body of the City of Hondo was posted on the bulletin board in City Hall, 1600 Avenue M, Hondo, Texas, at a place convenient and readily accessible to the general public at all times on June 20, 2025 at 12:00 p.m.

ATTEST:



Rebekah Dolphus
City Secretary



The City Council of the City of Hondo reserves the right to convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071 (Consultations with Attorney), Section 551.072 (Deliberations about Real Property), Section 551.074 (Personnel Matters), Section 551.076 (Deliberations about Security Devices), or Section 551.087 (Deliberations Regarding Economic Development Negotiations) on any of the above items.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS

The City of Hondo City Council Meetings is available to all persons regardless of disability. If you require special assistance, contact the City Secretary forty-eight (48) hours prior to the meeting time at 830-426-3378.

MINUTES
REGULAR CITY COUNCIL MEETING
Monday, April 28, 2025 @ 6:00PM
City Council Chambers, 1600 Avenue M Hondo, Texas

1. Call to order.

Mayor McAnelly called the meeting to order at 6:00 p.m.

2. Quorum check.

Mayor John McAnelly Jr., Councilman Joe Claire, Mayor Pro Tem Jose “Porky” Ytuarte, Council Woman Rachel Ramirez, Councilman John E. Villa

Absent: Councilman Brett Williams

Staff Present: City Manager John Naron, City Attorney Mike McCann, City Secretary Rebekah Dolphus, IT Manager Josh Rodriguez, Public Relations & Recreation Director Jamie Kindred, Development Services Manager Uche Echeozo

3. Invocation by Pastor Mike Vasquez, First Baptist Church.

4. Pledge of Allegiance.

5. Citizens’/Public Comments: *Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) to on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.*

No Citizens’/Public Comments

PRESENTATIONS

6. City Manager’s Report. (John Naron, City Manager)

A. Update on Grants

The City was awarded a \$50,000 National Fitness Campaign Grant, with a meeting scheduled this week to plan next steps. The Library and Police Department continue to be active in securing grants. Public Works received the Transportation Alternatives Grant. The City also received the Department of Energy Grid Resilience Grant, Downtown Community Block Grant and HOME Grant. A decision on the Solar Project Grant is expected in June, and an application has been submitted for the T-Mobile Downtown Hometown Grant.

B. 2023 Certificate of Obligation projects update.

Baseball field lights are installed and fields have been constructed. Fairhall painting is complete, tile work is underway, and HVAC installation is finished. Well electrical upgrades are expected by September, with the downtown storage tank

MINUTES
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returning to service in June. Engineering for the west side trunk main is 95% complete. Airport improvements are finalized. Electric reconducting has not yet begun, but inventory mapping in the GIS model is nearly complete.

CONSENT

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Council member.

Councilman Villa moved to approve items 7 and 8 on the Consent agenda; seconded by Council Woman Ramirez. Motion passes unanimously.

7. Consideration and approval of the April 14, 2025 Regular City Council Minutes. (Rebekah Dolphus, City Secretary)

8. Consideration and approval of various appointments to Boards and Commissions. (Mayor McAnelly)

Cemetery Advisory Board

- Linda Cipriano
- Patricia Mares

Planning & Zoning Commission

- Matt Hansen

OTHER BUSINESS

9. Preliminary Plat request from Brighter Door LLC, Owner, and Keith Howard of Howard Surveying, applicant, on 2.58 Acres of land situated within the City of Hondo in Medina County, Texas, Lots 1 & 2, Red Oak Subdivision. The subject properties are located at 1007 & 1009 Avenue M and are identified as Assessor's Parcel Identification No's 31932 & 4683. The request is to make the current 2 lots into 7 lots.

A. Open Public Hearing.

- **Opened at 6:14 p.m.**

B. Staff Presentation. (Uche Echeozo, Development Services Manager)

- **Mr. Echeozo presented Planning & Zoning Commissions approval of this request.**

C. Owner/applicant presentation.

- **Mr. Peterson did not make a presentation, he answered a few questions.**

D. Public Comments. (Limited to 3 minutes per person)

- **A female who identified herself as "owning the property across the street" wanted more clarification on what was going in and wondering if it will be residential.**

E. Adjourn Public Hearing.

- **Adjourned at 6:18 p.m.**

MINUTES
REGULAR CITY COUNCIL MEETING
Monday, April 28, 2025 @ 6:00PM
City Council Chambers, 1600 Avenue M Hondo, Texas

10. Specific Use Permit request from Rick Virani (Owner/Applicant) for a Country Bar. 1.06 Acre-tract of land, more or less, situated within the Corporate limits of the City of Hondo, in Medina County, Texas, Being lots 1-2, & 3 North 20', Fly Block D, of the City of Hondo. The subject property is located at 1703 19th Street and is identified as Assessor's Parcel Identification No. 17465.

A. Open Public Hearing.

- Opened at 6:22 p.m.

B. Staff Presentation. (Uche Echeozo, Development Services Manager)

- Mr. Echeozo presented Planning & Zoning Commissions approval of this request.

C. Owner/applicant presentation.

- Mr. Virani addressed concerns regarding security and assured the Council that on-site security will be provided.

D. Public Comments. (Limited to 3 minutes per person)

- No public comments

E. Adjourn Public Hearing.

- Adjourned at 6:26 p.m.

F. Discuss and consider action on Specific Use Permit request from Rick Virani (Owner/Applicant) for a Country Bar.

Councilman Ytuarte moved to approve the Specific Use Permit request from Rick Virani for a Country Bar with conditions that adequate security must be on premise which can be on-duty police officers, off-duty police officers, a security guard service agency, or bouncers; seconded by Councilman Claire. Motion passes unanimously.

11. Public Hearing on creating a new zoning district, to be named R4- Residential 4, which would allow for the placement of Manufactured Homes and include related development standards.

A. Open Public Hearing.

- Opened at 6:52 p.m.

B. Staff Presentation. (Uche Echeozo, Development Services Manager)

- Mr. Echeozo presented the Planning & Zoning Commission's decision to table the item for a future workshop in order to gain a better understanding. He clarified that the proposal is not specific to any one area but rather aims to allow the option more broadly. The Mayor noted that the proposed district mirrors the R-2 district in its regulations but includes Mobile Homes as an allowed use.

C. Public Comments. (Limited to 3 minutes per person)

- No public comments

D. Adjourn Public Hearing.

- Adjourned at 7:01 p.m.

Mr. Ytuarte expressed that he would like townhomes to be removed from the R-4 district when the item is brought back for discussion or approval at a later date.

MINUTES
REGULAR CITY COUNCIL MEETING
Monday, April 28, 2025 @ 6:00PM
City Council Chambers, 1600 Avenue M Hondo, Texas

12. Discuss and consider action to purchase and install lighting on the soccer fields at the Hondo Sports Complex. (John Naron, City Manager)

Mr. Naron presented a phased approach for lighting the soccer fields. Phase 1 would cost approximately \$65,000 and include the installation of six poles to light two small fields and one large field, with an estimated cost of \$10,000 per pole. Phase 2 would involve six additional poles at an estimated cost of \$60,000. The Electric Department would handle pole installation and materials using BuyBoard purchasing; the only external cost would be for electrical work beyond city capabilities. Mr. Naron noted the project could be funded in-house, as the fields could potentially generate approximately \$3,600 to \$4,000 per weekend. Council expressed unanimous support, and a final decision will be made when the item is brought back for approval.

13. Adjourn.

Councilman Villa moved to adjourn; seconded by Council Woman Ramirez. Motion passes unanimously.

Meeting adjourned at 7:10 p.m.

PASSED AND APPROVED THIS 23RD DAY OF JUNE 2025.

John McAnelly, Jr., Mayor

ATTEST:

Rebekah Dolphus, City Secretary



City Council Communication

Title: CONSIDERATION AND APPROVAL OF THE MAY 12, 2025 REGULAR CITY COUNCIL MINUTES. (REBEKAH DOLPHUS, CITY SECRETARY)

Date: June 23, 2025

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Rough Draft

STAFF CONTACTS:

MINUTES
REGULAR CITY COUNCIL MEETING
Monday, May 12, 2025 @ 6:00PM
City Council Chambers, 1600 Avenue M Hondo, Texas

1. Call to order.

Mayor McAnelly called the meeting to order at 6:00 p.m.

2. Quorum check.

Mayor John McAnelly Jr., Councilman Brett Williams, Councilman Joe Claire, Mayor Pro Tem Jose “Porky” Ytuarte, Council Woman Rachel Ramirez, Councilman John E. Villa

Absent: None

Staff Present: City Manager John Naron, City Attorney Mike McCann, City Secretary Rebekah Dolphus, Public Relations & Recreation Director Jamie Kindred, Program Coordinator Alyssa Winkler, Public Works Director Rene Saenz, Wastewater Superintendent Stephen Winters, Electric Superintendent Val Sanchez, Streets Superintendent Adam Zapata, Water Crew Lead Lance Ward, Public Works Administrative Assistant Sam Burns, Police Chief Justin Soza, Development Services Manager Uche Echeozo

3. Invocation by Pastor Beverly Kelling, St. Paul Lutheran Church.

4. Pledge of Allegiance.

5. Citizens’/Public Comments: *Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) to on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.*

Chavel Lopez, 1002 Ave S, Hondo, TX 78861

- **Suggested that the Police Department carry bags to pick up dead animals found in the street.**
- **Expressed disappointment that TA Lopez Park remains unchanged, recommended planting trees, and noted that the pavilion has been converted into a basketball court and no longer has tables for seating.**
- **Requested that the City Council consider passing a resolution opposing fracking.**

PROCLAMATIONS

6. Recognize Community Action Month. (Mayor McAnelly)

MINUTES
REGULAR CITY COUNCIL MEETING
Monday, May 12, 2025 @ 6:00PM
City Council Chambers, 1600 Avenue M Hondo, Texas

7. Recognize Public Works Week. (Rene Saenz, Public Works Director)

CONSENT

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Council member.

Councilman Williams moved to approve items 8, 9, 10, and 11 on the Consent agenda; seconded by Councilman Ytuarte. Motion passes unanimously.

8. Consideration and acceptance of the 2nd quarter financial report for FY 2025. (Olivia Hancock, Assistant Finance Director & John Naron, City Manager)

9. Consideration and acceptance of the 2nd quarter investment report for FY 2025. (Olivia Hancock, Assistant Finance Director & John Naron, City Manager)

10. CONSIDERATION AND APPROVAL OF ORDINANCE NO. 1301-05-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, AUTHORIZING AMENDMENTS TO THE ADOPTED ANNUAL BUDGET OF THE CITY OF HONDO, TEXAS FOR THE 2024-2025 FISCAL YEAR PROVIDING FOR SUPPLEMENTAL APPROPRIATION AND/OR TRANSFER OF CERTAIN FUNDS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR OTHER MATTERS RELATED TO THE SUBJECT. (OLIVIA HANCOCK, ASST. FINANCE DIRECTOR & JOHN NARON, CITY MANAGER)

11. CONSIDERATION AND APPROVAL OF ORDINANCE NO. 1302-05-25 OF THE CITY OF HONDO, TEXAS GRANTING A SPECIFIC USE PERMIT FOR THE LOCATION AND OPERATION OF AN AUTO SERVICE BODY AND PAINT REPAIR SHOP ON PROPERTY ZONED AS C – COMMERCIAL DISTRICT, AS AUTHORIZED BY SECTION 3.12 OF THE UNIFIED DEVELOPMENT CODE; PROVIDING A SEVERABILITY CLAUSE; AND SETTING AN EFFECTIVE DATE.

OTHER BUSINESS

12. DISCUSS AND CONSIDER ACTION ON ORDINANCE NO. 1303-05-25 OF THE CITY OF HONDO, TEXAS GRANTING A SPECIFIC USE PERMIT FOR THE LOCATION AND OPERATION OF A COUNTRY BAR ON PROPERTY ZONED AS C - COMMERCIAL DISTRICT, AS AUTHORIZED BY SECTION 3.12 OF THE UNIFIED DEVELOPMENT CODE; PROVIDING A SEVERABILITY CLAUSE; AND SETTING AN EFFECTIVE DATE.

Councilman Villa moved to approve Ordinance No. 1303-05-25; seconded by Councilman Ytuarte. Motion passes unanimously.

MINUTES
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Monday, May 12, 2025 @ 6:00PM
City Council Chambers, 1600 Avenue M Hondo, Texas

13. Discuss and consider action on authorizing Hondo Police Department Chief of Police to purchase tactical equipment utilizing designated grant funds from Operation Lone Star. (Justin Soza, Chief of Police)

Councilman Ytuarte moved to authorize the Police Chief to purchase requested tactical equipment in the amount of \$89,675.51 to be funded by grant funds; seconded by Council Woman Ramirez. Motion passes unanimously.

14. DISCUSS AND CONSIDER ACTION ON RESOLUTION NO. 454-25 CANVASSING THE RETURNS AND DECLARING THE RESULTS OF THE MAY 03, 2025, GENERAL ELECTION OF THE CITY OF HONDO, TEXAS. (REBEKAH DOLPHUS, CITY SECRETARY)

Councilman Villa moved to approve Resolution No. 454-25; seconded by Councilman Ytuarte. Motion passes unanimously.

15. Discuss and consider action on authorizing the City Manager to purchase and install lighting on the soccer fields at the Hondo Sports Complex. (John Naron, City Manager)

Mr. Naron presented a map outlining a plan to light all soccer fields at the Hondo Sports Complex at an estimated cost of \$250,000. The project would be funded using General Fund reserve funds, with materials purchased through BuyBoard.

Councilman Ytuarte moved to authorize the City Manager to purchase from BuyBoard and install lighting on soccer fields at the Hondo Sports Complex in the amount of \$250,000; seconded by Councilman Williams. Motion passes unanimously.

16. Adjourn.

Councilman Villa moved to adjourn; seconded by Councilman Ytuarte. Motion passes unanimously.

Meeting adjourned at 6:33 p.m.

PASSED AND APPROVED THIS 23RD DAY OF JUNE 2025.

John McAnelly, Jr., Mayor

ATTEST:

Rebekah Dolphus, City Secretary



City Council Communication

Title: CONSIDERATION AND APPROVAL OF RESOLUTION NO. 456-25 OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, SUPPORTING THE CITY OF HONDO'S APPLICATION TO THE TEXAS DEPARTMENT OF TRANSPORTATION'S 2025 TRANSPORTATION ALTERNATIVES SET-ASIDE (TA) CALL FOR PROJECTS

Date: June 23, 2025

From:

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. 456-25

STAFF CONTACTS:

RESOLUTION NO. 456-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS, SUPPORTING THE CITY OF HONDO'S APPLICATION TO THE TEXAS DEPARTMENT OF TRANSPORTATION'S 2025 TRANSPORTATION ALTERNATIVES SET-ASIDE (TA) CALL FOR PROJECTS

WHEREAS, the City of Hondo, Texas ("City") is a home-rule municipality, possesses all powers not prohibited by state law, enabling it to enact ordinances, regulate local affairs, and manage its operations in the best interest of its residents, with authority defined by its Home Rule Charter, and subject to limitations set by state law; and

WHEREAS, the Texas Department of Transportation issued a call for projects in January 2025 for communities to apply for funding assistance through the Transportation Alternatives Set-Aside (TA) Program; and

WHEREAS, the TA funds may be used for development of preliminary engineering (plans, specifications, and estimates and environmental documentation) and construction of pedestrian and/or bicycle infrastructure. The TA funds require a local match, comprised of cash or Transportation Development Credits (TDCs), if eligible. The City of Hondo would be responsible for all non-reimbursable costs and 100% of overruns, if any, for TA funds; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HONDO, MEDINA COUNTY, TEXAS THAT:

SECTION 1. The City Council hereby supports funding this project as described in the 2025 TA Detailed Application (including the preliminary engineering budget, if any, construction budget, the department's direct state cost for oversight, and the required local match, if any) and is willing to commit to the project's development, implementation, construction, maintenance, management, and financing. The City of Hondo is willing and able to enter into an agreement with the department by resolution or ordinance, should the project be selected for funding.

SECTION 2. PUBLIC PURPOSE. The City Council declares that the Resolution is in the public interest and is necessary for the good government, peace, and order of the municipality.

SECTION 3. INCORPORATION OF RECITALS. The City Council finds the recitals contained in the preamble to this Resolution are true and correct and incorporates them as findings of fact.

SECTION 4. OPEN MEETINGS. That it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Local Government Code.

SECTION 5. EFFECTIVE DATE. This resolution shall be in effective immediately upon passage and remain in effect until repealed or superseded by another resolution.

PASSED and APPROVED by majority vote of all members of the City Council of the City of Hondo, the 23rd day of June, 2025.

By: _____
JOHN MCANELLY, MAYOR

ATTEST:

REBEKAH DOLPHUS, CITY SECRETARY



THIS IS GOD'S COUNTRY

City Council Communication

Title: DISCUSS AND CONSIDER ACTION TO ACCEPT BIDS FOR THE SALE OF THREE REAL PROPERTY TRACTS, AUTHORIZE THE CITY MANAGER TO NEGOTIATE THE SALE CONTRACT, AND EXECUTE SALE CONTRACT, DEEDS, AND ALL DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION AND DEED TRANSFER CONCERNING THE FOLLOWING THREE REAL PROPERTY TRACTS (JOHN NARON, CITY MANAGER):

A. RFB #25-002 - 6.0 Acre Tract of land situated within the Corporate Limits of the City of Hondo, in Medina County, Texas, out of Survey No. 157, Abstract No. 360, L. Esser, original Grantee, being a portion of that certain 3517.90 acres of land, more or less, described in a Deed without Warranty to the City of Hondo from the United States of America, dated July 16, 1948, as recorded in Volume 144 on Page 72 of the Deed Records of Medina County, Texas, and a portion of that certain 448.952 acre tract of land described in a Deed of Release to the City of Hondo from the United States of America, acting by and through Manager, Airports Division, Southwest Region, Federal Aviation Administration Department of Transportation, dated November 13, 1985, as recorded in Volume 23 on Page 705 of the Official Public Records of Medina County, Texas.

B. RFB #25-003 - 20.373 Acre Tract of land situated within the Corporate Limits of the City of Hondo, in Medina County, Texas, out of Survey No. 157, Abstract No. 360, L. Esser, original Grantee, being a portion of that certain 3517.90 acres of land, more or less, described in a Deed without Warranty to the City of Hondo from the United States of America, dated July 16, 1948, as recorded in Volume 144 on Page 73 of the Deed Records of Medina County, Texas, and being a portion of that certain 448.952 acre tract of land described in a Deed of Release to the City of Hondo from the United States of America, acting by and through Manager, Airports Division, Southwest Region, Federal Aviation Administration Department of Transportation, dated November 13, 1985, as recorded in Volume 23 on Page 706 of the Official Public Records of Medina County, Texas.

C. RFB #25-004 - 35.86 Acre Tract of land being situated in the City of Hondo in Medina County, Texas, being approximately 20.95 Acres out of Survey No. 155, Abstract 358, L. Esser, original grantee and approximately 14.91 Acres out of Survey No. 157, Abstract No. 360, L. Esser, original grantee, and being out of a 3517.90 Acre Tract conveyed from the United States of America to the City of Hondo by deed dated July 16, 1948, and recorded in Volume 144, Page 73 of the Deed Records of Medina County, Texas.

Date: June 23, 2025

From: John Naron, City Manager

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. RESPONSE 25-002
2. RESPONSE 25-003
3. RESPONSE 25-004

STAFF CONTACTS:



RFB #25-002

6.000 ACRES - NORTH SIDE OF 14TH STREET, JUST WEST
OF AVENUE T, CITY OF HONDO, TEXAS.

City Secretary, Rebekah Dolphus, 1600 Avenue M, Hondo, Texas 78861



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RFB# 25-002
6/16/2025



Ms. Rebekah Dolphus
City Secretary for the City of Hondo
1600 Avenue M
Hondo, TX 78861

RE: Letter of Intent for the Purchase of 6.00 Acres shown in Exhibit "A",
City of Hondo:

Continental Homes of Texas L.P., a Texas limited partnership doing business as D.R. Horton ~America's Builder, is pleased to submit our Letter of Intent to enter into a Contract of Sale with the City of Hondo for the 6.00 Acres shown in Exhibit "A". As the nation's largest homebuilder, D.R. Horton has the experience, expertise, and dedication to excellence that would make us an ideal partner for your community's growth.

Our Proposed Purchase Price for this Property is **\$120,000.00**

Our proposed use for this Property would be to build single-family homes with the objective to help the City of Hondo meet its demand for new and affordable housing. Our proposed development would include a variety of lot sizes and different floorplans to align with the City of Hondo's needs. We have built homes in Texas for over 45 years, and our local knowledge ensures that we understand the unique needs of Hondo's residents. We are committed to creating communities that are more than just neighborhoods—they are places where people can thrive. We believe in designing spaces that foster connection, safety, and pride of ownership. We offer a wide range of floorplans and price points, allowing us to serve diverse income levels without compromising on quality.

Thank you for your consideration. We look forward to working with you to make the City of Hondo a place where families will thrive for generations to come.

Sincerely,

Continental Homes of Texas L.P. – a Texas limited partnership

**By: CHTEX of Texas, Inc. a Delaware corporation,
its general partner**

By: 

Leslie Ostrander

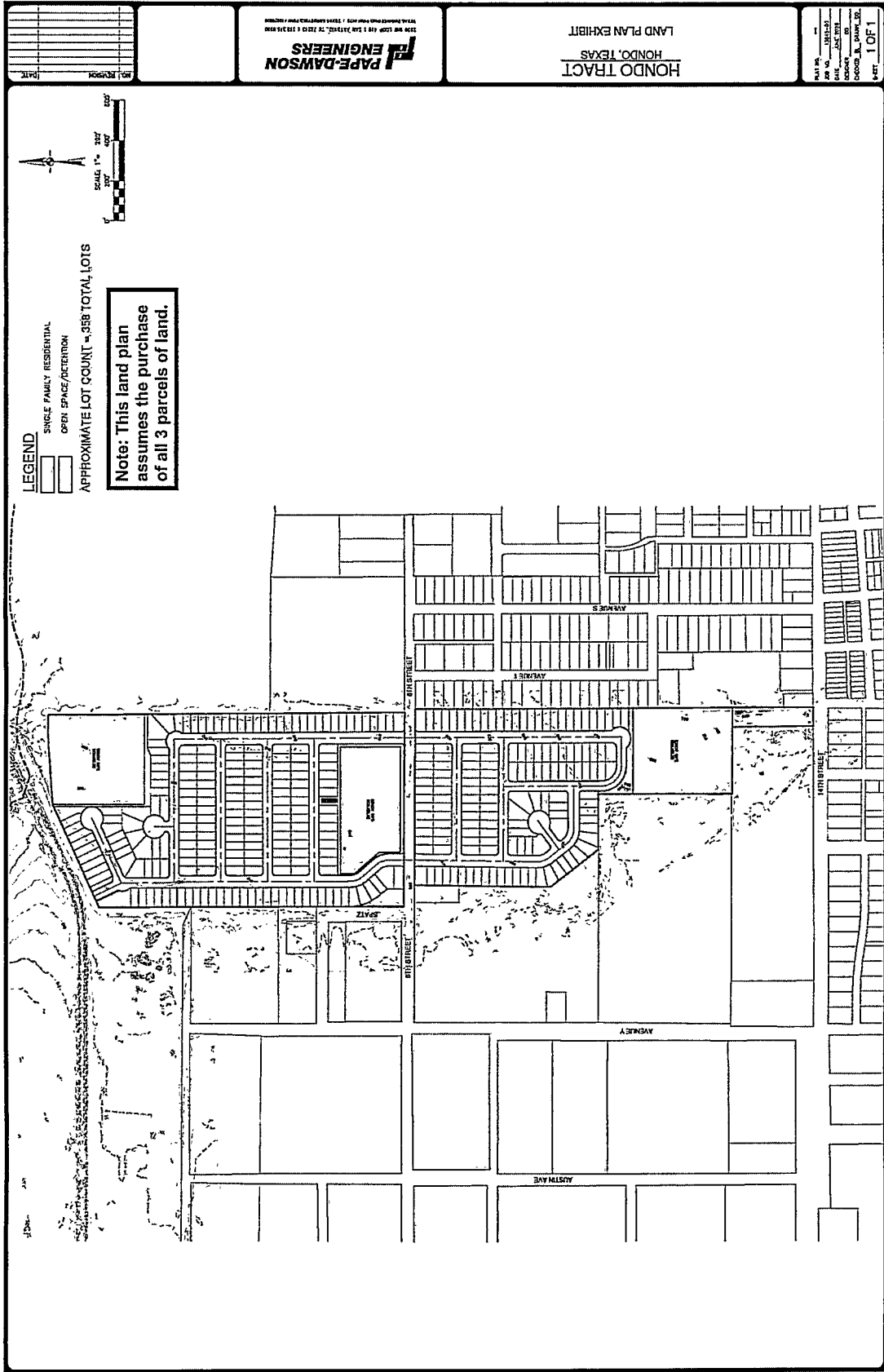
Assistant Secretary

5419 North Loop 1604 East

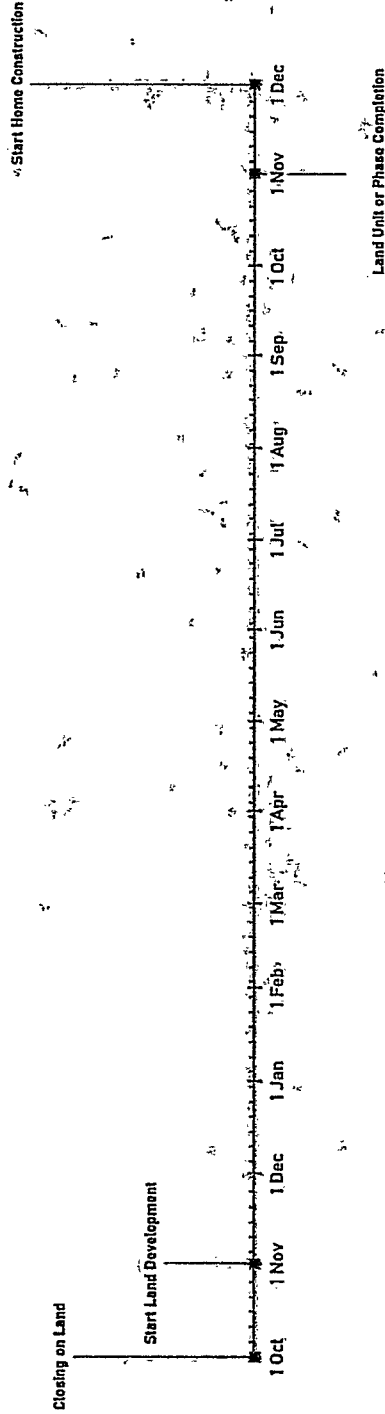
San Antonio, Texas 78247

(210) 496-2668 ext 1107

RFB# 25-002
6/16/2025



DEVELOPMENT TIMELINE



Development Milestones

ESTIMATED DATE	MILESTONE
10/1/2025	Closing on Land
11/1/2025	Start Land Development
11/1/2026	Land Unit or Phase Completion
12/1/2026	Start Home Construction

Development Timeline Notes

Our development will most likely be broken into three units or phases, with each phase following its own timeline.



Property Management & Estimated Value of Improvements

Continental Homes of Texas, LP, will create a Homeowner's Association (HOA) for the subdivision and will continue to be involved in the HOA as the declarant throughout the development process. When the HOA is created, part of that creation consists of subdivision bylaws, covenants and restrictions that regulate the development and maintenance of the subdivision. The HOA will be responsible for the maintenance and upkeep of all public spaces within the subdivision. Each HOA has a community manager whose responsibility is to help facilitate the homeowners' needs.

Continental Homes of Texas, L.P., estimates the development of the single-family lots to cost between \$35,000.00 and \$40,000.00 per lot. This estimate would depend on the extent of offsite improvements that will be required for this single-family development. Once feasibility begins on this project, we will be able to verify the estimated value. In addition, we will be able to provide verifiable proof of funds upon request.



Executive Summary

D.R. Horton, Inc., America's Builder, has been the largest homebuilder by volume in the United States since 2002 and has closed more than 1,100,000 homes in its 46-year history. D.R. Horton has operations in 126 markets in 36 states across the United States and is engaged in the construction and sale of high-quality homes through its diverse product portfolio with sales prices generally ranging from \$200,000 to over \$1,000,000. The Company also constructs and sells both single-family and multi-family rental properties. During the twelve-month period ended March 31, 2025, D.R. Horton closed 86,137 homes in its homebuilding operations, in addition to 3,312 single-family rental homes and 2,282 multi-family rental units in its rental operations. D.R. Horton also provides mortgage financing, title services and insurance agency services for its homebuyers and is the majority-owner of Forestar Group Inc., a publicly traded national residential lot development company.

Homebuilder: Founded 1978 in Fort Worth, Texas

Headquarters: 1341 Horton Circle
Arlington, TX 76011

Locations: 126 markets in 36 states - Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia

Employees: D.R. Horton (excluding Forestar) has 14,402 employees
Forestar (excluding D.R. Horton) has 438 employees



June 16, 2025

City of Hondo
Attn: Rebekah Dolphus, City Secretary
1600 Avenue M
Hondo, TX 78861

RE: RFB#25-002 6.000 Acres North side of 14th Street, just West of Avenue T,
City of Hondo, Texas

The following is an outline of the terms under which Continental Homes of Texas, L.P., a division of D.R. Horton, Inc., and or it's assigns ("Purchaser"), proposes to pursue the acquisition of approximately 6 acres of land located in Medina County, TX (and all related rights and appurtenances thereto, including, but not limited to, all development rights) (the "Property") owned by City of Hondo ("Seller"), and shown on Exhibit "A" attached hereto.

1. Purchase Price. \$120,000.00
2. Earnest Money. Within fourteen (14) days of execution of a purchase contract (the "Contract"), Purchaser would deposit earnest money in the amount of \$12,000.00 with DHI Title Company of Central Texas (the "Title Company").
3. Survey. Within sixty (60) days after execution of the Contract, Purchaser, at Purchaser's expense, would obtain a survey (in a form acceptable to the Title Company and Purchaser) of the Property (the "Survey").
4. Title. Within fourteen (14) days of execution of the Contract, Seller, at Seller's expense, would deliver to Purchaser a commitment for title insurance (the "Title Commitment") to be prepared by the Title Company, accompanied by a copy of all recorded documents affecting the Property and listed as title exceptions in Schedule B of the Title Commitment. Purchaser would have fourteen (14) days after receipt of the later of the Survey and Title Commitment to object to any unacceptable conditions or exceptions to title or Survey matters. If there are objections by Purchaser, Seller would in good faith attempt to satisfy them prior to

closing and cause the Title Company to revise the Title Commitment to reflect such satisfaction.

5. Feasibility Period. Purchaser would have one hundred and twenty (120) days after the execution of the Contract ("Feasibility Period") to enter upon the Property and perform various engineering and feasibility studies and investigations of the Property. In the event Purchaser, in its sole judgment, concludes that the results of such investigations are unsatisfactory, Purchaser would be able to terminate the Contract at or prior to the end of the Feasibility Period and receive a full immediate refund of all of the earnest money. If Purchaser determines that the Property is acceptable to Purchaser, Purchaser would provide Seller with a Notice of Suitability.

6. Zoning, Master Plan, Water and Sewer. The obligations of Purchaser to purchase the Property would be subject to Purchaser obtaining the applicable governmental approvals of, (i) the Zoning of the Property, (ii) the Master Plan of the Property and (iii) the Utility Service Agreement for sewer and water for the Property.

7. Representations and Warranties. Seller would make customary representations and warranties as to the Property and related matters, including, but not limited to, environmental matters.

8. Closing Date. Closing would occur thirty (30) days after Purchaser's delivery of its Notice of Suitability.

9. Closing Costs. Seller would pay the cost of the title insurance policy, and other closing costs would be paid as is customary in Medina County, Texas.

10. Prorations. Ad valorem taxes and rents for the current year would be prorated at closing. Purchaser would pay any special taxes or assessments approved and/or assessed prior to closing, and all rollback or similar taxes attributable to agricultural or special use valuation.

11. Confidentiality. Seller agrees to keep the terms of this transaction confidential and that Seller shall neither disclose such terms nor disclose the identity of Purchaser to anyone except, on a confidential basis, those employees, agents or consultants of Seller that require such information and have a direct involvement with the approval or completion of this transaction.

Except for paragraph 11 above, this letter does not constitute or indicate the existence of a legally binding contract or enforceable agreement against Seller or Purchaser. This letter is merely a letter of intent which indicates the parties'

willingness to explore the possibility of entering into a Contract for the purchase and sale of the Property on the above proposed terms. No representation or warranty is made hereby that commits Purchaser or Seller to proceed with the transaction herein contemplated. Only upon the execution and delivery of a final definitive Contract will the parties become obligated to each other in accordance with the terms and conditions thereof, and neither party shall have any liability for failing to execute and/or deliver such a Contract.

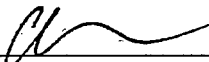
We appreciate the opportunity to submit this letter of intent and look forward to your response.

Agreed and Accepted:

PURCHASER

Continental Homes of Texas, L.P.,
a Texas limited partnership

By: CHTEX of Texas, Inc.,
a Delaware corporation,
its general partner

By: 
Name: Alex Mann
Title: Land Acquisitioner
Date: 6/16/2006

cc: Lkostrander@drhorton.com
Caskland@drhorton.com
Arodriguez4@drhorton.com
Aemann@drhorton.com

Agreed and Accepted:

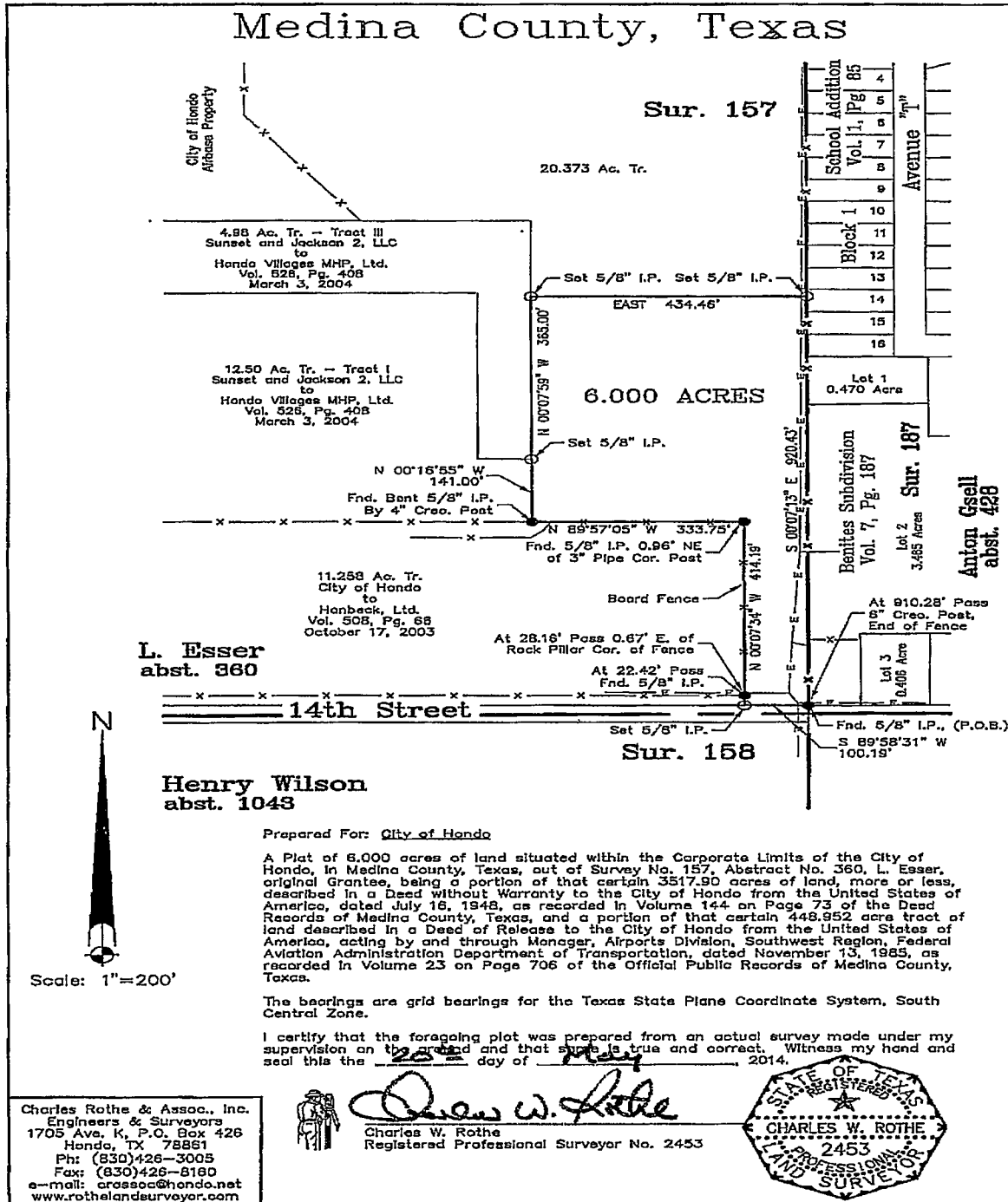
SELLER

City of Hondo

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Being in Medina County, Texas and described as Parcel ID 513163 as shown below.





RFB #25-003

20.373 ACRES SOUTH SIDE OF 8TH STREET JUST WEST OF
AVENUE T, CITY OF HONDO, TEXAS.

City Secretary, Rebekah Dolphus, 1600 Avenue M, Hondo, Texas 78861



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a. Executive Summary	6
3. LETTER OF INTENT (PURCHASE PRICE)	
a. LOI	7
b. Exhibit "A"	10
4. ADDENDUM ACKNOWLEDGEMENT FORM(S)	

RFB# 25-003
6/16/2025



Ms. Rebekah Dolphus
City Secretary for the City of Hondo
1600 Avenue M
Hondo, TX 78861

RE: Letter of Intent for the Purchase of 20.373 Acres shown in Exhibit "A".
City of Hondo:

Continental Homes of Texas L.P., a Texas limited partnership doing business as D.R. Horton ~ America's Builder, is pleased to submit our Letter of Intent to enter into a Contract of Sale with the City of Hondo for the 20.373 Acres shown in Exhibit "A". As the nation's largest homebuilder, D.R. Horton has the experience, expertise, and dedication to excellence that would make us an ideal partner for your community's growth.

Our Proposed Purchase Price for this Property is **\$407,000.00**

Our proposed use for this Property would be to build single-family homes with the objective to help the City of Hondo meet its demand for new and affordable housing. Our proposed development would include a variety of lot sizes and different floorplans to align with the City of Hondo's needs. We have built homes in Texas for over 45 years, and our local knowledge ensures that we understand the unique needs of Hondo's residents. We are committed to creating communities that are more than just neighborhoods—they are places where people can thrive. We believe in designing spaces that foster connection, safety, and pride of ownership. We offer a wide range of floorplans and price points, allowing us to serve diverse income levels without compromising on quality.

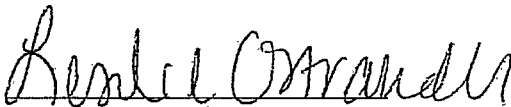
Thank you for your consideration. We look forward to working with you to make the City of Hondo a place where families will thrive for generations to come.

Sincerely,

Continental Homes of Texas L.P. – a Texas limited partnership

By: CHTEX of Texas, Inc. a Delaware corporation,

its general partner

By: 

Leslie Ostrander

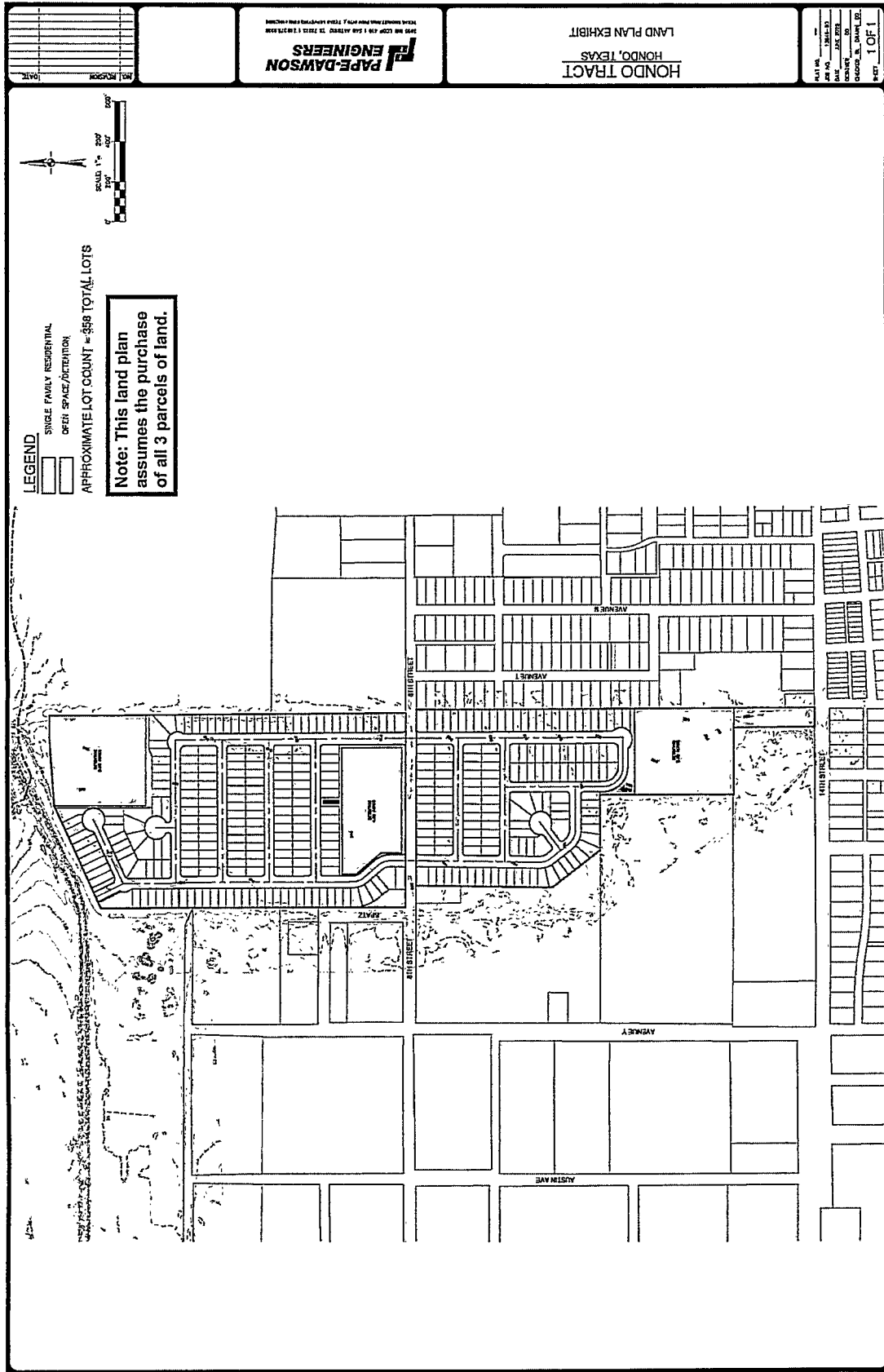
Assistant Secretary

5419 North Loop 1604 East

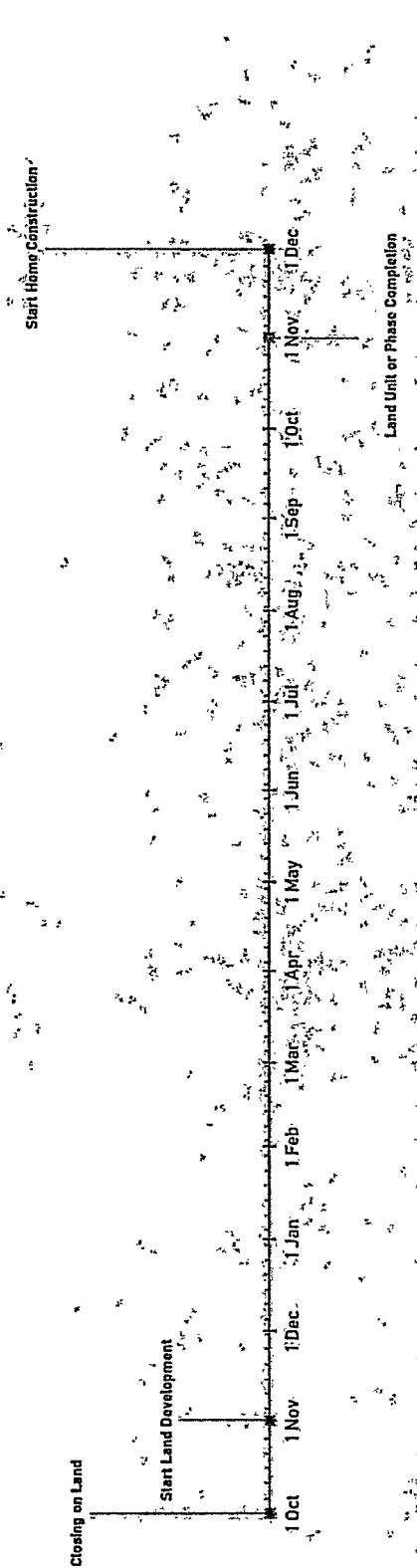
San Antonio, Texas 78247

(210) 496-2668 ext 1107

RFB# 25-003
6/1/2025



DEVELOPMENT TIMELINE



Development Milestones	
ESTIMATED DATE	MILESTONE
10/1/2025	Closing on Land
11/1/2025	Start Land Development
11/1/2026	Land Unit or Phase Completion
12/1/2026	Start Home Construction

Development Timeline Notes

Our development will most likely be broken into three units or phases, with each phase following its own timeline.



Property Management & Estimated Value of Improvements

Continental Homes of Texas, LP, will create a Homeowner's Association (HOA) for the subdivision and will continue to be involved in the HOA as the declarant throughout the development process. When the HOA is created, part of that creation consists of subdivision bylaws, covenants and restrictions that regulate the development and maintenance of the subdivision. The HOA will be responsible for the maintenance and upkeep of all public spaces within the subdivision. Each HOA has a community manager whose responsibility is to help facilitate the homeowners' needs.

Continental Homes of Texas, L.P., estimates the development of the single-family lots to cost between \$35,000.00 and \$40,000.00 per lot. This estimate would depend on the extent of offsite improvements that will be required for this single-family development. Once feasibility begins on this project, we will be able to verify the estimated value. In addition, we will be able to provide verifiable proof of funds upon request.



Executive Summary

D.R. Horton, Inc., America's Builder, has been the largest homebuilder by volume in the United States since 2002 and has closed more than 1,100,000 homes in its 46-year history. D.R. Horton has operations in 126 markets in 36 states across the United States and is engaged in the construction and sale of high-quality homes through its diverse product portfolio with sales prices generally ranging from \$200,000 to over \$1,000,000. The Company also constructs and sells both single-family and multi-family rental properties. During the twelve-month period ended March 31, 2025, D.R. Horton closed 86,137 homes in its homebuilding operations, in addition to 3,312 single-family rental homes and 2,282 multi-family rental units in its rental operations. D.R. Horton also provides mortgage financing, title services and insurance agency services for its homebuyers and is the majority-owner of Forestar Group Inc., a publicly traded national residential lot development company.

Homebuilder: Founded 1978 in Fort Worth, Texas

Headquarters: 1341 Horton Circle
Arlington, TX 76011

Locations: 126 markets in 36 states - Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia

Employees: D.R. Horton (excluding Forestar) has 14,402 employees
Forestar (excluding D.R. Horton) has 438 employees



June 16, 2025

City of Hondo
Attn: Rebekah Dolphus, City Secretary
1600 Avenue M
Hondo, TX 78861

RE: RFB #25-003 – 20.373 Acres South side of 8th Street just West of Avenue T,
City of Hondo, Texas.

The following is an outline of the terms under which Continental Homes of Texas, L.P., a division of D.R. Horton, Inc., and or its assigns ("Purchaser"), proposes to pursue the acquisition of approximately 20.373 acres of land located in Medina County, TX (and all related rights and appurtenances thereto, including, but not limited to, all development rights) (the "Property") owned by City of Hondo ("Seller"), and shown on Exhibit "A" attached hereto.

1. Purchase Price. \$407,000.00
2. Earnest Money. Within fourteen (14) days of execution of a purchase contract (the "Contract"), Purchaser would deposit earnest money in the amount of \$40,700.00 with DHI Title Company of Central Texas (the "Title Company").
3. Survey. Within sixty (60) days after execution of the Contract, Purchaser, at Purchaser's expense, would obtain a survey (in a form acceptable to the Title Company and Purchaser) of the Property (the "Survey").
4. Title. Within fourteen (14) days of execution of the Contract, Seller, at Seller's expense, would deliver to Purchaser a commitment for title insurance (the "Title Commitment") to be prepared by the Title Company, accompanied by a copy of all recorded documents affecting the Property and listed as title exceptions in Schedule B of the Title Commitment. Purchaser would have fourteen (14) days after receipt of the later of the Survey and Title Commitment to object to any unacceptable conditions or exceptions to title or Survey matters. If there are objections by Purchaser, Seller would in good faith attempt to satisfy them prior to

closing and cause the Title Company to revise the Title Commitment to reflect such satisfaction.

5. Feasibility Period. Purchaser would have one hundred and twenty (120) days after the execution of the Contract ("Feasibility Period") to enter upon the Property and perform various engineering and feasibility studies and investigations of the Property. In the event Purchaser, in its sole judgment, concludes that the results of such investigations are unsatisfactory, Purchaser would be able to terminate the Contract at or prior to the end of the Feasibility Period and receive a full immediate refund of all of the earnest money. If Purchaser determines that the Property is acceptable to Purchaser, Purchaser would provide Seller with a Notice of Suitability.

6. Zoning, Master Plan, Water and Sewer. The obligations of Purchaser to purchase the Property would be subject to Purchaser obtaining the applicable governmental approvals of, (i) the Zoning of the Property, (ii) the Master Plan of the Property and (iii) the Utility Service Agreement for sewer and water for the Property.

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8. Closing Date. Closing would occur thirty (30) days after Purchaser's delivery of its Notice of Suitability.

9. Closing Costs. Seller would pay the cost of the title insurance policy and other closing costs would be paid as is customary in Medina County, Texas.

10. Prorations. Ad valorem taxes and rents for the current year would be prorated at closing. Purchaser would pay any special taxes or assessments approved and/or assessed prior to closing, and all rollback or similar taxes attributable to agricultural or special use valuation.

11. Confidentiality. Seller agrees to keep the terms of this transaction confidential and that Seller shall neither disclose such terms nor disclose the identity of Purchaser to anyone except, on a confidential basis, those employees, agents or consultants of Seller that require such information and have a direct involvement with the approval or completion of this transaction.

Except for paragraph 11 above, this letter does not constitute or indicate the existence of a legally binding contract or enforceable agreement against Seller or Purchaser. This letter is merely a letter of intent which indicates the parties' willingness to explore the possibility of entering into a Contract for the purchase

and sale of the Property on the above proposed terms. No representation or warranty is made hereby that commits Purchaser or Seller to proceed with the transaction herein contemplated. Only upon the execution and delivery of a final definitive Contract will the parties become obligated to each other in accordance with the terms and conditions thereof, and neither party shall have any liability for failing to execute and/or deliver such a Contract.

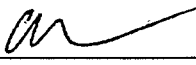
We appreciate the opportunity to submit this letter of intent and look forward to your response.

Agreed and Accepted:

PURCHASER

Continental Homes of Texas, L.P.,
a Texas limited partnership

By: CHTEX of Texas, Inc.,
a Delaware corporation,
its general partner

By: 
Name: Alex Mann
Title: Land Acquisitioner
Date: 6/16/2025

cc: Lkostrander@drhorton.com
Caskland@drhorton.com
Arodriguez4@drhorton.com
Aernann@drhorton.com

Agreed and Accepted:

SELLER

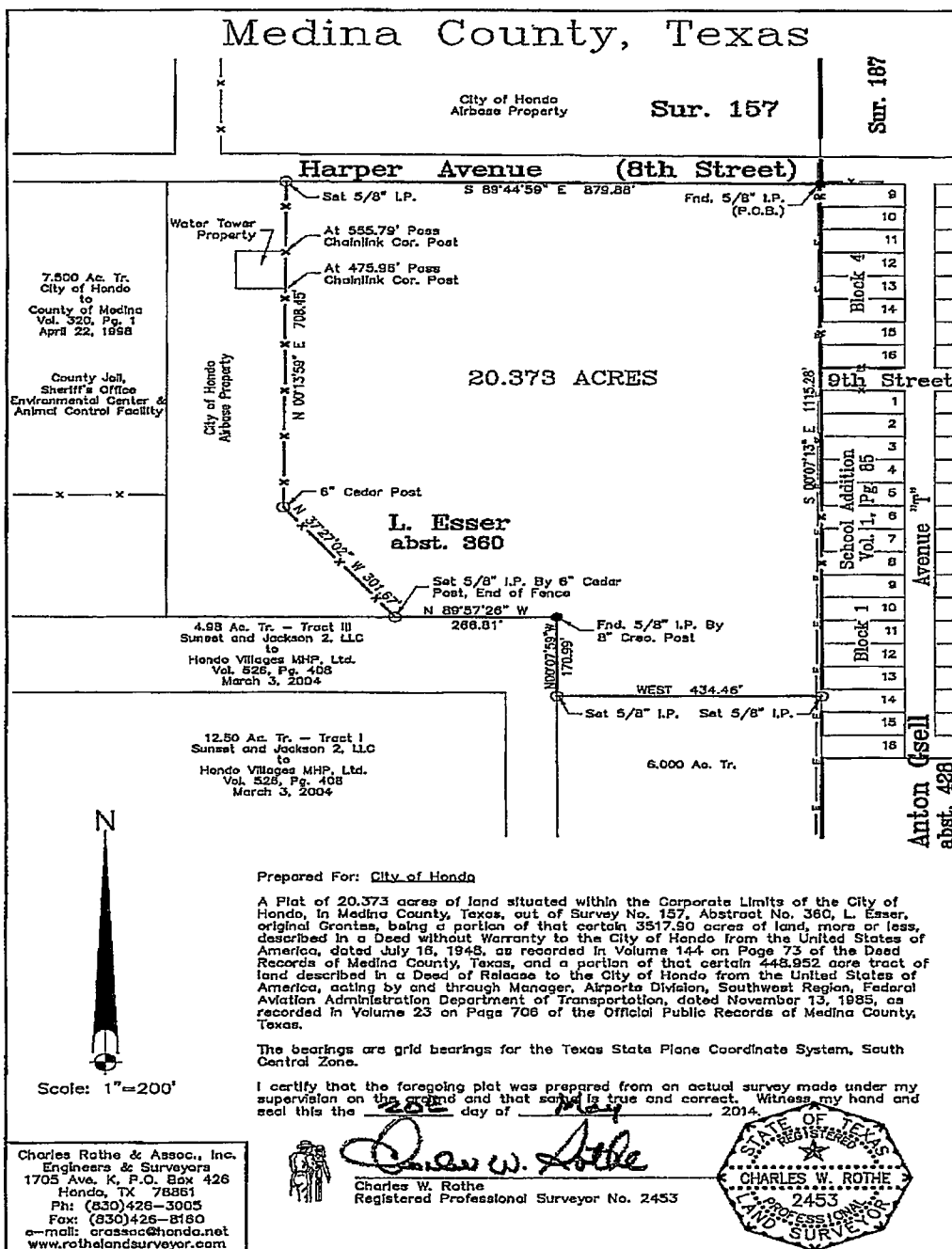
City of Hondo

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A Property Description

Being in Medina County, Texas and described as Parcel ID 513163 as shown below.





RFB#25-004

35.86 ACRES LOCATED AT THE NORTH SIDE OF HARPER
AVENUE, JUST EAST OF AVENUE Y, CITY OF HONDO,
TEXAS.

City Secretary, Rebekah Dolphus, 1600 Avenue M, Hondo, Texas 78861



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a. LOI	7
b. Exhibit "A"	10
4. ADDENDUM ACKNOWLEDGEMENT FORM(S)	

RFB# 25-004
6/16/2025



Ms. Rebekah Dolphus
City Secretary for the City of Hondo
1600 Avenue M
Hondo, TX 78861

RE: Letter of Intent for the Purchase of 35.86 Acres shown in Exhibit "A".
City of Hondo:

Continental Homes of Texas L.P., a Texas limited partnership doing business as D.R. Horton ~ America's Builder, is pleased to submit our Letter of Intent to enter into a Contract of Sale with the City of Hondo for the 35.86 Acres shown in Exhibit "A". As the nation's largest homebuilder, D.R. Horton has the experience, expertise, and dedication to excellence that would make us an ideal partner for your community's growth.

Our Proposed Purchase Price for this Property is **\$717,200.00**

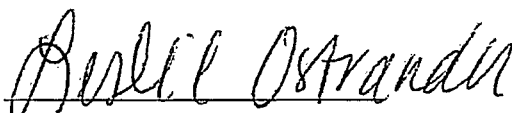
Our proposed use for this Property would be to build single-family homes with the objective to help the City of Hondo meet its demand for new and affordable housing. Our proposed development would include a variety of lot sizes and different floorplans to align with the City of Hondo's needs. We have built homes in Texas for over 45 years, and our local knowledge ensures that we understand the unique needs of Hondo's residents. We are committed to creating communities that are more than just neighborhoods—they are places where people can thrive. We believe in designing spaces that foster connection, safety, and pride of ownership. We offer a wide range of floorplans and price points, allowing us to serve diverse income levels without compromising on quality.

Thank you for your consideration. We look forward to working with you to make the City of Hondo a place where families will thrive for generations to come.

Sincerely,

Continental Homes of Texas L.P. – a Texas limited partnership

By: CHTEX of Texas, Inc. a Delaware corporation,
its general partner

By: 

Leslie Ostrander

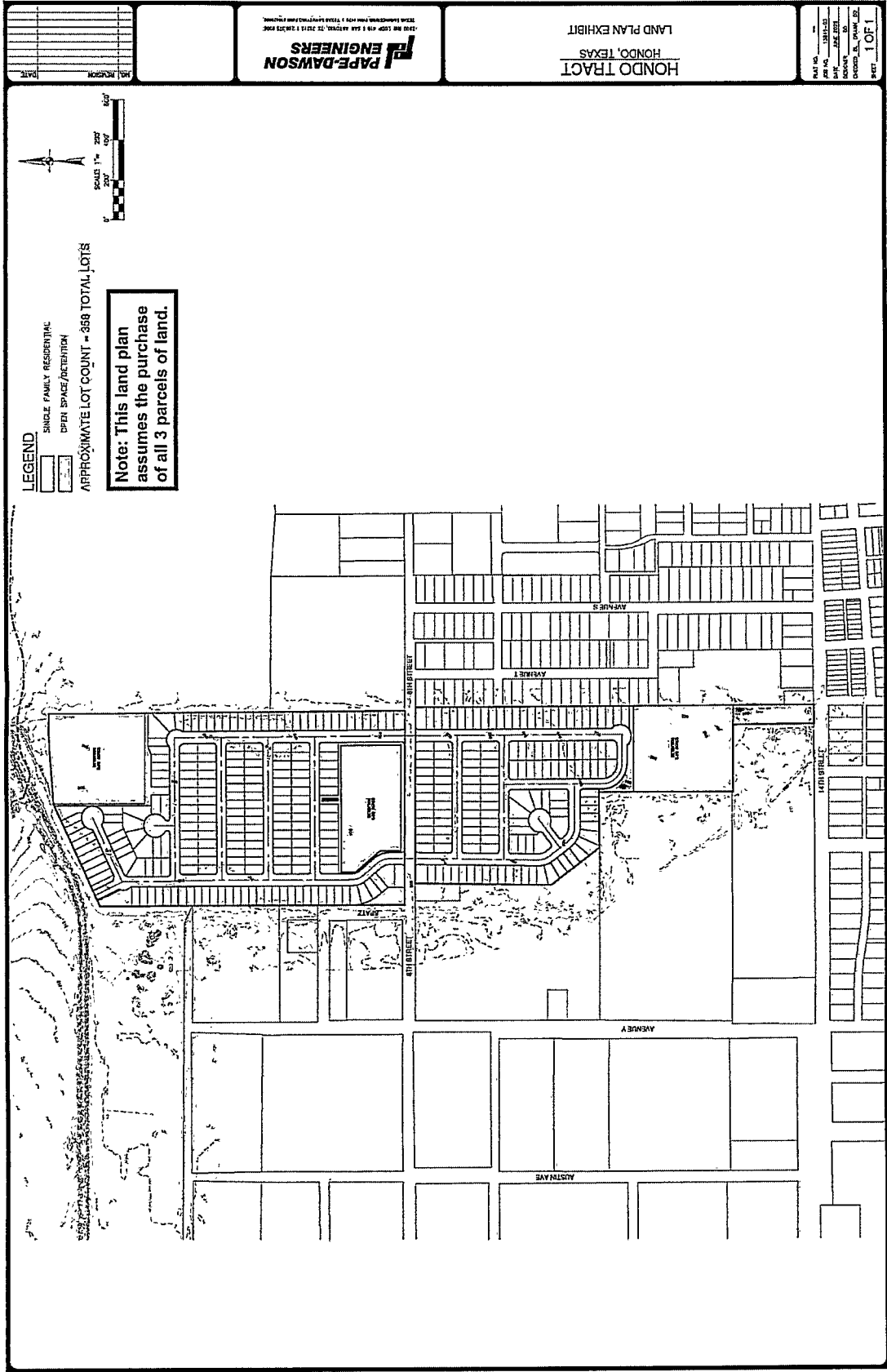
Assistant Secretary

5419 North Loop 1604 East

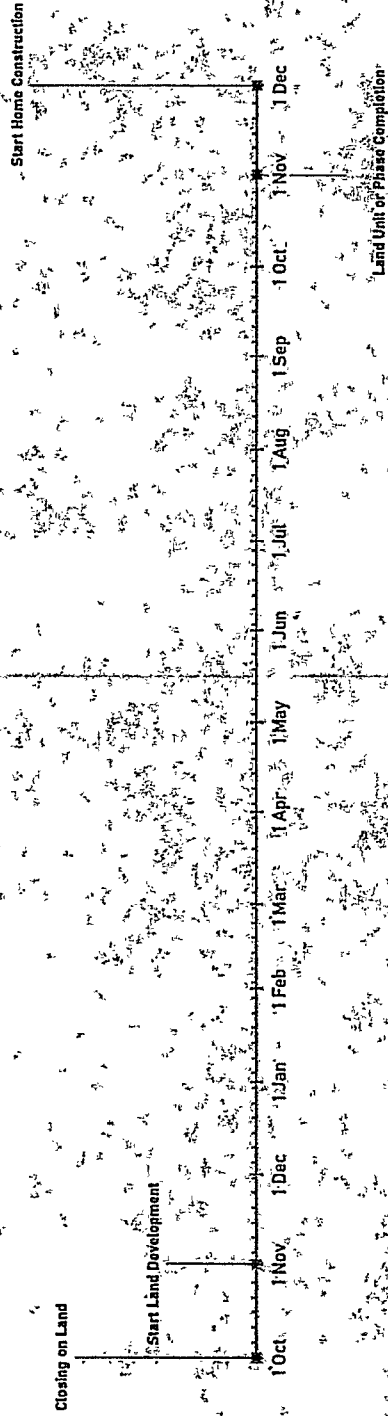
San Antonio, Texas 78247

(210) 496-2668 ext 1107

RTB# 25-004
6/16/2025



DEVELOPMENT TIMELINE



Development Milestones

ESTIMATED DATE	MILESTONE
10/1/2025	Closing on Land
11/1/2025	Start Land Development
11/1/2026	Land Unit or Phase Completion
12/1/2026	Start Home Construction

Development Timeline Notes

Our development will most likely be broken into three units or phases, with each phase following its own timeline.



Property Management & Estimated Value of Improvements

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Homebuilder: — — Founded 1978 in Fort Worth, Texas — —

Headquarters: 1341 Horton Circle
Arlington, TX 76011

Locations: 126 markets in 36 states - Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia

Employees: D.R. Horton (excluding Forestar) has 14,402 employees
Forestar (excluding D.R. Horton) has 438 employees



June 16, 2025

City of Hondo
Attn: Rebekah Dolphus, City Secretary
1600 Avenue M
Hondo, TX 78861

RE: RFB # 25-004 - 35.86 Acres located North side of Harper Avenue, just East of Avenue Y, City of Hondo, Texas.

The following is an outline of the terms under which Continental Homes of Texas, L.P., a division of D.R. Horton, Inc., and or its assigns ("Purchaser"), proposes to pursue the acquisition of approximately 35.86 acres of land located in Medina County, TX (and all related rights and appurtenances thereto, including, but not limited to, all development rights) (the "Property") owned by City of Hondo ("Seller"), and shown on Exhibit "A" attached hereto.

1. Purchase Price. \$717,200.00
2. Earnest Money. Within fourteen (14) days of execution of a purchase contract (the "Contract"), Purchaser would deposit earnest money in the amount of \$71,720.00 with DHI Title Company of Central Texas (the "Title Company").
3. Survey. Within sixty (60) days after execution of the Contract, Purchaser, at Purchaser's expense, would obtain a survey (in a form acceptable to the Title Company and Purchaser) of the Property (the "Survey").
4. Title. Within fourteen (14) days of execution of the Contract, Seller, at Seller's expense, would deliver to Purchaser a commitment for title insurance (the "Title Commitment") to be prepared by the Title Company, accompanied by a copy of all recorded documents affecting the Property and listed as title exceptions in Schedule B of the Title Commitment. Purchaser would have fourteen (14) days after receipt of the later of the Survey and Title Commitment to object to any unacceptable conditions or exceptions to title or Survey matters. If there are objections by Purchaser, Seller would in good faith attempt to satisfy them prior to

closing and cause the Title Company to revise the Title Commitment to reflect such satisfaction.

5. Feasibility Period. Purchaser would have one hundred and twenty (120) days after the execution of the Contract ("Feasibility Period") to enter upon the Property and perform various engineering and feasibility studies and investigations of the Property. In the event Purchaser, in its sole judgment, concludes that the results of such investigations are unsatisfactory, Purchaser would be able to terminate the Contract at or prior to the end of the Feasibility Period and receive a full immediate refund of all of the earnest money. If Purchaser determines that the Property is acceptable to Purchaser, Purchaser would provide Seller with a Notice of Suitability.

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10. Prorations. Ad valorem taxes and rents for the current year would be prorated at closing. Purchaser would pay any special taxes or assessments approved and/or assessed prior to closing, and all rollback or similar taxes attributable to agricultural or special use valuation.

11. Confidentiality. Seller agrees to keep the terms of this transaction confidential and that Seller shall neither disclose such terms nor disclose the identity of Purchaser to anyone except, on a confidential basis, those employees, agents or consultants of Seller that require such information and have a direct involvement with the approval or completion of this transaction.

Except for paragraph 11 above, this letter does not constitute or indicate the existence of a legally binding contract or enforceable agreement against Seller or Purchaser. This letter is merely a letter of intent which indicates the parties' willingness to explore the possibility of entering into a Contract for the purchase

and sale of the Property on the above proposed terms. No representation or warranty is made hereby that commits Purchaser or Seller to proceed with the transaction herein contemplated. Only upon the execution and delivery of a final definitive Contract will the parties become obligated to each other in accordance with the terms and conditions thereof, and neither party shall have any liability for failing to execute and/or deliver such a Contract.

We appreciate the opportunity to submit this letter of intent and look forward to your response.

Agreed and Accepted:

PURCHASER

Continental Homes of Texas, L.P.,
a Texas limited partnership

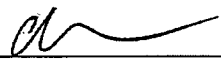
By: CHTEX of Texas, Inc.,
a Delaware corporation,
its general partner

Agreed and Accepted:

SELLER

City of Hondo

By: _____
Name: _____
Title: _____
Date: _____

By:  _____
Name: Alex Mann
Title: Land Acquisitioner
Date: 6/16/2025

By: _____
Name: _____
Title: _____
Date: _____

cc: Lkostrander@drhorton.com
Caskland@drhorton.com
Arodriguez4@drhorton.com
Aemiann@drhorton.com

Exhibit A Property Description

Being in Medina County, Texas and described as Parcel ID 4102 as shown below.

