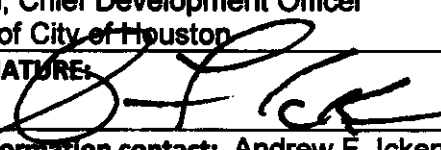


TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

SUBJECT: A Resolution regarding a non-binding term sheet for an economic development transaction resulting in the possible development of a grocery store at the northeast corner of State Highway 288 and North MacGregor Way		Category #	Page 1 of	Agenda Item #
FROM (Department or other point of origin): Andrew F. Icken, Chief Development Officer Office of Mayor of City of Houston		Origination Date 12-9-15	Agenda Date	
DIRECTOR'S SIGNATURE: 		Council District(s) affected: District D		
For additional information contact: Andrew F. Icken Phone: 832-393-1032		Date and identification of prior authorizing Council action: N/A		
RECOMMENDATION: Approval of a Resolution regarding a non-binding term sheet for an economic development transaction resulting in the possible development of a grocery store at the northeast corner of State Highway 288 and North MacGregor Way				
Amount of Funding: No funding required				Finance Budget:
SOURCE OF FUNDING <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund <input type="checkbox"/> Other (Specify) N/A				
SPECIFIC EXPLANATION: <p>Recommend approval of a resolution regarding a non-binding term sheet for an economic development transaction involving the City, Houston Community College (HCC), Houston Housing Finance Corporation (HHFC) and HEB that could result in the development of a grocery store on approximately 9.2 acres at the northeast corner of State Highway 288 and North MacGregor Way. This store would provide employment for over 150 low- to moderate-income citizens. The community would benefit from a full-service grocery store in an area that lacks such an amenity. HEB is interested in developing the grocery store but cannot do so alone due to the property's projected acquisition and development costs. Thus, the City and HHFC are exploring possible options for purchasing the site and leasing it back to HEB.</p> <p>Approval of this Resolution does not commit any funds to this potential transaction. Funding options, once identified and negotiated with the other parties, would come back to Council for approval.</p> <p>The City and HHFC currently are exploring possible equity and debt financing, including, but not limited to, a EDI/Section 108 loan from the U.S. Department of Housing and Urban Development (HUD) to finance the possible acquisition of the property from HCC. HCC has offered to sell the property, but challenges unique to this site must be overcome before the grocery store could be developed. The purchase will occur only if these challenges are resolved, financing is secured, all requirements are met and a commitment is gained from HEB to develop the store on the site.</p> <p>The City, HHFC and HCC are discussing an interlocal agreement whereby HCC sells the property based on terms and conditions to be negotiated and confirmed in the future, including but not limited to execution of a ground lease with HEB as lessee. HCC has requested that the City create this MOU.</p> <p>AI: NR: DK</p> <p>Cc: Mayor's Office, City Secretary, Legal, Finance</p>				
REQUIRED AUTHORIZATION				
Finance Director:		Other Authorization:		Other Authorization: