



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/5/2018

District B

Item Creation Date: 8/21/2018

HCD18-41 Telo Market #8, Inc.

Agenda Item#:

Background:

The Housing and Community Development Department (HCDD) recommends approval of a \$635,000.00 grant and a \$200,000.00 loan of Community Development Block Grant (CDBG) funds for a contract between the City of Houston and Telo Market #8, Inc.

The City will provide Telo Market \$835,000.00 in CDBG Economic Development funds for equipment costs for their new location at 5602 Lyons Avenue, for which they have a lease agreement that becomes effective upon the completion of construction. The proposed grocery store will be approximately 15,000 square feet and will achieve the purpose of the CDBG economic development program by providing fresh food that is affordable to low and moderate income residents of the Fifth Ward Community.

The grocery store will include a meat department, fresh produce, processed foods, a bakery, tortilla factory, and a kitchen area for casual dining. The store will create approximately 71 jobs, and will invest in the employees by paying for certifications in Food Management and Handling, in addition to company training.

Telo Market is a chain of specialty family-owned and operated supermarkets that opened their first store in 1995. Today, they operate 7 locations in the Houston area, with the goal of serving low-income communities.

The total project cost for equipment and installation is \$1,077,285.00, of which Telo Market will be funding \$242,285.00 for the build out of the store. Additionally, \$200,000.00 of the \$835,000.00 grant will be repaid by Telo Market in annual installments during their land use restriction period, which runs for five years from project completion.

No Fiscal Note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on April 17, 2018.

A handwritten signature in blue ink, appearing to read "Tom McCasland", written over a horizontal line.

Tom McCasland, Director

Amount of Funding:

\$835,000.00 - Federal Government - Grant Funded (5000)
[Community Development Block Grant (CDBG)]

Contact Information:

Roxanne Lawson
(832) 394-6307