



## CITY COUNCIL COMMUNICATION

**DATE:** September 30, 2024

**FROM:** Shani Bradshaw, Director of Economic Development

**AGENDA ITEM:** First Reading, Resolution No. EDC-2024-16, concerning the approval of Chapter 380 and Economic Development Performance Agreement by and between the City, the Sanger Texas Development Corporation, and Randall's Food and Drug, LP, doing business as Tom Thumb Grocery, to promote Economic Development and stimulate business and commercial activity in the City; establishing performance requirements; and authorizing the City Manager to execute the said agreement on behalf of the City and the President on behalf of the Sanger Texas Development Corporation.

### **SUMMARY:**

- On September 24, 2024, the Sanger 4B Texas Development Corporation Board of Directors approved a Performance Agreement with Randall's Food and Drug, LP to provide a Grant in the form of a forgivable loan, not to exceed \$1,000,000.
  - Loan shall have a four-year term
  - \$250,000 forgivable each year if they have 85 FTEs
  - If Actual FTEs are below the FTE target, the amount due that year will be equal to the percentage that the Actual FTEs are below the FTE Target
- Section 505.158(b) of the Local Government Code mandates that before the STDC funds a project involving an expenditure by the STDC of more than \$10,000, per project, the City Council shall adopt a Resolution authorizing the project after giving the resolution at least two separate readings. No provisions prohibit both readings from occurring during the same meeting.
- Per the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, a public hearing is required to receive public input regarding the funding of the project. The STDC conducted a public hearing on September 24, 2024.
- The City is committed to providing a one-time construction completion grant reimbursing Tom Thumb for \$750,000.
  - Tom Thumb will construct 50,000 square feet of space
  - A Certificate of Occupancy for the building shall be obtained by December 31, 2026
- The City is committed to providing up to \$56,250 for each full month before December 31, 2026, that the store is occupied and operating up to 8 months before the agreed date. The total incentive for early completion will not exceed \$450,000.
- The resolution and performance agreement were reviewed by Jeff Moore, STDC Attorney.

### **RECOMMENDED MOTION OR ACTION:**

- First reading of the resolution.

### **ATTACHMENTS:**

- Resolution EDC-2024-16