



# Funding Agreement With H.E.B.



City Council A Session  
Item#55  
June 21, 2018

Razi Hosseini, P.E., TCI Assistant Director

# BACKGROUND

- Largest food retailer in South & Central Texas
- Operates 400 stores in Texas & Mexico
- Outgrown distribution center at IH-35 & Rittiman





# New H-E-B Facility

- H-E-B- purchased land at SW corner of E. Houston St & S. Foster Road
- H-E-B plans to invest \$130 Million over 3 years
- Planning for future expansions & investments at site
- Will employ 600 workers by 2020



Giving Back to  
Our Communities



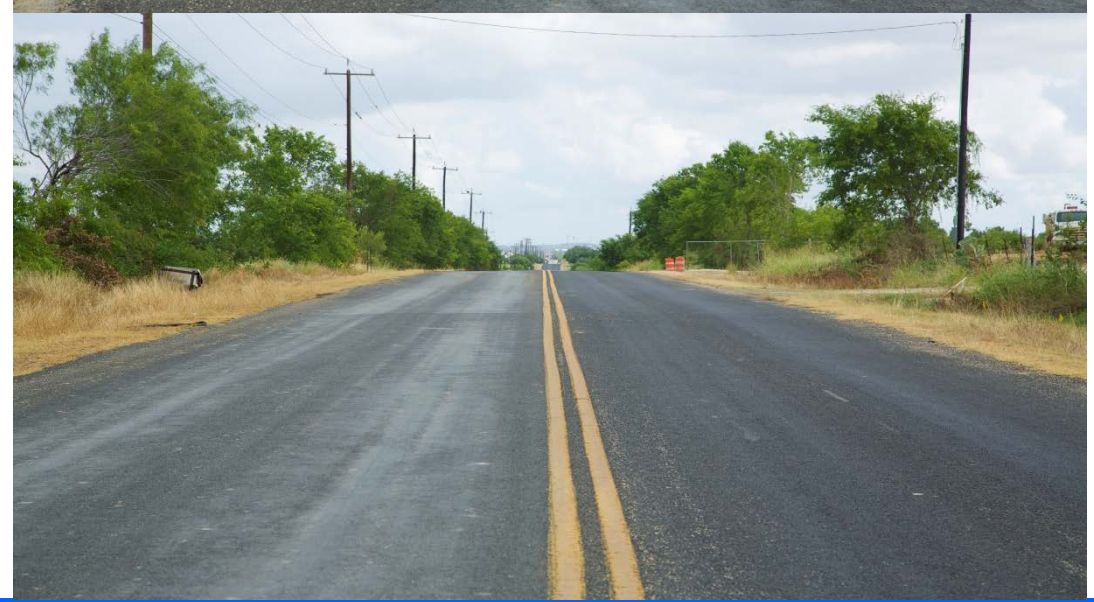
One million square feet warehouse





# Current Road Conditions

S. Foster Road @ Rigsby Road





# Key Benefits

- Widen road from two lanes to four lanes
- New traffic lights at S. Foster @ Rigsby and at distribution main entry
- New striping
- Safer traffic flow



Growth  
in area



Safer  
road



Livability



# ✓ Project Specifics

- \$7.8M Total Project Budget
  - Phase I - \$3.5M
  - Phase II - \$4.3M
- Project limit is approximately two miles
- Area recently annexed by City



# Project Map

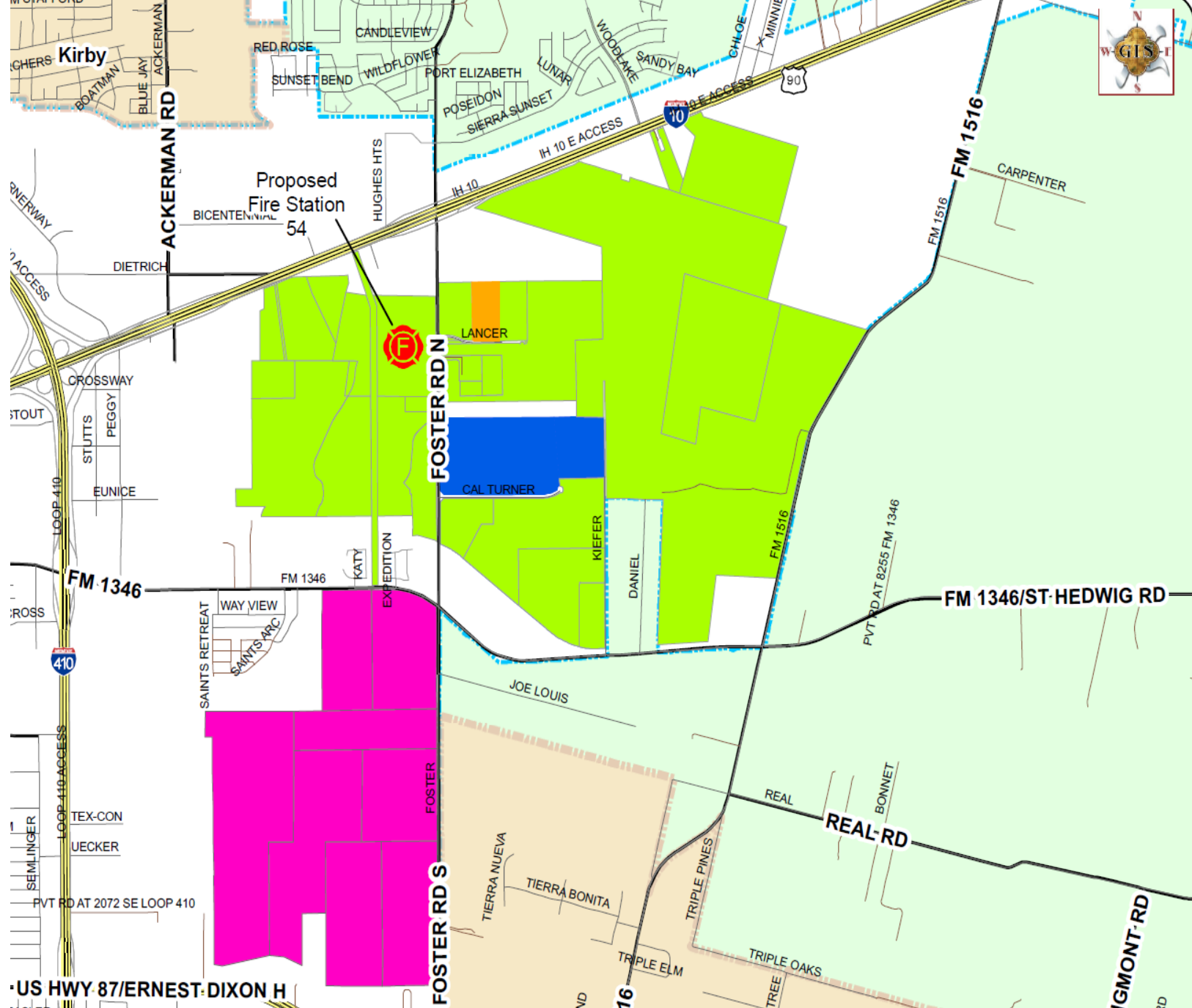
## East IH-10 & FOSTER ROAD

 Proposed HEB  
Distribution Center

 Industrial Sites

 Dollar General  
Distribution Center

 Fire Station #54







# Funding Agreement Terms & Recommendation

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- Options to reimburse H-E-B for design:
  - Option #1- two \$400K lump sum payments in FY 2019/2020
  - Option #2- reimbursement of property tax on annual basis
- Design plans does not obligate City to construct improvements
- Approval to execute \$800K Funding Agreement with H-E-B





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