



Staff Report

AGENDA ITEM REPORT

DATE: April 13, 2026

SUBMITTED BY: Courtney Sladek, Administration

ITEM TYPE: Agenda Item

AGENDA SECTION: CONSIDERATION OF AND ACTION ON

SUBJECT: Consideration and Possible Action to Approve City Development Corporation (CDC) Funding for an Infrastructure Grant in the amount of \$100,000 for Project Oxygen – HTeaO

BACKGROUND: The City Development Corporation (CDC) of El Campo, at its March 23, 2026 meeting, unanimously approved an Infrastructure Grant in the amount of \$100,000 for Project Oxygen – HTeaO, and is requesting City Council approval as required for grants exceeding \$25,000.

The proposed project is a new HTeaO location currently under construction at 606 North Mechanic, the former site of a blighted structure. The redevelopment of this property represents a significant reinvestment along one of the City's primary north-south corridors and supports ongoing efforts to revitalize key commercial areas.

The total project investment is estimated at approximately \$2.3 million and includes demolition of the existing structure and construction of a new facility of approximately 2,000 square feet with a drive-thru. The project is expected to create 5 full-time and 15 part-time jobs, contributing to local economic activity and employment opportunities.

Infrastructure costs associated with the project are estimated at \$364,308. The CDC grant will be reimbursed only after issuance of a Certificate of Occupancy and receipt of all supporting invoices and proof of payment, ensuring that all eligible project costs have been incurred prior to disbursement of funds.

This project aligns with the CDC's mission to support commercial development and reinvestment in El Campo, while leveraging CDC funding to offset infrastructure costs that would otherwise be borne by the developer.

Fiscal Impact: \$100,000 funded through the City Development Corporation. No impact to the City's General Fund.

SUGGESTED ACTION:

Approve CDC funding for an Infrastructure Grant in the amount of \$100,000 for Project Oxygen – HTeaO.

ATTACHMENTS:

[HTeaO_Agenda Request_City Council_24MAR2026.pdf](#)