



City Council Agenda Item Report

June 4, 2013

Agenda Item No.

Contact – Mandy Shaw, Buda EDC, 295-2022

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SUBJECT: Deliberation and possible action regarding Approval of the City Resolution for the Performance Agreement between the Buda EDC and Buda Mill & Grain.

1. BACKGROUND/HISTORY

The BUDA EDC adopted a performance agreement with Buda Mill & Grain whereby Buda Mill & Grain agrees to make at least \$350,000 in improvements to its facility and to bring full time equivalent jobs to the City. The incentive offered to Buda Mill & Grain by the EDC is \$168,000 for the purpose of reimbursing BMG for design and construction of a looped water line which run under and serves BMG's facility. The looped water line is to be constructed according to the design and layout approved by the City of Buda.

2. FINDINGS/CURRENT ACTIVITY

State law requires that the City Council approve this project, and as of April 1, 2009, Sec. 505.158(b), Local Government Code, requires that its approval of a project costing more than \$10,000 undertaken by an EDC of a City of 20,000 or less be accomplished by adoption of a resolution by the City Council after giving the resolution at least two separate readings.

3. FINANCIAL IMPACT

\$ 168,000.00

4. ACTION OPTIONS/RECOMMENDATION

Buda EDC recommends approval of the Resolution and first reading of the resolution on June 4, 2013.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF BUDA, TEXAS, APPROVING A PROJECT OF THE BUDA ECONOMIC DEVELOPMENT CORPORATION, TOWIT: A GRANT OF \$168,000.00 TO BUDA MILL & GRAIN FOR CONSTRUCTION OF IMPROVEMENTS IN CONSIDERATION OF ITS BRINGING FULL-TIME PRIMARY JOBS TO THE CITY AND MAKING PARTICULAR IMPROVEMENTS; COMPLYING WITH SECTION 505.158, TEXAS LOCAL GOVERNMENT CODE; PROVIDING FOR TWO SEPARATE READINGS; OPEN MEETING READING AND ADOPTION, AND AN EFFECTIVE DATE

WHEREAS, the Buda Economic Development Corporation (EDC”) is a Type B Economic Development Corporation; and

WHEREAS, Section 505.158, Texas Local Government Code, which became effective April 1, 2009, requires that a Type B Corporation authorized by a city with a population of 20,000 or less that approves a project requiring an expenditure of \$10,000 or more may not undertake the project until the governing body of the city adopts a resolution authorizing the project after giving the resolution two separate readings; and

WHEREAS, the Board of Directors of the EDC has approved a project whereby a business known as Buda Mill & Grain has agreed to develop a facility in Buda, to make improvements in the amount of \$350,000 to such facility, and to bring up to 10 primary jobs to the City by January 1, 2023; and

WHEREAS, the EDC has agreed to contribute up to \$168,000 to Buda Mill & Grain for the purpose of making such improvements on the condition that such jobs are created; and

WHEREAS, the City Council finds the project will promote new or expanded business enterprises in and near the City of Buda; and

WHEREAS, the action authorized by this Resolution is in furtherance of the public interest, for the good government, peace, order, trade and commerce of the City and necessary and proper for carrying out of the authority granted by law to the City and the EDC;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS, that:

1. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Council hereby incorporates such recitals as a part of this Resolution.
2. The project approved by the Board of Directors of the BUDA EDC, being the payment of \$168,000 to Buda Mill & Grain in return for the bringing of primary jobs and

construction of improvements, as described above, is hereby in all things approved and authorized.

3. This Resolution shall take effect immediately from and after its passage at a second separate reading.

4. This Resolution is read and adopted at meetings that were open to the public and notice of the time, place and purpose of said meetings was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

READ AND APPROVED by the City Council of the City of Buda, Texas at first reading on the ____ day of _____, 2013.

READ AND ADOPTED by the City Council of the City of Buda, Texas at second reading on the ____ day of _____, 2013.

CITY OF BUDA, TEXAS

Todd Ruge, Mayor

ATTEST:

Danny Batts, City Secretary

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