



City Council Agenda Item Report

June 18, 2013

Agenda Item No.

Contact – Mandy Shaw, Buda EDC, 295-2022

admin@budaedc.com

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. The incentive offered to Buda Mill & Grain by the EDC is up to \$168,000 for the purpose of reimbursing BMG for design and construction of a looped water line, which will serve the Buda Mill and Grain property and improve the water flow/quality in Downtown Buda. The looped water line is to be constructed according to the design and layout approved by the City of Buda.

The Performance Agreement requires Buda Mill & Grain to invest at least \$350,000 in improvements on the property, create at least 10 Full Time Equivalent Jobs for a period of at least 24 months by the end of 2022 and/or make additional substantial capital taxable investments above the \$350,000 requirement. Unless the water line is delayed by boring under the railroad, the entire construction project must be completed within 24 months, and if Buda Mill and Grain fails to meet the requirements of the Performance Agreement, they will repay \$15,200 per FTE employee below the 10 FTE threshold.

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 second reading of the resolution on June 18, 2013.