



**BŪDAX**  
Economic Development Corporation

**FY 24-25**  
**Budget Narrative**

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## INTRODUCTION

### who we are

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Established in 2001, Buda Economic Development Corporation (EDC) is a Type B Economic Development Corporation created under sections 501, 504, and 505 of the Texas Local Government Code. Buda EDC is funded through a half-cent sales tax. Buda EDC is the only economic development entity in the City of Buda. Buda EDC helps grow the city's economy by recruiting destination restaurants and retail, advanced manufacturing, and knowledge-intensive businesses to Buda; by providing small business assistance and guidance; and by providing services to existing Buda businesses that support growth and expansion. Buda EDC works with the City of Buda and the Buda Area Chamber of Commerce to ensure that "Business is Better in Buda."

### our mission

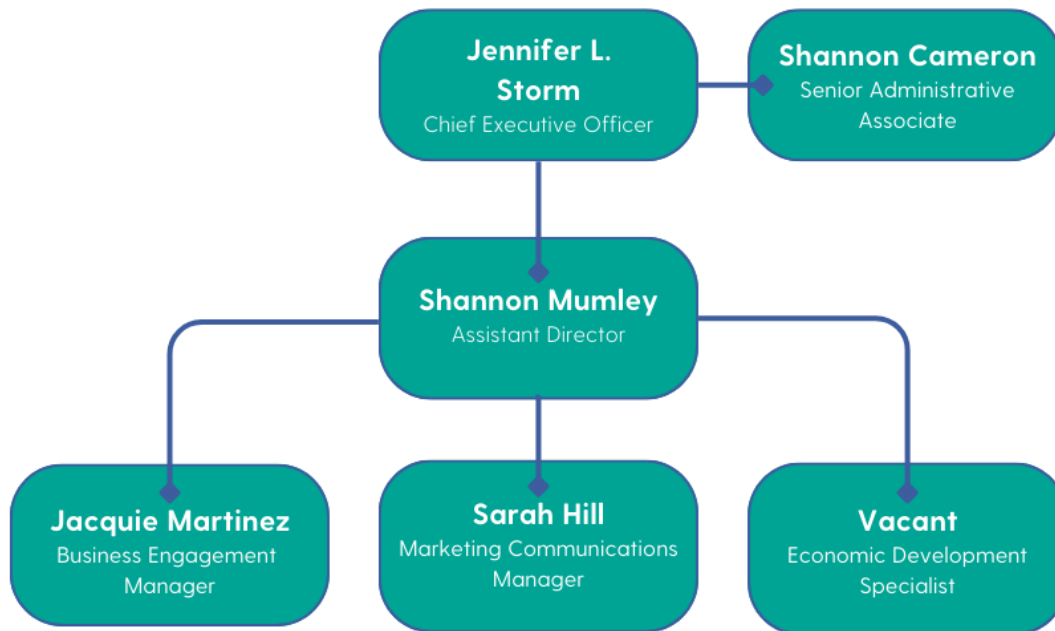
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The mission of Buda EDC is to provide leadership in creating and pursuing balanced economic growth by recruiting and retaining desirable diverse businesses and developing infrastructure while protecting the quality of life and natural resources in the region.

## INTRODUCTION

### staffing: *organizational chart*

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### staffing: *headcount*

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Position Title	2024	2025
Chief Executive Officer	1	1
Senior Administrative Associate	1	1
Assistant Director	1	1
Business Engagement Manager	1	1
Marketing Communications Manager	1	1
Economic Development Specialist		1
<b>TOTAL</b>	<b>5</b>	<b>6</b>

# INTRODUCTION

## 2023–2024 accomplishments

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The following are the key priorities and related accomplishments achieved as of May 1, 2024 for fiscal year (FY) 2023–2024.

### Achieve operational excellence

- Received a clean audit for FY 2022–2023
- Established job descriptions, career ladders, and evaluated pay ranges for Buda EDC staff to create opportunities for growth and longevity
- Began a five-year strategic plan
- Worked with the City of Buda to migrate financial and accounting management to City systems
- Hired and trained a full team of five for maximum effort and efficiency, including four staff who have remained at Buda EDC for over a year
- Hosted a joint meeting with the Planning and Zoning Commission, Buda City Council, and EDC Board
- Hosted the first “Curated Crawl” to highlight projects, developments, and land of interest

### Create effective marketing to promote Buda to prospects

- Increased all social media presence
  - More than doubled the number of followers on LinkedIn
  - Increased Instagram and Facebook engagement 243%
- Sponsored a billboard on I-35 to drive customers to Main Street businesses
- Designed and published a full-page ad in *Hays Free Press* to celebrate the 2024 Buda Business Appreciation Event winners
- Unveiled the Buda EDC office remodel and brand update

### Target outreach for business attraction

- Sponsored the Austin Business Journal Growth Summit VIP Reception
- Sponsored the Greater San Marcos Partnership (GSMP) Innovation Summit
- Hosted the Commercial Real Estate (CRE) event & presented at CRE Meetup
- Hosted the Buda Texas Venture Crawl event
- Hosted first founders event in partnership with Central Texas Angel Network
- Responded to 26 RFIs
- Shortlisted for five RFIs
- Hosted visits for three RFIs

## INTRODUCTION

### 2023–2024 accomplishments (cont.)

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#### **Nurture small- to medium-sized businesses & foster entrepreneurship**

- Co-hosted two coworking pop-up events to support entrepreneurs and home-based businesses
- Hosted five training workshops, including HR, marketing, QuickBooks, “Growth with Google” (cohosted with TAMACC), and AI for small businesses
- Hosted second annual Buda Business Appreciation Event with 120 guests representing over 62 businesses in attendance
- Conducted 41 BRE visits
- Awarded 39 incentives
- Hosted first Buda Job Fair: 16 Buda employers & 174 job seekers participated
- Launched a “cash mob” to encourage City of Buda leadership to meet and support a local business each quarter
- Sponsored no-cost two CPR trainings for 13 businesses (38 total attendees)

#### **Promote and enhance downtown**

- Kicked off the canopy program to allow for wider, more ADA-compliant access to businesses
- Started the 400 Main master plan development

#### **Attract destination retail & restaurants**

- Incentivized Tap In, an “eater-tainment” destination on the east side of Buda
- Incentivized and supported the destination restaurant Valentina’s
- Engaged with Retail Strategies to help recruit desired retail and restaurants
- Conducted and completed a retail study

#### **Support the City to expand tourism**

- Supported the City of Buda to encourage a large music festival to be held in November 2024
- Sponsored Wiener Dog Races (about 14,500 attended in 2024)
- Supported tourism promotion of community-wide events, including Red White and Buda, Small Business Saturday, and Buda’s Birthday

#### **Other**

- Supported the City of Buda with the Comprehensive Plan and Downtown Master Plan

## INTRODUCTION

### 2024–2025 department objectives

The following goals should guide future economic development decisions for the community based on Buda EDC's new strategic plan.

## CURATING...



### INVESTMENT

Buda EDC will attract quality investment to grow Buda's economy.



### LOCAL

Buda EDC will support & celebrate the businesses & entrepreneurs that call Buda home.



### TOMORROW

Buda EDC will unleash Buda's innovation potential, building tomorrow's Buda today.



### TALENT

Buda EDC will invest in the talent that will shape the future of Buda.



### EXPERIENCE

Buda EDC will promote & curate Buda as a unique Central Texas experience.

## BUDGET OPERATIONS

**Budget Process:** The Buda EDC budget outlines its programs and expenditures for the upcoming fiscal year, and after approval by the Board of the Directors of the Buda EDC ("Board"), the budget is submitted to Buda City Council so it can discharge its duties to approve all programs and expenditures of Buda EDC under Tex. Local Gov't Code Sec. 501.073.

As part of the budget approval process, projects and performance agreements less than \$50,000.00 are approved without further action from Buda City Council if the incentives fall within an approved project or program within the budget and the incentives have been recommended by the Incentive Task Force and approved by the Buda EDC Board.

In addition, Buda EDC publishes a general notice in the *Hays Free Press* to give general notice to the public of its planned budget, programs, and proposed expenditures for each fiscal year and holds a public hearing on its budget, programs, and proposed expenditures.

**Budget Management:** The CEO shall manage the budget after it is formally adopted by the Buda EDC Board and approved by Buda City Council.

**Procurement:** The CEO shall manage the selection, procurement, and payment of items and services to be used by Buda EDC, that cost Ten Thousand Dollars and No/100ths (\$10,000) or less each, without further approval of the Buda EDC Board. If the expenditure is over \$10,000 and previously approved in the budget, selection, procurement, and payment of items and services shall be managed by the President of the Buda EDC Board or their designee.

**Budget Adjustments:** The CEO is responsible for managing the operating budget after it is formally adopted by the Buda EDC Board and Buda City Council. The CEO is authorized to transfer funds of any unencumbered appropriation balance among programs or budget line items within budget categories without seeking a budget amendment with a limit of \$10,000 total transfer into each fund.

The Buda EDC Board is authorized to reallocate unencumbered funds among approved programs or budget lines without seeking a budget amendment from Buda City Council. Expenditures/expenses should not exceed the adopted budget, plus subsequent amendments approved by the Buda EDC Board and Buda City Council.



**Budget Amendments:** The Buda EDC Board will consider budget amendments on an as-needed basis. For efficiency, staff shall recommend budget amendments to include the amount of the expenditure rounded to the nearest thousand-dollar increment. Approved budget amendments will be sent to Buda City Council for approval.

**Authority to Sign Agreements Related to Approved Items and Services:** In approving each fiscal year budget, the Buda EDC Board authorizes the President of the Buda EDC Board, or if unavailable, the Vice President, to sign any agreement for services or items approved in the budget for use by Buda EDC without further authorization from the Buda EDC Board.

Any agreements over \$10,000 shall be reviewed by Buda EDC's legal counsel. Pursuant to a standing resolution adopted by the Board of the Buda EDC, the CEO may, on behalf of the corporation, enter into contracts for goods and services approved in the budget and involving sums of \$10,000.00 or less. Payment of other authorized Buda EDC expenditures shall be governed by the duly adopted Bylaws of the corporation.

## PROJECTS & PROGRAMS

Buda EDC intends to fund and implement the following projects and programs as appropriate and as fully described in the approved FY 24–25 budget. These projects and programs generally represent land, buildings, equipment, facilities, staff, expenditures, targeted infrastructure, and improvements found by the Buda EDC Board of Directors to promote new or expanded business development under Texas Local Government Code Sections 501 and 505.

### **Business Retention & Expansion Program**

#### **Recruitment Program**

#### **Small Business Programs/Incentives**

#### **Large Business Programs/Incentives**

#### **Incentives – Contingency**

#### **Recreational/Community Enhancements**

#### **Capital Outlay – Land**

#### **Business Development – Project Downtown**

#### **Business Development – Project Catalyst**

#### **Business Development – Project Old School**

#### **City Reimbursement – CIP Projects**

#### **+ *Medium Business Programs/Incentives***

#### **+ *Buda Brand Program***

#### **+ *Startup Program***

#### **+ *Capital Outlay – Parsonage | 307 San Marcos***

*For more information, see page 20.*

## 2024–2025 BUDGET

### general revenue

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	2024 Budget	2025 Budget	% Change
<b>General Sales Tax</b>	4,390,655	4,472,284	2%
<b>Interest Income</b>	427,000	552,000	29%
<b>TOTAL</b>	<b>\$4,817,655</b>	<b>\$5,024,284</b>	<b>4%</b>

**General Sales Tax:** Buda EDC’s primary revenue source is the collection of a one-half (1/2) cent or, in some areas, a one-third (1/3) cent sales and use tax within the corporate limits of the City of Buda. The City of Buda’s Finance Director provided Buda EDC with a budgetary estimate for the general sales tax shown above.

**Interest Income:** Buda EDC funds and reserves are invested according to Buda EDC Investment Policy and earn an estimated 4–5% interest rate with TexPool. Buda EDC is currently earning on average \$50,000 in interest monthly.

*+ Buda EDC’s non-operational funds have been transferred to TexPool, and with steadily increasing interest rates and corpus of funds, this category has experienced significant growth.*

## 2024–2025 BUDGET

### salaries & benefits

	2024 Budget	2025 Budget	% Change
<b>Salary</b>	499,281	615,000	23%
<b>Texas Workforce Commission</b>	6,000	1,600	-73%
<b>Longevity Pay</b>	304	1,000	229%
<b>Car Allowance</b>	13,500	18,000	33%
<b>Cell Phone Allowance</b>	4,800	6,000	25%
<b>Health Reimbursements</b>	10,000	6,000	-40%
<b>FICA Tax</b>	40,215	46,000	14%
<b>Employee Health Insurance</b>	42,303	63,000	49%
<b>Workers' Compensation</b>	1,099	1,100	0.1%
<b>Retirement</b>	70,337	82,000	17%
<b>Other Personnel Expenses</b>	49,932	20,000	-60%
<b>+Cell Phone Equip. Allowance</b>		1,500	
<b>TOTAL</b>	<b>\$737,771</b>	<b>\$861,200</b>	<b>17%</b>

**Salary:** All full-time employees are exempt.

+ *The increase accounts for the added sixth position (Economic Development Specialist) for a full year and a 3.2% across-the-board cost of living increase proposed to address the current inflation environment based on the City of Buda's proposed budget.*

**Texas Workforce Commission (previously Overtime):** All employees are now exempt status, and therefore do not accrue overtime pay.

– *This year, Buda EDC reached five employees, thus requiring fees paid to the Texas Workforce Commission. The decrease shown reflects the past line for Overtime and the new Texas Workforce Commission estimate.*

**Longevity Pay:** After 12 months of employment, all Buda EDC employees are given \$8 for each month of tenure, which is paid in November.

+ *This will increase because four employees have been with Buda EDC for over one year and will now qualify for longevity pay.*

## 2024–2025 BUDGET

### salaries & benefits (cont.)

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**Car Allowance:** Staff are provided with an auto allowance if their duties require being travel during work. All employees receiving an allowance will be refunded at the current IRS mileage rate for any trips with mileage that exceeds 50 miles one-way. Other employees who do not receive an allowance will be reimbursed at the current IRS mileage rate. The CEO’s allowance is negotiated as part of a separate employment contract.

+ *Increase projected due to additional staff.*

**Cell Phone Allowance:** In lieu of a work-provided cell phone, each employee is provided with an allowance to conduct their employment duties via an app on their personal cell phone.

+ *Increase projected due to additional staff.*

**Health Reimbursements:** Employees working at least 30 hours per week are eligible for the medical reimbursement program. Employees are responsible for the first \$750 of their deductible and/or out-of-pocket total maximum cost. Once the employee pays the first \$750, the City of Buda reimburses up to the plans out-of-pocket max per calendar year. In addition, the City of Buda reimburses \$10 on any office visit copay and reimburses \$10 on any prescription copay. Reimbursements apply to medical claims covered by the health insurance plan only.

- *This decrease reflects actual utilization of past years.*

**FICA Tax:** This is Buda EDC’s portion of Social Security and Medicare programs.

+ *Increase projected due to additional staff.*

**Employee Health Insurance:** Buda EDC pays for employee health insurance.

+ *Increase projected due to additional staff.*

**Workers’ Compensation:** This is an “at cost” reimbursement to the City of Buda for coverage through Texas Municipal League (TML).

**Retirement:** Buda EDC employees must contribute 7% of their salary to the Texas

Municipal Retirement System (TMRS), and Buda EDC provides a 2 to 1 match.

+ *Increase projected due to additional staff.*

**Other Personnel Expenses:** Buda EDC provides a \$300 one-time annual holiday payment to all employees per the Personnel Policy in the Employee Handbook; this is calculated at \$360 per employee and after taxes, each employee receives \$300.

– *Similar to the City of Buda’s City of Manager contract, the CEO’s contractual severance is not included in the annual operating budget.*

+ **Cell Phone Equipment Allowance:** *Employees are awarded \$250 for the upkeep of cell phone equipment costs for employees receiving the cell phone equipment allowance.*

## 2024–2025 BUDGET

### supplies & materials

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	2024 Budget	2025 Budget	% Change
<b>Office Supplies</b>	7,000	8,000	14%
<b>Small Tools/Equipment/Furniture</b>	15,000	15,000	0%
<b>Postage</b>	3,000	3,000	0%
<b>Meals &amp; Drinks</b>	12,500	18,500	48%
<b>TOTAL</b>	<b>\$37,500</b>	<b>\$44,500</b>	<b>19%</b>

**Office Supplies:** Buda EDC utilizes general office supplies, such as copier, ink, paper, and miscellaneous supplies, for its day-to-day operations.

+ *The increase in office supplies is due to the increased cost of supplies.*

**Small Tools/Equipment/Furniture:** This includes laptops and monitors, office chairs, and other necessary office and technology replacements and upgrades.

**Postage:** This line item refers to general mailing supplies and postage.

**Meals & Drinks:** This item includes meals and drinks for meetings, Board meeting dinners, and an annual Board appreciation dinner.

+ *This increase reflects increased staff activity as well as Board and Committee meetings.*

## 2024–2025 BUDGET

### designated services: *operations*

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	2024 Budget	2025 Budget	% Change
<b>Dues &amp; Subscriptions</b>	76,800	100,000	30%
<b>Professional Services</b>	224,895	200,000	-11%
<b>City Reimbursement – MOU</b>	123,000	178,000	45%
<b>Rental Equipment</b>	2,000	2,500	25%
<b>Travel &amp; Seminars</b>	79,500	60,000	-25%
<b>Storage &amp; Rental</b>	52,082	61,000	17%
<b>Depreciation</b>	7,671	8,000	4%
<b>+ Parsonage Maint. &amp; Operations</b>		25,000	
<b>TOTAL</b>	<b>\$604,500</b>	<b>\$634,500</b>	<b>5%</b>

**Dues & Subscriptions:** Buda EDC maintains dues and subscriptions that support its mission. This includes, but is not limited to, the following:

- Regional Partnerships and Memberships: Opportunity Austin, Greater San Marcos Partnership, Team Texas, Capital Area Council of Governments, and other recruiting organization memberships.
- Professional Associations: Southern Economic Development Council (SEDC), Texas Economic Development Council (TEDC), International Economic Development Council (IEDC), International Council of Shopping Centers (ICSC), Business Retention and Expansion International (BREI), Texas University Network for Innovation and Entrepreneurship (TUNIE)
- Subscriptions, Apps, and Publications: Magazine/professional publication subscriptions, website host, domain names, Adobe, Constant Contact, Archive Social, Austin Business Journal, Hays Free Press, Impact DataSource, EDOiQ, GisWebTech, Office 365, Hubspot, Asana, Land Glide, and Placer AI.

+ *This increase allows staff to identify tools needed to maximize efficiency and include items such as incentive analytics tools, social media management, and graphic design.*



## 2024–2025 BUDGET

### designated services: *operations (cont.)*

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**Professional Services:** This item includes legal and professional services, including general counsel's fees and expenses, as well as legal notices in *Hays Free Press*. Buda EDC contracts services with professionals/firms for specific projects/tasks, such as strategic planning, engineering, research, prospect studies, or other needed studies.

– *This decrease is proposed as the Strategic Plan, Target Industry Analysis, and Retail Studies have been completed.*

**City Reimbursement – MOU:** The memorandum of understanding (MOU) with the City of Buda includes administrative and payroll services, audit, human resources administrative services, investment, financial and accounting services, IT support and phone services, legal services, half of the Development Project Manager position, office cleaning, and GIS services.

+ *For FY 24–25, there is an approximately 45% increase due to investment, financial, and accounting services. FY 23–24 was the first year the City of Buda provided full accounting and financial support services, which provided a more accurate understanding of the time and staff needed to facilitate this work, which is reflected in this increase.*

**Rental Equipment:** Xerox copier rental.

+ *An increase is anticipated as it is time for contract renewal.*

**Travel & Seminars:** Buda EDC Board and staff participate in annual educational training or seminars to expand knowledge and expertise in economic development, including but not limited to:

- Annual Training/Seminars: Oklahoma University Economic Development Institute (OU EDI), TEDC, and IEDC courses, conferences, and webinars; the Basic Economic Development Course and Sales Tax Workshop; and other training as available.
- Conferences/Tradeshow registration: TEDC, IEDC, and SEDC, as well as local and regional conferences such as ICSC, Austin Retail Live, Team Texas, Opportunity Austin, Austin Chamber, the State of Texas, and GSMP.
- Travel and related expenses: such as airfare, hotel, mileage, and other travel-related costs to attend conferences, tradeshow, recruitment efforts, mission trips, inter-city benchmarking trips, and marketing trips.

– *The decrease represents the bylaw change requiring only the President to participate in training.*

## 2024–2025 BUDGET

### **designated services: operations (cont.)**

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**Storage & Rental:** Buda EDC is a party to a facility use agreement for the space it rents from the City of Buda within the City Hall building. Maintenance and operations are also included in this line item and are an annual cost paid to the City of Buda. This includes building maintenance and repair, utilities, groundskeeping, solid waste collection, and related costs.

+ *Increase projected due to increased costs to operate the building.*

**Depreciation:** This line item accounts for the depreciation of Buda EDC office equipment and furniture calculated by the finance department.

+ **Parsonage Maintenance & Operations:** *This line item consists of regular maintenance and costs for 307 San Marcos St., including utilities, landscape maintenance, HVAC maintenance, pest prevention, and cleaning fees.*

## 2024–2025 BUDGET

### designated services: promotional purposes & marketing

Texas Local Government Code Section 505.103 (Limitation on Use of Revenues for Promotional Purposes) limits the amount a Type B corporation may spend for promotional purposes to no more than 10 percent (10%) of corporate revenues. However, the Texas Attorney General has authorized the creation of a Promotional Purposes Account by a Type B corporation under which unspent prior-year revenues may be combined with a 10% cap of current year revenues without violating the 10 percent cap. With the approval of this budget, the Buda EDC Board authorizes the creation of the Promotional Purposes Account through which marketing expenditures are made. The Buda EDC Board also authorizes the rollover and use of unspent funds in the Promotional Purposes Account from each fiscal year to the next via the “Rollover Promotional Funds” line.

Based on General Sales Tax Revenue of approximately \$4.4 million, Buda EDC may budget approximately \$440,000 for promotional purposes, including marketing.

Using traditional and print marketing, with a heavy emphasis on digital and social media marketing, Buda EDC uses marketing to promote its businesses and its partners. Buda EDC also executes these marketing initiatives toward end users, commercial brokers, and site consultants.

	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>% Change</b>
<b>Tourism Promotion</b>	125,000	125,000	0%
<b>Prof. Services – Marketing</b>	125,000	50,000	-60%
<b>Promotional Products</b>	110,000	100,000	-9%
<b>Promotional Partnerships</b>	20,000	20,000	0%
<b>Chamber of Commerce</b>	25,000	20,000	-20%
<b>Rollover Promotional Funds</b>	10,000	10,000	0%
<b>TOTAL</b>	<b>\$405,000</b>	<b>\$325,000</b>	<b>-20%</b>

**Tourism Promotion:** This budget item allows support of large-scale events in Buda with a production value of at least \$100,000 and ticket sales of 2,500 and up. This includes funding for the November 2024 Railcar Revival Music Festival, Buda Wiener Dog Races, and similar events located in the heart of Buda, creating foot traffic for local businesses from tourists attending events.

## 2024–2025 BUDGET

### designated services: promotional purposes & marketing (cont.)

**Professional Services – Marketing:** This line item allows staff to work with subject matter experts as Buda EDC develops its marketing campaigns and plans.

– *This decrease is due to the website work completed in FY 23–24.*

**Promotional Products:** Marketing expenses are funded through this line item for traditional and digital marketing to build awareness of Buda as a destination to visit, relocate, or expand business. Some items include but are not limited to the following: *Austin Business Journal* sponsorship and advertising, SXSW, print advertisements in trade and mainstream press, targeted video marketing, billboards, photography and videography, tradeshow display, and social media advertising. There are also opportunities for Buda EDC to promote Buda, by hosting an Opportunity Austin regional partner meeting or a Greater San Marcos Partnership investors meeting.

**Promotional Partnerships:** This line item supports events in Buda hosted by local organizations that help establish Buda as a great place to live and do business, such as Juneteenth, Black History Month, Blue Santa, etc.

**Chamber of Commerce:** This includes the annual corporate partnership sponsor and opportunities to attend, support, and sponsor Buda Area Chamber of Commerce events and activities.

– *Due to a reduced number of Chamber activities, a slight decrease is reflected here.*

**Rollover Promotional Funds:** This item allows unused promotional and marketing funds to rollover to the next fiscal year, as described above.

## 2024–2025 BUDGET

### designated services: authorized projects/programs/incentives

	2024 Budget	2025 Budget	% Change
<b>BRE Program</b>	87,500	100,000	14%
<b>Recruitment Program</b>	20,000	50,000	150%
<b>Small Business Programs/Incentives</b>	250,000	275,000	10%
<b>Large Business Programs/Incentives</b>	250,000	200,000	-20%
<b>Incentives – Contingency</b>	50,000	25,000	-50%
<b>Recreational/Community Enhancements</b>	150,000	150,000	0%
<b>Capital Outlay – Land</b>	250,000	150,000	-40%
<b>Business Development – Project Downtown</b>	700,000	700,000	0%
<b>Business Development – Project Catalyst</b>	150,000	100,000	-33%
<b>Business Development – Project Old School</b>	50,000	20,000	-60%
<b>City Reimbursement – CIP Projects</b>	200,000	100,000	-50%
<del><b>South Loop 4 Wastewater Project</b></del>	<del>500,000</del>		
<b>+ Medium Business Programs/Incentives</b>		100,000	
<b>+ Buda Brand Incentive</b>		50,000	
<b>+ Startup Program</b>		200,000	
<b>+ Capital Outlay – Parsonage</b>		50,000	
<b>TOTAL</b>	<b>\$2,607,500</b>	<b>\$2,270,000</b>	<b>-13%</b>

**Business Retention and Expansion (BRE) Program:** This program promotes the retention and expansion of existing Buda businesses to increase jobs and sales tax generation through the following activities: hosting events, legislative activities, an annual business appreciation event, small business and economic development week activities, workforce development, and job fairs. It also supports local businesses by paying half their first-year Chamber membership and any efforts to support existing businesses.

+ *The increase proposed would allow the Buda EDC to increase the support of the following activities: training, networking, and outreach to support even more businesses.*

## 2024–2025 BUDGET

### **designated services:** authorized projects/programs/incentives (cont.)

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**Recruitment Program:** This line item will be used when developers, site consultants, real estate brokers, or other clients visit Buda to investigate opportunities. This would also include assistance with new company grand openings, groundbreaking ceremonies, familiarization tours (e.g., GSMP site selector familiarization tour), and site consultant gifts and follow-up.

*+ This increase is aimed at enhancing Buda EDC’s recruitment efforts. The strategic plan recommends allocating more time and resources to business recruitment, including working with site selectors to attract businesses to establish or relocate to Buda.*

**Small Business Programs/Incentives:** The purpose of this program is to assist new or existing Buda-based small businesses to achieve growth and expansion by promoting new development, business expansion, and renovation of existing buildings or businesses in accordance with the program guidelines and City of Buda building regulations. These incentives are awarded in amounts up to \$10,000 if the Buda EDC Board finds the incentives promote new or expanded business development in Buda.

*+ The increase, as recommended by the Small Incentive Committee, allows for a cushion of \$25,000 beyond the \$250,000 set aside for the Small Business Incentive Program.*

**Large Business Programs/Incentives:** This program offers economic development incentives over \$10,000 as recommended by the Joint Buda EDC/City Incentive Taskforce and approved by Buda EDC Board and City Council. Economic development incentives are awarded consistent with the guidelines adopted by the EDC and the City.

*– A decrease is shown, as these projects are approved on a case-by-case basis with a budget amendment.*

## 2024–2025 BUDGET

### **designated services:** authorized projects/programs/incentives (cont.)

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**Incentives – Contingency:** This line item provides economic stimulus assistance to local businesses affected by declared city, county, state, or national emergencies (e.g., COVID-19, Storm Uri).

*– A decrease is recommended as this program has not been used, and this amount will still provide seed money to get the program going should an emergency occur.*

**Recreational/Community Enhancements:** This program funds recreational and community enhancement projects, such as park improvements. To disperse these funds, a formal request to and approval from the Buda EDC Board of Directors would be needed.

**Capital Outlay – Land:** Project Land was approved to fund the purchase and future development of real property in the City of Buda or its extraterritorial jurisdiction to promote or expand new business development. The funding must be used for earnest money, option fees, and due diligence activities. Further funding requires approval from the EDC Board and Buda City Council as outlined in the Sale or Purchase of Land Policy as approved by the Buda EDC Board and Buda City Council.

*– A decrease is proposed due to the knowledge gained after utilizing this program FY 23–24.*

**Business Development – Project Downtown:** This program promotes new or expanded business development in Buda’s Downtown Business District and may include expenditures for land, buildings, equipment, facilities, improvements, targeted infrastructure, parking, architectural design, utility relocations, infrastructure design, and construction, building design and construction, professional studies related to any of the above, and any other expenditures that the Buda EDC Board finds are appropriate to accomplish the objectives of the project. This includes projects focused on the findings of the downtown master plan/comprehensive plan to assist property owners in designated areas with site/concept plans. Buda EDC proposes to fund upgrades to businesses and infrastructure, such as awnings/canopies, to improve walkability. Buda EDC also proposes to fund the Austin Street Project with improvements such as streetscape, dumpster/utility beautification, and an incentive program to convert existing residential properties to maximize commercial usage.

## 2024–2025 BUDGET

### **designated services:** authorized projects/programs/incentives (cont.)

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**Business Development – Project Catalyst** Buda EDC and the City will work to prioritize up to six properties to promote to site selectors and regional partners by creating site plans, design concepts, and desired City uses that meet target industry, highest and best use, and community goals.

*– A decrease is proposed as some of the identified properties have begun development. This is a long-term project, as it will take time to create a plan and prepare items needed to support future development.*

**Business Development – Project Old School:** This would provide funding up to \$50,000 to include a proposal to the property owner with proposed uses, design concept and site plan, proposed partners and developers, and fund sources/PPP.

*– A decrease is proposed as some of the identified properties have begun development. This is a long-term project, as it will take time to create a plan and prepare items needed to support future development.*

**City Reimbursement—CIP Projects:** This line supports City of Buda Capital Improvement Projects (CIP) that align with its economic development initiatives.

*– This item is reduced as each project is reviewed on a case-by-case basis, with a budget amendment if approved by the Buda EDC Board.*

~~**South Loop Wastewater Project:** This is capital improvement project for the Congressional Appropriations Funding for the construction of two wastewater lines along South Loop 4 to provide economic development opportunities in this area. Buda EDC will pay 20% of the overall project, \$500,000. The calculation is based on 20% of a potential \$2.5 million dollar project. This was budgeted for 2022 but is being carried over as the project will not start before the end of FY 24.~~

*– This item has been paid to the City of Buda and is no longer needed.*



## 2024–2025 BUDGET

### designated services: authorized projects/programs/incentives (cont.)

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**+ Medium Business Programs/Incentives:** *This program offers economic development incentives as recommended by the Buda EDC Small Business Committee and approved by the Buda EDC Board, mirroring the Small Business Programs/Incentives process. Economic development incentives are awarded in a manner consistent with the guidelines adopted by Buda EDC and the City. This program will allow businesses to apply for an incentive larger than \$10,000 and less than \$50,000.*

**+ Buda Brand Incentive:** *The best advocates are existing Buda businesses. Businesses like Night Hawk Frozen Foods already have ample shelf space in grocery stores across the state with a proud "Made in Buda" mark on its box. Buda is home to awesome brands that, unfortunately, still claim Austin on their packaging. The program will help Buda businesses update their marketing materials to reflect Buda. What better way to help put Buda on the map than to be at the top of mind with some great brands? This program can support branding changes such as websites, printed materials such as boxes and bags, signage, and other public-facing marketing updates to clearly state this is a Buda business.*

**+ Startup Program:** *This program will support the startup ecosystem by providing support and resources to businesses from the idea stage to launch. By offering a collaborative workspace, startups can benefit from shared resources, mentorship, and networking opportunities, fostering innovation and growth. Buda EDC aims to establish such a facility by creating a support pipeline that includes business planning, market research, access to funding, and professional guidance. This nurturing environment helps reduce the risks associated with starting a new business, accelerates growth, and increases the likelihood of long-term success, ultimately contributing to the region's economic vitality.*

**+ Capital Outlay – Parsonage:** *The tenant finish out for 307 San Marcos will involve updating the interior spaces to meet the specific needs of the Startup Program, ensuring a functional and appealing work environment. This investment will enhance the building's infrastructure, supporting the growth and development of new enterprises in Buda.*

## 2024–2025 BUDGET

### designated services: contractual payouts

	2024 Budget	2025 Budget	% Change
<b>Est. Combined Contract. Payouts</b>	444,146	476,000	13%
<b>Park Fencing</b>	<del>77,000</del>		
<b>+ Tap In</b>		150,000	
<b>+ Robertson Land Development</b>		250,000	
<b>TOTAL</b>	<b>\$521,146</b>	<b>\$876,000</b>	<b>73%</b>

**Est. Combined Contractual Payouts:** This line includes previously committed programs and incentives, including sales tax agreements, 380 agreements, performance agreements, etc. To protect each business’s sales tax information, this estimate is presented in aggregate based on the estimate provided in the City’s revenue projections.

- Buda Mill & Grain (BMG): 30% of sales tax receipts generated (12/2024)
- LGC/Cabela’s TIRZ: 85% of sales tax receipts generated (12/2024)
- 2428 Partners (Sunfield Development): 50% of sales tax receipts generated (12/2026)
- J Parks (dba Budaful Tavern): 100% of sales tax receipts generated (12/2025)
- Taste on Main: 100% of sales tax receipts generated (12/2025)
- Meridian: 100% of sales tax receipts generated (12/2025)
- + *Tap In*: 100% of sales tax receipts generated (10/2029)

~~**Park Fencing:** The Buda EDC Board approved funding for fencing for City Park.~~

~~– This item has been paid to the City of Buda and is no longer needed.~~

**+ Tap In:** \$150,000 was approved in incentives for 7,000 s/f entertainment, destination, and simulated golf-focused event space to be paid at Certificate of Occupancy.

**+ Robertson Land Development:** \$250,000 was approved in incentives for utility relocation and capital improvements to the 112 Main Street building.

## **OTHER FINANCIAL ITEMS**

### **unencumbered cash reserves**

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Buda EDC, per the bylaws, shall maintain unencumbered cash reserves equivalent to three months of operating expenditures and current incentive contractual payout liabilities in its operating fund.

### **heaven hill (deep eddy)**

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Per Heaven Hill's Performance Agreement, they have until January 1, 2025, to open a tasting room to receive this additional incentive of \$25,000. This will be the last budget year for this commitment.

### **sportsplex expansion support**

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Buda EDC proposes allocating up to \$1.5M of reserve funds to support the expansion of the number of ball fields at the Sportsplex to enhance the ability to support larger-scale tournaments generating sales tax, hotel occupancy tax. The City of Buda is considering capital improvement project (CIP) funds for additional improvements for parking, concession stand, etc. for an estimated \$5M.

## NET REVENUE

	<b>2024 Budget</b>	<b>2025 Budget</b>	<b>% Change</b>
<b><i>Beginning Fund Balance</i></b>	<b>9,940,485</b>	<b>13,636,625</b>	<b>37%</b>
<b>Total Revenue</b>	<b>4,817,655</b>	<b>5,024,284</b>	<b>4%</b>
<b>Expenditures</b>			
Salaries & Benefits	737,771	861,200	17%
Supplies & Materials	37,500	44,500	19%
Designated Services	604,500	634,500	5%
<i>Promotional Purposes &amp; Marketing</i>	405,000	325,000	-20%
<i>Programs / Projects / Incentives</i>	2,607,500	2,270,000	-13%
<i>Incentives</i>	521,146	876,000	68%
<b>Total Expenditures</b>	<b>4,790,846</b>	<b>5,011,200</b>	<b>5%</b>
<b>Net Revenue (Expenditures)</b>	<b>26,809</b>	<b>13,084</b>	<b>-51%</b>
+ <i>Sportsplex Expansion</i>		1,500,000	
<b>Est. Ending Fund Balance</b>	<b>9,967,294</b>	<b>12,146,709</b>	<b>22%</b>
Unencumbered Cash Reserves	1,197,712	1,252,800	5%

*\*as of 3/31/2024*