



**Final Buda EDC
FY 23-24 Budget Narrative**

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INTRODUCTION

Who We Are

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 to grow the Buda economy by actively recruiting new destination restaurants and retail, advanced manufacturing, and knowledge intensive businesses to Buda; providing small business assistance and guidance; and working with existing Buda businesses by providing service with 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.”

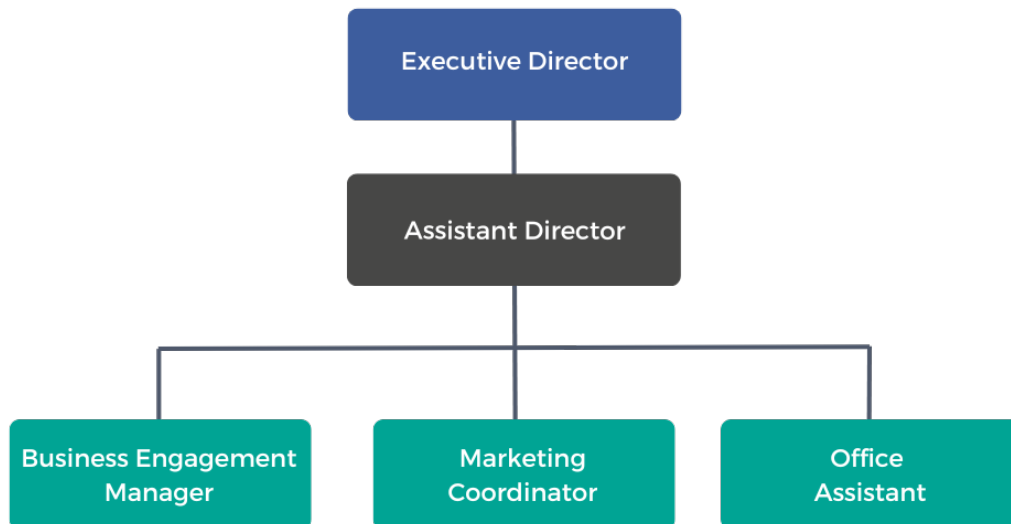
Our Mission

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.

Staffing

Organizational Chart

Buda EDC Organizational Chart



Staffing

Position Title	2023	2024
Executive Director	1	1
Assistant Director	1	1
Business Engagement Manager	1	1
Marketing Coordinator	.5	1
Office Assistant	1	1
TOTAL	4.5*	5

**In 2023 the Marketing Coordinator position was funded for full-time for only half the fiscal year which is why it is depicted as .5 rather than 1.*

2022-2023 Accomplishments

The following are the key priorities and related accomplishments established in 2022-2023:

- **Achieve operational excellence**
 - Received a clean audit report for 21/22
 - Expanded EDC offices in City Hall complex
 - Worked with City of Buda to migrate financial and accounting management to City systems
 - Hired and trained a full team of 5 for maximum effort and efficiency
 - Promoted Shannon Mumley to Assistant Director
 - Adopted a “Public Information and Records Retention Policy”
 - Reviewed and updated all incentive payments
 - Created the “Land Policy,” which was adopted by Buda EDC Board & Buda City Council
 - Reviewed all tools and expenses for usage and effectiveness
 - Created Development Project Manager position, co-funded by Buda EDC and the City
 - Monthly investment report from Meeder Public Funds Patterson Group
 - Hired an Executive Director

- **Create effective marketing to promote Buda to prospects**
 - Rebranded Buda EDC, including new logo, messaging, marketing materials, etc.
 - Created Marketing Coordinator position

- **Target outreach for business attraction**
 - Completed Target Industry Analysis
 - Worked with a consultant to create a land use map to assess available land
 - Sponsored Austin Business Journal Commercial Business Awards and Austin/San Antonio Corridor Events

- **Nurture small- to medium-sized businesses and foster entrepreneurship**
 - Revamped the Small Business Incentive
 - Assisted 25 businesses through the small business incentive program (as of May 2023)
 - Co-hosted monthly coworking pop-up events to support entrepreneurs and home-based businesses
 - Spearheaded inaugural business appreciation event attended by well over 100
 - Partnered with Chamber to create networking opportunities, hosted Small Business Development and Economic Development Week, and workforce development events, and a home-based business showcase

- **Promote and enhance downtown**
 - Supported City with the Comprehensive Plan and Downtown Master Plan

- **Attract destination retail & restaurants**
 - Provided large incentives to 5 downtown establishments (Brooklyn’s, Meridian) 3 of which are new destination restaurants (Valentina’s Tex Mex BBQ, Jparks Saloon, Taste)
 - Attended ICSC Red River to meet with developers and site selectors to start the new recruitment process for high-priority properties.
 - Completed retail study of the 1626 corridor and other segments of Buda (Est. June 2023)
 - Created bridge funding for Valentina’s Tex Mex BBQ to open by 5/31/23.

2022-2023 Accomplishments Continued

- **Support the City to expand tourism**
 - Partnered with City to land Blue Sage Music Fest
 - Supported tourism promotion of 4 events (Brewers Fest, Craw Fest, Margarita Salsa Fest and Blue Sage Music Festival)

- **Other**
 - Supported community sponsorship through promotional partnerships with Blue Santa, Black History Month, Juneteenth, and Memorial Mini Golf Tournament
 - Co-hosted Buda Day at the Capitol

2023-2024 Department Objectives

The following key priorities should guide future economic development decisions for the community.



BUDGET OPERATIONS

Budget Process

The Buda EDC budget outlines its programs and expenditures for the upcoming fiscal year, and after Buda EDC Board (“Board”) approval, the budget is submitted to 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. 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 Executive Director shall manage the budget after it is formally adopted by the Board and approved by City Council.

Procurement

The Executive Director 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 (\$10,000.00) or less each, without further approval of the Board. If 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 Board or their designee.

Budget Adjustments

The Executive Director is responsible for managing the operating budget after it is formally adopted by the Buda EDC Board and City Council. The Executive Director 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. Expenditures/expenses should not exceed the adopted budget, plus subsequent amendments approved by the Board of Buda EDC and 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 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 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 Board. Any agreements over \$10,000 shall be reviewed by Buda EDC’s legal counsel.

PROGRAMS AND PROJECTS

The Buda EDC intends to fund and implement the following programs and projects as appropriate and as more fully described below as part of the approved Fiscal Year 2023-2024 budget. In general, these programs and projects represent land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the Board of Directors to promote new or expanded business development under Tex. Local Gov't Code §§ 501 and 505.

Small Business Programs / Incentives
Large Business Incentive Programs
Recreational / Community Enhancements
Emergency Economic Stimulus Program
Business Retention & Expansion Program
Project Land
South Loop 4 Wastewater Project
Project Downtown
Capital Outlay (Capital Improvement Projects)
Project Catalyst Properties
Project Old School

2023-2024 BUDGET

Revenue

Total FY 2023-2024 sales tax receipts revenues are estimated at \$4,390,655, which comes from General Sales Tax and Sales Tax Agreements from Cabela’s TIRZ (Tax Increment Reinvestment Zone), Park 35, 2428 Partners (Sunfield Development), and BMG Property.

	2023 Budget	2024 Budget	% Change
General Sales Tax	3,596,901	3,655,389	1.6%
Total Sales Tax Agreements (LGC/Park 35/2428/BMG)	602,159	735,266	22%
Other Revenue	44,000	427,000	870%
TOTAL	\$4,243,060	\$4,817,655	13.5%

Sales Tax

General Sales Tax: Buda EDC’s primary revenue source is the collection of a one-half (1/2) cent or 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 each sales tax category shown above.

- General: one-half (1/2) cent

Total Sales Tax Agreements: These items are shown as an aggregate total of all the itemized agreements to protect the proprietary information of each of these businesses as we cannot publicly disclose sales tax information.

- LGC/Cabela’s TIRZ: one-half (1/2) cent
- Park 35 (Stonefield Development): one-third (1/3) cent
- 2428 Partners (Sunfield Development): one-half (1/2) cent
- Buda Mill & Grain (BMG) Property: one-half (1/2) cent

Other Revenue

Buda EDC funds and reserves are invested according to Buda EDC Investment Policy and earn an estimated 4-5% interest rate with TexPool estimated conservatively to be \$400,000 in interest income annually. 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. Additionally, Valentina’s Tex Mex BBQ loan payments are estimated to be \$26,609 for this fiscal year. *The dramatic increase in Other Revenue was simply a correction for previous years of underrepresenting this number based on a five plus year-old estimate when the corpus was much smaller. After consulting with the City’s Finance Director and the Investment Manager, this now reflects an accurate estimate based on current corpus and interest rates.*

Salaries & Benefits

	2023 Budget	2024 Budget	% Change
Salary – Full-time	393,425	445,787	12%
+ <i>Cost of Living Adjustment</i>	-	31,205	*7%
+ <i>Annual Performance Review</i>	-	22,289	*5%
Overtime	6,000	6,000	0%
Longevity Pay	-	304	-
Car Allowance (Mileage/Parking)	7,500	13,500	44%
Cell Phone Allowance	1,410	4,800	71%
Health Reimbursements	8,000	10,000	20%
FICA Tax	28,061	40,215	30%
Employee Health Insurance	31,949	42,303	24%
Workers Compensation	1,091	1,099	1%
Retirement	50,583	70,337	28%
Other Personnel Expenses	40,580	49,932	19%
TOTAL	\$568,559	\$737,771	23%

Salaried Employees: All full-time employees’ salaries including exempt and nonexempt. Overtime pay is included in this line for the nonexempt employee. *The increase accounts for the full year for the Marketing Coordinator position.*

+Cost of Living Adjustment: *A 7% across the board cost of living increase is proposed to address the current inflation environment based on Social Security increase of 8.7 which is based on the Consumer Price Index (CPI).*

+Annual Performance Review: *EDC is building a staff program around periodic performance reviews with metrics and key performance indicators. This line would provide an opportunity to reward employees with a goal of building and keeping a great team.*

Overtime: This is for the non-exempt employee to work over 40 hours a week, as approved by the Executive Director.

Longevity Pay: All Buda EDC employees are given \$8 per month after 12 months of employment paid in November along with Holiday Pay.

Car Allowance: The Executive Director’s allowance is negotiated as part of a separate employment contract. Exempt staff are provided an auto allowance if their duties require that they are out and about during their job. Other employees, who do not otherwise receive an allowance, are to be reimbursed at the current IRS mileage rate. All employees receiving an allowance will be reimbursed at the current IRS mileage rate for any trips with mileage that exceeds 50 miles one-way.

Cell Phone Allowance: In lieu of providing a cell phone, an app is installed on each employee's phone. All exempt employees are provided a cell phone allowance or conducting the duties of employment. The EDC will no longer have a cell phone bill, that reduction has been accounted for in communications.

Health Reimbursements: Regular 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 1st \$750, the city reimburses up to the plans out of pocket max per calendar year. In addition, the city reimburses \$10 on any office visit co-pay, and reimburses \$10 on any prescription co-pay. Reimbursements apply to medical claims covered by the health insurance plan only.

FICA Tax: EDC's portion of Social Security and Medicare programs.

Employee Health Insurance: The EDC pays for employee health insurance.

Workers' Comp.: This is an "at cost" reimbursement to the City of Buda for coverage through TML.

Retirement: Buda EDC employees are required to contribute 7% of their salary to the Texas Municipal Retirement System (TMRS), and Buda EDC provides a 2 to 1 match.

Other Personnel Expenses: Severance/severance retirement payout for Executive Director per contract as well as holiday pay. Buda EDC provides a \$300 one-time payment to all employees per the Personnel Policy in the Employee Handbook, this is calculated at \$360 per employee, after taxes each employee receives \$300.

Supplies & Materials

	2023 Budget	2024 Budget	% Change
Office Supplies	5,000	7,000	40%
Small Tools / Equipment / Furniture (Computers & Equipment)	15,000	15,000	0%
Postage	5,000	3,000	-40%
Meals & Drinks (Board Costs)	7,500	12,500	67%
TOTAL	\$32,500	\$37,500	15%

Office Supplies: General office, copier supplies/ink/paper, and miscellaneous supplies for the day-to-day operations of Buda EDC. With five staff, an increase in office supplies is anticipated.

Small Tools / Equipment / Furniture (Computers & Equipment): Laptops and monitors, office chairs, and other office and technology replacements and upgrades as needed. With more staff we increased office supplies.

Postage: General mailing supplies and postage.

Meals & Drinks (Board Costs): Buda EDC Board Meeting costs, lunch and coffee meetings, and an annual holiday dinner. An increase is planned due to inflation as well as a full board will be seated, we will host a board networking, and additional staff will be attending meetings as well.

Designated Services

	2023 Budget	2024 Budget	% Change
Dues & Subscriptions (Membership dues, subscriptions/publications, & app subscriptions/online resources)	76,800	93,800	22%
Professional Services (legal, professional services, & MOU)	347,895	375,000	8%
Rental of Equipment	2,000	2,000	0%
Travel & Seminars (EDC required training, conferences, professional development, & mileage)	79,500	85,000	7%
Recruitment	10,000	20,000	100%
Storage & Rental (city facility use agreement, storage, comms, & ins)	52,082	68,458	31%
Depreciation	7,198	7,671	7%
TOTAL	\$575,475	\$651,929	13%

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

- Regional Partnerships & Recruitment: Opportunity Austin, Greater San Marcos Partnership, Team Texas, and Day One Experts
- Local Partnerships: Buda Area Chamber of Commerce BRE partnership program, CAPCOG
- Professional Associations: SBEDC/TEDC/IEDC/ICSC
- Subscriptions and Publications: Magazine / professional publication subscriptions, EdSuite (or other website hosts), domain names, Adobe, Constant Contact, Social Media Archive, incentive tracking/monitoring/evaluating software, Austin Business Journal, Biznow, Hays Free Press
- Online Applications/Tools/Subscriptions: LoopNet, Impact DataSource (incentive tool), Retail Lease Trac, PA USA (Office 365), Hubspot (BRE and recruitment CRM tool), Asana, Land Glide, Placer AI. The following programs were recently eliminated: CoStar, SizeUp, ZoomProspector, InfoGroup, and Retail Lease Trac.
- *This increase allows staff to identify tools needed to maximize efficiency. This would include upgrading CRM to include analytics and reporting, incentive analytics tools, social media management, and graphic design.*

Professional Services (legal, professional services, & MOU): Legal and professional services, as well as administrative and shared services through an MOU with the City of Buda. This includes any budget amendments as of April 2023 as well as:

- Legal: General counsel legal fees and expenses as well as legal notices in the Hays Free Press.
- MOU with City of Buda:
 - The MOU includes administrative (including office cleaning) and payroll services, audit, human resources administrative services, investment, financial and accounting services, IT support and phone services, legal services, half of Development Project Manager position and GIS Services.
 - For FY 2023-2024, there is an approximately 20% increase which represents an increase in cost associated with two additional staff positions (admin services, human resources, IT and phone services).
- Other Professional Services: Buda EDC contracts for various services with professionals and firms for specific projects and tasks, such as the strategic plan, engineering, research, study for prospects, utility studies, or other studies that are needed.
- *The increase represents additional funds for studies and professional support as needed and described above. No legal increase is anticipated, MOU increase of approximately \$21,000 and other professional services.*

Rental of Equipment: Xerox copier rental

Travel & Seminars (Travel, EDC required training, conferences, tradeshow/conferences, professional development, & mileage): Buda EDC board and staff participate in required training to gain knowledge and expertise in economic development. Staff participates in annual training related to economic development. This includes:

- Annual Training/Seminars: (e.g., Oklahoma University Economic Development Institute [OU EDI]; [TEDC (Texas Economic Development Council)], Basic Economic Development Course, Sales Tax Workshop; [IEDC (International Economic Development Council)] and TEDC courses, conferences, and webinars; and other training as available.)
- Conferences/Tradeshow registration: Texas Economic Development Council (TEDC); International Economic Development Council (IEDC); Southern Economic Development Council (SBEDC); also include local and regional conferences such as the International Council of Shopping Centers (ICSC); Austin Retail Live, Team Texas, TEDC, Austin Chamber, the State of Texas, Greater San Marcos Partnership, etc.
- Travel and related expenses: such as airfare, hotel, mileage (for mileage associated with a conference/recruitment) and per diem or other travel related costs. This would be for travel related to, but not limited to, conferences, tradeshow, recruitment efforts, mission trips, inter-city benchmarking trips, and marketing trips.
- *Increase by \$6,000 for two new employees for professional development.*

Recruitment: 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.

An increase is shown now that we have a full team, TIA and retail study complete, experience at ICSC, and our new brand, we will be utilizing this line item more strategically.

Storage & Rental (city facility use agreements, storage, communications, & insurance): 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. For FY 2021-2022, there was a 2.6% increase. For FY 2022-2023, there was an 8.3% increase. For 2023-2024, there is a decrease of 2.6%. 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, building repair, utilities, groundskeeping, solid waste collection, and similar costs.

The increase includes the expansion of space within the City Hall complex of \$16,376 annually. An external storage unit has been emptied and canceled, therefore that expense has been removed.

Depreciation: This line item accounts for the depreciation of Buda EDC office equipment and furniture. This is estimated at \$7,671 for FY 2023-2024 by the EDC accountant.

Promotional Purposes and 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 10 percent cap of current year revenues without violating the 10 percent cap. With the approval of this budget, the Board authorizes the creation of the Promotional Purposes Account through which marketing expenditures are made. The Board also authorizes the roll-over and use of unspent funds in the Promotional Purposes Account from each fiscal year to the next (“Rollover Promotional Funds”).

Based on General Sales Tax Revenue of approximately \$4.3 million, Buda EDC budgeted approximately \$430,000 for promotional purposes, including marketing.

Buda EDC employs a heavy emphasis on marketing initiatives toward end users, commercial brokers, and site consultants, with a limited approach in traditional and print marketing and a greater emphasis on digital and social media marketing. Additionally, Buda EDC is involved in activities within the community and shows support for our local partners.

	2023 Budget	2024 Budget	% Change
Advertising (tourism promotion)	125,000	125,000	0%
Professional Services – Marketing	150,000	125,000	-20%
Promotional Products (supplies/materials, promo items & printing, tradeshow displays, advertising, social media advertising, Trail of Lights display)	75,000	100,000	25%
Promotional Partnerships (community sponsorships, Shop Buda, Trail of Lights, other sponsorships)	20,000	20,000	0%
Chamber of Commerce	25,000	25,000	0%
+Rollover Promotional Funds		10,000	-
TOTAL	\$395,000	\$405,000	2%

Advertising (tourism promotion): This line item was added in 2022 to allow sponsorship of Buda events. This line item includes future funding for Blue Sage Music Festival (aka KOKE Fest) and similar events located in the heart of Buda, creating foot traffic for local businesses in addition to tourists attending events.

This increase allows for the growing number of events anticipated for City Park.

Professional Services – Marketing: Buda EDC has hired a marketing firm to rebrand, create a marketing plan, and oversee the first year of the plan’s implementation as well as rebuilding the EDC website.

This decrease is due to the of the work completed in FY 22/23.

Promotional Products: Marketing costs within the Buda market and on a national and regional scale are funded through this line item. Traditional and digital marketing includes building the brand of Buda EDC and the City of Buda. Some items include but are not limited to the following: Austin Business Journal, SXSW, print advertisements in trade and mainstream press, targeted video marketing (non-social media-based), billboards, photography and videography, tradeshow display, and social media advertising. There are also singular opportunities that arise for Buda EDC to promote Buda, such as Buda EDC hosting an Opportunity Austin regional partners meeting or a Greater San Marcos Partnership investors meeting.

The increase is recommended to allow for the marketing consultants' recommendation for materials for the new logo, including general Buda EDC promotional items, printed material costs, etc.

Promotional Partnerships: Buda EDC hosts and participates in events to promote economic development within Buda. The budget was increased to support a growing number of events.

Chamber of Commerce: This is an opportunity to attend, support, and sponsor Buda Area Chamber of Commerce events, such as the Chamber Gala, golf tournament, rodeo, and monthly Chamber luncheons, etc. as an annual corporate partnership sponsor, as well as additional tickets or tables as needed.

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

Programs/Projects/Incentives

	2023 Budget	2024 Budget	% Change
Small Business Programs / Incentives	200,000	250,000	25%
Large Business Incentive Programs	250,000	250,000	0%
Recreational / Community Enhancements	100,000	150,000	50%
Emergency Economic Stimulus Program	100,000	50,000	-50%
Business Retention & Expansion Program	72,500	87,500	21%
Project Land	250,000	250,000	0%
South Loop 4 Wastewater Project	500,000	500,000	0%
Project Downtown	200,000	700,000	250%
Capital Outlay (Capital Improvement Projects)	200,000	200,000	0%
+Project Catalyst Properties		150,000	
+Project Old School		50,000	
TOTAL	\$1,872,500	\$2,437,500	30%

Small Business Programs / Incentives: The purpose of the Buda Business Development 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/businesses in accordance with the program guidelines and City of Buda building regulations. These incentives are awarded in \$10,000 increments if the Board finds the incentives promote new or expanded business development in Buda. *Due to a huge increase in applications, an increase is proposed in the FY 2023-2024 budget to allow up to 25 awards.*

Large Business Incentive Programs: 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.

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

An increase is recommended to provide additional support to the community and Parks department as they work up update facilities to create tourist destinations.

Emergency Economic Stimulus Program: This line item allows for 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.

Business Retention and Expansion Program (BRE): This program promotes the retention and expansion of existing Buda business through the following activities: Business & Industry Breakfast/Lunch/Mixers, Legislative Day at the Capitol, ED Summit & Business Recognition/Business Appreciation Activities, Workforce Development, & Chamber Membership Assistance. The BRE program includes hosting mixers, lunches, legislative activities, an annual business appreciation event, small business and economic development week activities, and workforce development workshops, and job fairs.

The increase is proposed so that the Buda EDC may, through a services agreement, outsource some activities of the BRE Program to the Buda Area Chamber of Commerce including, but not limited to the following activities: training, networking, and outreach.

Project Land: This project was approved in December of 2021 to fund the purchase and future development of real property in the City of Buda or its extraterritorial jurisdiction, for the purpose of promoting or expanding new business development. The project is limited to funding of \$250,000.00 which must be used for earnest money, option fees and due diligence activities. Further funding requires EDC Board and City Council approval as outlined in the Sale or Purchase of Land Policy approved by the Board and City Council.

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 the Fiscal Year 2024.

Project Downtown: This program/project was previously approved in 2022 for \$200,000 but was included under CIP projects. 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 board finds are appropriate to accomplish the objectives of the project.

An increase is proposed in this budget to include projects focused on the findings of the downtown master plan/comprehensive plan to assist property owners in designated areas with site/concept plans. The EDC proposes to fund upgrades to businesses and infrastructure such as awnings/canopies to improve walkability. The EDC also proposes to fund Austin Street Project with improvements such as streetscape, dumpster/utility beautification, and an incentive program targeted at converting existing residential properties to maximizing commercial usage.

Capital Outlay: Buda EDC has budgeted \$200,000 for Capital Improvement Projects (CIP) that fall in line with Buda EDC Economic Development Initiatives.

+Project Catalyst Property Program: *Estimated at \$25k per property for 6 properties as identified in the Buda EDC strategic plan, Buda EDC and the City will work to prioritize up to 6 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.*

+Project Old School: *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.*

Incentives (Contractual Payouts)

There is an estimated \$568,646 of Contractual Payouts for previously committed programs and incentives. These include Sales Tax Agreements, 380 agreements, etc.

	2023 Budget	2024 Budget	% Change
Est. Combined Contractual Payouts	319,090	319,480	0%
Project RDO	225,000		
Valentina's Tex Mex BBQ	228,707		
+J Parks Saloon		30,666	
+Taste		77,000	
+Meridian		17,000	
Park Fencing		77,000	
Misc. Contractual Payouts	100,000	0	
TOTAL	\$872,797	\$521,146	-35%

Est. Combined Contractual Payouts (BMG/LGC/2428): To protect each business's sales tax information, this estimate is presented based on the estimated provided in the City's revenue projections.

- Buda Mill & Grain (BMG) Sales Tax: Percentage of Sales Tax Receipts Generated (30%)
- LGC/Cabela's TIRZ Sales Tax: Percentage of Sales Tax Receipts Generated (85%)
- 2428 Partners (Sunfield Development) Sales Tax: Percentage of Sales Tax Receipts Generated (50%)

+J Parks Saloon: 100% of annual sales tax 2023-2025 not to exceed \$92,000 with annual sales tax reimbursement up to 3 years or \$30,666. Whichever comes first. \$10,000 to offset the permit fees reimbursement.

+Taste: 100% of annual sales tax 2023-2025 estimated to be \$77,000 per year for three years or up to \$206,500, whichever comes first.

+Meridian: 100% annual sales tax for three years estimated to be \$17,000 per year up to \$51,000, whichever comes first.

Park Fencing: The EDC Board approved funding for fencing for City Park, those funds have not been dispersed, this is a carry-over of that obligation.

Miscellaneous Contractual Payouts: This item was included in 2022-2023 as staff was working to resolve any outstanding incentive contractual payouts. At this time, all outstanding contractual payouts have been accounted for.

Other Financial Items

Unencumbered Cash Reserves

Buda EDC per the By-Laws shall maintain in its operating fund unencumbered cash reserves equivalent to three months of expenditures.

Heaven Hill (Deep Eddy)

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.

Net Revenue

	2023 Budget	2024 Budget	% Change
Beginning Fund Balance	\$10,014,256	\$9,940,485*	
Total Revenue	\$4,243,060	\$4,817,655	13.5%
Expenditures			
Salaries & Benefits	\$568,559	\$737,771	23%
Supplies & Materials	\$32,500	\$37,500	13%
Designated Services	\$575,475	\$651,929	12%
<i>Promotional Purposes & Marketing</i>	\$395,000	\$405,000	2%
<i>Programs / Projects / Incentives</i>	\$1,872,500	\$2,437,500	23%
<i>Incentives (Contractual Payouts)</i>	\$872,797	\$521,146	-35%
Total Expenditures	\$4,316,831	\$4,790,846	10%
Net Revenue (Expenditures)	(\$73,771)**	\$26,809	
Est. Ending Fund Balance	\$9,940,485*	\$9,967,294*	
Unencumbered Cash Reserves		\$1,197,712	

*Estimated.

**A negative budget was not approved in FY 22-23; this represents budget amendments on the expense side but no change to revenue is represented here within.