



Agenda Item Report

Legislative Board: City Council
Date: February 3, 2026
Contact: Shannon Cameron, Office Manager
Agenda Item ID / Number: 2026-127- / H.2

ITEM TITLE: Approval of a BEDC Budget Amendment related financial incentives for Project Sprinter in an amount not to exceed \$2,000,000.00 (BEDC CEO Jennifer Storm)
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1. EXECUTIVE SUMMARY

A budget amendment in the amount of \$2,000,000 from the Buda Economic Development Corporation (EDC) reserve fund is requested to fulfill a previously approved incentive obligation associated with Project Sprinter. The amendment is necessary to fund the construction loan component of the incentive package.

2. BACKGROUND/HISTORY

Project Sprinter is an economic development project supported through an incentive package approved by the Buda EDC Board of Directors on January 12, 2026, and subsequently approved by the Buda City Council on January 20, 2026. The total approved incentive package is \$4,950,000. Of this amount, \$150,000 is allocated for a traffic signal improvement that was previously budgeted in the FY26 EDC budget and does not require additional funding.

The incentive package includes a construction loan providing a direct financial benefit to the project in the amount of \$2,000,000. This loan component was approved as part of the overall incentive agreement but requires a budget amendment to ensure funds are available for disbursement.

3. ANALYSIS

NA

4. FINANCIAL IMPACT

Approval of this item will amend the FY26 EDC budget to appropriate \$2,000,000 from the EDC reserve fund. This amendment does not increase the total approved incentive amount for Project Sprinter and is necessary solely to align the budget with the previously authorized incentive commitment. Estimated Buda EDC reserve fund balance as of November 30, 2025 was \$14,350,957.64. This amendment would reduce the balance to \$12,350,957.64. This portion of the incentive package is a loan and will be repaid to the Buda EDC with 7.75% interest within three years per the terms of the incentive package.

5. STRATEGIC PLAN/GOALS

BALANCED AND INTENTIONAL GROWTH

6. STRATEGIC PLAN OBJECTIVES

Retain and grow local businesses in Buda

7. PROS AND CONS

NA

8. ALTERNATIVES

NA

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Approve a budget amendment in the amount of \$2,000,000 from the EDC reserve fund to fund the construction loan component of the Project Sprinter incentive package.

Attachments: