



Agenda Item Report

Legislative Board:	City Council
Date:	March 24, 2026
Contact:	Shannon Cameron, Office Manager
Agenda Item ID / Number:	2026-258- / H.5

ITEM TITLE: Approval of the First Amendment to the Chapter 380 Economic Development and Performance Agreement between the City of Buda, the City of Buda 4B Corporation, and US Foods, Inc. (Buda EDC Jennifer Storm)
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1. EXECUTIVE SUMMARY

Council is asked to review and consider approval of the First Amendment to the Chapter 380 Economic Development & Performance Agreement between the City of Buda, the City of Buda 4B Corporation (Buda EDC), and US Foods, Inc. This First Amendment clarifies provisions related to capital investment qualification, timing and verification requirements for incentive eligibility, and baseline job counts. The amendment refines the measurement standards without increasing the incentive obligation, ensuring clearer administration and compliance tracking for all parties.

2. BACKGROUND/HISTORY

On December 23, 2024, the City of Buda, the Buda EDC and US Foods, Inc. entered into a Chapter 380 Economic Development & Performance Agreement. Article 10.1 of the original agreement allows for amendments in writing by mutual consent of the parties. The proposed First Amendment provides the following clarifications:

- Capital Investment Requirement (Section 3.2): Requires a minimum \$120,000,000 capital investment and clarifies that installed cost or capitalized value of machinery and equipment qualifies, including purchased, financed, or leased equipment, provided it is installed and placed in service. Verification must be submitted through a sworn report with supporting documentation prior to incentive payment eligibility.
- Job Creation Requirement (Section 3.6): Clarifies that the Company must create and maintain 165 new net Full-Time Equivalent (FTE) jobs above a baseline of 385 active FTE jobs as of December 23, 2024, no later than December 31, 2031, and maintain required employment documentation (I-9 records). All other provisions of the agreement remain unchanged. This amendment enhances administrative clarity, strengthens compliance verification standards, and ensures that performance benchmarks are clearly defined moving forward.

This amendment was approved by the Buda EDC Board at their regular meeting on March 9, 2026.

3. ANALYSIS

Not applicable.

4. FINANCIAL IMPACT

Not applicable.

5. STRATEGIC PLAN/GOALS

BALANCED AND INTENTIONAL GROWTH

6. STRATEGIC PLAN OBJECTIVES

Retain and grow local businesses in Buda.

7. PROS AND CONS

Pros: clarifies the incentive agreement with US Foods.

Cons: none.

8. ALTERNATIVES

Not applicable.

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

This amendment was approved by the Buda EDC Board at their regular meeting on March 9, 2026.

Attachments:

[Buda EDC- First Amendment to US Foods Agreement \(V2 02.12.26\).doc](#)