



Consider Approval of a Chapter 380 Agreement with BRE Group

May 21, 2024



About the Project

- Spec Development of 98,296 SF Class A Speculative Industrial Building on 500 Wonder World Drive.
- Capital investment of \$16.45 Million
- Construction Timeline:
 - Commence Construction October of 2024

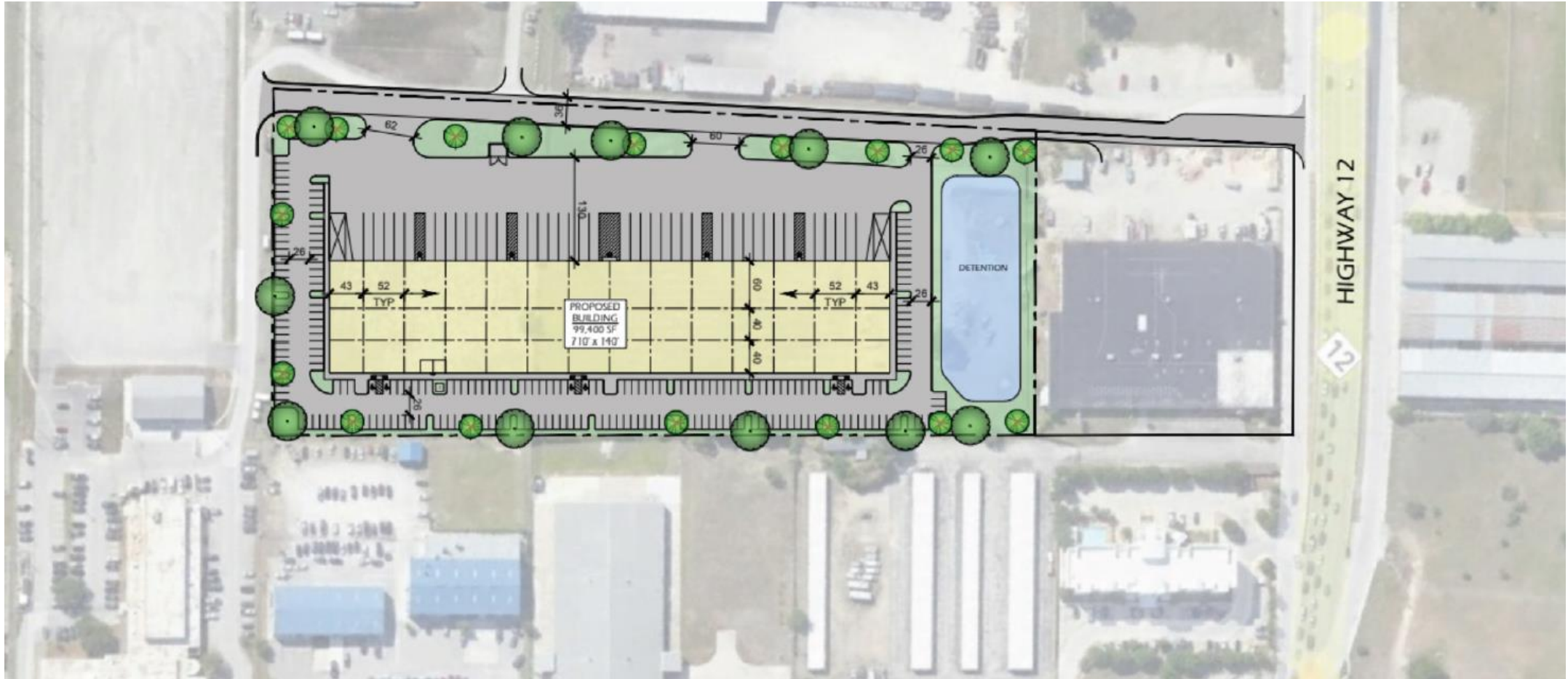


Project Location



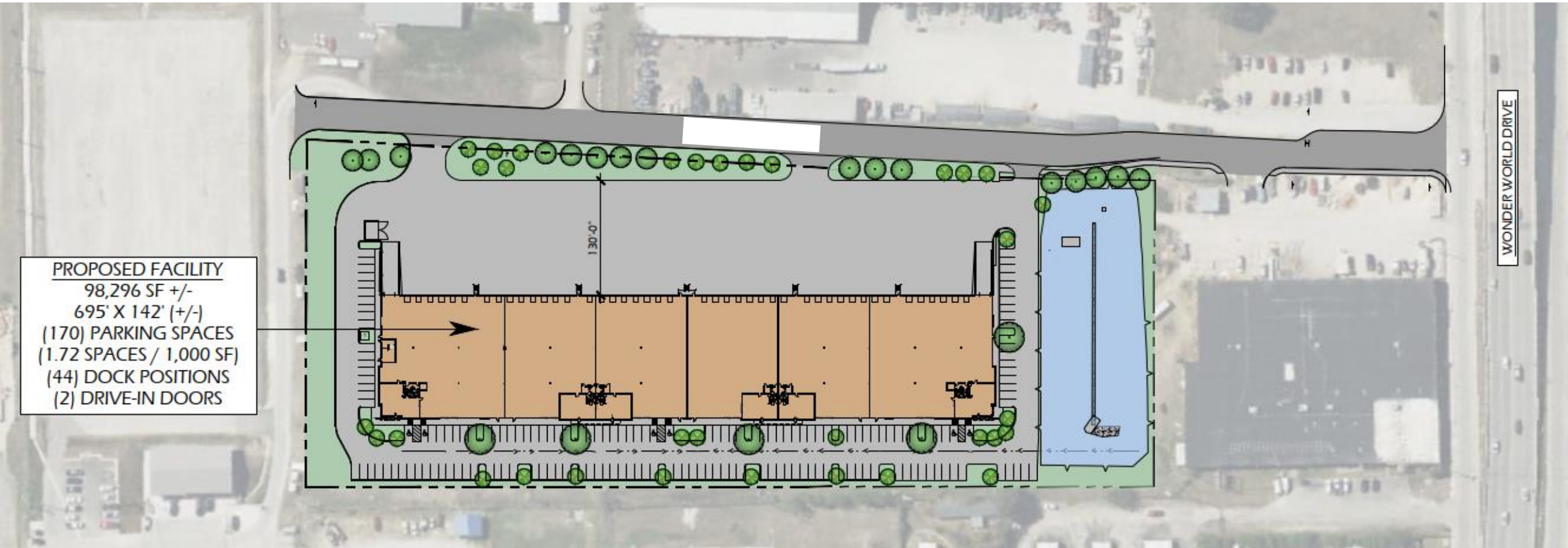


Site Plan





Site Plan





Site Continued

Site Details:

- Acreage: 9.1 Acres
- Building Depth: 140' - 175'
- Clear Height: 32' Clear
- 44 Dock Height Doors





Renderings





Renderings





Environmental Analysis

Not Located within

- Any Edwards Aquifer Zone
- 100-yr Floodplain

Located within

- Water Quality Zone

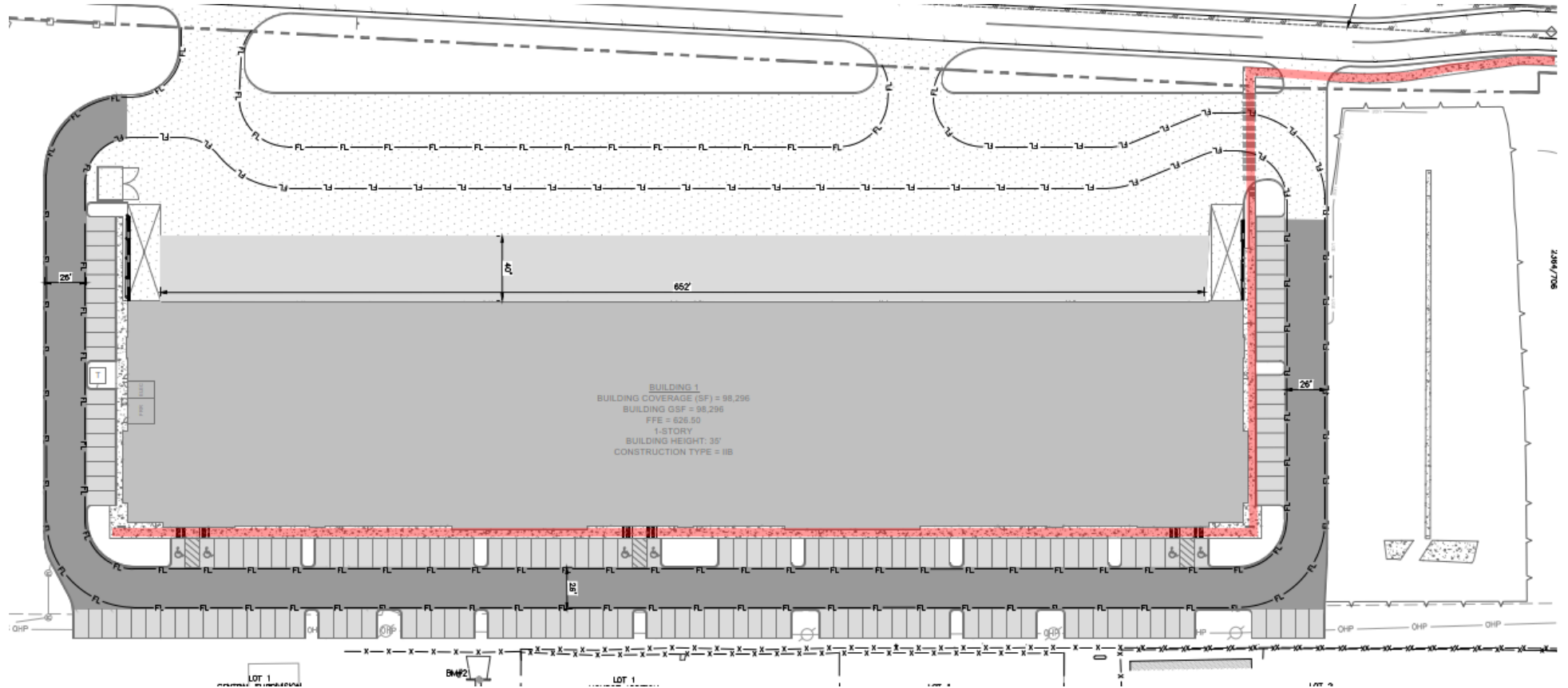






Pedestrian Access Abatement

- Developer requesting exemption to construct sidewalk connection to SMPD firing range
- Build highlighted sidewalk instead





Recommended Incentive

Three-Year Property Tax Rebate Per Phase of Project

Year One: 100%

Year Two: 75%

Year Three: 50%

Phase out tax abatement as tenants occupy building

Ch. 380 w/ San Marcos = \$235,656 tax rebate over 3 years

Waive the sidewalk requirement and fee-in-lieu



Potential Revenue to the City & Others

| | 100% | 75% | 50% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| City Rebated | \$79K | \$59K | \$40K | \$0K | \$0K | \$0K | \$0K | \$0K | \$0K | \$0K | \$236k |
| City Retained | \$0K | \$20K | \$40K | \$97K | \$97K | \$97K | \$97K | \$97K | \$97K | \$97K | \$971k |

Return on City incentive over 10 years:

(Gain of investment – cost of investment)/cost of investment

(\$1.2M in generated property taxes - \$236k in rebate)/ \$236k in rebate = 4.1 or 410%

10 year taxes collected to Hays County is \$636k

10 year taxes collected to San Marcos CISD is \$537k



EDSM Recommendation

On March 20, 2024, the Economic Development San Marcos (EDSM) Board voted unanimously to recommend the incentive presented to council



Recommendation

- Staff recommends Council consider a Chapter 380 economic development incentive agreement with Project Snapdragon



Questions



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