630 East Hopkins
San Marcos, TX 78666

City of San Marcos

Regular Meeting Minutes
City Council

Tuesday, June 16, 2026	**6:00 PM**	**City Council Chambers**

630 E. Hopkins St.

I. Call To Order

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Hughson at 6:17 p.m. Tuesday, June 16, 2026. This meeting was held both in person and online.

II. Roll Call

Present: 7 - Mayor Pro Tem Shane Scott, Deputy Mayor Pro Tem Alyssa Garza, Council Member Amanda Rodriguez, Mayor Jane Hughson, Council Member Lorenzo Gonzalez, Council Member Matthew Mendoza and Council Member Josh Paselk

III. Invocation

Chaplin Mike Hollifield from The San Marcos Police Department provided tonight's invocation.

IV. Pledges of Allegiance - United States and Texas

V. Citizen Comment Period

Carla Sisk spoke on item #22, noting that having two parallel roads with the same name creates a safety hazard, especially for emergency responders. She requested that the new road be given a different name and offered alternatives, including "Carlita's Way."

Randall Terrell thanked the Council for its thorough work session discussions and the increased transparency. He also relayed a concern from Virginia Parker regarding Item 16, asking whether Redwood Apartments' tax benefits apply when a company provides below-market rents.

Addison Sears (remote) raised concerns about resident privacy and safety, explaining that parking permits showing the apartment complex name make it easy to identify where someone lives. He asked the Council to consider safer options, such as numbered permits or QR codes.

Gerardo Reyes: Buenas tardes y gracias por la oportunidad. Lo que pasó con mi familia ha sido muy difícil y la situación ha tardado demasiado. No se nos explicó claramente lo que ocurría. Como padre, me preocupé por mi hijo y por eso intervine, Estuve detenido más de dos meses y fue muy difícil. Translated to English: Good afternoon, and thank you for the opportunity. What happened with my family has been very difficult, and the situation has taken too long. We were not clearly informed about what was happening. As a father, I worried about my son and intervened, which led to my detention. I was detained for over two months, and it was very hard.

Sanjuana Escalante mentioned that her husband Gerardo Reyes could not continue with his comments. She spoke about the serious impact on her family from what she believes was an unjustified arrest, including her husband's ICE detention and her son's ongoing charges. She urged release of body camera footage and called for transparency and accountability.

Sam Benavides supported the Reyes family, summarizing the March 14 incident involving Officer Cortina. He noted Gerardo's release from ICE detention but said the family still faces major consequences. He requested transparency, release of the footage, and dismissal of charges against Esteban.

Gina Fleming addressed Item 17, urging stricter standards for data centers, citing constant noise, water impacts, the need for decommissioning rules, and recommending an environmental commission.

Chrispy Polanco called for immediate release of the March 14 body camera footage involving the Reyes family and raised concerns about license plate reader systems like Flock, as well as past allegations involving Chief Standridge.

Sam Young praised recent city events but noted low turnout. He supported blocker trucks for the Fire Department, suggested upgrading downtown cameras to real-time systems, and encouraged maintaining a needs-focused budget.

Zachary Tyndall supported Council Member Rodriguez's amendment on power plants and recommended limiting on-site generation facilities to Heavy Industrial zoning with a Conditional Use Permit.

Amy Camp (remote) supported the Reyes family, stressing that any arrest has

serious consequences and urging the Council to prioritize de-escalation and accountability.

Guadalupe Sarinana, daughter of Gerardo Reyes, said her father's release does not resolve transparency concerns. She noted Officer Cortina was found in violation of three policies and questioned the limited discipline. She called for release of the body camera footage and consistent accountability.

PRESENTATIONS

1. Receive a Staff presentation on the FM 1978 Regional Wastewater Treatment Plant Progressive Design-Build Project located southeast of the city and facility naming methodology.

Assistant City Manager Joe Pantalion introduced the item, noting that several upcoming presentations will address the city's second wastewater facility. Marcus Naiser, Assistant Director of Capital Improvements, presented the update.

Mr. Naiser explained that the project follows the May 2024 regional cost-sharing agreement to prevent multiple, small package plants in southeast San Marcos. Developers will contribute $49 million over ten years and 25 acres of land. The city will build a 2-MGD Water Reclamation Facility, with full completion by late 2028. The plant will be expandable to 8-MGD.

The progressive design-build project with Burns & McDonald has a $120 million budget. Mr. Naiser recommended naming the new site the FM 1978 Water Reclamation Facility and renaming the current plant the River Road Water Reclamation Facility. Naming resolutions will be presented July 7. Council voiced no objections.

2. Receive a Staff presentation on the Financial Report for the quarter ending March 31, 2026, and provide direction to the City Manager.

Finance Director Jon Locke presented the financial report for the quarter ending March 31, 2026, noting that it had previously been presented in detail to the Finance and Audit Committee on May 14th. All major operating funds showed revenues and expenditures within the established threshold of 2.5 percent of the three-year average. Mr. Locke provided a follow-up on two hotels that had been approximately four months behind on hotel tax payments; those payments had since been brought current, with interest and penalties still being negotiated. No further action was required.

3. Receive a Staff presentation on the Investment Report for the quarter ending March 31, 2026, and provide direction to the City Manager.

Finance Director Jon Locke presented the investment report for the quarter ending March 31, 2026. The city's total investment portfolio as of March 31st stood at approximately $498 million, with enterprise funds comprising approximately $320 million and consolidated funds approximately $178 million. The current quarter average portfolio yield was 3.7 percent, above the benchmark 2-year treasury rate. The rolling 12-month average yield was just over 4 percent, also above the benchmark rate of approximately 3.7 percent. Total interest earned during the second quarter was approximately $4.5 million, with year-to-date interest income of approximately $9.3 million. No further action was required.

CONSENT AGENDA

A motion was made by Council Member Rodriguez seconded by Council Member Mendoza to approve items # 4 -9, 11, and 12. Item #10 was pulled and considered separately after the public hearing.
The motion carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

4. Consider approval by motion, of the following meeting minutes:
A. May 5, 2026 - Regular Meeting Minutes
B. May 5, 2026 - Work Session Meeting Minutes
C. May 19, 2026 - Regular Meeting Minutes
D. May 19, 2026 - Work Session Meeting Minutes
E. May 27, 2026 - Special Meeting Minutes - Appointee Evaluations
F. May 28, 2026 - Special Meeting Minutes - Appointee Evaluation

5. Consider approval of Ordinance 2026-24, on the second of two readings, in Case No. PDD-07-02(b), modifying standards for signage within the McCarty Commons planned development district, generally located southeast of the intersection between Interstate Highway 35 and East McCarty Lane, to allow for an approximately 60 foot tall freestanding sign in connection with a new HEB store; including procedural provisions; and declaring an effective date.

6. Consider approval of Resolution 2026-88R, approving an agreement with Metro Fire Apparatus Specialists for the outfitting of a 2000 Pierce Ladder Truck to be used as a blocker truck by the Fire Department in the amount of $115,550.00; authorizing the City Manager, or her designee, to execute the agreement on behalf of the city; and declaring an effective date.

7. Consider approval of Resolution 2026-89R, approving a Change in Service to the agreement with Halff Associates, Inc. to provide engineering services for stormwater management planning related to the Stormwater Master Plan Update in the amount of $195,050.00;

authorizing the City Manager, or her designee, to execute the Change in Service on behalf of the city; and declaring an effective date.

8. Consider approval of Resolution 2026-90R, approving a Change in Service to the agreement with BGE, Inc. to improve conveyance and reduce flooding within the Wallace Addition, including drainage infrastructure along Staples Road, Cape Road, and within the Fish Hatchery, in the amount of $750,986.00; authorizing the City Manager, or her designee, to execute the Change in Service on behalf of the city; and declaring an effective date.

9. Consider approval of Resolution 2026-91R, approving a Change in Service to the agreement with Plummer Associates, Inc., to provide on-call engineering services relating to the Sunset Acres Subdivision Improvements project in the amount of $793,998.00; authorizing the City Manager, or her designee, to execute the appropriate documents to implement the Change in Service on behalf of the city; and declaring an effective date.

11. Consider approval of Resolution 2026-93R, approving a contract with Freeit Data Solutions Inc., through the Texas Department of Information Resources, for the purchase of licensing and maintenance services for an email security software solution with an initial one-year term in the amount of $53,056.31 and up to four additional one-year renewals with price increases each year for a total amount of $394,823.83; authorizing the City Manager, or her designee, to execute the contract and any renewals on behalf of the city; and declaring an effective date.

12. Consider adoption of an order establishing a public hearing date of August 5, 2026 regarding an update and amendment of the City's Water and Wastewater Impact fees and associated Land Use Assumptions and Capital Improvement Plan.

PUBLIC HEARINGS

13. Receive a Staff presentation and hold a public hearing to receive comments for or against Resolution 2026-94R, approving a request for a Conditional Use Permit in Case No. CUP-25-71, to allow a purpose-built student housing development for the property located at 325 North Comanche Street; authorizing city staff to issue a conditional use permit consistent with this resolution; and declaring an effective date; and consider approval of Resolution 2026-94R.

The presentation for both items 13 and 14 was presented under section item 13. Mayor Hughson noted that items 13 and 14 were related and would be presented together, with separate hearings and votes.

14. Receive a Staff presentation and hold a public hearing to receive comments for or against Resolution 2026 95R, approving a request in Case No. AC 25 09 for Alternative Compliance to the maximum building height requirements in Section 4.4.3.7 of the Development Code to increase the permitted building height from five to seven stories, for a proposed development located at 325 North Comanche Street; authorizing city staff to issue permits consistent with this resolution; and declaring an effective date; and consider approval of Resolution 2026-95R.

Planning and Development Services Director Terry Floyd presented both items. Director Floyd explained that the applicant is requesting a Conditional Use Permit (CUP) for purpose-built student housing on one acre at Pat Garrison and North Comanche Streets. The CD-5 zoning requires a CUP for this use, allowing up to five bedrooms per unit (standard maximum is three) and requiring parking at 0.6 spaces per bedroom (standard is 1.5 spaces per bedroom). The proposal is similar to nearby student housing projects previously approved.

Staff provided a neutral recommendation, noting partial alignment with the comprehensive plan but inconsistency with the Downtown Area Master Plan's goal of housing serving all demographics. The Planning and Zoning Commission recommended approval 5-4.

Recommended conditions include:
1. The development shall register with the City of San Marcos Long Term Rental Registration program per
Chapter 34, Article 7, Division 3 of the City's Code.
2. The lease shall be made publicly available on the property's website.
3. The lease shall contain the following text:
In accordance with Development Code Section 5.1.4.9 Purpose-Built Student Housing, B Use Standards, 1 Student Leases, any residential dwelling lease that is executed and effective before the issuance of a certificate of occupancy by the City enabling the tenant to occupy the premises shall include a late delivery provision providing as follows:"In the event the Leased Premises are unavailable for occupancy on or before the commencement date of this Lease, Landlord shall offer Tenant the choice of: 1) accepting temporary safe, decent, and sanitary housing, provided by the Landlord, at an alternate location within the City of San Marcos, or within a seven mile radius of the Leased Premises, with Tenant remaining bound by the terms of the
lease; or 2) terminating the Lease with no financial penalty and with full reimbursement to Tenant of all
deposits and pre-paid items within 10 days"
This condition will no longer apply to any lease for a unit with a move in date that is on or after the date the City has issued a certificate of occupancy enabling the tenant to occupy the unit.
4. The development shall offer both individual leases and conventional leases where units may be rented
in their entirety.
5. The development shall comply with a parking calculation of 0.60 spaces per bedroom.

6. The developer shall not sell the property to a non-taxpaying entity for 12 years from the effective date of the Conditional Use Permit. The condition prohibiting sale to a tax-exempt entity for 12 years from the date of this approval shall be memorialized in a restrictive covenant approved by the city attorney that is recorded in the Official Public Records of Hays County.
7. Right-of-way shall be dedicated to the extent that the standards of the San Marcos Design Manual
Section B.4.1.4, Downtown Cross Sections, and the Development Code are met.
8. This CUP shall expire within 3 years unless an application for a permit is submitted to the City.
9. The development shall comply with all other development code regulations.
Packet materials are provided for informational purposes only.
10. The number of bedrooms shall be limited to 5 per unit.

Mr. Floyd then provided the presentation for item 14, the Alternative Compliance regarding height.
He noted that the Criteria for Approval, Section 4.3.4.6 are not all met.
The conditions recommended are:
1. The development shall comply with the activation and varied massing standards described in Chapter 4, Divisions 4 and 5 of the Land Development Code.
2. The development shall include an enhanced Pedestrian Gateway in the form of a publicly accessible plaza at the intersection of Pat Garrison St. and N. Comanche St. The publicly accessible plaza shall be equal to or greater in size than the area of the plaza as shown on the plat application currently in review. The plaza will incorporate amenities including: bike pump station, water bottle refill station, benches, lighting, and shade canopy.
3. The building façade facing N. Comanche St. shall incorporate horizontal and vertical expression elements within the first three floors, including cornices, material changes, horizontal bands, vertical wall offsets, and recessed entrances, that are visually similar to the Perspective Views attached as Exhibit B.
4. The height of the building shall not exceed 75 feet.
5. The development shall comply with all other Development Code regulations.

Mayor Hughson opened the public hearing for item 13 at 7:33 PM.

Those who spoke:
Shannon Mattingly (Drenner Group) said this is Phase 2 of the earlier project and that all conditions match Phase 1. She noted the project would add about

300 bedrooms and 80 more parking spaces than allowed by right, with both traditional and rent-by-the-bed leases.

Ed Theriot estimated the project would generate $215,000.00–$250,000.00 in annual city property taxes, about $200,000.00 in permit and impact fees, and $1 million in parking buy-down payments for this project plus 1 million in parking buy-down for the previous project by these developers. He also highlighted Texas State's record enrollment and nearly 3,000 students on the housing waitlist.

Kelly Quinn said the request seeks a more functional building with improved parking and unit mix, without adding height.

Sam Young questioned whether the 12-year prohibition on sale to a non-tax-paying entity is long enough to protect tax revenue.

Mayor closed the public hearing on item 13 at 7:43 PM.

14. Receive a Staff presentation and hold a public hearing to receive comments for or against Resolution 2026-95R, approving a request in Case No. AC-25-09 for Alternative Compliance to the maximum building height requirements in Section 4.4.3.7 of the Development Code to increase the permitted building height from five to seven stories, for a proposed development located at 325 North Comanche Street; authorizing city staff to issue permits consistent with this resolution; and declaring an effective date; and consider approval of Resolution 2026-95R.

Mayor Hughson opened the public hearing for item 14 at: 7:43 PM.

Those who spoke
Shannon Mattingly, Ed Theriot and Kelly Quinn each briefly reiterated that no additional height above the 75 foot maximum was being requested—only the ability to arrange seven stories rather than five in the same allowed height of 75 ft, driven by the need to accommodate the additional parking required by the CUP.

Mayor Hughson closed the public hearing at 7:44 PM

A motion was made by Council Member Gonzales, seconded by Council Member Mendoza to approve Resolution 2026-95R.

Council Member Gonzalez noted that the proposed conditions match those approved for the previous project by this developer expressed support.

Council Member Rodriguez reiterated her opposition, citing the application's

focus on student-oriented housing, which she said conflicts with the Downtown Area Master Plan. She also raised concerns about the city's tenant protections for by-the-bed leases. Mayor Hughson observed that nearby complexes without student-housing CUPs still house mainly students, suggesting denial would not change occupancy patterns.

Council Member Mendoza supported the request, saying concentrated student housing near campus helps protect established neighborhoods and supports parking and downtown activity.

Mayor Hughson asked staff if we know exactly how tall some of the other nearby buildings are? Staff was not sure, but Mr. Theriot stated that one building nearby is 80 feet tall. Mr. Quin noted that as one travels up Comanche St those buildings will appear taller with the elevation change .

The motion carried by the following vote:

For: 5 - Mayor Pro Tem Scott, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 2 - Deputy Mayor Pro Tem Garza and Council Member Rodriguez

Receive a Staff presentation and hold a public hearing to receive comments for or against Resolution 2026-94R, approving a request for a Conditional Use Permit in Case No. CUP-25-71, to allow a purpose-built student housing development for the property located at 325 North Comanche Street; authorizing city staff to issue a conditional use permit consistent with this resolution; and declaring an effective date; and consider approval of Resolution 2026-94R.

Mayor Hughson noted that our next motion would be for item 14, the Purpose Built Student Housing Conditional Use Permit.
A motion was made by Council Member Gonzalez, seconded by Council Member Mendoza to approve Resolution 2026-94R.

For: 5 - Mayor Pro Tem Scott, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 2 - Deputy Mayor Pro Tem Garza and Council Member Rodriguez

15. Receive a Staff presentation and hold a public hearing to receive comments for or against Ordinance 2026-25, amending Chapter 2, Article 3, Boards, Committees and Commissions, of the San Marcos City Code to add a new Division 23, establishing a Historic Preservation Plan Oversight Committee and amending Section 2.067 of the Code to allow persons to serve on the committee and another city board or commission; providing for the repeal of any conflicting provisions; providing a savings clause; and declaring an effective date; and consider approval of Ordinance 2026-25 on the first of two readings.

Historic Preservation Officer Allison Brake presented the item, explaining that the new Historic Preservation Plan (HPC) recommends creating a permanent,

Council-appointed Historic Preservation Plan Oversight Committee (HPPOC) to guide long-term implementation. The proposed seven-member committee would meet twice yearly, provide annual reports to the Historic Preservation Commission and City Council, and include the Historic Preservation Commission chair. Staff also recommended amending Section 2.067 of the City Code to allow members to serve concurrently on another city board or commission. A call for applications is expected in fall 2026.

Mayor Hughson opened the public hearing at 8:14 PM;
There being no speakers, Mayor Hughson closed the public hearing at 8:14 PM

A motion was made by Mayor Pro Tem Scott seconded by Council Member Mendoza to approve Ordinance 2026-25 on the first of two readings.

Council Member Rodriguez questioned Section 2.37025(e), asking whether Council would still receive committee updates despite language stating the committee "has no responsibility to advise City Council." Staff confirmed that day-after and status reports would continue.

Mayor Hughson asked why a new committee was needed given the existing Historic Preservation Commission. Ms. Brake explained that the HPPOC is a long-term preservation plan strategy meant to inform both HPC and Council. Mayor Hughson expressed concern about overlap between the two bodies.

MOTION TO AMEND: A motion was made by Mayor Hughson, seconded by Mayor Pro Tem Scott to amend Section 2.370.24(c)(1) by striking "or the city's extraterritorial jurisdiction" and insert "Members shall be residents of the city"
The motion to amend carried by the following vote:

For: 5 - Mayor Pro Tem Scott, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 2 - Deputy Mayor Pro Tem Garza and Council Member Rodriguez

MOTION TO AMEND: A motion was made by Mayor Hughson, seconded by Mayor Pro Tem Scott to amend the (c)(2) to strike "or shall be employed in the city".
The motion carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

MOTION TO AMEND: A motion was made by Council Member Rodriguez, seconded by Council Member Garza to amend (c) by inserting "unless they are named as a representative of one of the groups mentioned in subsection (b). The motion to amend carried by the following vote:

For: 4 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez and Council Member Paselk

Against: 3 - Mayor Hughson, Council Member Gonzalez and Council Member Mendoza

MOTION TO AMEND: A motion was made by Mayor Hughson seconded by Council Member Mendoza to amend (c)(3) by inserting "Members may be former members of the Historic Preservation Commission". The motion to amend carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

MAIN MOTION: to approve Ordinance 2026-25 on the first of two readings, as amended.

New section will read as follows:
DIVISION 23. HISTORIC PRESERVATION PLAN OVERSIGHT COMMITTEE
Sec.2.370.24. Historic preservation plan oversight committee; established; composition; appointment of members.
(a) There is hereby established a historic preservation plan oversight committee. The committee is composed of seven members, one of which shall be the Chairperson of the Historic Preservation Commission.
(b) The committee should include members representative of key nonprofit groups including, but not limited to, the Calaboose African American History Museum, Centro Cultural Hispano de San Marcos, Council for the Indigenous & Tejano Community, Dunbar Heritage Association, Heritage Association of San Marcos, Indigenous Cultures Institute, and Texas State University.
(c) Members shall be residents of the city unless they are named as a

representative of one of the groups mentioned in subsection (b).
and shall demonstrate an interest in the history of San Marcos.
2. members may be former members of the Historic Preservation Commission.
(d) The members shall serve a term of three years. The committee shall nominate and select a chair and vice chair.

The main motion as amended carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

16. Hold a public hearing in accordance with Section 394.9025(a) of the Texas Local Government Code, regarding a proposal by the Capital Area Housing Finance Corporation to issue one or more series of tax-exempt obligations in an amount not to exceed $49,000,000.00, for the benefit of LDG Redwood, LP, in connection with the conversion from the construction phase of financing to the permanent phase of financing for the existing multifamily rental housing development located at 129 Pavonia Court, San Marcos, Hays County, Texas, 78666, known as Redwood Apartments.

Terry Floyd, Director of Planning and Development Services, explained that this public hearing is required pursuant to House Bill 21, enacted by the Texas Legislature and effective September 2025, which mandates a local government public hearing as part of the bond reissuance process when construction-phase financing converts to permanent financing. The Redwood Apartments project at 129 Pavonia Court was originally approved and closed in 2020 and is now approximately 94 percent occupied.

Andrea Shields, Executive Director of the Capital Area Housing Finance Corporation, confirmed the procedural nature of the hearing and noted the bond reissuance involves tax-exempt obligations not to exceed $49 million for the benefit of LDG Redwood, LP.

Mayor Hughson opened the public hearing at 8:36 PM
There being no speakers, Mayor Hughson closed the public hearing at 8:36 PM

No Council action was required.

10. Consider approval of Resolution 2026-92R, approving an amendment to the funding agreement with Operation Triage, or another non-profit entity as designated by City Council, to provide an additional $100,000.00, for a total allocation in the amount of $600,000.00 from American Rescue Plan funds, for the purpose of continuing a Home Repair and Rehabilitation Program to support community recovery; authorizing the City Manager, or her designee, to execute said amendment on behalf of the city; and declaring an effective date.

A motion was made by Council Member Rodriguez and seconded by Council Member Mendoza to approve Resolution 2026-92R.

Deputy Mayor Pro Tem Garza had pulled this item to seek clarification on whether a specific constituent matter—involving a resident at 719 Center Street whose prior home repair work by another organization had resulted in unmet needs—would be addressed under this funding. Director of Administrative Services Hayden Migl confirmed that staff had been in discussions with Operation Triage and the affected resident to work toward a resolution for that property.

Deputy Mayor Pro Tem Garza expressed strong satisfaction with Operation Triage's performance and deliverables and indicated her full support for the additional $100,000 allocation, bringing the total to $600,000 from American Rescue Plan funds.

The motion carried by the following vote:

For: 6 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Mendoza and Council Member Paselk

Against: 1 - Council Member Gonzalez

NON-CONSENT AGENDA

17. Consider approval of Ordinance 2026-08, on the second of two readings, amending the City's Development Code and associated design manual to, among other things, update applicability and processes for certain development permits; update provisions concerning parkland dedication requirements; establish an optional Development Overlay Regulating Plan to accompany zoning change requests; provide standards for new and emerging development types within the Land Use Matrix such as data centers; update and clarify landscaping and tree mitigation requirements for new development; correct typos and inconsistencies, and update the code to reflect recent changes to state law; providing a savings clause; providing for the repeal of any conflicting provisions; and declaring an effective date.

A motion was made by Council Member Rodriguez seconded by Deputy Mayor Pro Tem Garza to approve Ordinance 2026-08 on the second of two readings.

Andrea Villalobos, Assistant Director of Planning & Development Services, recapped the May 5 amendments and explained that staff has organized all changes using a memo, highlighted code boxes, notes, and updated justification tables. She described the proposal to remove the Qualified Watershed Protection Plan meeting requirement in order to streamline the review process while keeping all existing environmental standards. Staff will create an online public map viewer and provide informational reports to the

Planning & Zoning Commission. Ms. Villalobos also outlined the public transparency tools already available, including the permit map, planning case search, administrative plat map, historic interest map, and access to public information requests.

Staff reviewed the rules for on-premise alcohol Conditional Use Permits (CUP) in the Central Business Area (CBA), explaining that while mobile food units may operate as restaurants and request alcohol CUPs, they cannot function as bar uses downtown. Additional recommended code updates would define "mobile food unit," standardize terminology, and ensure consistency throughout the code.

Staff reiterated that removing the Qualified Watershed Protection Plan designation affects only the informational meeting requirement and does not alter any environmental protections. They restated that a public-facing map and informational reports will still be provided to P&Z. Finally, staff reviewed existing CBA bar and restaurant CUP limits again and confirmed that, under the May 5 amendment, mobile food units cannot serve as bars downtown. They concluded with their recommended updates related to mobile food units.

Mayor Hughson noted that there are 325 amendments proposed by staff, plus those made by council members. The motion to approve is to approve everything proposed in the packet unless amended by the council today or at one of the previous meetings.

Deputy Mayor Pro Tem Garza inquired about a change made at a previous meeting regarding data centers which failed. She asked about revisiting that change. Mayor Hughson confirmed that now is the time for that discussion.

Mayor Hughson stated that given the issues with data centers, she believed the industry will resolve them in the future and she does not want to eliminate the possibility of a data center in the future, that meets all of our new criteria. Council Member Paselk agreed.

MOTION TO AMEND: A motion was made by Council Member Gonzalez, seconded by Deputy Mayor Pro Tem Garza to amend Table 5.1, Land Use Matrix, to prohibit a Data Center in all zoning districts. Previously, data centers would be allowed in Heavy Industrial only, and only with a conditional use permit approved by Council.
The motion to amend carried by the following vote:

For: 4 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez and Council Member Gonzalez

Against: 3 - Mayor Hughson, Council Member Mendoza and Council Member Paselk

MOTION TO AMEND: A motion was made by Mayor Hughson, seconded by Council Member Mendoza, to amend Chapter 2: Notice Requirements, Section 2.3.2.1. General Notice Requirements (E) to insert "responsible official" and remove "applicant" which currently reads "Whenever this Development Code requires that notice of a public hearing to be posted on land, the applicant shall cause notification signs stating the purpose and dates of the hearing to be placed on the subject property at least 11 days before the first public hearing unless a longer time period is identified in this development code. "

The new section will read:
"Whenever this Development Code requires that notice of a public hearing to be posted on land, the responsible official shall cause notification signs stating the purpose and dates of the hearing to be placed on the subject property at least 11 days before the first public hearing unless a longer time period is identified in this development code. "
The motion to amend carried by the following vote:

For: 6 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez and Council Member Mendoza

Against: 0

Absent: 1 - Council Member Paselk

MOTION TO AMEND: A motion was made by Mayor Hughson, seconded by Deputy Mayor Pro Tem Garza, to amend Chapter 2: Notice Requirements, Section 2.3.2.1. General Notice Requirements (F) to insert "responsible official" and remove "applicant" which currently reads "Comprehensive plan map amendments or zoning map amendments initiated by a property owner, and a conditional use permit allowing the on premise consumption of alcohol or purpose built student housing require that the applicant send post notice at least 17 days prior to the hearing date."
The new section will read:
"Comprehensive plan map amendments or zoning map amendments initiated by a property owner, and a conditional use permit allowing the on premise consumption of alcohol or purpose built student housing require that the

responsible official send post notice at least 17 days prior to the hearing date."
The motion to amend carried by the following vote:

For:	6 -	Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez and Council Member Mendoza
Against:	0	
Absent:	1 -	Council Member Paselk

MOTION TO AMEND: A motion was made by Mayor Hughson, seconded by Council Member Mendoza, to amend Section 2.3.2.1 General Notice Requirements (6) by removing "Failure to follow state law notice requirements may result in a delay of Planning & Zoning Commission and City Council Public Hearing".
The motion to amend carried by the following vote:

For:	6 -	Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez and Council Member Mendoza
Against:	0	
Absent:	1 -	Council Member Paselk

Mayor Hughson asked about an amendment for a Mobile Food Unit being used as the "eating establishment" for a bar with a restaurant/bar permit. Ms. Villalobos noted that it can happen now without any change to the Development Code. Mayor Hughson asked how the "premises" for the area in which alcohol is allowing would be defined. Ms. Villalobos stated it would be the lot with the Mobile Food Unit.

Mayor Hughson stated that the city council/planning and zoning commission committee on alcohol CUPs were asked if they would recommend that a food truck could serve as the kitchen/eating establishment for a bar and the members present unanimously said "no." She provided the example of one bar owner either purchasing/renting a building with a kitchen or spends the dollars needed to install a kitchen AND another bar owner without a kitchen in their building just having a Mobile Food Unit in their parking lot and the lack of fairness to the first bar owner. Council member Mendoza, who serves as chair of that committee confirmed the discussion. Ms. Villalobos noted that the committee did not want a food truck to meet the definition of an eating establishment for a bar/restaurant permit but the council did pass this option at a previous meeting.

Staff Recommendation #1 MOTION TO AMEND: A motion was made by Council Member Scott, seconded by Council Member Rodriguez, to insert into Chapter 5 Mobile Food Unit, Section 5.1.5.5 Restaurant/Bar the definition.
"(g) Mobile Food Unit.
1. Defined. An establishment that is a vehicle-mounted self or otherwise propelled self-contained food or beverage service operation designed to be readily moveable, and used to serve or sell food and/or beverages.
2. Use Standards. Building types, building standards, and building materials do not apply to mobile food units."
Mayor Hughson inquired how this is related to bars since it is included in the Section 5.1.5.5 Restaurant/Bar section. Ms. Villalobos stated it's just the definition.
The motion to amend carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

Staff Recommendation #2 MOTION TO AMEND: A motion was made by Council Member Scott, seconded by Council Member Rodriguez to insert into Section 5.1.5.5 Restaurant/Bar (C) Bar (1) "A bar includes mobile food units as defined in Section 5.1.5.5.B"
Mayor Hughson inquired about this item and Ms. Villalobos stated that it would allow a bar truck to provide the alcohol for a Restaurant/Bar.
The new section would read:
"1. Defined. A facility that primarily sells alcoholic beverages for on premise consumption and may include the sale of food. A bar includes mobile food units as defined in Section 5.1.5.5.B."

For: 4 - Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Council Member Gonzalez and Council Member Paselk

Against: 3 - Mayor Pro Tem Scott, Mayor Hughson and Council Member Mendoza

Staff Recommendation #3 MOTION TO AMEND: A motion was made by Council Member Rodriguez, seconded by Council Member Scott, to amend Section 5.1.5.5 Restaurant/Bar (B) Mobile Food Court, in #1 and #2 (b) by deleting the word "trailers" and inserting the word "units".
The amended section will read:

B. Mobile Food Court
1. Definition. A parcel of land where one or more mobile food units congregate to offer food or beverages for sale to the public. Mobile food courts are designed as an incremental and temporary use.
2. Use Standards. Where a mobile food court is established the following standards shall apply:
a. No parking shall be located between the food trailers and the frontage.
b. Building types, building standards, and building materials do not apply to mobile food units.
The motion to amend carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

Staff Recommendation #4 MOTION TO AMEND: A motion was made by Council Member Rodriguez, seconded by Council Member Scott, to amend Section 5.1.3.1 Accessory Buildings/Structures (A)(1) by deleting "Truck" and inserting "Mobile" and "Unit". The amended section will read: " Mobile Food Unit".
To strike through the following language under (B)(2) "No accessory structure may be located closer than 10 feet to any other building or structure on the same lot" and insert "Building types, building standards, and building materials do not apply to mobile food units."
The motion to amend carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

Mayor Hughson stated that she has provided questions about issues with mobile food units being allowed as the eating establishment for a bar and if the council needs to address any of those answers in the Development Code or if it would all be addressed in process documents. Mr. Floyd stated, yes, most of the items would be covered in standard processes. One of those items includes the mobile food unit shown in the Planning and Zoning Commission packet. Mayor Hughson then inquired about the case where there was a kitchen, but later the bar own decides to use a mobile food unit instead of a kitchen. Mr.

Floyd stated that Code Compliance would determine if the bar was still complying with all other compliance, hours of food service, etc.
Mayor Hughson inquired if a mobile food unit is serving as the eating establishment for a restaurant bar and the mobile food unit is no longer at that location, what happens? City Attorney Aguirre stated it would be same as if a restaurant/bar stopped offering food for any other reason. Mr. Floyd noted that if any of the conditions are not met that will require revisiting that permit.
Mayor Hughson asked for confirmation that the mobile food unit presence to meet the eating establishment requirement for a Restaurant/Bar would be made known to Code Compliance. Mr. Floyd stated "yes."

MOTION TO AMEND: A motion was made by Council Member Rodriguez, seconded by Mayor Pro Tem Scott, to add to Section 2.2.4.2 Review Authority "#4 Exceptions. Any City Council decision on an appeal does not require a supermajority for a Conditional Use Permit for the sale of alcohol for on premise consumption." And to insert into Section 2.8.3.6 Appeal "E. Exceptions. Any City Council decision on an appeal does not require a supermajority for a Conditional Use Permit for the sale of alcohol for on premise consumption."
The motion to amend carried by the following vote:

For: 4 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez and Council Member Paselk

Against: 2 - Mayor Hughson and Council Member Mendoza

Absent: 1 - Council Member Gonzalez

MOTION TO AMEND: A motion was made by Council Member Rodriguez, seconded by Mayor Pro Tem Scott, to insert in the Neighborhood Density District 3 (ND 3) zoning district description in both section 4.4.2.1 and in Table 4.3 after the word "encourage" to state "affordable ownership and ownership alternatives".
The new section 4.4.2.1 will read:
The ND 3 district is intended to accommodate single family houses that encourage affordable ownership and ownership alternatives. ND 3 should be applied in areas where the land use pattern is single family or two family with a mixture of lot sizes and housing types and in accordance with Section 4.1.2.5. Uses that would interfere with the residential nature of the district are not allowed.
The motion to amend carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

MOTION TO AMEND: A motion was made by Council Member Rodriguez, seconded by Deputy Mayor Pro Tem Garza, to amend Chapter 5 Land Uses Section 5.1.5.3 Personal Services, Section 5.1.5.2 Medical Category, Section 5.1.5.5.B Eating Establishment, and Section 5.1.5.4 Retail Sales item B Use Standards, number 1 by removing "Must be located on the first floor or in a one story building at the intersection of 2 public streets." In each listed section above.
And to amend Table 5.1 Land Use Matrix "Personal Services, except as listed below" from "limited" to "permitted" in the CD-4 zoning district.
The motion to amend carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

MOTION TO AMEND: A motion was made by Council Member Rodriguez, seconded by Council Member Paselk, to insert new categories under Section 5.1.6.4 Utilities Item B. Major Utilities Use Category: to delete item "1. Electric or gas generation plant" and add item 4 "Electric or Gas On-Site Generation" and add item C "Large Electric Generation Facility" and modify the Land Use Matrix"4. Electric or Gas On Site Generation. A structure or facility, or portion of a structure or facility, used primarily for the generation of electrical power or thermal energy for on site use, through the combustion, conversion, or utilization of natural gas, coal, diesel, fuel oil, hydrogen, nuclear material, biomass, renewable natural gas, or similar fuel sources., including associated on site systems such as: substations, switching facilities, cooling systems, battery storage systems, transmission support infrastructure, and accessory maintenance or operational structures. This term includes fossil fuel and nuclear thermal plants, peaker plants, combined cycle generation facilities, cogeneration or combined heat and power facilities, behind the meter generating facilities, utility scale battery storage systems accessory to power generation, on site backup generating facilities, and on site generation systems serving data centers, artificial intelligence computing campuses, and

cryptocurrency mining facilities,or other large-load customers. This term does not include emergency backup generators accessory to residential uses, hospitals, schools, public facilities, public safety facilities and other facilities and uses not specifically outlined in this definition. It does not include Distributed Generation as defined by City of San Marcos Distributed Generation Interconnection Guidelines Manual. The use and location provisions related to this definition shall not be deemed to supersede any conflicting State or Federal regulations."

"C. Large Electric Generation Facility. A facility or installation used primarily to generate electricity for transmission to the public electric grid., including associated substations and accessory operational structures. This term includes utility-scale power generation facilities regulated by the Public Utility Commission of Texas and Electric Reliability Council of Texas, and other applicable state or federal utility agencies. The use and location provisions related to this definition shall not be deemed to supersede any conflicting State or Federal regulations."

The motion to amend also includes changing the ”Land Use Matrix, Major Utilities” line to include “Except as listed below“ in the “Types of Land Uses” column for Major Utilities and adding a new use of “Large Electric Generation Facility” with the only allowed use to be “HI” (Heavy Industrial) district “C*” (Conditional Use Permit approved by City Council) and “Definition Use Standards” to be “Section 5.1.6.4.”

Extensive discussion ensued including what authority the city has and the authority of the Public Utilities Commission.

The motion to amend carried by the following vote:

For: 6 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez and Council Member Paselk

Against: 1 - Council Member Mendoza

MOTION TO AMEND: A motion was made by Council Member Rodriguez, seconded by Council Member Paselk, to insert into Section 5.1.6.4 Utilities (B) Minor Utilities Use Category "#7 Back-up Generators 7. Back-up Generators. A device or system, including associated fuel storage and accessory equipment, designed to provide temporary electrical power to a principal use during utility service interruptions, emergencies, grid instability, peak demand events, maintenance activities, or other interruptions in normal electrical service. A

Back-Up Generator may include a single generator or multiple operating collectively on a site or development. This term includes emergency generators and standby power systems as an accessory use. Back-up generators shall be reviewed by San Marcos Electric Utility during permitting. Distributed generation that runs in parallel with the City of San Marcos electric system as defined by the Distributed Generation Guidelines Manual."
The motion to amend carried by the following vote:

For: 6 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez and Council Member Paselk

Against: 1 - Council Member Mendoza

MAIN MOTION AS AMENDED:
The motion carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

18. Consider approval of Resolution 2026-96R, awarding a contract to Greystone Construction to remodel and expand Fire Station No. 3, located at 2420 Hunter Road, including the addition of an apparatus bay, workout/fitness room, storage areas, new driveways, and interior renovation in the amount of $5,635,343.00; authorizing the City Manager, or her designee, to execute the contract on behalf of the city; and declaring an effective date.

A motion was made by Council Member Matthew Mendoza and seconded by Council Member Scott to approve Resolution 2026-96R.
The motion carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

19. Consider approval of Resolution 2026-97R, expressing support for the Nomination of Census Tracts to be designated as Qualified Opportunity Zones to promote economic growth, and enhance redevelopment opportunities; and authorizing the Mayor to sign letters of support; and declaring an effective date.

A motion was made by Mayor Hughson seconded by Council Member Mendoza to approve Resolution 2026-97R.

Council Member Rodriguez asked about the tracts shown to be included. She asked about the difference in those that are expiring this year and the new eligible census tracts for the next round of Qualified Opportunity Zone

designations. Economic and Local Business Development Director Helen Ramirez explained the five recommended tracts—four along I-35 and one near the airport—based on infrastructure and development readiness, noting this involves no city funding but helps guide private investment.Council briefly discussed how to track future zone activity, which would likely surface through zoning and development processes.

The motion carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

20. Discuss and consider an appointment to fill a vacancy on the Parks and Recreation Board; and provide direction to Staff.

The following applicant was nominated for consideration to serve on the Parks and Recreation Board:

Mitchell Hoffman nominated by Mayor Hughson

The motion carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

21. Discuss and consider an appointment to fill a vacancy and confirm the Downtown Association representative to the Hopkins City Center/New City Hall Steering Committee; and provide direction to Staff.

A motion was made by Council Member Gonzalez seconded by Council Member Rodriguez to postpone this item to the July 7, 2026 regular meeting.

Council agreed that each new council members who have not appointed anyone to the committee, created by mayor and council members each appointing two committee members in 2024. would appoint two individuals to the steering committee, that applications were encouraged but not required, and that June 29 would serve as the submission deadline. Staff was directed to advertise the opportunity through social media and standard communication channels. City Attorney Aguirre noted that individuals who did not submit an application by the deadline could still express interest directly to council members.

The motion carried by the following vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

22. Hold a discussion regarding renaming the new section of El Camino Way on a temporary basis until such time that this roadway connects to the existing El Camino Way.

Mayor Hughson explained that a newly built road behind an apartment development on SH 123 was temporarily named El Camino Way, that will eventually connect to the existing El Camino Way, creating confusion with the existing, unconnected El Camino Way mentioned earlier by resident Carla Sisk. Under the city's thoroughfare plan, the two segments will eventually connect, Mayor Hughson suggested that the temporary name would then automatically revert to El Camino Way.

Council directed staff to send the naming issue to the Planning and Zoning Commission (PZC), with the staff report to include suggested names from residents and Council: Crested Carrera Way, Wild Wind Way, Old Johnson Farm Road, Heritage Lane, and Carlita's Way. Several council members voiced informal support for "Carlita's Way." Terry Floyd Director of Planning and Development Services confirmed that any PZC recommendation would return to Council for final action and that the ordinance would include an automatic reversion once the roads connect.

EXECUTIVE SESSION

23. The City Council will convene in executive session pursuant to the following sections of the Texas Government Code:

A. Section 551.086 (Public Power Utility Competitive Matters): To deliberate regarding the possible sale of electric substation assets.

B. Section 551.074 (Personnel Matters) and Section 551.071 (Consultation with Attorney): To deliberate regarding the hiring of personnel for the provision of emergency medical services.

C. Section 551.087 (Economic Development): To deliberate regarding possible development incentives related to the River Bridge Ranch Public Improvement District.

D. Section 551.071 (Consultation with Attorney) and Section 551.072 (Real Property): To receive legal advice and deliberate regarding the lease of City-owned land located at 201 South LBJ Drive.

A motion was made by Council Member Rodriguez seconded by Council Member Paselk to convene in executive session at 10:45 p.m. The motion carried by the following Vote:

For: 7 - Mayor Pro Tem Scott, Deputy Mayor Pro Tem Garza, Council Member Rodriguez, Mayor Hughson, Council Member Gonzalez, Council Member Mendoza and Council Member Paselk

Against: 0

DIRECTION/ACTION FROM EXECUTIVE SESSION

The Executive Session concluded at 12:40 AM on Wednesday June 17.

24. Consider action, by motion, or provide direction to Staff regarding the Executive Session deliberation under the following sections of the Texas Government Code:

The City Council will convene in executive session pursuant to the following sections of the Texas Government Code:

A. Section 551.086 (Public Power Utility Competitive Matters): To deliberate regarding the possible sale of electric substation assets.

B. Section 551.074 (Personnel Matters) and Section 551.071 (Consultation with Attorney): To deliberate regarding the hiring of personnel for the provision of emergency medical services.

C. Section 551.087 (Economic Development): To deliberate regarding possible development incentives related to the River Bridge Ranch Public Improvement District.

D. Section 551.071 (Consultation with Attorney) and Section 551.072 (Real Property): To receive legal advice and deliberate regarding the lease of City-owned land located at 201 South LBJ Drive.

The City Council concluded the executive session at 12:40 a.m.

Mayor Hughson stated council held discussions on items A, B, C, and D.

VI. Question and Answer Session with Press and Public.

There were no questions from the press or public.

VII. Adjournment.

Mayor Houston adjourned the regular meeting at 12:42 AM on Wednesday June 17, 2026.

Elizabeth Trevino, City Clerk **Jane Hughson, Mayor**