



# City of San Marcos

## Planning and Zoning Commission

Shaun Condor, PE -Director of Engineering and CIP

March 24<sup>th</sup>, 2026



# Purpose of today's meeting

- To provide an overview the FY 2027 Capital Improvements Program (CIP)





# Role of P&Z In CIP

- Established in Charter
- *“Submit annually to the city council, not less than one hundred and twenty days prior to the beginning of the fiscal year, a list of recommended capital improvements found necessary or desirable.”*
- Three Separate Meetings With P&Z
  - #1: Overview of CIP – Provided to P&Z Today
  - #2: Discussion & Public Hearing – April 14<sup>th</sup>
  - #3: Provide recommendation – April 28<sup>th</sup>



# Capital Improvements Program

- Long-range plan and schedule for capital projects and system assets
  - Identifies workload for Departments
  - Identifies funding needs for City
- Identifies options for financing projects
- Planning Tool
  - Year 1 is only year approved in budget
  - Years 2-10 placeholders for planning purposes

FY	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	TBD
Year #	1	2	3	4	5	6	7	8	9	10	Bond

**To Be Approved In Budget** (Years 1-2)

**Not Approved In Budget Placeholders For Future Needs** (Years 3-10)



# What is a CIP Project?

- A major capital project generally involves a significant expenditure of funds, beyond operation and maintenance costs, for planning, design, acquisition or construction of a needed facility or infrastructure.
- Total project cost should exceed \$100,000 and tie to long term assets
- Source of projects ~ Typically requested from all City Departments
  - Master Plans
  - Operations Request
  - Council Direction
  - Citizen Input



# Capital Improvements Project



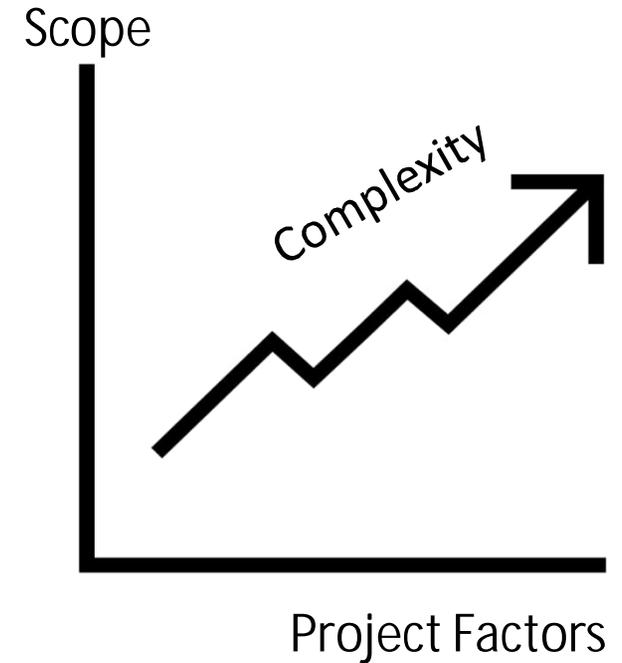
- Projects that are too big for City Staff to build go in the CIP

Item	O&M	CIP
Pothole Repair	X	
Replace Road		X
Main Break	X	
Replace Entire Main		X
Replace pump at lift station	X	
Replace entire lift station		X
Repair a water leak in a building	X	
New Building		X



# Project Complexity

- Scope
  - Water Main
  - Wastewater Main
  - Stormwater
  - Street Reconstruction
  - Sidewalk
  - Water Tower
  - Lift Station
  - Overhead Electric
  - Underground Electric
  - Facility
- Project Factors
  - Mandated
  - Life Cycle
  - Project Partners
  - Grant Funded
  - Project Underway
  - Multi-funded
  - Utility Conflicts
  - ROW Acquisition
  - Staff Workload



↑ Scope + ↑ Project Factors = ↑ Complexity = ↑  & 

[sanmarcostx.gov](http://sanmarcostx.gov)



# Typical Life Cycle of a project

- Simple Project = \$200K - \$1M
  - 3 – 4 Year
- Complex Project = \$1M - \$10M
  - 5 – 7 Years
- Very Complex Project = \$10M +
  - 8-10+ Years

## Important Notes:

- Last Year Is For Construction
- We program “best case scenario”
- As challenges arise, construction funding is delayed until the project is ready



Scope

Funding

Design

Construction

Complete



# CIP Funding Challenges

- General Fund CIP budget reduced from \$20M to \$10M
- Stormwater CIP budget is capped at \$5M
- Utility Debt Models
  - Our debt does not drop off until 2028/2029
  - Currently, rate increases are the only way to fund new debt
  - Shifting our focus from acquiring water to treating wastewater
- Construction Cost
  - Budgets are not keeping up with inflation
  - Estimates doubled since COVID
  - Engineers are struggling to get accurate estimates
- Project Scopes
  - Project scopes are becoming more complex
  - Neighborhood projects are becoming more cost prohibitive

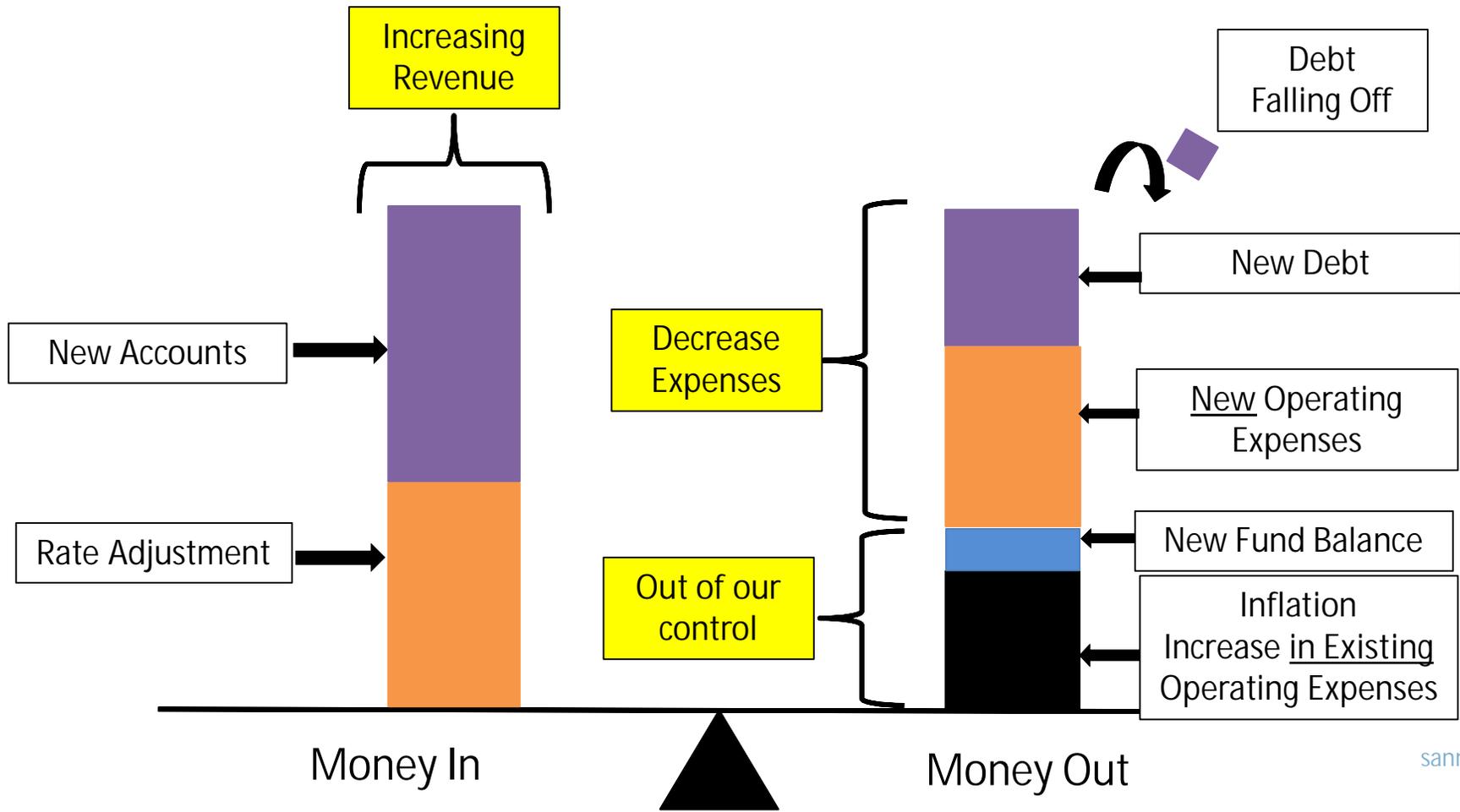


# CIP Funding Challenges

- Example of Typical CIP Funding VS large CIP Projects

Fund	Typical CIP Constraints	Sunset Acres Area	Wallace Addition Area	Bishop/Belvin	New Reclamation Facility & Projects
General	\$ 10,000,000	\$ 12,600,000	\$ 15,500,000	\$ 2,500,000	\$ -
Storm	\$ 5,000,000	\$ 24,050,000	\$ 23,000,000	\$ 10,000,000	\$ -
Water/Wastewater	\$ 15,000,000	\$ 3,375,000	\$ 7,500,000	\$ 5,000,000	\$ 299,000,000
Electric	\$ 10,000,000	\$ 10,000,000	\$ 1,000,000	\$ 500,000	\$ -
Total	\$40,000,000	\$ 50,025,000	\$47,000,000	\$18,000,000	\$ 299,000,000

# CIP Funding Challenges

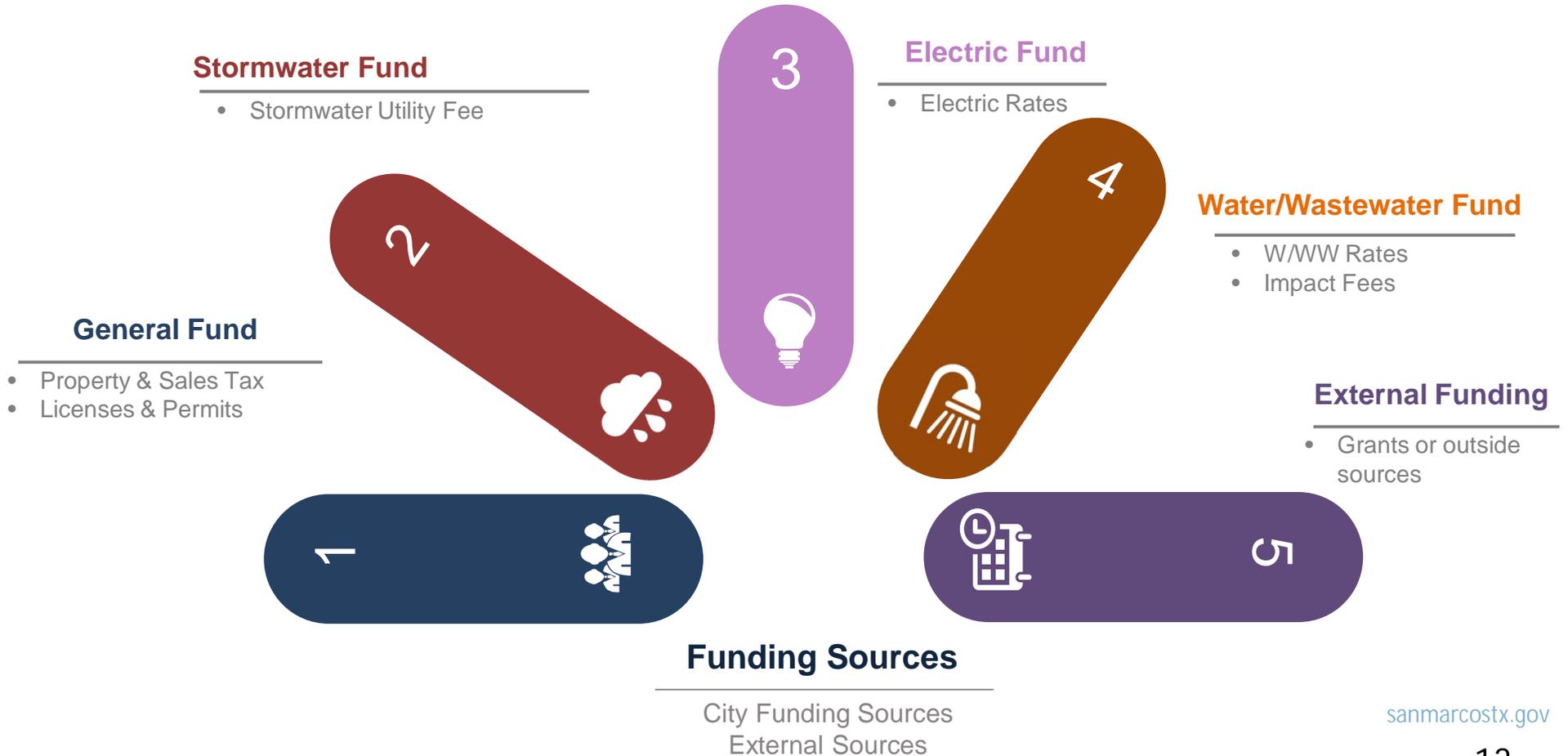




# CIP Funding Strategies

- **Increase Revenues ~ less City staff control**
  - Increase Utility Rates or Tax Rates
  - Bond Election
  - Economic Development to increase sales tax and/or property taxes
  - Increase fees or add new fees
- **Decrease Expense ~ more City staff control**
  - Delay Projects
    - Continue design on project already in motion
    - Defer maintenance projects
  - Reduce scope of CIP projects
    - Instead of bringing entire neighborhood up to current standards, just add relief projects
    - Break into multiple phases and spread-out funding over several years
  - Pursue Alternative Funding
    - Grant Funding
    - Sharing cost of other

# Capital Improvements Program Funding



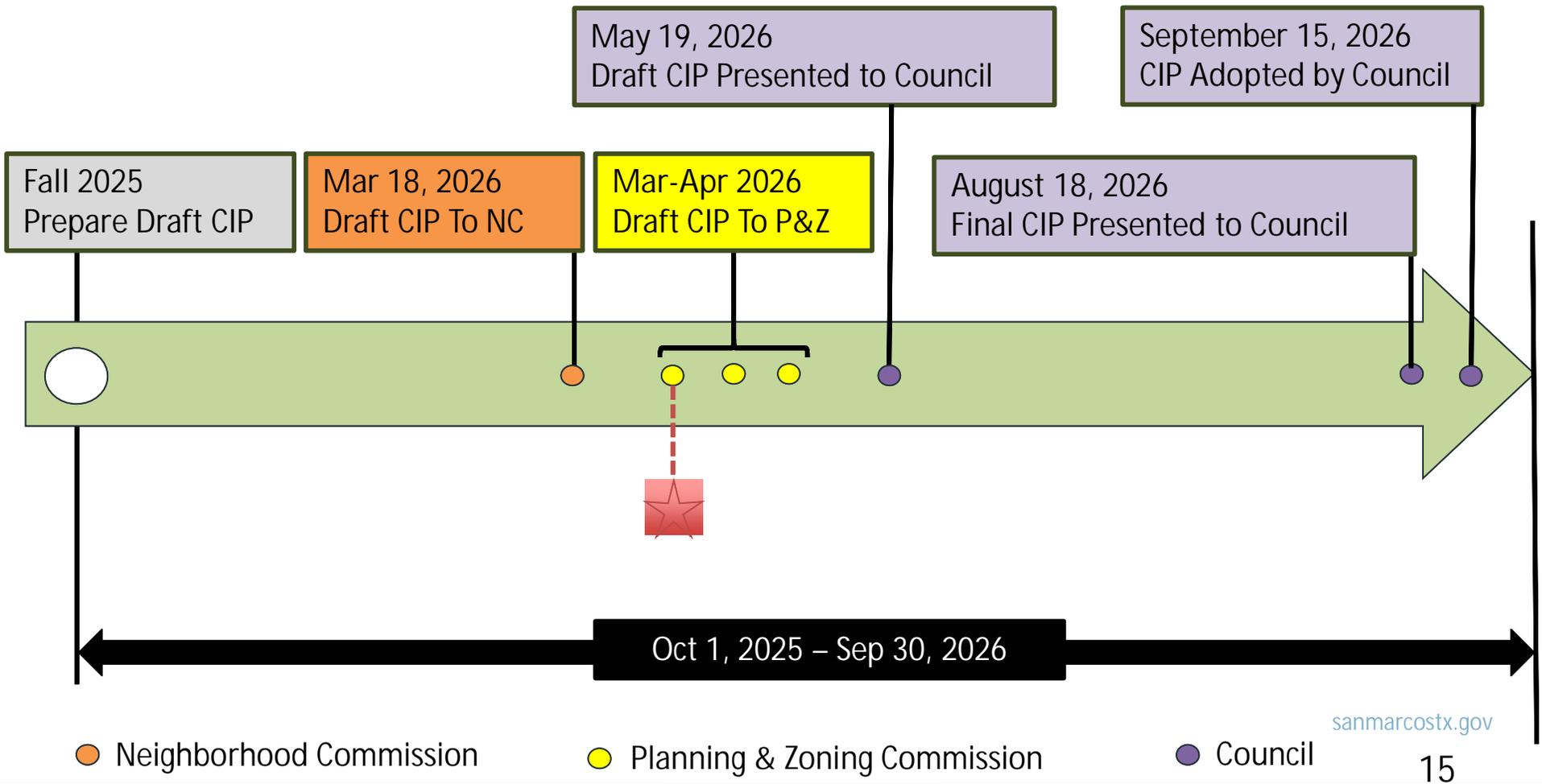
# FY 2027 Funding For CIP Projects



Fund	FY 2027
General	\$10.1M
Storm*	\$5.2M
Water/Wastewater/Reclaimed	\$36.5M
Electric	\$9.1M
Total	\$60.9M

\*Any costs above 5M will need to be supplemented by the General Fund

# FY 2027 CIP Schedule



# Big Projects In The Future

- **Sunset Acres Area**

- Subdivision
- Detention Pond

- **Wallace Addition Area**

- Offsite Drainage
- Subdivision

- **IH 35 Shared Use Path Connection**

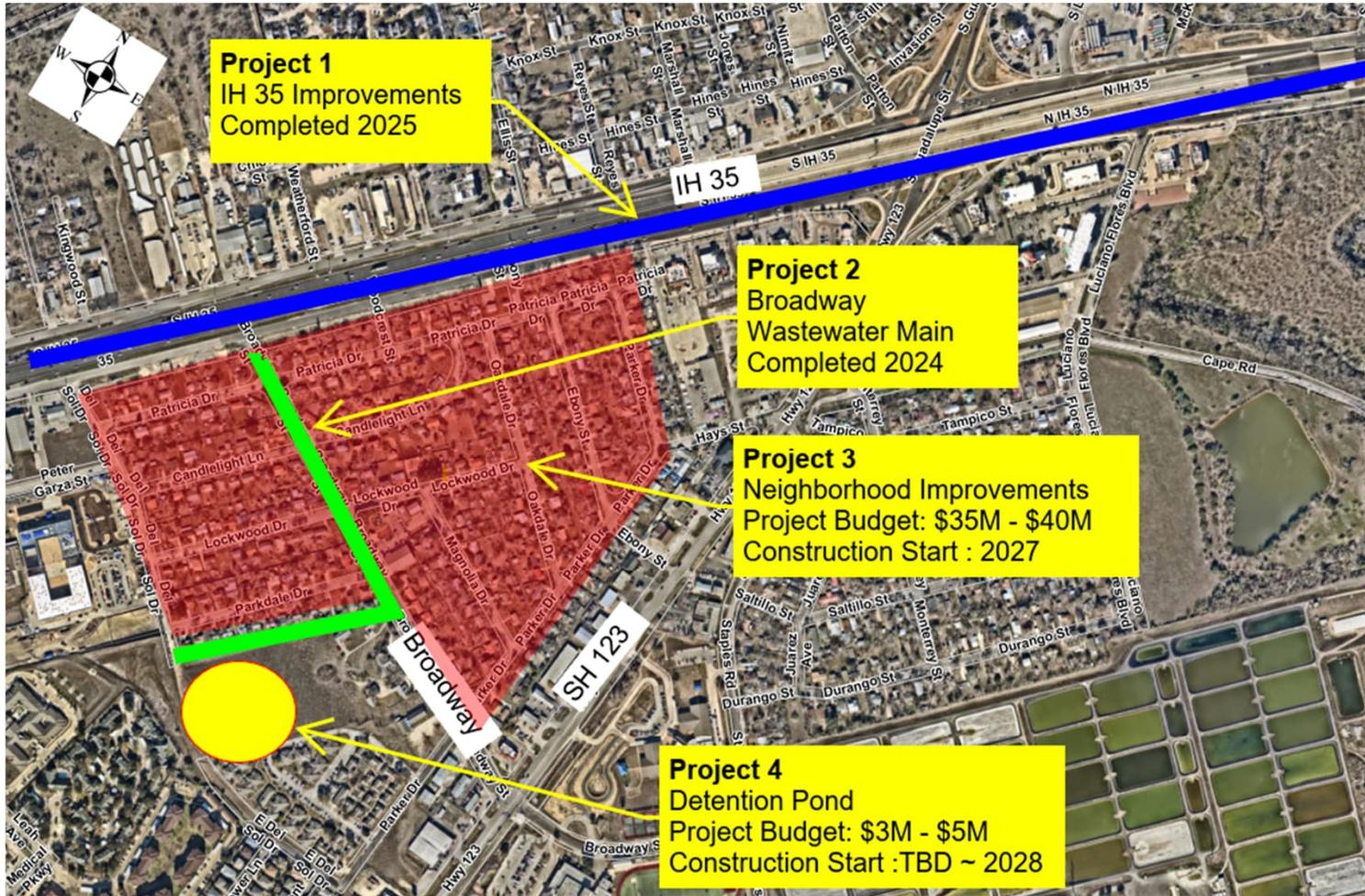
- **Cape Road**

- Bridge Repair
- Shared-Use Path

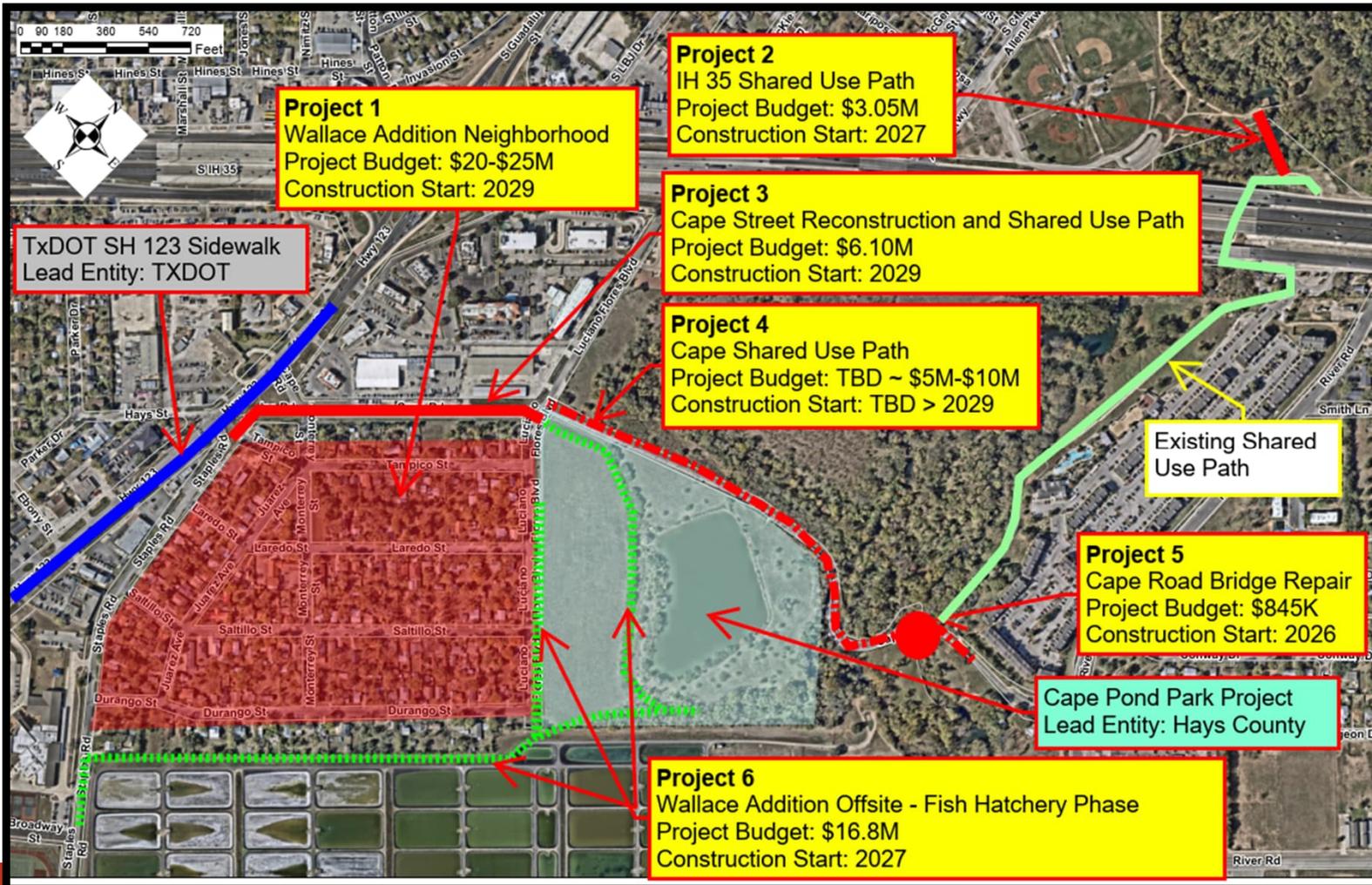
- **New Water Reclamation Facility**



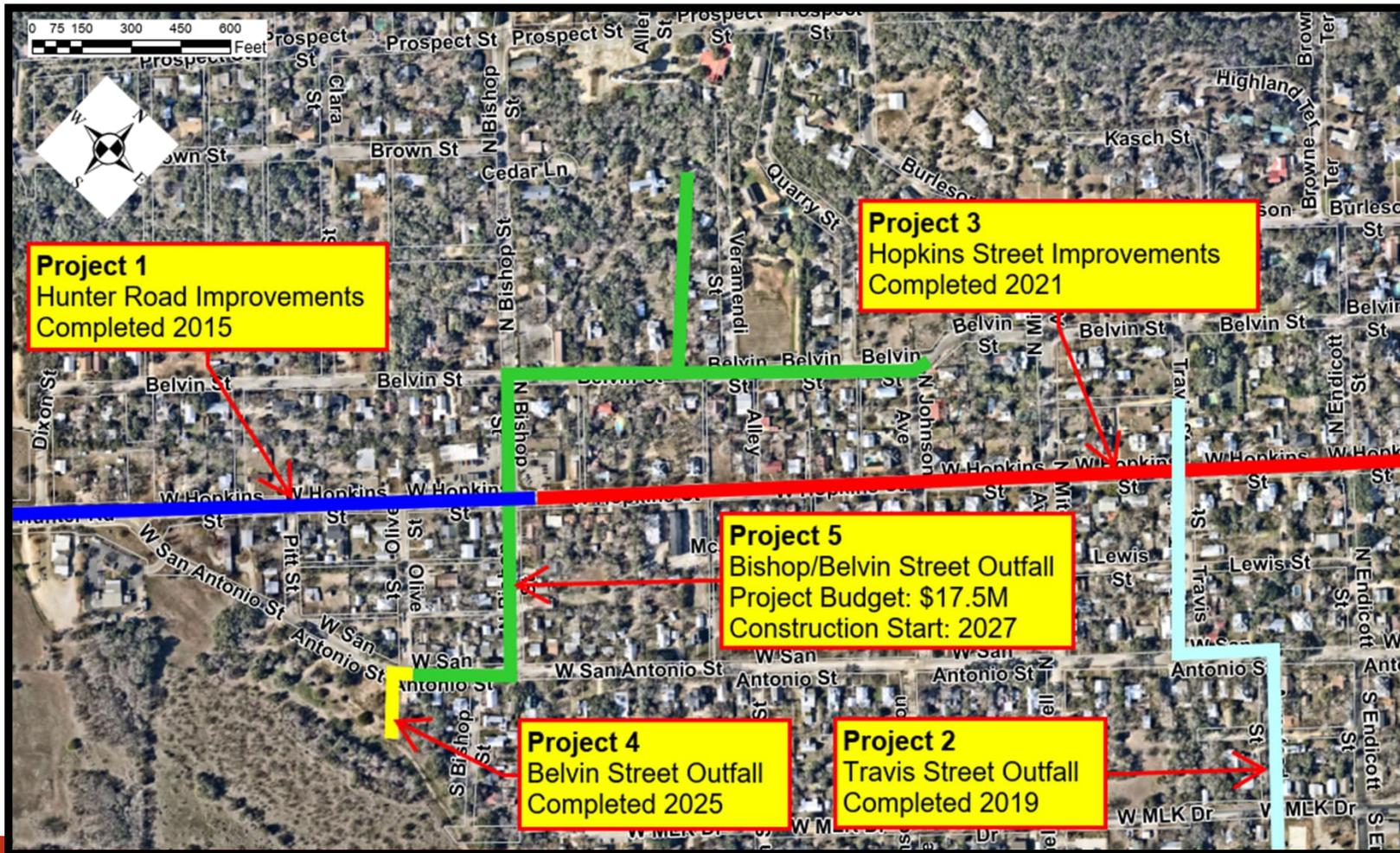
# Sunset Acres Area Improvements



# Wallace Addition Area Improvements



# Historic District Area Improvements





# New Water Reclamation Facility





# Interactive Map



## SAN MARCOS

2027 - 2036 Capital Improvements Plan

Submit Feedback

Capital Improvements Website

**Filter by Keyword**

Find address or place

**Filter by Fiscal Year**

Previously Funded

2027

2028

2029

2030

2031

2032

2033

2034

2035

2036

Bond Election

**Filter by Department**

Engineering/CIP

Parks & Recreation

Public Works - Facilities

**Harris Hill Rd Water Line (660)**

Downtown Reconstruction Ph. II - LBJ: Grove St. to Hopkins - 45

Elevated Storage Tank Posey Rd. - 66

Existing Apron Pavement Reconstruction Program - 51

Fire Administration and Training Facility Phase 2 - 796

Fire Department New Station - Airport - 8

Fire Department New Station #7 - Whisper Location - 771

Fire Station 1 - 801

FM 1978 Water Reclamation Facility Expansion - 57

Gary Job Corp Lift Station (LS #46) Decommissioning - 575

Gary Softball Complex Renovation Ph 2. - 751

Ground Storage Tank WWTP - 65

Harris Hill Rd Water Line - 660

Hazelton St. Wastewater Improvements - 814

Highway 80 Lift Station Expansion - 572

**Harris Hill Rd Water Line (660)**

Construct 12" water line along Harris Hill Rd from Hwy 21 at the San Marcos Airport to River Ridge Pkwy. 9800lf WMP#25. A developer is not anticipated to design or build this main.

**Department Responsible For Project:**  
Engineering/CIP

**Strategic Initiative:** Public Safety, Core Services, and Fiscal Excellence

**Estimated Project Cost:** \$3,550,000

Previously Funded  
 General Funds: \$0  
 General-T Funds: \$0  
 Water Funds: \$0  
 Water-I Funds: \$550,000  
 Reclaimed Funds: \$0  
 Wastewater Funds: \$0  
 Wastewater-I Funds: \$0  
 Stormwater Funds: \$0  
 Electric Funds: \$0  
 Total Funds: \$550,000

2027  
 General Funds: \$0  
 General-T Funds: \$0  
 Water Funds: \$0  
 Water-I Funds: \$3,000,000  
 Reclaimed: \$0  
 Wastewater Funds: \$0  
 Wastewater-I Funds: \$0  
 Stormwater Funds: \$0  
 Electric Funds: \$0

View Neighborhood Projects
View Citywide Projects

# Understanding the Spreadsheet



Category	Project ID	Project Name	Project Description	NEW Comp Plan Goals	Strategic Initiative	Total Rank	Funding Source	Previously Funded	2027	2028	2029
*Potential Bond Projects											
*Potential TIRZ Funding Projects											
*Impact Fee Eligible Projects											
Multi	568	Airport Water/Wastewater Main Re-routing	Construct new 12-inch wastewater mains per WWMP #H-4, to convey municipal airport flows into the existing City owned 18-inch wastewater main near the railroad. This project also includes decommissioning the existing Gary Job Corp lift station (LS46) as shown in WWMP#H-1. Rerouting of existing services from airport facilities are included to facilitate future development and replacing ageing service lines. Extend 12" water main from dead end at the Airport to the railroad tracks near LS#46 as shown in WMP#30. This project will include railroad crossings.	ECD-3.5	Workforce Development	8	Water			\$ 250,000	
							Wastewater			\$ 1,000,000	
Multi	54	Airport Drive Stormwater Improvements	Install stormwater improvements along Airport Drive. Funding over multiple years to cover planning/environmental, design, and construction in phases. 10% match is anticipated for federal funds covering 90% of cost.	TR-1.3	Stormwater, Multi-Modal Transportation	9	General			\$ 100,000	
							Water			\$ 50,000	
							Wastewater			\$ 50,000	
							Stormwater			\$ 100,000	
Multi	680	Castle Forrest	Increase capacity along Castle Forest Channel due to erosion and damage caused to fences during recent storm events. DMP #51 to repair driveway at 2029 Castle Gate Circle and extend storm system down Castle Gate Circle. The project will include an H&H analysis considering the entire subdivision, development of proposed flood risk reduction alternatives and summarized in a Preliminary Engineering Report (Phase 1). Recommendations include stormwater detention, channel improvements and		Stormwater	8	Water	\$ 120,000			
							Wastewater	\$ 120,000			
							Stormwater	\$ 1,850,000	\$ 500,000		

Grouped by Category  
Multi = projects with more than one funding source.

Supporting Strategic Initiatives, Comp Plan Goals & Prioritization Ranking

Shows funding needed by Source and Year

# Understanding the Spreadsheet



Category	Project ID	Project Name	Project Description	NEW Comp Plan Goals	Strategic Initiative	Total Rank	Funding Source	Previously Funded	2027
Multi	752	Downtown Alley Reconstruction Ph 2	The Alleys exceed their useful life cycle in FY 2015. Reconstruct the remaining Kissing Alley between Guadalupe and LBJ from Hutchison to University Dr, approx. 400 LF. The alley will be constructed with possible concrete pavement. All utilities will be replaced and overhead electric and telecom will be converted to underground along Kissing Alley between Hutchison and University Dr including UG conversion along University Dr to the riser pole just northwest of University/LBJ intersection. Possible TIRZ funding.		Downtown Vitalization, Stormwater	8	General T Water Wastewater Stormwater Electric		
Fire	801	Fire Station 1	Purchase land, design, and construct a new downtown Fire Station at S LBJ and MLK, including soft-costs (permitting, material testing, A&E, utilities, and FF&E). Possible use for remodel and MS4 improvements if new station doesn't move forward.	PPS-4.1	Community Safety, City Facilities	8	General	\$ 7,000,000	
Water	660	Harris Hill Rd Water Line	Construct 12" water line along Harris Hill Rd from Hwy 21 at the San Marcos Airport to River Ridge Pkwy. 9800lf WMP#25. A developer is not anticipated to design or build this main.	ECD-3.5	Public Safety, Core Services, and Fiscal Excellence	10	Water I	\$ 550,000	\$ 3,000,000
Water	88	RR12 and Comanche Tank Replacements	Replacements on Comanche and RR12 tanks. Comanche tank install and Build new 1.0 Million Gallon Elevated/Ground storage tank, welded Steel, in place of Failing, leaking, leaning, Bolted Tank, Build to Correct Height for correlation and operations of cottonwood water station for distribution to COSM residents. RR12 tank replace leaking 1MG Bolted tank, with 1 MG Steel Welded in place tank, this will eliminate leak points and tank shifting to keep in compliance with TCEQ state regulations.		Public Safety, Core Services, and Fiscal Excellence	10	Water		\$ 2,500,000
Water	87	S. LBJ Upsize from Grove to IH-35	Upgrade small diameter line in S. LBJ from E. Grove St. to IH-35 Crossing with 1,630 LF of 12" water line per 2022 WMP #41.		Public Safety, Core Services, and Fiscal Excellence	8	Water		

Brown Highlight  
TIRZ Funding

Blue Highlight  
Potential Future Bond Projects

Pink Highlight  
Impact Fee Eligible

White Highlight  
Means Nothing

Gray Highlight  
Means Nothing



# Bond Election Projects

- **Bond Election Amounts Identified:  $\pm$  \$165M**

- \$135M ~ General Fund
- \$30M ~ Stormwater Fund

- **Schedule**

- *Timing of the bond election was adjusted in light of economic uncertainty*
- *No Sooner than 2031*

Funding Used To Update Design & Project Costs

Amount Recommended For Bond Election

Category	Project ID	Project Name	Project Description	NEW Comp Plan Goals	Strategic Initiative	Total Rank	Funding Source	Previously Funded	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Bond Election
Fire	796	Fire Administration and Training Facility Phase 2	Complete design and construct a new Fire Administration (\$10.2M), Logistics and Support Services (\$2.2M), Driving Track (\$1.75M), Technical Rescue Training Facility (\$2M), and 3-Story Apartment/Hotel/Motel/Inn building (\$2.8M) in accordance with the Training Facility Master Plan that was completed by Abercrombie Planning and Design in October 2019. These prices include soft-costs (permitting, material testing, A/E, utilities, and FF&E). Start design in 2025 and focus on Admin building as top priority at this site.	PPS-4.3 PPS-4.1	Community Safety, City Facilities	9	General	\$ 2,000,000	\$ 500,000			\$ 1,000,000							\$ 30,000,000
Fire	8	Fire Department New Station - Airport	Future Fire Station, 50/50 match - joint-use fire station located on airport property along SH 21. This will be a dual purpose Airport Rescue Fire Fighting (ARFF) station and a municipal structure fire and EMS station. It will need to house specialized ARFF vehicles and meet FAA requirements as well as house traditional engine/ladder companies, an ambulance, and possibly a brush truck. \$100k of the project cost is for fiber.	PPS-4.1	Community Safety, City Facilities	8	General					\$ 500,000							\$ 25,000,000



# Next Steps

Today →

Mar 24<sup>th</sup> – P&Z For CIP Overview

Next Meeting →

Apr 14<sup>th</sup> – P&Z For Public Hearing & Discussion Item

Apr 28<sup>th</sup> – P&Z Action on Recommendation to City Council

May 19<sup>th</sup> – City Council Receives P&Z Recommendation

May - Aug – City Council Budget Workshops

Sept - Budget Adoption by City Council including CIP

# Questions



- Location of CIP
  - Digital Copy & Interactive Map
    - <http://www.sanmarcostx.gov/366/10-Year-Capital-Improvements-Plan>
    - City Of San Marcos Webpage > Departments > Engineering > 10 Year Capital Improvements Program
  - Hard Copy
    - San Marcos Public Library, 625 E. Hopkins, during normal library hours: San Marcos Public Library Services
    - Engineering and Capital Improvements office located at 630 E. Hopkins, San Marcos TX 78666; Monday – Friday, 8:00 am – 5:00 pm

