



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Work Session Meeting Minutes City Council

Tuesday, June 16, 2026

3:00 PM

City Council Chambers

630 E. Hopkins - Work Session

I. Call To Order

With a quorum present, the work session of the San Marcos City Council was called to order by Mayor Hughson at 3:00 p.m. Tuesday, June 16, 2026. This meeting was held both in person and online.

II. Roll Call

Deputy Mayor Pro Tem Alyssa Garza arrived at 3:01 PM.

Mayor Pro Tem Shane Scott arrived at 3:10 PM.

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. Citizen Comment Period

Jean Baggett (Downtown Association San Marcos (DASM) supported exploring a downtown city hall, noting unanimous DASM board backing and examples of cities benefiting from downtown civic centers. Acknowledged cost concerns but emphasized pursuing financing options that avoid a tax increase.

Duane Bradley (South Square Collective) supported the downtown location, stating it would increase business activity and modernize downtown.

Lisa Prewitt, Opposed a public-private partnership, citing that residents would bear the cost. Highlighted limited reserves, high existing debt, a budget deficit, and recent staff cuts. Urged rebuilding on city-owned land instead of removing more downtown property from the tax rolls.

Amy Meeks opposed the Upward Communities contract, calling the project scope unnecessary given fiscal constraints. Urged using the termination-for-convenience clause as the most responsible exit.

Camille Phillips discussed local flood risks and noted the effects of even small

rainfall amounts that can trigger flooding. Suggested low-cost flood-warning tools and asked that flood-preparedness information be added to utility bills.

Nancy Moore asked the Council to pause the downtown city hall option and instead repair or rebuild on the current site, framing the decision as one of long-term community stewardship.

David Case (Steering Committee Member) encouraged continued evaluation of all three site options and noted that differing viewpoints were all valid.

Virginia Parker (SMRF/Steering Committee) supported studying the downtown site because the Hopkins sites are in the floodplain. Emphasized SMRF's position against new floodplain construction and requested taller buildings be placed farther from the river with surface parking removed if downtown is chosen.

Randall Terrell opposed the contract and process, describing the agreement as open-ended and lacking spending limits. Raised concerns about incomplete open-records responses, few committee meetings, and a perceived conflict of interest with the consultant also serving as potential developer.

Aslan Hollier requested a pause, noting working-class residents cannot attend weekday meetings and questioning shorter public-comment limits. Asked for independent studies before direction is given and cited New Braunfels's low-cost city hall conversion as an example.

Jon Leonard: Raised concerns about limited public input and major funding gaps. Noted declining TIRZ growth projections and questioned long-term risk if the developer could not fulfill the 40-year agreement. Welcomed additional community meetings.

May Oden (Broke Thespians Theatre Company) requested that any future city hall plan include an affordable performing arts space and asked that arts nonprofits be included in community engagement.

Gena Fleming asked for a pause on contract activity, raising concerns about water-table issues, floodplain assessments, runoff, railroad proximity, and a contaminated site within the proposed footprint. Questioned whether the original consultant contract limited financing options.

Miguel Arredondo (Steering Committee) described the committee's 18-month

review and emphasized that continuing with the downtown option is not a final decision but part of due diligence.

Abigail Mason raised concerns about the Upward Communities agreement, citing the developer's dual role, the exclusivity clause, and high termination costs. Requested independent traffic, environmental, and financial studies before further action.

PRESENTATION

1. Receive a Staff update on the New City Hall/Hopkins City Center Project and provide direction to Staff.

City Manager Stephanie Reyes stated the purpose of this session is to provide an update on the ongoing evaluation of options for a new City Hall facility and to outline the next steps in the process. This presentation is informational only; no decisions or approvals are being requested at this time.

She mentioned that the existing City Hall, constructed in 1975 for a population of fewer than 25,000 residents, now serves approximately 90,000 residents and faces numerous long term challenges. These include its location within a floodplain, significant foundation and structural deterioration, recurring roof and infrastructure failures such as cracked walls and broken utility lines, and substantial space limitations that impact both departmental operations and public accessibility. To support current service levels and future growth, the City must plan for a facility that meets projected needs for several decades. A comprehensive space planning study has identified an approximate building requirement of 109,000 square feet. Proposed program elements include offices for Council members, administrative space for Parks and Recreation, Destination Services, Emergency Management, a police substation, Utility Billing, community meeting areas, public gathering spaces, and updated technology and security systems.

She stated the need to replace or renovate City Hall has been under discussion for more than a decade. Regional growth and past examples of major public facility consolidation, such as the 2012 Hays County Government Center project, underscore the importance of long term planning. Staff and a 23 member community steering committee have evaluated several potential locations: the current City Hall site on the south side of Hopkins Street, the armory property on the north side of Hopkins, and a downtown redevelopment proposal received in summer 2025. A formal Request for Information was issued to ensure a transparent and equitable review of all downtown and city owned property proposals. Following evaluation, the submission from Upward

Communities received the highest ranking and is being further analyzed alongside the two City owned sites. The steering committee has expressed a slight preference for continued study of the north Hopkins site; however, analysis of the downtown concept is also recommended.

Ms. Reyes stated to date, the City has invested more than \$640,000.00 in professional planning and analysis. The consultant team—consisting of Economic and Planning Systems, McCann Adams Studio, Freese and Nichols, and Lopez Salas Architects—provides independent technical expertise in financial feasibility, urban design, public outreach, and space planning. Upward Communities is participating under a reduced scope development agreement valued at approximately \$130,000.00 for its downtown proposal. Public engagement remains central to the process. The community steering committee represents a broad cross section of the community, and a dedicated project website launched in early June 2026 provides accessible information and interactive engagement tools. Additional public outreach events are planned prior to any consideration of final recommendations.

She stated early cost estimates for a new City Hall range from \$80 million to \$100 million for a facility of approximately 109,000 square feet, including necessary parking. Current reserves—approximately \$13 million from the City and an additional \$4 million from Tax Increment Reinvestment Zone No. 5—are insufficient to fully fund the project. With no property tax rate increase under consideration, alternative funding strategies such as public private partnerships, interdepartmental transfers, and property monetization are being actively explored. Ongoing due diligence will include further financial modeling as well as infrastructure and engineering assessments based on potential site selections. No funding or financing plan has been approved at this time.

In summary, the intent of this update is to continue the City's due diligence process and ensure decisions are grounded in comprehensive information and community input. Evaluation activities do not indicate a commitment to any particular site or financing approach. Continued analysis, transparency, and public participation will guide the decision making process moving forward.

Director of Administrative Services Hayden Migl presented the project status and timeline, explaining that they were ready to begin the public engagement stage in mid-2025 then the unsolicited downtown proposal shifted the process. He summarized consultant spending to date is approximately \$265,000.00 of the \$449,000.00 EPS contract; \$250,000.00 for Lopez Saulis for space planning; and a reduced \$130,000.00 scope for Upward Communities. He noted the

launch of the project website and a more interactive version created by Freeseand Nichols.

Darren Smith (Economic and Planning Systems) presented preliminary financial considerations, citing a rough cost estimate of \$80–\$100 million for a 109,000 sq. ft. facility with a parking garage. He noted the funding gap after accounting for city reserves and TIRZ No. 5 funds, and outlined potential revenue options including transfers, TIRZ expansion, property monetization, and revenue-generating components within a public-private partnership. He emphasized that financial constraints apply to all three site options and that no financing decisions were being requested at this stage.

Director of Economic & Local Business Development Helen Ramirez presented the three downtown concepts submitted by Upward Communities:

Concept 1;

Plaza-front city hall at Hopkins/Centimeters Allen with active public-facing uses, adaptive reuse of Breed Hardware (originally Moore Grocery, community room, shared parking garage, and flexible office/incubator space.

Concept 2;

Similar to Concept 1 and adds fire station/public safety component, creates a flexible event street, and includes a covered walkway to the garage.

Concept 3;

Not recommended by the committee due to private building placement at the key corner and separation of council chambers.

Ms. Ramirez reviewed the Hopkins site options, noting slight steering committee preference for the north (armory) parcel and cost reductions achievable without structured parking. She confirmed the skate park remains and dog-park enhancements are being considered.

Ms. Ramirez summarized the steering committee's May 2026 recommendations: continue preliminary work on the downtown option (Concepts 1 and 2 only), review the current location and across the street, continue consultant coordination, and consider potential development partnerships on city-owned properties.

In addition, the city hall website will be updated with any new information, and she noted that the website includes an interactive component to gather broad community feedback.

Mayor Hughson confirmed support for continuing public engagement.

Deputy Mayor Pro Tem Garza raised concerns about steering committee was appointed by city council in 2024 noting the three new Council members have not appointed anyone. She proposed adding six new members.

Council Member Rodriguez supported the adjustment, noting she has been attending meetings herself due to lacking an appointee.

Council Member Mendoza cautioned about setting long-term precedent but supported allowing current members without appointees to add them.

Council directed staff to return with a formal item for appointments for the July 7 meeting.

Council also agreed on multiple neighborhood-based open houses rather than a single event, ensuring broader public access. The three sites to be presented are the south site (where city hall currently stands), the north site (directly across the street from the current city hall), and the downtown locations, which has 2 options under consideration.

Council Member Gonzalez confirmed that upcoming public engagement would present all three site options without committing funds for further study until after public feedback.

Council Member Paselk ultimately supported presenting all three locations for transparency.

Council Member Rodriguez questioned inconsistencies in the Upward Communities contract scope.

Ms. Reyes clarified that staff negotiated a reduced scope of \$106,000–\$130,000 focused solely on downtown conceptual planning and committed to posting this documentation.

Council and staff agreed to post updated contract and spending information online with appropriate disclaimers and to publish steering committee meeting materials going forward.

Deputy Mayor Pro Tem Garza encouraged tracking community conversations beyond formal meetings.

Council Member Rodriguez praised past Planning Department public engagement models and urged similar qualitative data collection for this process.

Council reached consensus: proceed with multiple community open houses presenting all three site options with existing information only.

EXECUTIVE SESSION

2. 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.

Executive session items were announced and read into the record, however there was not enough time to hold the executive session. Mayor Hughson stated that the executive session items also appeared on the regular meeting agenda and would be addressed following the conclusion of the regular meeting.

IV. Question and Answer Session with Press and Public.

Mayor Hughson explained that the Question and Answer period is not interactive. Speakers are allotted three minutes to ask questions. Questions that can be readily answered will be addressed during the meeting; questions requiring additional time will be responded to by email.

Lisa Prewitt asked whether the proposed interdepartmental transfers would draw from utility funds and increase resident utility costs. City Manager Reyes clarified that any transfer would be proportional to specific city hall functions, not applied to the full project.

Amy Meeks asked when the referenced community engagement meeting occurred. Director Migl clarified that no town hall has been held; the planned meeting was postponed when the unsolicited downtown proposal was received.

Kathy Morris noted she missed public comment and would submit written

remarks. Asked about the previously approved \$2 million Upward Communities contract. City Manager Reyes explained it is the same contract but renegotiated to a reduced scope.

Rob Roarke (KZSM radio) sought confirmation of total consultant spending, which staff confirmed at roughly \$640,000.00 across EPS, Lopez Salaz, and Upward Communities. Asked about the steering committee's status under the Open Meetings Act. Mayor Hughson and City Manager Reyes stated it is a formal advisory body operating in compliance and that meeting materials are posted online.

Laura Benavides expressed concern about past meetings lacking adequate notice and thanked Council for increasing public transparency.

V. Adjournment.

Mayor Hughson adjourned the Work Session of the City Council on Tuesday June 16, 2026 at 5:57 p.m.

Elizabeth Trevino City Clerk

Jane Hughson, Mayor