



# **Public Hearing**

**PSA-25-02**

## **Francis Harris Lane Maberry Data Center Preferred Scenario Amendment**

### **Conservation/ Cluster to Commercial/ Employment Low**

Hold a Public Hearing and consider a request by Armbrust & Brown, PLLC, on behalf of Highlander SM One, LLC, and Donald and Germaine Tuff, to amend the Preferred Scenario map from "Conservation/ Cluster" to "Commercial/Employment Low " for 199.49 +/- acres of land, more or less, generally located on the western side of Francis Harris Lane, south of the intersection between Grant Harris Rd and Francis Harris Lane in Hays County, Texas (J. Cleary)



# Property Information

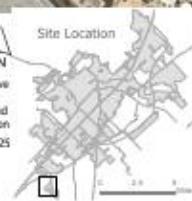
- Approximately 200 acres
- Located within both the City limits and the ETJ
- Surrounding Land Uses
  - Rural Residential
  - Power Plant (Hays Energy)
  - Vacant/ Agricultural
  - Cemetery
- Related applications
  - ZC-25-13 (CD 2.5/ FD to LI)
  - AN-25-02 (Annexation of southwestern 60 acres)
- Resubmittal of PSA-25-01.



Subject Property  
Parcels  
ETJ

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.  
Date: 10/20/2023

**SAN MARCOS** Planning and Development Services

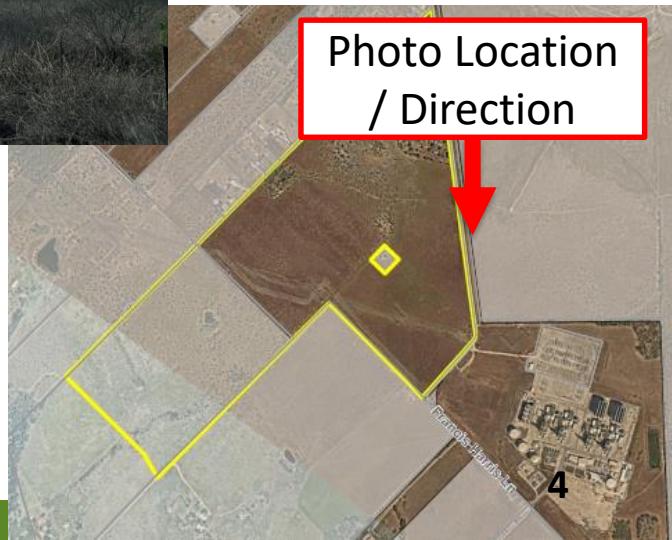
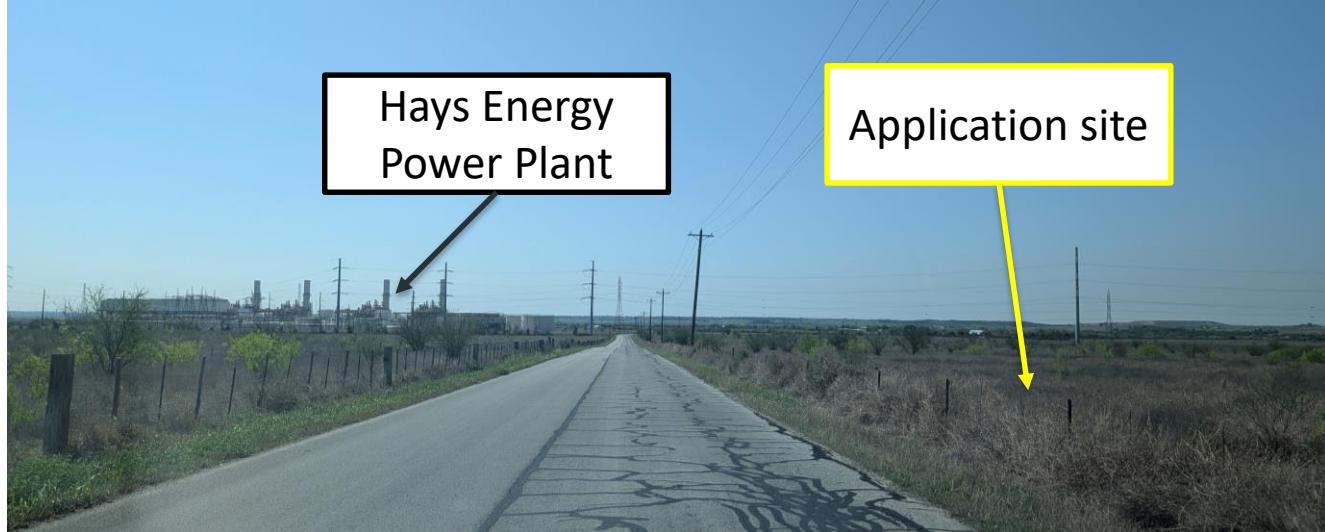


# History



- **March 25, 2025** - PSA-25-01 recommended for denial by Planning and Zoning Commission. Per Section 2.2.4.2.A of the Code, where the Planning and Zoning Commission recommends denial, a 6-1 vote from Council is required for the item to be approved.
- **Aug 19, 2025** - Council voted 5-2 in favor of approving PSA-25-01 on first reading however the motion to approve failed as it did not have sufficient votes for a supermajority.
- **October 2025** - New Preferred Scenario Amendment (PSA-25-02) submitted by the applicant. The nature of the request is the same.

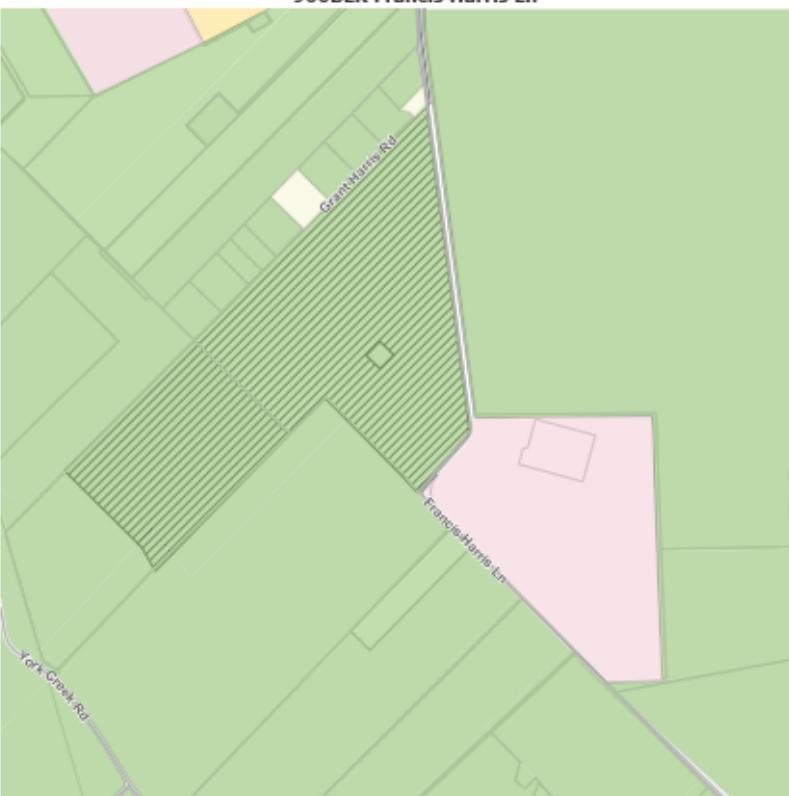
# Existing Context (Francis Harris Lane Southbound View)





# Request

- Amend the Preferred Scenario Map
- Conservation/ Cluster to Commercial/ Employment Low.
- Proposing Light Industrial Zoning to construct a Data Center.

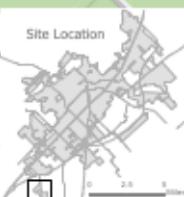


Neighborhood - Medium  
Neighborhood - Low  
Commercial/Employment Low  
Low and Areas of Stability, Conservation/ Cluster  
Parcels  
Subject Property  
ETJ

0 487.5 975 1,950  
Feet

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Date: 10/21/2025

**SAN MARCOS** Planning and Development Services



gov

# Current Designation “Conservation/Cluster”

- *“To identify areas to conserve and reserve for future development as a means of focusing more intensive development in other areas of the community. Development that does occur within conservation and reserve areas should be low impact to the natural environment by using a variety of development techniques and strategies.*
- Allows Character Districts, “MH” Manufactured Housing, “CM” Commercial, “FD” Future Development and “Low Intensity” Planning Areas.

# Proposed Designation “Commercial Employment Low”

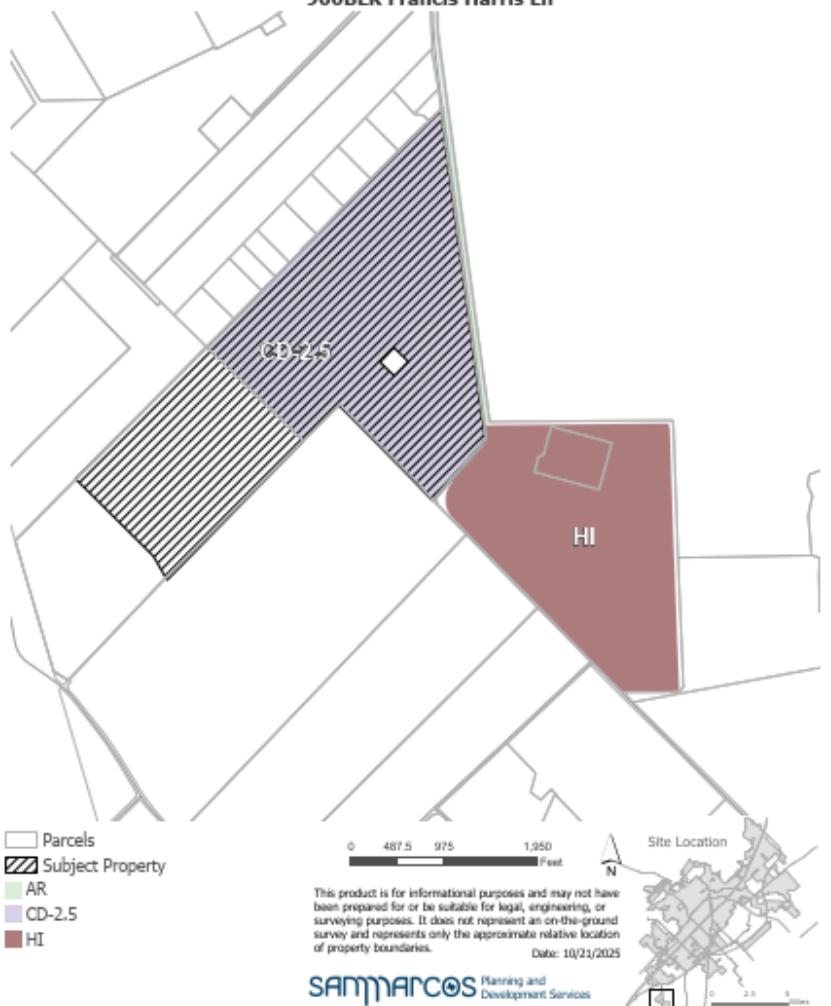


- *“To facilitate lower density, auto-oriented retail, office, and industrial type uses. Primarily characterized by light to heavy industrial, warehouse and distribution, lower density office, and general commercial; additional uses may include civic, institutional, and hospitality. ”*
- Allows all Special Districts except for Manufactured Housing, Character Districts 4 and 5, and “Employment Center” Planning Areas.

PSA-25-02

**Francis Harris Ln Maberry Data Center**  
**Preferred Scenario Amendment**  
**900BLK Francis Harris Ln**

Zoning



PSA-25-02

**Francis Harris Ln Maberry Data Center**  
**Preferred Scenario Amendment**  
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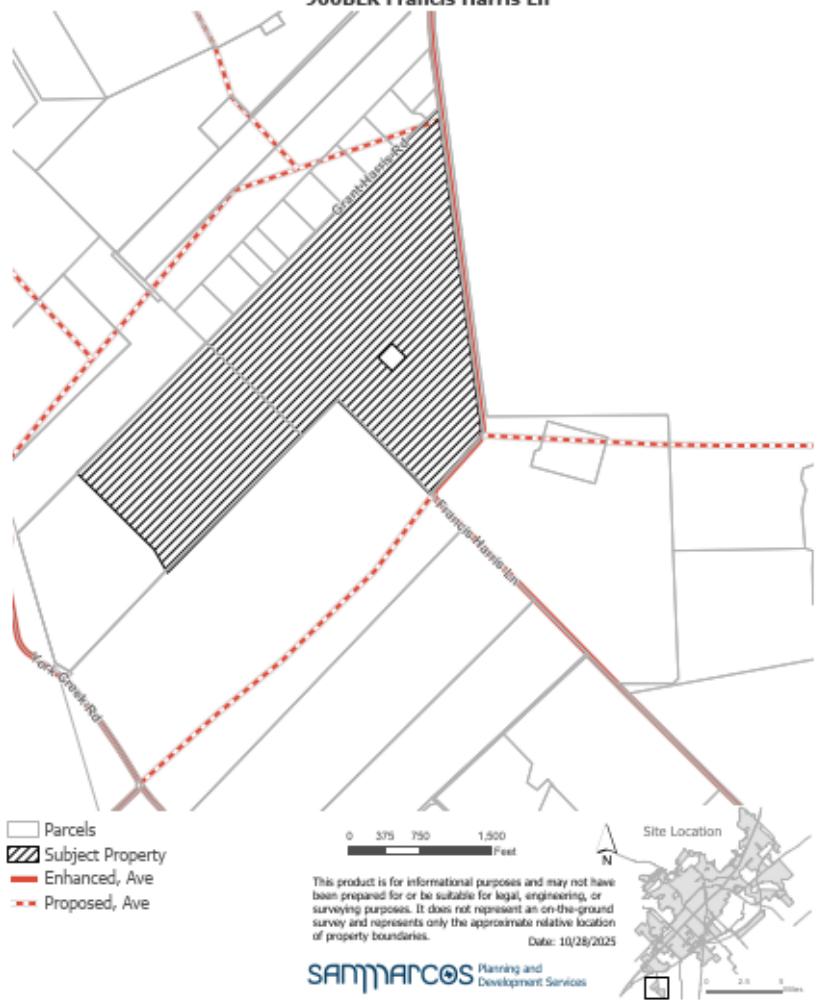
Environmental Features



PSA-25-02

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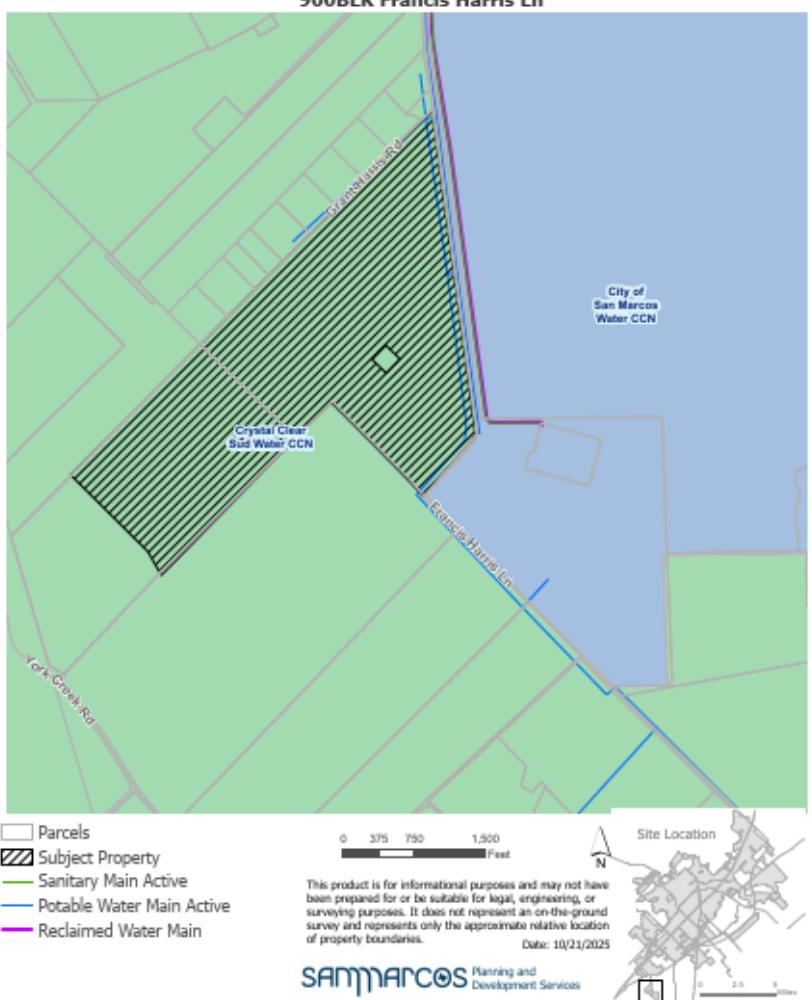
Thoroughfare  
Plan



PSA-25-02

**Francis Harris Ln Maberry Data Center**  
Preferred Scenario Amendment  
900BLK Francis Harris Ln

Water and  
Wastewater





# Restrictive Covenants Proposed by Applicant

## Prohibited Uses

- Warehouse and Distribution
- Waste Related Services

## Conditions if Data Center is Constructed

- Water usage at the data center will not exceed 235 LUEs or 75,000 gallons per day.
- Drainage facilities shall be designed and constructed so that a rate of runoff from a site after construction shall be 10% less than the runoff prior to construction for the 2-, 10-, 25- and 100-year storm frequencies.



# Restrictive Covenants Proposed by Applicant (cont.)

## Conditions if Data Center is Constructed (cont.)

- Impervious cover limited to 70% (compared to 80% permitted under Light Industrial zoning)
- LEED certified building
- Sound at the property line shall not exceed 75 decibels.

Time	Section 7.2.4.1 limits	Proposed limits
10:00 a.m. – 10:00 p.m.	85 decibels	75 decibels
10:00 p.m. – 10:00 a.m.	75 decibels	75 decibels



# Preferred Scenario Amendment Process

- Nov 19, 2025 Neighborhood Commission Update Item (no action)
- Dec 9, 2025 Planning & Zoning Commission Update Item (no action)
- Dec 16, 2025 City Council Update item (no action)
- **Jan 13, 2026 Planning & Zoning Commission Public Hearing**
- Feb 3, 2026 City Council Public Hearing (no action)
- Feb 17, 2026 City Council Public Hearing & First Reading
- March 3, 2026 City Council Ordinance Reconsideration (2nd Reading)



**Additional slides presented  
by City Manager's Office  
during the Council meeting  
on Aug 19, 2025, in response  
to key questions from  
Council and the public.**

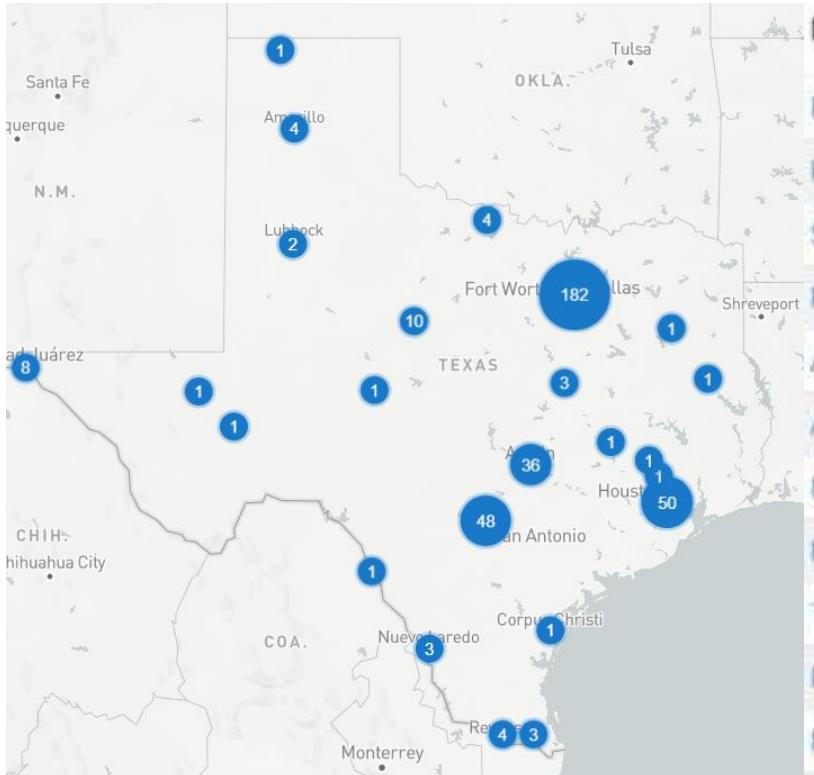


# NOISE

*Additional slides presented by City Manager's Office during the Council meeting on 8.19.25*

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# Data Centers by Texas City/Market



Market	Data Centers	
Tyler	1	
Abilene	10	
Wichita Falls	4	
Harlingen	3	
Laredo	3	
Waco	3	
Corpus Christi	1	
Eagle Pass	1	
Fort Stockton	1	
Montgomery TX	1	
Pecos	1	
San Angelo	1	
Stratford	1	
<b>Total Data Centers:</b>	<b>368</b>	

Source: <https://www.datacentermap.com/usa/texas/>

sanmarcostx.gov

Additional slides presented by City Manager's Office during the Council meeting on 8.19.25



# New Data Centers are planned for the Austin/SA Market and Texas

**Tract Uhland Campus**

**Cloudburst**

**SE DC DevCo LLC**

**Microsoft**

**Sabey Data Centers**

**Stargate**

**Figure 2: H2 2024 Wholesale Secondary Market**

Market	Inventory (MW)	Y-o-Y Change (MW)	Available MW/Vacancy Rate
Central Washington	246.4	▲ 84.2	0.4 / 0.16%
Austin/San Antonio	191.1	▲ 4.7	4.8 / 2.5% <span style="border: 2px solid red; border-radius: 50%; padding: 2px;"> </span>
Houston	179.0	▲ 44.9	26.4 / 14.8%
Southern California	176.1	▲ 15.6	27.5 / 15.6%
Seattle	150.0	▲ 11.1	10.0 / 6.7%
Denver	109.1	▲ 16.2	20.4 / 18.7%
Minneapolis	62.6	▲ 3.0	14.7 / 23.5%
Charlotte/Raleigh	58.9	▲ 6.8	8.6 / 14.6%

Source: CBRE Research, CBRE Data Center Solutions, H2 2024.

# Typical data centers in a neighborhood (SATX)



# Placement and shielding of outdoor equipment





# Noise from the Hays Energy Plant

When the property was originally annexed and zoned single-family (CD2.5) in 2022, restrictive covenants were established on behalf of the future residents to mitigate the impact of noise generated at the Hays Energy Plant:

- buyers sign acknowledging the nuisance
- masonry construction within 1,500 ft of the plant
- 6' masonry wall
- additional landscape screening along the wall

# Which land use is appropriate next to Power Plant?

470+ Single Family Homes

or

Data Center



Hays Power Plant



# WATER USE and ENERGY DEMAND

*Additional slides presented by City Manager's Office during the Council meeting on 8.19.25*

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# Proposed Data Center Will Use Enhanced Cooling System that Conserves Water

Data Center Cooling System Type		
Cooling System Type	Evaporative	Closed Loop Non-Evaporative
Water Use	Very High	Minimal



# Data Center water allocation is less than CD2.5 (single-family) zoning already approved for this site

## Proposed data center

- Use closed loop non-evaporative cooling system and will limit maximum water usage for the 200-acre site to 235 LUE's or 75,000 gallons per day.

## Alternative single family project

- 136-ac CD2.5 zoning already contracted for ~557 LUE's\* or ~178,000 gpd
- If 64-ac zoned CD2.5 (200 acres total) ~819 LUE's or ~260,000 gpd

**Roughly a 55% to 70% reduction in allocated water usage**

\* Per company presentation on August 13, 2025

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*Additional slides presented by City Manager's Office during the Council meeting on 8.19.25 (updated)*



# Data Center estimated water usage is less than CD2.5 (single-family) zoning already approved for this site

## Proposed data center

- Up to five (5) data center buildings using ~ 4,000 to 7,000 gpd per building\*
- Total estimated water usage = **20,000 to 35,000 gallons per day**

## Alternative single family project

- Current plat = 470 lots, 2.5 people per home, 67 to 97 gpd per person  
(*67 gpd per person under drought restrictions, 97 gpd per person typical*)
- Total estimated water usage = **78,725 to 113,975 gallons per day**

**More than a 55% reduction in estimate actual water usage**

\* Per company presentation on August 13, 2025

*Additional slides presented by City Manager's Office during the Council meeting on 8.19.25 (updated)*

# Power and Water Considerations for Data Centers



P  
O  
W  
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R

- Data Centers require a significant amount of power
- ERCOT and transmission service providers regulate data center connections to the grid
- Proposed size, and grid interconnections are evaluated to ensure grid stability and reliability
- Generation capacity/transmission system constraints are considered through the interconnection process

W  
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R

- Power generation uses significant amounts of water
- Some generation technologies require little water (air-cooled turbines, solar, battery storage, wind)
- Water rights or water supply agreements for any new generation must be in place to satisfy ERCOT rules



## CURRENT GENERATION

 Solar	25,000 MW (31.0%)
 Wind	1,880 MW (2.3%)
 Hydro	0 MW (0.0%)
 Power Storage	491 MW (0.6%)
 Other	99 MW (0.1%)
 Natural Gas	39,491 MW (49.0%)
 Coal and Lignite	8,668 MW (10.8%)
 Nuclear	4,972 MW (6.2%)

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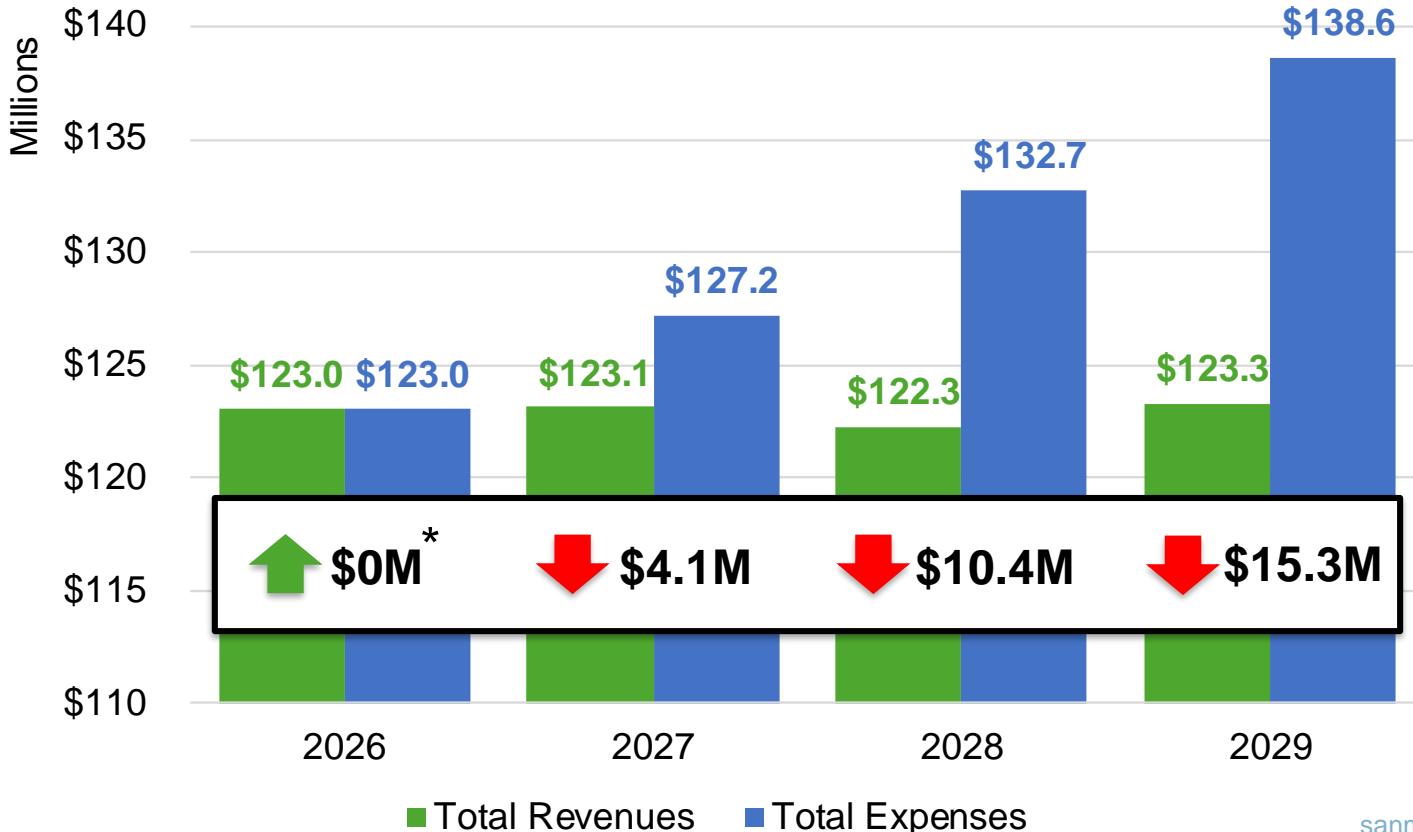
# FINANCIAL

*Additional slides presented by City Manager's Office during the Council meeting on 8.19.25*

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# Adopted Tax Rate 65.15¢



*Additional slides presented by City Manager's Office during the Council meeting on 8.19.25 (Updated)*

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# Property Tax Revenue

Taxing Entity Valuations*	City of San Marcos	SMCISD	Hays County**
\$ 500 M	\$ 3,258,000	\$ 5,076,000	\$ 1,963,000
\$ 1.0 B	\$ 6,515,000	\$ 10,152,000	\$ 3,925,000
\$ 1.5 B	\$ 9,773,000	\$ 15,228,000	\$ 5,888,000

\*Using FY 2026 Tax  
Rates

*Additional slides presented by City Manager's Office during the Council meeting on 8.19.25 (Updated)*

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\*\*Includes Hays County and Special Road  
District



# SUMMARY

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# A Data Center located in the City of San Marcos has both inherent benefits and drawbacks

IN CITY	CONSIDERATIONS	OTHERS
	Energy Demand and Water:	
<input checked="" type="checkbox"/>	<ul style="list-style-type: none"><li>• Grid Connection – Generation Impacts</li></ul>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> ?	<ul style="list-style-type: none"><li>• Reclaimed Water Use at Hays Energy Plant</li></ul>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Onsite Water Use Regulation	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Floodplain/Drainage Standards	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Noise Restrictions	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Financial Benefit to the City	<input checked="" type="checkbox"/>



# Recommendation

- Staff recommends approval of PSA-25-02 as presented.