

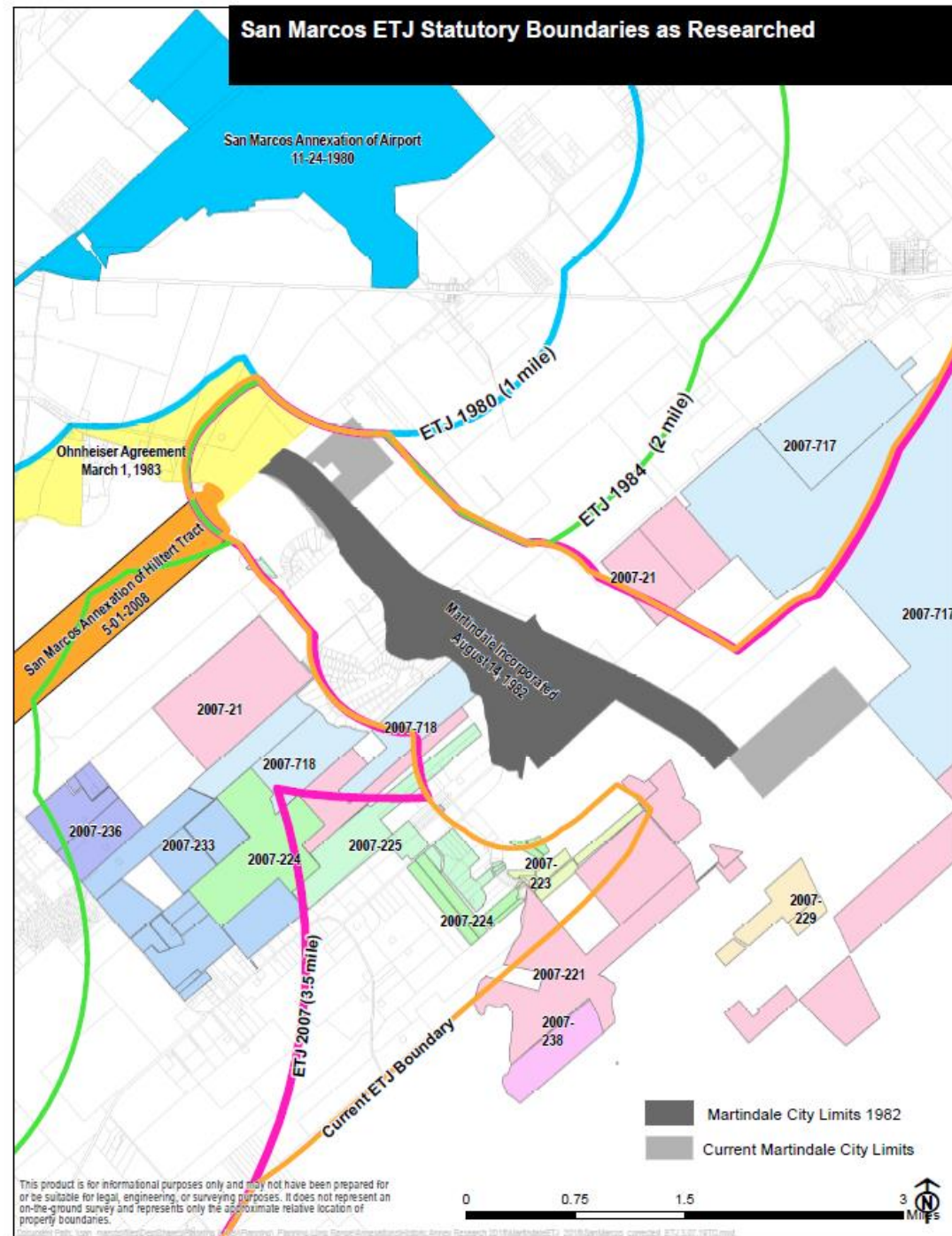
S.M.A.R.T. Terminal Annexation, Zoning, and 380 Agreement

Katerra / S.M.A.R.T. Terminal Timeline

- **October 6** - City Council approved Katerra 380 Agreement
- **November 9** - Application Notification posted to the City's website
- **November 20** – City Council approves annexation schedule
- **November 21** - Personal and posted notification
- **November 25** - Published notification
- **December 11** – P&Z Public Hearing
- **December 12** – City Council Public Hearing #1
- **December 19** – City Council Public Hearing #2
- **December 21** - Personal and posted notification (updated)
- **December 23** - Published notification (updated)
- **January 8** - Planning & Zoning Commission Public Hearing
- **January 15** – City Council Worksession
- **January 29** – City Council Worksession
- **March 19** – City Council Meeting – Reconsideration of zoning and annexation and consideration of the 380 Agreement

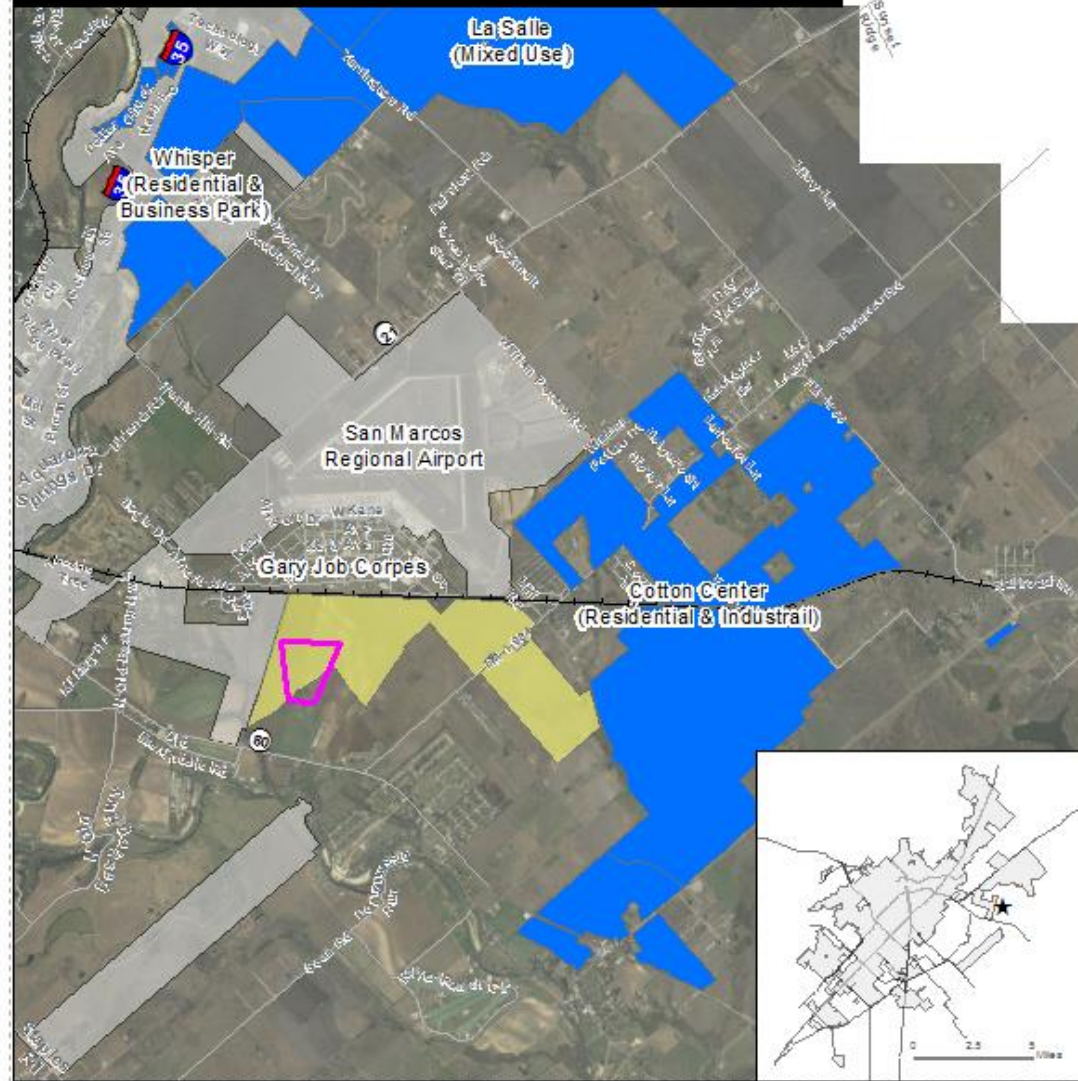
ETJ Timeline:

- 1980 – Annexation of San Marcos Municipal Airport
- 1982 – Incorporation of Martindale
- 1983 – Ohnheiser Agreement with Martindale
- 1984 – Expansion of ETJ after reaching 25,000 inhabitants



Surrounding Development

AN-18-05 Smart Terminal — Development Map

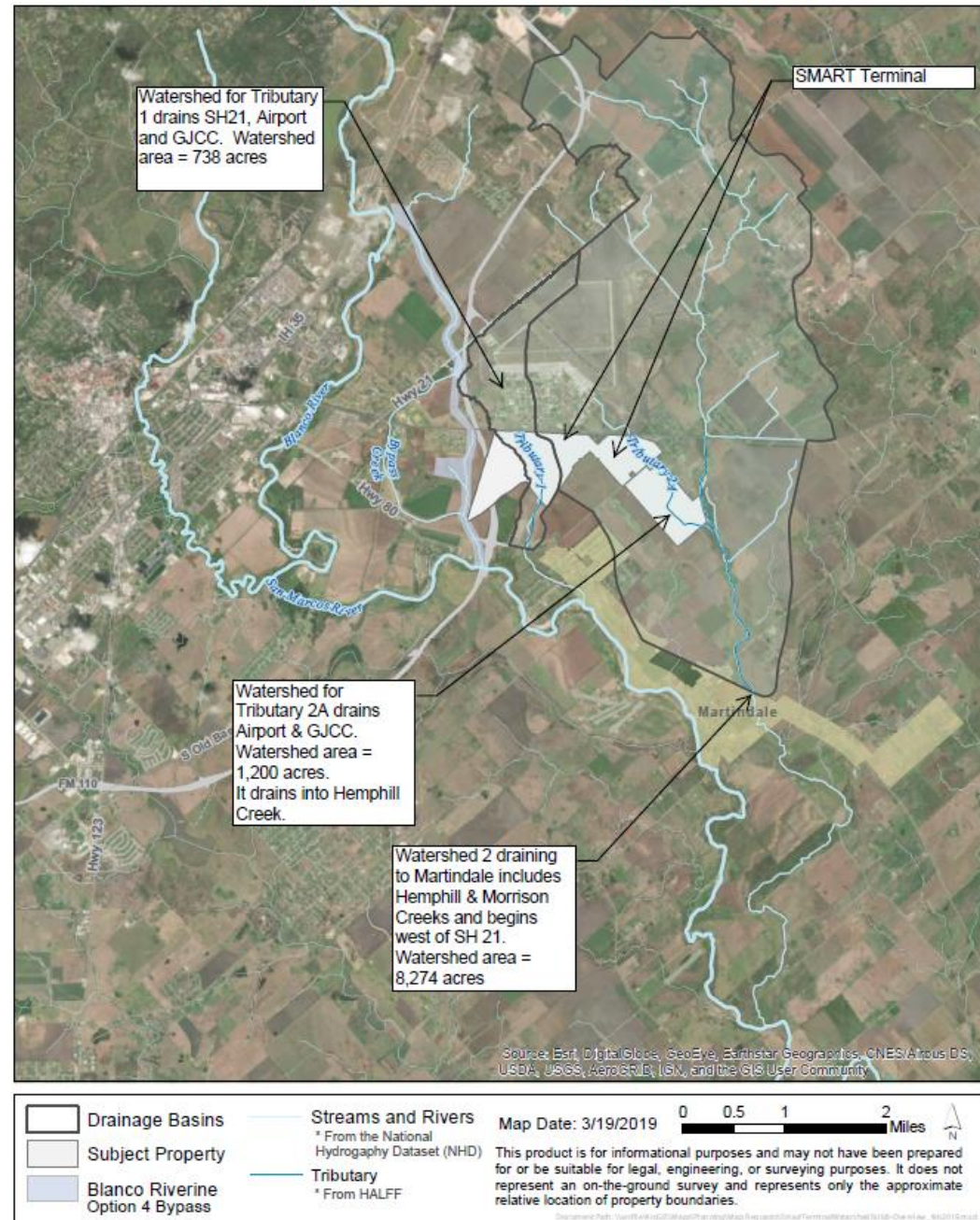


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Map Date: 3/19/2019

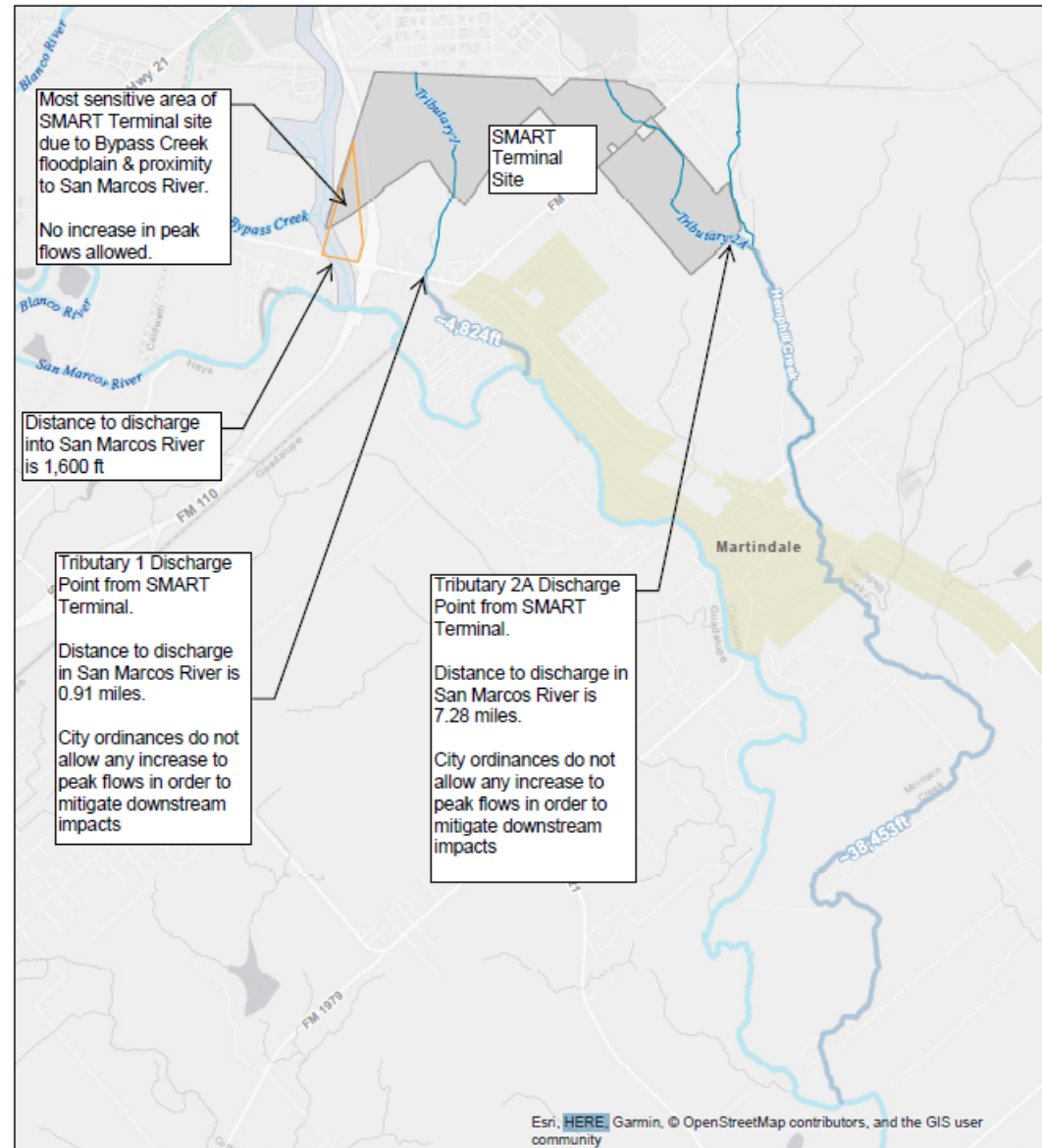
Watersheds and Tributaries

Smart Terminal - Watersheds and Tributaries



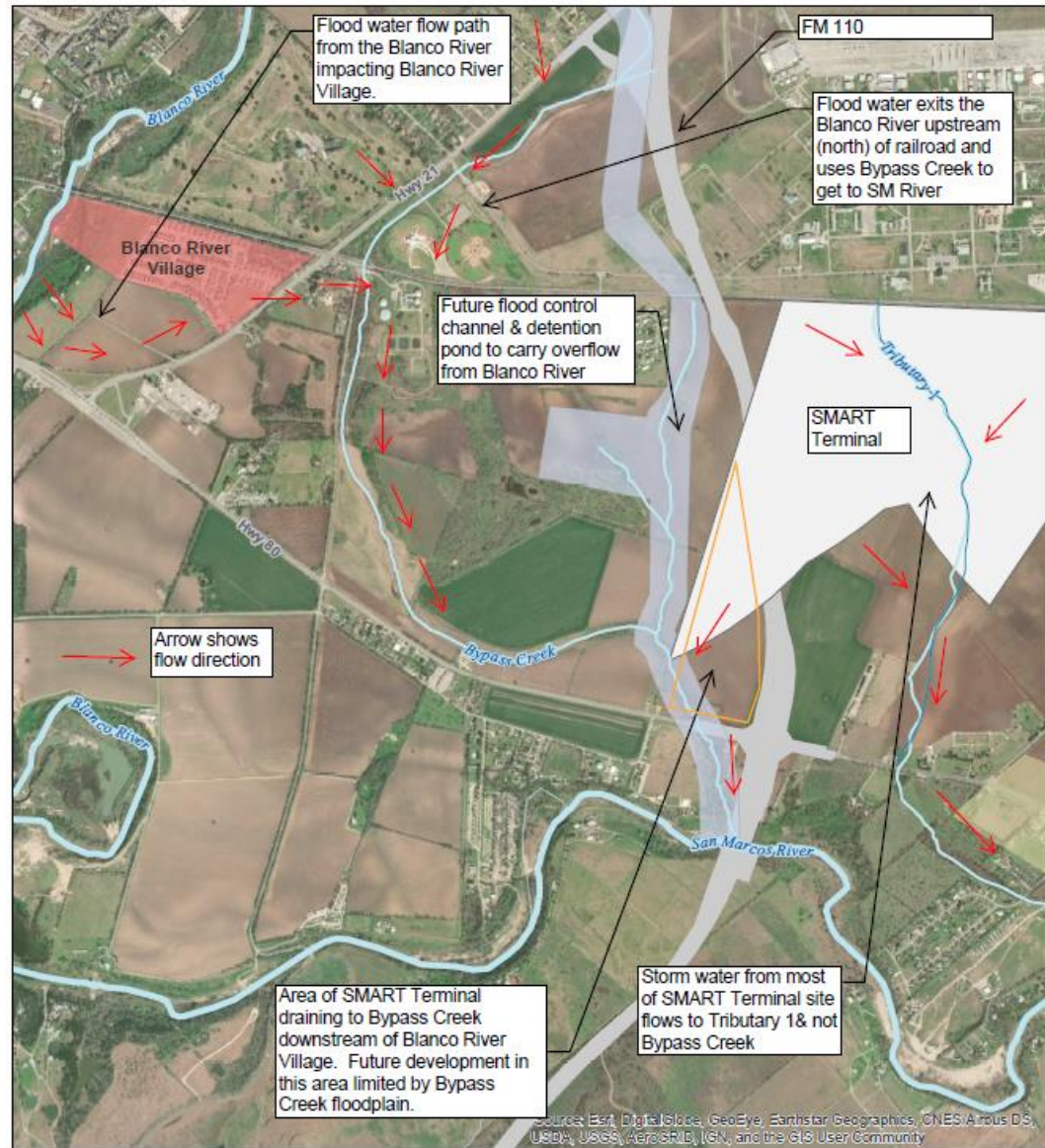
Discharge to San Marcos River

Smart Terminal - Discharge to San Marcos River



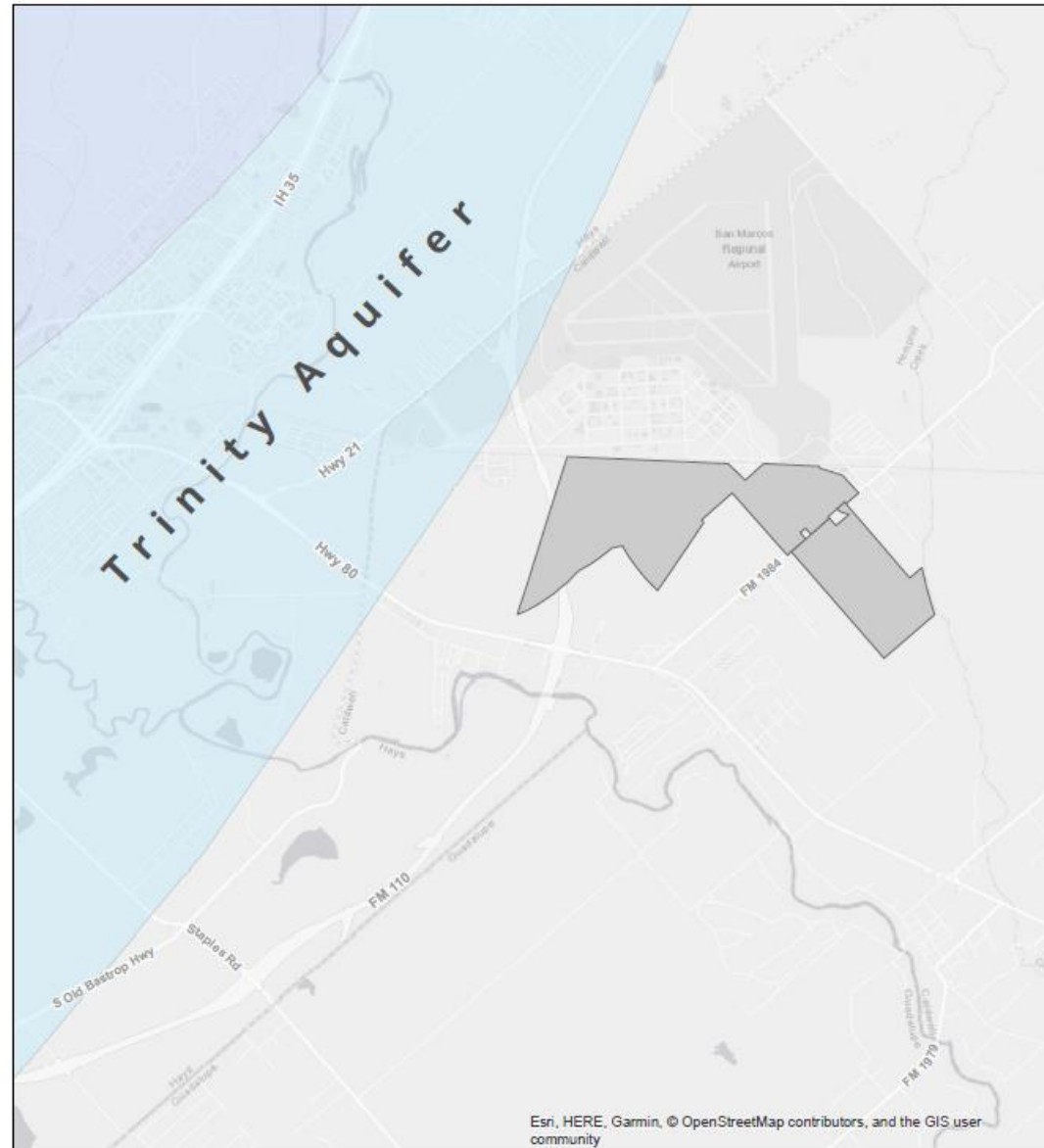
Blanco River Village Impact

Smart Terminal - Blanco River Village Impact



Proximity to Aquifers

Smart Terminal - Proximity to Aquifers



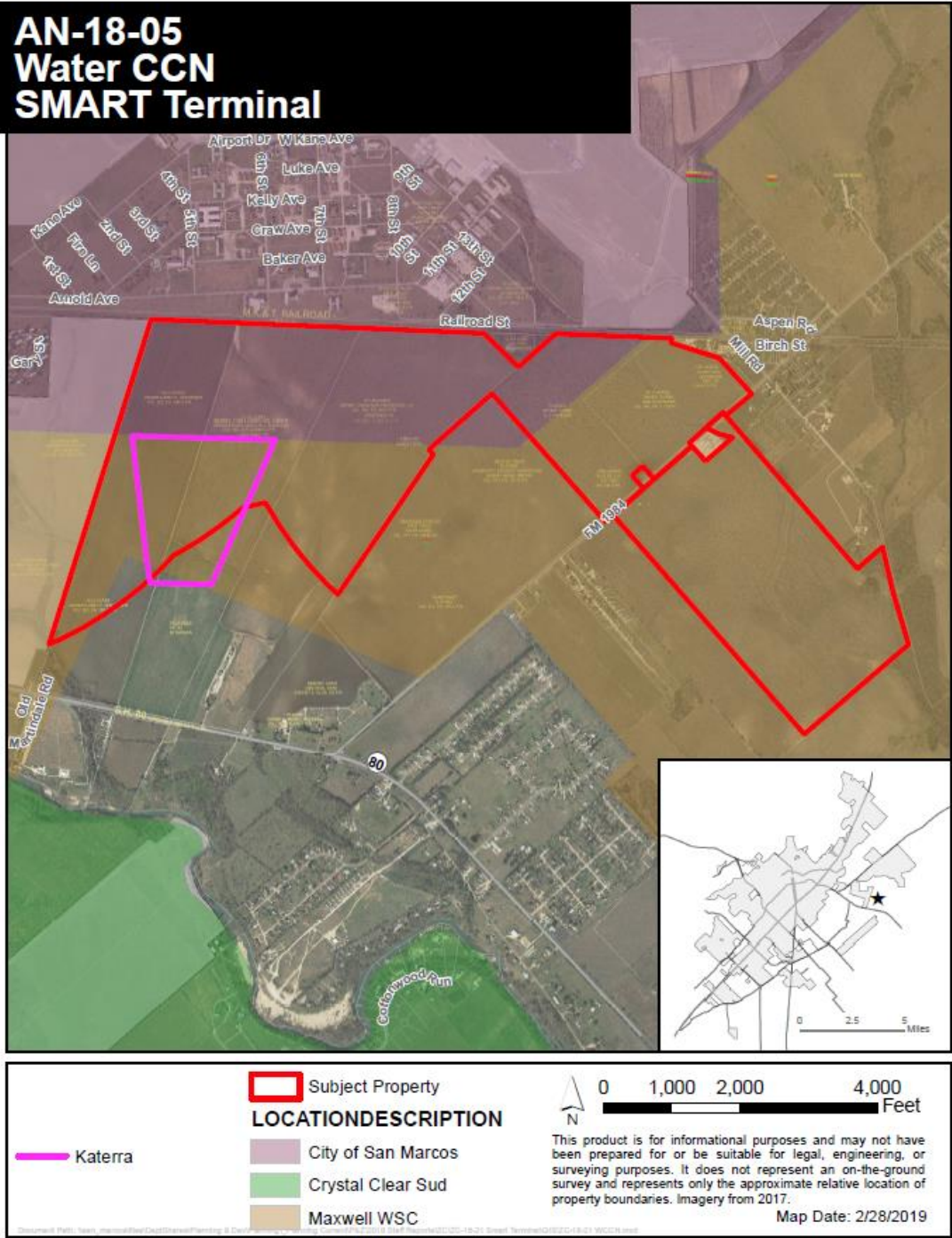
- Subject Property
- Edwards
- Trinity

Map Date: 3/19/2019 0 0.25 0.5 1 Miles

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Source: Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

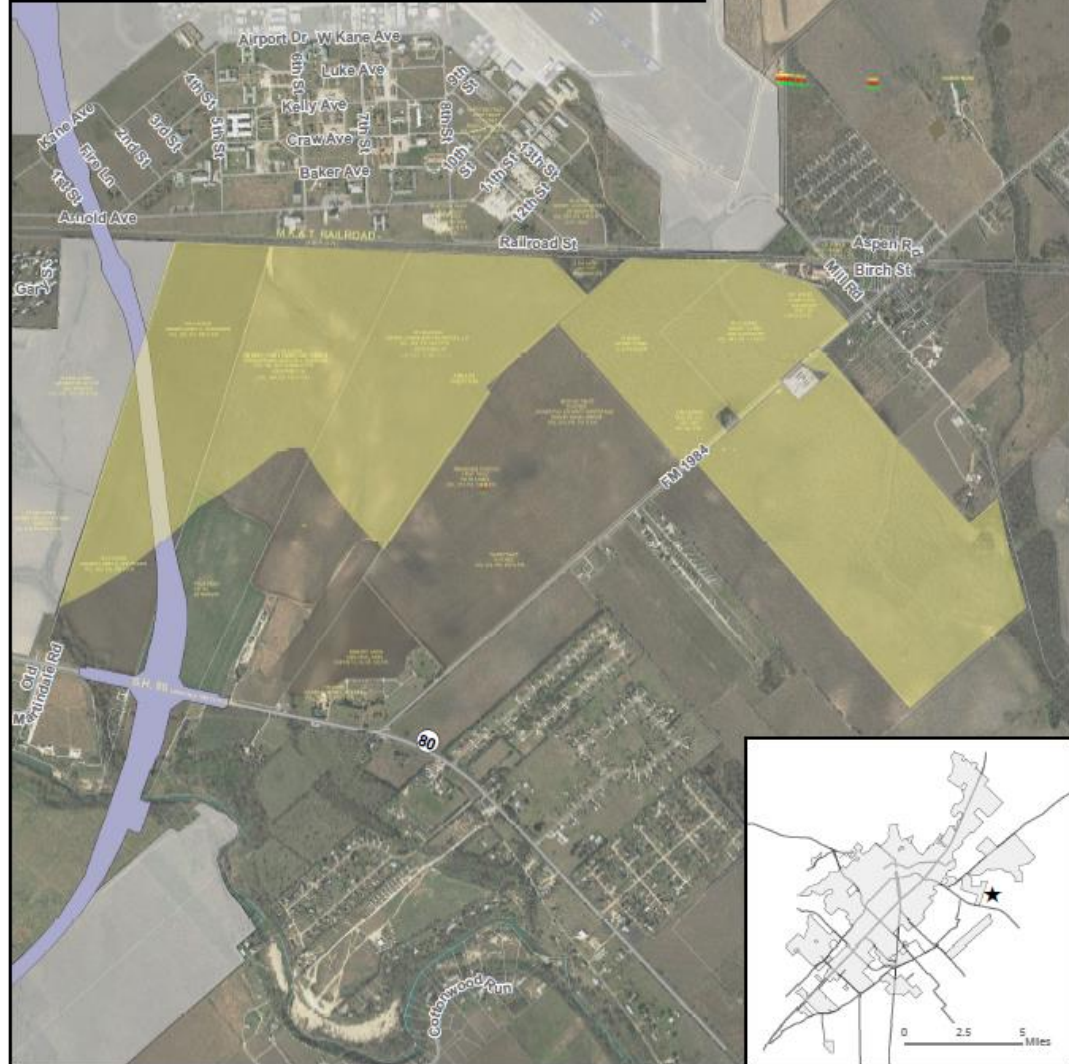
Water Service Areas



Context & History

- **Existing Zoning:**
(Extraterritorial Jurisdiction) ETJ
- **Proposed Zoning:**
Heavy Industrial (HI)
- **Proposed Use:**
Rail Park

ZC-18-21 Smart Terminal - Aerial



Subject Property

Parcel

City Limit

FM 110



0 1,000 2,000 4,000 Feet

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Map Date: 2/14/2019

Regulation Comparison Chart

| Regulation | ETJ | Heavy Industrial Zoning | Chapter 380 Agreement |
|-----------------------------------|---------------|-------------------------|---------------------------|
| Uses | Not Regulated | Industrial | Industrial and Commercial |
| Impervious Cover Maximum | Not Regulated | 80% | 70% |
| Detention Requirements | Required | Required | Required |
| Water Quality | Required | Required | Enhanced |
| Flood Damage Prevention Ordinance | Not Required | Required | Required |
| Building Code and Permits | Not Required | Required | Required |

380 Agreement Overview

Drainage & Water Quality:

- 70% maximum impervious cover
- 70% Total Suspended Solids removal
- Compliance with water volume reduction for stream erosion control

Other

- Reduction in maximum permissible sound levels
- Minimal smoke & noxious odors or emissions
- Compatibility with airport operations

380 Agreement Overview

Prohibited Uses

- Acid Manufacturing
- Gas manifesting
- Vehicle wrecking hard
- Junk yard
- Manufacturing or storage of hazard house materials
- Manufacturing or storage of fertilizer
- Manufacturing of carbon batteries
- Manufacturing of paint, lacquer, oil, turpentine, etc.
- Manufacturing of rubber
- Manufacturing of paper
- Manufacturing of tar
- Monument or marble works
- Oil compounding and barreling plant
- Solid waste disposal
- Petroleum refinery
- Bone distillation
- Smelting
- Fat rendering
- Stockyards
- Cemeteries
- Labor Camps
- Jails
- Flammable liquid refining
- Manufacturing of cement
- Rock crushing
- Sugar refining.

380 Agreement Overview

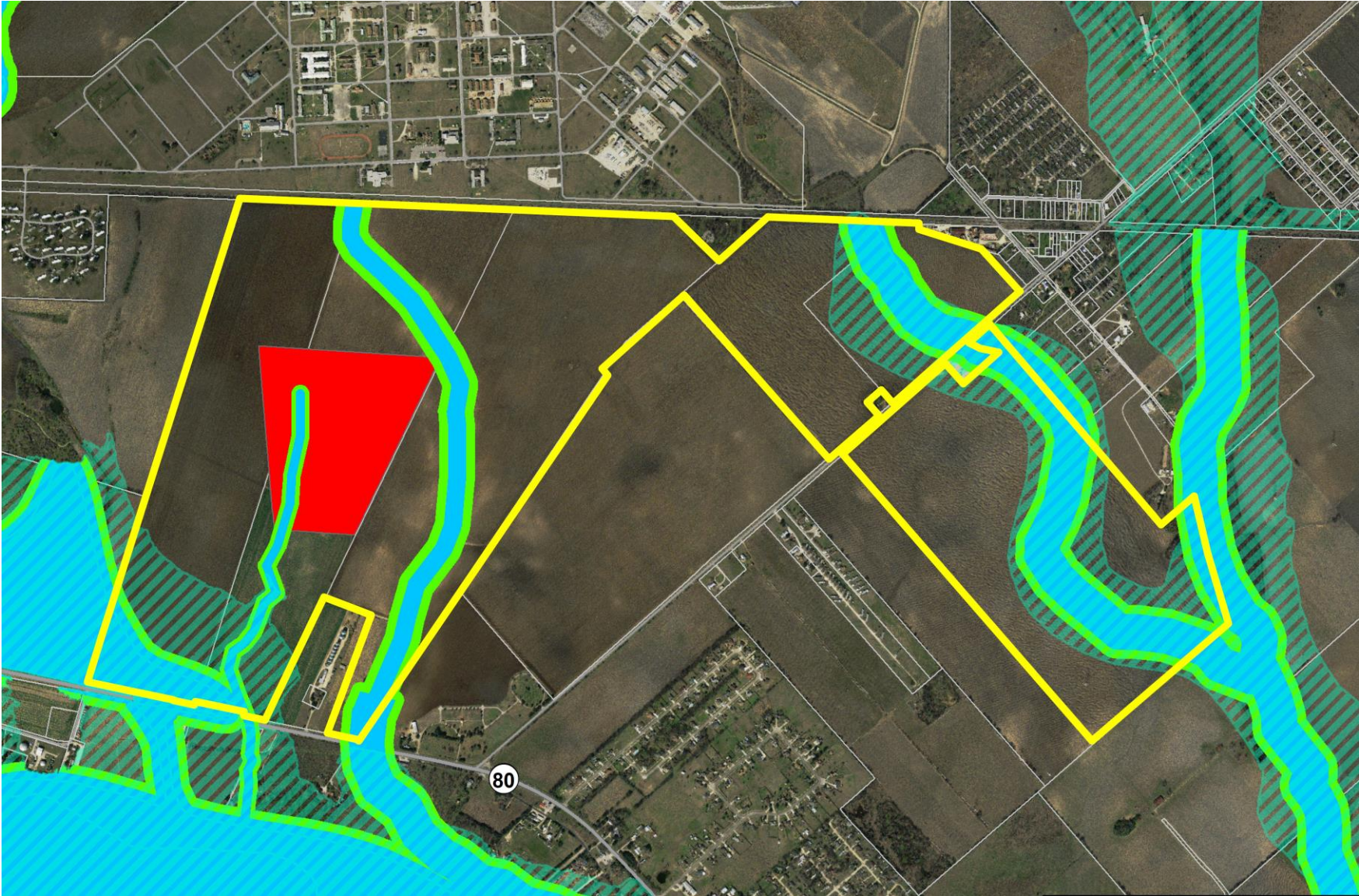
Development Waivers:

- Waiver to the block perimeter minimums & dead-end street maximums
- Waiver to the blank wall area maximums
- Waiver to sidewalk requirements
- Variations to cut and fill maximums.

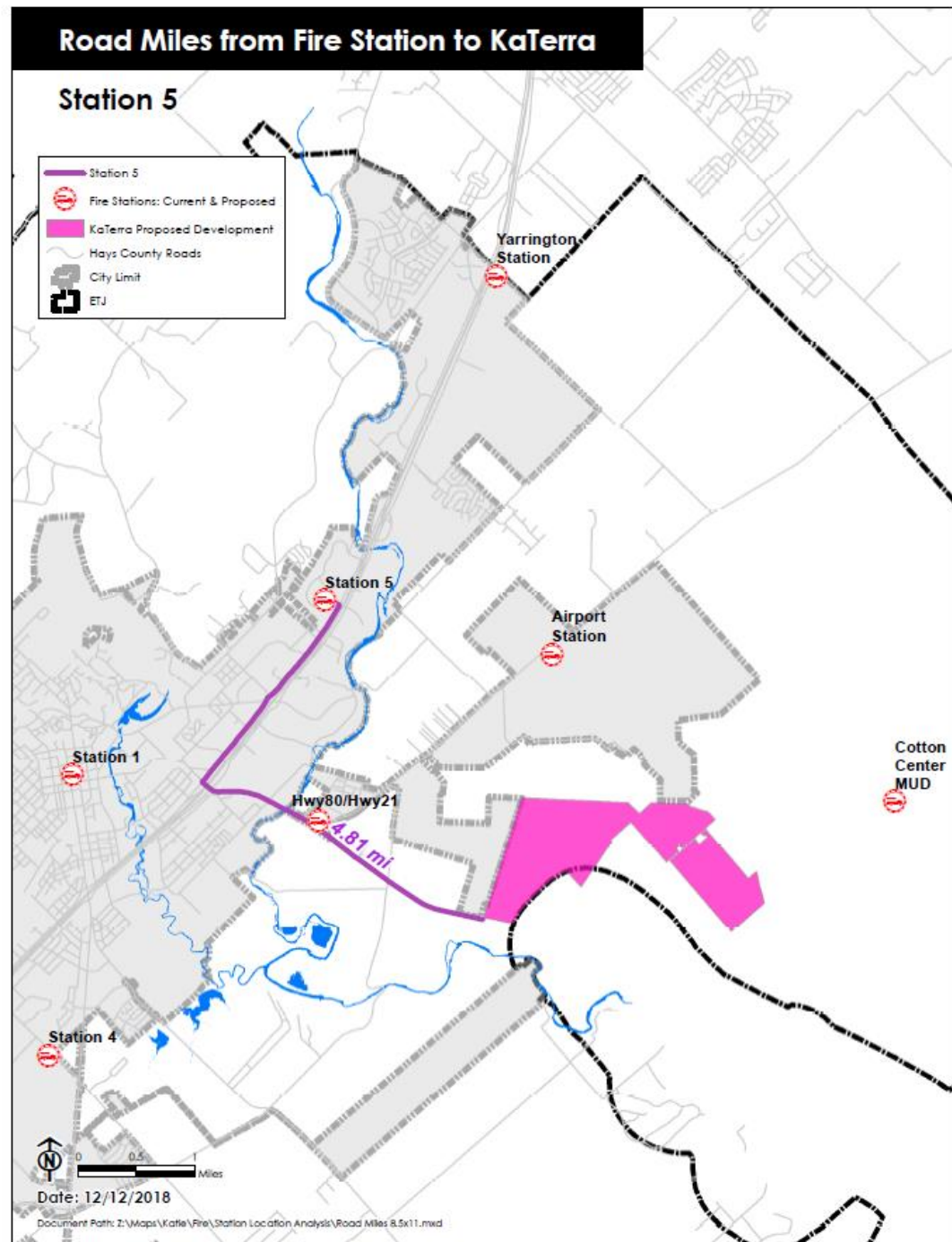
Recommendation:

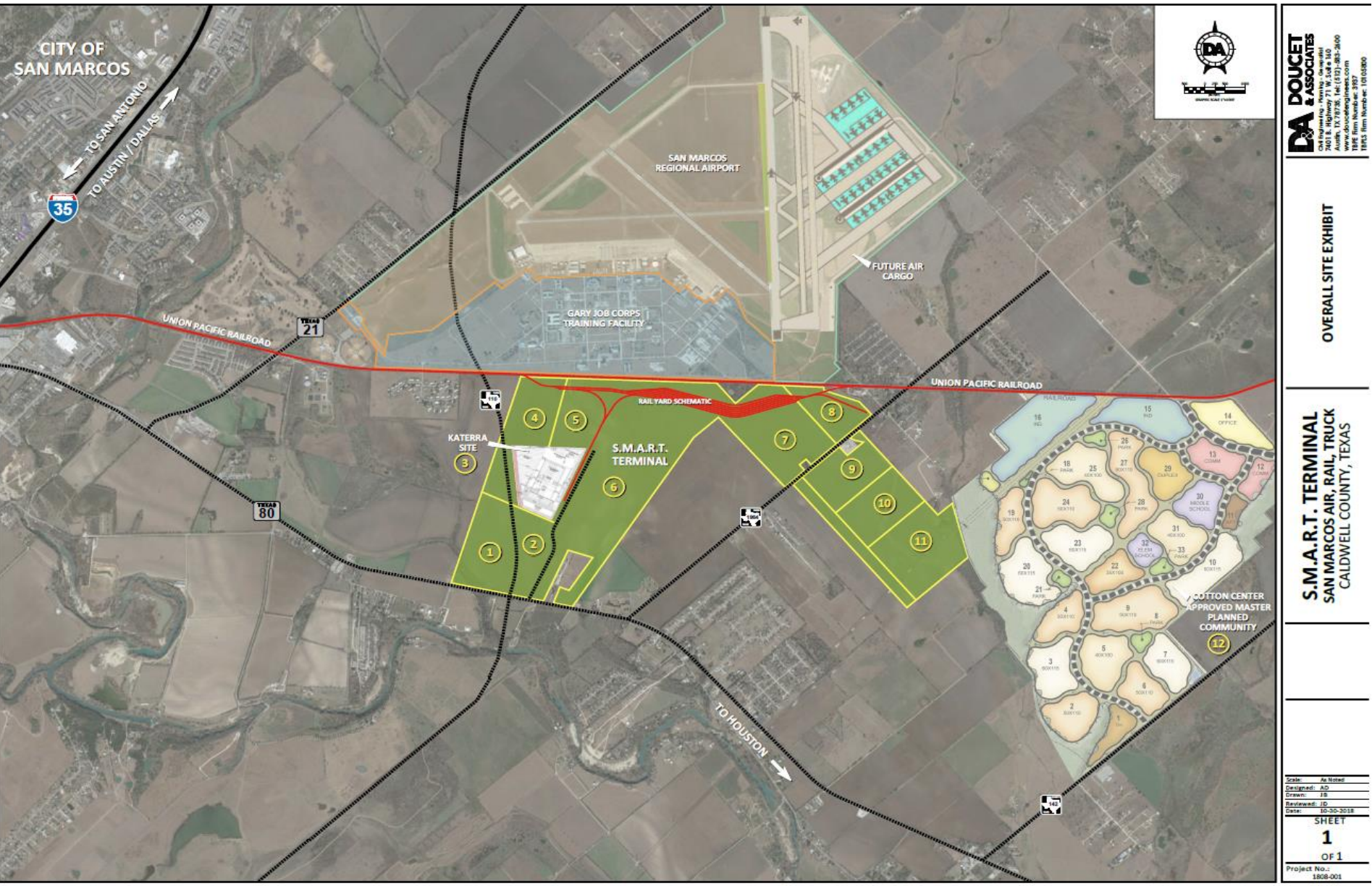
- *At their January 8, 2019 Regular Meeting, the Planning and Zoning Commission recommended **approval** of the request.*
- Staff provides this request to the City Council for your consideration and recommends **approval** of the request for annexation and the zoning change from Extraterritorial Jurisdiction (ETJ) to Heavy Industrial (HI).

QUESTIONS?



Fire Station Location Allocation Network



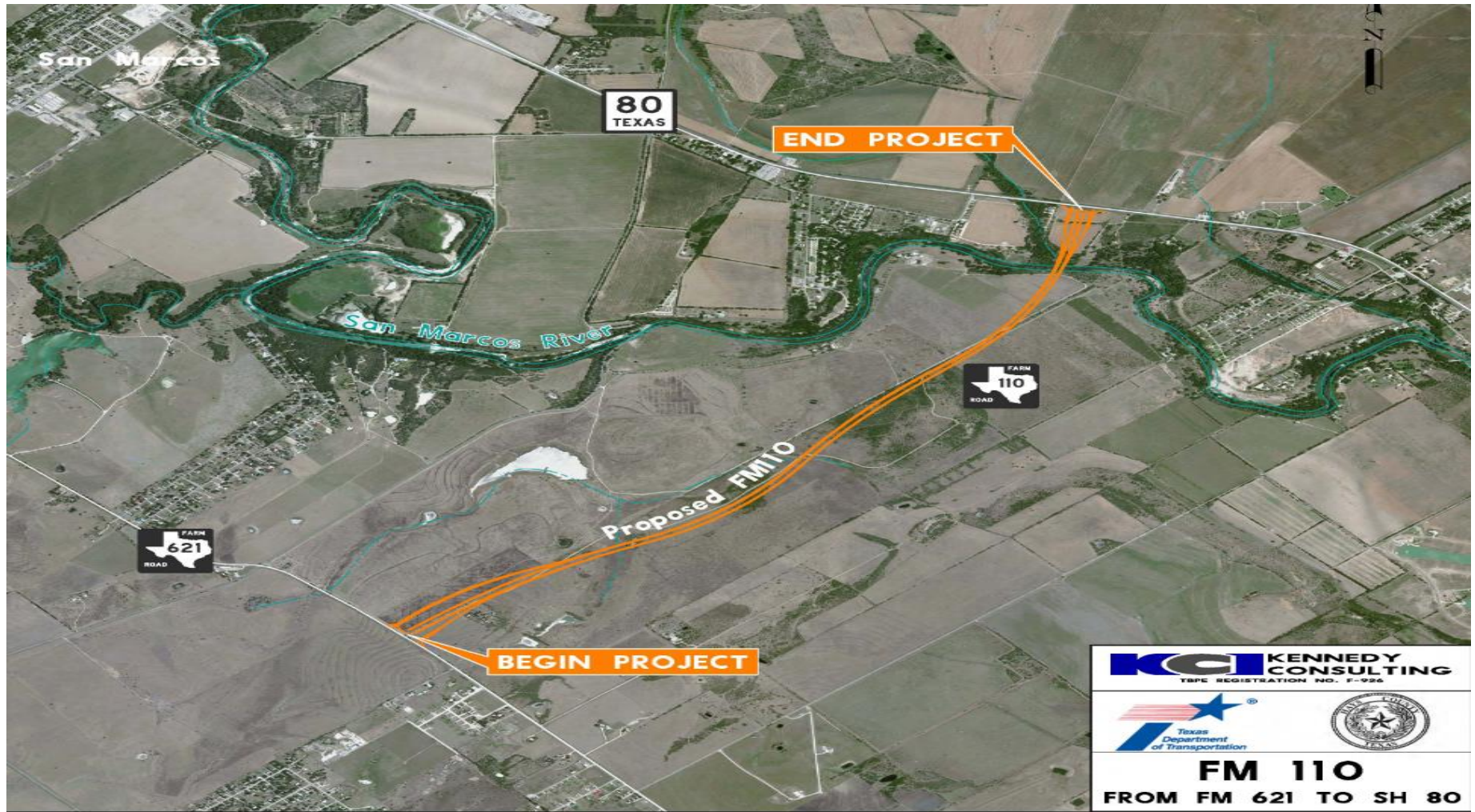


Loop 110 South Section



Construction Start Spring 2019
Construction Time 18 to 24 months

Loop 110 Middle Section



Construction Start Spring 2019
Construction Time 18 to 24 months

Katerra Completion March/April 2020
Rail Completion October 2020

Loop 110 North Section



Construction Start December 2019
Construction Time 18 to 24 months

Katerra Completion March/April 2020
Rail Completion October 2020

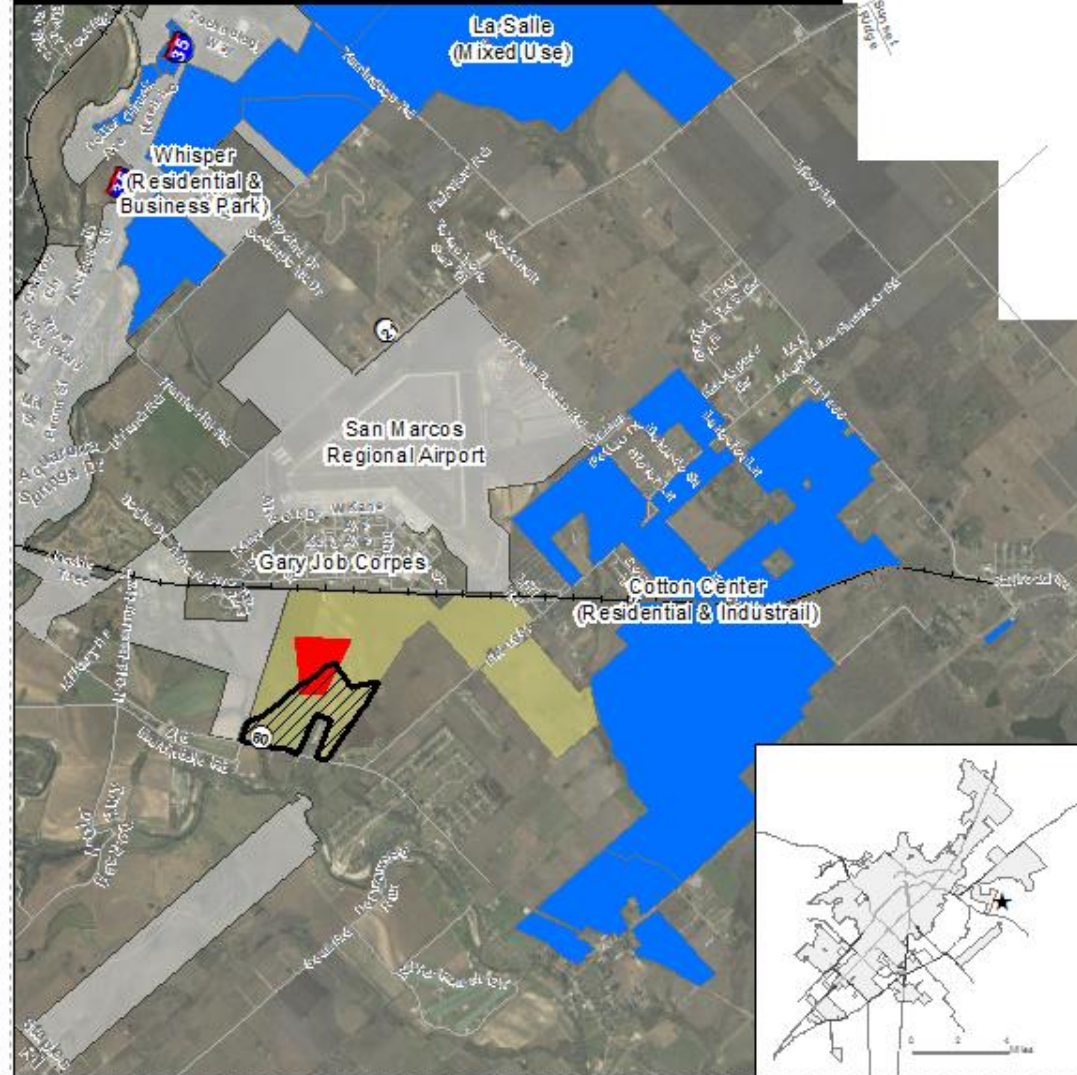
LJA Engineering, Inc. 
PRN - F-1386



Location:

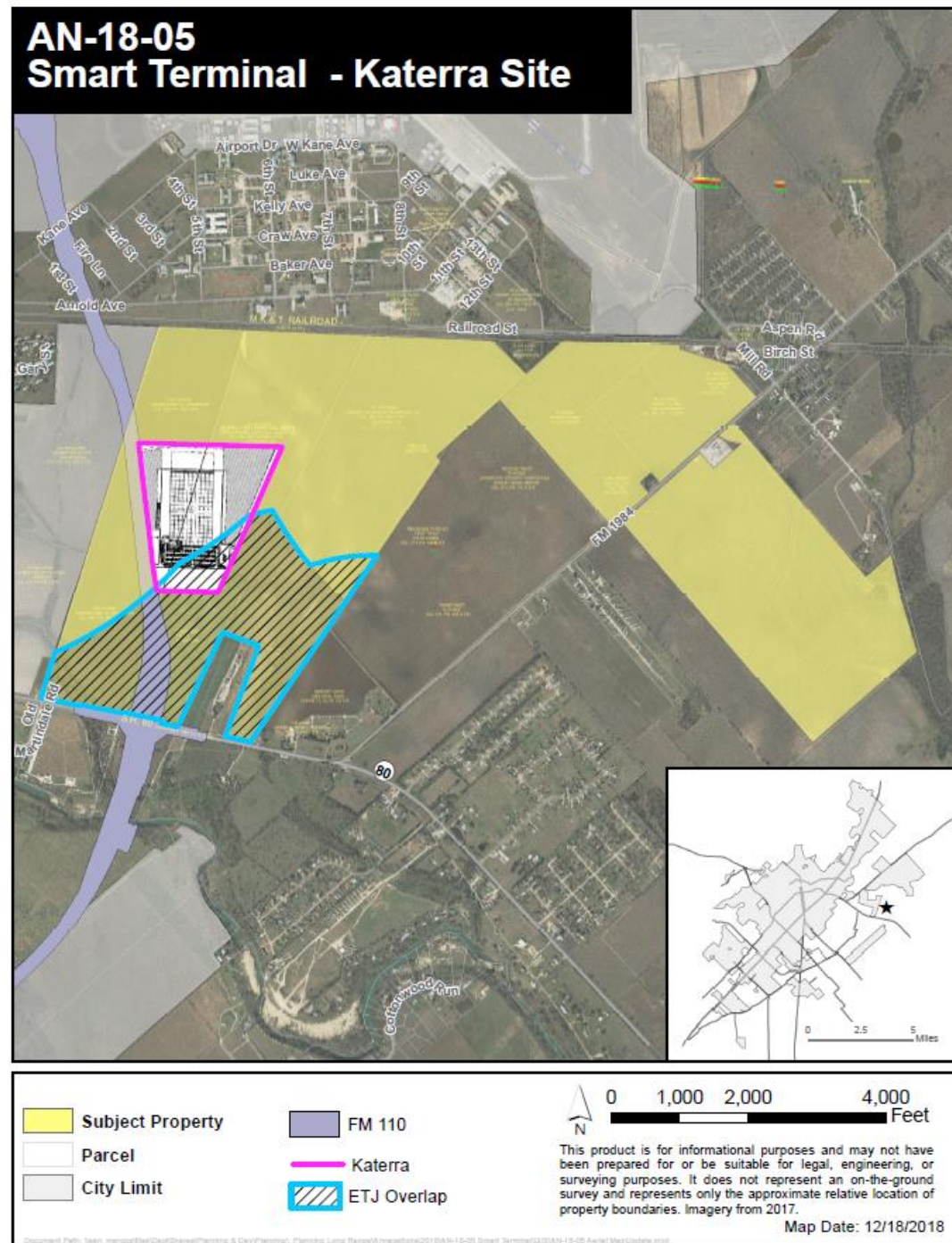
- Approximately 734.6 acres located near Highway 80 and FM 1984
- Surrounding uses include Gary Job Corps, San Marcos Regional Airport, agricultural uses, and single-family residences.

AN-18-05 Smart Terminal — Development Map



Annexation Benefits:

- Full Development Regulations
 - Building Code
 - Fire Code
 - Flood Prevention
- Land Use Control
- Police & Fire Protection
- Potential \$3 - \$4 Billion Property Value Increase



FAQ:

What is the process for annexation of this property?

- The annexation process for this property began in October when the developer and property submitted an application requesting annexation.
- There have been two public hearings held at City Council.
- First readings for the annexation was January 15. Final reading is scheduled for February 29.
- A portion of the original request is within a disputed area of San Marcos and Martindale's ETJ. The applicant has since removed the contested area from the request.

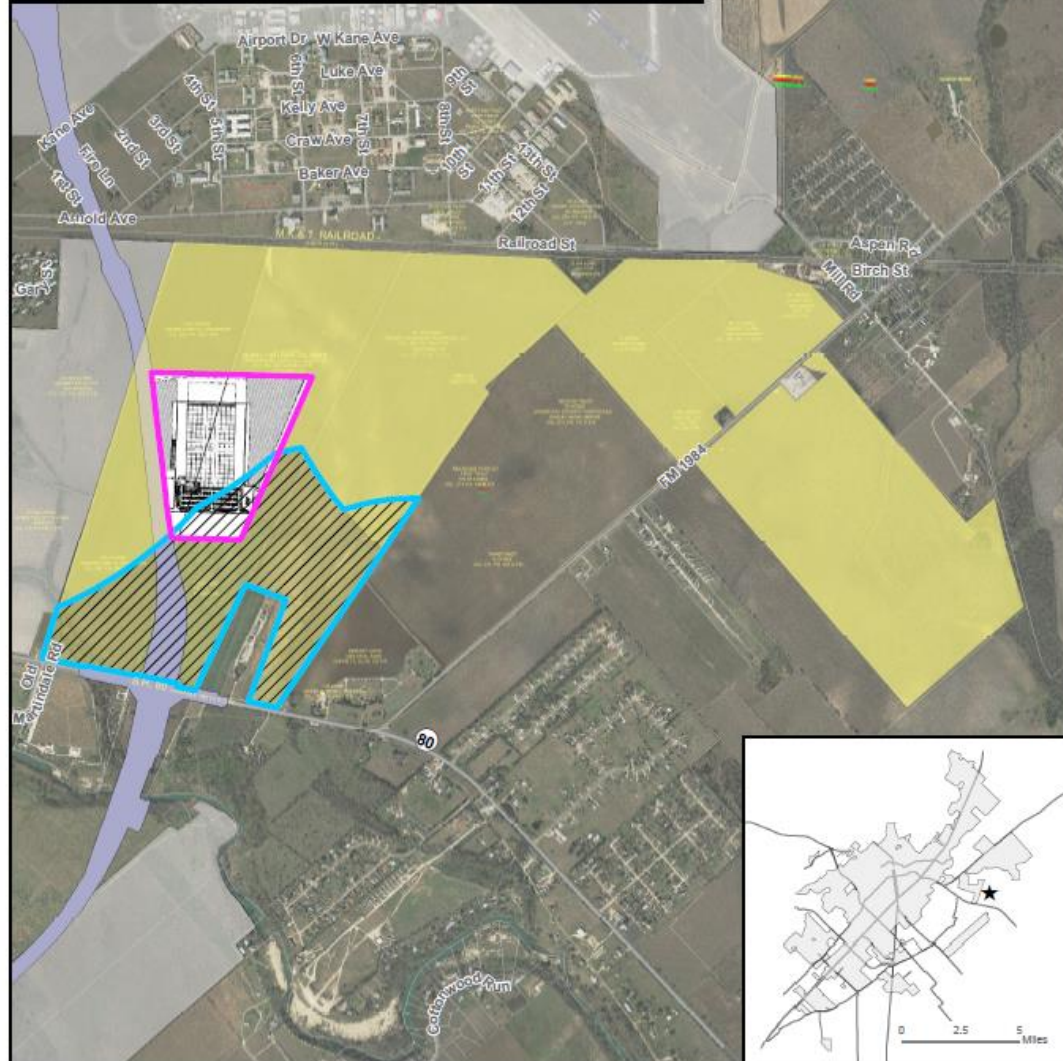
Light Industrial Vs Heavy Industrial

| | Light Industrial | Heavy Industrial |
|--------------------------------|-----------------------------------|------------------|
| Impervious Cover | 80% | 80% |
| Water Quality Standards | Apply | Apply |
| Light Industrial Uses | Allowed | Allowed |
| Outdoor Storage | Allowed with additional screening | Allowed |
| Urban Farm | Allowed | Prohibited |
| Professional Offices | Allowed | Prohibited |
| Emergency Clinic | Allowed | Prohibited |
| Wrecking / Junk Yard | Prohibited | Allowed |

Standards to Discuss

- Land Use Restrictions
- Imperious Cover
- Drainage
- Floodplain
- Water Quality Standards

AN-18-05 Smart Terminal - Kattera Site



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Map Date: 12/18/2018

Proposed Prohibited Land Uses

- Acid manufacture.
- Auto wrecking yards.
- Bulk storage of fuel, liquefied petroleum and flammable liquids. Cement, lime, gypsum or plaster of Paris manufacture. Distillation of bones.
- Explosives manufacture or storage.
- Fertilizer manufacture and storage.
- Garbage, offal or dead animal reduction or dumping.
- Gas manufacture.
- Iron and steel manufacture.
- Junkyards, including storage, sorting, baling or processing of rags.
- Manufacture of carbon batteries.
- Manufacture of paint, lacquer, oil, turpentine, varnish, enamel, etc.
- Manufacture of rubber, glucose, or dextrin. Monument or marble works.
- Oil compounding and barreling plants. Paper or pulp manufacture.
- Petroleum or its products (refining of). Railroad roundhouses or shops.
- Rock crushers.
- Smelting of tin, copper, zinc or iron ores. Steel furnaces.
- Stockyards or slaughtering.
- Structural iron or pipe works.
- Sugar refineries.
- Tar distillation or manufacture.

Proposed Additional Permitted Land Uses

- Professional Office
- Hotel/Motel
- Vehicle Repair (Train Maintenance)
- Building Material Sales (McCoy's)
- Eating Establishment
- Day Care Services

Impervious Cover

City Requirements:

- Existing slopes between 15% and 25% are limited to 35% impervious cover.
- Existing slopes greater than 25% are limited to 20% impervious cover.
- No impervious cover is allowed within a Water Quality Zone, except for limited instances
- Limited impervious cover is allowed within a Buffer Zone.

Potential Developer Discussion:

- Voluntary 72% overall development Impervious Cover limitation
- Allow variation within individual lots

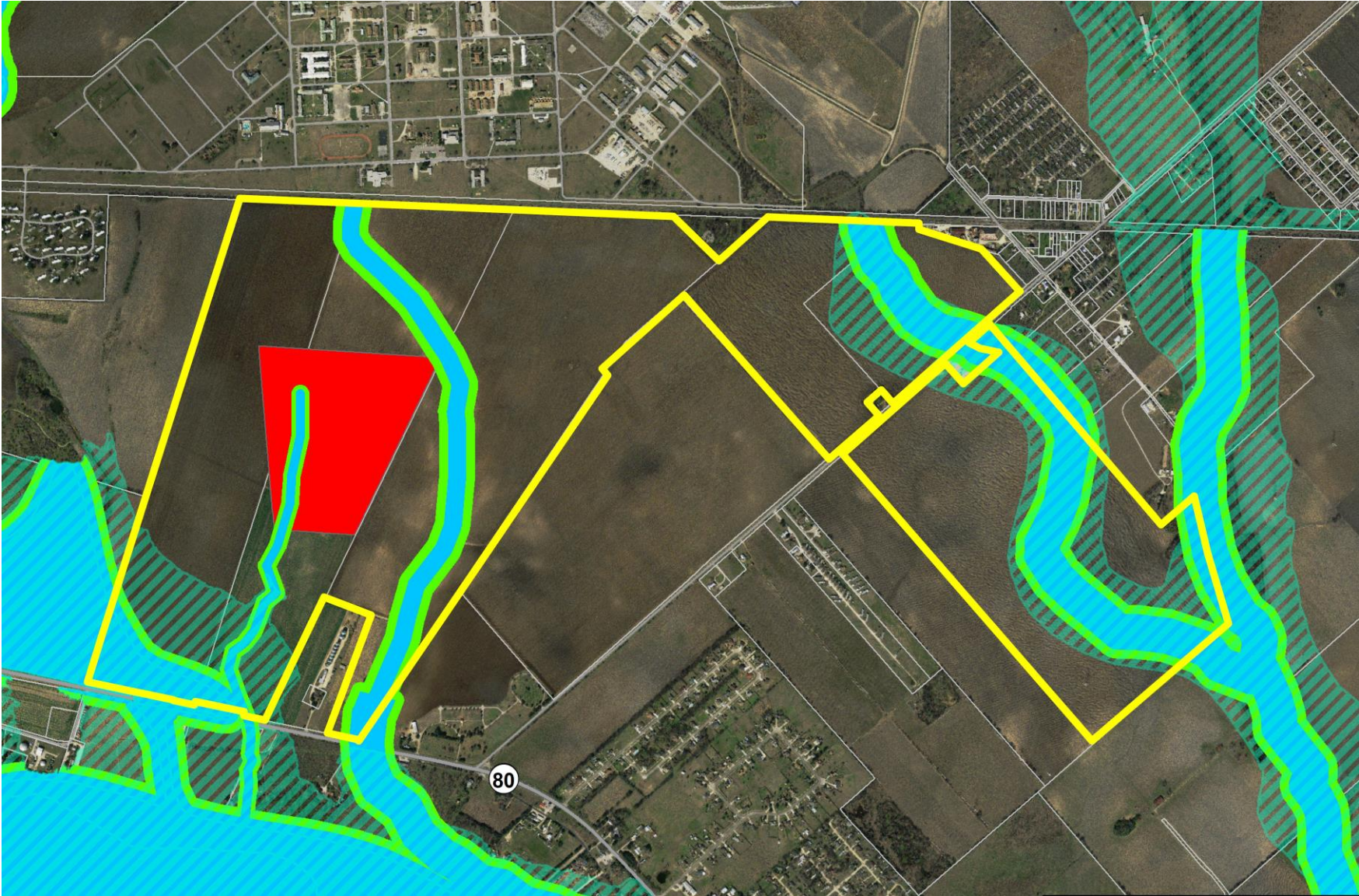
Floodplain

City Requirements:

- City Ordinance treats all floodplain as floodway.
- Hydraulic analysis is required for improvement within the floodplain showing no-rise.
- Floodplain storage volume must be maintained.
- Building lowest floor elevation must be 2-feet above the floodplain.

Potential Developer Discussion:

- Coordination with adjacent upstream property owners to manage flows.



Drainage

City Requirements:

- Runoff from increased impervious cover must be equal to or less than the rate of runoff prior to development for the 2, 10, 25, and 100-year storms.
- No increase in water surface elevations offsite.
- Upstream flow, based on ultimate buildout conditions, must be conveyed through site.
- Drainage infrastructure must be designed for the 25-year storm with the 100-year contained within a drainage easement or ROW.

Potential Developer Discussion:

- Coordination with Airport stormwater flows to assist with management of regional flows

Water Quality

City Requirements:

- Stormwater quality treatment is not required as site is outside Recharge Zone, Transition Zone, SM River Protection Zone, and SM River Corridor and stormwater .
- Water Quality and Buffer Zones are located within the development.

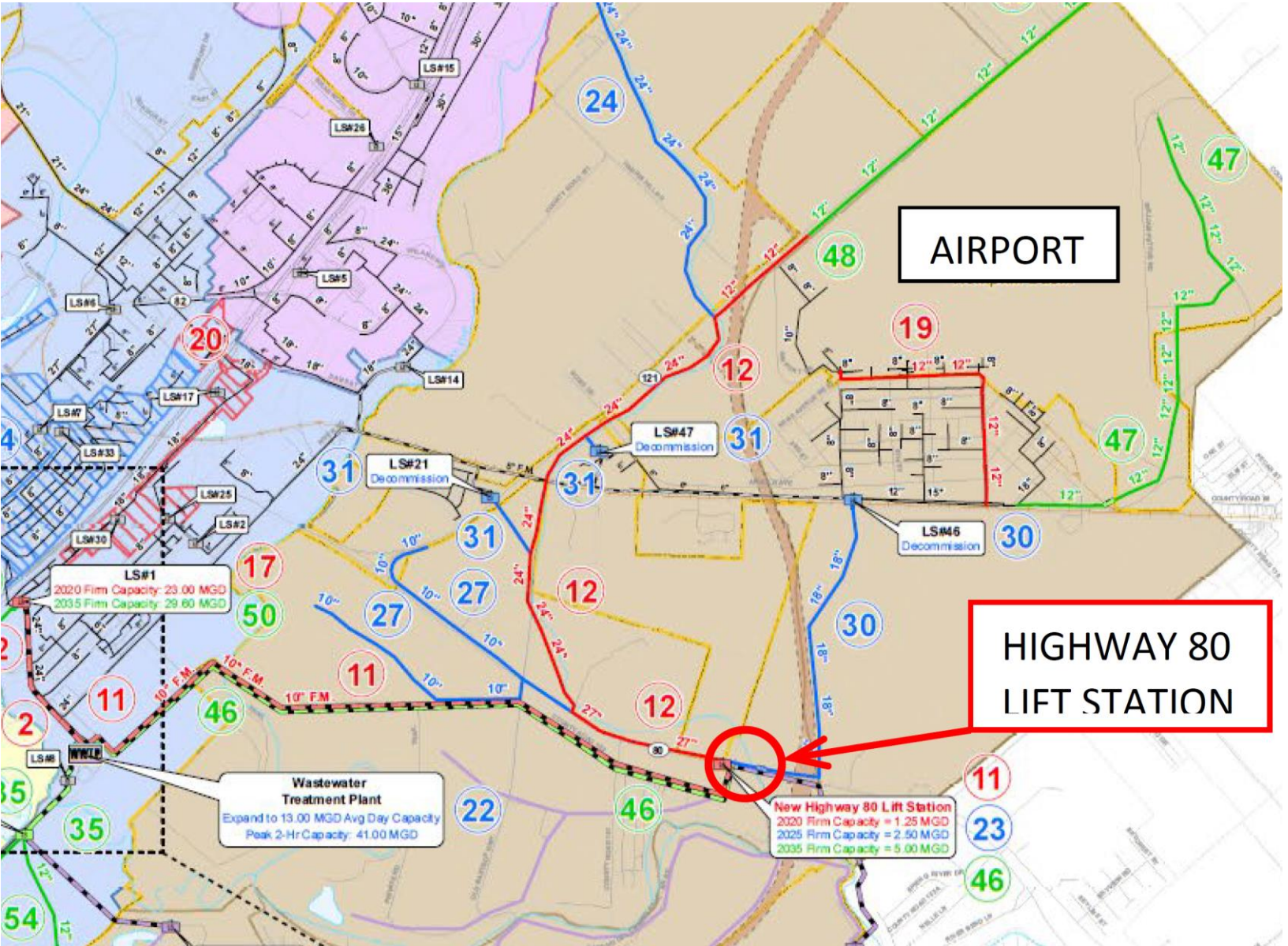
Potential Developer Discussion:

- 70% Total Suspended Solids removal
- Compliance with water volume reduction for stream erosion control

FAQ:

What roadway improvements are in this area?

- The developer has discussed improvements to Hwy 80 with TxDOT and anticipates the need for center and right turn lanes in the vicinity, which should improve safety in the area.
- A traffic impact analysis will be required and will determine which improvements are necessary.
- Construction of FM 110 is scheduled to begin in 2019 and will help alleviate traffic in the area.
- Aligns with Multimodal initiatives



FAQ:

How will development of this property affect the San Marcos Regional Airport?

- The developer is in conversations with Texas Aviation Partners, the organization that manages the San Marcos Regional Airport. Both groups understand that development of this site cannot disrupt future plans to extend runway 35/17.
- Details regarding the runway protection zone will be written into a 380 agreement for Smart Terminal.

FAQ:

How will this affect the number of trains in the area?

- There are currently approximately 21 trains per day along this rail line.
- The applicant indicated that development of this site at peak buildout would increase locomotive traffic by 1 to 3 trains a week.
- Caldwell County has applied for a Department of Transportation Grant for rail improvements.
- Deferring to rail transportation can reduce a company's road miles by up to 80%. One of the potential projects of the S.M.A.R.T. terminal has stated that the company currently drives 15,000,000 road miles per year. By using this terminal, 80% of those road miles would be taken off the highway system.

FAQ: Kattera 380 Agreement?

- 66 Acres are affected by an approved economic incentives development agreement for a project known as Kattera.
- The company has agreed to employ at least 542 individuals and invest \$109 million in the project.
- This agreement waives the following development standards:
 - Block perimeter maximums
 - Dead end street maximums.
 - Maximum blank wall area on a building.
- This agreement also waives a portion of the property taxes for the site.

FAQ: Katerra 380 Agreement Cont.

- The applicant has stated that this project will invest \$45 million in infrastructure improvements and an estimated \$3 to \$4 billion in increased property values. To put this in perspective, the current City of San Marcos' property tax values for residential and commercial are approximately \$4.5 billion in total.
- In order to receive its incentive from the City of San Marcos, Katerra must provide all of its 542 San Marcos employees with employer-sponsored group health insurance, paid sick days, paid holidays, and annual paid vacation based upon length of service. According to the U.S. Census Bureau American Community Survey estimates, over 17% of the San Marcos population did not have health insurance in 2017.
- Estimated annual Katerra purchases subject to local sales tax is \$44,000,000.

FAQ:

Public Safety

- This property is within the recommended five miles from Fire Station #5, which gives the property a sufficient ISO rating. This helps minimize hazard insurance premiums for commercial properties located within the development.
- Development will not impact police operations.

FAQ:

Who will provide utilities to the site?

- Bluebonnet Electric Cooperative will provide electric service to the development.
- This site is within both City of San Marcos and Maxwell's water CCNs. Water service will be provided by both organizations unless the CCN map is adjusted.
- City of San Marcos will provide wastewater service to the site.

FAQ:
Will noise be an issue?

- For Katterra the only outside activity will be trucks arriving and departing and fork lift movement for the wood from the rail spur to the plant. Most of the truck loading is done inside the plant. Most of the trucks will back into a well so that they are level with the plant floor to enable safe handling while loading.
- For outside equipment there will be air conditioning units and a couple of saw dust extractors