

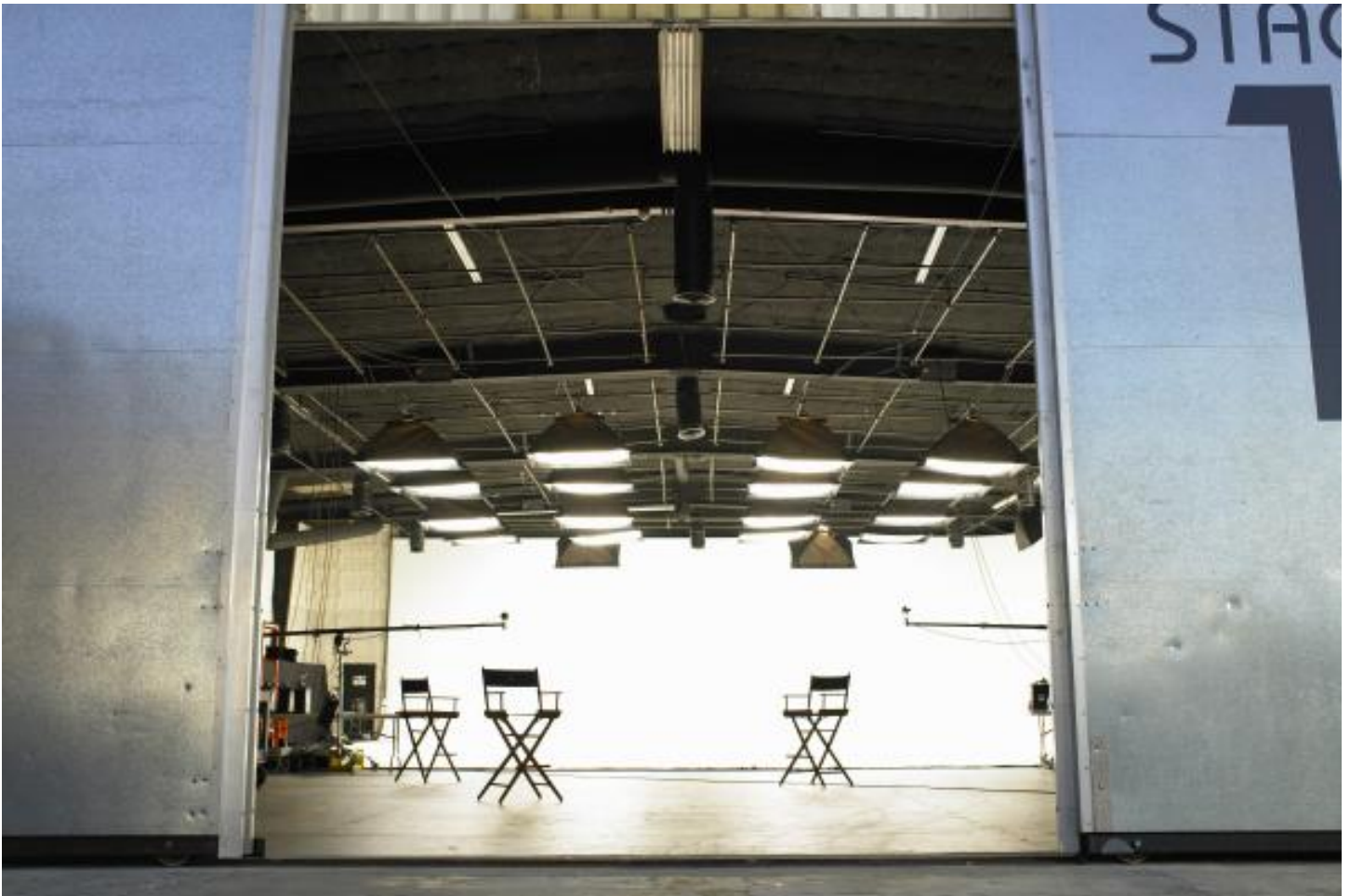


Hill Country Studios

# Hill Country Studios

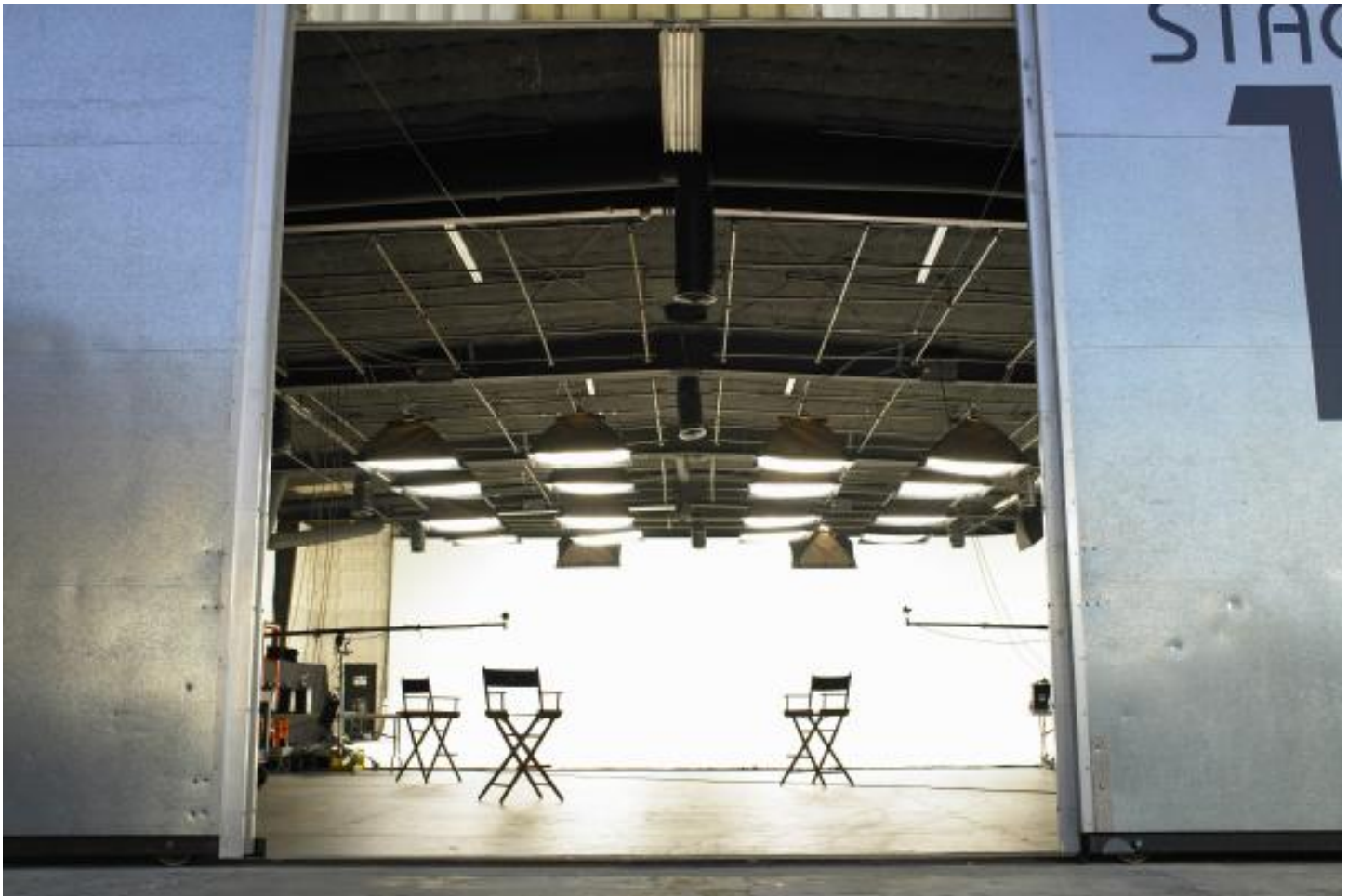
Project FAQ

City of San Marcos



## Project Overview

- 22 full-time employees at \$100K average salary
- Up to 1,400 contract workers with an average of 1,200 on production projects at \$80k average salary
- Total capital investment of \$267M
- 820,000 sf in production stages, workshops, office, and support spaces
- Construction to commence in April 2023
- Phase (1a) to be completed in 18 months from construction start
- Two other phases are planned with anticipated completion in August 2025



## Key Environmental Considerations

- San Marcos impervious cover limits are among the most restrictive across the entire Edwards Aquifer region.
- The La Cima agreement covers a large land area that is restricted to an average of 19% impervious cover overall across its different properties, which is less than the 20% allowed by City Code over the recharge zone. There are over 2,000 acres of open space and habitat preserves set aside as part of the La Cima master plan.
- La Cima agreement enforces lower impervious cover than the current code

Total Impervious Cover	City Code 40% - 30% - 20%	La Cima Agreement 19%
------------------------	------------------------------	--------------------------

The entire La Cima development must meet an overall impervious cover limit of 19% which is below the 20% limit contained in current

City Code. At this location, Hill Country Studios will build at 48% impervious cover, which is less than the 80% that would have been allowed for a commercial project. Hill Country Group, LLC will also develop a Water Pollution Abatement Plan to address stormwater quality and aquifer protection, and construct water quality controls that meet the City's current requirements which are more stringent than the previous agreement. The project will also protect trees, plant native landscaping and is also expected to include onsite vehicle charging stations and a community bicycle program.

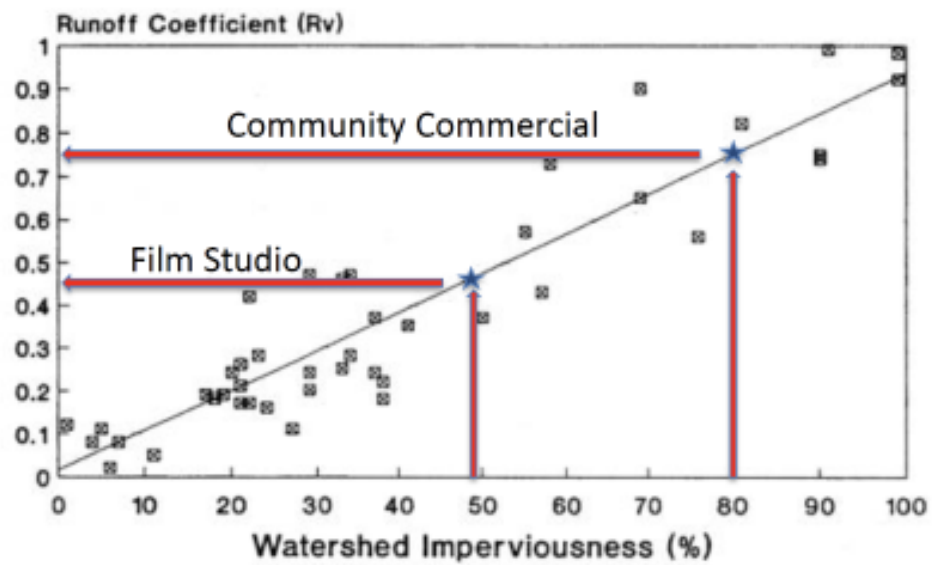
Required before construction:

- Stormwater pollution prevention plan (SWPPP) to address erosion and sedimentation control, construction sequencing to minimize disturbance for stormwater runoff management
- Water Pollution Abatement Plan (WPAP) including a geologic assessment and geotechnical report for aquifer protection

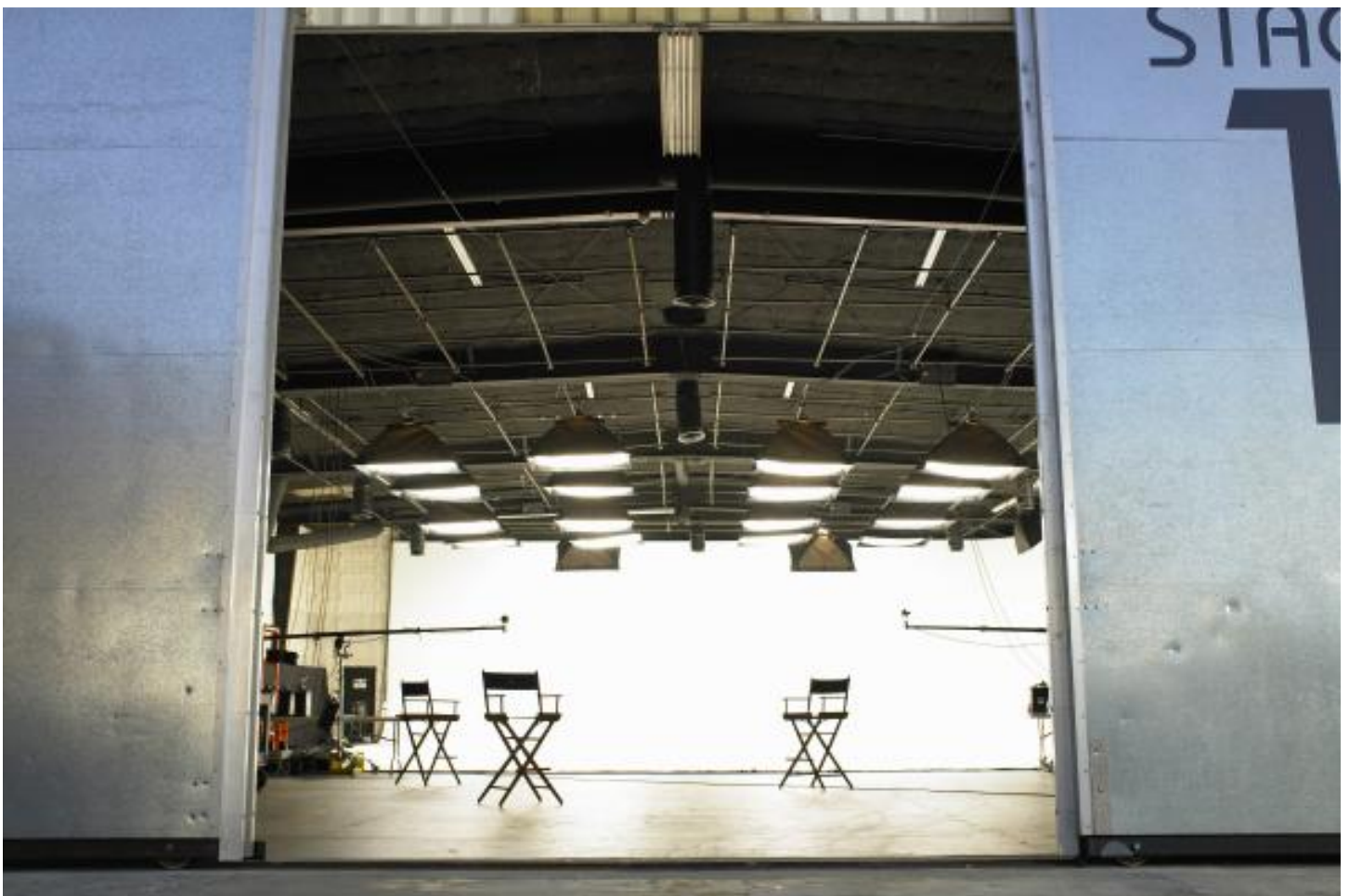
	2013 Agreement	Proposed
Zoning	Community Commercial	Film Studio
Impervious Cover Site	80%	✓ < 48%
Building Setbacks from ROW	10 ft.	✓ 100 ft.
Height Restrictions	None	✓ Yes
Water Quality Treatment (TSS Removal)	Older Code 85%	Current Code ✓ 89%
Minimum Landscaped Area	10%	✓ 15%

- Water quality controls: traditional best management practices and/or approved low-impact development (LID) practices – detention ponds, grassed lines swales, rain gardens, bioswales, biofiltration ponds, and native drought tolerant plants
- Film Studio height restrictions: 40ft / 65ft / 90ft / 110 ft

**Film Studio will have less runoff impact**



Lower % impervious cover means: less runoff, less pollutant loading, more infiltration, more recharge

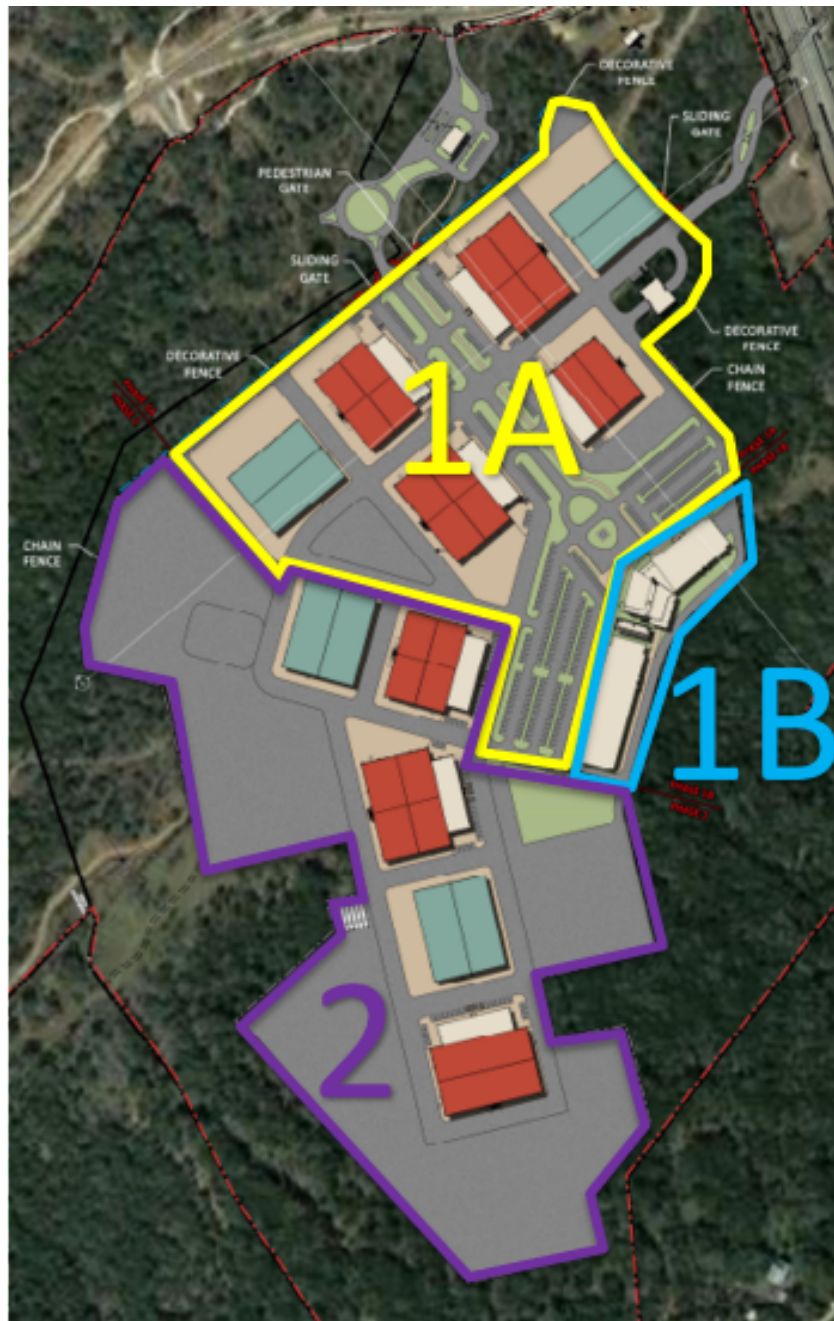


## Location



Hill Country Studios will be built near Wonder World Drive and West Center Point Road in the La Cima development. The 820,000-square foot facility will include stages, workshops, offices, and support spaces. The project will include additional retail space for public use.

- Phase 1A: 7 production stages, 2 workshops, and a welcome center.
- Phase 1B is proposed to add 250K sf of office space
- Phase 2 is proposed to add 5 stages, 2 workshops, and additional support space (complete buildout in 2025).



Development Stages



West Centerpoint Rd and West Wonder World Dr/ Ranch Road 12

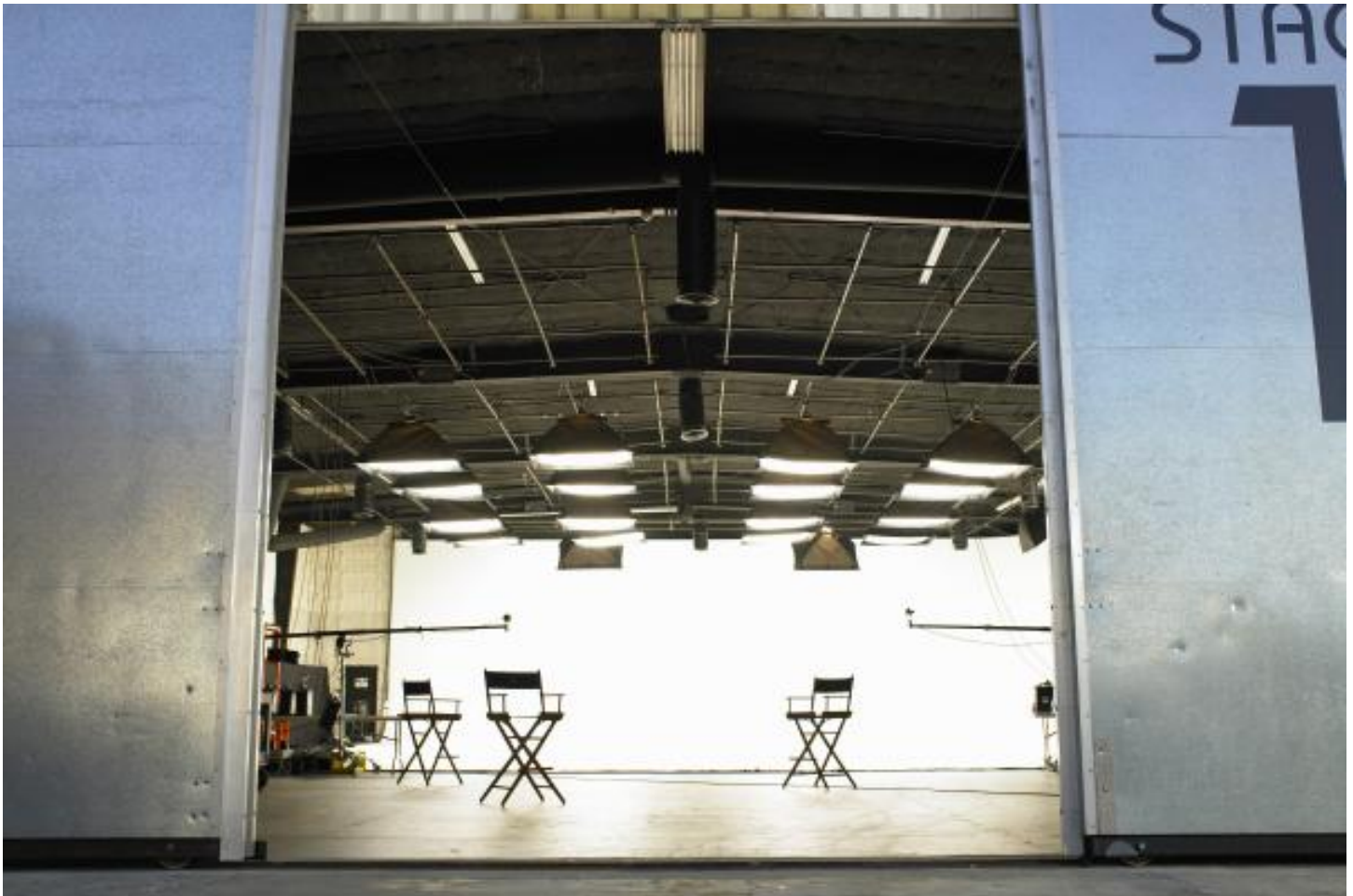
## How can a film production studio be developed in La Cima?

The City does not own the property. Due to State property rights laws, the City cannot prohibit the development of private land. The La Cima development agreement was first approved in 2013 and established development standards for the property. City Council's vote on June 7, 2022 addressed an incentive for Hill Country Studios.

Another company or business can develop at the location under the standards contained in the La Cima development agreement. Under the agreement, the proposed studio location was previously approved for Community Commercial zoning with an impervious cover (rooftops/pavement) limit of 80%. Community commercial zoning is intended for larger general retail establishments and service facilities (think of the large groups of big box stores you see along a major highway). The film studio can develop at this location subject to reduced impervious cover levels and higher water quality treatment standards. Due to State property rights laws, the City cannot prohibit the development of land that already has entitlements.

## So why provide an incentive for a film studio company?

The current studio project proposes building at less than 48% impervious cover. The developer will be required to develop a Water Pollution Abatement Plan to address stormwater quality and impacts to the aquifer. They will also be required to construct water quality and flood detention controls, protect trees and provide native landscaping as part of the development. The project will also provide 100-foot building buffers from W. Centerpoint Road and Ranch Road 12 – only a 10-foot buffer is required. La Cima has preserved large areas of land for natural areas and parks.



## Background

During the Regular Meeting scheduled for Tuesday, June 7, the San Marcos City Council voted to approve the Chapter 380 Economic Development Agreement with Hill Country Group, LLC. The agreement would provide a tax rebate incentive for the company to build a film production studio known as Hill Country Studios. The project was



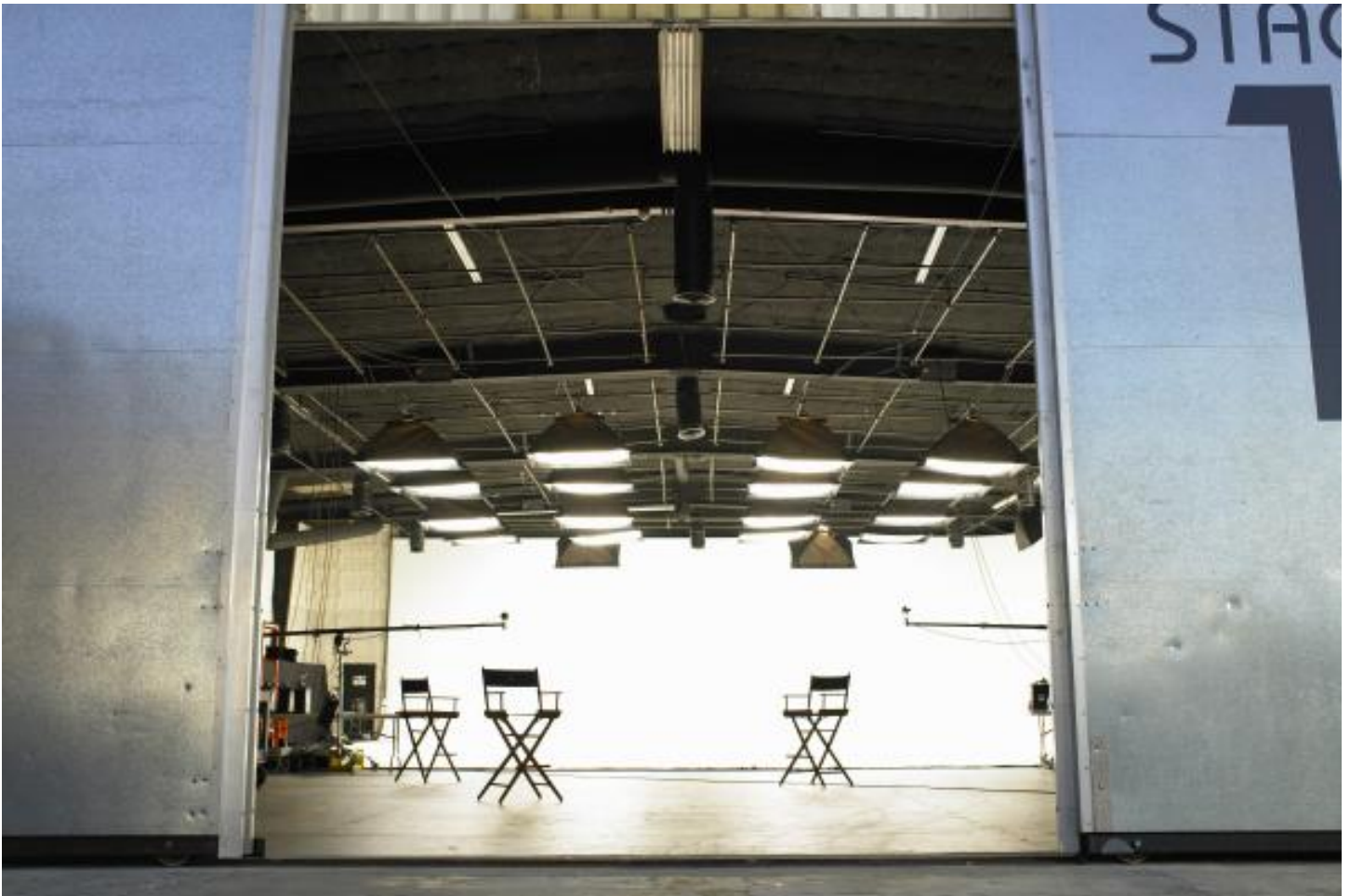
initially submitted for consideration in April 2021. The agreement was recommended by the Economic Development Board in November 2021, and was previously discussed by Council in November 2021 when film and production facilities were added as allowable uses for the La Cima development.

## **What is Hill Country Studios?**

Hill Country Studios is a film production studio to be built by Hill Country Group, LLC. Construction on the project is expected to begin in April 2023 and will be conducted in three phases, with an anticipated completion date set for August 2025.

## **Why a film production studio?**

The development of Hill Country Studios is expected to positively impact our local economy. According to the Motion Picture Association, production of a major motion picture contributes an average of \$250,000 per day to the local economy. A single one-hour television episode contributes an average of \$150,000 to the local economy per day.



## **Growing industry in Texas with a strong economic impact**

- Pays higher than average salaries
- \$250k per day is contributed to the local economy on average by a major motion picture shooting on location
- \$150k per day on average by a single one-hour tv episode shooting on location

## **What kind of jobs will Hill Country Studios bring to San Marcos?**

Hill Country Studios is expected to bring 44 full-time employees to San Marcos and employ up to 1,400 additional contract workers. The full-time employees will earn an average \$100,000 salary and the contract workers will earn an average \$80,000 salary.

The industry provides quality jobs,  
with higher than average salaries.

**74%** higher salary than the national average  
for direct jobs overall

**98%** higher salary than the national  
average for production jobs

National average \$64,021

Direct jobs \$111,491

Production related jobs \$126,805

Distribution related jobs \$102,808

Source: Motion Picture Association and Bureau of Labor Statistics

YEAR 1 IS 2025 AFTER COMPLETE BUILDOUT

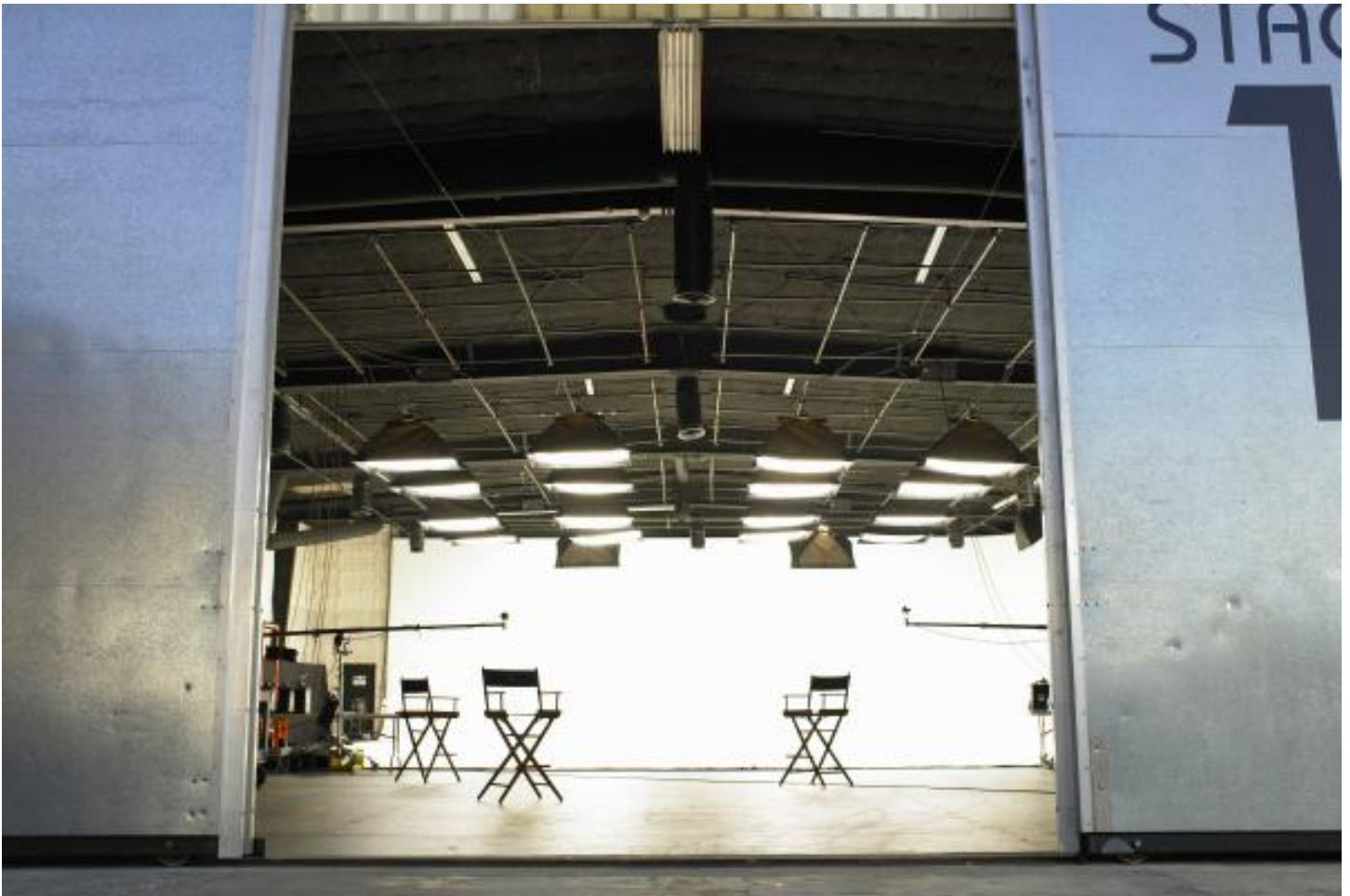
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
City Rebate %	90%	80%	60%	40%	20%	0%	0%	0%	0%	0%	
Amount retained by City	\$161K	\$323K	\$645K	\$968K	\$1.29M	\$1.6M	\$1.6M	\$1.6M	\$1.6M	\$1.6M	<b>\$11.4M</b>
Amount rebated	\$1.45M	\$1.29M	\$968K	\$645K	\$323K	\$0	\$0	\$0	\$0	\$0	<b>\$4.6M</b>
SMOSD Property Tax (no rebate)	\$3.1M	\$3.1M	\$3.1M	\$3.3M	\$3.1M	\$3.1M	\$3.1M	\$3.1M	\$3.1M	\$3.1M	<b>\$31.3M</b>

The City is expected to collect an additional \$2.1 million in property taxes in 2023-2024 before the incentive is active in Year 2025

Return on property tax incentive – 249%

Payback period – 5 years 9 months

Note: Numbers are rounded



## Benefits to San Marcos

- \$250k per day is contributed to the local economy on average by a major motion picture shooting on location
- \$150k per day on average by a single one-hour tv episode shooting on location

Local vendors will benefit from work on projects

- Ex. Caterers, dry cleaners, lumber suppliers, digital equipment suppliers, electricians, commercial real estate agents, tailors, plumbers, carpenters (*The film industry in Georgia supports over 33,000 additional jobs in other industries*)

Potential for collaboration with Texas State University and San Marcos CISD for internships and training opportunities





Source: Motion Picture Association

## **How will a film production studio impact local businesses and schools?**

Hill Country Studios will support local vendors providing services and supplies needed for projects. These include caterers, dry cleaners, tailors, lumber suppliers, electricians, plumbers, and carpenters to name just a few. It also carries the potential for collaboration with local students at SMCISD and Texas State University through internships and training programs.

## **I'm a local businesses owner interested in providing my services to Hill Country Studios. What do I do?**

The Texas Film Commission maintains a database of businesses available to offer services to production companies. Local businesses interested in creating a listing can register for free at [gov.texas.gov/film](https://gov.texas.gov/film).

## **What is being done to protect the environment related to this project?**

The entire La Cima development must meet an overall impervious cover limit of 19% which is below the 20% limit contained in current City Code. At this location, Hill Country Studios will build at 48% impervious cover, which is less than the 80% that would have been allowed for a commercial project. Hill Country Group, LLC will also develop a Water Pollution Abatement Plan to address stormwater quality and aquifer protection, and construct water quality controls that meet the City's current requirements which are more stringent than the previous agreement. The project will also protect trees, plant native landscaping and is also expected to include onsite vehicle charging stations and a community bicycle program.

## **What are the details of the Chapter 380 Economic Development Agreement?**

The incentive agreement approved by City Council will provide tax rebates for five years, beginning once construction is complete in 2025. Under the agreement, the City is expected to retain a total of \$11.4 million in property taxes and rebate \$4.6 million in property taxes between 2025 and 2035. The City is expected to collect an additional \$2.1 million in property taxes before the agreement becomes active in 2025. The City's 10-year economic impact analysis projects a 249% return on investment, not including additional income generated through permitting, applications, or construction activity.

## **Who do I contact regarding employment opportunities?**

Employment inquiries can be made at [www.hillcountry.studio](http://www.hillcountry.studio). Click on the red "Contact" button and submit a form identifying that your inquiry is regarding employment.

