



Consider Approval of a Chapter 380 Agreement with Buc-ee's, LLC

February 20, 2024

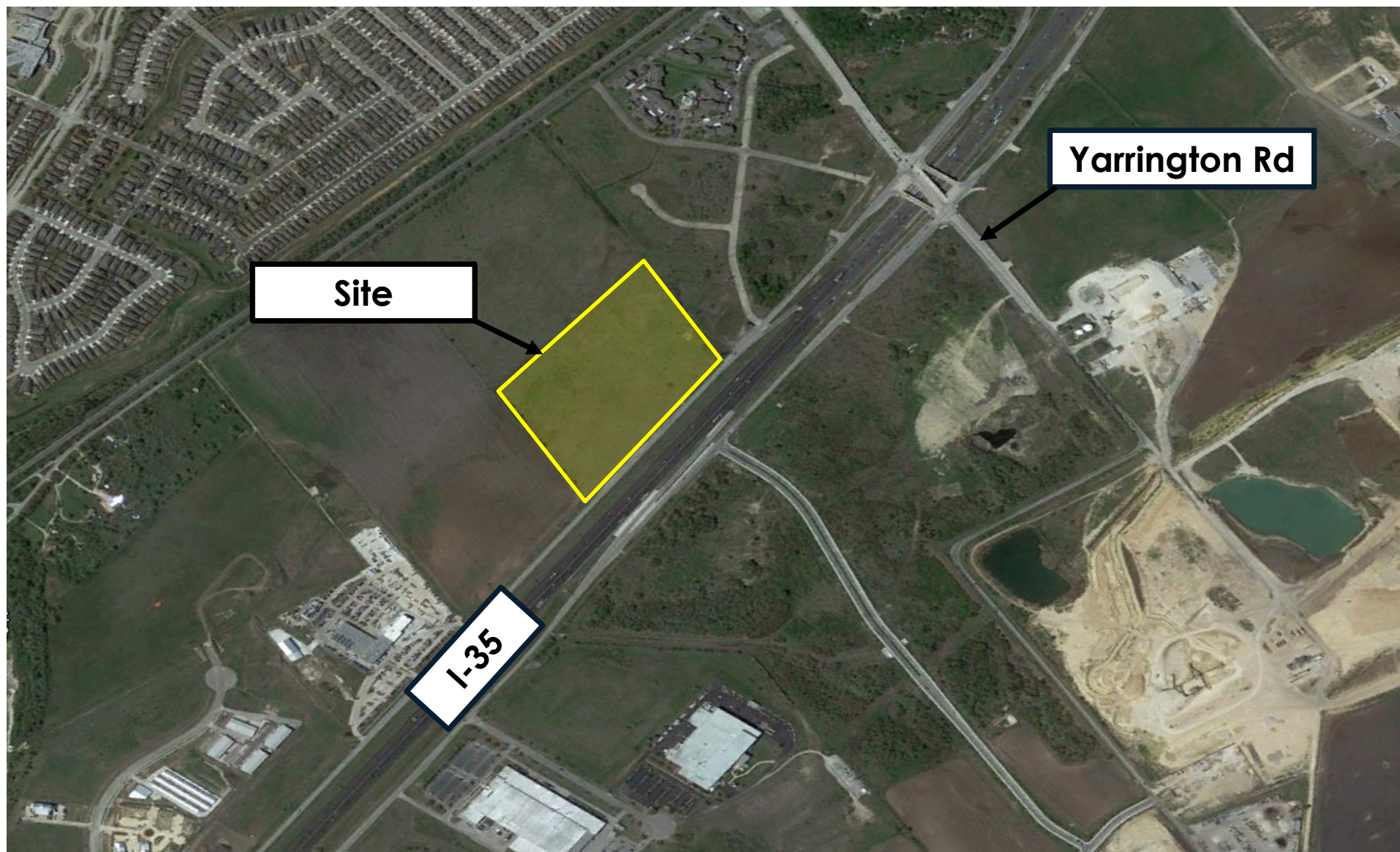


About the Project

- Approx 74,000 SF Family Travel Center
- 120 Fueling positions with capacity for Electric Vehicle charging
- Located on ~ 22 acre site fronting Southbound I-35
- Capital investment of \$50 million
- 175 Full time jobs – average annual wage \$43,855



Project Location







Environmental

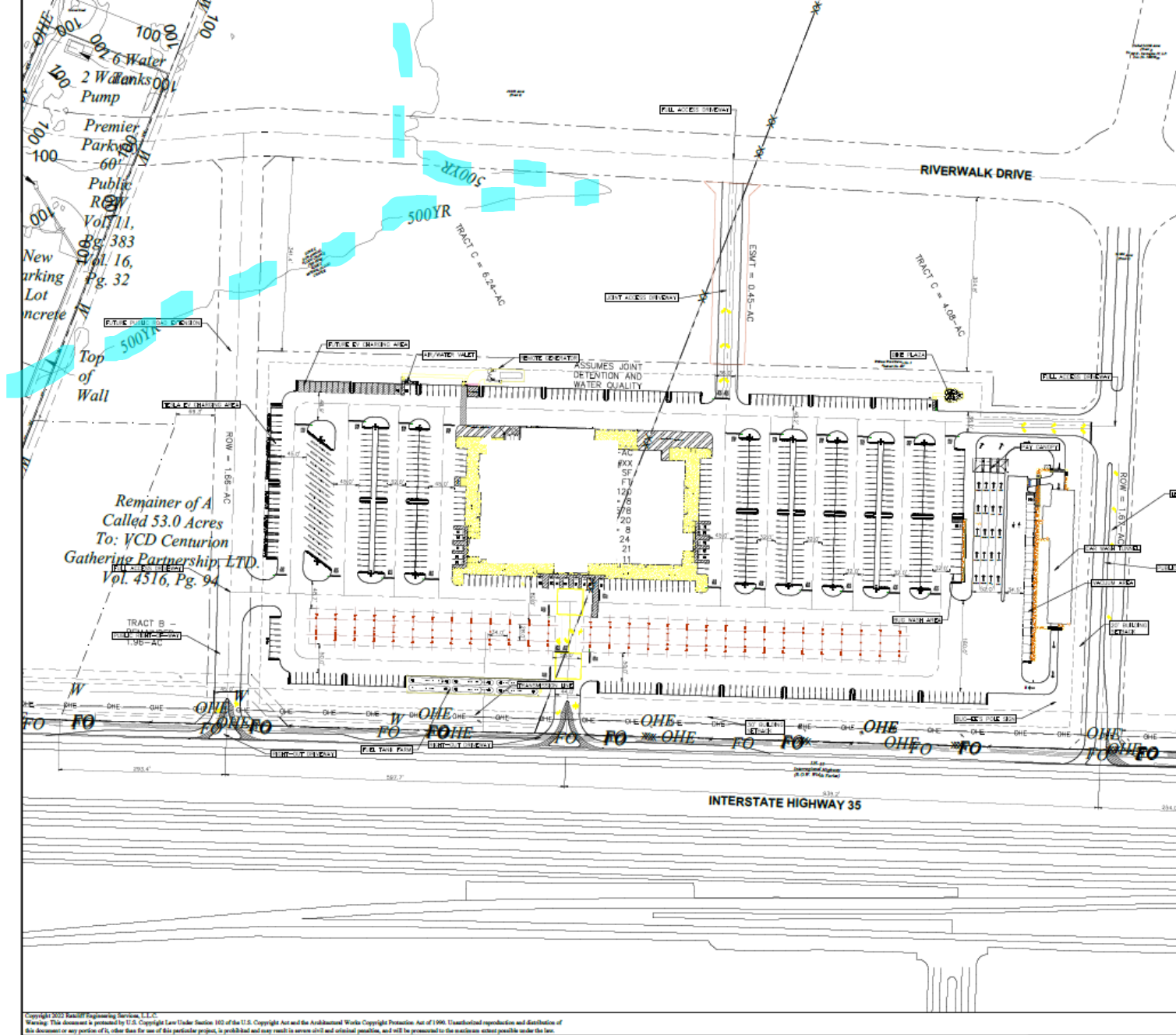
Not Located within:

- Any Edwards Aquifer Zone
or
- Water Quality Zone

Outside of 500-year floodplain

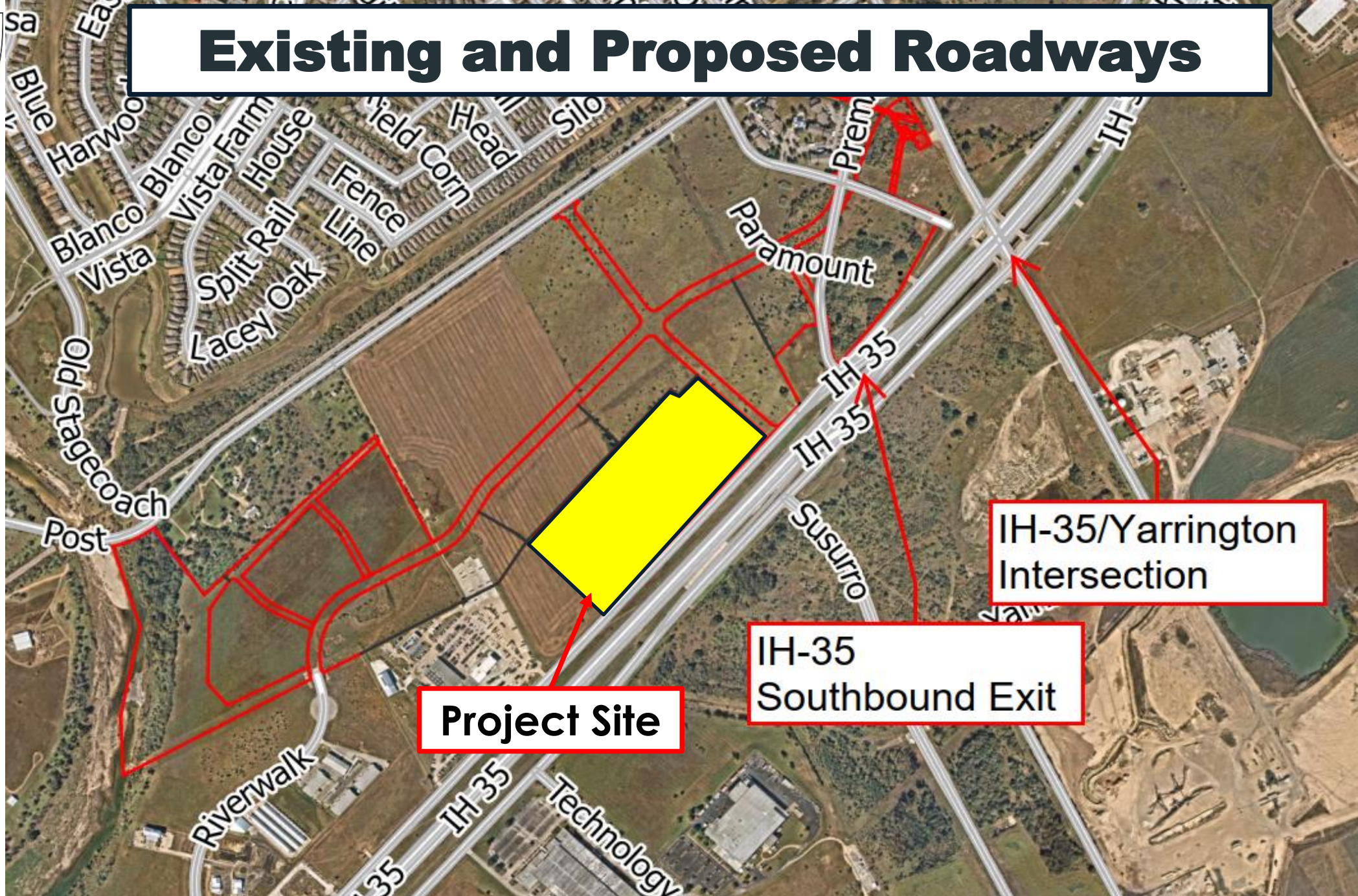
~~Will install oil water separators
for each fueling area storm
drain inlet~~

~~Will install one or more oil
water separators to receive
runoff from fueling area~~

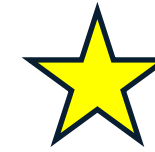
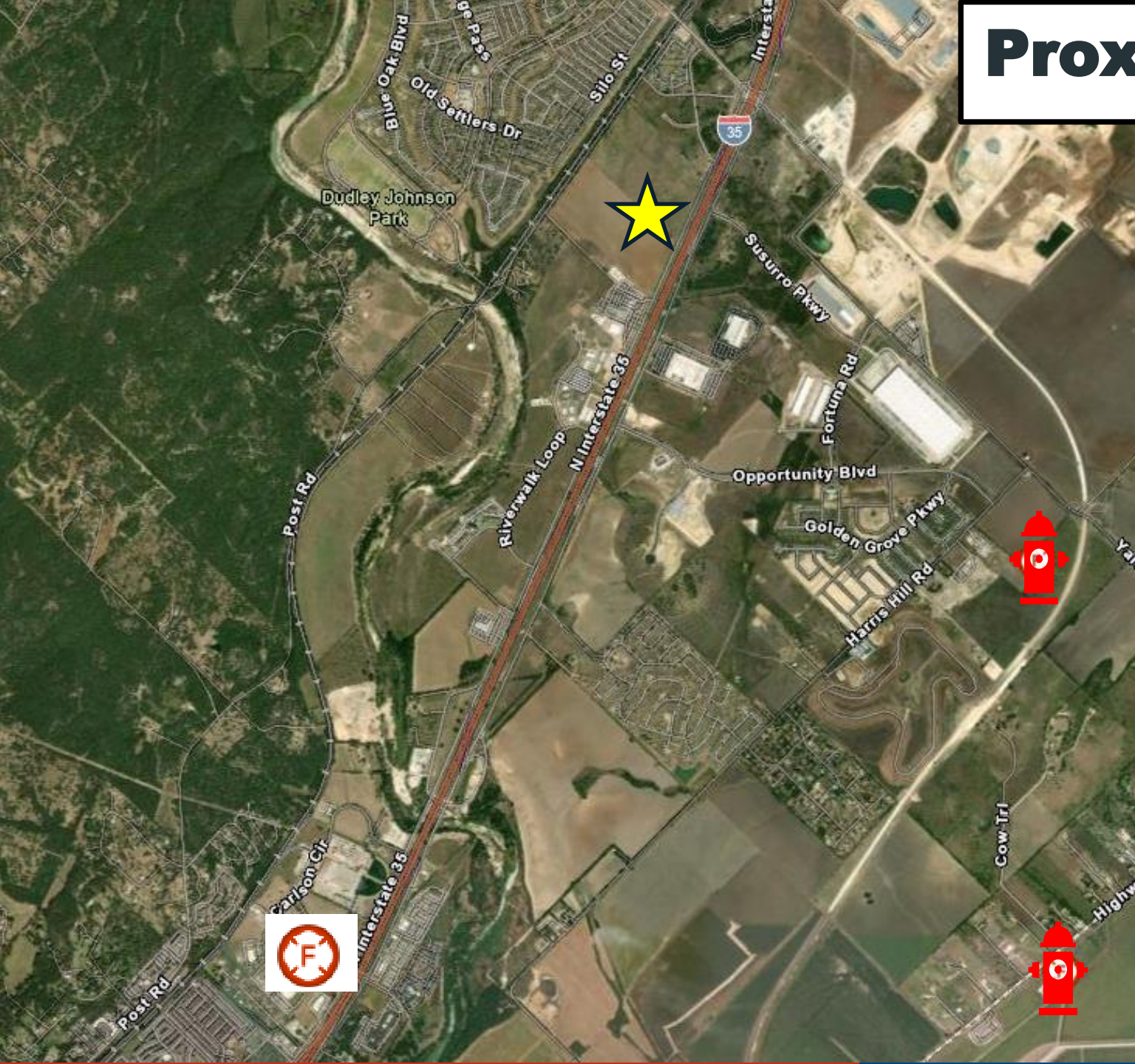




Existing and Proposed Roadways



Proximity to Fire Stations



Site Location



Future Fire Station



Fire Station #5



Sustainability

Stormwater Quality:

Stormwater collection is designed to direct stormwater run-off from customer fueling and bulk delivery areas to one system, flowing to one or more oil/water separators ~~installed in each individual inlet in the system.~~

Water Conservation:

- Rain-sensor irrigation system
- Rainwater harvesting system (1st for the company)
- High efficiency water fixtures and lighting



Sustainability Continued

Energy Conservation:

- Integrated timed/light-sensing controls
- All exterior light fixtures are fully shielded, full cut-off, 100% downward directional, and mounted as low as practical.
- 65% of the total lumen output is situated under the fuel canopies.

Electric Vehicle Charging:

- Plan is to accommodate EV charging stations along perimeter parking
- Approximately 100-175 spaces available to install as dictated by consumer demand and third-party providers



Proposed Jobs

Number of Proposed Full Time Jobs

- Planned Jobs = 200 to 225
- 175 minimum number of jobs needed to operate store during a pandemic
- Typical starting wage is \$18/hour with benefits

Employee Benefits:

- Employer sponsored health insurance starting after 60 days
- 401k – 100% match up to 6%
- 3 weeks paid time off per year (rolls over)
- Additional \$2/hour for overnight shift



Proposed Terms

- Capital investment of \$50 million
- Minimum 175 full time jobs with benefits
- No rebate of property taxes – 100% capture by City, County, ISD
- 50% sales tax rebate over 15 years assuming County participation
- Sign standards modified to allow for a 68' pole sign with sign face area up to 360 square feet prominently featuring San Marcos's name
- Company to donate \$100,000 to City community fund
- Rainwater harvesting, oil water separators, lighting standards
- Make effort to hire local residents, contractors and suppliers



Potential Revenue to the City

Property Tax Collections

Rebate %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
City Rebated	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Retained	\$205K	\$390K	\$391K	\$392K	\$394K	\$396K	\$400K	\$403K	\$408K	\$412K	\$420k	\$428k	\$436k	\$444k	\$452k	\$5.9 million

50% Sales Tax Rebate

Rebate %	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
City Rebated	\$188K	\$191K	\$195K	\$199K	\$203K	\$207K	\$211K	\$215K	\$220K	\$224K	\$229k	\$233k	\$238k	\$243k	\$247k	\$3.2 million
City Retained	\$188K	\$191K	\$195K	\$199K	\$203K	\$207K	\$211K	\$215K	\$220K	\$224K	\$229k	\$233k	\$238k	\$243k	\$247k	\$3.2 million

*Numbers rounded



Potential Revenue to the City, County and ISD

Local Entity	Total Rebate	Total Sales Tax	Total Property Tax
City	\$3.2M	\$3.2M	\$5.9M
County	\$1M	\$1M	\$2.8M
Hays CISD	\$0	\$0	\$11.4M

Return on City incentive over 15 years:

(Gain of investment – cost of investment)/cost of investment

(\$12.3M property/sales taxes - \$3.2M in rebate)/ \$3.2M in rebate = 2.84 or 284%

15-year taxes collected to Hays County is \$3.8M (Net of sales tax rebate)

15-year taxes collected to Hays CISD is \$11.4M

***Numbers rounded**



EDSM Recommendation

- Economic Development San Marcos Board voted 7-0 on December 18, 2023, to recommend this project and incentive to the City Council at the following level:
 - 50% sales tax rebate for 10 years
 - Assumes Hays County to match City incentive for the same term
- After additional benchmarking with other municipal Chapter 380 agreements, term was set at 15 years



Staff Recommendation

Staff recommends Council approve a Chapter 380 economic development incentive agreement as presented on next slide on first reading.

Next Step

- City Council consideration on second reading



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Questions