

**DRAFT**  
**City of San Marcos**  
**Economic Development Supplemental Fund**

**Section 1. Purpose.** The City of San Marcos has established an Economic Development Supplemental Fund (Fund) to supplement existing economic development incentive tools and provide for land, buildings, equipment, facilities, targeted infrastructure, and improvements related to the creation or retention of primary jobs.

**Section 2. Qualified Projects.** The Fund may be used for projects that have qualified for Chapter 380 Economic Development Incentive from the City of San Marcos in the following categories:

- **Business and support facilities,** including national and regional corporate headquarters, back office operations, customer care service centers, processing and data centers. Professional, scientific and technical services are eligible projects, provided the facilities create or retain primary jobs.
- **Manufacturing and industrial facilities,** including manufacturing in aerospace/aviation, material sciences, life sciences and information technology and other advanced manufacturing facilities are eligible projects, provided the facilities create or retain primary jobs.
- **Research and development facilities** are eligible projects, provided the facilities create or retain primary jobs.
- **Distribution centers and warehouse facilities,** are eligible projects, provided the facilities create or retain primary jobs. With access to major airports and a crucial interstate corridor, coupled with our status as a Freeport Exemption City (the City, Hays County and SMCISD will soon have “Triple Freeport” status), the City provides a prime location for distribution centers.
- **Other facilities.** The Fund may be used for other exceptional job creation opportunities as determined by the Economic Development San Marcos (EDSM) Board and the City Council.

**Section 3. Use of Funds.** For Qualified Projects that provide primary jobs, the Fund may be used to provide the following:

- Transportation facilities (including but not limited to airports, hangars, air cargo facilities, related infrastructure located on or adjacent to an airport facility, ports, mass commuting facilities and parking facilities);
- Sewage or waste water facilities;
- Air or water pollution control facilities;
- Public Safety facilities;
- Streets and roads;

- Drainage and related improvements;
- Demolition of existing structures;
- General municipal-owned improvements; and
- Any improvements or facilities that are related to any of those projects and any other projects that the EDSM Board in its discretion determines promotes or develops new or expanded business enterprises that create or retain primary jobs.

**Section 4. Additional Uses of Funds.** For Qualified Projects that do not create or retain primary jobs, the Fund may be use to provide the following:

- **Certain infrastructure improvements that promote or develop new or expanded business enterprises.** The Fund may be used to assist with infrastructure necessary to promote or develop new or expanded business enterprises; however, those improvements are limited to streets and roads, rail spurs, water and sewer utilities, electric utilities, gas utilities, drainage, site and related improvements, and telecommunications improvements.
- **Airport Facilities.** The Fund may be used to assist with land, buildings, facilities, infrastructure, and other improvements required or suitable for the development or expansion of airport facilities.
- **Professional and amateur sports and athletic facilities.** The Fund may be used to assist with the development of professional and amateur sports and athletics facilities including stadiums and ballparks.
- **Entertainment, tourist, and convention facilities.** The Fund may be used to assist with entertainment, tourist, and convention facilities, including auditoriums amphitheaters, concert halls, museums and exhibition facilities.
- **Water conservation programs.** The Fund may be used to assist with water conservation programs, including installation of water-saving plumbing fixtures, educational programs, and programs to replace malfunctioning or leaking water lines and other water facilities.

**Section 5. Procedures.** The process for approval of the use of the Economic Development Supplemental Fund shall be:

- 1) Analysis of proposed Fund use by the Greater San Marcos Partnership,
- 2) Review and Recommendation by the EDSM Board; and
- 3) Review and Final Approval by the City Council.