

Economic Development Policy – Justification Table

(June 1, 2021 Work Session Discussion)

Slide #	Recommendation	Justification
City Staff Recommendations		
7	Update purpose and objective statement to captures the City’s current goals for development to include consideration of community values.	This introduction will be the guiding reason for when and if the City of San Marcos will offer incentives to a new or existing company, and these companies should support the values of the community. This statement should sufficiently outline the goal of the policy as it relates to development as the rest of the policy should refer back to this objective.
8	Add definitions for “Full-Time Jobs”, “Local Labor Force”, and” for clarity.	<ul style="list-style-type: none"> Currently, there is a lack of an agreed-upon measure for what constitutes a full-time job (e.g. 30 hours, 32 hours, or 40 hours per week.) Adding this definition will ensure that companies are correctly listing their employee categories when seeking incentives. Local labor force could be defined as within the City of San Marcos city limits, within Hays and Caldwell Counties, or within a certain geographic or drive time. Defining this will help clarify hiring targets relative to incentive requirements.
8	Update definitions for “Family Living Wage,” “Targeted Industries,” and “Headquarters.”	<ul style="list-style-type: none"> The family living wage is defined at \$15.00/hour. This number may or may not still be appropriate to use. The City could choose to use the MIT Living Wage Calculator which signifies the living wage for Hays County as \$15.42/hour. A definition for minimum number of employees should be added for a facility to constitute a headquarters. Without a minimum, a company of two people could claim an extraordinary impact score by saying their headquarters is moving to San Marcos. Listing the targeted industries within the document will add clarity for potential applicants as to whether they would be eligible. These target industries could be the same as the <i>Vision</i> Target Business Analysis or if they can be separate targeted industries specific to the City of San Marcos.
10	Review existing scoring criteria and consider any new scoring criteria.	<p>There is a wealth of good supplemental information that can be collected during an application, but not all of it can or should be assigned a score. Scored criteria should be measurable and objective while supplemental information can help provide a holistic view of a project and its impact. Existing criteria in the scoring matrix should be reviewed and new scoring criteria could be added if necessary.</p> <ul style="list-style-type: none"> For example, information on a company’s water consumption, sustainable business practices, and corporate reputation could be incorporated as part of the

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		standard matrix, considered as supplemental information, or could be considered as additional or bonus points.
11	Explore other potential incentives on a case-by-case basis.	There are other allowable incentives aside from a tax rebate or jobs-based grant under a Chapter 380 agreement. Other possible incentives could include fee waivers, infrastructure assistance, fast-track permitting/inspections, TIRZs, PIDs, utility fee reductions, or Chapter 312 property tax abatements. Listing these incentives does not obligate the City to commit to any of them, but it can show prospects the availability of tools the City has to support desirable businesses. These options can be further explored by City Administration.
12	Consider different requirements for existing, legacy, and/or small businesses.	The current economic development policy is more tailored towards attracting new, large businesses to the City of San Marcos. To help retain existing businesses, or to spur expansion, different thresholds and requirements could be considered. Some cities allow administrative authority for smaller-scale incentives to meet the needs of these businesses.
13 & 16	Review application process and timing.	The current process begins with the Greater San Marcos Partnership, goes to the Economic Development San Marcos Board, City Staff, and then City Council for consideration. This process and timing should be evaluated for thoroughness and expediency.
17	Update target industries.	The currently listed targeted industries are from 5 years prior (2016). These industries should be evaluated to ensure they are still the target industries the City desires to have locate or expand within San Marcos. These target industries could be the same as the <i>Vision</i> Target Business Analysis or if they can be separate targeted industries specific to the City of San Marcos.
17	Allocate funding in future budgets.	Chapter 380 tax rebates, fee waivers, fast-track permitting/inspections, and other incentives can be done without cash up-front; however, other types of incentives such as jobs-based grants and infrastructure assistance would need funding allocated to be paid up-front or at annual compliance times.