



Legislation Text

File #: Res. 2024-93R(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2024-93R, on the second of two readings, approving a Chapter 380 Economic Development Incentive Agreement with BRE Group 500 Wonder World 2022 LP., also known as project Snapdragon, providing for the rebate of real property taxes owed to the city for only the unoccupied portions of a newly constructed spec building for the first three years after construction in amounts equivalent to 100 percent in year one, 75 percent in year two, and 50 percent in year three; authorizing the City Manager, or her designee, to execute said agreement; and declaring an effective date.

Meeting date: July 2, 2024

Department: City Manager's Office

Amount & Source of Funding

Funds Required: Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: City Council previously approved this agreement on first reading on May 21, 2024

City Council Strategic Initiative: [Please select from the dropdown menu below]

Economic Vitality

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Fiscally Responsible Incentives for Economic Development

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

This project was originally titled “Project Snapdragon” is proposing to construct 98,296 square feet of class A speculative industrial space at 500 Wonderworld Dr. The capital investment of the project is \$16.4 million, and the maximum length of the agreement is 3 years.

The proposed incentive is a rebate of up to 100% of the real property taxes owed to the city in year 1, 75% in year 2, and 50% in year three. All rebates will be for the unoccupied portion of the building only, and as the facility leases space to tenants, the value of the property tax rebate will decrease accordingly.

Under the city’s development code, the developer would be required to construct a sidewalk from Wonderworld Dr down the road accessing the building resulting in a pedestrian connection to the SMTX Police firing range. The developer has been working with Police Department staff to identify a solution as neither the developer nor the San Marcos Police believe pedestrian connections to the firing range are conducive to public safety. The developer is willing to finance the construction of structures to abate pedestrian access to the firing range, in exchange for a waiver from the requirement to construct a sidewalk and the fee-in-lieu. The Police Department has agreed that these measures are supportive of public safety, and police operations.

Council Committee, Board/Commission Action:

On March 20, 2024, the Economic Development San Marcos Board (EDSM) voted unanimously to recommend city council consider a chapter 380 economic development incentive agreement with Project Snapdragon rebating up to 100% of the real property taxes owed to the city in year 1, 75% in year 2, and 50% in year three for the unoccupied portion of the building only.

Alternatives:

City council may choose to deny the incentive request, or to change the percentages of the incentive, or the length of the term.

Recommendation:

Staff recommends approval as presented.