



Legislation Text

File #: Res. 2020-230R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-230R, approving a Chapter 380 Economic Development Incentive Agreement with DBI San Marcos Property, L.P., providing incentives in the form of refunds of a percentage of real property taxes over three years for the development of approximately 174,515 square feet of space for lease to commercial and industrial users at 1551 Clovis Barker; authorizing the City Manager, or his designee, to execute said agreement; and declaring an effective date.

Meeting date: October 20, 2020

Department: City Manager

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: Click or tap here to enter text.

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

N/A

Choose an item.

Choose an item.

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

☒ Economic Development - Choose an item.

☐ 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.

☐ Not Applicable

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

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Background Information:

Bearden Investments (DBI San Marcos Property, LP) intends to construct 3 separate speculative shell buildings at 1551 Clovis Barker Road in San Marcos. The estimated total square footage of the new buildings is 174,515; building 1 - 62,194, building 2 - 77,703, building 3 - 34,618. The \$10,500,000 investment in real property will allow for the immediate availability of space for commercial, office, warehouse, and light industrial users to lease. The investment is meant to help address the lack of available spec facilities in San Marcos, which will make the City more competitive for new projects. Construction is estimated to begin in November of 2020 and be complete by October 2021.

The City is considering an economic development incentive to the developer. The proposed incentive is a 3-year rebate of real property tax; year 1 - 100%, year 2 - 75%, year 3 - 50%. The rebate is only paid if the buildings are not leased, incentives void as buildings become occupied. The maximum rebate the developer can receive is \$147,000 and the minimum tax revenue the City can receive is \$50,000.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Recommendation:

Staff recommends approval.