City Council
City of San Marcos
630 East Hopkins
San Marcos, TX 78666

Work Session - Final
City Council

Tuesday, February 20, 2024
3:00 PM
City Council Chambers

630 E. Hopkins St. - Work Session
This will be an in-person and online meeting. To view the meeting please go to
http://sanmarcostx.gov/421/City-Council-Videos-Archives or watch on Grande channel
16 or Spectrum channel 10.

I. Call To Order

II. Roll Call

III. Citizen Comment Period

NOTE: Citizen Comment sign up procedures have changed:
Persons wishing to participate remotely (speak) during the Citizen Comment portion must sign up at
www.sanmarcostx.gov/citizencommentsignup before 12:00PM the day of the meeting. A link will be
provided for participation on a mobile device, laptop or desktop computer. Those wishing to speak in
person may sign up in person in the City Clerk's office before 12:00PM the day of the meeting.

PRESENTATIONS

1. Receive a Staff update on the new City Hall and provide direction to Staff.

EXECUTIVE SESSION

NOTE: The City Council may adjourn into Executive Session to consider any item listed on this agenda if
a matter is raised that is appropriate for Executive Session discussion. An announcement will be made of
the basis for the Executive Session discussion. The City Council may also publicly discuss any item listed
on the agenda for Executive Session.

2. The City Council will convene in executive session pursuant to the following sections of
the Texas Government Code:

   A. Sections 551.071, Consultation with Attorney and 551.072, Deliberation Regarding
      Real Property: to receive legal advice regarding and deliberate possible options for
      development of city owned property on South Guadalupe Street.
   B. Section 551.071: Consultation with Attorney: to receive legal advice concerning
      requirements pertaining to landowner petitions for release of land from the city’s
      extraterritorial jurisdiction.
   C. Section 551.071: Consultation with Attorney: to receive legal advice regarding a
      possible settlement agreement with WestEast Design Group related to the Fire Station
      No. 6 generator.
   D. Section 551.071: Consultation with Attorney: to receive legal advice regarding The
State of Texas v. The City of San Marcos, filed in the District Court of Hays County, Texas in Cause No. 24-0267, pertaining to the city’s enforcement of marijuana laws under Chapter 54, Article 4 of the City Code.

IV. Question and Answer Session with Press and Public.

NOTE: Question and Answer with Press and Public sign up procedures have changed:
This is an opportunity for the Press and Public to ask questions related to items on this agenda. Persons wishing to participate remotely (speak) during the Citizen Comment portion must sign up www.sanmarcostx.gov/citizencommentssignup before 12:00PM the day of the meeting. A call in number and link will be provided for participation on a mobile device, laptop or desktop computer. If attending in person, no sign up is required.

NOTICE: In accordance with Section 2.045 of the City Code, speakers must state their name, and must limit their remarks to three minutes. The allotted time will commence from the beginning of the speaker’s remarks and will include any time spent in discussion between the speaker and council or board or commission members. Issues taking longer to communicate can be addressed outside the meeting to the city staff or to individual members of the council or board or commission, or submitted in writing.

V. Adjournment.

POSTED ON THURSDAY 15, 2024 AT 5:00 PM

LUCIA CORDOVA, DEPUTY CITY CLERK

Notice of Assistance at the Public Meetings

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 855-461-6674 or sent by e-mail to ADArequest@sanmarcostx.gov
AGENDA CAPTION: Receive a Staff update on the new City Hall and provide direction to Staff.
Meeting date: February 20, 2024

Department: City Manager’s Office

Amount & Source of Funding
Funds Required: N/A
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: Presentation October 3, 2022

City Council Strategic Initiative: [Please select from the dropdown menu below]
Quality of Life & Sense of Place
Public Safety, Core Services & Fiscal Excellence
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 - High Density Mixed Use Dev. & Infrastructure in the Activity Nodes & Intesity Zones (supporting walkability and integrated transit corridors)
☐ Neighborhoods & Housing - Diversified housing options to serve citizens with varying needs and interests
☐ Parks, Public Spaces & Facilities - Well maintained public facilities that meet needs of our community
☐ 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:
Staff will provide an update on future City Hall efforts.

Council Committee, Board/Commission Action:
Click or tap here to enter text.

Alternatives:
Click or tap here to enter text.

Recommendation:
Click or tap here to enter text.
Future City Hall Update

February 20, 2024
Agenda

1. Previous Council Direction
2. City Hall Examples
3. Pflugerville Case Study
4. City Hall & Park Land Designation
5. Recommendations for Next Steps
Previous Council Direction

• Preferred site across Hopkins vs current location
• Look at City presence in the Downtown
• Incorporate Municipal Court into City Hall
• In favor of affordable housing, childcare facilities, welcome center
• Look at partnerships & alternative funding mechanisms
Preferred Option:

- City Hall north of Hopkins
- Approx. 85,000 s.f.
- Parking garage
- Approx. 4-acre site
- Water Quality Features
- Hopkins Street improvements

Potential Redevelopment:

- 150,000 s.f of flex
- Parking garage as required
- 23 Townhomes
- Park/Greenspace
Metroplex City Halls Photo Tour
Lewisville

Built in 2003
Houses 100 staff

- City Attorney,
- City Manager,
- City Secretary,
- ED,
- Eng,
- Finance,
- HR,
- Permitting,
- PADS,
- Neighborhood Services
- Purchasing

Approx. 4 acres
Downtown – 1 blk off Main St.
Adjacent to Wayne Ferguson Plaza

Population = 131,000
Flower Mound

Built in 2018
Houses 137 staff
- Consolidated staff
- 90 private offices, 10 large open office areas
- Artwork display area
- FMTV studio
- Extensive glass to maximize natural light
- Additional insulation
- LED lighting

Approx. 7 acres
Suburban setting
Drainage/WQ pond

Population = 78,500
Grapevine

Built in 1997
- Consolidated Council & staff
- Compactible with historic downtown setting

Approx. 0.6 acres
Downtown setting
Park/gathering area across street

Population = 51,226
Southlake

Built in 1999
- 80,000 s.f. government anchor
- 4-story with Library on 1st floor
- All City departments
- County Offices
- Includes Tarrant County Tax-Assessor-Collector

Approx. 0.8+ acres
Retail Town Square setting
Large park/gathering area

Population = 31,102
Colleyville

Built in 1998
- 52,000 s.f.
- Anchor in mixed-use private development
- Large window, open porches & plazas
- Library on one end

Approx. 1.3 acres
Residential Town Square setting
Adjacent to large park/ community gathering area

Population = 25,850
North Richland Hills

Built in 2016
- 182,000 s.f. total
- 78,500 s.f for City Hall
- 89,000 s.f. for Public Safety
- 14,500 s.f. Muni Court
- Former mall site
- Adjacent private re-development
- $70M ($50M bonds)

Approx. 10 acres
Residential Mixed-Use “City Pointe”

Population = 70,663
Delivery drivers, please take all packages to Logistics. Follow sidewalk to your right to the end of the building.
Pflugerville P3 Case Study
• 2018
  – Needs Assessment for City facilities
  – Created Council committee for City Hall & revised later for all City facilities
• 2019
  – City receives proposal from developer for new City Hall near SH130
  – Council preference to develop a new city hall facility in the downtown area.
  – City Council appoints bond committee for 2020 election
• 2020
  – Bond Committee makes recommendation for Transportation, Parks Improvements & Recreation Center. City Hall not included.
  – $193M Bond Election approved. Prop. A- Transportation ($102M), Prop. B- Park Imp ($44M) & Prop. C- Recreational Center ($47M)
  – Need to determine site for new Multi-Generational Recreation Center
Pflugerville Case Study con’t.

• 2021
  – Council creates City Hall/Recreation Center Bond Committee
  – Committee recommends a land purchase east of downtown for City Hall, Recreation Center and Mixed-Use development. Also recommends a citizen advisory committee.
  – RFQ’s issued for P3 Financial Services & Owners Representative Services.

• 2022
  – Council awards contracts for P3 Financial Services and Owners Representative Services
  – Council creates Downtown East Stakeholder group
  – Council approves Downtown East Stakeholder recommendation:
    • Proceed with solicitation of a Master Developer for the creation of a P3
    • Prepare and issue Certificates of Obligation not to exceed $72 million in tax-supported debt.
    • Proceed with an expansion of TIRZ 1 and allocation of funding.
    • Establish a cost recovery model for maintenance and operations of the new recreation center.
  – City issued request for Master Development Qualifications/Proposals Downtown East project.
Pflugerville Case Study con’t.

• 2023
  – Council approves Exclusive Negotiating Agreement with Griffin/Swinerton LLC
  – City will fund improvements for:
    • 91,000 sf City Hall
    • 120,000 sf Recreation Center
    • Infrastructure

• 2024
  – Permitting & Design begin
  – Total buildout in phases. First phase to create destination
  – Construction beginning late in 2024
PHASE 1

Creating a destination in the near term, transitioning to a higher density mixed-use municipal center with structured parking in subsequent phases. Phase 1 includes:

1) Infrastructure including Main Street extension and a central plaza
2) City Hall
3) Recreation Center
4) Retail (11,750 SF)
5) Surface parking, flexibly designed to transition to structured parking
PHASE 1 | Retail

Approximately 10,500 SF of retail on the ground floor of the Recreation Center, jumpstarting the retail corridor along the new Main Street at the FM 685 intersection.
PHASE 1 | Retail

A new indoor-outdoor café/retail space within the new City Hall and fronting on Main Street.
City Hall
Multigenerational Recreation Center
**SOURCES AND USES OF FUNDS**

This Final Development Proposal shows a feasible Phase 1 Plan of Finance as summarized below in the sources and uses of funds tables, where funds available are sufficient to cover the costs to develop Phase 1 while leaving a surplus. **Note:** The costs and financing information are based on concept-level designs and the best information currently available and are thus subject to modification during the Preliminary Development Agreement (PDA) term.

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GO Bond - Rec Center</td>
<td>$47.0 M</td>
</tr>
<tr>
<td>CO Bonds</td>
<td>$151.3 M</td>
</tr>
<tr>
<td>ROW Acquisition Funds</td>
<td>$5.2 M</td>
</tr>
<tr>
<td>Developer Financing - 10,500 SF Retail</td>
<td>$3.6 M</td>
</tr>
</tbody>
</table>

**TOTAL** $207.5 M

**Surplus / (Gap)** $2.8 M

**Uses of Funds**

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1 Infrastructure <em>(1)</em></td>
<td>$33.8 M</td>
</tr>
<tr>
<td>Phase 1 Surface Parking</td>
<td>$3.1 M</td>
</tr>
<tr>
<td>Parcel Acquisitions for Main Street</td>
<td>$5.6 M</td>
</tr>
<tr>
<td>City Hall</td>
<td>$80.1 M</td>
</tr>
<tr>
<td>Recreation Center</td>
<td>$78.5 M</td>
</tr>
<tr>
<td>Retail - @ Rec Center (10,500 SF)</td>
<td>$2.6 M</td>
</tr>
<tr>
<td>Retail - Tenant Imprv &amp; Commissions</td>
<td>$1.0 M</td>
</tr>
</tbody>
</table>

**TOTAL** $204.7 M

**Notes:**

*(1) The Phase 1 infrastructure scope has some flexibility in terms of what streets/utilities are included (to be finalized with City during the PDA Term) - costs could be as low as $31.6 million.*

*Note:* See Note *(1)* in Uses of Funds table to the right. Estimated surplus is $2.8 to $5.0 million.
Pflugerville Case Study con’t.

• Approximate 6-year process.
• Plugerville “expanded” downtown concept to accommodate site.
• Used public education and stakeholder process for support of city financial commitment.
• New City Hall site will create a “destination” to support subsequent mixed-use development.
• Potential use of TIRZ backed Certificates of Obligation.
City Hall and Parkland Dedication
• Original parcel to City as dedicated parkland less 4 acres to US Army.
• Election for release of parkland for City Hall, Activity Center & Library.
• Charter prohibits relocation of City Hall & redevelopment without election.
Staff Recommendations/Council Direction:

• Consider City owned Downtown parcels in City Hall financial analysis – look for activation and City presence.

• Move forward with consultant services:
  – P3 Financial Services for analysis of new City Hall site, downtown parcels and current City Hall site.
  – Owners Representative Services to update space needs and programing of City facilities for location in new City Hall and downtown parcels.
  – Evaluate potential Hopkins Street TIRZ to capture redevelopment growth

• Use public engagement and future Citizen Stakeholder/Bond Committee to develop community education/support.

• Future election for parkland designation removal.
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Fiscal Note:
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City Council Strategic Initiative: [Please select from the dropdown menu below]
Choose an item.
Economic Vitality
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.
Master Plan: [Please select the corresponding Master Plan from the dropdown menu below (if applicable)]
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