

# SMART Terminal Amendment FAQ

February 2023

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Franklin Mountain San Marcos I, L.P. requested an amendment to the SMART Terminal and Cotton Center Development Agreements in order to move +/-600 acres from Cotton Center to SMART Terminal. These amendments were approved by the San Marcos City Council in January 2023. At this time the applicant is requesting annexation into the City Limits and Heavy Industrial zoning for some of the land covered by the agreement. The annexation and zoning are requirements of the amended agreement.

The applicant hopes to attract corporate tenants that will provide quality jobs and make significant capital investment in our community. The site is located just east of the alignment for the new FM110 loop which is jointly financed by the City of San Marcos, Hays County and the Texas Department of Transportation (TXDOT) through a Transportation Reinvestment Zone (TRZ). The site's proximity to the San Marcos Regional Airport and the FM 110 roadway provides easy access to rail, major highways, and air transport.

Without City of San Marcos annexation and zoning, this development could occur in the City's Extraterritorial Jurisdiction (ETJ) with limited regulatory oversight by the City and lower development standards. Since there is a development agreement and the applicant has requested annexation, the City has the ability to require standards for development of the project that exceed current standards adopted under the development code, and which would not apply if the development occurred outside the city limits in the ETJ. These higher standards include:

- ✓ **Floodplain development and stormwater management standards that protect adjacent and downstream property owners.**
- ✓ **A 70% overall impervious cover limitation when 80% would have otherwise been permitted.**
- ✓ **Water quality standards.**
- ✓ **Land uses that are considered potentially significant sources of pollution to the river are prohibited.**
- ✓ **Development will comply with adopted international fire and building codes.**
- ✓ **Dedication of necessary right-of-way for installation of reclaimed / reuse water infrastructure.**

The following are questions asked of City staff during the 2019 development agreement process and have carried into the 2022 amendment process.

## **What terms and standards are proposed under the SMART Terminal development agreement?**

- Owner agrees to future annexation and zoning of the entire project.
- A potential exchange of adjacent city-owned land for land owned by the developer to provide contiguous city ownership and contiguous private ownership
- Developer construction of public improvements.
  - Includes additional roadways intended to carry truck traffic to and from FM 110 / IH 35.
- Imperious cover cannot exceed 70% for the entire site
- Development waivers of the following standards:
  - Maximum blank wall area requirement
  - Increased block perimeter requirement.
  - Allowing chain link fences when coated in black vinyl.
  - Landscaping modifications in trailer parking lots, with trees be placed elsewhere on the lot.
  - Modified outdoor storage standards when located 200 feet from a street.
  - Sidewalks would be required along a new east/west arterial roadway, Highway 80, West side of FM 110, and for pedestrian access to hotels, day cares, retail, entertainment, bars, and restaurants
- Additional cut & fill in certain areas to allow large pads for industrial buildings.

### **What uses are prohibited in the agreement?**

Acid manufacturing  
Gas manufacturing  
Vehicle wrecking yard  
Junk yard, including storage, sorting, bailing or processing of rags  
Manufacturing or storage of hazardous materials or explosives, except for fuels contained in vehicles, locomotives, or railcars  
Manufacturing or storage of fertilizer  
Manufacturing of carbon batteries  
Manufacturing of paint, lacquer, oil, turpentine, varnish, enamel and similar products  
Manufacturing of rubber, glucose, or dextrin  
Manufacturing of paper or pulp  
Manufacturing or distillation of tar  
Monument or marble works  
Oil compounding and barreling plant

Operation of a business that provides the services of disposal, storage, reduction or incineration of solid or hazardous waste (including garbage, refuse, trash, sewage, offal, dead animals)  
Extraction or refining of petroleum or its products  
Distillation of bones  
Smelting of iron, tin, zinc, copper or other ores  
Fat rendering  
Stockyards or slaughter of animals  
Cemeteries  
Labor camps  
Jails or honor farms  
Refining or retail sale or bulk storage of fuel, liquified petroleum and flammable liquids  
Manufacturing of cement, lime, and gypsum plaster  
Rock crushers  
Sugar refining

### **Is there another location that could accommodate a similar commercial and industrial park?**

- There are no other similarly situated properties within the City limits or ETJ of San Marcos.
- A minimum of 500 acres, and at least one mile or rail frontage, is necessary to justify the capital expense of a ~\$15M rail spur for development of this kind.
- The SMART Terminal fronts a dual-service rail line that is served by Union Pacific and BNSF railroads. Rail Service south of downtown is only Union Pacific Rail. A dual service rail adds an additional layer of opportunity for the City of San Marcos.
- Securing approval of a rail spur from Union Pacific can take many years.
- The property is directly adjacent to the San Marcos Regional Airport and the FM 110 roadway currently under construction with City and Hays County funds.

### **How will this affect the number of trains in the area?**

- There are currently ~21 trains per day along this rail line.
- Rail use is a permitted use; however, rail development will be based on market demand and railroad approval. Data regarding an increase in the number of trains is unavailable at this time. End users could add a small number of rail cars to many of the trains that already travel thisline.
- Deferring to rail transportation can reduce a company's road miles by up to 80%.

### **How will development of this property affect the San Marcos Regional Airport?**

- The proposed SMART Terminal can benefit the San Marcos Regional Airport by generating increased private air traffic, and attracting commercial development that requires proximity or access to air, rail and truck transportation services.
- The Airport will benefit from wastewater infrastructure constructed by the developer.

**What roadway improvements are planned in this area?**

- Traffic Impact Analysis (TIA) is the tool used by the City of San Marcos, as well as TxDOT, to determine what, if any, roadway improvements are required as a result of the development.
- The developer will be required to conduct a TIA for City and TxDOT which will identify transportation improvements needed because of the development.
- City and TxDOT anticipate that the TIA will indicate a need for improvements to Hwy. 80 and possibly FM 110. Such improvements are likely to include center and right turn lanes on Hwy. 80, which will improve safety in the area.
- The project will also include a number of new roads which will include signage to encourage new truck traffic away from existing roadways.
- FM 110 will help alleviate traffic congestion in the area.
- A new east/west arterial roadway is planned to connect FM 110 to FM 1984 which could alleviate traffic on HWY 80.

**Who will provide utilities to the site?**

- Bluebonnet Electric Cooperative will provide electric service.
- The City of San Marcos, Martindale Water Supply Corporation, and Maxwell Water Supply Corporation will provide water service.
- City of San Marcos will provide wastewater service.
- The cost of installing utilities within the development is the responsibility of the developer or subsequent owners and would be addressed at the time of platting.

**Does the City having lighting standards that protect residential development from adjacent property owners?**

- The City of San Marcos land development code includes lighting and glare standards that will apply to the SMART Terminal upon annexation and zoning.
- Specifically, “No lighting plan shall distribute light greater than .25-foot candles across a lot line...no lighting plan shall distribute light onto a residential lot other than light from street lights.”
- A photometric plan is submitted for City approval with each development site plan.

**Fire Service / ISO Rating**

- ISO is an independent insurance rating that reflects the ability of the Fire Department to protect the community. The SMART Terminal is within five miles of existing Fire Station #5, which gives the property a sufficient ISO rating, and helps minimize hazard insurance premiums for commercial properties located within the development.
- The SMART Terminal agreement includes provisions for dedication of land for 2 future fire stations.

**What are the City’s adopted floodplain regulations?**

- The City’s development code treats all “floodplain” as “floodway.”
- Hydraulic analysis is required for all modification of, or improvements within the floodplain and flood modeling must show “no-rise” in the floodplain elevation as a result of the improvements.
- Floodplain storage volume under existing conditions must be maintained.
- A building’s lowest floor elevation must be 2-feet above the floodplain.

**What are the City's adopted water quality requirements?**

- The City's development code provides enhanced water quality standards in environmentally sensitive areas, including the application of low impact development (LID) features, and best management practices (BMP's), to ensure certain levels of total suspended solids (TSS) are removed from the generated stormwater runoff.
- The SMART Terminal site is located outside the defined environmentally sensitive areas (Edwards Aquifer Recharge Zone, Transition Zone, San Marcos River Protection Zone, and the San Marcos River Corridor); therefore, under adopted code stormwater quality treatment is not required.
- The SMART Terminal will meet enhanced water quality treatment standards including removing 70% of the TSS from the developed areas and provide a water quality volume capture of a 1.25-inch rainfall.

**What are the City's adopted impervious cover restrictions?**

- Impervious cover is limited to 80% in the Heavy Industrial (HI) zoning district.
  - SMART Terminal is limited to 70% impervious cover overall, however individual lots may have up to 90% so long as the overall never exceeds 70%
- Existing slopes between 15% and 25% are limited to 35% impervious cover.
- Existing slopes greater than 25% are limited to 20% impervious cover.
- No impervious cover is allowed within a Water Quality Zone, except for limited instances.
- Limited impervious cover is allowed within a Buffer Zone.

**What other adopted drainage requirements apply to the SMART Terminal?**

- Increased impervious cover is not permitted to result in increased runoff.
- Specifically, the rate of runoff after development must be equal to, or less than the rate of runoff prior to development.
  - The SMART Terminal will be required to provide on-site stormwater controls designed to reduce overall post development peak rates of discharge by at least 10 percent less than existing pre-development peak rates at each point of discharge.
- Improvements may not increase water surface elevations off-site/downstream.
- Upstream flow, based on ultimate buildout conditions, must be conveyed through site.
- Drainage infrastructure must be designed for the 25-year storm with the 100-year contained within a drainage easement or ROW.

**What is the economic benefit to San Marcos?**

- Property taxes paid by these companies will support City and County services, as well as the San Marcos Consolidated Independent School District (SMCISD).
- Companies locating within the SMART Terminal can create quality jobs that provide a family living wage and benefits for our community.
- When manufacturing companies create jobs, there is an employment multiplier effect beyond the job itself. Jobs spur demand for goods and services from suppliers, and stimulate economic activity when employed workers spend their paychecks. The SMART Terminal will indirectly support small and local businesses throughout the community.
- Depending on the operation of future users, sales tax may be captured from industrial/ commercial uses.