

City of San Marcos Project FAQs

Information from Daimler Truck North America (DTNA)

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The following questions and answers are intended to help residents understand the proposed development. The City will provide additional information as it becomes available.

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About the Proposed Project

What is the current status of this proposed project?

The Company is considering other sites, including locations in other states, and has not yet made a final site selection.

Has the company committed to establishing its location within the San Marcos City Limits?

The proposed site is currently in Caldwell County, outside the City of San Marcos' existing city limits. Approximately half of the property is located within the City's ETJ. Under the proposed Chapter 380 Economic Development Incentive Agreement, the Company has agreed to petition for annexation into the City Limits after construction is completed.

Where will the facility be situated?

The proposed facility would be located on approximately 611 acres in Caldwell County, generally located between SH 80 and Valley Way Drive, and between FM 1984 and SH 142.

Has the City Council already made a decision regarding this project, or is it still under consideration?

City Council has not yet taken formal action. The proposed Council consideration dates are December 1 and December 15, 2026. Residents will have an opportunity to provide input through the City's public meeting and citizen comment processes.

Agreement that would provide a performance-based grant if the Company meets certain requirements, such as minimum job and capital investment commitments. Discussions are ongoing. Approvals will follow all normal city processes.

What is a Chapter 380 economic development agreement?

A Chapter 380 Economic Development Incentive Agreement is a performance-based tool Texas cities can use to encourage businesses to invest and create jobs in their communities. The agreement spells out what the business must do to qualify for an incentive and what the city will provide in return. The proposed agreement would tie potential incentive payments to the Company's performance and the property tax revenue the project generates for the City. The proposed grant would be performance-based, rather than an unconditional payment or an upfront contribution to the Company.

Which school district is this project associated with?

The proposed project site lies within the boundaries of the San Marcos Consolidated Independent School District (SMCISD). The Company does not intend to pursue school district-related tax incentives, including the Texas Jobs, Energy, Technology and Innovation (JETI) Program.

Why is the City considering incentives for a large corporation?

Communities often compete to attract major employers and business investment. A project of this size would bring new jobs, with competitive wages, private investment, additional property tax revenue, and potential business opportunities for local suppliers and service

providers. The City's goal in considering an incentive is to encourage those potential

The project could provide several potential benefits to the community, including:

· A commitment to create thousands of jobs resulting in more local employment opportunities.

· New property tax revenue for the City.

· More business for local suppliers, contractors, and service providers.

· Manufacturing, technical, engineering, and other career opportunities.

· Additional private investment in the region.

· Long term company-community partnerships in the Company's core focus areas of education, environment, health and safety, and disaster relief.

Jobs and Economic Impact

How many jobs would the project create, and what kind of positions would be available?

The Company plans to create thousands of qualifying jobs with benefits. Potential positions may include skilled and semi-skilled manufacturing roles along with managerial and administrative staff.

The Company would be responsible for overseeing the delivery of all off-site and on-site improvements, including the extension of water, wastewater, electric, drainage and road infrastructure to support the project. The Company is also in discussions with relevant entities on improvements to nearby roadways.

Is the City providing water, wastewater and electric services to the site?

The City would be the wastewater service provider for the project, if the site is selected. Other providers will service the project with other utilities.

Could reclaimed water be available for the project?

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How would the City evaluate potential traffic and roadway impacts?

How far from the San Marcos River is this site?

Who will monitor wastewater quality and will monitoring results be available to the City?

Accountability and Next Steps

How can the community be assured this project is not a data center?

What happens if Council does not approve the agreement?

If City Council does not approve the agreement, the proposed agreement would not take effect. The company could decide to revise its proposal, pursue a different arrangement, or select another location. Any future proposal would need to go through the applicable review and approval process.