Legislation Details (With Text)

File #:	Res. 2026-219R	**Version:**	1	**Name:**	
Type:	Resolution			**Status:**	Individual Consideration
File created:	11/18/2026			**In control:**	City Council
On agenda:	12/1/2026			**Final action:**	
Title:	Consider approval of Resolution 2026-219R, approving an Interlocal Cooperation Agreement with Caldwell County governing the development of an advanced truck manufacturing facility by Daimler Truck North America LLC on approximately 611 acres of land in Caldwell County; authorizing the City Manager, or her designee, to execute the agreement on behalf of the city; and declaring an effective date. (PROJECT HERCULES)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Project Hercules Overview Presentation, 2. Resolution				

Date	Ver.	Action By	Action	Result

AGENDA CAPTION:

Consider approval of Resolution 2026-219R, approving an Interlocal Cooperation Agreement with Caldwell County governing the development of an advanced truck manufacturing facility by Daimler Truck North America LLC on approximately 611 acres of land in Caldwell County; authorizing the City Manager, or her designee, to execute the agreement on behalf of the city; and declaring an effective date. (PROJECT HERCULES)

Meeting date: December 1, 2026

Department: Economic and Local Business Development

Amount & Source of Funding

Funds Required: NA
Account or Project Number (C = CIP funds): NA
Funds Available: NA
Account Name: NA

Fiscal Note:

Prior Council Action: This is the first meeting formal Council action has been requested.

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

Economic Vitality

Choose an item.

Choose an item.

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

N/A Arts and Culture - Choose an item.

N/A Economic Development - ECD-3: Ensure City economic development strategies and programs are aligned with local policies and priorities and position San Marcos to be regionally competitive

N/A Environment & Resource Protection - Choose an item.

N/A Housing + Neighborhoods - Choose an item.

N/A Land Use + Community Design and Character - Choose an item.

N/A Parks & Public Spaces + Health, Safety & Wellness - Choose an item.

N/A Transportation - Choose an item.

N/A Core Services

N/A Not Applicable

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

Vision San Marcos - A River Runs Through Us

Background Information:

The City of San Marcos and Caldwell County are currently parties to that certain Interlocal Cooperative Agreement between the County and the City for Subdivision Regulation within the Extraterritorial Jurisdiction of the City of San Marcos having an effective date of November 3, 2014 (the “1445 Agreement”) establishing agreed standards, procedures, and approval processes for platting the and development of property located within the City's extraterritorial jurisdiction ("ETJ") in Caldwell County.

Daimler Truck North America LLC (DTNA) proposes to develop certain real property consisting of approximately 611 acres. The Project Site consists of (i) approximately 374 acres located within the City’s ETJ, and (ii) approximately 237 acres located in unincorporated Caldwell County outside the City’s ETJ, described as the Option Land.

Due to the unique nature of the proposed use of the Project Site, it is the desire of the City and County to support consistent environmentally sensitive development and the mutual economic benefits to both, and seek to establish a project-specific framework under a separate interlocal agreement that supplements or modifies the 1445 Agreement as to the Land and, as to the Option Land, establishes a separate interlocal framework under Chapter 791 of the Texas Government Code, for the coordinated review and administration of

development applications, public infrastructure improvements, transportation planning, and related governmental approvals associated with the Company's development of the Project Site.

The Project Site proposed development involves a unique type of facility and associated infrastructure that may not have been specifically contemplated within the City's standard Land Development Code requirements. Accordingly, certain site-specific engineering and infrastructure considerations warrant evaluation to determine whether alternative design approaches may be appropriate. In considering these alternatives, the City recognizes the need to balance the unique design, construction, and operational requirements of a facility of this nature with its responsibility to protect public safety, maintain adequate drainage and flood protection, preserve infrastructure integrity, and minimize impacts to surrounding properties and the natural environment. The Development Standards establish the conditions under which alternative engineering design approaches may be considered for the Project Site, subject to appropriate technical justification, demonstrated performance, and approval by the City Engineer.

The purpose of this Agreement is to establish a coordinated development review process for the Project Site; to designate the City as the primary reviewing and approving entity for Project development to the fullest extent authorized by law, acting (a) as to the Land, under the City's own authority under the Chapter 380 Agreement, Subchapter G of Chapter 212 of the Texas Local Government Code, and the 1445 Agreement, and (b) as to County functions for the entire Project Site, including all of the Option Land, as the County's contractor under Chapter 791 of the Texas Government Code; to clarify the respective responsibilities of the Parties; and to facilitate timely review consistent with the standards applicable under the agreements governing the Project Site.

Concurrent with its approval of this Agreement, the City will consider the approval of an agreement for economic development and associated land development under Chapters 212 and 380 of the Texas Local Government Code. The Chapter 380 Agreement will: **a)** provide certain incentives to the Company to locate its business on the Land; **b)** establish the Company's contractual obligations to obtain review and approval of plans, improvements, and development activities on the Land consistent with this Agreement; and **c)** provide for the annexation and zoning of the Land after completion of construction as defined therein.

The Parties agree that the City shall serve as the primary entity responsible for reviewing and approving development applications, plans, and improvements associated with the Project Site, to the fullest extent authorized by applicable law and the agreements governing the Project Site. As to County functions for the entire Project Site, the City acts as the County's contractor. This responsibility includes coordinating and conducting applicable reviews of subdivision and platting, site development, building plans, fire safety,

transportation, drainage, environmental protections, public infrastructure, and related development requirements. As to the Option Land, City review of building plans shall be limited to verifying compliance with the owner's building-code covenants in the Hercules County Development Agreement, and City fire-safety review. The City shall coordinate its review and applicable decisions with the County to facilitate a consistent development review and approval process. The City's Fire Marshal's Office will lead the review of fire safety code and fire protection requirements, including applicable fire code compliance, fire access, fire lanes, fire protection systems, and related life safety standards.

The ILA includes applicable Development Standards and Permitting processes that will be the lead by the City as the primary entity responsible for reviewing development applications, plans, and improvements associated with the Project Site, to the fullest extent authorized by applicable law and the agreements governing the Project Site.

Council Committee, Board/Commission Action:

Economic Development San Marcos (EDSM) board supports City Council consideration.

Alternatives:

Request the item to be tabled for possible revisions.

Recommendation:

Staff recommends **approval** of the Interlocal Cooperation Agreement with Caldwell County as presented.

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