



AGENDA MEMORANDUM
Resolution for the City Council Meeting of April 8, 2025

DATE: February 5, 2025
TO: Peter Zanoni, City Manager
FROM: Heather Hurlbert, CPA CGFO
Assistant City Manager
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**Resolution of consent for the creation of a Municipal Management District (MMD)
and approval of a development agreement with Paul Hayden Developments, LLC
and Team Gumball, LLC**

CAPTION:

Resolution of the City of Corpus Christi, Texas, consenting to the creation a Municipal Management District (MMD) and inclusion of land within Nueces County Improvement District No. 1 (MMD), approving a development agreement with Paul Hayden Developments, LLC, a Texas limited liability company, Team Gumball, LLC, a Texas limited liability company, and Nueces County Improvement District No. 1 (MMD) for the development of The Reserve at Oso Creek and approving Strategic Partnership Agreement with the Nueces County Improvement District No. 1 (MMD).

SUMMARY:

This item will provide a resolution of support for the creation of an MMD for the development of The Reserves at Oso Creek. This action does not approve the creation but rather provides a resolution of consent to be presented to the TCEQ with the developer's application. The item also approves a development agreement with the City that will ensure the development, which is in the ETJ, is built to City standards and the City has the right to annex at a future date when the development is eligible for voluntary annexation.

BACKGROUND AND FINDINGS:

The Reserves at Oso Creek is a 255-acre master planned community that will feature approximately 929 residential lots and 10 acres of commercial pad sites. The community is located on FM 665 (Old Brownsville Rd) and FM 763 and will be developed in four phases. Each phase is expected to span approximately two years so the development will develop an estimated 210 to 250 lots annually. The development will include amenities such as a family friendly splashpad, walking trails connecting the homes to the parks and nature areas, 25 acres of green space and ponds, and

landscaped areas throughout the development. The housing will consist of single-family houses on three different lot sizes, duplexes, and townhome offerings. The development is being led by Paul Hayden Development, LLC.

The developer is requesting consent for a Municipal Management District (MMD). The MMD is similar to a municipal utility district (MUD) in that it is a taxing entity that provides for the operation and financing of infrastructure for water, sewer, drainage and roads. But in addition to these services, an MMD can provide additional functions and services such as parks, landscaping and beautification to common areas, and public safety services. Through the levy of tax and the levy of lot assessments, the cost of services provided on infrastructure and improvements performed is reimbursed to the developer. Over the term of the MMD the developer is expected to receive approximately \$35 million in reimbursements.

The development is within the City's ETJ but outside of the city limits. Due to the location of the property, it is not eligible for annexation but could be at a future date. The developer has entered into a development agreement with the City to build to city standards and requirements. Through the agreement the city has the right to annex the development at a future date if it is eligible for annexation. The development will be provided wholesale potable water to a main meter and the water system will be operated by the MMD. The MMD will operate an on-site sewer treatment plant through an existing discharge permit. ESD 1 will provide fire and medical services and safety services will be provided the Nueces County Constable.

ALTERNATIVES:

The City Council could choose not to approve the resolution of consent.

FISCAL IMPACT:

There is no fiscal impact associated with today's actions.

Funding Detail:

Fund:
Organization/Activity:
Mission Element:
Project # (CIP Only):
Account:

RECOMMENDATION:

Staff recommends approval of the resolution of consent.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Presentation