

King's Crossing Municipal Management District

Overview

- Municipal Management Districts (MMD) are special districts that are:
Self governed, but must be approved by the host municipality; and have the ability to construct public infrastructure and provide services within District approved service plan.

Created either:

Pursuant to Ch.375, Local Government Code, through the Texas Commission on Environmental Quality (TECQ,) or by local law enacted by the State Legislature.

What is the purpose of a Municipal Management District?

- Promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, arts, economic development, safety and public welfare within a **defined area**.
- Provide and enhance supplemental services to the area.
- Create an independent financing mechanism to finance these services.
- Focused primarily on **commercial development or business activity**.

What is the purpose of reconstructing the King's Crossing Golf Course?

- From 2009 through 2011 the value of properties abutting the golf course have declined by 17.81%
- Over the same period of time non-abutting properties have declined by 6.04%

Cost to Property Owners

- 407 parcels of property abut the golf course
- Based on total appraised value in 2011, the average price per parcel is \$295,200
- Assuming \$6.5 million in total project costs, the average property owner would pay a tax rate of \$.373 per \$100 of their property valuation
- On a \$295,200 home, this is equivalent to \$1,101 per year for twenty years

Cost to Property Owners

- 407 parcels of property abut the golf course
- Based on total appraised value in 2011, the average price per parcel is \$295,200
- Assuming \$7.5 million in total project costs, the average property owner would pay a tax rate of \$.446 per \$100 of their property valuation
- On a \$295,200 home, this is equivalent to \$1,317 per year for twenty years

Other Considerations by Home Owners

- As a public golf course, the facility may be eligible to receive effluent water at no cost
- A 380 Agreement is desired to reduce the tax liability on the golf course and the project support cash flow
- A Tax Increment Refinance Zone maybe advisable to allow increased ad valorem taxes from incremental increases in property value to be reinvested into the golf course
- Upon request by the City the District may be required to convey the golf course to the City

Role of the City of Corpus Christi

- ◉ Proposed role of the City of Corpus Christi is:
 - Facilitator
 - Technical Advisor
 - Evaluator
 - Approver

Next Steps

- Development of a business plan and project development agreement between District residents and the City
- Creation of financial pro forma
- Modeling of cost to home owners
- Draft Legislation
- Consideration of approval of supporting resolution by City Council

Questions?