

# MUNICIPAL DEVELOPMENT DISTRICTS



## **Policy Description:**

Described in Chapter 377 of the Texas Local Government Code, [www.statutes.legis.state.tx.us/Docs/LG/pdf/LG.377.pdf](http://www.statutes.legis.state.tx.us/Docs/LG/pdf/LG.377.pdf), a City may call an election on the question of creating a municipal development district under this chapter to plan, acquire, establish, develop, construct, or renovate one or more development projects beneficial to the district. The district is created if a majority of the registered voters of the proposed district voting at the election favor creation of the district.

A district shall establish by resolution a fund known as the development project fund. The district may establish separate accounts within the fund, which shall be deposited into the development project fund: the proceeds from any sales and use tax imposed by the district; all revenue from the sale of bonds or other obligations by the district; and any other money required by law to be deposited in the fund. The district may use the money in the development project fund only to: pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more development projects in the district; pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the district or to refund bonds or other obligations; or pay the costs of operating or maintaining one or more development projects during the planning, acquisition, establishment, development, construction, or renovation or while bonds or other obligations for the planning, acquisition, establishment, development, construction, or renovation are outstanding.

A district may issue bonds, including revenue bonds and refunding bonds, or other obligations to pay the costs of a development project. The district, by order, may impose a sales and use tax.

The City will give priority for the creation of an MDD project locating in Catalyst Areas.

## **Eligibility Criteria:**

- A City may create a district as approved in this chapter in:
  - (1) All or part of the boundaries of the City;
  - (2) All or part of the boundaries of the City and all or part of the boundaries of the City's extraterritorial jurisdiction; or
  - (3) All or part of the City's extraterritorial jurisdiction.

- The City may include territory outside of the City only to the extent that territory is in the City's extraterritorial jurisdiction.

### **How to Apply:**

A City may call an election on the question of creating a municipal development district under this chapter to plan, acquire, establish, develop, construct, or renovate one or more development projects beneficial to the district.

- The order calling the election must:
  1. Define the boundaries of the district; and
  2. Call for the election to be held within those boundaries.
- The ballot at an election held under this section must be printed to permit voting for or against the proposition: "Authorizing the creation of the \_\_\_\_ Municipal Development District (insert name of district) and the imposition of a sales and use tax at the rate of \_\_\_\_ of one percent (insert one-eighth, one-fourth, three-eighths, or one-half, as appropriate) for the purpose of financing development projects beneficial to the district."
- The district is created if a majority of the registered voters of the proposed district voting at the election favor creation of the district.
- If a majority of the registered voters of the proposed district voting at the election to create the district vote against creation of the district, the City may not hold another election on the question of creating a municipal development district before the first anniversary of the most recent election concerning creation of a district.

Applicants seeking incentives must file an application for Economic Incentives before the request can be considered.

The City shall not grant any incentive unless the business submits a full and complete application and provides additional information as may be requested. The accuracy of the information in the application is the sole responsibility of the applicant. Upon request, the applicant shall provide supporting documentation. Any misstatement of or error in fact may render an application null and void and may be cause for repeal of any ordinance adopted in reliance of said information.

If it is determined that the application meets these guidelines, a full and financial programmatic review will be conducted. This review may be done by City Staff, an outside agency or consultant and will ensure conformance with these guidelines.

**Local Action Required:**

Please contact the City of Corpus Christi's Economic Development Office at (361) 826-3850 to request the application or visit [www.cctexas.com/economicdevelopment](http://www.cctexas.com/economicdevelopment) to download the application.

An application fee of \$2,000 will be submitted at the same time the application for economic incentives is submitted. The fee must be paid in the form of a check or money order and made payable to the City of Corpus Christi, Texas.

**Additional Resources:**

Development Services  
[www.cctexas.com/developmentservices](http://www.cctexas.com/developmentservices)