

# MUNICIPAL MANAGEMENT DISTRICTS



## **Policy Description:**

Described in Chapter 375 of the Texas Local Government Code, [www.statutes.legis.state.tx.us/Docs/LG/pdf/LG.375.pdf](http://www.statutes.legis.state.tx.us/Docs/LG/pdf/LG.375.pdf), Municipal Management Districts (MMD) are districts necessary to promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare in the commercial areas of municipalities and metropolitan areas of the state. This is an economic tool that allows commercial property owners to enhance a defined business area.

A district, such as the Downtown Management District (DMD), is normally created within an existing commercial area to finance facilities, infrastructure, and services beyond those already provided by individual property owners or by the City. The improvements may be paid for by a combination of self-imposed property taxes, special assessments, and impact fees, or by other charges against property owners within the district. The district is created to supplement, not to supplant, the municipal services provided by the City. The creation of a district is essential to further the public purposes of development and diversification of the economy of the state, the elimination of unemployment and underemployment, and the development or expansion of transportation and commerce and is in the public interest.

The district has the power to levy an ad valorem property tax for water, wastewater, drainage, road, or mass transit improvements that are located inside and outside the district. A district may also levy impact fees pursuant to the state impact fee act (Chapter 395 of the Local Government Code). Under special circumstances, a district may levy special assessments against the benefited property within the district. These assessments may be used to pay for all or part of the construction or maintenance of the following types of improvements: landscaping, lighting, signs, streets and walkways, drainage, solid waste, water, sewer, power facilities, parks, historic areas, works of art, parking facilities, transit systems, and other similar improvements.

The assessments may also fund supplemental services for advertising, economic development, business recruitment, promotion of health and sanitation, public safety, traffic control, recreation, and cultural enhancement.

MMDs are created by either specific enactment by the Texas Legislature or through an administrative process administered by the Texas Commission on Environmental Quality (TCEQ).

### **Eligibility Criteria for TCEQ created MMDs:**

- A District may be created only:
  - (1) In an area devoted primarily to commercial development and business activity inside the boundaries of a City with a population of at least 25,000; or
  - (2) In an area devoted primarily to commercial development or business activity.
- A district created may include the extraterritorial jurisdiction of a City with a population of at least 25,000 if the area has an assessed valuation of \$500 million or more according to the rolls of the central appraisal district for the year preceding the date of creation of the district.

### **How to Apply:**

Before a district may be created, the TCEQ must receive a petition requesting creation of the district.

- The petition must be signed by:
  - (1) The owners of a majority of the assessed value of the real property in the proposed district, according to the most recent certified county property tax rolls; or
  - (2) 50 persons who own real property in the proposed district if, according to the most recent certified county property tax rolls, more than 50 persons own real property in the proposed district.
- The petition must:
  - (1) Describe the boundaries of the proposed district by metes and bounds or, if there is a recorded map or plat and survey of the area, by lot and block number;
  - (2) State the specific purposes for which the district will be created;
  - (3) State the general nature of the work, projects, or services proposed to be provided, the necessity for those services, and the costs as estimated by the persons filing the petition;
  - (4) Include a name of the district, which must be generally descriptive of the location of the district, followed by "Management District";

- (5) Include a proposed list of initial directors that includes the directors' experience and initial term of service; and
- (6) Include a resolution of the governing body of the City in support of the creation of the district.

The TCEQ or a person authorized by the TCEQ shall set a date, time, and place for a hearing to consider each petition received. The TCEQ or authorized person shall issue a notice of the date, time, and place of hearing. The notice must state that each person has a right to appear and present evidence and testify for or against the allegations in the petition, the form of the petition, the necessity and feasibility of the district's project, and the benefits to accrue.

The TCEQ or authorized person shall publish notice of the hearing in a newspaper of general circulation in the City in which the proposed district is located once a week for two consecutive weeks. The first publication must occur not later than the 31st day before the date on which the hearing will be held.

At a hearing set under Section 375.023, the TCEQ shall examine the petition to determine its sufficiency. Any interested person may appear before the TCEQ in person or by attorney and offer testimony on the sufficiency of the petition and whether the district is feasible and necessary and would be a benefit to all or any part of the land proposed to be included in the district.

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

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.

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. The applicant shall provide supporting documentation upon request. 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.

**Additional Resources:**

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