

THE IMPACT OF MUDS IN THE CITY OF PEARLAND  
(October 1, 2015, revised September 14, 2016)

The two Shadow Creek Ranch MUDs (Brazoria County MUD 26 and Brazoria-Fort Bend Counties MUD 1) want to make our community aware of the financial impact the MUDs located in the City of Pearland have on Pearland. According to the tax rolls of Brazoria, Fort Bend and Harris Counties, the total 2015 certified and estimated taxable value of properties remaining uncertified is \$8,063,090,078 (as of the date of this article). Aside from water and sewer revenue, and sales and hotel taxes collected by the City of Pearland, much of the City's expenses are paid from our property taxes. The amount of property tax collected is wholly dependent on the taxable values placed on properties in the City. Did you know that the total taxable value of properties also in MUDs inside the City limits is **\$3,883,509,632**? This means 48.2% of the TOTAL taxable value inside the City limits of Pearland is in the MUDs; in other words, this means almost half of the City's total tax revenue is from property inside the MUDs. If we were to include the taxable value of the MUDs located in the ETJ (surrounding area within the City's exclusive jurisdiction), this would add over one and a half **billion** in taxable value to the City's total value. [We should also note for you that the taxable value of only the 2 Shadow Creek Ranch MUDs is 19.5% of the City's total value.]

**Building Infrastructure Together.** This information tells us the MUDs should be important to the City of Pearland, and respected as a valuable component of the City. Some of our community are new to the world of MUDs and do not understand the role they play in helping to build the City. Taxes paid by the property owners in the MUDs paid for much of the City's water, sewer and drainage system, and all of these facilities inside the MUD boundaries. Since most of the property in the MUDs is more newly developed than older parts of the City not in a MUD, the public infrastructure is newer and used more modern materials in construction. As the MUDs build and finance infrastructure it is given over to the City to operate and maintain. The City does not have to use its other tax or sales tax revenue to build this infrastructure inside the MUDs. Taxpayers in the MUD pay the taxes for the infrastructure that serves them. The infrastructure that the MUDs give to the City is an integral part of the City's overall system. It all works together, and the system is "shared" by City taxpayers, whether inside or outside of the MUDs.

**Rebating "double taxes".** Did you know that the City rebates (gives back) to the MUDs a portion of the property taxes they collect from properties within the MUDs? The basis for this lies in the understanding that taxpayers should not pay twice for the same thing. The City itself uses a portion of its tax money to pay for non-MUD infrastructure costs. Since the MUDs have paid for their share of infrastructure costs by payment of its own bonds issued to build the system given to the City, the City "gives back" or rebates to the MUDs an amount which is considered to offset the "double tax". The rebate is not a gift to the MUDs. The rebate represents that part of the City's tax

revenue received by ALL City taxpayers (MUD and non-MUD properties) that is for public infrastructure that does NOT serve the MUDs. The rebate funds are used by the MUDs to pay down their debt issued for the infrastructure given to the City. This helps balance the cost of the infrastructure that is one City-wide system.

**Let's Work Together.** The MUDs and the City should continue to be strong partners to work together to build an even better City. Since almost half of the City's property value is in a MUD, let's be partners and support each other. The 2 Shadow Creek Ranch MUDs have already partnered with the City to help get the first phases of the Regional Sports Park started. The MUDs are part of the City; we are not Us vs Them. We are all Pearland.

## GET TO KNOW YOUR CITY COUNCIL

People in Shadow Creek – get to know your City Council. They are:

| <b>Council Member</b> | <b>Position</b>            | <b>Current Term Expires</b> |
|-----------------------|----------------------------|-----------------------------|
| Tom Reid              | Mayor                      | May 2017                    |
| Gary Moore            | Mayor Pro Tem              | May 2017                    |
| Tony Carbone          | Councilmember – Position 1 | May 2019                    |
| Derrick Reed          | Councilmember - Position 2 | May 2018                    |
| Keith Ordeneaux       | Councilmember - Position 4 | May 2018                    |
| Greg Hill             | Councilmember - Position 5 | May 2019                    |
| Trent Perez           | Councilmember – Position 6 | May 2019                    |

Did you know newly elected City Councilman Reed lives in Shadow Creek? We encourage you to attend City Council meetings. You also can address the Councilmen during public comments at the beginning of each meeting. You will have 3 minutes to speak. Let the Council know you live in Shadow Creek and you care about what goes on in your City.

## PEARLAND REGIONAL SPORTS PARK

The Pearland Regional Sports Park located on the north side of Shadow Creek Parkway on both sides of Kingsley Boulevard, south of Clear Creek, on land donated to the City by the developer of Shadow Creek Ranch, is finally under construction. Phase 1 is underway! Phase 1 consists of lighted softball/baseball fields, a soccer field, volleyball courts, parking, trails, and a lawn amphitheater. According to the City, it will be completed by late 2015. To check the status of the park, visit [www.pearlandtx.gov](http://www.pearlandtx.gov).

Your MUD Boards heard from our residents that you wanted MORE facilities in this park. When we heard the City did not have enough funds to build more than Phase 1, we started thinking about what we could do to help. So, we worked to figure out how to help get more of the Park built sooner. We decided if the Texas Commission on Environmental Quality (who governs the MUDs ability to spend money on water, sewer and drainage facilities) allowed the District to contribute the cost of the public water, sewer and drainage facilities to serve the Park, the City could use that “saved” money to build more of the Park. Guess what? It worked!

In August, the Texas Commission on Environmental Quality approved the MUDs to contribute the cost of the water, sewer and drainage facilities to serve the Park. The MUDs contracted with the City to use these funds to build the next phase of the Park. The City has to complete construction no later than the end of February, 2017. The City has agreed the following additional park facilities will be built in this priority until the funds from the MUD are used up:

1. Crushed granite trail around detention pond;
2. Clear and grubbing Phase 2 open space;
3. Playground;
4. Lawn amphitheatre;
5. Volleyball courts;
6. Maintenance Building;
7. 4<sup>th</sup> lighted softball field; and
8. Scoreboards for softball fields.

But, we know our residents want even more parks and space for your kids and families to play! So, we partnered with the City to build temporary space for ball fields on part of the City Regional Sports Park using approximately four acres that are part of the City Park on the east side of Kingsley, south of the Nature Park and parking lot. This space is finished and ready for play. Use of this area of the park is available first-come, first-served, and **at your own risk**. If you use this new area, please respect your neighbors and don't “hog” the park and clean up after use; help us make this a welcome “bonus” to the Regional Sports Park.

If you want even MORE of the Regional Sports Park built, contact one of your City Councilmen, or go to the City Council meetings and speak under public comments. Your voice matters!

## NO TAX RATE INCREASES

In this time where some of our other tax entities and our federal government are raising taxes, the MUDs have been able to keep their tax rates steady. No tax rate increases have been adopted by either of your Shadow Creek Ranch MUDs. And, both

MUDs offer the maximum 20% general homestead exemption to help out our homeowners.