

How One Penny Decides \$100 Million

The math behind why the CAD vote matters — and how one percent of local sales tax can nearly double a developer's borrowing power.

Scenario	CAD Passes - Public Keeps Penny	CAD Fails - Developer Claims Penny
Sales Tax (1%)	Not available to MMD	Developer can levy inside district
Property-tax Capacity	\$30 - \$60 million	\$30 - \$60 million
Special Assessments & Fees	\$5 - \$15 million	\$5 - \$15 million
Sales-tax Bond Capacity	---	+ \$35 - \$40 million
Total Financing Power	\$35 - \$75 million	\$70 - \$115 million
Investor Appeal	Limited	Strong - nearly double leverage

What It Means

- Passing the CAD doesn't stop **TexasLand USA** from applying for a Municipal Management District (MMD), but it removes their most lucrative revenue stream.
- Without sales-tax income, an MMD's borrowing power drops nearly 50%.
- With that penny unclaimed, a private MMD could leverage public money to issue bonds, attract investors, and fund infrastructure with little oversight.

How We Got the Numbers:

Estimates are based on TexasLand USA's own first-phase scale (~ \$400 M in taxable improvements, ~ \$250 M in annual sales). A 1 % sales tax equals about \$2.5 M per year — enough to support \$35–\$40 M in bonds. Adding property-tax and fee capacity brings total MMD financing power to \$70–\$115 M if the CAD fails; versus \$35–\$75 M if it passes.

The Choice Is Ours

YES Vote – Keeps sales-tax revenue under local control for roads, drainage, and public safety.
NO Vote – Leaves millions on the table for private developers to capture.