# Case Study 1: Colony Ridge, Liberty County

**What Can Go Wrong with a Developer-Controlled MMD**
*A Cautionary Tale for Unincorporated Waller County*

---

## Background

Colony Ridge, a sprawling residential development in **unincorporated Liberty County, Texas**, has become one of the state's most controversial growth stories.
Promoted as an affordable community, it grew to house tens of thousands — all under a **Municipal Management District (MMD)** created for and controlled by the developer.

Because the area lay **outside any city limits**, there was **no local government oversight** — no city council, planning department, or public vote. The MMD functioned as a *private government* with the power to tax, borrow, and issue bonds, but with **no accountability to voters.**

---

## What Went Wrong

**1. Developer-Controlled Government**
The MMD board was stacked with insiders.
Investigations found it **awarded over $22 million in contracts to the developer's own subsidiary**, while many roads and utilities remained unfinished.
Residents had little voice in how their taxes were used.

**2. Deferred Infrastructure**
Lots were sold before water, sewer, or drainage systems were built.
The result: **flooding, unpaved roads, and chronic drainage failures.**
The district collected millions in taxes but left much unspent, even as conditions worsened.

**3. Predatory Marketing and Financing**
Federal regulators have sued the developer for **bait-and-switch land sales and high-risk financing** targeting Latino buyers.
Many families bought lots without utilities or on flood-prone land — often through loans designed to fail.

**4. Public Services Overloaded**
Because Colony Ridge was unincorporated, **county agencies** — not the MMD — had to absorb

the burden.
Schools, law enforcement, and emergency services were stretched thin while the private district held taxing power but gave little back.

**5. Erosion of Public Trust**
What began as a promise of opportunity became a lesson in **how privatized governance fails rural communities.**
State investigations followed, and "Colony Ridge" is now a statewide warning sign of what happens when developers govern themselves.

---

## Lessons for Waller County

Like Liberty County, much of Waller County's unincorporated area is growing quickly but without a clear public framework for managing that growth.
Creating a **voter-approved district** would give the county the tools to guide development and infrastructure through a **transparent, accountable process** — rather than leaving room for private developer districts to grab control later.

> **When developers make the rules, transparency disappears and taxpayers lose their voice.**

Waller County can take the opposite path by keeping that 1% local sales tax **under county oversight through the Commissioners Court.**
That ensures decisions about roads, drainage, and emergency services remain **in public hands — with officials who answer to voters, not private boards.**

---

## Why This Matters for Local Taxpayers

Creating the district would ease pressure on both **property taxes and county debt**, giving Waller County a **stable, voter-approved source of funding** for infrastructure in unincorporated areas.

Right now, nearly every project relies on property taxes, borrowed funds, or limited state and federal grants. A **modest 1 % sales tax** would shift part of that cost to growth itself — generating revenue from everyday purchases instead of new taxes or long-term borrowing.

> **Passing the CAD lets growth help pay for growth. Instead of raising taxes or issuing bonds every time we need roads or drainage, the county can use that steady stream from local commerce to keep projects moving.**

## Takeaway

**Colony Ridge** didn't fail overnight — it failed because **public power was handed to private interests** in an unincorporated area **with no checks or balance**.

Waller County has the chance to do it differently.
By voting YES to create a County Assistance District, residents can keep our penny — and **our power — local and accountable**.