



KINGSBOROUGH

A win-win for developers and the local school district

BEST REAL ESTATE DEALS OF 2003
WINNER

By AMY SORTER
Correspondent

KAUFMAN COUNTY — It was a deal that was less about land acquisition and more about legislative skills and cooperation with rural school districts. Still, the end result of this particular deal will have a strong and positive impact on Kaufman County.

The transaction was the \$8 million acquisition and proposed development of Kingsborough, a 25,000-acre plot of land located south of Forney, north of Crandall and in Mesquite's extraterritorial jurisdiction. Once homes have been built, the project will add more than \$1 billion in value to Kaufman County's tax rolls.

Mabrey & Partners, L.L.C., the partnership that acquired the land, opted to set up Municipal Utility Districts to increase the land's value and to allow for more flexibility in development of roads, water utilities and other infrastructure. But creation of the MUDs, as James Mabrey found out, went from routine paperwork

to a near nightmare.

"Creating MUDs is a fairly complicated deal to begin with," said Mabrey, president and general partner.

For one thing, the state's Congress needs to get into the act to pass bills to create the MUDs. "But to make matters even more complicated for us, we had one of the more unusual legislative sessions to deal with here," he said.

The "unusual" aspect to the session involved departure — twice — of various Democrat representatives and senators to points north and west, respectively.

"We had to do some maneuvering around to (prevent) the bills from dying out; and that took a little bit of luck," Mabrey said.

Another challenge involved the Crandall Independent School District. The directors of this small, mainly rural district were concerned that schools and resources would be overwhelmed by the proposed addition of 8,000 homes during the next decade or so.

"Normally, these small school districts become overwhelmed with growth," said Fred Balda, division president of Hillwood Residential, which will handle the

development aspects of the project.

To address the potential problems inherent in such a huge development, Mabrey and his partners met with district officials. The end result was the Kingsborough Education Fund, in which a percentage of each home sold will be put aside to help Crandall ISD build more schools on sites donated by Mabrey & Partners.

"One of the great things about this project was the open dialogue we had with the district," Mabrey said. "Getting their vantage point really helped us better work together with them and allowed us to determine how we could make the schools the focal point of the area."

With MUDs established and the school district in partnership with the land owners, Balda said the first phase of home construction will begin during the summer of 2004, with lots available to market by 2005.

"This is a great example of managed growth," Balda said. "Managed growth, with some neat issues to address the district's concerns."

Sorter is a freelance writer in Dallas.

LOTS OF LAND: The Kingsborough development is expected to add 8,000 homes in the Crandall School District over the next 10 years.

Kingsborough

The deal: \$8 million acquisition and proposed development south of Forney.

Size of the deal: 25,000 acres and 8,000 homes over the next ten years.

Buyer: Mabrey & Partners, L.L.C. acquired the land

Developer: Hillwood Residential