

An Outside Developer's Analysis of Incorporation

The Woodlands, Texas



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About Danny Signorelli | The Signorelli Company



Danny Signorelli
CEO of The Signorelli Company



I am a lifelong resident of Montgomery County. My wife Angie and I have raised 4 kids in The Woodlands schools, with 3 still in high school. We Live, Work and Play in The Woodlands.

My company, The Signorelli Company, is a Master Planned Community and Mixed-Use land developer with our corporate headquarters located on Woodlands Parkway.

Being in business for over 27 years, we have past and present projects in the 9 counties that make up the Greater Houston Market. With decades of experience in all facets of this arena, I felt compelled to share my views on incorporation.

As I do not develop in The Woodlands, and in fact my company is a direct competitor of Howard Hughes Corporation, my opinions as a developer hopefully serve as a credible reference for your research and can help you sift through the high levels of misinformation.

As a passionate homeowner living in The Woodlands, as a lifelong resident of Montgomery County, as someone who truly loves and respects our great Woodlands community, I am compelled to speak up, speak out, and do my best to make a difference.

Hallmarks of a Successful Master Planned Community

The Woodlands Enjoys a Carefully Balanced ECOSYSTEM

LIVE

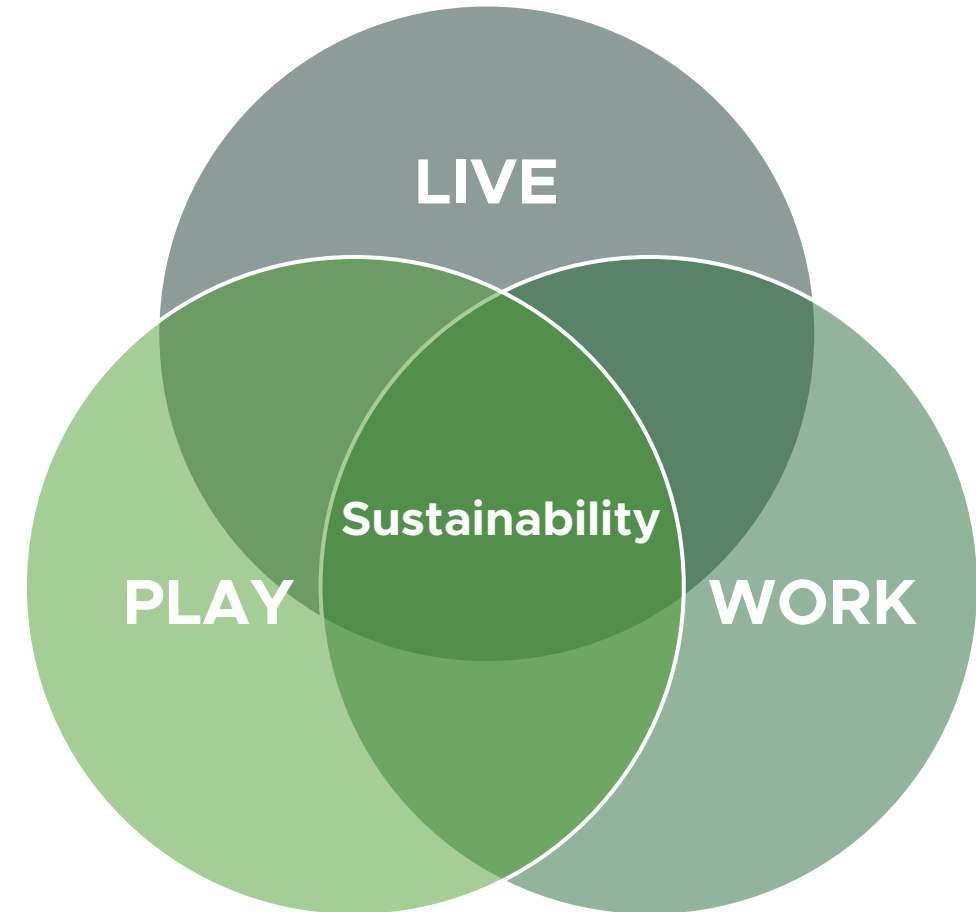
- Variety in Housing Options, Price Points, and Product Type
- Blend of Retail, Services, Conveniences
- Education, Police, Emergency Services

WORK

- Corporate Headquarters
- Blend of Local and National Employers
- Hotels / Conference Centers

PLAY

- Amenities and Green Space
- Entertainment
- Quality of Life Elements



LIVE / PLAY: The Woodlands is America's Premier Master Planned Community

Ranked the #1 "BEST CITY TO LIVE IN AMERICA" by niche.com

- #2 BEST PLACE TO BUY A HOUSE
- #2 BEST PLACE TO RAISE A FAMILY



CITY

The Woodlands

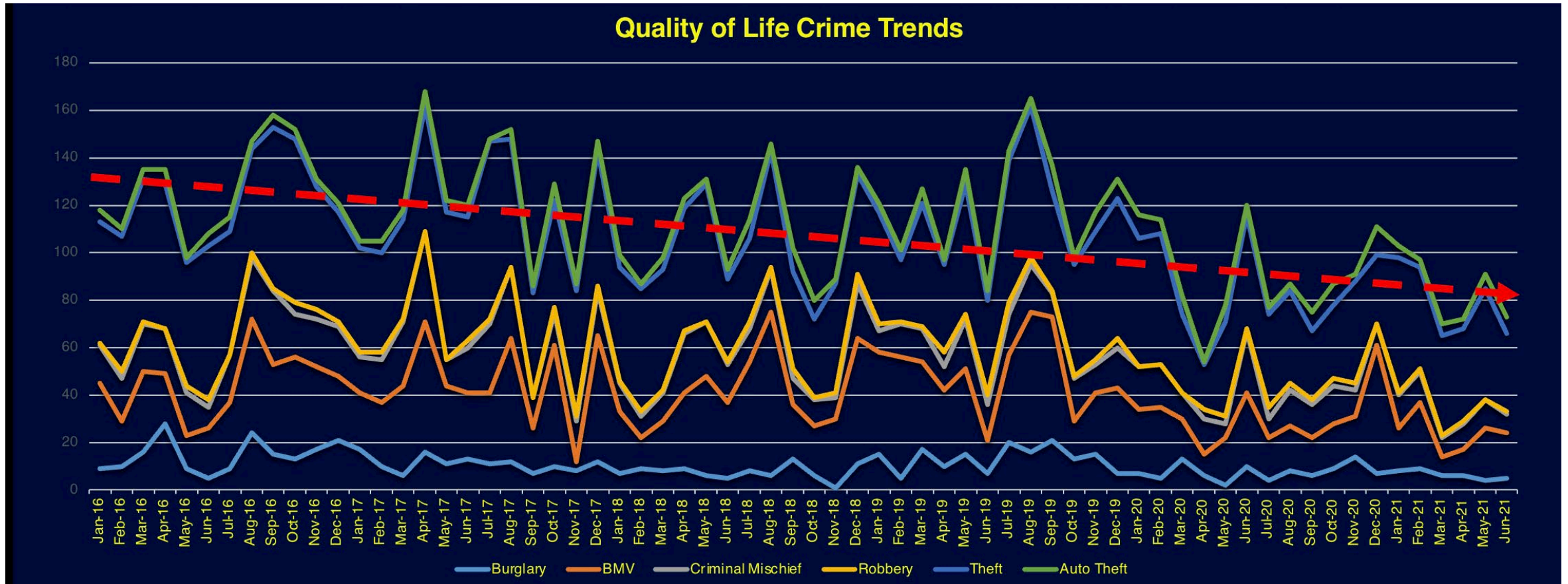
#1 in Best Cities to Live in America

A+ Overall Grade • City in Texas • ★★★★★ 445 reviews

The Woodlands Township 2nd Quarter Public Safety Report

We enjoy a very low crime rate that is **54% BELOW State Average**, according to the 2019 FBI Uniform Crimes Reports.

Crime was low in 2016 and is even lower in 2021, making The Woodlands one of the safest places to LIVE, WORK, PLAY.



WORK: The Woodlands ECOSYSTEM is Dependent Upon “Work”

CRITICAL DAYTIME POPULATION

- Hotels and major restaurants exist and thrive thanks to high commercial / office occupancy rates and activities which drive daytime population to approximately 130,000 daily (excluding visitors, shoppers, etc.)

MAINTAINING A MARKET ADVANTAGE TO ATTRACT BUSINESSES AND KEEP THEM IS CRITICAL

- We as residents do not render all the retail, restaurants, hotels and quality of life amenities viable on our own. It is the commercial / offices / successful mom-and-pop businesses that do the heavy lifting.
- The Woodlands is in constant competition for major employers. We compete daily with each suburb from Sugar Land to Conroe, and from the Energy Corridor to Downtown Houston. All have their own version of The Woodlands Township. And all are offering tax abatements and incentives to attract the major job creators.
- Large employers are highly attracted to our low tax and low bureaucracy / red-tape environment.
- The Anadarkos (Occidental) or McKessons are our golden geese, but they are closely followed by all the mom-and-pop entrepreneurs that make up the largest employer base in The Woodlands. From Crust Pizza to Uni Sushi, they all need a tax-friendly market advantage to thrive.
- Today, we boast one of the most attractive environments for LIVE, WORK, PLAY in the 9-county region that makes up the Greater Houston Market.

Tax 101: The Brilliance of Municipal Utility Districts (MUDs)

- The Woodlands was built using MUDs with a purpose in mind. They have “built-in” limitations on local government to protect property owners from bureaucratic inefficiency, runaway debt and strapping the future landowners with liabilities that force tax increases.
- MUDs are the most ideal taxing authority, substantially limited to covering cost of infrastructure (water, sewer, drainage, detention, etc.)
- All MUDs have a declining tax rate as the infrastructure is paid off over 20-25 years and only maintenance remains over the long run... meaning the big price tag gets paid off and property owners enjoy a declining tax rate for the future.
- The Woodlands has a total of 11 MUDs with debts ranging from \$0 (in MUDs 1, 6, 7, and 36) to \$151,000,000 (in MUD 386). Tax rates range from 3 to 49 cents.
 - No homeowner in MUD 1, 6, 7, 36 should have to assume any part of the \$151M debt in MUD 386, or really any part of the total \$286M MUD debt.
 - The last thing you want is for a handful of city council members to make a decision for you down the road and let you know what your tax impact and water rates will be... What we have today is clear... If anyone wants to change that, then give us a clear picture and then we as residents will vote on it.

Tax 101: The Brilliance of a Special Purpose District (The Township)

- Our Limited Government structure allows The Township to capture Sales Tax, Hotel Tax, Venue Tax, creating substantial annual revenue just like a City. Our 2021 Revenues are expected to hit approximately \$128 Million.
- Our Township dollars are very efficient, as they are not DILUTED via typical city expenses such as police, road maintenance, equipment, lifelong pensions, as **these costs are already covered via our declining Montgomery County Tax Rate.**
- The Net Result is a market advantage to attract and keep businesses in The Woodlands, keeping their expenses down, profitability up, and doing their part to support our Woodlands Ecosystem.
- The Township dollars are 100% obligated to make our experience in The Woodlands better.
- This year our Township will have accumulated an astronomical **\$104 Million in operating reserves.** Not becoming a city should trigger a massive tax reduction, more advantages to our ecosystem and more fair treatment to our residents' pocketbook.

Township Leadership... A Lack of Credibility and Transparency

Special Purpose District The Woodlands Township	VS.	Incorporation: City of The Woodlands
Rate Could Be Lowered 20% or More to \$0.17 or less \$0.2231 per \$100 valuation	Tax Rate	City Council Can Raise Taxes 3.5% PER YEAR (Doesn't Cover Shortfall) \$0.2231 per \$100 valuation
Special Purpose District	Type of Government	Type A General Law City
No authority Enforceable Master Planned Covenants / Restrictions	Ordinances: Noise, fireworks, parking, tree preservation	Local control by city City Issues Fines & Tickets
Dependent on Montgomery and Harris counties and cities of Houston and Conroe Tax Rates Cover Maintenance of 500 Miles of Aging Roads	Roads/Right of Ways/Thoroughfares/ Speed Limits	Local control by city New City Tax Must Cover Cost of Owning 500 Miles of Roads - County Taxes Do NOT Go Away
City of Houston, City of Conroe Recent Texas Law: No Annex Without Vote	Jurisdiction Rights / Annexation	Permanently eliminates Conroe and Houston's annexation rights of The Woodlands ALREADY ELIMINATED - TEXAS LAW
98% Developed Out - #1 Place to Live in America! Dependent on developers, Houston, Conroe	Development / Land Planning	Local control by city Council of FIVE People
Should offer 20% Homestead Exemption Not eligible	Over 65 / Disabled Tax Freeze	Eligible for tax freeze If City Council Approves - \$26 Savings?
Township Per Texas Law is Unpaid	Elected Officials	Unpaid City Council Votes on Their Own Pay
Dependent on counties , Township Locally Elected Sheriff and Constable - Highly Successful Current Policing Model	Law Enforcement	Local control by city. First year, no change. Funded
County and 12 in Harris County	NO MAJOR FLOODING ISSUES	Transition Agreement years 2 through 5 after incorporation County Can Cancel
County Authority No authority	Drainage / Flooding	Can establish and enforce drainage standards
Developer collects some access fees Collects Access Fee on Private Land (\$1M), Exp. 2023	Access / Franchise Fees	Remitted to the city New \$7.6M Franchise Fee will likely surface on your Utility Bill (3.6% Tax Hike)
No authority Contract - Local Sheriff & Constable Enforce Laws Administered by The Woodlands Township	Traffic Control	Local control by city except State Highway 242
Eligible in limited situations	Covenant Administration	Administered by the city
Independent local jurisdictions	Access to Federal / State Funding	Eligible for greater share of funding In Limited Situations w/ Strings Attached
Separate and independent Many MUDs have LOW to NO debt. Unfair to blend tax with High Debt MUDs. governmental units	School Districts	No change with city
	Municipal Utility Districts (MUDs)	Authority, but no obligation to abolish MUDs No Vote - City Council Chooses Winners and Losers! \$250M+ MUD Debt The Township has NOT Accounted For and assume operations

TAXPAYER FUNDED TOWNSHIP PROPOGANDA → The Woodlands Township August 25, 2021

How Can This be True When all the Data Shows Otherwise?



Don't Be Fooled by The Township "No Tax Rate Increase" Claim!

THE HIDDEN COSTS OF INCORPORATION

	Current Township Model	Proposed City Model	Estimated Cost of Change
<u>Operating Cash Flow (in \$000's)</u>			
2025 Forecasted Revenues	\$143,706	\$153,421	\$9,715
2025 Forecasted Expenses	133,750	150,102	16,352
Operating Surplus(Deficit)	\$9,956	\$3,319	(\$6,637)
<u>Capital Requirements for Transition</u>			
Public Works Capital	Zero	\$10,200	\$10,200
Law Enforcement Capital	Zero	5,286	5,286
Police/Municipal Court buildings	Zero	30,000	30,000
Subtotal Upfront Capital Required	Zero	\$45,486	\$45,486
<u>Fund Balances Required @ FY 2022</u>			
Operating Reserve	\$22,255	\$30,115	\$7,860
Capital Reserves	32,354	38,954	6,600
Incorporation reserve	Zero	20,782	20,782
Fund Balances Required FY 2022	\$54,609	\$89,851	\$35,242
<u>New Debt Required</u>			
Borrowings required for Police/Court Buildings	Zero	\$14,000	\$14,000
Total New Debt	Zero	\$14,000	\$14,000

Misleading New Revenue Assumption - \$9.7 Million in "New Revenue" (\$1M in alcohol, \$1M in parking fines, \$7.6M are franchise fees that will be passed onto residents) equating to a **3.5-cent tax increase**.

Dramatically Higher Operating Costs - The Woodlands Township estimates **increased annual operating costs of Incorporation at \$16.4 Million** or about a **7.5-cent increase** to our tax rate.

Huge Upfront Cost of Transition to City - The upfront capital required to become a City is estimated by The Woodland Township at **\$45.5 Million, including \$14 Million in new debt** (a 35% increase in total debt).

Dramatically Higher Reserves under City Model - City plan requires \$35 Million more in operating and capital reserves than status quo.

Under the current Township model, the rate could be immediately lowered by 20% to \$0.17 or less.

Source: The Woodlands Township Board Presentations Dated August 13 and 25, and Sept 16, 2021

The Township's 5-Year Plan Continues to Hoard Cash Rather Than Reduce Property Taxes

Summary TWT 5 Year Plan	2022	2023	2024	2025	2026	5 Year Total
Tax Rate Assumption	\$0.2231	\$0.2231	\$0.2231	\$0.2231	\$0.2231	\$0.2231
Property Taxes	\$48,673	\$49,849	\$51,025	\$52,178	\$53,186	\$301,945
Sales Taxes	57,923	59,516	61,153	62,634	64,562	362,024
Hotel Taxes	7,281	9,101	9,329	9,562	9,801	50,899
Other Revenue	18,925	20,267	18,764	19,376	19,540	115,418
Total Revenues	132,802	138,733	140,271	143,750	147,089	830,286
Operating Expenditures	110,852	113,896	116,652	119,475	122,461	688,946
Other Expenditure (EDZ)	3,098	3,183	3,285	3,390	3,498	19,470
Capital Expenditures	12,305	10,762	8,156	4,929	6,965	56,475
Debt Service	6,081	5,965	5,970	5,956	5,959	35,968
Total Expenditures	132,336	133,806	134,063	133,750	138,883	800,859
Surplus(Deficit)	466	4,927	6,208	10,000	8,206	29,427
Fund Balance BOY	104,874	105,340	110,267	116,475	126,475	104,874
Fund Balance EOY	\$105,340	\$110,267	\$116,475	\$126,475	\$134,681	\$134,301

- By maintaining the current tax rate, The Township projects a **\$30 Million Surplus over the next 5 years.**
- Under its own historic reserve policy, discretionary reserves **are overfunded by at least \$36 Million** today and the overfunding is expected to **grow to over \$55 Million over the next 5 years.**
- This surplus is sufficient to support a **5-cent rate decrease from \$0.2231 to \$0.1731.**

Summary of Reserves	2022	2023	2024	2025	2026
Operating Reserve	\$30,116	\$30,116	\$30,116	\$30,116	\$30,116
Capital Replacement	38,954	35,472	31,981	31,428	28,837
Incorporation	20,781	20,782	20,782	20,782	20,782
Undesignated Gen Fund	885	6,843	12,942	19,875	26,884
Discretionary Reserves	90,736	93,213	95,821	102,201	106,619
Non-discretionary Reserves	14,604	17,054	20,654	24,274	28,062
Total Reserves	\$105,340	\$110,267	\$116,475	\$126,475	\$134,681
Annual Change	\$466	\$4,927	\$6,208	\$10,000	\$8,206
Cumulative Change	\$466	\$5,393	\$11,601	\$21,601	\$29,807
Excess Reserves over Target	\$36,128	\$40,461	\$45,035	\$50,447	\$55,900

THE TOWNSHIP CAN TRANSFER, SPEND & UTILIZE DISCRETIONARY FUNDS WITHOUT RESIDENT OVERSIGHT!

What would a \$0.05 cent Property Tax Reduction Look Like?

Rate Reduction Plan	2022	2023	2024	2025	2026	5 Year Total	Difference from Plan	Difference from Incorp
Property Tax Rate Assumption	\$0.1731	\$0.1731	\$0.1731	\$0.1731	\$0.1731	\$0.1731	\$0.0500	\$0.0500
Revenues	\$121,802	\$127,733	\$129,271	\$132,750	\$136,089	\$647,645	(\$55,000)	(\$97,040)
Operating Expenditures	120,031	123,044	125,907	128,821	131,918	629,721	-	(56,960)
Capital Expenditures	12,305	10,762	8,156	4,929	6,965	43,117	-	-
Incorporation Capital	-	-	-	-	-	-	-	(31,485)
New Incorp Debt Service	-	-	-	-	-	-	-	(563)
Surplus(Deficit)	(10,534)	(6,073)	(4,792)	(1,000)	(2,794)	(25,193)	(55,000)	(8,032)
Fund Balance BOY	104,874	94,340	88,267	83,475	82,475	104,874	-	-
Fund Balance EOY	\$94,340	\$88,267	\$83,475	\$82,475	\$79,681	\$79,681	(\$55,000)	(\$8,032)
Debt EOY	\$35,210	\$30,540	\$25,700	\$20,695	\$15,495	\$15,495	\$0	(\$13,613)

Rate Reduction Vs Incorporation	2022	2023	2024	2025	2026	5 Year Total	Difference from Plan
Revenue	(\$14,857)	(\$20,189)	(\$20,378)	(\$20,561)	(\$21,055)	(\$97,040)	(\$55,000)
Operating Expenditures	(\$1,171)	(\$9,616)	(\$12,963)	(\$16,339)	(17,434)	(\$57,523)	\$0
Capital Expenditures	(\$65)	(\$11,940)	(\$1,740)	(\$17,740)	\$0	(\$31,485)	\$0
Debt	\$0	\$0	\$0	(\$14,000)	(\$13,613)	(\$13,613)	\$0

Forecasted Reserves	2021	2022	2023	2024	2025	2026
Operating Reserve	\$25,002	\$30,116	\$30,116	\$30,116	\$30,116	\$25,116
Capital Replacement	44,023	38,954	35,472	31,981	28,085	26,503
Incorporation	20,782	10,666	5,625	724	-	-
Undesignated Gen Fund	-	-	-	-	-	-
Total Discretionary Reserves	\$89,807	\$79,736	\$71,213	\$62,821	\$58,201	\$51,619
Non-discretionary Reserves	15,067	14,604	17,054	20,654	24,274	28,062
Total Reserves	\$104,874	\$94,340	\$88,267	\$83,475	\$82,475	\$79,681
Excess Reserves over Target	\$25,127	\$18,461	\$12,035	\$6,447	\$900	

- Every \$0.01 represents about \$2.2 Million in property tax revenue, so a \$0.05-rate reduction is about \$11 Million per year, or \$55 Million over 5 years.
- This rate will still allow for all planned capital expenditures provided for in The Township's 5-year plan.
- While this plan will run a deficit of \$25 Million, virtually all this deficit goes to debt reduction. By 2028, annual debt payments will drop by \$2.8 Million per year and down to zero by 2032.
- If we vote against incorporation, the Board could use funds to retire \$25 Million of general fund obligations early.
- Based on The Township's approved 5-year plan, the Township could absorb this reduction and maintain over \$50 Million in discretionary reserves which is above its historical reserve policy.

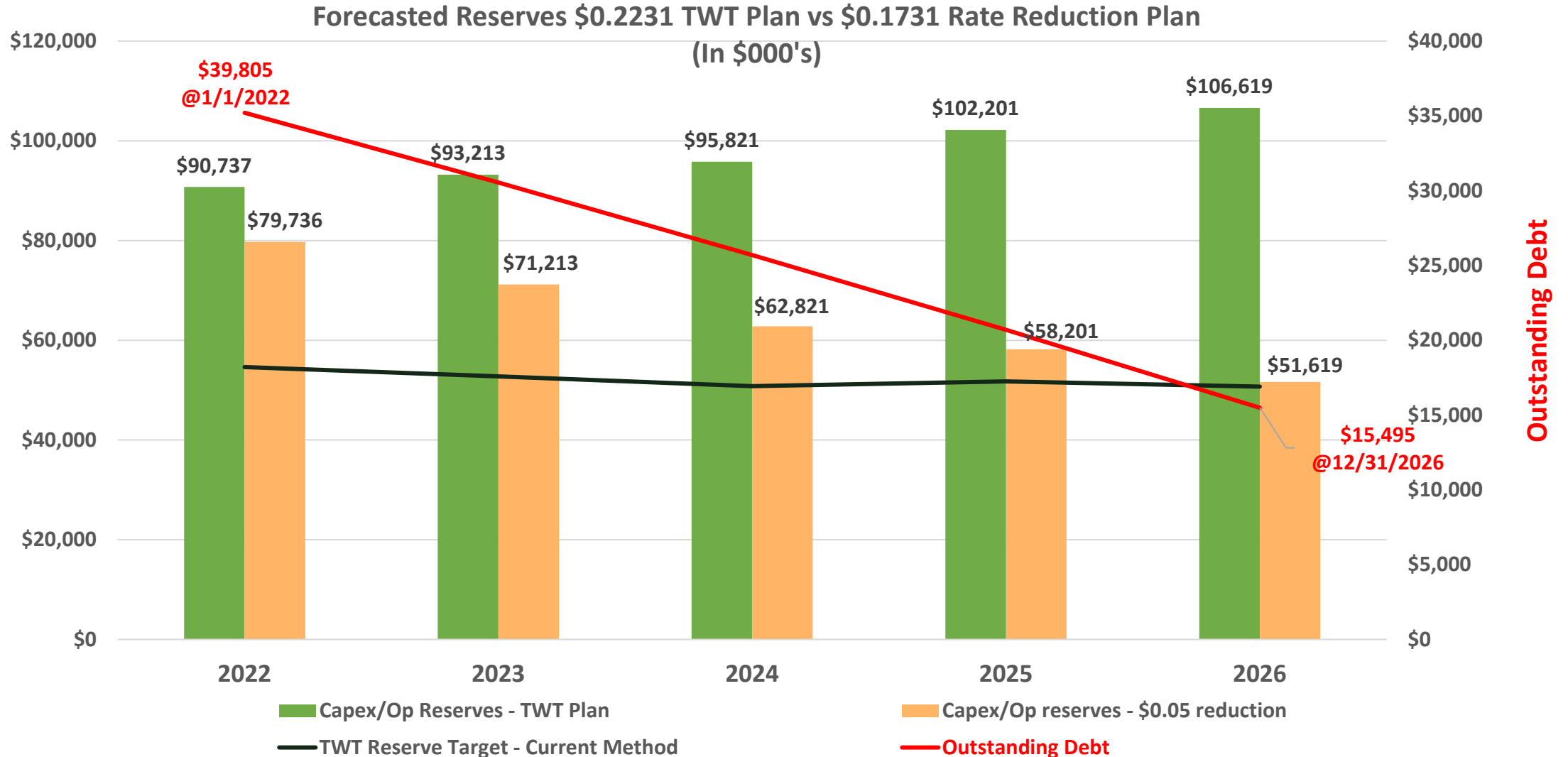
Incorporation Carries Enormous Costs with Little Measurable Benefit

<u>Incorporation Plan</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>5 Year Total</u>	<u>Difference from Plan</u>
Property Tax Rate Assumption	\$0.2231	\$0.2231	\$0.2231	\$0.2231	\$0.2231	\$0.2231	\$0.0000
Revenues	\$136,659	\$147,922	\$149,649	\$153,311	\$157,144	\$744,685	\$42,040
Operating Expenditures	121,202	132,660	138,870	145,160	148,789	686,681	56,960
Capital Expenditures	12,305	10,762	8,156	4,929	6,965	43,117	-
Incorporation Capital	65	11,940	1,740	17,740	-	31,485	31,485
New Incorp Debt Service	-	-	-	-	563	563	563
Surplus(Deficit)	3,087	(7,440)	883	(14,518)	827	(17,161)	(46,968)
Fund Balance BOY	104,874	107,961	100,521	101,404	86,886	104,874	-
Fund Balance EOY	107,961	100,521	101,404	86,886	87,713	87,713	(46,968)
Debt EOY	\$35,210	\$30,540	\$25,700	\$34,695	\$29,108	\$29,108	\$13,613

<u>TWT 5 Year Plan Vs Incorporation</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>5 Year Total</u>
Revenue	(\$3,857)	(\$9,189)	(\$9,378)	(\$9,561)	(\$10,055)	(\$42,040)
Operating Expenditures	(\$1,171)	(\$9,616)	(\$12,963)	(\$16,339)	(\$17,434)	(\$57,523)
Capital Expenditures	(\$65)	(\$11,940)	(\$1,740)	(\$17,740)	\$0	(\$31,485)
Debt	\$0	\$0	\$0	(\$14,000)	(\$13,613)	(\$13,613)

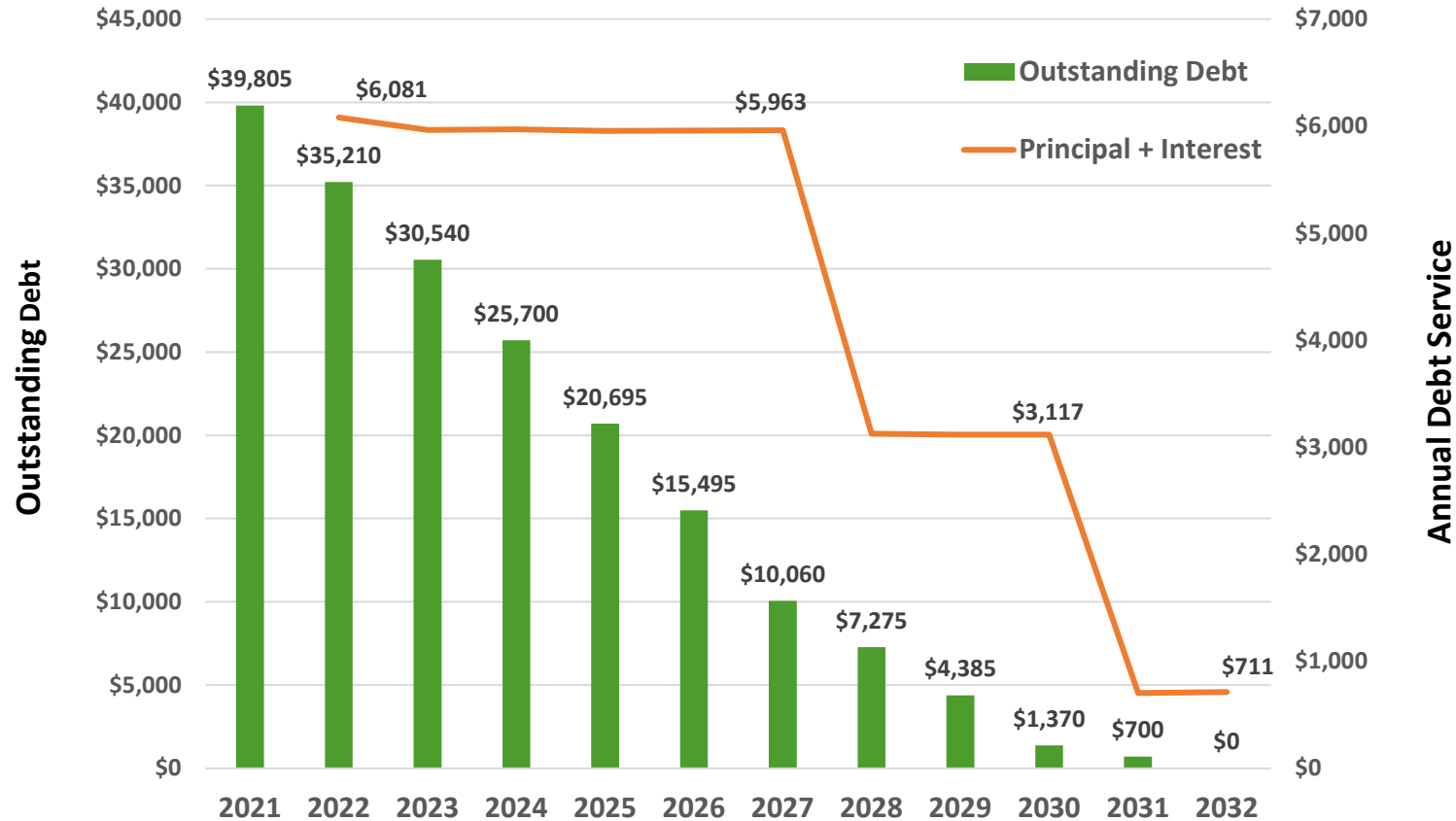
- Incorporation will add **\$47 Million of costs in excess of revenues.**
- During first 5 years after incorporation, the City will run a deficit of about \$17 Million. Small and declining surplus in 2026 may indicate a pending tax increase in future year as discretionary reserves will have declined by \$20 Million over the prior four years.
- Most of the new revenue is from utility fees that will likely be passed through on your non-deductible utility bill.
- Incorporation Plan assumes \$14 Million in new debt to build police station and municipal courts.

The Township's 5-Year Plan Reserves Compared to Forecasted Reserves with \$0.05-Rate Reduction



The Township Balance Sheet is Strong and Getting Stronger under the Current Township Model

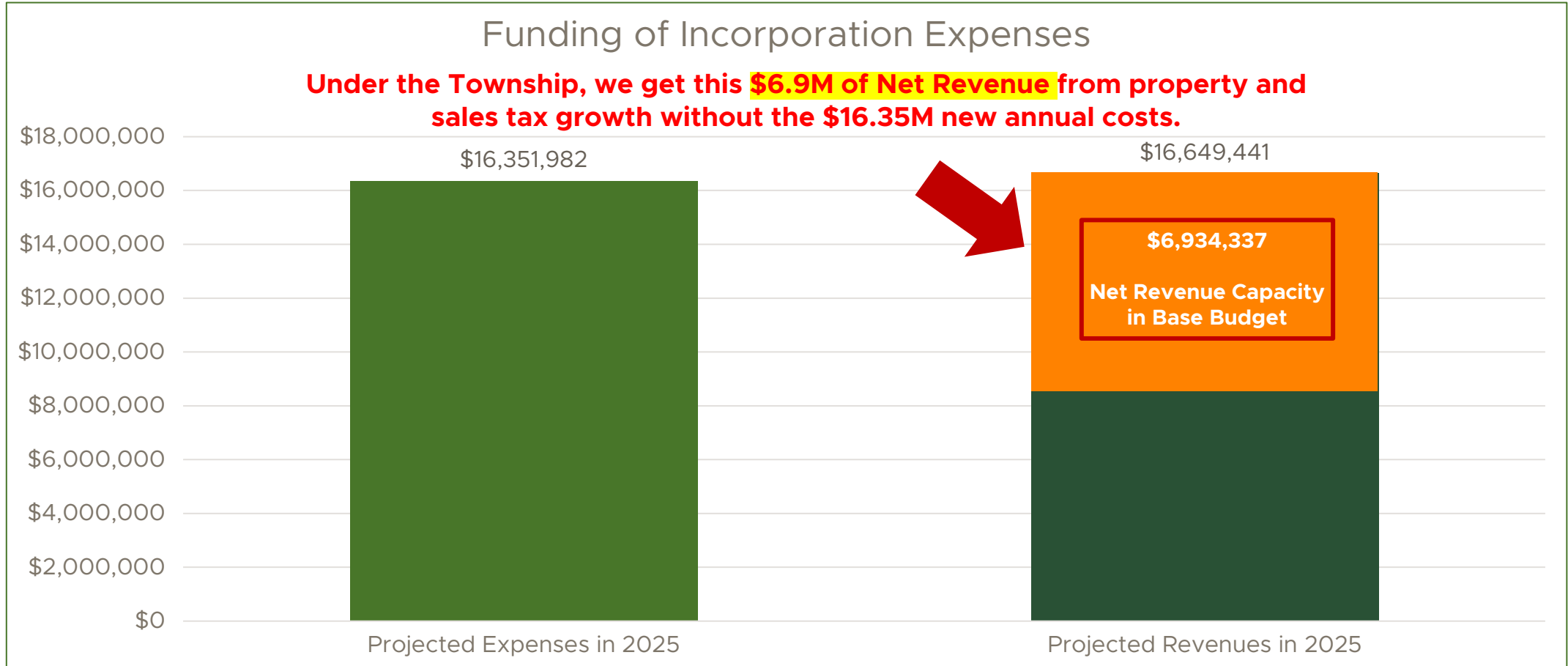
Forecasted Debt & Debt Service
(In \$000's)



- Under the current Township model, The Woodlands Township is on track to reduce its debt by \$25 Million over the next 5 years and be debt free by 2032.
- Under Incorporation, the new city would increase debt by \$14 Million for a new municipal building.
- Rather than use \$36 Million in excess discretionary reserves to add unneeded buildings and equipment, we could use these funds to retire debt early.

No Valid Reason to Incorporate: MORE MONEY IN RESIDENTS' POCKETS

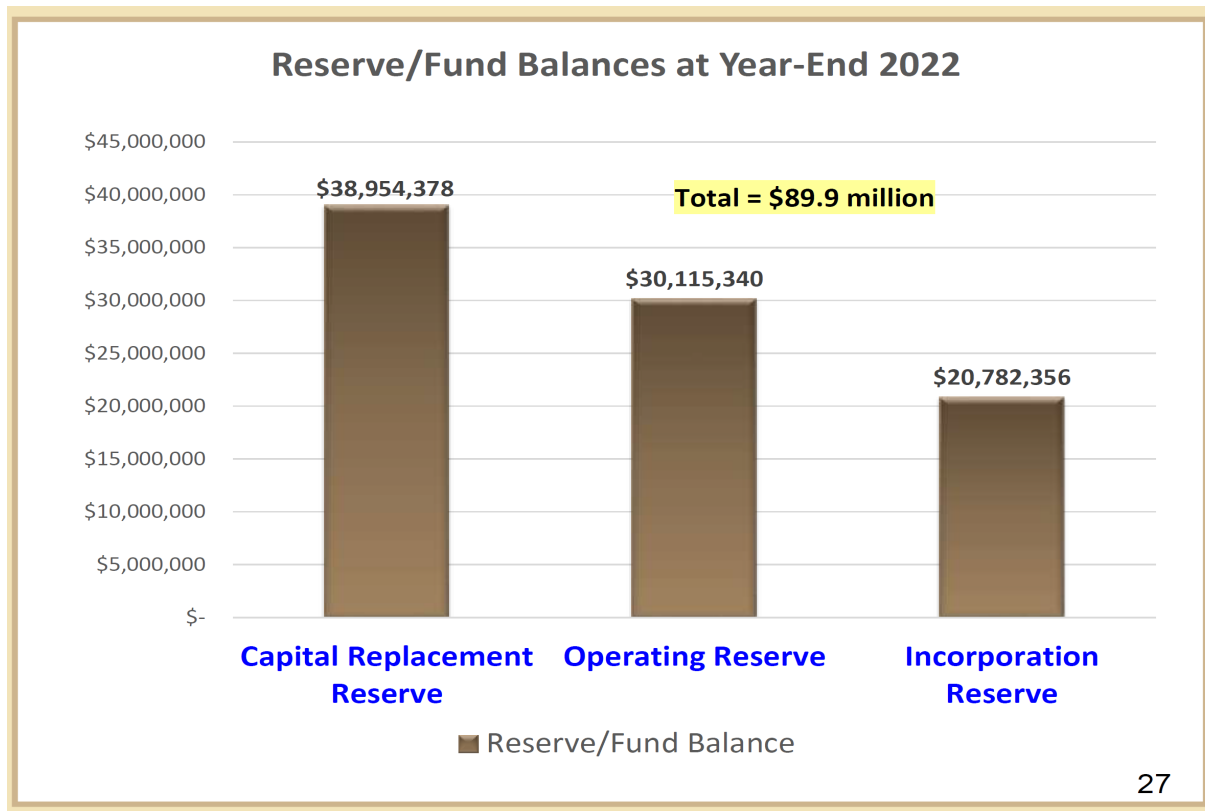
NET REVENUE OF **\$6.9M AVAILABLE REGARDLESS OF INCORPORATION**
WITHOUT \$16.35M IN NEW ANNUAL COSTS



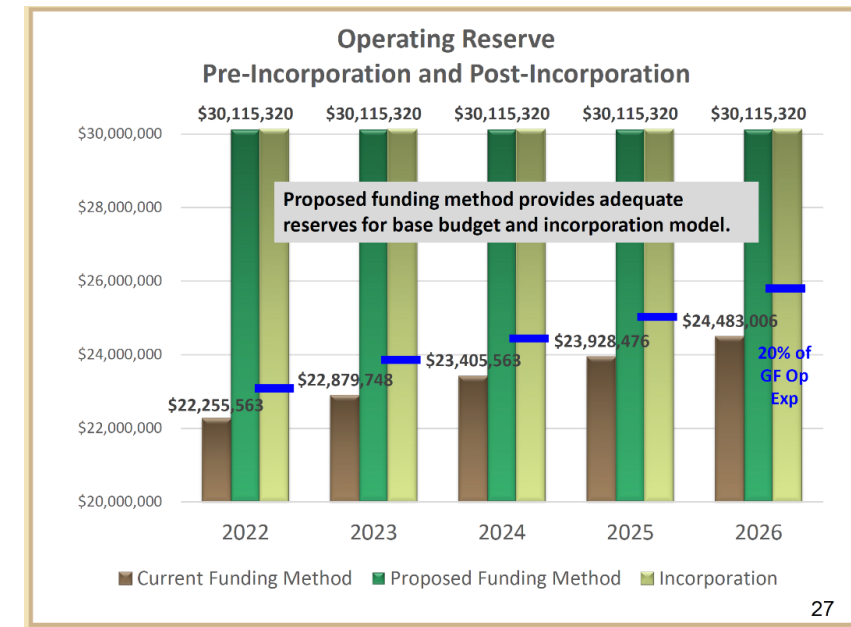
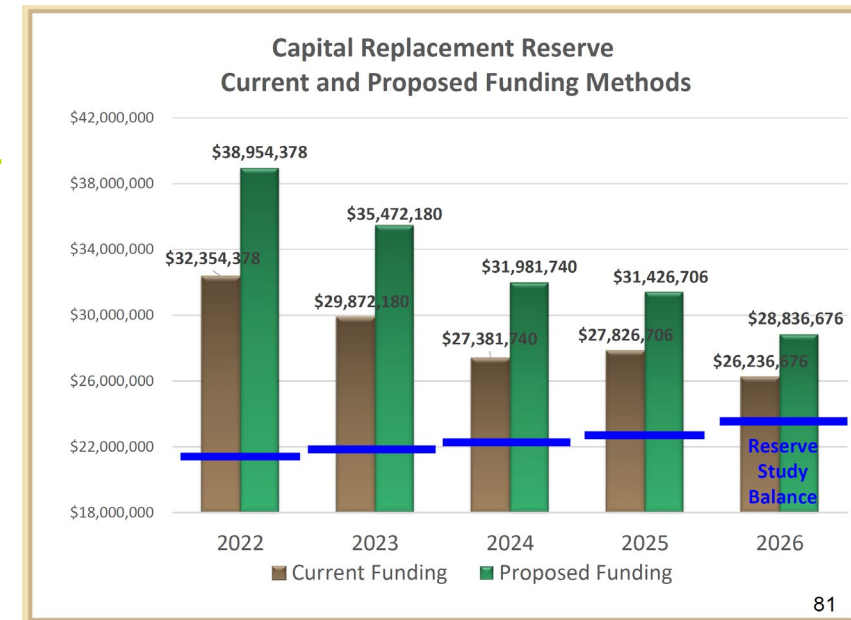
Source: The Woodlands Township Board Presentations Dated August 13 and 25, and Sept 16, 2021

How Much Reserves is Enough?

The Woodlands Township's own data shows targeted Fiscal Year 2022 reserves are **overfunded by at least \$35 Million** if we remain a Township!



Source: The Woodlands Township Board Presentations Dated August 13 and 25, and Sept 16, 2021



Poor Planning Will Lead to an Expensive Boondoggle!

THE WOODLANDS TOWNSHIP BASIS FOR LAW ENFORCEMENT FACILITY FROM THEIR MAY 2020 INCORPORATION STUDY:

The Woodlands currently lacks appropriate facility space to house expanded law enforcement services and functions. This estimate assumes the construction of an 85,600 square foot facility at a cost of \$30 Million, based on 2016 public safety facility constructed in the City of Conroe.

CONCERNS ABOUT POTENTIAL COST OVERRUNS:

- Site is not identified in report and unclear whether cost of land is considered.
- Estimate is based on 5-year-old 2016 cost (5-year increase could be 30%-50% higher)...over past 5 years.
- If we put on City-owned, the land value must be considered in the upfront cost of the City. For example, the former 11.6-acre site on Grogans Mill acquired from GE in 2016 cost of \$15.2 Million.
- Tremendous lack of Transparency, Accuracy, Credibility.... Why the Rush?

CONCERNS ON BUDGET / “HYBRID” PLAN FOR LAW ENFORCEMENT:

- Cost jumps from \$14 Million to \$24 Million @ yr. 4
- No 5th yr. plan on costs estimates
- All public projections stop at year 2025... WHY??
- 3rd party experts estimate \$30 Million annually at minimum cost

The Township Board Punts on the Decision Regarding the Consolidation of \$250+ Million in MUD Debt – Too Big a Decision Not to Face Now!

THE FOLLOWING IS EXCERPTED FROM WOODLANDS INCORPORATION STUDY:

In October 2018, HR Green performed an analysis of infrastructure liabilities associated with the 11 MUDs serving The Woodlands, including the existing asset conditions and valuations of each MUD, as well as estimated capital costs associated with improving those assets. This **report identified several risks associated with the current MUD structure**, including unfunded infrastructure demands, siloed services distributed across multiple MUDs, fiscal constraints unique to each MUD, and varied tax levy policies among the MUDs. HR Green recommended leaving the current MUD operation in place and avoiding consolidation. Based on this recommendation, **the Board of Directors instructed The Novak Consulting Group to exclude MUDs from the incorporation financial model.**

If MUD outstanding debt service amounts in early 2020 were to be consolidated and refinanced, then residents in five of the MUDs would experience a tax increase if consolidation were to occur, while residents in the remaining six MUDs would experience a tax decrease. However, after accounting for the impact of incorporation initiatives estimated in the financial model, **residents in seven MUDs are projected to experience a net tax increase**, while residents in the remaining four MUDs would experience a net tax decrease.

Upon incorporation, the new city would have the option to leave the current MUD system in place to continue providing utility and drainage services to residents or acquire the existing MUDs and their assets and liabilities to provide unified utility service delivery to the entire community. A decision to acquire the MUDs could be made at the time of incorporation or any time in the future based on the guidance of a future city council.

We are rushing forward with a decision to become a City without addressing \$250+ Million in outstanding MUD Debt!

Leaving it to future City Councils, to determine Winners and Losers!

Too Risky, Too Rushed, Too Expensive!

Comparable City Tax Rates (Population 50K – 200K)

IN FULL SWING, THERE IS NO CREDIBLE REASON TO BELIEVE \$0.22 TAX RATE



No Valid Reason to Incorporate

INCORPORATION IS A HIGH RISK / NO REWARD DISCUSSION:

- Residents hand their power to a City Council, without the checks and balances we have today. A City would have much greater ability to burden us with debt, pet projects and disregard for the cost of duplicated services.
- The Township is quite wealthy! They arguably overtaxed us since 2016, maintaining a 22-cent tax rate while property values increased by \$2.4 Billion. Cash Reserves are at an all time high. They most likely can build a police station and City Hall with these reserves on the land they bought in 2015 (GE Campus/\$15.2Million), but the real tax rate will show up about 30 minutes after the savings is spent.
- Our County Taxes already cover the burden of road maintenance... How can a new city pick up that tab and not plan on increased taxes to do so? My first guess is it's not possible... my second guess is that delta equals the amount by which we can lower our taxes today.
 - Approximately 500 miles of roads, averaging 25-30 years old, will be assumed by the city and paid for with a new tax, although our county tax already covers this obligation. Double Taxation, Duplicate Services, all for NO Reward...Why?

No Valid Reason to Incorporate

THREAT TO ANNEXATION HASN'T EXISTED SINCE 2017

- The State passed Senate Bill 6 in 2017 prohibiting forced annexation. Our community cannot be annexed by the City of Houston, Conroe or any other city without the approval of our residents at the ballot box – so there is absolutely no risk of being annexed against our will.. Not today, not in 2057, not ever, without a statewide law change.
 - This law was passed to ensure that highly indebted cities could NEVER take a municipality like the Woodlands to “steal” tax base, like Houston did to Kingwood in the 1990’s.
 - **For whatever reason, the Township has not been vigilant in dispelling this concern.**

NO WOODLANDS PARKWAY EXTENSION

- A City of The Woodlands could never impact a road beyond its city limits. So, incorporating never was going to solve a concern that we all shared. Most importantly, the extension of The Woodlands Parkway was removed the only way that it could be, via a collaborative effort between our Commissioner Noack and the Landowner Howard Hughes Corporation.
 - The expansion was not wanted, needed, and certainly was quickly terminated via citizens expressing concern, excellent leadership and smart landowners working together for the ideal outcome.

No Valid Reason to Incorporate

HOUSTON-GALVESTON AREA COUNCIL (H-GAC) – IS A NON-ARGUMENT

- I have seen it stated that we want our own seat on the H-GAC for more power and influence.
- Our city population lumps us in a group of 38 cities that share 2 seats... That is not power, influence, nor is it a reason to place on your propaganda to become a city...

MORE INFLUENCE ON FLOOD CONTROL

- We don't have a flooding problem in The Woodlands. Toss out a 1,000-year flood, and our typical concerns of flooding are less than 2 dozen homes within the 100-year flood plain, per Commissioner James Noack

FEDERAL PANDEMIC \$30M FUNDING:

- The Township was not a city during the pandemic... There, The Township is not likely to receive Federal Funding after becoming a city Post Pandemic. Chairman Bunch openly states “no guarantees” on his video dated DD Month. The Township also doesn't have a clear vision of the Federal strings attached to receiving such a handout... As an affluent community with massive operating reserves, why are we using this excuse to MAYBE receive GOVERNMENT handouts where there is ZERO demonstrable need.

Incorporation... The Net Result on Our Ecosystem

- It's a slippery slope. Take the Anadarko Towers. If we were to lose Occidental and a lesser quality company owned these buildings, the likelihood of a rushed backfill with smaller companies, lower paying jobs is quite realistic.
 - **Think 1985 Greenspoint to 2015 Gunspoint... 30 years, from award-winning to unsafe...**
 - Greenspoint slowly lost their best tenants, including Exxon, leaving over 57% vacancy in high-end office space.
- Raise the tax rates, add some red tape and a new layer of bureaucracy for approvals and slowly lose what advantages we have to attract businesses.
- As we lose these advantages, the heavy lifters will leave... they always do... Because our competitors are always chasing the job creators.
- If we are not careful, the replacements will be 2nd and 3rd tier operators... Employees won't have the same discretionary income, entertainment budgets, or willingness to support our arts, fundraisers and benefits. The trickle down over time will reduce our high-end restaurants to run-of-the-mill...
- Our hotel brands will change to lower-end, and the economic death spiral will continue...
- Our home values will not fair very well either.
- Greenspoint fell apart quickly. Don't take what we have for granted.

If It Ain't Broke, Don't Fix It!

WE'RE ALREADY THE BEST COMMUNITY IN THE COUNTRY

We enjoy the greatest blend of restaurants, shopping, office, hotels and entertainment that make The Woodlands a regional draw and a sustainable and efficient economy.



- Special Quality of Life
- Excellent Services
- Outstanding Amenities
- Safe and Vibrant
- Low Tax Rate

To help preserve The Woodlands and request your yard sign visit <https://preservethewoodlands.com/> today.

Photo from The Woodlands Township

Don't destroy The Woodlands' LIVE, WORK, PLAY advantage! VOTE AGAINST INCORPORATION

EARLY VOTING
October 18th

ELECTION DAY
November 2nd

*Keep the Power in the
Hands of the People!*

VOTE AGAINST INCORPORATION



Scan QR Code with
a smartphone to
learn more