



August 23, 2021

Dear Friends of The Woodlands,

There is much misinformation regarding The Township's efforts and ambitions to turn The Woodlands into a city. The following are facts and a few of my opinions on certain relevant issues. These opinions are based on my 27-year career of developing Master Planned Communities. For those that don't know me, my corporate headquarters for the Signorelli Company and personal home are both in The Woodlands. My family and kids have grown up here, live here today, and I care deeply about what is at risk with incorporation.

Master Planned Communities exist in suburbs all over America as an alternative to city living. When developed well, these Master Planned Communities become their own sustainable micro-economies competing head-to-head with typical central business districts like the Cities of Houston, Austin, Dallas, etc.

The secret sauce is a balance between each of the economic drivers (job creators) that attract, sustain, and support the conveniences and services the residential community leans on for entertainment, healthcare, wellness, dining, education, and so many daily life events that we often take for granted.

This balance is achieved by delivering an economic advantage over the "red-tape/bureaucratic" city structure, as all suburbs are in competition for the same job creators, from the major corporate headquarter juggernauts to the mom-and-pop entrepreneurs. Collectively, they are the oxygen to our delicate ecosystem.

Without the competitive advantage of a sustainable low tax and low red-tape business environment, The Woodlands will lose this advantage which it has enjoyed since inception. Over time these critical economic drivers will diminish, triggering higher taxes to offset the decreasing revenue from lost business, higher vacancies, and loss of major employers. In the natural life of any city, taxes rise, service falls, and the "A-level" operators that have a choice to leave will do so, resulting in backfill of buildings and vacant space with "B-" and "C-" level jobs and owners. **Think Greenspoint in 1985 to Gunspoint in 2015!** Becoming a city will create a slow decline of everything you are able to enjoy today.

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I urge you to realize how dangerously close we are to buying a bill of goods under the pretense that this will give us “power and control,” when the reality is the residents already have the power and control. When you turn into a city, you surrender this power and give it to a City Council that has never developed a community, built a police force, or managed hundreds of millions of dollars in road repairs, WHY?? What is broken that warrants this extreme measure? The quick answer is ABSOLUTELY NOTHING!

WHY give your power to a City Council?

The Woodlands set the bar extremely high as a Top 10 Master Planned Community in America for over 40 years and has been recognized as No.1 many times over. This is not by accident. The following factors that made The Woodlands attractive 20 years ago still exist today, all of which are in JEOPARDY should we start tweaking the “secret sauce” that has made The Woodlands so successful.

Currently:

- We enjoy very LOW CRIME rates and very high public safety marks!
- We are the benefactor of high occupancy rates in key economic drivers like office, healthcare, retail, and entertainment...delivering best-in-class restaurants, shops, and quality of life experiences. All increase the value of our homes.
- LOW TAX rates (that can/should be even lower) thanks to a brilliant structure built around **declining** MUD taxes, **keeping the power in the hands of the homeowner**, not in the hands of elected officials that lack expertise!
 - Our low tax rates are in part due to low debt because of limitations in the law by design, and in part to limitations on The Woodlands Township which enjoys almost every revenue stream a city enjoys (sales tax, hotel tax, venue tax, etc...) without the expenses that a city incurs (employees, pensions, buildings, police stations, maintenance, etc...)
 - Our low debt is absolutely because of the limitations created in the MUDs and Township, which prevent elected officials from running up a tab with ideas and experiments, leaving debt and problems for future residents to solve and pay for.
 - Our tax rate should continue to decline with growing tax base.

10 REASONS TO VOTE AGAINST INCORPORATION:

1. You would be handing your power over to a City Council that has ZERO experience building a police force, administration, and bureaucracy to simply duplicate services that are already very good for far less money.



2. You would be trading all the proven excellence stated above for something that, at best, will be higher/additional taxes and redirect the stellar current revenue streams from maintenance and keeping The Woodlands excellent, towards buildings, maintenance, and pensions for new employees. These employees are already substantially paid by your county tax dollars.
3. County taxes will not go away so you will be paying twice the taxes for the same services!!
4. You would be signing up for millions of dollars in road maintenance as our approximate 500 miles of streets are on average 30 years old today. The county currently covers this burden with your county tax rate. Notably, this expense is shared by others outside of The Woodlands boundary as well. Why give up that tax advantage to become a city? Makes ZERO sense!
5. You want to send a message to the Township that you don't appreciate them spending 15.2 million of your tax dollars in 2015 to acquire the GE campus for a future City Hall.
6. Further, you don't appreciate them pre-taxing residents while building reserve funds to over an astounding \$107 million.
7. The ONLY valid reason for incorporating was eliminated when STATE LAW made it illegal for the City of Houston (or any other city) to annex without resident consent. It can't happen. The idea of incorporating should have died when the problem died in 2017 with the passing of Senate Bill 6.
8. Likewise, Woodlands Parkway expansion was terminated thanks to the landowner and Commissioner Noack.
9. You understand that more taxes and a bigger government are never a good idea.
10. You don't want to fix what is not broken.

VOTE AGAINST INCORPORATION BECAUSE YOU LOVE THE WOODLANDS!

Thank you for caring enough to take the time to read this.

Sincerely,

Danny Signorelli
CEO, The Signorelli Company



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