

Howard Hughes®

An Open Letter to Residents of The Woodlands Regarding Incorporation from Jim Carman, President of the Houston Region at The Howard Hughes Corporation

AUGUST 23, 2021

Dear Friends and Neighbors in The Woodlands,

The Woodlands Township Board of Directors' recent decision to hastily put incorporation on November's ballot has placed the future of The Woodlands as we know it at risk, with an unnecessary and costly proposal to needlessly change the fundamental nature of our exceptional community. We cannot afford to make the wrong decision.

For those of us fortunate to live and work in this community, the recent ranking of The Woodlands as the "#1 Best City to Live in America" by Niche.com comes as no surprise, except perhaps for the irony that The Woodlands is not actually a city. It is the state's only township—one that has achieved the highest bond rating in the State of Texas for a community like ours, affirming our financial health, responsible fiscal management and cost-effective methods of service delivery.

The success of The Woodlands has not happened by accident. Our unique governance model was designed to deliver outstanding services while keeping property taxes low and avoiding the overreach of government bureaucracy, in keeping with founder George Mitchell's vision to deliver the very best environment for families and businesses to thrive.

Why would we vote in favor of incorporation and a new city government structure—one that would come with higher taxes and fees, potential loss of service levels and infrastructure management issues? Now is not the time to abandon our current successful model of governance.

We are a thriving community because The Woodlands is NOT a traditional city. The system of governance we enjoy today in The Woodlands should be replicated, not eliminated. If we vote to incorporate, the decision would be permanent.

To further solidify our commitment to this special community, The Howard Hughes Corporation made the important decision two years ago to move its national headquarters to The Woodlands, the community we have had the privilege to help create. Our employees are your friends and neighbors who also live, work, worship, and raise their children here, while Howard Hughes is contributing as the largest property taxpayer in The Woodlands and Montgomery County.

As a steward of our community, we believe it is our responsibility to ensure our residents are informed on the issues with clear facts and data so they can understand the risks associated with a rushed incorporation decision.

In my conversations with local business owners and residents, the fear of annexation by the city of Houston is often mentioned as a reason to become a city. The truth is that forced annexation is illegal under state law, meaning The Woodlands cannot be annexed without the consent of our citizens at the ballot box. Incorporation is not necessary to protect us from annexation, nor is there an impending deadline or threat to our way of life that necessitates this rushed vote.

We have read the Incorporation Planning Study prepared under the guidance of The Woodlands Township Board of Directors. It represents a fundamental and extremely risky change to budget and forecasting models which have served The Woodlands well. The flawed study wants us to believe—*without the data to prove*—that a future "City of The Woodlands" could somehow maintain our current levels of service and safety without a tax increase, and at a significantly lower tax rate than our "peer cities."

Our initial analysis of the study reveals projections that appear to grossly underestimate the cost of assuming responsibility for all services currently provided by the county, such as road and bridge maintenance and law enforcement, leaving massive revenue gaps that must be filled by increases in new city taxes and the collection of new fees on residents and businesses.

Likewise, the law enforcement recommendations in the planning study appear to drastically understate the costs of labor, liability coverage, collective bargaining with a new police union, equipment, regulatory compliance and IT services. The enormously expensive proposition that we create a new police department from the ground up without the assurances that it would improve current services and response times makes no sense from a public safety or a financial standpoint.

The bottom line is that the proposal for incorporation is a needless and costly proposal to "fix what ain't broke" and forever change a community that has thrived by keeping taxes low and government small.

If you believe in The Woodlands like I do, please join me in protecting our township and voting against this rushed, blind leap into incorporation. Let's keep The Woodlands #1.

Let's vote AGAINST higher taxes.

Let's vote AGAINST bigger government.

Let's vote AGAINST reduced safety, security and quality of life.

Sincerely,



Jim Carman
President - Houston Region
The Howard Hughes Corporation

