

# **THE WOODLANDS GOVERNANCE PROCESS**

## **OPEN HOUSE SUMMARY REPORT May 23, 2006**

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## Introduction

On May 23, 2006, the Governance Steering Committee hosted a series of three Open Houses as part of The Woodlands Governance Process Tier III Analysis. The purpose of the events was to inform the public about the remaining governance alternatives, present initial research, and receive feedback and answer questions.

The agenda for all three events was the same with a presentation being made and the floor being opened up for questions, answers, and discussion.

This report consists of two parts. The first summarizes the responses to the questionnaire that was distributed to each participant and the second is a recap of the questions, comments, and discussion that occurred following the presentation.

## I. Questionnaire Summary

### 1. Do you have a specific question or concerns about Special Public Service Districts?

#### May 23, 7 a.m. Meeting

- Yes, role and structure of MVD activities in future
- Yes, fragmented government. We need elected (not appointed) officials. Specially invented districts leave too many questions, except for an ESD that is defined by Texas law.
- How are community representatives involved in governance? Options? Likely limitation in authority versus incorporation?

#### May 23, 11 a.m. Meeting

- Interim option – to buy time
- Voting rights
- Moving tax assessments to tax deductibility
- Concerned that this doesn't stop annexation but feel it could make us less attractive while we continue to work toward incorporation
- What percent of revenue would be needed to run or oversee these districts?
- Examples of structures and costs – specifics
- I don't see any advantage (or little advantage) here. Too fragmented and little accountability.

#### May 23, 6 p.m. Meeting

- Costs and benefits – weighed
- I'm just not sure that we can get the results overall that we want and need for The Woodlands by using SPSDs. It sounds like it would take "super" – never done before SPSDs that still might not work.

- Who or what type of Board would have the final decision for changes or problems?
- Would the public have as much say in who is in charge of SPSD as they would with incorporation?
- A must to pursue. Make several separate districts to make it financially more difficult to annex.
- Exactly who would govern the District? Would that really accomplish goals? It is really just a financing mechanism. We would not have accountability to residents.
- SPSD or Incorporation.
- I think an SPSD would be a good option. I wonder if it would be enough though. I am looking forward to the final recommendations.
- 1) General level of authority, decision making, and coordination efforts with other governmental entities – county, MUDs. 2) Funding formula for district – taxation to residents

## **2. Do you have a specific question or concern about Incorporation?**

### May 23, 7 a.m. Meeting

- Yes.
- Yes, what are the pros and cons of different forms of city incorporation? An overview of the advantages and disadvantages of each option is needed.
- Mistakes made by similar population size communities who adopted incorporation in last 20 years in other parts of country
- Concern: starting up an incorporation is a significant challenge.

### May 23, 11 a.m. Meeting

- Preferred outcome, but obstacles may not enable – yet
- Can we do it? How can we get Houston to do it?
- Prefer this option. Hopefully, enough pressure can be brought on Texas legislature to allow citizens of city to be annexed to vote on the issue. Enter negotiations with Houston ASAP.
- Loss of County services – can they be negotiated – those most important for a trade off that may benefit the county?
- We are concerned about higher taxes with reduced services.
- More details of the specific legislative roadblocks?
- Roadmap to overcome these hurdles?
- There is little doubt in my mind with the influence, power, etc. that currently exists in The Woodlands, that the state law can be changed to accommodate incorporation.

### May 23, 6 p.m. Meeting

- Costs and benefits – weighed

- Whichever option is recommended, at the same time we hear that, we would like to have a fairly realistic timeline to how and when we can get there.
- Is anyone looking at gaining the necessary support in the legislature?
- Extremely unlikely to happen, therefore should not be primary or only option pursued
- Curt did a great job!
- Security – police, fire
- The viability of the city is always an issue with incorporation.
- Obvious questions about taxation charges
- Form of government – mayor – city council?
- Will the GSC evaluate risks and alternate steps that may be used?

### **3. What additional information would you like to see presented in future public involvement events?**

#### May 23, 7 a.m. Meeting

- Outstanding agreement for Harper’s Landing annexation
- Revenue sources and methods of getting them in residents’ control. Status reports regarding legislative action and progress in their directory or solicitation.
- Why would a city want to depend on the county for roads, policing, etc? Why wouldn’t the county lower its property tax if a city took over the roads, police, court, etc.?
- Estimated preliminary cost comparison of options
- How current state and county representatives involved in this GSC process (formally and informally).

#### May 23, 11 a.m. Meeting

- Results of negotiations with Houston
- What would enabling legislation look like? And chance of success?
- Financial model results – need to see these
- GSC special session for Harper’s Landing residents, and with these options (assuming course would allow) we could be pulled in?
- Are we an island or our own (legal aspects)?
- Cost of various alternatives
- Actual financial data in charts/graphs – percentages (not so much actual estimated values). Comparisons of the different financial structures and financial scenarios.
- A clear, concise presentation of current and future financing of total local government
- What are the financial facts?
- Cost comparisons of each, i.e.,
  - i. 400K home = +\$1,000/year or -\$100 year
  - ii. 100K home = +\$500/year or -\$200/year

- Cost to homeowner on all options, including annexation
- Need to continue to work at means to get more people out and involved

#### May 23, 6 p.m. Meeting

- Costs and benefits – weighed
- Ways to become not only informed but actively involved
- Very interested in the financial estimates of the cost of the two options
- Audra, the sign that was used for the 300-person event really helped!
- Financial effect of options
- For future sessions, please try to spread over a couple of days so if someone is out of town on one day, they may still be able to come. Weekends and later evenings are best.
- \$ cost of services
- Direction on how we can get to the legislators or lobbyists to get things out of committee
- Financial model
- Transparency as to where funding is coming from
- I want to see if the financial model was “weighted” in areas and why.

#### **4. Other Comments**

#### May 23, 7 a.m. Meeting

- Keep up the hard (good) work. Continue to keep the community involved.
- A city is defined by Texas law and allows for municipal rights and code enforcement, without trying to reinvent all needed things required by a city and develop revenue sources.
- What would be impact on MUDs, including their governance?
- Good presentations and information

#### May 23, 11 a.m. Meeting

- Strategy appears to be to form a special district as an interim strategy if cannot get Houston waiver or a legislation solution – to position for future incorporation effort
- I am interested in being a participant in the focus groups.
- You might look at Sagemont, a community that has kept Houston at bay during several annexation attempts.
- We should enter into negotiations with Houston as soon as possible with a plan to provide them with benefits.
- Has the City of Houston been contacted to hear where they current stand on annexation?
- Other concerns: crime, traffic, taxes
- Specifics – please – in \$'s.

- Legal liabilities of City versus that of a SPSP? Insurance, etc. (I already received such info! Thanks!)
- The open house was very informative.
- I appreciate the leadership that is being demonstrated by the GSC. This is a good process, and I support it.

#### May 23, 6 p.m. Meeting

- Please consider inviting members of the Windsor Hills Active Adult Community to join focus groups.
- Additional communication venue: Windsor Hills Newsletter (437 residences) – I'm concerned that there may not be adequate publicity about this huge issue. Are there ways to do mailings or phone trees?
- Meetings on one day only are not good – just a weekend doesn't always work. Future sessions – I suggest have them on more than one day – maybe one on a Wednesday evening 7-9 p.m. and one on Saturday 9-11 a.m. I think most people would be able to attend one or the other.
- Public Involvement – Please call me about ideas to generate more interest and involvement from the public, i.e., the schools are a great avenue – contests in the paper with multiple choice answers – information booths at community events. Using this situation as Texas government teaching tool. Get parents to grade their papers on the subject.
- Give all residents a vote on which of two options will be pursued.
- Recommend that when future communications sessions are held, that one session be conducted at 7 p.m. for persons working in Houston to have adequate time to attend.
- Good work, you all!
- Still suggest negotiating a payoff to opt out of Houston ETJ.
- If meetings are in evening to start at 7 p.m.
- 7 p.m. or 7:30 p.m. for meetings – not 6 p.m.
- The three charts in the windows should also be hand-out sheets. There is too much on them to absorb in a few minutes!
- We need to get agreement from Houston on ETJ as soon as possible. Share progress with people.
- Next meeting in fall. Times more accessible to residents.
- Get invited to church groups, community, picnics, 5K runs, booth at green market, message or movie screens in Tinsel town and Market Square, kiosk in Woodlands Mall. Why don't we have a TV channel for The Woodlands for community information?
- Did not see much publicity on the meetings for today. Needs to be more to get people out. Saturate the public.
- The GSC seems to be doing a great job!
- General confusion among Woodland residents and newcomer residents regarding years remaining for moratorium and the length of time to begin process for special district or incorporation – implement it. As a local realtor, I am asked this question frequently.

- Explain “how” a vote/referendum could be held covering the affected areas.

## **II. Questions, Comments, and Discussion**

### **7 a.m. Meeting**

TCID is still out there. How will this entity be handled?

- Established political, legal entity
- A lot of different options

It’s a big source of financing; it seems like we could get some of that back.

Wonder if there is a way to go to a special district first and let them roll into an incorporated area – to avoid the “flash start”, because it will be difficult to start up such a large community.

What is being done to change the laws? Are we going as a group to go and change the laws?

- GSC and leadership of The Woodlands are making plans to talk to Houston and the legislature to alleviate The Woodlands from annexation.
- There was never an agreement with Houston to be annexed at some point.
- Houston ETJ – Mr. Mitchell asked Houston to include The Woodlands to protect the community from being gobbled up by other communities. He felt it would be good for the region if The Woodlands would be part of Houston.

There is a possibility to negotiate with Houston to either extend the moratorium agreement to remove the threat of annexation.

How can a city exist in several counties? There are several examples.

Our legislature has been trying to address annexation laws (such as notice prior – 3 years – to annexation).

County tax rate – Wouldn’t the county tax rate go down if the services are not provided? Who decides that?

Have you looked outside Texas? Centennial, Colorado. Texas law is unique.

Will the community envision putting the alternatives to a vote of the homeowners?

### **11 a.m. Meeting**

What does general municipality law mean? (Might need to put the various levels of incorporated cities on the Web site.)

Special Public Services District – doesn't permit annexation? They are legally authorized to assess taxes, later become annexed, what happens – do we have 3 layers of taxation? How can we prohibit this?

If the community has expressed not allowing annexation, are we wasting time and money to study the special public services district? The public has said "no" to annexation. Who makes the ultimate decision?

Are we talking several special public services district? How do we coordinate them? Can a municipality do them better?

We are currently in two HOAs now. Is there advantage to being in both or one?

What kind of revenues will be allocated to a Special Public Services District?

District is a supplement to an existing government rather than replacing a government structure. Accountability is very important to me. Most require the underlying governmental structure to appoint the body.

Neither of these options makes sense until we get rid of the threat of annexation.

Special Public Services District

- Is there voter control – does it allow this? Can the voters also control the increase in revenues?

Tier II Analysis said that people did not want annexation. I'm left with a feeling that maybe we don't have the right alternatives if there is another option that ensures that we are not annexed.

Are we working toward getting Houston off our backs? When do we ask Houston this question? Are we are waiting for Houston to come to us?

Can you elaborate on the TCID if an annexation or incorporation occurred?

Did the formation of TCID commit the funds into perpetuity?

Will the people vote on the preferred option?

Will the people have the vote to select the preferred option?

There might not be two separate solutions – is that correct?

Timing is critical. We also have competing needs. We have reached the population level we need a structure that will allow us to meet the community's needs. The SPD might allow us to meet the immediate needs of the community. When we reach the time to approach Houston or to incorporate, SPD would be a good first step.

Will the TCID fall under the new SPD?

Will you do the financial analysis of the 2 options?

SPD – appointed bodies – how do we get to that step?

How does incorporation help or hinder the State of Texas? What is their stake?

Houston's Deputy Director of Planning said they have no desire to annex.

Doesn't it make sense for the GSC to go forward to the City of Houston and develop negotiations?

### 6 p.m. Meeting

Could there be legislative correction to The Woodlands paying county taxes and no longer getting county services?

Who will govern the Special Purpose District?

Are the two law consultants dealing with the alternatives separately?

Can you have overlapping districts?

Does the District Board determine revenues, or will the people within the district?

Is it difficult to change the original Special Purpose District?

Is there a state law regarding sales tax cap?

There is a lot of talk about getting legislation passed, but a case that was challenged in the courts – it would be shot down. Is it safe to assume that the legal ramifications regarding the San Antonio community case?

It's a pretty big gamble. If TCID were challenged such as the City of Houston could do once the moratorium is about to expire, they would challenge TCID and get it overturned.

If we went to an SPD like this, one that would do all services, how will the activities be coordinated – community manager form?

What are the financial projections you are using?

Has the GSC adopted as one of our goals to negotiate with Houston (and other cities) to be removed out of the ETJ?

What parts of The Woodlands are in the Shenandoah ETJ?

How will the focus group participants be selected?

We started three years ago with 11 options. Is it really feasible to go from 3 to 1 by the end of the year?

I would encourage the GSC out to the public ASAP. There is a lot of misinformation being distributed out in the community, and financial information being used against incorporation.

What are the mechanics for the public to make a choice about the recommendations?

- I strongly recommend that the GSC create a mechanism where the citizens choose.
- School district is separate – it is important for individuals to understand.

Great deal of money being spent on these alternatives, but there is a great deal of risk. One or two people can decide our future (in court) such as in an SPD. If we incorporate, there is a lot more history behind it.

I believe that incorporation is a waste of time.

- Buy your way out of the threat of annexation.
- SPD – do this if it makes it difficult for Houston to annex.

Are they considering existing fees?

The “Big City Lobby” at the legislature may not be thrilled about the SPD scenario – am I right?

Several months ago City of Houston voted out of the Texas Municipal League. Would this impact anything?

Shenandoah & Conroe – could they blackmail us regarding getting us out of the ETJ?

If recommendation comes out this fall, what kind of recommendation will you come out on how to move forward? Who will outline the game plan?

You mentioned the three aspects (financial, political, legal). I am concerned about the financial model. How are you from the consultant and GSC ensuring that the model is not biased? Ensure the comfort level to the community?

Agree that the most important thing is to not be annexed – GSC has said they cannot deal with the annexation issue. There is a lot of tension between the MUDs and the GSC.

How can we be assured that the GSC will work with the MUDs since they are the ones that brought the moratorium agreement with Houston?

Lose track about Conroe's announcement of intention to annex.

People cannot be annexed without approval by the residents – is that true?

Fall Community Forum – bring forward recommended actions by GSC – How could a vote be put to the people?

For purposes of future planning – 3 sessions on the same day make it difficult for people to attend. Future workshops spread out over a week and at different times.

If we incorporate, can we opt out of certain services?

In the July forum – are you going to have reps from each of the legal firms in attendance?

Is there a group trying to get more interest? Getting people involved.

Does the fact that The Woodlands is in two counties impact our decisions?

The new area that is developing in Harris County – will it make Houston more interested in the area?

Comment about the two options: Status quo was on the longer list. That pleases me. But if people are going to vote, the status quo is going to be the cheapest option. I'm concerned that the status quo option will trickle back up.

At last meeting there were some questions about The Woodlands Operating Company. There must be some plans about the exit strategy. Do we know their plans?