

The Woodlands Governance Forum Summary Report

September 23, 2006



Overview

On September 13, 2006, over 400 residents of The Woodlands participated in the Governance Forum. Ensuring public involvement has been an important goal of the overall governance process. Hundreds of residents have been involved at various stages in the process over the last 18 months.

The purpose of the Governance Forum was to present the two remaining governance alternatives that have evolved from the governance evaluation process. Participants were asked to discuss the governance alternatives in relation to the financial, political, and legal implications. The Forum provided an opportunity for participants to express their perspectives about governance and to listen to other viewpoints.

Participants were asked to pre-register for the event to ensure that adequate facilities and facilitators were available. Prior to the Forum the participants were mailed a packet of information that served as their preparation for the discussions. The materials provided background information and context for the process as well as providing several tools that were used in analyzing the remaining governance alternatives.

The Forum began with a welcome and opening remarks from the Governance Steering Committee (GSC) Co-Chairs Bruce Tough and Joel Deretchin as well as Representative Rob Eisler. Curt Dunham, CEO of Partners for Strategic Action, Inc. (consultant hired by the GSC and working on the governance process) gave a presentation related to the governance process and alternatives. Following the presentations, participants dispersed to their pre-assigned small groups. Each small group had a facilitator that guided the discussion and ensured that the group thoroughly discussed the alternatives while keeping the discussions on schedule. The discussions during the small groups were divided into three parts:

Part One: Determine individual financial impacts by completing Exhibit H: What it means to Me worksheet.

Part Two: Discussion of the key legal, political, financial and timing issues of the two governance options (Public Services District – PSD and Incorporation) based on the information packet and the opening general session presentation.

Part Three: Discussion of individual reactions regarding future governance by identifying the group's common themes.

At the end of the small group discussions, each of the groups' reporters gave a one minute presentation to all Forum participants about their "common themes."

Following is a summary of all the small group discussions based on the facilitator's notes taken during the sessions.

The invaluable public input received during the Forum will be used by the GSC in the continuing dialogue related to the governance process. The next steps in the process include:

- October 2006 Stakeholder Forum
- Next Round of Educational Materials
- Development of a Governance Action Plan

Group 1105

Facilitator: John Raybon

GSC Member: Jim Stinson

Reporter:

Governance Options Discussion

- Incorporation is best
- PSD is doable
- Which option will go through the legislature?
- Big cities will lobby
- Best way to get to Incorporation
- Determine design of PSD
- Need interim steps
- Get permission from cities
- Could be a resident elected board
- Does Houston really want us?
- Determine the demographics for a vote
- November election (candidates view)
- Develop structure of negotiating with Houston (when and how)
- Have they done everything to make us unattractive?
- Use past experiences in negotiations (Kingwood)
- Perception of GSC – open meeting/time
- Open meetings, Sunshine Laws
- Hybrid – combination of both options
- Is there a summary of the nine options that were dropped?
- We would be in control of tax dollars in a city
- Approach Houston and the legislature with both options
- Start with a PSD and then move to Incorporation
- Get political strategist to know the way things really work

Personal Perspectives

1. Create a PSD then incorporate – keep Houston away
2. Incorporate – do not want Conroe
3. Incorporate with the information available but negotiate with Houston first
4. Why isn't there a hybrid going from PSD to Incorporation?
5. Negotiate with Houston and create a PSD, then move toward incorporation

6. Incorporate so we can be independent
7. Incorporate with a city manager to improve position at the table regionally and statewide
8. No decision – How is SPD affected by annexation? Incorporation is best for a community our size
9. Do not know enough, need full disclosure of information
10. Incorporation will be the best sell to the residents
11. Need more information, SPD does make us less desirable
12. Try both at same time and see which one we can do
13. Use a SPD to get to Incorporation
14. SPD best way but hard fight
15. SPD used to work toward incorporation
16. Develop SPD then negotiate with Houston

Group 2101

Facilitator: Stacy Morris

GSC Member: None

Reporter: Chris Irish

Governance Options Discussion

- Personal financial cost is not a driver as much as local control
- What changes will we have to go to the legislature for if we choose the PSD
- MUDS are pushing for PSD or as-is
- There seems to be a lack of dialogue with Houston about their feelings on The Woodlands' decision
- Elected officials on Governance Committee should facilitate dialogue with Houston
- Present both options to the legislature and see which one has the most support. Some feel this could be hazardous
- Key is to be cooperative with Houston
- Concerned about losing county services while still paying for them. Need more information on the services that would need to be provided if we incorporate (e.g., library services)
- Effective public safety is vitally important
- Seems like we are dependent on legislative approval. What if the legislature denies both options?
- Houston does not seem to want to "take" The Woodlands...today
- Houston doing strategic partnerships/alternatives to annexations within The Woodlands. Need more information on PSDs in Texas
- We should govern ourselves
- We don't want to be like Kingwood (low property values, etc.)

Personal Perspectives

1. Favor Incorporation with few zoning laws and protecting quality of life
2. Undecided, do not know the costs and do not understand the PSD
3. Favor Incorporation – large enough to be our own city and have ability to decide the level of services and taxes
4. Favor Incorporation but not confident in getting legislation to allow this to pass. Concerned what will happen if nothing gets done
5. Favor Incorporation – live in a senior complex, better for The Woodlands to be totally separate from Conroe and Houston

6. Undecided – talk to Houston’s elected officials and “fight” for right to Incorporate and check the political climate
7. Favor Incorporation – don’t put the cart before the horse, will Houston allow it. Keep lines of communication open
8. Favor Incorporation – public safety is a value, we can do a better job on our own. Sense of community is weakened by layers of government. Even if costs increase, property values rise and it makes the area more desirable. Community must remain resilient
9. Favor Incorporation – dialogue with Houston and Conroe is essential. Will increase our standing and influence
10. Favor Incorporation – we will have more growth, we have a good pool of people for leadership and volunteer base. PSD if a possibility of the legislature won’t go for incorporation

Common Themes

Incorporation

Self governance, preservation of values, cost is not a factor, open dialogue represented by elected officials, can do a better job on our own, stronger regional voice, foster sense of community, a second choice is necessary in case incorporation fails, but not necessarily a PSD

Undecided

Not sure of true costs, need to further define a PSD, the benefits, possibilities, costs, restrictions, etc. Where does Houston stand and where does the state legislature stand

Group 2104

Facilitator: Rosie Matthews

GSC Member: Ted Stanley

Reporter: Synda Wilson

Governance Options Discussion

- Need information on PSD. Are taxes deductible, annexation issues, what will legislature do, who runs a PSD, are they elected?
- Local control important, changes in elected officials
- Planning is good but need vote on options, will this be clear to people not here? Need help in the legislature on how to be heard fairly. Need a permanent solution
- No control – dependent on legislature, opinions not important, information is good
- Negotiations with Houston and the costs
- Reasonable negotiations but lots of questions about PSD. Is there an elected body, does it solve ETJ issues, what about taxes?
- Information is clear and concise, could have had it earlier
- Good information, unbiased and clear. Need to move on a decision while Mayor White is in office. Try to get action now, conditions are favorable
- Last meeting incorporation was desired and now the project has been “over studied” – need to move, lots of opposition, legislation needs a “hero” and a fight with Houston is looming. They want our business district and we can’t let that be swallowed by Houston
- Questions about sales tax
- Didn’t have enough time to review information but it is good. Need to move ahead with professional help to avoid annexation. Concerned about zoning and Incorporation, need our own police department ASAP
- Public safety is a priority
- Good information and the forum are useful – need to know negative impacts and what is bad about each and study Kingwood and Clear Lake. What are the obstacles, costs, is there a third option? Are we ready? PSD is an interim step
- Need more in-depth information about strengths, weaknesses, threats for all options. More information on PSD. Does The Woodlands have an ETJ? What about Harris County in all of this. What about services, is legislation the only route
- Annexation is bad, service issues
- Need examples of PSDs, would we be the largest
- Information is good but geared toward PSD. Services are better here
- Need to move now, leaving Houston is a priority

- Schools are good, police not so great, need to negotiate with Houston. Information didn't address timing
- Options seem to be annexation versus Incorporation. Quality of life is good, need local control, however, what is the best structure to get this. Forums are good

Personal Perspectives

1. PSD is more likely to succeed
2. More information on PSD is needed. Does the community decide first
3. Need a permanent solution
4. Need information on other cities (e.g., Sugar Land)
5. In favor of Incorporation
6. Opposed to Incorporation – need more financial information. What are the costs leading to PSD? Need risk analysis and what is final product of PSD. Also more information on annexation and transitions
7. Favor Incorporation but need to know more about costs, risks, etc. A good idea in principal
8. Favor Incorporation but not enough information on the alternative. Don't know how legislature will react. Need to deal with Houston
9. Need political aspects, how hard are the options to attain. PSD delays the inevitable. Incorporation should be considered regardless of cost
10. Favor PSD – less government is better
11. Leaning toward incorporation but information missing. Do the 400 people here reflect the community? What are the political ramifications? Distrust the numbers, need better comparisons. Use the Web site to get our information
12. Incorporation is the most permanent solution. What is the next step, how to cross barriers in Austin. Lead with Incorporation then fall back on PSD
13. Need more information on water situation and costs for Incorporation and PSD. Information on grants as an income source. The PSD would

be unique to The Woodlands, Incorporation would be a permanent solution

14. No real need for a council/mayor. PSD is best and more likely to pass. How would the board be elected?
15. Leaning toward PSD but need more information and would like to hear from Kingwood residents to see how annexation impacted them
16. More confused now. Need more information on PSD. Need an explanation of chances in Austin. Need to know what stops annexation and discover the losing scenarios and determine water issues

Common Themes

1. Need for political information and odds of success; chances for success, who to negotiate with
2. Financial Information; For each alternative
3. Negotiations; what are the impacts and timing issues
4. Structure of PSD

Group 2105

Facilitator: Cameron Matthews

GSC Member: Bob Stout

Reporter: Ken Lepper

Governance Options Discussion

- Make annexation undesirable
- Limit annexation to smaller areas, allow large areas to incorporate (change laws)
- Incorporation is goal, PSD is ok if it gets us there
- If annexed, can PSD be dissolved?
- Use PSD to see benefits, use as a bridge to incorporate if that provides better benefits than the PSD
- Need more information on the legislative steps needed for both options
- What would Houston want in order to not annex? Not antagonizing not possible, so manage the conflict. PSD seems to give only support structure, nothing else
- Get the law changed
- No annexation, get out of agreement. More information needed on the impacts of both options
- Nothing will stop annexation without change in law. More annexation reform is needed
- Who will lead Woodlands to the final goal?
- Mix options? Make annexation undesirable. Equal votes, no political advantage
- How long would it take Houston to get to a point to annex? Protection = Incorporation
- Laws can change. Discuss conflict that can happen with Woodlands/Houston. Possible allies on our side (other unincorporated areas)? Take exception to: Final solution for Woodlands seems to already formed a decision
- Too politically correct. Little chance to stop annexation. Bribe Houston? Increase the time agreement for not annexing
- Cost doesn't matter, quality of life does. No annexation
- Examine options that would keep Houston from annexing. Vote for a preferred option

Personal Perspectives

1. PSD to Incorporation
2. City first, PSD if city not possible. PSD can still be annexed

3. City first, PSD if city not possible. PSD can still be annexed (intentional same response)
4. PSD to Incorporation should be the goal
5. PSD to Incorporation should be the goal (intentional same response)
6. PSD with some legislative solution to prevent annexation
7. PSD easier than incorporation – bribe Houston
8. Quality of life is goal #1, extend moratorium while achieving annexation reform that provides input from community/voters before annexation
9. PSD to Incorporation should be the goal
10. City first, PSD if city not possible. PSD can still be annexed
11. Change the annexation law – reform is need. PSD would provide a limited government structure
12. PSD to Incorporation should be the goal
13. PSD to Incorporation should be the goal (intentional same response)
14. City first, PSD if city not possible. PSD can still be annexed. Protect quality of life
15. Undecided – need more information on why is PSD an effective strategy to prevent annexation. What are the costs of annexation to Houston? Feasibility of changing laws. Pay Houston to support change
16. PSD with some legislative solution to prevent annexation
17. Start with bribe, go to PSD, change legislation, Incorporate
18. PSD to Incorporation should be the goal. Not enough time to change the law. Houston won't allow incorporation

Common Themes

1. Incorporate, go to PSD if not possible
2. PSD leading to incorporation as the goal (#1 priority)

3. More self determination
4. If annexation wasn't a threat, "as is" is preferred to protect current quality of life
5. Public referendum with open choices, not fixed choice based on information given (note: this common theme not mentioned in earlier discussion)
6. Costs do not matter, quality of life is number 1 goal

Group 2106

Facilitator: Douglas Constance

GSC Member: Mike Page

Reporter: Theresa Chauvin

Governance Options Discussion

- What are the boundaries of incorporation and PSD?
- Can the PSD be worded to address the future?
- How does this impact the school district?
- What is the impact of a PSD on future incorporation?
- Can we choose PSD or Incorporation and still get annexed?
- Is going through the legislature for incorporation the right fight?
- What about the moratorium agreement if we proceed with PSD or Incorporation – will it break the agreement?
- What are the political consequences of each course of action?
- What if annexation was not an issue – what path would be taken?
- What is the likelihood of annexation – does Houston really want us?
- There is a fear of annexation and a lack of clear political structure and process in The Woodlands
- Issue of contention and Kingwood and applications to The Woodlands
- Determine whether to be contentious or not and to what degree
- The PSD is a disincentive to Houston by encumbering 2% sales tax
- Which approach is a more likely fight to win?
- What is the timeframe for annexation?
- Is it possible to have annexation without the loss of services?
- If we become a PSD could we still be annexed?
- What are the obligations of the PSD?
- If PSD is established and then we are annexed, does Houston assume the debt of starting up the PSD? Can this be dealt with through PSD legislation?
- What reasons would make Houston not want to annex The Woodlands – finances, provocation, social/service problems, territory?
- What is the role of the TCID in annexation versus The Woodlands?

Personal Perspectives

1. Need more information on PSD and particulars/optional costs. More information on why we look good to Houston. Create a PSD and then move toward incorporation. I saw the Kingwood drama and think the PSD gives us the best chance of success
2. Leaning toward PSD but want to know more about the likelihood of staving off annexation and what would make Houston not want to annex

3. Favor a PSD. Don't think we will be annexed. The PSD offers less city waste and inefficient government
4. Don't have strong opinion but do want to stave off annexation
5. Need more information on PSD regarding issues with Houston. Does the PSD make us more attractive or less attractive to Houston? What can it actually do and what might the legislature approve?
6. Don't have an opinion and need more information. Don't think fear of annexation is a good reason to determine governance. What happens regarding the PSD and other scenarios and what is the worst case
7. Leaning toward PSD but want more information on pluses and minuses
8. PSD is a total fantasy and will not solve problems. Favor incorporation as it is less costly, establishes a governance form, best chance to avoid annexation, focuses us as a city versus the PSD, more efficiency and elected officials
9. Form PSD as a lead in to Incorporation. PSD is more likely to succeed with the legislature. May forestall or eliminate threat of annexation. What is the price of legislative approval of PSD versus Incorporation
10. Have a slight preference for PSD because I think it has the best chance for success. If chance of success is equal I would prefer incorporation. Appears the GSC has a preference for PSD. Not sure that the worst that could happen is annexation, how hard do we need to fight. Annexation will be tried by Houston if we don't do something
11. Jury is still out, need more objective assessment. Need to know the risks of each approach and the chances of success without annexation for either choice
12. Prefer a PSD, however would like more information about the pitfalls of both approaches
13. Would like more information but at this point prefer the PSD since it will be easier to accomplish. Would like to see a model of how PSD works and the possibilities of then moving toward incorporation
14. Leaning toward PSD as a stalling maneuver then moving to Incorporation

15. Don't want PSD as a band-aid. Need more information. We need to become a city. There were lots of questions raised today. Incorporation is the long term plan

Common Themes

1. **Odds of accomplishing each strategy;** PSD, Incorporation, nothing
2. **PSD on track to Incorporation;** This will hopefully raise our chances of avoiding annexation; Provide a more centralized government we now lack
3. **Stand alone PSD;** Reduce property taxes and deductible taxes
4. Best chance to avoid annexation
5. **Incorporation;** Local control and independence; we have grown so much over the last 30 years. Incorporation is a good solution to our needs as a community and where we are going
6. **More Information;** Including information on all alternatives, risks, and legal and legislative costs

Group 2201

Facilitator: Steven Tran

GSC Member: Bret Strong

Reporter: Stephen Harris

Governance Options Discussion

- Time with Moratorium Agreement, what would be considered a violation?
- Poison pill, what is our strategy, need a local rather than state solution
- Partisanship
- Will this be put to a vote, have concerns
- Determine what Houston wants
- Cost concerns are secondary, minor
- What are time constraints, extension of Moratorium Agreement
- Police authority and safety are key issues
- Control our own destiny through Incorporation

Group 2202

Facilitator: Jessica Perkins Domitrovic

GSC Member: Peggy Hausman

Reporter: Gil Staley

Governance Options Discussion

- Could still be annexed under PSD – might cause a decline in services (road maintenance and park quality and little local control)
- Experience is very important
- Self determination/local control is very important
- Who in Houston determines whether we'll be annexed, they mayor?
- When do we have to switch from ground to surface water?
- Will we have to exchange with Houston in order for them to negotiate? 2013 how does this relate to annexation?
- Unclear how two options would impact daily life – want to know more about concrete examples of similar government setups
- Who controls what under each scenario
- Don't understand the revenues/services differences under the two scenarios. Want to know all the costs and dimensions
- City has ordinance control, that is attractive
- PSD ordinance control stays as is currently. Could be used as a bridge to become a city at a later date
- Houston may not want to annex The Woodlands if they can't collect the sale tax revenue (2% already collected by PSD)
- Example: Irvine, Ca. incorporated
- Incorporation allow to fund own needs, local control, determine own financial fate
- What is the chance of success of implementing each scenario?
Incorporation will be very difficult. PSD is a good interim goal to go toward Incorporation, yet you can't make it too similar to a city or Houston might veto. Could capture the 2% sales tax then give a portion to Houston to encourage them to negotiate
- Utilize a two-track process with the ultimate goal to Incorporate. Work on that while implementing PSD to maximize pressure
- What would be the timeline for each process? Incorporation means an instant assumption of responsibilities, then during transition, contract out for services until we get up and running
- Use PSD as a bridge process
- Houston holds all of the cards for incorporation. None of the other Texas cities would want state law changed for an exception
- Can attach bills to other less controversial ones?
- Go for what really want now – Incorporation
- Begin negotiations with city, start legislative process, start PSD process

- If annexed, how do we maintain local control
- Need statistical data to determine how long people have lived in The Woodlands
- Consolidate/make more consistent voting
- Metro Tax? Portion of sales tax revenue to Houston to negotiate

Personal Perspectives

1. Do both, start with PSD, then later Incorporate (start process)
2. Start with PSD. Current community association services which are good will continue. Will get benefit of tax deduction. Someday we can then become a city
3. Incorporate now, this is the logical next step. Educate people so we'll get large groundswell of support. Individuals can write to congressmen and have impact. Self determination is important
4. Incorporation is everyone's ultimate goal - need to get everyone involved
5. Need best negotiating stance. Use PSD as a short bridge. Need more information on finances n a PSD. Use to ultimately Incorporate
6. Incorporation is preferred. PSD will lead to complacency. Need more information on conversion to surface water. Have we discussed annexation recently with Houston?
7. Incorporation 100%. Don't bother with a PSD
8. Ultimately incorporation, do a PSD now to fend off annexation
9. Incorporation
10. Incorporation. The PSD is a tool/means to an end, not an endpoint. Incorporation important for local control. Negotiate with the county to get a rebate/discount in county taxes when we incorporate. We have enough political clout
11. We have clout but it's difficult to mobilize unless we have a concrete issue such as school bonds
12. Incorporation (as long as school districts remain as is)

Common Themes

1. **Incorporation as ultimate goal**; Keep local control, keep Houston from annexing, keep facilities and services as – good and maintain community feel
2. **Use PSD as a bridge and/or a negotiating tool toward later incorporation** becoming poison pill

Questions about overall financial situation

Issue of county taxation

Need to know more about how that might increase or decrease if we incorporate

Education

Need to have a broad-based campaign to educate The Woodlands about financial results

Group 2204

Facilitator: Mark Wolfe

GSC Member: Clyde Parker

Reporter: Dana Denton

Governance Options Discussion

- Annexation less attractive to Houston because of MUD debt but more attractive because of incomes
- Costs
- Infrastructure
- PSD takes the attraction away for annexation but threat is not gone
- Woodlands Development Company?
- Self destiny, control of public works
- What will it cost to not be annexed
- Interim advantage of two step process: PSD to Incorporation

Common Themes

1. **Incorporation** - Self destiny and determination, control of our community, voting for government representation
2. **PSD** - Does not eliminate annexation threat
3. **Quality of Life** - Cost is not the primary consideration
4. **Annexation** - Hidden cost of home insurance, loss of home values, less appealing to outsiders moving in to the area

Group 2203

Facilitator: Chuck Bielert

GSC Member: Trayton Davis

Reporter – Ray Macek

Common Themes

Incorporation (12 Participants)

Discussion:

- The Woodlands will denigrate under the City of Houston
- Need to keep up public services
- Want to have a truly representative government
- Desire increased local control
- Concerned about the government structure
- Reduced organization complexity (i.e. fewer layers of government)
- Openness (all cards on the table)
- Ability to maintain what we have

PSD (4 Participants)

Discussion

- More do-able as first step
- Less regulations than incorporation
- Use of county funding
- Don't spread MUD debt
- Why change a good thing

Undecided (2 Participants)

Two Step Process (1 Participant)

Information/Concerns

- Concerns on deed restrictions enforcement
- Ongoing safety concerns
- Add "as is" next to consolidated budget
- More cost detail
- Where are we in negotiations with Houston/Conroe/Shenandoah
- Political ramifications
- What is the cost a two-step process?
- What if both options fail? What is our strategy?
- More finite numbers
- How do we address apathy
- TCID into model
- Put Creekside into the mix

Group 2112

Facilitator: Kelly Dietrich

GSC Member: Rosemary Roe

Reporter: David Taylor

Governance Options Discussion

- Media seems to be saying incorporation but group is leaning toward PSD
- PSD is a fair trial
- Incorporation equals elected officials and Mayor
- Cities are cities for a good reason
- Taxes equal elected
- Exhibit H – understates dollars for incorporation
- What services are we avoiding for a city or PSD?
- PSD doesn't prevent annexation just less attractive; Is this true?
- PSD could be a bridge to incorporation
- PSD – MUD debt is beneficial; MUD costs are the same
- Conroe doesn't want us to incorporate
- Incorporation equals more say in regional planning
- The Woodlands would be a conservative voting block
- CISD – Question PSD vs. Incorporation
- Issues overcome the financial impact
- PSD this size is unprecedented
- Three ETJs boundaries on a map n website
- No annexation – not Kingwood
- Process is a waste of time; bought time
- Can Houston get the mall for sales taxes; can annex?
- Houston can be bought
- Higher cost of service from Houston due to the distance
- Poison Pill for Houston
- PSD would result in no sales taxes for Houston

Personal Perspectives

1. Yes, percentage of community successful – PSD/Incorporation
2. Prefer incorporation but realistically PSD; down # of voters
3. Yes, work toward incorporation with PSD as a bridge with timeframe (e.g. Pasadena/Houston \$ taxes); percentage of taxes to Houston
4. Yes, PSD is bridge to the future; concerned with political implications; City of Houston desire for tax base; cost of infrastructure; goal is not to be annexed

5. Yes, PSD is best choice; less government; current system isn't broken and could be a bridge
6. Yes for PSD; no for incorporation; what services will we be providing; lean toward PSD but need more information
7. Yes, incorporation
8. Yes but have questions; incorporate for police; no problem to use PSD for a bridge; what are odds in the legislature for succeeding; how do we buy off City of Houston; negotiate non-confrontation
9. No, not enough information; what is the cost of annexation? Transparent governance/elected; incorporation
10. Yes no preference; track record for options in Texas
11. Yes prefer incorporation; however realistically a PSD; concerned it is an exercise in futility
12. No. preference is incorporation
13. Yes, prefer incorporation; get it over with
14. Yes, PSD is the poison pill so Houston will be less interested
15. Yes, prefer PSD because of service; like the cafeteria plan; don't see the benefit of incorporation

Common Themes

1. Yes we have enough information to make a decision but some questions remain
2. Incorporation, but use the PSD as a bridge; 1/3 of participants would incorporate now but almost all want it as the end goal
3. Issues trump money
4. Determine the cost of paying off Houston; determine if we are attractive and why are we attractive to Houston; what can we do to be less attractive?
5. Is The Woodlands attractive to Houston and why?

Group 2103

Facilitator: Cady Auckerman

GSC Members: Cheryl Crandall Tangen

Reporter: Marti Fox Meerscheidt

Governance Options Discussion

- Disappointed at lack of realistic political alternative; where are the legislators? Who is lobbying?
- Incorporation may be futile due to politics
- Question if the PSD is established can annexation still happen?
- Can we approach informally cities to bargain out of ETJ?
- Mayor is possibly disinterested; need to determine if Houston wants us
- PSD is not enough
- Texas has already levied TCID
- What are comparable municipal PSDs? Sugarland?
- Why PSD then incorporate?
- What is Houston's financial benefit? Houston is not ready to annex The Woodlands. Are they talking? Buy out? Debt? Houston cannot provide the level of services here; voting block is an issue
- Quality of service is a concern
- Not concerned with extra penny tax/expensive to incorporate
- Request the slide presentation
- Need to change to avoid annexation
- What does the PSD accomplish vs. as is?
- Incorporation duplicates payments; county plus city; wasteful
- What happens to the constable?
- Personal costs; what is the effect?
- Will a PSD help us maintain status quo? Let's go forward and become less attractive to Houston
- Involvement levels in various villages? Management issues; costs; volunteers
- Self determination; not concerned about costs, important to control destiny and ability to make decisions; self governance
- Question about franchise fees, 34% less than as is? 6% - pay for what we want; will do
- Why have a PSD as a stepping stone? Need the political information?
- Can we extend the moratorium?
- What does The Woodlands want? Houston is not ready to annex
- Can we negotiate with Houston for a la carte services?
- Create a hybrid
- What is Houston's record on incorporation allowances?
- What would happen if attempt for one option then the other?
Incorporate first, if no then go for PSD and continue to lobby

Personal Perspectives

1. Incorporate first if no than PSD; combine WCA and TWA; reorganize MBA – enforcement
2. PSD bridge
3. PSD bridge; history and politics
4. Incorporate; legislative timeframe; release negotiation ASAP
5. Incorporate; permanent solution; try again; to preserve quality of life
6. Incorporate, but the PSD bridge is more realistic due to legislature impossibility; need to buy time
7. Incorporate; not worth the dollars for a bridge; need to go for it; negotiate with Houston
8. PSD is less expensive
9. Like incorporation, but PSD would be ok
10. Need more information about annexation options; what are they? Other concrete options; frank political assessment for options; concerns for Houston?
11. PSD bridge but incorporation is ideal; legislative leverage; PSD is less desirable; questions about the dollars
12. Need more information regarding other models and frank political assessment; annexation assumptions – how realistic are they; what will be the legislative reaction
13. Incorporation but I need more information regarding political realities; PSD administration; want self determination and elected officials
14. Incorporation because it will provide self determination; leadership should get us there; there should be no patches
15. Tentatively feel incorporation; concerned that PSD tips our hand; need to understand current Houston's environment and political problems

16. Undecided and need more information about details; want to be able to make a choice between the two alternatives and not approve one up or down
17. Incorporation because timing is right because of current Houston politics; good timing
18. Incorporation – provide Houston a carrot
19. More information about finances
20. Need more information; would like to see more about Kingwood and Clear Lake options; potential to buy out Houston; what is the carrot for Houston to continue the moratorium? Let's test the waters but look at the extension of the moratorium

Common Themes

Incorporation (8 Participants)

Need More Information (6 Participants)

PSD as a Bridge (4 Participants)

PSD (2 Participants)

1. Self Determination as a Governance Structure – whatever it takes to ensure that we can control our destiny forever; which one gives us more power, regardless of cost? 6% is a small price to pay for self control; difficult to get volunteers in the current structure; do we want to have choice by vote? On two options?
2. Political Feasibility – Is the attempt to incorporate futile? Does Houston really want us? We should continue dialogue with Houston. What would it cost us to be released from ETJ? Would PSD make us less desirable to Houston?
3. Sense of Urgency – Take advantage of Houston's political turmoil; now dealing with Katrina, only one legislative session to accomplish something, and tipping our hand; PSD why are we waiting? Take advantage of window of opportunity
4. What does Houston want (poison pill)? Will they work with us? Does PSD make us less attractive?
5. Lobbying Houston/Austin – need a state reality check; Houston carrot approach; poison pill to make us unattractive
6. Quality of service and life is more important than the cost
7. Cost – need more information but it is less important because we will pay to maintain our quality of life and self determination; don't believe the data

8. Need a back up plan if the two options fail, what is our strategy; need to plan now

Group 2108

Facilitator: Nathan Dietrich

GSC Member: Lloyd Matthews

Reporter:

Governance Options Discussion

- TICD is a poison pill for Houston
- Houston partnerships
- Regional issues
- Showing of assets
- Moratorium agreements what happens when it is broken?
- PSD – no consistent regulation; does not take us out of the ETJ
- Sales taxes can be used to pay Houston
- PSD should include all of The Woodlands; can incorporate all the services of The Woodlands Operating Company
- PSD proposal includes Harpers Landing
- PSD is a “stepping stone”
- Incorporation cannot get areas of The Woodlands that are in other cities; need to do simultaneous negotiations
- Need to see examples of other districts; include in the report
- Who will lead the negotiating effort?
- Can TCID expand to encompass The Woodlands PSD?
- TCID needs legislation but has the structure
- Districts are better reps for their needs than a city
- Can we combine TCID and new PSD?
- Package provided too much time on cost; all options are similar costs; it is not a financial decision
- Services are important
- PSD can protect parks and pathways
- Packet too much
- Give example as to where we are
- What we provide to the public is key?
- What is the official position?
- Developer is key person in this determination
- Sales tax “cash cows” realistically for annexation

Personal Perspectives

1. Incorporate but use PSD first because it can be done
2. Incorporate but use PSD first
3. Need more information; PSD is good but want MUDs out

4. No annexation – concerned that we cannot get out of the annexation threat! Use PSD to become a city
5. Incorporation – but need more discussion about state laws; not sure about PSD but could be used
6. PSD but with more information
7. One step at a time: PSD is a given and possible; incorporation is much more difficult; unsure of benefits; keep agenda clear and simple – basis for negotiations; what is our official mission?
8. Support “doable” steps; will you still love e when I’m 64; need to do what can be done now; PSD is entity to express our needs
9. Avoid Houston; PSD is the first step take; not a financial decision
10. Avoid annexation; PSD leading to incorporation
11. PSD is a way to keep what we value most

Group 2102

Facilitator: Karen Dempsey

GSC Member: Bruce Tough

Reporter: Arthur Bredehoff

Governance Options Discussion

- Thought PSD, but maybe incorporation; concerned about the feasibility of either
- All options involved antagonistic relationships
- Want to maintain community standards
- County taxes pluses and minuses
- County political climate pluses and minuses
- Lobby in the legislature
- I want whatever option will best prevent annexation
- Concerned about our developer's role vs. our role
- Concerns over the best long-term solutions – flexibility for the future
- Concerns about outside/larger legislative power (state level)
- Concerns – want whatever will provide the best level of services

Public Service District Discussion

- View it as more successful because we would take control of sales tax revenues; we'd be less appealing (previously thought otherwise)
- Helps fund the community – sales tax; currently rely solely on assessments
- Concerned that this still leaves us open to annexation
- Still permits county to provide services at no additional cost
- PSD seems more feasible
- Good balance/next step; more policing
- Sales tax provides better balance of funding
- How do we eliminate the debt?

Incorporation Discussion

- Provide us more control over our roads, facilities, amenities, and infrastructure
- Prevents annexation
- Harder to pass
- More expensive
- Sales tax will be used here

Personal Perspectives

1. Not enough information; feel like Houston can take us if they want us; PSD makes us less desirable
2. Not enough information – I lean toward PSD; need more financial breakdown
3. Not enough information – PSD governing too vague; who will run; PSD ramps up services, but how especially for police; questions which favors the developer; will it be difficult for us to determine what to do; felt from February event that incorporation was the only way to go; questioned second option; I understand need for two choices for referendum; information is better than in February; more data on model structure for PSD; model budget on expenses and government structure – what will they control; can there be elections; more framing of the strategy to avoid annexation
4. PSD – concerned if we will be content
5. Not enough information because of the odds of success from state representatives; is it possible to buy off the city; incorporation would be the ultimate with PSD as an interim solution
6. PSD – need to strategize with the best legal minds on feasibility and course of action
7. PSD but concerned over preventing annexation; maintaining local control; likes incorporation but seems less feasible; less concerned about costs to prevent annexation
8. Incorporation is the only way to truly prevent annexation; PSD okay as interim solution
9. Incorporation but use PSD as an interim solution to avoid annexation
10. I have 80% of information needed and support a PSD. I am missing the strategy piece for making us less desirable for Houston to annex; need missing piece of information as to how PSD will work

Common Themes

1. Preventing annexation (all of our discussion fits under this goal); what will it cost to buy our way out of the threat of annexation? Strategy development is important; political asset line up

2. Strategies – how can we go about doing either one; what are the legal issues; would like to see interim solution (PSD to later become incorporated)
3. Need to know more about the ultimate governance structure; PSD and Incorporation – how do they work; annual cost (i.e. sample budget; what is the PSD leadership structure; how to elect representatives and what are their duties; Need more specific financial model; PSD is a concern due to its limited ability to increase specific services; what is the amendment process; full service scope is needed to be determined up front; scope needs to be outlined
4. PSD – interim solution; how to work into a longer term solution of incorporation
5. Citizen involvement in the process

Group 1106

Facilitator: Jim Carter

GSC Member: Joel Deretchin

Reporter: Leslie Moseley

Governance Options Discussion

- Political difficulty; not enough attention to this issue
- Potential annexation model; reality; service levels; PSD could be a bridge to annexation
- TCID – potential as a tool for PSD
- Good services, quality of life and environmental protection is important; protect our uniqueness and what is special about The Woodlands
- Threat of annexation; how feasible?
- Overall I have a lack of understanding; still education is needed; more public contact and visibility
- Helpful to compare annexation as alternative; motivation
- Bottom line is last page – small differences in cost; self determination is the priority; dollars are less important
- Not here because it is cheaper
- 60% difference between alternatives
- Covered new ground; fine job; many opportunities
- Difficulty of politics; practical matters
- PSD is maybe only practical politically
- Important to get out of the Houston's ETJ
- Are there other models? What happens to TCID after annexation?
- What happens to the model without the debt of Harper's Landing?
- Examine the Kingwood example; are they happy with services; determine the facts
- There is possible legislation on special districts pending
- Compare tax rates in surrounding districts; what happens to special district if annexed?
- Comparison with annexation; sales tax offset preferable to property to tax
- Dollar not necessarily driver; services are important
- Kingwood – storm and fury brief; property values not heard; Houston wanted dollars; negotiate early with Houston to avoid annexation
- Need to determine political options in Austin; need a lobbyist
- How do we buy our way out of Houston? Work still to be done; focus on legislative action; what are our contingencies?
- PSD is a tool not gift
- How do we get grants?

- Unknown about the legislature and political process
- Are there guarantees the PSD discourages annexation or is it simply deferring the enviable?
- Need to examine other examples/Kingwood appease Houston
- Other examples – fire department services drop; annexation is the real threat
- What is the community associations' role (costs and feels go up or down)?
- Need a battle plan, risk analysis, and timeline for PSD, annexation and incorporation

Personal Perspectives

1. Yes, incorporation because of self determination
2. Start considering annexation
3. Yes, incorporation is ideal because of self determination; if not politically feasible PSD might be the back up plan
4. Yes, PSD but doubt that Houston will allow it; politically difficult
5. Abstain from opinion
6. Yes ready to make a decision and it is incorporation if possible, PSD only alternative
7. Ideally incorporation because of flexibility but it has 0 to 2% chance of passage; not convinced that PSD is better than annexation
8. Incorporation – yes there are difficulties but do whatever we can; self determination is important; protection of our uniqueness and we are special compared to Houston
9. Not ready to make a decision but prefer incorporation; emotionally against annexation
10. Yes incorporation – has anyone escaped annexation?
11. Yes, incorporation; may be impossible and PSD more feasible
12. Yes, incorporation; politics are a concern; second alternative is PSD
13. Yes, incorporation; identify creative solutions to appease Houston; need a better negotiating position

14. Yes, incorporation but little confidence it can be done

Common Themes

1. Political difficulties need to be addressed includes state and Houston; determine if we need lobbyists; large number of participants think we are attempting the impossible
2. Not enough information is given on potential annexation; what are the realities to service?
3. Can the Town Center Improvement District serve as a tool; forming a PSD; can it be a bridge rather than a poison pill to Houston?
4. Quality of life and services is more important than cost
5. Need more information on role of community associations and various models
6. Need a plan, risk analysis, and timeline

Majority favorable to incorporation if we could get it; PSD is reasonable fallback, but wanted more information on annexation

Group 1104

Facilitator: John Domino

GSC Member: None

Report: Brian McBride

Governance Options Discussion

- Uncertainty of TCID within a PSD
- Will school tax remain the same? New legislation?
- Not easy to do PSD
- Benefit – that we go through the legislature
- Need more information on legislative process – what are we getting into
- Who are the voters? Citizens/renters?
- PSD, less likely than annexation – costs to the City of Houston to provide services vs. revenues received
- If annexation, The Woodlands loses services
- Would sales tax be any different?
- Uncertainty about sales tax regarding options
- Difference of sales tax is so small
- Degree of control is a concern; incorporation provides more control which is good
- Consider transition to incorporation
- Need to know more about PSD
- Advantage of PSD; not the final solution; buys us time to work out final options
- Not a sure solution
- Anxiety over legislative battle
- Timeline is critical; if we play around with PSD time will run out
- PSD does not solve annexation problem; however, it is a unique solution
- Incorporation is the best solution
- Sugar Land – how did they do it? We want to know how they did it; would it be relevant to The Woodlands
- The Woodlands voters will support incorporation
- PSD must not disengage voters
- Hard numbers and facts about annexation by Kingwood
- Voters should be highly motivated
- Presently too theoretical
- Need numbers
- Some are optimistic, some are not
- It is not about the dollars, it is emotional
- PSD is a distraction; unclear; lack of clarity would suppress voter turnout
- PSD may actually help

- Houston efforts
- Almost unanimous support for incorporation
- Sense of urgency exists
- Preference to new sales tax to offset assessments
- Would non-residents' taxes always be there?
- Unclear – Bruce Tough and GSC strongly favor PSD, why? Where is the influence coming from? What are their motivations?
- Are the numbers realistic? Consensus is that there is skepticism
- How can we increase voter turnout; more information
- Need to frame the issue properly and effectively
- Better information dissemination is needed
- Information about outsiders is needed; Kingwood experience; Plano's success
- Are numbers skewed to make PSD look better than incorporation?
- Pessimism of the elites about incorporation
- Get with Bill White before he leaves office
- Antagonism
- Speed up the process
- Want to change structure of government; more open and stable government
- Regular elections
- Cost is negligible and unimportant
- Underestimating the numbers
- More open
- Don't believe the numbers
- Predictability of the numbers

Common Themes

1. Fear of annexation; urgency to make decision to incorporate; desire to move quickly; Houston government sympathetic to our plight? It is time for discussion
2. Skepticism over the numbers; are we getting reality; if numbers are real; why not incorporate immediately; negligible dollar differences
3. Voter turn-out; can we get substantial turnout support
4. How did other cities incorporate (Sugar Land, etc.) and go about it? What steps were taken? How did they go about it?
5. Uneasiness about legislative process – can we really win in the legislature?

6. Incorporation – consensus that The Woodlands voters will support incorporation vs. PSD
7. Information and Dissemination – Need more information quickly and better dissemination of information to residents for better voter turnout
8. Current governance committee in favor of PSD? Why? What motivation? Faster road?
9. Desire to change structure of government – make decisions, structure more accessible and understandable for residents

Group 1102

Facilitator: Chris Nunes

GSC Member: Claude Hunter

Reporter:

Governance Options Discussion

- Control our own destiny is important
- Not as concerned about finances vs. amenities
- Legislative approval is a concern
- PSD – who is in control?
- PSD - does it offer local control; does it eliminate annexation?
- What will Houston want?
- What is the level of service for our dollars?
- Sales tax has benefits and negatives
- Who will represent us to the City of Houston?
- PSD does not protect against annexation
- Save dollars to protect quality of life
- Whatever option that gets us to incorporation faster; PSD is the poison pill; opportunity to alleviate the annexation threat
- Need to find incentives can work in a PSD
- Interdependence on Houston; do not cut nose to spite self
- Do not put all our eggs in one basket
- Pay Houston money to get them off our backs
- Incorporation is not as possible
- Do not want to lose tax base
- Ask for incorporation in good faith or we will never know
- Get a bond issue passed; disincentive to Houston because they pay it off
- Need proper management to control costs
- Need to protect the business community
- Spend the money on where we want to go
- Bite the bullet – local control and zoning

Personal Perspectives

1. Local control is most important
2. Use phased approach – PSD to incorporated city but concerned how difficult it might be
3. Do not want to live in Houston; I like the quality of life here
4. Sales tax is a good thing

5. We have a stake in keeping Houston alive
6. Communication with ETJ cities
7. Finances does not equal the community's quality of life
8. Need to act before Mayor White leaves
9. If it is difficult go all the way
10. PSD with an end date and then move to a city
11. Go to incorporation
12. Opposed to incorporation

Additional Information Needed

- What do we own? What gets transferred?
- What are the other costs to convert to a city (e.g. MUDs)?
- What are the benefits of PSD and incorporation?
- Does CATW benefit from the PSD and incorporation?
- Can there be a rebate to homes to make annexation unattractive?
- Can ETJs be transferred to other ETJs?
- Get packet to everyone
- Facilitators to Village meetings
- Tax abatement – PSD
- What will make Houston understand our desires?
- Work with the Legislature in 2007/2009

Common Themes

1. Keep facilities/services the same; Maintain quality of life – we know what we need and pay for; maintain services and service levels –
2. Direct voting power; willing to pay for amenities; planning and zoning; Council of Governments influence and value; grant funding; economic and community development

Group 2205

Facilitator: Melissa Young

GSC Member:

Reporter: David Kaczynski

Governance Options Discussion

- We never want to be annexed
- Need to determine how much people are willing to pay to avoid annexation
- What are our best changes to prevent annexation?
- Examine a staged approach; PSD is first step – group agrees
- PSD is easier to accomplish
- Tax deductible payments of PSD
- PSD does not stop annexation; risk of annexation still persists
- PSD keeps tax revenues
- PSD would decrease desire of Houston to annex
- PSD has passed before

Personal Perspectives

1. No annexation
2. Property values and services must be maintained
3. PSD more likely to be approved
4. Stop gap measure is PSD
5. PSD might be long term solution
6. Saves money/control of sales
7. Long term desire could be to incorporate
8. Support the GSC process

Information Needed

- What are the costs of services in each scenario?
- How interested is the City of Houston?
- How would we be governed?

Common Themes

1. No annexation to protect property values and loss of services

2. Incorporation is the long term interest; many want to avoid annexation to protect property values and level of services; makes annexation unattractive; concerned about cost and might not be possible; can it really be done; more control and influence; eliminates the threat of annexation
3. PSD as a stop gap measure, delaying or avoiding annexation; may be a long term solution; more likely to be approved; can be a collaborative process; may resolve issues of the community related to the developer's decreasing involvement and further growth of The Woodlands
4. GSC Process – the group supports the process and would like see it continue; concern about the time to allow citizens to vote on options

Group 2110

Facilitator: Anna Mikulska

GSC Member: Gail Evans

Reporter: Lanny Waguespack

Governance Options Discussion

- Require a huge effort in the legislature
- It is difficult to get people to commit so go for incorporation for the long term solution
- Clear Lake failed to incorporate; how incorporation of The Woodlands can be feasible, if possible?
- How can we make a decision without knowing how much would Houston want for letting The Woodlands incorporate?
- Money-wise it would not be different to individuals; incorporation is better; The Woodlands become independent
- Who is "we;" who decides options?
- Who's agenda are we pushing?
- Prefer the PSD - It is difficult to change ETJ; better chance to protect The Woodlands from annexation
- I moved to The Woodlands for the quality of life; want to incorporate to keep this quality of life
- Incorporation protects our rights better but what is the likelihood of either option?
- Do not want annexation and therefore for incorporation
- PSD is better option; buffer to get things right before incorporation can be achieved
- Don't like to pay more taxes; if incorporation is not possible, PSD takes at least amount of money off the table
- How can we decide it, if the assumptions are already made; are our opinions going to be considered later?
- Main goal is not be annexed
- Seems like PSD was heavily favored in the presentation
- We need to work through the legislature going into the direction of incorporation; may be less threatening to Houston than incorporation
- For how long will we have the PSD, if we decide for it?
- Its not an economic decision, not much difference in taxes; don't care about the cost

Personal Perspectives

1. If the real goal is the avoidance of annexation, the PSD is or feasible; we should go for it; get political advice

2. No annexation, not much difference economically or politically; which one is better guarantee of The Woodlands not being annexed; ready to accept PSD if this is more feasible
3. Need more exact information about feasibility of options
4. Incorporation is the only way to defer annexation
5. No annexation is a priority, cannot rule out any of the alternatives; will have better knowledge about the situation after legislative session in 2009; PSD may be a potential stop gap; maybe we can come to monetary agreement to be incorporated
6. I would like to identify clearly the steps for each option, so we are clear on that; need flow charts
7. PSD is the only option that stands a chance; representatives to legislature will be against incorporation
8. Not sure if Houston will accept another payment for not annexing The Woodlands; maybe the PSD is more feasible; I am now more accepting of the PSD
9. Not only need all steps in flowcharts but also see the obstacles to these steps then we could determine feasibility of each option, and decide, cannot say now which option is better
10. I need a better understanding of political reality before choosing; how we proceed; what is the critical path; which has the lower error cost; I've learned that politics will be critical; still think we now have a chance to cut a deal with Houston Mayor not to incorporate
11. Have no clue on what are the possibilities of each option; it should be already included, what is the rate of success of each option
12. Not enough information to make educated decision about the probability of success with the PSD to deter Houston with taking away taxes; I was leaning toward incorporation, still might. But to make final vote I need more information, if PSD has better possibility of success maybe it is better
13. The only things that will keep away annexation is incorporation; it is the only long-term goal; PSD is not going to stop Houston from annexing The Woodlands

14. Houston could get from us charges from commuters; what is our bargaining chip?
15. Need to know how much it is going to cost to avoid annexation; figure this out first; I am leaning to PSD
16. Not enough information to decide real question; we need to protect property values, future; which option works best for it?
17. Either option is going to be a big struggle; I would pursue incorporation; whatever we need to do, nobody told why PSD is easier; pursue clear goal that will exclude annexation
18. I need to know how much it will cost to pursue either option

Common Themes

1. Avoid Annexation
2. Cost not a driver
3. Group leans toward incorporation but ... need more information on political reality and probability of each of the options' success; timeline and critical path outline for each option; What are the necessary steps; need flowcharts; Need to know the major problems, obstacles, and political costs with getting any option enacted
4. Who will select between the options at the end?

Group 2109

Facilitator: Inaki Sagarzazu

GSC Member: Maureen Donelan

Reporter:

Governance Options Discussion

- Resolve annexation threat first
- If we do nothing or if we do something; make a decision as a community
- What would happen with annexation of 400 acres of Magnolia; is there a new ETJ?
- What would be the outline for incorporation? Would all of The Woodlands be incorporated?
- Change must equal or improve services
- Not clear of risks of being annexed
- PSD will be considered politically feasibility as a municipality
- Will PSD make it easier or more difficult for annexation?
- Will Mayor of Conroe act equally if PSD were in effect?
- Decision is needed; size is too big
- I need to know what the county has to provide in both scenarios
- How to go from county to municipality under incorporation?
- What would be the impact to schools? And school districts?
- What is the impact to the county? 85,000 votes
- Has it been thought about and calculated cost of annexation?
- Are there downsides to the City of Houston annexation?
- Can we negotiate with the City of Houston?
- Is there really that much difference in sales taxes to offset property taxes?
- Services and quality of life are worth the taxes
- Annexation is the number one issue because we have been comfortable with the situation
- Multiplicity of rules is a concern
- Regardless of annexation, we will have to change
- Level of services – will they drop?
- Maintain quality of life and have similar rules
- PSD is a defensive move; incorporate is an offensive move
- Have legal differences and feasibility been thought through?
- What are we willing to give up?
- Can we negotiate undeveloped areas?
- Not only avoiding annexation
- Engage the other cities within the ETJ to understand what they are looking for; need to know what they want
- Don't want The Woodlands Operating Company in the negotiations

- Who decides what option to choose? It should be the residents
- Don't know enough about PSD; everything seems sanitized
- What drives annexation decision? Does sales tax taken in PSD change that?
- Governance is needed
- Annexation shouldn't be allowed
- How do we enforce governance under PSD?
- How are utilities collected out of governance?
- What do we gain with PSD; other than financial?
- Need to lobby to get laws changed
- I need more information
- What is Plan B if these options fail?
- We will have to negotiate
- Is PSD a step to incorporation?
- Not that familiar with PSD
- Learn from annexation of Kingwood
- Annexation and de-annexation in proposition around Texas; as stick
- Look at cooperative option; carrots and sticks
- Voter turnout is a concern
- What facilitator and best supports maintaining quality of life?
- We have to define PSD carefully
- Need more information
- Suspicious of commercial interests could drive different interests than citizens
- Not enough information
- Yes, (50/50)
- Which option is less attractive to Houston?
- Is there a successful PSD with some characteristics similar to The Woodlands?
- Ultimate governance entity vs. temporary relief and how do we get there?
- Complete an assessment of cities, legislature, etc.

Personal Perspectives

1. More information is needed; include risks and costs
2. Maintain the quality of life and level of service
3. Determine Plan B
4. Yes, I prefer incorporation
5. Cost differential is not enough

6. Effects of Magnolia addition
7. Not only avoiding annexation but improving governance long term
8. Negotiate with ETJs
9. Would PSD be first step or fall back position; do we play around with PSD if we want to incorporate; its time to get to started
10. Get a sense of ETJs and legislature
11. Develop tactics and strategy
12. End objective is incorporation; what is the best strategy to achieve this
13. The developer should not be in the negotiations
14. Cost is not important
15. Whatever we choose needs a referendum to support before action and end goal

Group 1103

Facilitator: David Ernstes

GSC Member: Jeff Long

Reporter:

Governance Options Discussion

- Lot of unknowns regarding Austin
- Seem to be the assumption that we don't need it (Houston approval) to get approved for SPD; Don't we need Houston's approval
- SPD does not prevent Houston from annexing us
- Is there any effort within the community to talk to Houston about their thoughts?
- Questions about our relationship with Houston regarding annexation; are we meeting with them?
- Can PSDs stand with annexation?
- The issue of who governs; do we want elected or appointed leadership?
- Regarding sales taxes – new to offset assessments and taxes
- Let visitors assist, supplement, offset of sales taxes or diminish taxes (issue of funding if some services – police services)
- Consider franchise taxes will they go to this effort
- Want to maintain sales taxes using consumers
- There is a sense of urgency to involve the legislature and keep the process moving
- Perhaps a memo of understanding with cities that we are within their ETJ
- Too much a sense of urgency may prevent us from being deliberate
- Moving forward with City of Houston should be carefully considered
- Feel we are too early regarding dealing with Houston Mayor White
- Woodlands is yet to be built out; five years of development left in Harris County for commercial
- Why are we afraid of Houston? Using Kingwood and Clear Lake as examples they are lacking good parks, water tripled in Kingwood
- Can options be combined or phased?
- Not a big problem with our current PSD
- We should investigate incorporation
- Can we combine? Yes; can we phase? Yes
- PSD can make things happen but can't stop things from happening
- If we ultimately want to be a city, does creating a PSD slow or prevent this?
- Develop a memo of understanding
- Extend the current moratorium with Houston beyond 2011

Personal Perspectives

1. PSD cannot set ordinances or laws; we would have to go through this effort again if we want to incorporate at a later date
2. Keep PSD alive as an option; concern about waiting for incorporation later and have to go to the legislature again
3. Incorporation – realize that The Woodlands Corporation will no longer be here; ultimate goal is incorporation; question is how to get there?
4. No to annexation; question is if there is a possibility of an ETJ change with Houston?
5. Extend moratorium – could we take advantage of this; could we stay “as is” during this time?
6. Exchange ETJs between Houston and Shenandoah
7. Will TCID be included in PSD or incorporation?
8. What is the political reality of PSD?
9. Will there be a plan developed in October based on in-depth studies?

Common Themes

1. Incorporation should be ultimate goal at proper time for self governance. Identify phases or strategies
2. Community needs to be united
3. Need a plan with contingencies
4. Continuing community education is paramount
5. Need trust and support of GSC