

IAP2 Project of the Year Award: The Woodlands Governance, The Woodlands, Texas (USA)

Sponsoring Organization: The Woodlands Community Service Corporation, The Woodlands, Texas

Doing business as Community Associations of The Woodlands

Background: The Challenge

Begun in 1974 by businessman George Mitchell, The Woodlands is a master-planned community of today, nearly 90,000 residents (at the time of Phase II of the project, 85,000 residents.) The Woodlands has approximately 26,000 jobs, making it a strong employment area. The great majority of the 27,000 acres of land included within The Woodlands lies in the unincorporated areas of Montgomery County, with approximately 3,000 acres extending south of Spring Creek into unincorporated Harris County. Approximately 160 acres of The Woodlands are located in the corporate limits of the City of Shenandoah, and some 375 acres are located in the City of Conroe.

As Mr. Mitchell was considering a plan for The Woodlands in the 1960's, many major United States (U.S.) cities were experiencing an out migration of people from declining inner city to thriving suburbs. City dwellers escaped into small, incorporated towns that encircled many larger cities, leaving the core city unable to grow and vulnerable to future decline. Mitchell traveled extensively and witnessed the plight of some U.S. cities. He held the view that the Houston region would be stronger if the central city retained the ability to grow its tax base. A stronger city, in his view, would produce stronger suburban growth. He wanted The Woodlands to be a part of Houston's solution, not a part of its problems. Therefore, by agreement with Houston, all of his landholdings that would become The Woodlands (and not already within another city's extraterritorial jurisdiction (ETJ)) were included in Houston's ETJ. An ETJ, as will be explained later, is the area adjacent to the corporate limits of the city and may be unilaterally annexed.

Having essentially all of The Woodlands within the ETJ of a single city effectively prevented fragmentation of the planned community and its services through partial annexations initiated by other nearby cities of through multiple, separate incorporations that could have taken place on a piecemeal basis. Having included most of his landholdings for The Woodlands into Houston's ETJ, Mitchell and his development team, utilizing consultants experienced in community governance, set about the task of establishing a fragmented service delivery system.

Annexation and The Woodlands? In Texas, larger cities have strong powers of annexation. Within their extraterritorial jurisdiction (ETJ), that is, the area adjacent to the corporate limits of the city, these cities have limited authority to regulate land development, but have exclusive authority to annex land into their corporate limits. A new city may not be incorporated within the ETJ of an existing city without the city's consent. At the city's sole discretion, and after following required notice and hearing procedures, it can annex territory within its ETJ. Approximately 95% of The Woodlands is included in Houston's ETJ, with the balance being in the city limits of ETJ of the Cities of Shenandoah or Conroe.

Why do cities annex? There are three principal reasons cities want to annex land. First, annexing land—especially commercial land—captures sales tax and property tax revenues for the city. Second, a city may seek out natural resources, such as surface water sources, which it may need. Finally, cities sometimes annex for political or socioeconomic reasons, depending on their current circumstances.

Why was it important for The Woodlands to study governance now? Four principal reasons led The Woodlands to facilitate the Governance process:

1. The role of the community developer, The Woodlands Development Company, would change in a significant way as development nears conclusion within the next 10 years. The Woodlands Development Company had played a major role in organizing and coordinating the delivery of public services in the community since the beginning, but this involvement would eventually diminish, and a new approach be established to fill this void.
2. Under current Texas law, a city operating under a home-rule charter, such as Houston or Conroe, has the power to annex portions of The Woodlands without the consent of the voters or property owners of The Woodlands. While an existing annexation moratorium agreement prohibited Houston from currently talking this action, it would expire in 2011. According to Texas law, annexation could occur beginning in 2014.
3. Significant growth and development was occurring around The Woodlands which impacted the community. In order to participate in and influence regional planning and policy, The Woodlands needed a clearly defined governmental structure and presence.
4. The sheer size and population of The Woodlands (which at build-out is estimated to be 125,000) would necessitate changes in local governmental structure.

For these reasons, it seemed appropriate to consider how the community could best govern itself in the future and reach a long-term, working relationship with Houston, as well as Conroe, since many of the possible governance options would take several years to implement.

What was the hurry? While 2011 seemed like a long way off, it was anticipated that a new governance structure could take many months if not years to be put in place and become operational. In addition, it was anticipated that any new structure would require some type of action by the Texas Legislature. In Texas, the Legislature only meets every other year. Only the sessions in 2007 and 2009 would occur before the first potential annexation proceedings.

IAP2 Core Values and The Woodlands Governance Process

The three-phased Governance project exemplified the Core Values of IAP2. The following briefly describes how each of the Core Values were met over the course of the nearly decade-long project, though this application read in its entirety better reflects the importance these Core Values played throughout the process.

1. The public should have a say in decisions about actions that could affect their lives. While Mr. Mitchell originally wanted The Woodlands to be annexed by the City of Houston, it had become apparent that the nearly 85,000 residents living in The Woodlands did not share this same desire. Texas law, however, did not provide a way for Woodlands residents to have a say in their own governance; Texas law gives existing cities, like Houston, the unilateral legislative authority to annex a community without their consent. This legislative reality meant that The Woodlands would have to do something different in order to “have a say” in an action that would affect their lives.

2. Public participation includes the promise that the public’s contribution will influence the decision. While it was clear by the mid- to late-1990’s that Woodlands residents were less enthusiastic about being annexed by Houston, it wasn’t clear exactly *why* they didn’t want to be annexed, nor *how* Woodlands residents wanted to be governed. The three-phased project set forth not just to determine what was possible for Woodlands residents, but what those residents wanted. The final phase would implement the desires of Woodlands residents, and in this particular case, ended with a vote by the entire community.

3. Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers. The public (residents of The Woodlands), stakeholders (community organizations and agencies), and legislators (most notably the state representative and senator for The Woodlands) were key throughout the process. Phases I and II of the project concentrated on engaging the public as to what they wanted their governance future to be, while Phase III delivered that message to The Woodlands legislators who implemented it.

4. Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision. Public education and involvement was paramount, especially in Phase II of this project. All residents of The Woodlands were encouraged to engage in the various public involvement activities, with specific invitations to participate delivered to each household several times throughout the process. The process also sought feedback from non-traditional populations—Phase II of the Governance project specifically solicited the input of youth; knowing that these same participants would ultimately be disenfranchised by a vote at the end of the process, it was important that the future residents of The Woodlands had a venue where they, too, could contribute to the decision.

5. Public participation seeks input from participants in designing how they participate. While a public involvement plan was developed, it was the public themselves who helped to craft the nuance of the process. Whether it was feedback on what was useful information to provide on a web site, or when best to hold committee meetings or public events, the process knew it was important to ask the public they were serving for this guidance.

6. Public participation provides participants with the information they need to participate in a meaningful way. As stated, education was a principal task in the process. While it was important to steward an ongoing education process in the community, it was critical to ensure that participants in public involvement activities had the information they needed to participate in a meaningful way. Focus groups were used to examine and polish all information produced, and event information packets were developed and mailed in advance of public involvement activities so that participants could review the material and attend the event, contributing to the process in the most meaningful way. The most unique demonstration of this Value was the position taken by the organization leading the decade-long governance effort in Phase III: *while the Community Associations supported the ongoing governance efforts for The Woodlands, specifically sponsoring all three phases of the governance project, they did not take a position on the November ballot issues themselves, and instead, carried out an educational program in which every Woodlands voter would adequately be prepared with information when he or she entered the voting booth.*

7. Public participation communicates to participants how their input affected the decision. In the transparent Governance process, it was important to ensure the public understood the role of their input, as well as how, before/during/after each stage, their input affected the decision. No more pivotal was this Value when the residents of The Woodlands saw the results of their input in Phases I and II placed on the November 2007 election ballot, (aka Phase III); residents validated the initiatives by an overwhelming margin.

The Process

Phase I—In 1999, a group of community leaders initiated a local governance dialogue which ultimately led to an annexation moratorium agreement with the City of Houston. The City of Houston and the Municipal Utility Districts (MUD’s) are parties to the agreement, with The Woodlands Development Company and the Community Associations of The Woodlands being third party beneficiaries. Subsequently, in April of 2003, the Phase I Governance Process was initiated that prepared an action plan and range of governance alternatives to explore with the public and stakeholders.

Overview

Phase I of the Governance Process was in essence an exercise of “planning to plan.” It explored issues facing the community, identified key stakeholders, provided public involvement options, and explored the universe of governance alternatives that should be researched. The objectives for Phase I was to:

- Communicate the importance of everyone coming into the discussions with an open mind about governance options.
- Determine the best governance options for the community to discuss and debate.
- Develop a timetable of potential solutions and the pros/cons of each of the governance options.
- Ensure that all stakeholder interests are heard and protected through the community dialogue regarding governance.
- Design a comprehensive educational process about governance so that the residents and stakeholders are able to make an informed decision.
- Define a process for comprehensive involvement by the community to include residents, landowners, businesses, and other stakeholders.
- Create a planning process that includes an educational and involvement component for the next working group to utilize during Phase II.

- Develop a mechanism to receive feedback that is gained in a “fair” way (i.e., questions need to be asked properly and not in a way to produce predetermined results) and a system to track the process (i.e., input an decisions made).
- Ensure that enough information is collected so a decision can be made about governance through a public input process.

Conclusion

The rest of Phase I was an Action Plan that identified eleven governance alternatives and outlined a structure and methodology (Phase II) to identify the preferred, viable governance alternative(s) through a comprehensive public and stakeholder involvement process in concert with study and research.

Phase II—In April 2004, a Phase II committee of stakeholders called the Governance Steering Committee (GSC) was organized. The GSC was an ad hoc committee comprised of elected and appointed individuals from eleven community stakeholder groups including The Woodlands Community Association, The Woodlands Association, The Woodlands Commercial Owners Association, The Woodlands Community Service Corporation, Joint Powers Agency/Municipal Utility Districts, Town Center Improvement District, Economic Development Partnership, Village Associations, Chamber, and The Woodlands Development Company as well as representation from at-large residents. Each stakeholder had two representatives with one alternative. Many of the GSC members had held leadership positions in The Woodlands for many years and had an intimate knowledge of how the community worked, as well as knowledge of the regional political situation. The GSC had no political or legal authority. It could not call for an election and had no ability to change the governance structure.

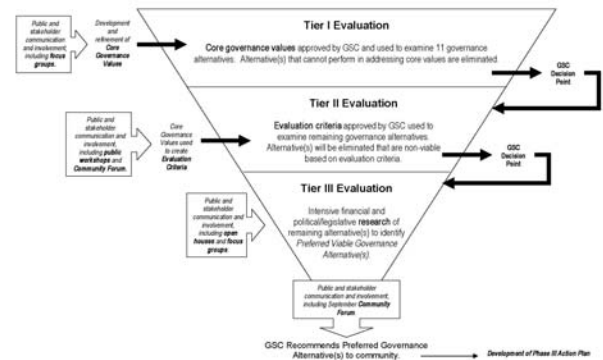
The GSC’s basic responsibilities were to gather information, present it to the citizens, receive feedback, and based on their knowledge of the community and the data and input collected, recommend a logical and thoughtful course of action to the community.



Mission Utilizing a public and stakeholder education and feedback process, the community’s preferred viable governance option(s) for The Woodlands will be determined and an action plan for implementation developed.

Operating Structure The Woodlands Governance Committee (GSC) established the Governance Project Operational Structure Policy for the purpose of guiding the implementation of the Phase II Governance Process.

Three Tiered Governance Process The GSC adopted the three tiered governance process that provided direction to the GSC in their decision making and project management. This process was followed to ensure that a preferred governance option(s) was selected by August 2006. By adopting the three tiered governance process, the GSC created a strong process framework that minimized “backtracking”.



Public and Stakeholder Engagement The following describes the 21 different public involvement events held during Phase II to discuss and evaluate the governance alternatives. Over the 14 month process of Phase II, the GSC and community moved from 11 initial governance options to two preferred alternatives. The IAP2’s Public Participation Spectrum is also identified.

Focus Groups on Community Values [Consult]—seven focus groups held to understand the community’s values, priorities, issues, and concerns related to local governance.

Public Workshops on Evaluation Criteria [Involve]—four workshops held to provide the public an opportunity to learn more about the Governance process and the GSC’s accomplishments, review and provide input on the identified governance alternatives, and review and comment on the Core Governance Values as identified by the committee.

Governance Forum 1 [Collaborative]—a large interactive event where the public utilized evaluation criteria to further discuss and analyze the governance alternatives.

Open Houses on Remaining Two Governance Alternatives [Consult]—three open houses to facilitate educational opportunities for residents to learn about the remaining governance alternatives: incorporation and public service district. The open houses gave residents an opportunity to see preliminary research on these two options.

Focus Groups on GSC Data and Information [Consult]—four focus groups were held to review various work products formulated by the GSC and to help refine the information and presentation for discussion to the public. Youth were specifically included as a stakeholder and reviewer.

Governance Forum 2 [Collaborate]—an interactive event that allowed participants to:

- Review and discuss the legal, political, and financial data assembled by the GSC;

- Review governance alternatives' adherence to the evaluation criteria prioritized by the public in Governance Forum 1; and,
- Discuss and provide feedback on the GSC's preliminary recommendations.

Stakeholder Governance Forum [Collaborate]—like Governance Forum 2, this interactive event allowed representatives from stakeholder agencies and organizations to:

- Review and discuss the legal, political, and financial data assembled by the GSC;
- Review governance alternatives' adherence to the evaluation criteria prioritized by the public in Governance Forum 1; and,
- Discuss and provide feedback on the GSC's preliminary recommendations.

Other forms of public involvement:

- Comprehensive project website: www.TheWoodlandsGovernance [Inform]
- Online comment and question submittal [Consult]
- Monthly updates communicated to each household in The Woodlands [Inform]
- Presentations to organizations [Consult]
- Monthly committee meetings [Consult]
- Monthly subcommittee meetings [Consult]

Outcome Based on the feedback from the public involvement process, the public asked the GSC to deliver the following directive to its Texas legislators in the fall of 2006:

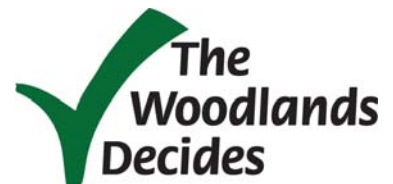
- Avoid annexation.
- Take Action now.
- Strive to eventually obtain the broadest scope of local control.
- Work with, not against the cities of Houston and Conroe to create a positive working relationship.

Weeks later, the Texas legislative delegation announced a Regional Participation Agreement, which upon successful initiation in the state legislature and vote by the residents of The Woodlands, would relieve The Woodlands from the threat of annexation and allow The Woodlands the opportunity in the future to gain the broadest scope of local control: incorporation. This was done in partnership with the cities of Houston and Conroe.

Phase III—After Phase II completed in late 2006, The Woodlands legislators took action, introducing bills into the Texas House and Senate that initiated an interim governance structure (a public service district), and, at a date in the future, would allow The Woodlands to incorporate and become their own city. It is important to note that this outcome specifically reflects the desires of the public:

- **Avoid annexation**—the Regional Participation Agreement made with the cities of Houston and Conroe prevented the legal act of annexation of The Woodlands without their consent.
- **Take action now**—the legislators immediately acted weeks after being delivered the final results of Phase II.
- **Strive to eventually obtain the broadest scope of local control**—the action legislated and endorsed by Woodlands voters incorporates both preferred governance alternatives identified early in Phase II: initially in a public service district (to be later called The Woodlands Township), and ultimately, the ability to incorporate into a city.
- **Work with, not against, the cities of Houston and Conroe to create a positive working relationship**—the agreements reached with Houston and Conroe enable them and The Woodlands to be partners in regional development.

Public and Stakeholder Involvement The Woodlands Decides Public Engagement Committee was a working group of The Woodlands Community Association, The Woodlands Association, and The Woodlands Commercial Owners Association to oversee the public engagement and educational program for the November 6, 2007 governance election. The educational effort sponsored by The Woodlands Decides was non-biased; while the Community Associations supported the ongoing governance efforts for The Woodlands, **they did not take a position on the November ballot issues themselves, and instead, carried out an educational program in which every Woodlands voter is adequately prepared with information when he or she enters the voting booth.** Phase III of the governance project meant implementation. IAP2 *inform* and *empower* techniques were utilized.



Inform techniques:

- Comprehensive public education website: www.TheWoodlandsDecides.org
- Voter guide pamphlets produced and delivered to each household in The Woodlands outlining what a “yes” and “no” vote would mean for each ballot initiative.
- DVD voter guide produced and distributed for individuals, outlining the history of Governance and what a “yes” and “no” vote would mean for each ballot initiative; this video was also played on the local cable channel on the half hour in the weeks leading up to the election.

Empower technique:

- Woodlands voters went to the polls November 6, 2007, and voted on the governance ballot initiatives.

In November 2007, Woodlands voters endorsed the course of action, making The Woodlands the first community of its size and circumstance to determine their own governance future in the State of Texas.

What Makes The Woodlands Governance Project Special

The Woodlands Governance project is special not just because of its historic nature, but because of the historic way its citizens employed democracy. As noted earlier, the 85,000 residents of The Woodlands were not provided a democratic route to voice or implement their desires for governance—Texas law allowed existing municipalities the right to unilaterally annex communities without the consent of the community or its residents. A grassroots effort that changed Texas law or provided a different legislative solution was the only option afforded to Woodlands residents.

On November 6, 2007, 86% of voters approved a governance structure developed in response to their feedback provided in Phase I and Phase II of the Governance process. The Houston Chronicle wrote November 7, 2007: "Woodlands residents celebrate 'David and Goliath' vote." The Chronicle went on, proclaiming The Woodlands "now has a new form of governance and the freedom to become a city without the threat of annexation."

The Woodlands Governance References

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Nominated Individuals

The Governance project was a collaborative community effort, and naming all individuals is neither practical nor requested. Management and key leadership for the Community Associations of The Woodlands and their consulting team are listed below:

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Community Associations of The Woodlands

Bruce Tough, Chairman, The Woodlands Community Service Corporation
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Jeff Long, President, The Woodlands Community Association

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Publication Notification

These three entities should receive notification of winning entry:

Houston Chronicle

PO Box 4260
Houston, Texas 77210-4260
P 713.362.7171

Conroe Courier

100 Avenue A
Conroe, Texas 77301
P 936.521.3300

Austin American-Statesman

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