



**NEWS RELEASE**

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**Township Board holds Special Board Meeting, Approves Agreement with ExxonMobil and discusses Incorporation**

THE WOODLANDS, TEXAS (October 13, 2021) – The Woodlands Township Board of Directors held a Special Board Meeting on October 11, 2021, to settle tax abatement agreements with ExxonMobil Corporation as well as discussed misinformation regarding Incorporation reports.

Full discussion of both of these topics can be found at The Woodlands Township’s webpage and this link: <https://woodlandstx.new.swagit.com/videos/141447>

The Woodlands Township Board of Directors took action to terminate two tax abatement agreements between the Township with HL Champion Holding Company, LLC (Owner) and ExxonMobil Corporation (Tenant) related to one and a half buildings located in the Hughes Landing area. As a result of the termination agreement, the Township will receive 100% of the base tax that would have been due for tax years 2014-2020 had the abatement not been granted, based on the appraised values for both buildings for each of those years.

The Woodlands Township will receive back taxes in the amounts of \$796,439 and \$305,462 on the two buildings located in Hughes Landing. ExxonMobil had tax abatements on these buildings based on the number of employees in each building but due to the pandemic and other factors, ExxonMobil reached out to the Township to voluntarily terminate the abatement. Building A had a requirement of 960 employees and Building B had a requirement of 470 employees.

ExxonMobil agreed to pay back the amounts from tax years 2014 to 2020, and going forward, ExxonMobil will pay the normal tax rate without any abatements from The Woodlands Township.



ExxonMobil's Kevin Gerrity, Global Strategy Manager for Property Solutions Group, said at the meeting that ExxonMobil entered the tax abatement agreement with the idea of fully populating the two Hughes Landing locations with employees, but recent events, shifts in reducing above site costs and co-locating new groups has affected personnel counts in the buildings. At the meeting, Mr. Gerrity stated the request was to exit the tax abatement agreements and allow more flexibility to move employees around between the Hughes Landing properties and their campus.

Mr. Gerrity said the intent is to pay the amount of abated tax from the past and going forward paying regular tax rates.

At the meeting, Township Vice Chairman Bruce Rieser said, "We appreciate the fact ExxonMobil is still in Hughes Landing and you're a huge driver to our economy and we appreciate the fact that you've come forward and asked voluntarily to be released from the tax abatement."

"We appreciate ExxonMobil bringing this to light," said Township Chairman Gordy Bunch. "We had abated 52 percent of Building B, the other 48 percent has not been taxed and it was based on self-certification from Howard Hughes Corporation that they were entitled to an abatement but they were not. We never would have found that out without ExxonMobil coming forward. I one hundred percent thank you for uncovering a tax abatement issue that went awry."

In other business, the Board discussed nonfactual information being disseminated in the public about Incorporation costs.

Chairman Bunch addressed misinformation being circulated in the general public about the projected tax rates after year 5 and statements that the tax rate would double thereafter. The 10 year projection shows the same tax rate as today or lower projected through the 10 year period. The Board also discussed reserves, the municipal utility districts and more. To see the full discussion, please click here: <https://woodlandstx.new.swagit.com/videos/141447>