



MEMORANDUM

To: The Woodlands Township; Partners for Strategic Action (PSA)

From: Dan Guimond and Chris Leutzinger, Economic & Planning Systems

Subject: The Woodlands Township Incorporation Study Working Paper #2; Change in Capital Assumptions (Updated)

Date: February 10, 2012

This memorandum summarizes Economic & Planning Systems' (EPS) explanation for a change in financial assumptions regarding the capital road projects cost estimate for The Woodlands Township Incorporation Study Working Paper #2.

Original Estimate

As part of the one-time capital projects estimated in The Woodlands Township Incorporation Study Working Paper #2, EPS estimated the one-time capital projects associated with potential major road improvements. This estimate was based on an inventory of necessary and desired projects compiled by the Montgomery County Precinct 3 Public Works department. The total of these projects, assuming the highest quality repairs, is approximately \$132.4 million.

New Estimate

Upon further review, many of the road projects included in this inventory are actually located outside of The Woodlands Township boundaries. Despite this fact, the majority of costs represented on the list are still located in the Township as follows and shown in **Figure 1**:

Economic & Planning Systems, Inc.
730 17th Street, Suite 630
Denver, CO 80202-3511
303 623 3557 tel
303 623 9049 fax

*Berkeley
Denver
Los Angeles
Sacramento*

www.epsys.com

- Of the 26 concrete road projects identified on the Montgomery County inventory, 19 are located in the project, or approximately \$75.2 million.
- Of the 217 asphalt projects identified on the Montgomery County inventory, only 8 are located in the project, or approximately \$2.7 million.
- Of the 12 curb and gutter projects identified on the Montgomery County inventory, all 12 are located in the project, or approximately \$245,000.
- In total, the Township estimates 39 projects located in Montgomery County Precinct 3 would become the responsibility of The Woodlands upon incorporation, or \$78.2 million. This is approximately 60.0 percent of the original \$132.4 million estimate.

The \$78.2 million only represent the potential necessary projects in Precinct 3. While this precinct is by far the largest precinct (329 road miles), there are 106 miles of roads in Precincts 2 (93 miles) and 4 (13 miles) that would also fall under the responsibility of The Woodlands under incorporation. Upon discussion with the Montgomery County engineer, the County does not estimate or identify any necessary immediate capital projects for the portion of these Precinct roads located in the Woodlands. Thus, EPS does not estimate any additional costs above the \$80.1 million identified in Precinct 3.

Impact to Analysis

Combined with other estimated one-time capital costs, new one-time capital costs are estimated to total \$91.5 versus \$145.7 million under the previous assumption, or a net reduction of \$54.2 million. Assuming the same debt assumptions as previously established, one-time capital costs are estimated to result in an Other Funds property tax rate of \$0.0464 versus \$0.0739 under the previous assumption, or \$0.0275 lower than previously estimated. As a result of the above, EPS estimates the new property tax rate upon incorporation to total \$0.5539 versus \$0.5814, or a net reduction of \$0.0275.

Figure 1
Precinct 3 Road Projects
The Woodlands Township Incorporation Study

Concrete Road Repairs	Rebuild	Stabilize	PFC Overlay	Asphalt Overlay	Woodlands
Concrete Road Repairs					
Grogan's Mill	\$16,115,355	\$11,172,279	\$3,784,737	\$1,894,517	\$16,115,355
North Millbend	\$5,165,827	\$3,581,309	\$1,213,209	\$607,293	\$5,165,827
South Millbend	\$4,423,678	\$3,066,799	\$1,038,913	\$520,047	\$4,423,678
East Panther Creek	\$1,869,983	\$1,296,401	\$439,171	\$219,835	\$1,869,983
West Panther creek	\$3,194,943	\$2,214,956	\$750,341	\$375,597	\$3,194,943
South Panther Creek	\$2,422,407	\$1,679,380	\$568,909	\$284,778	\$2,422,407
Tangle Brush	\$3,049,630	\$2,114,215	\$716,214	\$358,514	\$3,049,630
Woodlands Parkway	\$15,471,769	\$10,726,101	\$3,633,589	\$1,818,858	\$15,471,769
Lake Woodlands Drive	\$685,697	\$0	\$0	\$0	\$685,697
Cokeberry	\$1,090,434	\$755,964	\$256,091	\$128,191	\$1,090,434
Fernridge	\$1,305,871	\$905,320	\$306,688	\$153,518	\$1,305,871
Cochran's Crossing	\$17,827,168	\$12,359,026	\$4,186,761	\$2,095,758	\$17,827,168
Interfaith (Woodrush)	\$1,954,132	\$1,354,739	\$458,933	\$229,727	\$1,954,132
Flintridge (Gossing and S. Panther Creek)	\$425,536	\$313,729			\$425,536
Lake Woodlands at Pinecroft	\$36,661	\$33,047			\$36,661
Research Forest at Cats Cradle	\$27,496	\$24,785			\$27,496
South Panther Creek	\$54,992	\$49,571			\$54,992
Branch Crossing at Terramont	\$54,992	\$49,571			\$54,992
Research Forrest I-45 to Shadowbend		\$5,974,118			\$0
Subtotal	\$75,176,569	\$57,671,311	\$17,353,557	\$8,686,632	\$75,176,569
Asphalt Road Repairs	Full Depth, 4 ft. Widening w/PFC Overlay	Full Depth, 4 ft. Widening	Full Depth w/PFC	Full depth	Woodlands
Bristlecone Trail			\$261,332	\$188,678	\$261,332
Buckthorn Place					\$0
Glen Loch Drive			\$1,364,133	\$984,881	\$1,364,133
Green haven Drive			\$153,113	\$110,545	\$153,113
Hickory Hollow Drive			\$310,888	\$224,456	\$310,888
Hickory Hollow Lane			\$227,825	\$164,486	\$227,825
Lazy Lane			\$394,167	\$284,582	\$394,167
Switchbud Place			\$31,772	\$22,939	\$31,772
Subtotal	\$0	\$0	\$2,743,231	\$1,980,567	\$2,743,231
Concrete Curb Repairs	New Curb				Woodlands
Autumnwood Way	\$20,332				\$20,332
Woodhaven Wood	\$20,332				\$20,332
Brushwood court	\$20,332				\$20,332
Lazy Lane	\$20,332				\$20,332
Emory Oak	\$20,332				\$20,332
Bigelow Court	\$20,332				\$20,332
Early dawn Court	\$20,332				\$20,332
Rock Pine Court	\$20,332				\$20,332
Pineash Court	\$20,332				\$20,332
Nutmeg Court	\$20,332				\$20,332
S. Pine Plank	\$20,332				\$20,332
Diamond Oak Court	\$20,332				\$20,332
Subtotal	\$243,984				\$243,984
Total					\$78,163,785

Note: Research Forrest road repair already completed

Note: Figures may vary based on rounding

Source: Montgomery County Precinct 3; Economic & Planning Systems

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