



NEWS RELEASE

For media inquiries, contact: Nick Wolda
nwolda@thewoodlandstowship-tx.gov

Township enters into agreement for expansion at The Woodlands Mall

THE WOODLANDS, TEXAS (November 18, 2022) – The Boards of Directors of The Woodlands Township and The Woodlands Township Economic Development Zone (EDZ) each approved entering into an Economic Development Agreement with The Woodlands Mall Associates, LLC, for the redevelopment of a portion of The Woodlands Mall. The agreement was reached during a joint special meeting of the Township and EDZ, held on November 16, 2022.

The proposed redevelopment project would create new dining, retail space, hospitality venues and a multi-level parking facility, all located on the south side of The Woodlands Mall area.

After discussions over several months, the Township Board and the EDZ Board voted to amend the existing project and financing plans for the EDZ to account for the redevelopment project, contributing economic development funds derived from 1% retail sales tax and 1% hotel occupancy tax from new revenue generated from the project.

“In a time when malls are struggling, we appreciate The Woodlands Mall owners wanting to continue to enhance its viability as a great place for our residents and visitors,” said Township Chairman of the Board Gordy Bunch. “This is a long-term revitalization plan for our town. The total project net revenue to The Woodlands Township over a 30-year period could range from \$131.3 million to \$197.7 million if this development occurs. This would provide an average of up to \$6,590,000 in additional sales and hotel tax revenues per year that can be used to lower property taxes for residents and businesses, while incurring \$0.00 of debt or capital commitments from The Woodlands Township. This is a win-win scenario for all parties ensuring our community remains the #1 place to visit, work, play and pray for decades to come.”

More information can be found in this [presentation](#).

“The Woodlands Mall has been an important economic driver to the community for nearly 30 years, and we are grateful for the support and partnership of the Township. This agreement represents an important step in allowing us to advance our preliminary plans into a vision that will allow us to take our shopping center to new levels,” said Jim Varsamis, senior vice president of development at Brookfield Properties.

The Township’s commitment does not impact any existing sales tax or hotel tax revenues from throughout The Woodlands, as revenues to fund the redevelopment project will be derived only



from new sales tax and hotel tax revenues generated in the area of the proposed new construction. Funding from The Woodlands Township and the EDZ would only be realized if the project gets built. There is no upfront money provided in the terms of the Agreement.

The Woodlands Mall has indicated the development will be accomplished in a two-phase approach. Phase I includes a minimum of 45,000 square feet of new retail space, a new hotel and a parking garage with at least 1,200 spaces. Phase II includes a minimum of 35,000 square feet of new retail space and a second hotel.

“We’re pleased this project includes the addition of new hotel rooms to be able to create the ability to serve larger convention groups,” said Bruce Rieser, Chairman of Visit The Woodlands, the organization that promotes The Woodlands for conventions and leisure travel. “In addition, the proposed project also includes specialty types of retail and great dining experiences, all of which generate positive sales tax that helps keep a low property tax rate for our residents.”

Economic Development Zones have been an important tool for economic development over the years with The Woodlands Township and its predecessor Town Center Improvement District (TCID). Other projects included:

- Economic Development Zone 1 – expansion of The Cynthia Woods Mitchell Pavilion from 10,000 capacity to 13,000 when it was created in 2000. This \$1,350,000 project was paid off in 2011.
- Economic Development Zone 2 – development of Market Street parking garage and Town Green Park in 2002. This \$10,600,000 project will be paid off in 2035.
- Economic Development Zone 3 – development of the outdoor expansion of The Woodlands Mall in 2003. This \$7,500,000 project will be paid off in 2034.
- Economic Development Zone 4 – development of The Woodlands Fire Emergency Training Center (ETC) and The Woodlands Fire Station #6 in College Park.

Each of Economic Development Zones 1-4 were consolidated into the Township EDZ in 2007, which continues to carry out the functions of those prior Zones and will continue to help accomplish the economic development goals of The Woodlands Township through this new mall redevelopment project.

Additionally, TCID entered into a public private partnership with The Woodlands Land Development Company, the predecessor of The Howard Hughes Corporation, to develop and construct The Woodlands Waterway Marriott Hotel & Convention Center. The Convention Center portion of the development is owned today by The Woodlands Township. The Convention Center will be paid off in 2028.

Members of the public were able to address the Board at the beginning of the meeting.

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viewed later via recording at www.thewoodlandstowship-tx.gov/meetingvideos. The agenda and attachments may be viewed at www.thewoodlandstowship-tx.gov/991/Agendas-Minutes-and-More.

