

# The Woodlands History

THE WOODLANDS, THE INSIDE STORY OF CREATING A BETTER HOMETOWN

## Land Acquisition, Inspiration And Federal Funding

By Roger Galatas

As George Mitchell's success mounted from his oil and gas ventures, he dipped the company's toe into land development in the early 1960s as a way to diversify his business strategy. Local brokers informed Mitchell of a possible land deal involving 50,000 acres of timberland owned by the Grogan Cochran Lumber Company in Conroe.

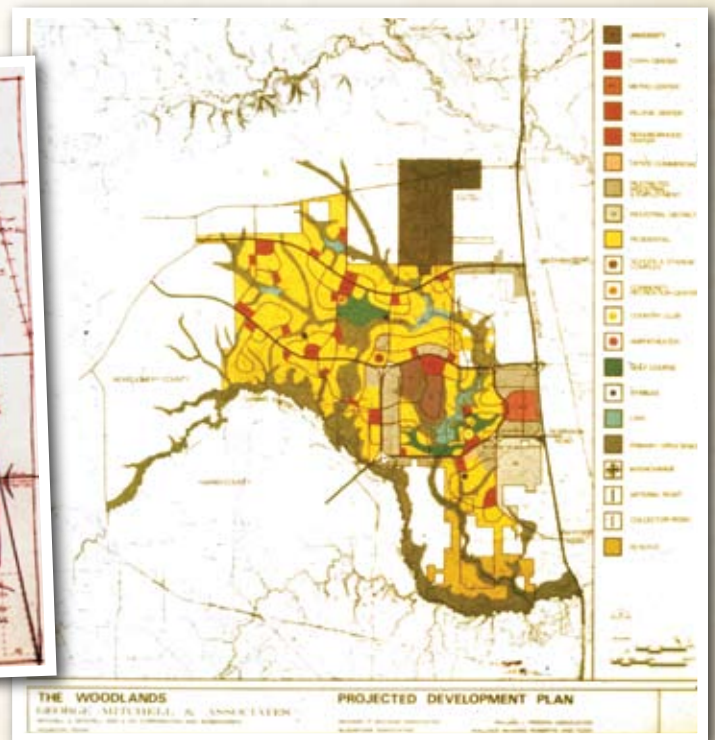
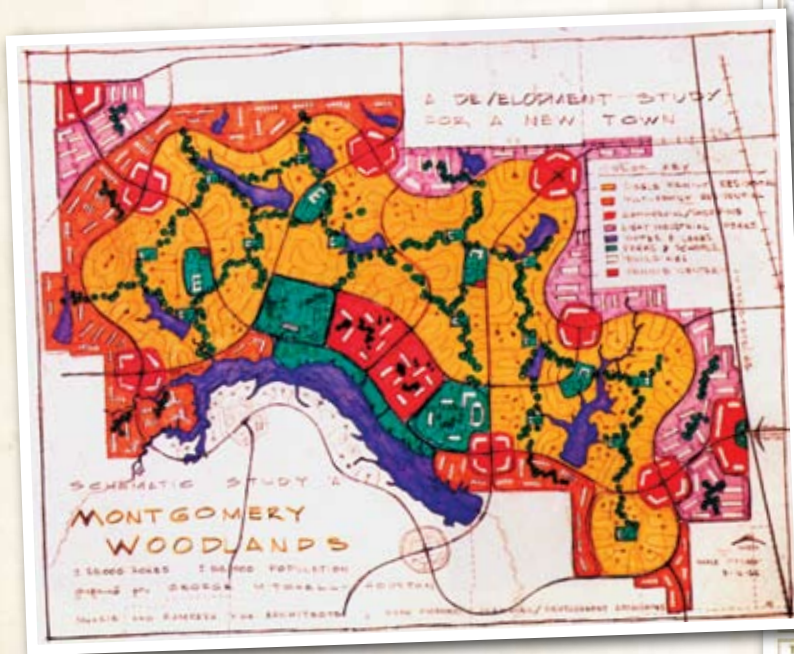
It took a year and a half of tough negotiating, but Mitchell bought the

property in 1963 for \$125 per acre. Mitchell figured he could pay for the land purchase from oil and gas mineral leases, surface gravel mining and timber cutting. He bought the 50,000 acres with borrowed funds and paid off the land note over time with income from those assets. Approximately 2,800 acres of that purchase became part of the ultimate 28,000 acres that now make up The Woodlands. However, when he purchased the Grogan Cochran land he

did so because it was a good buy. He hadn't even thought about developing The Woodlands, according to Mitchell's own recollection.

It was about that same time that national events and his involvement in the Young Presidents Organization (YPO) caused Mitchell's idea about land, housing and the way people lived to begin to change. YPO-sponsored field trips to Bedford-Stuyvesant in New York City and Watts in Los Angeles

### Kamrath Rendering and Projected Development



These two land use plans show the evolution of the process that led to the current general plan for The Woodlands. The initial plan, A Development Study, was conceived by Karl Kamrath in 1966 to help George Mitchell understand how much land would be required for a new town. A team that included architects, urban planners, and an environmental consultant, developed the Projected Development Plan. It addressed and implemented conditions set by the HUD agreement covering the original 17,455 acres of the project.

“impressed him with the fact that all of our cities were in trouble.”

“Detroit, Washington, Cleveland - were all being destroyed. The concentration of the disadvantaged and the flight to the suburbs by the middle class were destroying our cities. How do you turn it around? I can’t turn it around, but I can set an example. Let The Woodlands be designed to show the country a better way to urbanize America,” said Mitchell in an interview for our book.

He wanted The Woodlands to be a solution for Houston’s regional growth and not part of its problem. For that reason he chose to include the majority of its development land in Houston’s ETJ by contractual agreement with the City so the parties would have to work together for mutual benefit of the region.

As Mitchell’s vision for a better way to develop a major community came into focus, he retained a noted Houston architect named Karl Kamrath to develop a plan for his “satellite city.” Within a few months, a plan was developed for a 20,000-acre project that envisioned a resident population of 50,000 people. It was a simple concept with no market study or financial model; it was traditional Houston planning with a central shopping mall surrounded by homes and light industrial zones on the fringes. While not adopted for the new development, the drawings did help Mitchell understand just how much land would be needed for the new town and how its location could be positioned close to I-45 in south Montgomery County, Texas.

With this enhanced understanding, Mitchell forged ahead with the challenge of acquiring the required land to add to the 2,800 acres originally acquired from the Grogan Cochran purchase. At its opening in 1974, The Woodlands included 17,455 acres acquired through some 300 individual purchase transactions. Land acquisitions continued over the next 35 years as the community expanded to include some 28,000 acres today.



### **Timber Train**

*A timber train carried logs to a mill owned by the Grogan Cochran Lumber Company, circa 1925.*

Photo courtesy of Jim and Wanda Cochran

As additional land was acquired, Mitchell and his initial team explored ways to finance the new community. This led them to an emerging federal program, Title VII of the Housing and Urban Development Act of 1970, designed to assist development of “new towns” that would meet certain social, economic and environmental objectives. The Act allowed the government to offer loan guarantees up to \$50 million to help finance qualified projects, and Mitchell was intrigued.

However, a HUD official told Mitchell that his development plan as submitted was simply not going to pass muster. It needed a much greater degree of sophistication. HUD wanted more specifics about land planning, finances and social goals from a planning team with nationally recognized credentials. In short, it was time for Mitchell to start

spending some serious planning money if he wanted that government loan guarantee...and he did.

Mitchell met the challenge. He expanded his development team to include notable urban planners, architects, engineers, environmentalists, financial disciplines, lawyers and marketing experts with national experience in community development. The Woodlands plan and HUD application for the maximum \$50 million loan guarantee was revised and presented at a meeting with HUD on March 31, 1971. It was approved the following year providing the initial funding\* for development of this great hometown, which held its grand opening on October 19, 1974.

*\*The HUD loan guarantee provided an important source of financing and was completed and terminated in 1982.*



### **Roger Galatas**

*Roger Galatas is the former president of The Woodlands Corporation and the author, with Jim Barlow, of the popular book, The Woodlands, The Inside Story of Creating a Better Hometown. For more information, please visit [www.rgiwoodlands.com](http://www.rgiwoodlands.com).*