

**CenterPoint Energy**

**2006 Houston Regional Project Report**

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Much like the city's matrix of freeways, Houston's economy is always under construction. With no clear end in sight, it is continually evolving. To be sure, there is progress, growth and change—but never an end. As a continuing exercise to understand the region's shifting landscape, CenterPoint Energy's Economic Development Department produces this report to provide a high-level view of project activity for the past year. The ultimate purpose is to develop better insights on the industry mix and impact to job growth, with a focus on internal benchmarking and planning.

CenterPoint Energy requested project information from 20 Houston-area Economic Development Organizations (EDOs). Responses were received from 18, covering 106 landed projects and 10,923 associated net new jobs. From December '05 to December '06, the Texas Workforce Commission reported job growth of 95,900. Reported new jobs from area economic development activities represent just over 11% of this total.

EDOs were asked to provide such project data as the industry, associated jobs, and whether the project was a start-up, relocation or expansion. Aside from mere metrics, this exercise provides a window into Economic Development's involvement in the region, benefit to EDOs and their communities, and overall effectiveness as an organization. As a planning tool, this analysis sheds light on the strengths of Economic Development's practice and where the greatest impact can be made in the future.

The following summary charts tell a positive story of regional economic growth. A closer look reveals a few key findings.

- Of the 12 industry segments, half account for 73% of the jobs reported. Projects, however, were more diversified and distributed more evenly over eight prominent industries. Last year, no jobs or projects were generated by the plastics industry, which in 2005 contributed four projects and 315 jobs to the economy.
- The biggest bang per buck came from the aerospace sector, which accounted for only 2% of the projects but produced five times the percentage of jobs. The office market segment was similarly high impact, with 8% of projects and 21% of jobs. And with 15% of the projects, the petrochemical industry generated 23% of new jobs.
- Less bountiful market sectors were manufacturing and retail. Manufacturing accounted for 21% of projects but only 9% of jobs, and retail had 11% of projects but only 3% of total jobs.

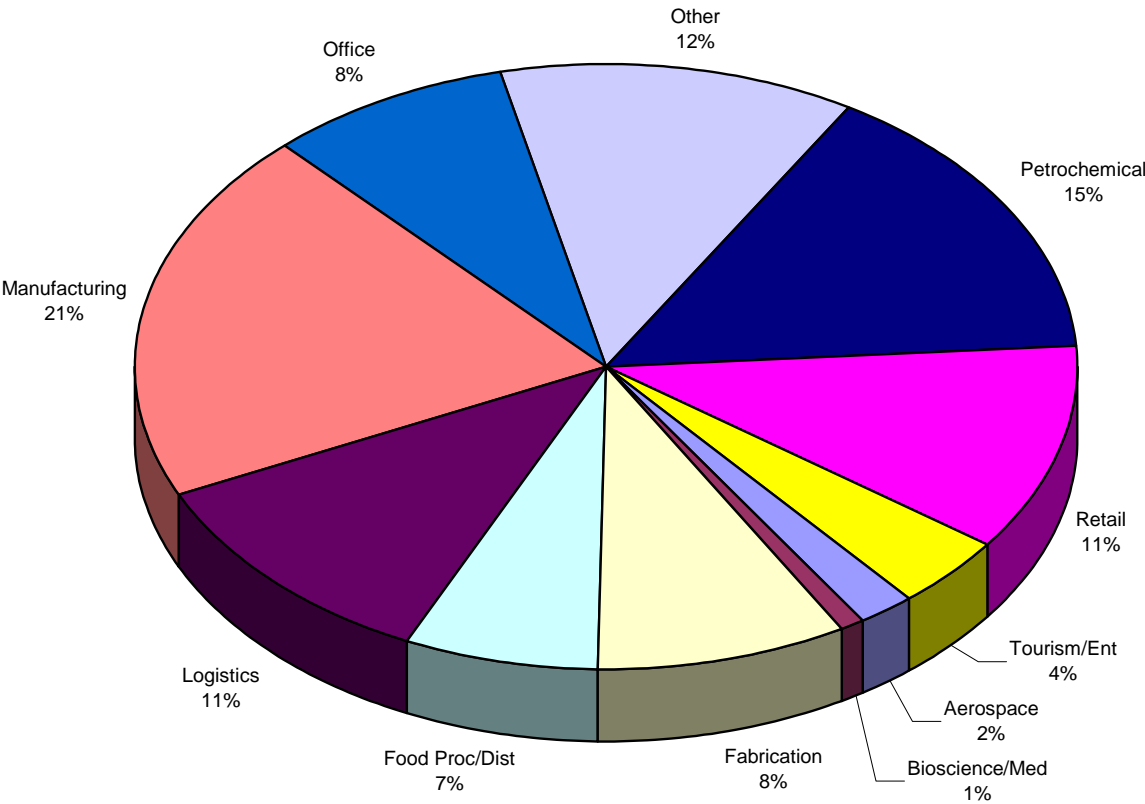
- Economic development activity was clearly driven by expansions of existing operations, facilities and enterprises. Expansions were 56% of total projects and produced the lion share of jobs, with a dominant 83%.
- There were no start-ups in the aerospace or bioscience market segments and no relocations in bioscience, food processing, retail or tourism.

It is our hope that our EDO allies find this analysis informative as well as useful for benchmarking and/or planning. We plan to continue providing this summary information as long as it is considered a valuable tool.

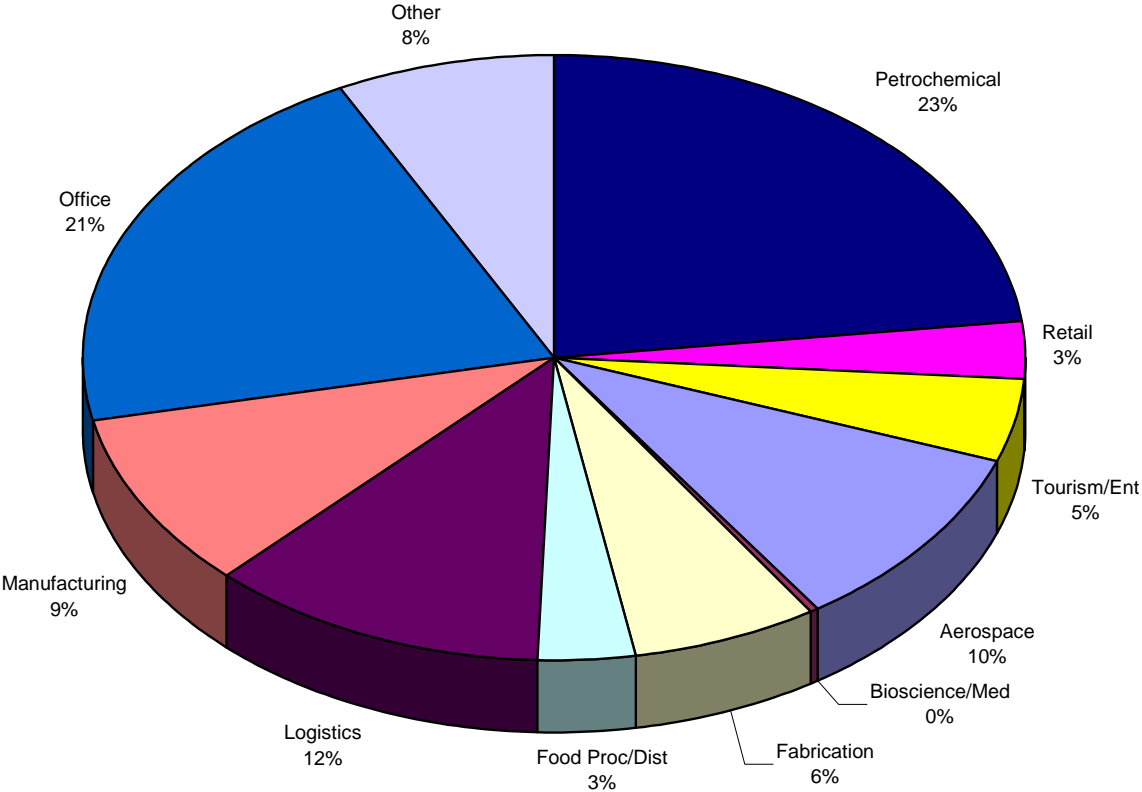
**2006 Economic Development Consolidated Project Report  
Project & Job Summary**

<b>Industry</b>	<b>Data</b>	<b>Expansion</b>	<b>Relocation</b>	<b>Start-up</b>	<b>Grand Total</b>
<b>Aerospace</b>	Projects	1	1		2
	Jobs	1,100	0		1,100
<b>Bioscience/Med</b>	Projects	1			1
	Jobs	30			30
<b>Fabrication</b>	Projects	7	1	1	9
	Jobs	550	20	125	695
<b>Food Proc/Dist</b>	Projects	5		2	7
	Jobs	295		58	353
<b>Logistics</b>	Projects	6	4	2	12
	Jobs	945	330	6	1,281
<b>Manufacturing</b>	Projects	11	7	3	21
	Jobs	507	348	167	1,022
<b>Office</b>	Projects	6	2	1	9
	Jobs	2,140	46	90	2,276
<b>Other</b>	Projects	5	3	5	13
	Jobs	396	42	405	843
<b>Petrochemical</b>	Projects	12	2	2	16
	Jobs	2,413	35	63	2,511
<b>Retail</b>	Projects	4		8	12
	Jobs	200		112	312
<b>Tourism/Ent</b>	Projects	1		3	4
	Jobs	500		0	500
<b>Total Projects</b>		<b>59</b>	<b>20</b>	<b>27</b>	<b>106</b>
<b>Total Jobs</b>		<b>9,076</b>	<b>821</b>	<b>1,026</b>	<b>10,923</b>

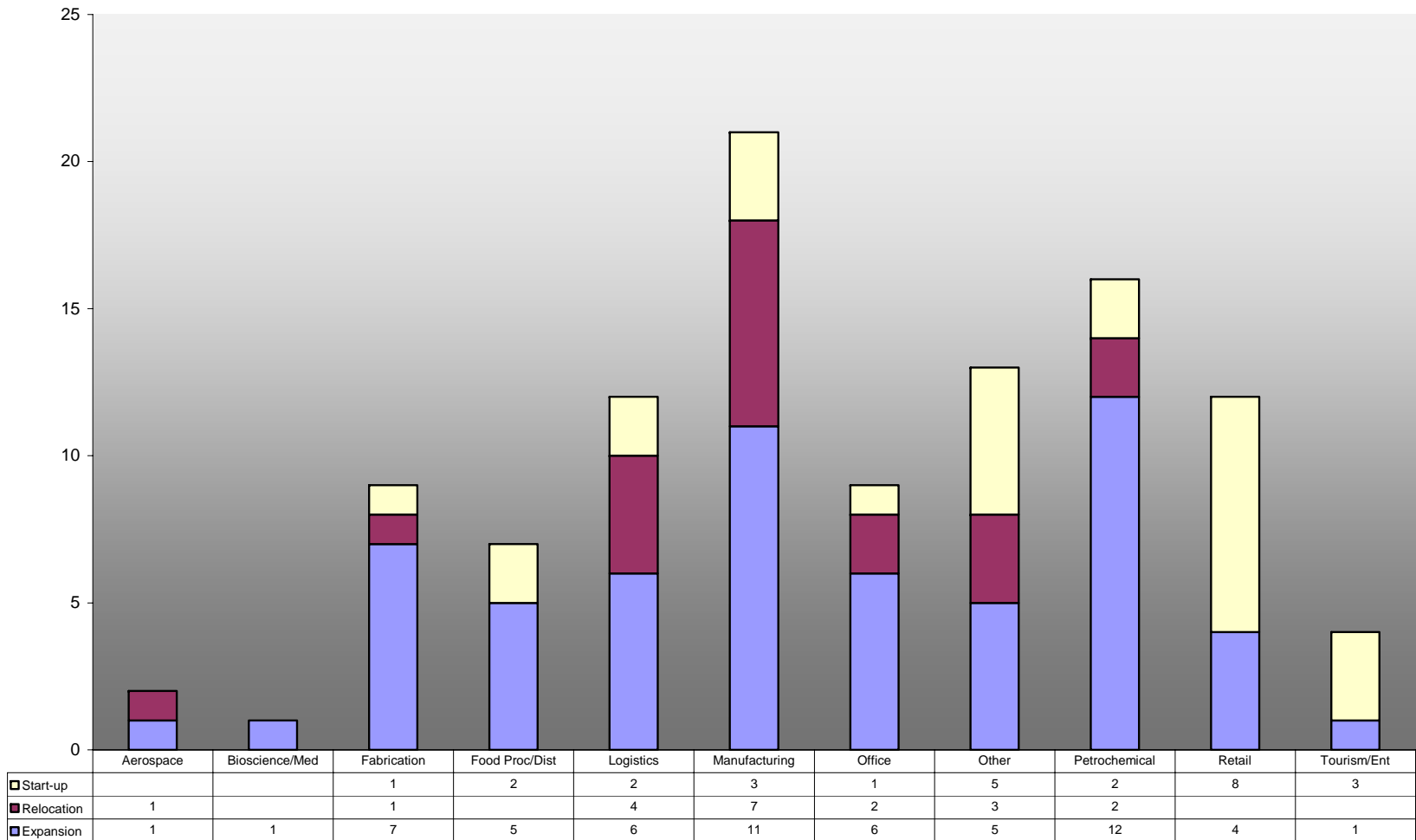
**2006 Economic Development Consolidated Project Report**  
**Exhibit 1: Projects by Industry**  
*106 Total Projects*



**2006 Economic Development Consolidated Project Report**  
**Exhibit 2: New Jobs by Industry**  
*10,923 Total Jobs*



**2006 Economic Development Consolidated Project Report  
Exhibit 3: Project Type by Industry**



**2006 Economic Development Consolidated Project Report**

**Exhibit 4: Projects vs. Jobs by Type**

*Inner Ring - Projects, 106 Total*

*Outer Ring - Jobs, 10,923 Total*

■ Expansion ■ Relocation ■ Start-up

