

CenterPoint Energy

2007 Houston Regional Project Report

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The past year presented considerable challenges to the economic development community of the Houston area. The national environment was dominated by lagging productivity, rising unemployment, anemic job growth, and crises in finance, credit and housing. Contrary to the rest of the nation, the Houston region continued to thrive and expand. A clear contributor to the region's fortune was the collective success of Houston-area economic development organizations. 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 and received project information from 16 Houston-area Economic Development Organizations (EDOs), covering 124 landed projects and 9,842 associated net new jobs. Of the total, eight reported projects did not include or estimate total jobs created. From December '06 to December '07, the Texas Workforce Commission reported job growth of 90,200. Reported new jobs from area economic development activities represent 10.9% of this total, down from 11.4% in 2006.

EDOs were asked to provide such project data as the industry, number of jobs created, 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.

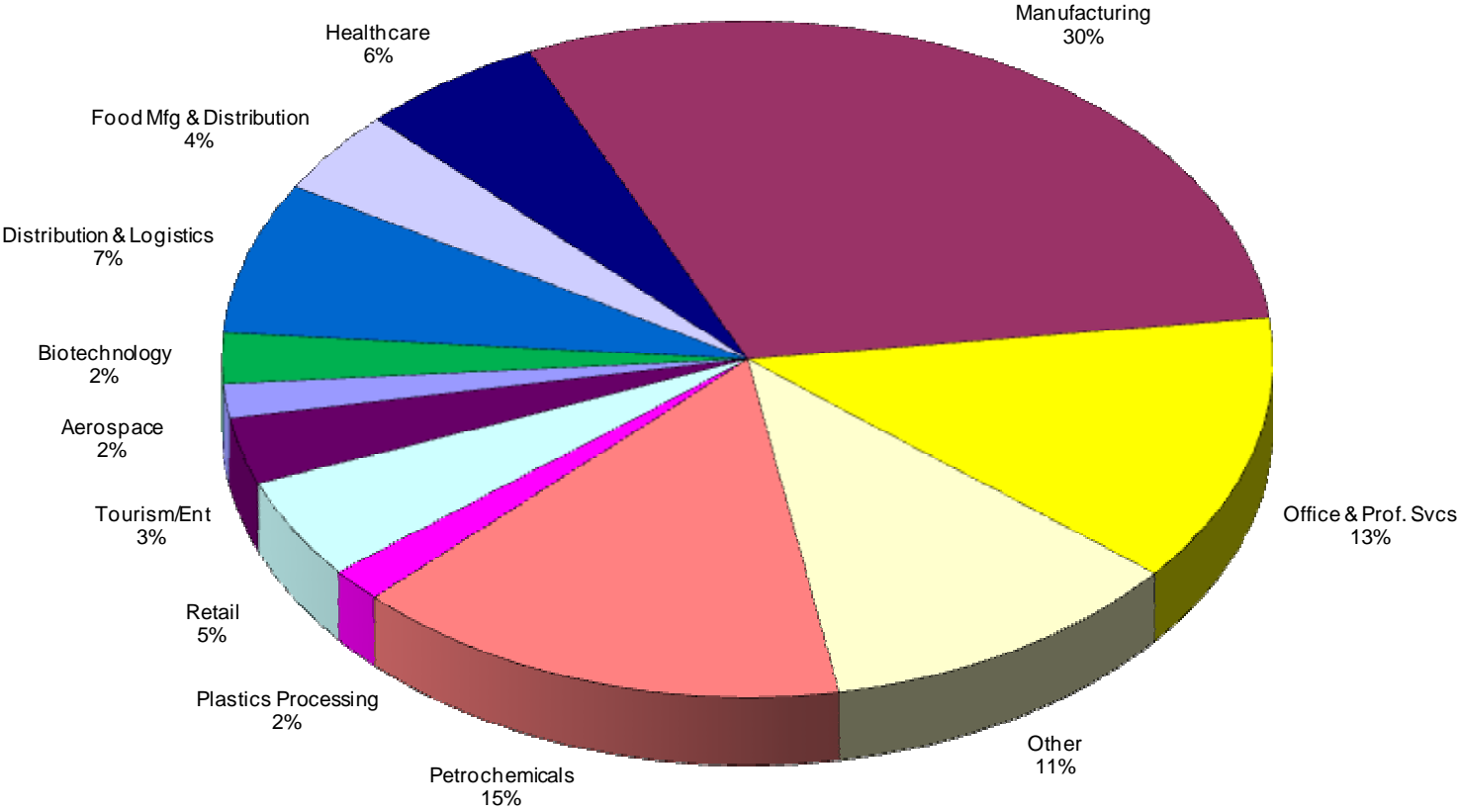
- In job creation, the industry mix reflects the diverse economy with jobs primarily generated in petrochemicals, food manufacturing and distribution, healthcare, office and professional services, and manufacturing. Of the 12 industry segments, these five accounted for 83% of the jobs reported.
- On a project basis, the manufacturing sector dominated, accounting for 30% of all projects. Along with petrochemicals and office and professional services, these industries spawned 58% of total projects. The remaining projects were evenly dispersed among the remaining industries.
- The biggest bang per buck came from food manufacturing and distribution, which accounted for only 4% of the projects but produced 10% of jobs. The healthcare sector was similarly high impact, with 6% of projects and 13% of jobs. Overall, the number of projects in each industry was roughly commensurate with the number of jobs produced.
- On average, 79 jobs were created by each project. The most job-rich projects were in food manufacturing and distribution and healthcare—each creating 188 jobs per project. The office and professional services and petrochemicals markets were also well above average, with 100 and 111 jobs per project, respectively.
- The aerospace, retail and tourism/entertainment sectors were less bountiful. These sectors generated 14, 35 and 17 jobs per project, respectively. However, it is worth noting that aerospace workers are generally highly skilled and, thus, very well compensated.
- Economic development activity was clearly driven by expansions of existing operations, facilities and enterprises. Expansions were 35% of total projects and produced roughly half of new jobs (47%).
- Start-up activity was particularly focused in aerospace, biotech, food manufacturing, retail and tourism. Projects in these sectors were almost exclusively start ups.

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 the summary information as long as it is considered a valuable tool.

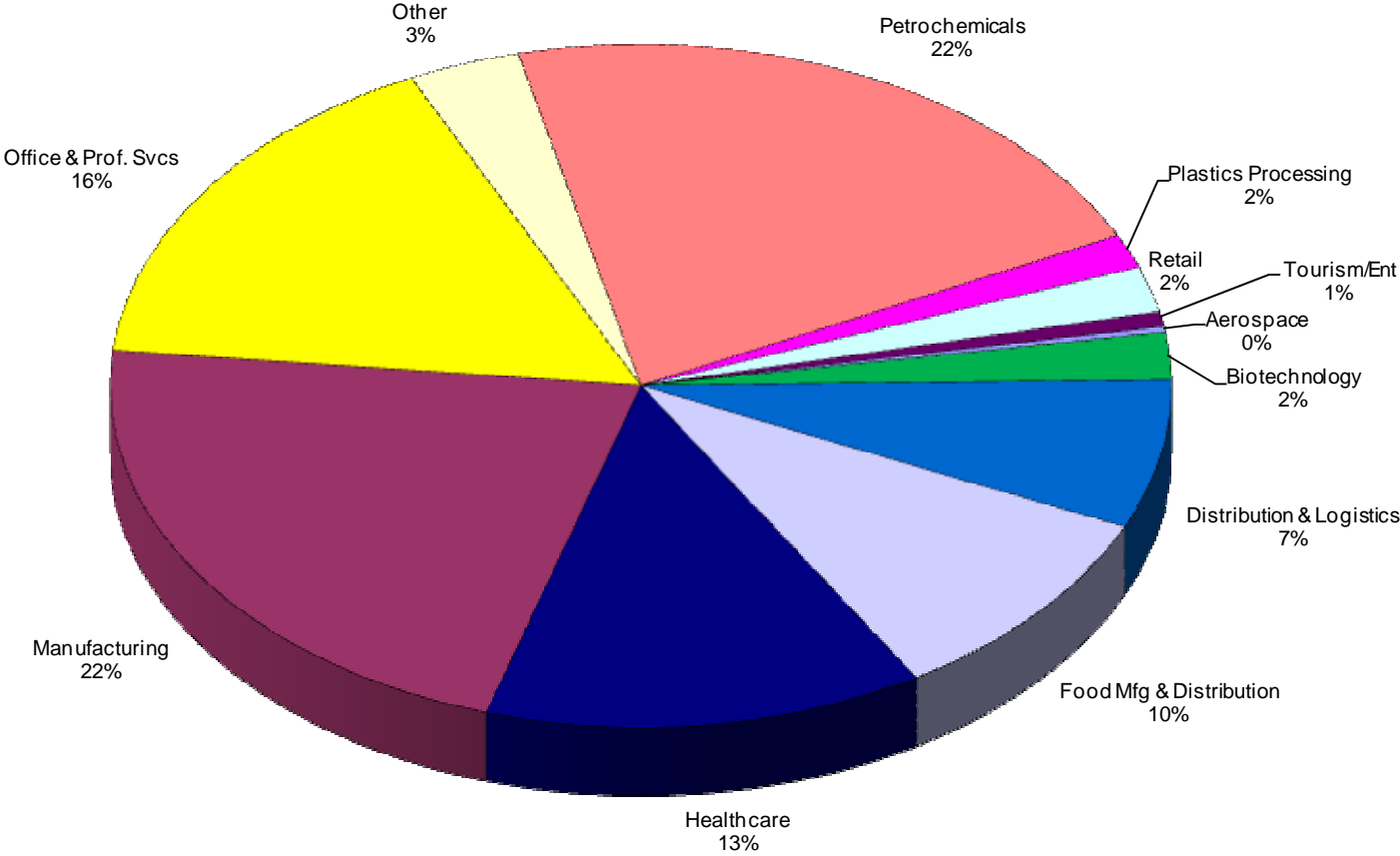
**2007 Economic Development Consolidated Project Report
Project & Job Summary**

Industry	Data	Expansion	Relocation	Start-up	Total	Jobs/Project
Aerospace	Projects			2	2	
	Jobs			27	27	14
Biotechnology	Projects			3	3	
	Jobs			220	220	73
Distribution & Logistics	Projects	2	5	2	9	
	Jobs	91	583	20	694	77
Food Mfg & Distribution	Projects	1		4	5	
	Jobs	350		590	940	188
Healthcare	Projects	6		1	7	
	Jobs	940		375	1,315	188
Manufacturing	Projects	13	11	13	37	
	Jobs	664	1,035	462	2,161	58
Office & Prof. Svcs	Projects	5	5	6	16	
	Jobs	653	285	659	1,597	100
Other	Projects	7	2	5	14	
	Jobs	189	95	52	336	24
Petrochemicals	Projects	9	2	8	19	
	Jobs	1,664	145	304	2,113	111
Plastics Processing	Projects	1	1		2	
	Jobs	28	130		158	79
Retail	Projects		2	4	6	
	Jobs		130	82	212	35
Tourism/Ent	Projects			4	4	
	Jobs			69	69	17
Total Projects		44	28	52	124	
Total Jobs		4,579	2,403	2,860	9,842	79

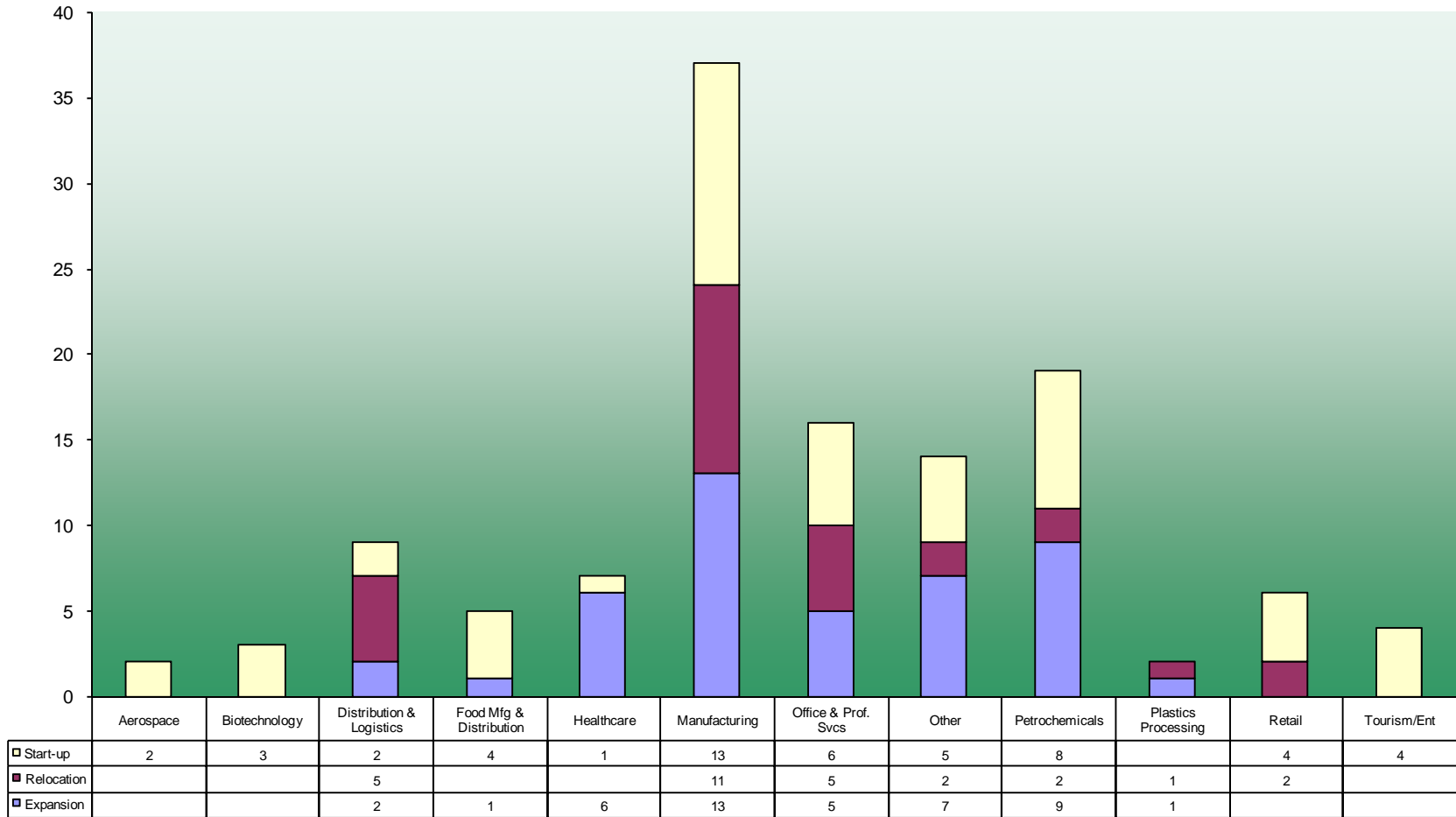
2007 Economic Development Consolidated Project Report
Exhibit 1: Projects by Industry
124 Total Projects



2007 Economic Development Consolidated Project Report
Exhibit 2: New Jobs by Industry
9,842 Total Jobs



**2007 Economic Development Consolidated Project Report
Exhibit 3: Project Type by Industry**



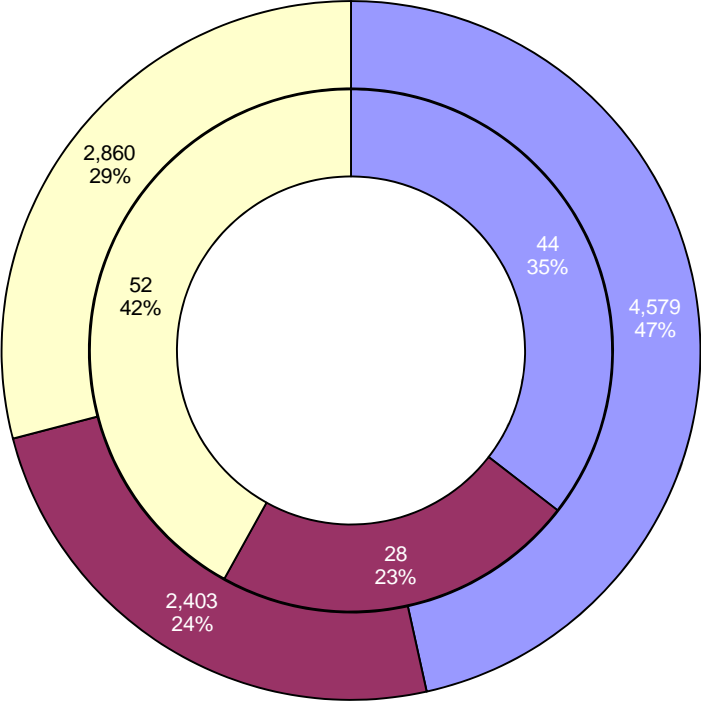
2007 Economic Development Consolidated Project Report

Exhibit 4: Projects vs. Jobs by Type

Inner Ring - Projects, 124 Total

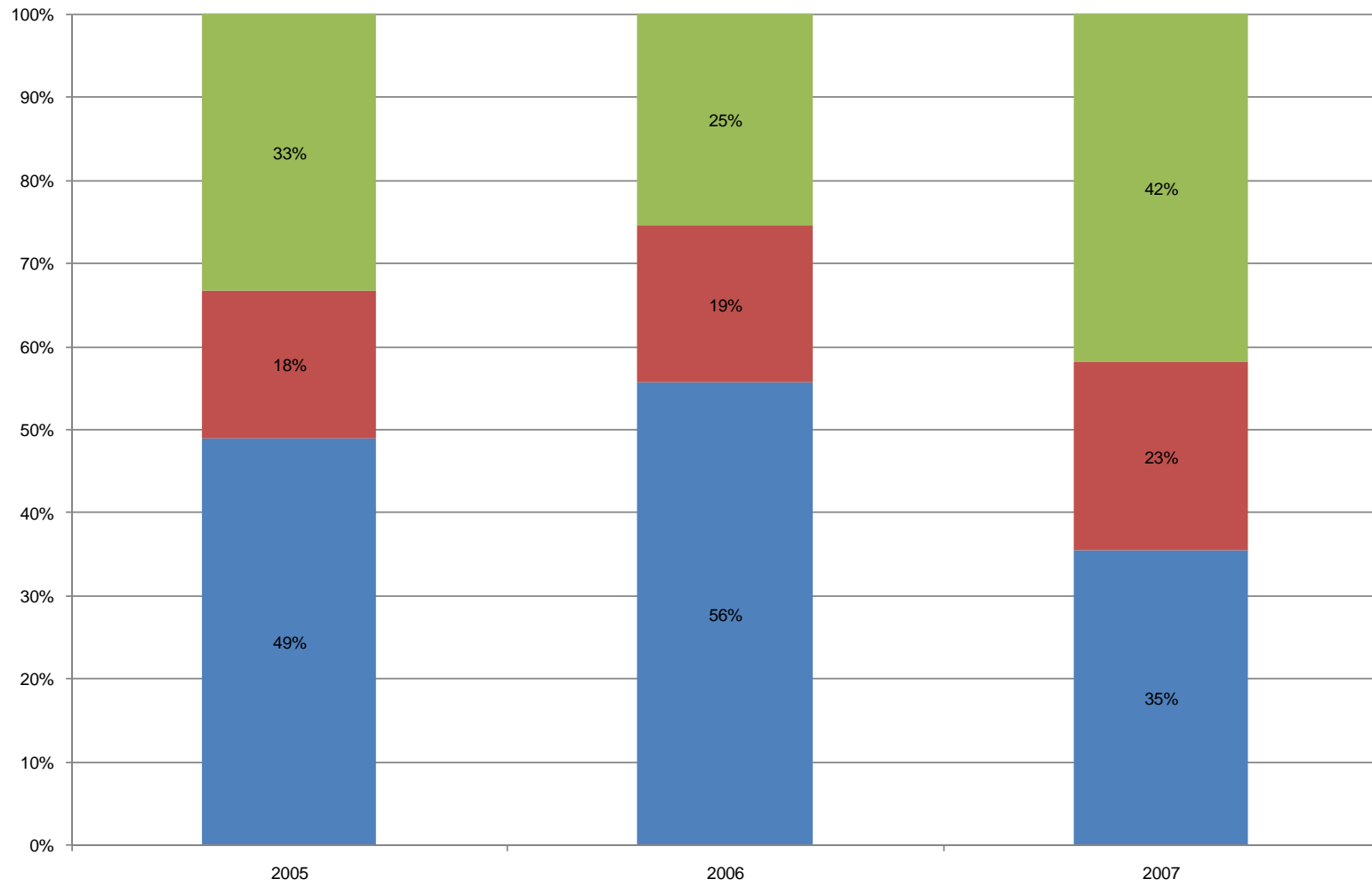
Outer Ring - Jobs, 9,842 Total

■ Expansion ■ Relocation □ Start-up



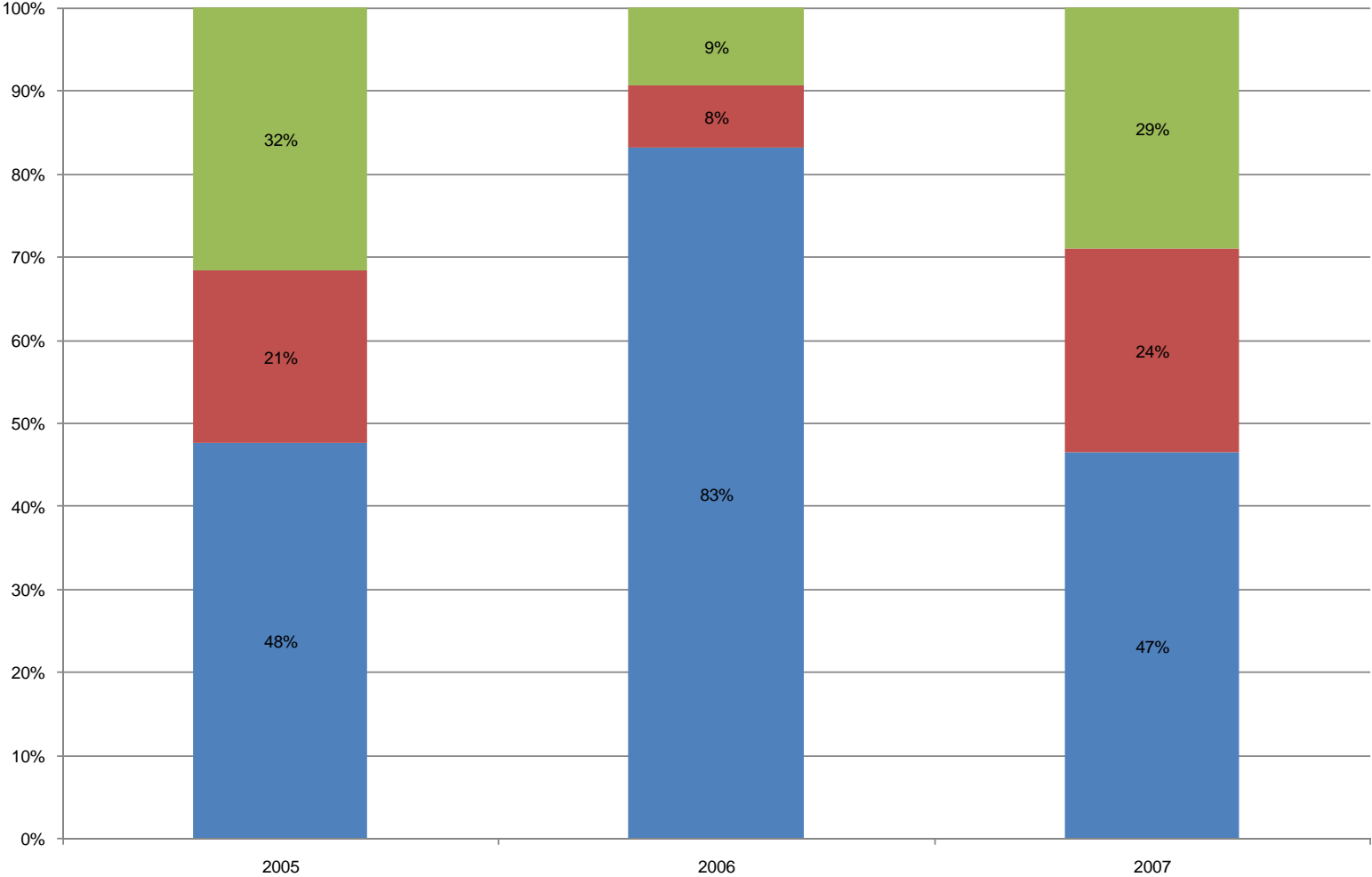
2007 Consolidated Project Report
Exhibit 5: Annual Projects by Project Type

■ Expansion ■ Relocation ■ Start-Up

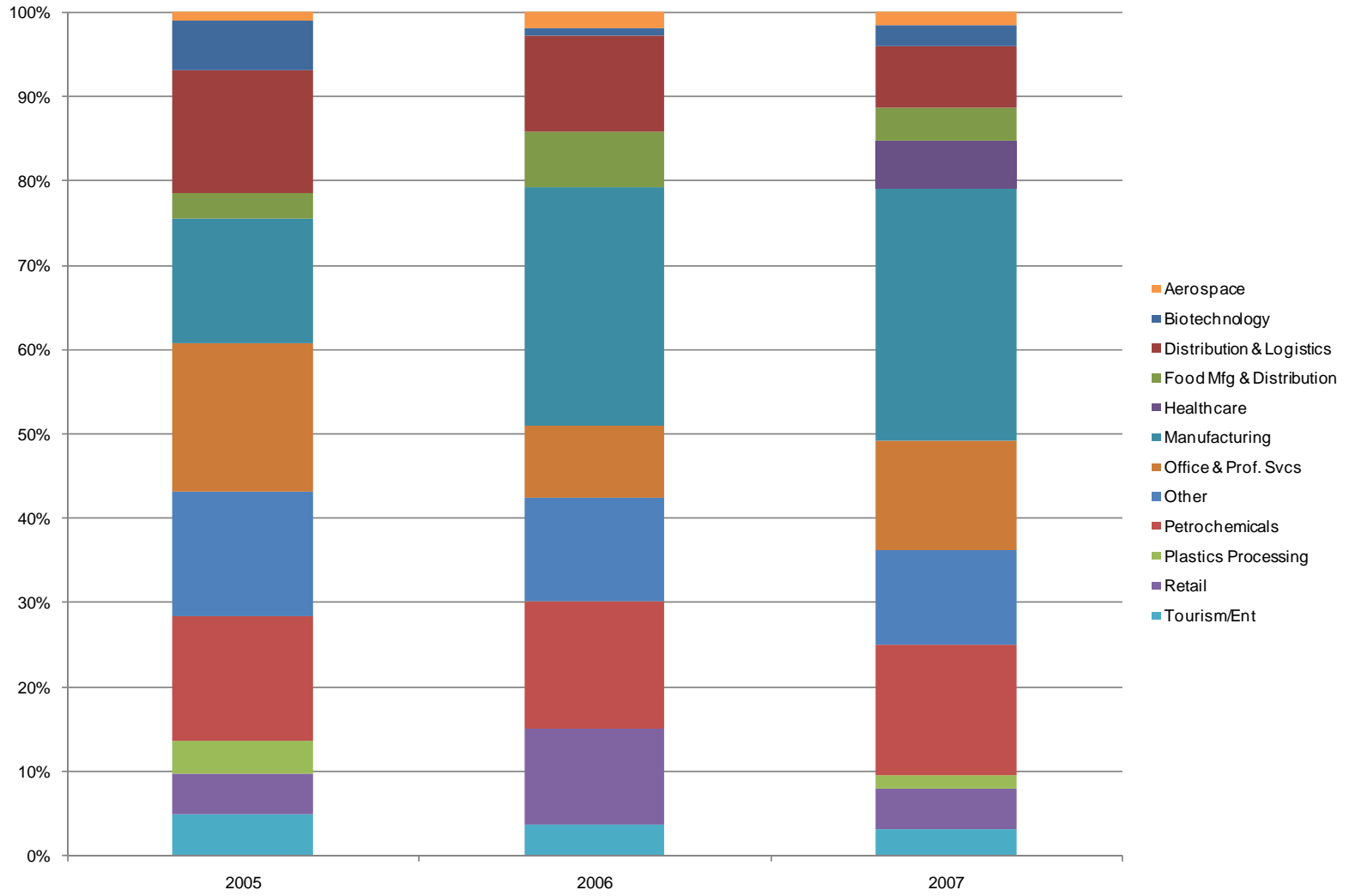


2007 Consolidated Project Report
Exhibit 6: Annual Jobs by Project Type

■ Expansion ■ Relocation ■ Start-Up



2007 Consolidated Project Report
Exhibit 7: Annual Projects by Industry



**2007 Consolidated Project Report
Exhibit 8: Annual Jobs by Industry**

