

HOUSTON BUSINESS INSIDER

The Metro Region's Official Economic Development Guide
2020/2021

Up-To-Date
Data on the
Economy,
Workforce,
Demographics
and More

PLUS

Bobby Tudor
on Houston
Leading the
Energy Transition



GREATER HOUSTON
PARTNERSHIP

Houston
CityBook

Pearland.

The forward-thinking, smart address.

Retention of nearly **1,000 jobs**

Creation of **5,400 jobs**

Securing **\$1 billion** in private capital investment to Pearland

Contributed **\$84 million** to Pearland infrastructure projects

Attracted **seven of the ten** 2019 highest assessed property tax value businesses



Pearland is our home. And Pearland Economic Development Corporation is proud to be an integral part of the community's success.

As the principal economic development organization, we work every day to help our community thrive in the best ways. That means recruiting new employers to Pearland. Assisting local employers with needed expansions. Ensuring capital investment is maximized. And championing infrastructure, beautification and roadway initiatives. In 25 years, that's meant 5,400 jobs created, retaining nearly 1,000 jobs and garnering \$1 billion in investment. Here's to another 25 years of helping Pearland succeed!



PearlandEDC.com

Everything's Going **South.**



Welcome to
Texas.



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MEET YOUR NEW COMMUTE

METRO's Star Vanpool is the time and money-saving alternative to driving. Instead of wasting the day in rush hour traffic, improve your commute by traveling on our region's HOV network, while avoiding traffic and promoting cleaner air.



Star Vanpools reduce vehicle miles traveled in the Houston region by 48 million miles per year.



Passengers can text, listen to music, sleep, or just enjoy time to focus on the day ahead when they are not participating as the driver.



Ranked as one of the top five vanpools in the country, METRO Star Vanpool programs serve not only Harris County, but Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery and Waller Counties.



Registered riders are eligible for a guaranteed ride home in case of emergency. For information on how to start or join a vanpool, email us at Star@RideMETRO.org, call 713-224-RIDE (7433).



Riders (usually 5 to 15 per vanpool) share the cost of the van, fuel, maintenance, parking and tolls. Employers often help defray these costs.



A dedicated METRO Star Vanpool team works directly with riders to design a route tailored to their commute, using HOV and diamond lanes to reduce travel times, and to help commuters find others interested in the program. METRO also works with employers to promote and support Star Vanpool routes.

VANPOOLS BENEFIT Employers and Employees

ATTENTION EMPLOYERS! Encouraging your employees to share a ride will help them arrive on time, reduce their drive-time stress, and ease congestion on the road and in your company's parking lot. There are also tax benefits to you and your employee when you share the cost of the ride. Launching your company's program is free and easy. Just contact us at 713-244-RIDE (7433) or Star@RideMETRO.org, and we'll take it from there.

ATTENTION EMPLOYEES! On average, it will cost you \$4 to \$10 per day to ride in a METRO Star Vanpool (even less if your employer provides a transportation benefit). This estimate is based on the number of miles from the Star Vanpool meeting place to your work site and includes van lease, liability insurance, 24/7 roadside assistance, routine maintenance and repairs, gasoline, parking and toll costs.



Learn more at StarVanpool.com, send an email to Star@RideMETRO.org or call 713-224-RIDE (7433).



George Bush Airport
For more on Houston's
airport systems, see
page 62.



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REFINED FOR BUSINESS



Just 20 minutes southwest of downtown Houston, Sugar Land, Texas is a pro-business city in a pro-business state.

Global companies like Minute Maid, Texas Instruments, United Healthcare, Fluor Corporation, ABM and Champion X (formerly Nalco Champion) tap into our region's fast-growing, highly educated and diverse talent pool.

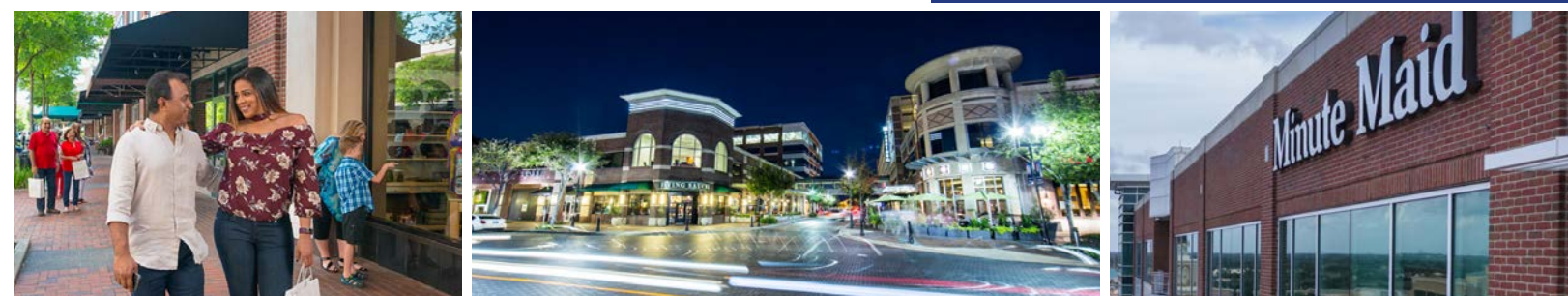
And life is sweet in Sugar Land with first-class schools, master-planned communities and shopping, dining and recreational activities all in one of the safest cities in America.

TEXAS
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Sweet • Real • Refined

To learn more, contact:

Elizabeth Huff
Director of Economic Development

City of Sugar Land
281.275.2229 | ecodev@sugarlandtx.gov
www.sugarlandecodev.com



HOUSTON: TRULY GLOBAL

We hail from every part of the country and every corner of the world. We embrace a dynamic array of cultures, cuisines and customs, weaving them into Houston's social fabric and global outlook.

It's this global convergence of people, industries and perspectives that gives Houston our competitive edge.

Over the last two decades, there has been a remarkable transformation in Houston. Today, the nation's fourth-largest city has become a sophisticated, modern global metro filled with talented people who have an undeniable spirit. Our economy is resilient, our cultures are many, and our quality of life is second to none.

There's a reason Houston is called the city of the future. In 2050, all of America is projected to look like Houston today — ethnically, racially and globally diverse. One in four of the region's 7 million residents is foreign born. From 2010 to 2019, Houston added more than 1.1 million new residents, a 19.4% increase, the fastest rate of population growth among the 10 most populous U.S. metros.

In Houston, solving the problems that matter the most is what we do each and every day. From groundbreaking cancer treatments and medical breakthroughs to leading the energy transition and lowering the world's carbon footprint — in Houston, we're not afraid to roll up our sleeves to get the job done.

Houston offers a well-developed suite of key global industries — energy, life science, manufacturing, logistics and aerospace. As these industries digitize, Houston is becoming a hotbed of rapid technological development thanks to our access to customers and expertise.

A thriving global city, Houston's ties stretch to all corners of the world. The region's geographic location makes it easy to move both goods and people around the globe, and offers the most convenient access to Latin America of any major U.S. city. With one of the largest ports in the country and two international airports, Houston connects companies to the world.

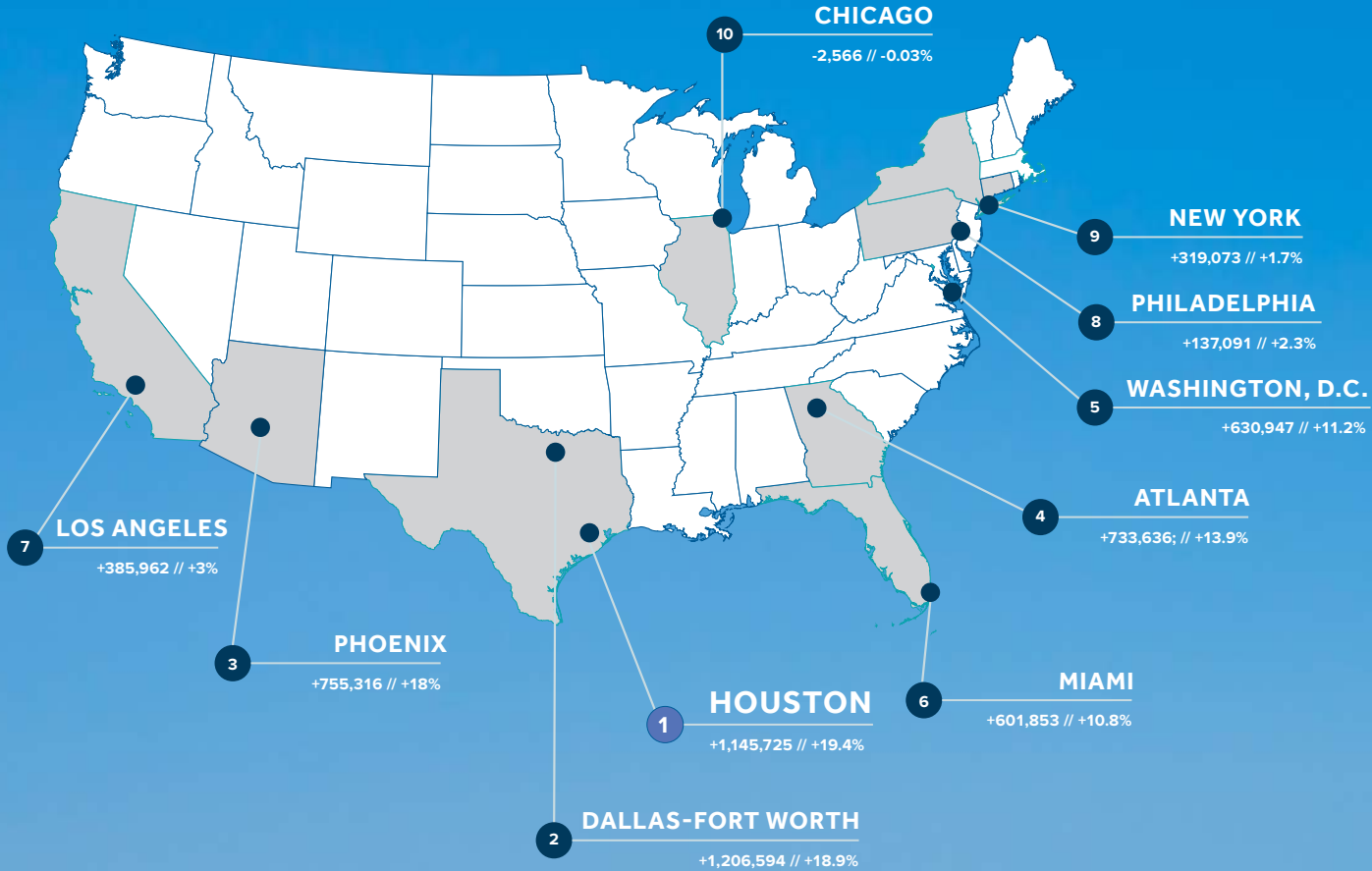
We are unabashedly pro-growth and opportunity-rich, with a distinctly business-friendly environment at both the state and local level. Costs of doing business are significantly lower than in other major metropolitan areas, and the State of Texas has one of the lowest tax burdens in the nation.

Houstonians enjoy one of the lowest costs of living among major U.S. cities while maintaining an incredibly high quality of life with world-class culture, sports, and culinary attractions.

Simply put, Houston offers it all. A world class business environment, exceptional talent, low costs of doing business, and global connections. Diverse people, cultures, and customs — the world, all in one place.

Houston is truly global.

Population Growth 2010-2019
(Rank by % Change)



**FASTEST RATE OF
POPULATION GROWTH AMONG
THE 10 MOST POPULOUS U.S.
METROS FROM '10 TO '19.**

Source: U.S. Census Bureau



Meeting of the Minds
The George R. Brown
Convention Center is in the
heart of Downtown.

REGIONAL ECONOMY

DYNAMIC ECONOMY FOR CONTINUED GROWTH

With a regional gross domestic product (GDP) of \$478.8 billion, Houston is the nation's seventh-largest metro economy and has grown by \$100 billion (inflation-adjusted) over the past decade. If the MSA were an independent nation, it would rank as the world's 27th-largest economy.

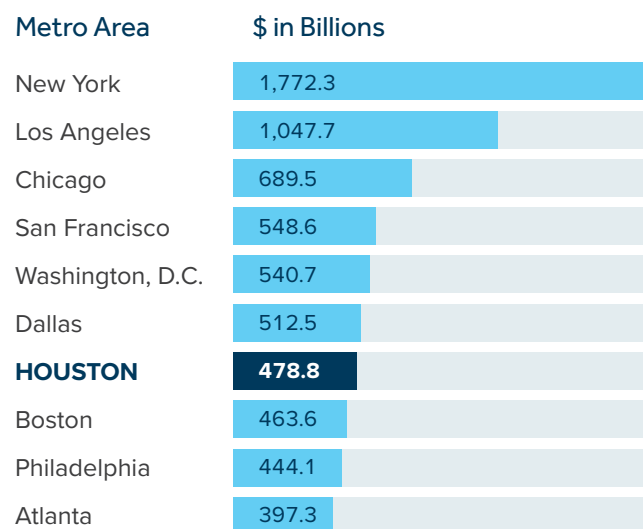
Over the past decade, Houston has demonstrated remarkable growth and resilience.

- 1.4 million new residents
- 500,000+ jobs created
- \$100 billion increase in GDP

The Perryman Group notes that by the end of the next decade, Houston's:

- population will hit **8.4 million**
- payroll employment will reach **4.0 million**
- GDP will top **\$1.0 trillion**

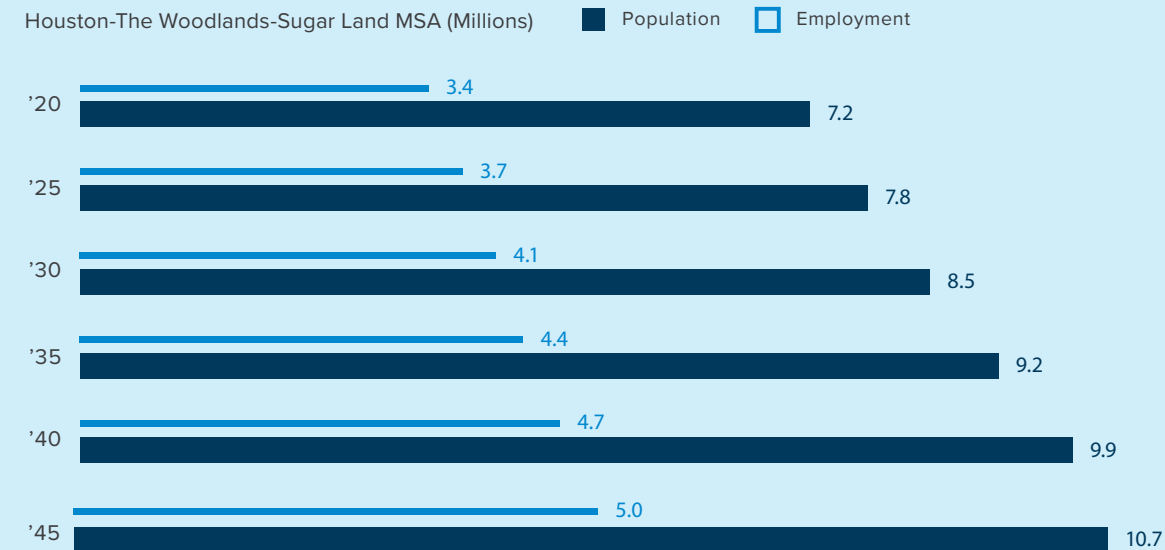
2018 Gross Domestic Product



Source: U.S. Bureau of Economic Analysis

REGIONAL ECONOMY

Population and Employment Forecast



Source: 2018 Perryman Economic Forecast, released November 2018

Houston's Top Employers

More Than 20,000 Employees

- H-E-B
- Houston Methodist
- Memorial Hermann Health System
- UT MD Anderson Cancer Center
- Walmart

10,000 to 19,999 Employees

- ExxonMobil
- HCA Houston Healthcare
- Kroger
- Landry's
- Schlumberger
- Shell Oil Co.
- Texas Children's Hospital
- United Airlines
- UT Health Science Center
- Wood Group

5,000 to 9,999 Employees

- AT&T
- Baker Hughes, a GE Company
- Baylor College of Medicine
- BP America
- Chevron
- CHI St. Luke's Health
- Dow Chemical Co.
- Harris Health System
- Home Depot
- Houston Community College
- JPMorgan Chase
- KBR
- Lone Star College
- Michael E. DeBakey VA Medical Center
- National Oilwell Varco
- Occidental Petroleum
- S&B Engineers and Constructors
- Target Corp.
- Texas A&M
- University of Houston
- UT Medical Branch Health System
- Walgreens

2,000 to 4,999 Employees

- Academy Sports & Outdoors
- Air Liquide USA
- American National Insurance Co
- Apache
- Ascend Performance Materials
- Bank of America
- Bechtel Corporation
- Ben Taub Hospital
- Brinker International
- Cameron, a Schlumberger Company
- CenterPoint Energy
- Chevron Phillips Chemical Co.
- Comcast
- ConocoPhillips
- CVS Health
- Daikin/Goodman
- Deloitte
- Enterprise Products Partners
- Fiesta Mart
- Fluor Corp.
- The Friedkin Group, Inc.
- Goodwill Industries of Houston
- Grocers Supply Company
- Group 1 Automotive
- Halliburton
- Hewlett Packard Enterprise
- HP Inc.
- Jacobs
- KBR
- Kelsey-Seybold Clinic
- Kinder Morgan
- Lewis Food Town Inc.
- Lowe's Cos.
- Luby's*
- LyondellBasell
- Macy's
- Marathon Oil Corp.
- NASA - Johnson Space Center
- Phillips 66
- Rice University
- Sam Houston State University
- Sam's Club
- San Jacinto Community College
- Sysco Corp.
- TechnipFMC
- Texas Home Health
- Turner Industries
- Universal Plant Services
- Wells Fargo

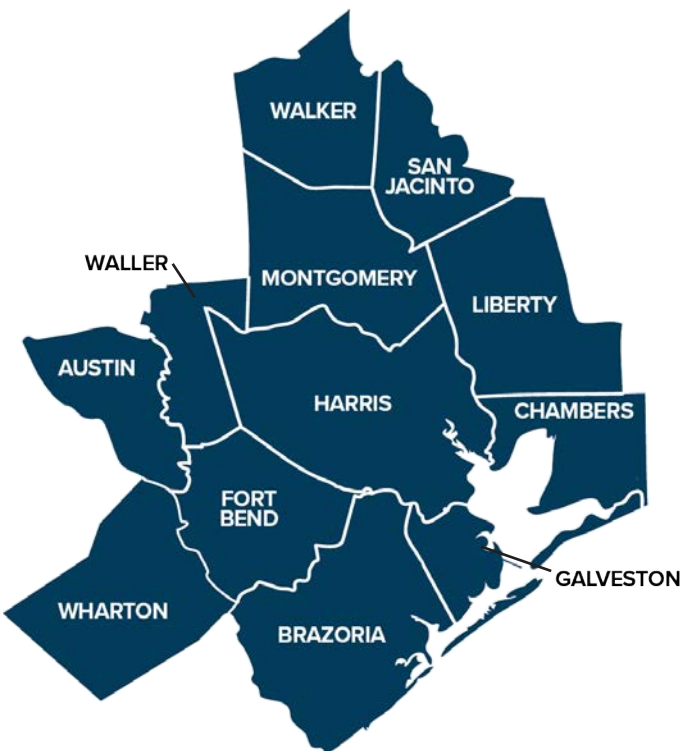
Note: This list reflects 2019 and does not account for increased employment or layoffs due to the coronavirus in 2020. The list excludes government employers (except hospitals, universities and research centers) and fast food chains. *Luby's local employment numbers for 2019. The company liquidated in August 2020. Source: Greater Houston Partnership Research, May 2020

THE REGION

Johnson Space Center
NASA's educational
facility is the area's
number-one attraction for
international visitors.

A DYNAMIC REGION

The Greater Houston region is one of the most dynamic in the country, featuring a variety of distinct and diverse communities to establish your business and call home. From the bustling urban core to master-planned suburban neighborhoods, Houston offers something for everyone.



The Greater Houston Partnership is proud to represent the following 12 counties:

- | | | |
|-----------|------------|-------------|
| AUSTIN | GALVESTON | SAN JACINTO |
| BRAZORIA | HARRIS | WALKER |
| CHAMBERS | LIBERTY | WALLER |
| FORT BEND | MONTGOMERY | WHARTON |

Population Growth

AUSTIN 2010 28,412 2019 30,032	+5.7%	HARRIS 2010 4,093,188 2019 4,713,325	+15.2%
BRAZORIA 2010 313,123 2019 374,264	+19.5%	LIBERTY 2010 75,641 2019 88,219	+16.6%
CHAMBERS 2010 35,099 2019 43,837	+24.9%	MONTGOMERY 2010 455,750 2019 607,391	+33.3%
FORT BEND 2010 584,690 2019 811,688	+38.9%	WALLER 2010 43,277 2019 55,246	+27.7%
GALVESTON 2010 291,307 2019 342,139	+17.4%	WHARTON 2010 43,277 2019 41,556	+0.6%

THE WOODLANDS AREA , TEXAS THE SKY IS THE LIMIT.



- A+** 13 Million SF of Premium Class A Office Space
- 80** Major Employers with 100+ Employees
- Top 3** Industries: Healthcare, Energy & Education
- ↓** Unemployment Rate: 2.6%
- 52.6%** Educated Workforce: 52.6% have a Bachelor's Degree or higher

OUR GOLD PARTNERS IN ECONOMIC DEVELOPMENT



Howard Hughes



THE WOODLANDS AREA
ECONOMIC DEVELOPMENT PARTNERSHIP
UNMATCHED OPPORTUNITY. UNRIVALED COMMUNITY
EDPARTNERSHIP.NET/RELOCATEHERE



THE POPULATION



University of St. Thomas
The Montrose campus is one of several Houston-area higher-learning centers.

YOUNG & DIVERSE TALENT

Talent

The Houston metro area is the most racially and ethnically diverse region in the United States, and the fifth most populous with 7.1 million people. The region offers a large and diverse labor force of more than 3 million workers, larger than 35 states.

Houston is home to 1.04 million millennials (adults between the ages of 24 and 35). The number of young adults in that age group has grown nearly 25 percent in the last decade. And Houston's millennial population continues to grow; the city is among the top 10 in the U.S. for attracting millennials and number-one in retaining college graduates.

Universities & Colleges

The Houston region has more than 40 two-year community colleges and four-year universities, including three Tier 1 Universities: Rice University, University of Houston and nearby Texas A&M University in College Station. Houston-area colleges and universities educate nearly 430,000 students and graduate more than 100,000 students annually.

The region also has 50 trade, vocational and business schools specializing in law, health care, welding, process technology and various other disciplines that enroll an additional 20,000 students, according to the National Center for Education Statistics.

- 300,000+** educated millennials
- 240,000+** STEM professionals
- 56,000** engineers
- 235,800+** tech workers
- 700,000+** corporate professionals

EL CAMPO, TEXAS

NOT YOUR AVERAGE SMALL TOWN!

LAND AVAILABLE IN THREE DESIGNATED OPPORTUNITY ZONE TRACTS

CONTACT US ABOUT:

- JOB CREATION & DEVELOPMENT INCENTIVES
- LARGE ACREAGE AVAILABLE TODAY WITH KCS RAIL & I-69 ACCESS
- FOREIGN TRADE ZONE
- JOB TRAINING ASSISTANCE
- INFRASTRUCTURE CONSTRUCTION ASSISTANCE
- PRO BUSINESS ENVIRONMENT
- **WE ARE READY TO HELP YOU!!**

540 Acre Rail-Served Industrial Park

SW International Gateway Business Park
El Campo, TX



WE ARE THE NEXT HOME FOR YOUR BUSINESS AND **YOUR FAMILY!**

Retail Space Available Adjacent to Planned Class A Apartment Complex



EL CAMPO means LAND. And we have plenty!

- Opportunity Zones
- Tax Incentives
- Shovel-Ready Land
- Skilled, Quality Workforce
- Location Services
- Two Week Plan Review



GROWTH IS OUR BUSINESS

City Development Corporation of El Campo
www.elcampoeco.org · cgibson@elcampoeco.org

979-320-7727

THE POPULATION

Future Forward
The racial and ethnic makeup of Houston today resembles what America will look like in 40 years.



AMERICA'S MOST DIVERSE CITY

Houston's international roots run deeper than our regional economy to the very people who call Houston home. In fact, the *New York Times* and *Los Angeles Times* have declared Houston "America's Most Diverse City." Houston has no ethnic majority and welcomes people from around the world. In terms of racial and ethnic composition, the Houston of today resembles what America will look like in 40 years.

The Houston metro area is home to an estimated 1.6 million – or one in four – foreign-born residents. These residents accounted for roughly one-third of the area's population growth over the last

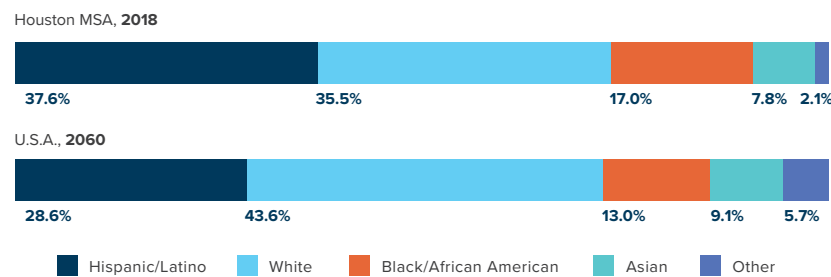
decade. Without them, the region's GDP would be lower by 29%. More than 145 languages are spoken across Houston, and four in ten Houstonians speak a language other than English at home.

Houstonians have a sense of shared community, commitment and mutual respect that many American cities are searching for today. People of all faiths, cultures, backgrounds and members of the LGBTQ+ community find Houston to be an inclusive and welcoming city. Houston hosts several cultural festivals and parades, including Pride Houston, Japan Festival Houston and the Greek Festival.



City Hall
The building lights up during Pride month.

Race/Ethnicity: Houston Now (2018) and the U.S. in 2060



Source: U.S. Census Bureau

HOUSTON

A CITY THAT TAKES ON HUMANKIND'S TOUGHEST CHALLENGES



AMERICA'S GATEWAY TO INNOVATION

From leading the global energy transition to pioneering life-saving medical breakthroughs, Houston is solving the problems that matter.



THE GREATER HOUSTON PARTNERSHIP WORKS TO MAKE HOUSTON ONE OF THE WORLD'S BEST PLACES TO LIVE, WORK AND BUILD A BUSINESS.

HOUSTON.ORG



George Bush Intercontinental
IAH serves tens of millions of
passengers annually, providing
global access to goods and people.

GATEWAY TO THE WORLD

Houston is a great global city, with ties reaching around the world. The region's geographic location provides easy global access for both goods and people. From Port Houston and the Houston Airport System to a host of multi-national entities doing business around the clock, Houston is where you want to be to connect your business to the world.

Global Trade

Houston's economy is deeply tied to global trade and foreign investment. The region has trading relationships with more

than 200 countries and territories. The Houston-Galveston Customs District recorded trade valued at \$237 billion in 2019, making it the largest U.S. Customs District by weight.

- Top 20 trade partners represented 71% of Houston-Galveston Customs District traffic in 2019.
- 45 countries logged more than \$1 billion in trade through the customs district in 2019.
- 17.3% of Houston's economy was tied to exports in 2017, the most recent data available.

Direct flights to **184 destinations** around the globe

78 consulate offices, the third largest in the nation

More than **150 Houston-based companies** with more than 3,000 subsidiaries in **113 foreign nations**

More than **1,700 Houston companies** report **foreign ownership**

16 foreign banks, representing 10 nations

5,000+ Houston-area firms, foreign government offices and nonprofit organizations involved in **international business**

15 foreign trade and commercial offices and more than **35 foreign chambers of commerce and trade associations**

18 sister-city relationships promoting business opportunities across five continents

GATEWAY

Top Trade Partners (in billions)

MEXICO 21.7	INDIA 10.1
BRAZIL 15.4	GERMANY 10
CHINA 14.7	UNITED KINGDOM 9.3
REPUBLIC OF KOREA 13.5	JAPAN 9.2
NETHERLANDS 11.7	COLOMBIA 7.0

Source: WISERTrade from US Census Bureau, Foreign Trade Division. Retrieved May 2020



Select International Companies with a Presence in Houston





Downtown
Main Street is a busy
Metrorail thoroughfare.

A
CLOSER
LOOK

HOUSTON RANKS NO. 3 AMONG GLOBAL CITIES OF THE FUTURE

According to a report released in August 2020, Houston ranks among the world's top cities of the future for global business investment, human capital and lifestyle.

Houston came in third in the overall ranking of the fDi Tier 2 Cities of the Future 2020/21, which takes a closer look at the non-capital cities with a population under eight million. The report is published by the fDi Intelligence division of the global news outlet *Financial Times*. In 2019, Houston ranked No. 5 among American Cities alone.

The report attributes the ranking to Houston's position as a reputable talent hub, including being home to five global top 500 universities and over 30 international baccalaureate schools. This also contributed to Houston achieving third place in the Human Capital and Lifestyle category, which weighs local educational institutions' strength, life expectancy, access to healthcare, and the Social Progress Index.

Houston also placed sixth in the business-friendliness category due to its welcoming business environment. The report references the City's recorded 53 expansion or co-location projects

between May 2015 and April 2020, representing more than a quarter of its total inward foreign direct investment and the second highest out of all locations analyzed. When it comes to economic growth potential, which looks at metrics such as GDP growth, credit rating, economic freedom and labor productivity, Houston ranks seventh.

"Houston is a remarkable city, and we are proud to be recognized as one of the world's best cities for foreign direct investment. We are the energy capital of the world, alongside the largest medical center, the Port of Houston, two world-class airports, and a growing innovation ecosystem," said Houston Mayor Sylvester Turner. "The report is also a recognition of our work with community partners over the last five years to build a more livable city. We offer world-class education, art and culture in addition to our standing as a global business leader."

Houston ranked No. 3 behind San Francisco and Montreal. Houston ranked ahead of other large North American cities including Boston (No. 6), Seattle (No. 9), Austin (No. 11), Miami (No. 18), Dallas (No. 19) and Atlanta (No. 20).

LIVE. WORK. PLAY.

The Houston region offers a low cost of living while maintaining an incredibly high quality of life with the amenities you expect to find in a world-class city. Houstonians, no matter what age or background, enjoy countless activities and opportunities. Houston is a welcoming and global city, filled with exceptional dining, arts, hotels, sports and events. In fact, *GQ* magazine dubbed Houston the “Capital of Southern Cool.”

Cost of Living

Houston’s overall living costs are 26.3 percent below the average of the nation’s 20 most populous metropolitan areas, ranking it the third most affordable, according to the Cost of Living Index from the Council for Community and Economic Research (C2ER). Houston’s overall living costs are 3.8 percent below the average for all U.S. metros.

Texas is one of the few U.S. states that does not have an individual income tax and ranks eighth for lowest individual

taxes by CNN Money. In addition, Houston has one of the lowest personal and per-family tax burdens among major U.S. cities. Housing costs in Houston are 46.2 percent below the average for the nation’s 20 most populous metro areas and 3.1 percent below the average for all U.S. metros. Excluding the two most expensive housing markets, New York and San Francisco, which tend to skew the average, Houston’s housing costs are still 35.3 percent below the major metro average.

Living Cost Comparison

20 Most Populous U.S. Metros (U.S. Average = 100)

URBAN AREA	COMPOSITE	GROCERIES	HOUSING	UTILITIES	TRANSPOR-TATION	HEALTH CARE	MISC. GOODS & SERVICES
NEW YORK (MANHATTAN), NY	237.4	139.7	514.0	120.6	128.6	110.5	136.2
SAN FRANCISCO, CA	196.6	130.9	364.8	123.2	145.0	129.5	133.2
WASHINGTON, DC	159.0	115.7	274.0	118.1	110.4	95.7	118.0
SEATTLE, WA	156.7	128.8	255.0	108.1	137.6	128.6	136.0
BOSTON, MA	150.1	109.0	226.1	120.6	111.8	118.2	129.1
LOS ANGELES, CA	145.9	116.0	228.1	106.3	134.5	110.7	111.8
SAN DIEGO, CA	141.3	115.8	213.9	123.3	128.9	107.2	107.1
CHICAGO, IL	120.0	101.6	154.0	92.4	125.6	100.0	109.3
MIAMI, FL	114.4	110.2	142.7	102.1	101.3	100.5	102.5
DENVER, CO	110.8	98.0	137.8	80.6	100.8	103.6	106.5
PHILADELPHIA, PA	110.5	118.4	115.2	105.7	115.9	101.7	104.6
DALLAS, TX	107.7	100.0	117.5	106.9	96.6	105.4	106.6
MINNEAPOLIS, MN	106.2	103.3	101.7	97.6	104.3	105.5	113.7
ATLANTA, GA	102.4	103.1	102.4	85.2	103.4	107.0	105.9
DETROIT, MI	99.5	95.3	96.2	91.4	107.4	94.6	104.3
PHOENIX, AZ	98.9	99.4	102.6	109.6	107.0	90.1	91.8
HOUSTON, TX	95.5	88.2	90.2	105.9	95.1	92.0	100.2
TAMPA, FL	90.9	104.5	78.3	86.0	99.2	98.2	93.6
ST. LOUIS, MO	87.6	104.1	69.0	100.0	91.5	91.2	90.9

*Metro areas represented by most dominant urban area. Riverside, California, is among the 20 most populous metros, but did not submit COLI data. Source: Council for Community and Economic Research (C2ER), Cost of Living Index, 2019 Annual Average Data (Data based on a survey of 266 urban areas, published January 2020).



Hermann Park
Among the park’s popular attractions is the McGovern Centennial Gardens

HOUSTON IS ONE OF THE MOST AFFORDABLE MAJOR CITIES IN THE U.S.

Health Care

Houston’s Texas Medical Center (TMC) is the world’s largest medical complex by number of hospitals, number of physicians, square footage and patient volume. TMC’s 61 member institutions are consistently recognized by U.S. News and World Report as some of the best hospitals and universities in the nation. Prominent institutions include MD Anderson Cancer Center, Texas Heart Institute and Baylor College of Medicine, among other premier training, research and clinical institutions.

Urban Development

Houston’s large and growing footprint has led to a resurgence in urban living. The city’s signature neighborhoods, like Downtown, EaDo, Uptown, Midtown and Montrose, to name a few, offer residents access to urban living at affordable costs. Projects like the

Uptown District and Avenida Houston in Downtown are just a few examples of how the city continues to invest in increasingly walkable dining and entertainment districts.

Outdoor Recreation

Houston is one of America’s greenest cities, ranking first in total park acreage among major U.S. metros. The region boasts 350 miles of interconnected bikeways, 380 developed city parks and 170 open spaces. In fact, Houston is home to two of the nation’s 10 largest urban public parks, Cullen Park and George Bush Park.

Over the past decade, Houston has seen a nationally recognized green space renaissance. Several of the city’s signature parks, including Memorial, Hermann, Buffalo Bayou, Levy and Discovery Green, have implemented master plans to further expand their

offerings to Houston-area residents and visitors. The Memorial Park Master Plan is one of the largest and most visionary urban parks projects currently underway in the U.S. In September 2020, the Houston Botanic Garden opened on a 132-acre expanse in southeast Houston, promising to be a new outdoor centerpiece for the city.

In 2014, the Houston Parks Board and Houston Parks and Recreation Department embarked on a \$220 million project to connect 150 miles of hike-and-bike trails and parks along the city’s eight bayous. By the end of 2020, an incredible 3,000 acres of unused land will be converted to public park space and 1.5 million Houstonians will live within 1.5 miles of the Bayou Greenways. The City of Houston has also recently announced a plan aimed at drawing private investment to revitalize city parks primarily in underserved communities.

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Fired Up
The Bananas Foster at Brennan's of Houston is famous.

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Shopping & Entertainment

Houston is a shopping mecca and home to over 8,000 retail centers. From lavish malls, like The Galleria and Memorial City, to “storefront neighborhoods” like Post Oak, Highland Village, Uptown Park, River Oaks District and Rice Village, Houston’s shopping scene is as vibrant and diverse as the city itself.

Sports

Houston is a great place to play. You can enjoy countless activities without the premium price of other major cities. From team sports to extreme sports, Houstonians are loyal and have that winning spirit. Houston has played host to the nation’s - and the world’s - largest sporting events, including the Super Bowl, NCAA Finals, MLB All-Star Game, Copa America Centenario, and the NBA All-Star Game. Locally, Houstonians cheer on the '17 World Series Champion Astros at Minute Maid Park, the Rockets at Toyota Center, the Texans at NRG Stadium, the Dynamo and the Dash soccer teams at BBVA Compass Stadium, as well as the rustlers at the Houston Livestock Show and Rodeo (the world’s largest live entertainment and livestock exhibition).

International Cuisine

Known as the Culinary Capital of the South, Houston delivers on its reputation. Houston restaurants feature outstanding regional dishes as well as diverse international cuisine. With nearly 11,700 restaurants and bars representing over 70 countries and domestic regions, Houston’s global ties are felt across nearly 160 categories of cuisine.

Houston was ranked second on *Food & Wine’s* “32 Places to Go (And Eat) in 2019.” This ranking is echoed in Yelp’s “Top 100 Places to Eat for 2019,” which includes five greater Houston eateries. “The Best New Restaurants in Texas for 2019” lists six Houston restaurants, of which three are collectively listed as No. 1. The increasing number of food halls in the Houston area is one of the reasons the *New York Times* included the city in its roundup of “52 Places to Go in 2019.”

Houston’s reputation of being a culinary hotspot is recognized by the James Beard Foundation, which announced the finalists of its 2019 James Beard Awards, the “Oscars of the food world,” in the city. The greater Houston area received 11 semifinalist nominations for this year’s awards.

Public Transportation

Houston’s mass transit network, METRO, serves an area of 1,303 square miles with 21 transit centers, 8,964 bus stops and 27 Park & Ride lots. Ridership in 2019, including bus, rail and Park & Ride, totaled 86.1 million passengers. As the city grows, METRO is actively working to improve mobility, enhance connectivity, and support vibrant communities through its METRONext plan.

Arts & Culture

Houston is one of the few cities in the U.S. with resident companies in all four major performing arts — drama, ballet, opera and orchestra. Houston’s world-renowned cultural scene includes more than 500 institutions devoted to the performing and visual arts, science and history. The region’s nonprofit arts and culture industry generated over \$1.1 billion in total economic activity, according to the '17 Arts & Economic Prosperity report by Americans for the Arts.

Houston’s Theater District, located in downtown Houston, spans 17 blocks, and its four flagship theaters house 13,000 seats. The Alley Theatre, Hobby Center for the Performing Arts, Jones Hall and Wortham Theater Center host seven renowned performing arts organizations as well as many smaller programs.

The Houston Museum District is one of the country’s most visited and diverse cultural centers with 19 museums. These museums provide rich experiences in art, history, culture, nature and science. The district is divided in four walkable zones, each of which includes a group of museums. Since 2018, investments in the Houston Museum District, including completed projects and some in progress, total more than \$800 million.



Theater District
Theatre Under the Stars performs at the Hobby Center.

QUALITY OF LIFE

A
CLOSER
LOOK

Downtown
Public art in the heart of the city and, at
right, taking a stroll near Mid-Main Lofts.

HOW HOUSTON IS BUILDING WALKABLE COMMUNITIES

In the last decade, Houston has made tremendous improvements to the region's quality of life. In addition to its low cost of living, arts and culture amenities, and more than 125 miles of hike-and-bike trails, the City of Houston is taking steps to make communities more pedestrian-friendly.

The Partnership asked Margaret Wallace Brown, Director of the City of Houston's Planning & Development Department, about the steps the city is taking to create walkable places.

How do you define walkability? How does it contribute to the overall quality of life here? Walkability is more than a continuous sidewalk that allows people to get from one place to another. While safety is a critical component of walkability, so is comfort and interest.

The Walkable Places Program seeks to create a place where people want to be. With wider unobstructed sidewalks, a safety buffer, improved landscaping along the streets, more buildings with windows and doors right next to the sidewalk, and more mixed-use, compact development close by, it creates a more pleasant experience for pedestrians.

Walkability contributes to Houston's quality of life in several ways.

First, it increases the wealth of businesses along walkable streets. Studies have shown that pedestrians or bicyclists can spend as much as 40 percent more than automobile users. High walkscores are often used by realtors to promote the sale of homes or business districts. Walkability also increases a community's health by encouraging more heart-friendly activities. Finally, it's one of the most equitable modes of transport.

Can you give a quick overview of the Walkable Places Program? The Walkable Places Program, along with the new Transit-Oriented Development standards, supports Houstonians' desire for more walkable environments. It encourages pedestrian-friendly, mixed-use development with an enhanced, walkable public realm. This ordinance creates the following benefits:

- Property owners benefit because they get more buildable area and reduction in their required off-street parking requirements.
- Pedestrians benefit because this program creates safer, more compact and interesting places to walk and enjoy.
- Neighborhoods benefit from the creation of a more lively and activated area with more eyes on the street.

This initiative is the result of two and a half years of intensive research and discussion by a committee comprised of residents,

property owners, developers and other business leaders. They overwhelmingly agreed that this effort will provide a more sustainable solution, ensuring safe multi-modal transportation. This initiative was unanimously approved by Houston City Council on August 5, 2020.

Talk about the three pilot projects for the Walkable Places program — Emancipation Avenue, Midtown, and Hogan and Lorraine Streets in Near Northside. Why were these areas chosen for the pilot program? When selecting the pilot areas, we looked for a diversity of environments that could serve as role models for expanding the program. We sought out areas that have:

- Some existing urban and pedestrian activities
- High household/employment population density
- High intersection density
- A mix of land uses within walking distance and walking distance to transit services/ bikeways

We also sought out areas that would have community support, either through management districts or other community organizations.

What's the difference between the "Walkable Places" designation and the "Transit-Oriented Development" Program? The Walkable Places Program and Transit-Oriented Development Program are similar in the following ways:

- Both promote pedestrian-friendly development tailored to the designated street(s).
- Both create mandatory and optional compliance tailored to the local context.
- Their planning standards are very similar and are established based on street segments.

• Neither program requires the property owner to update their property unless they construct something new or modify either the exterior or parking lot of an existing structure.

The main differences between the two:

- The Walkable Places program may be applied anywhere in the city, while the TOD standards are only applied along streets near established transit stations, including the new BRT route.
- Both City of Houston and property owners may designate Walkable Place Streets, while the TOD standards are applied by the City using an objective process that analyses the unique characteristic of that block.

What were the outcomes for both the Walkable Places and Transit-Oriented Development ordinances? What are the next steps? The Walkable Place program and TOD standards went into effect on October 1, 2020.

The next step is to implement the ordinance. We expect Houstonians will see an increase in wider, unobstructed sidewalks with safety buffers and improved landscaping along the streets. They will also see more buildings with windows and doors right next to the sidewalk and it will be a much more pleasant experience for pedestrians.

What other steps do you think need to be taken to make Houston a more pedestrian-friendly city? We are making great strides in moving Houston toward a more multi-modal city. Other ongoing initiatives include: Vision Zero, the Complete Street Program, the Houston Bike Plan, and, with our partners, installation of nearly 500 miles of connected, high-comfort bike lanes that have been constructed within the past few years.

HOUSTON WORKS TO SOLVE THE NEXT GREAT GLOBAL CHALLENGE: **ENERGY TRANSITION**

As the world looks to a greener future, energy industry leader and Greater Houston Partnership Board Chair Bobby Tudor knows Houston's reckoning as the capital of traditional oil and gas is coming. We asked him how the region will stay on top.

Energy Corridor
The west side of Houston is home to several oil-and-gas headquarters.

Executive Summary
Bobby Tudor addresses
the 2020 Greater Houston
Partnership annual meeting.



W

hen Bobby Tudor stood before a packed ballroom of local business leaders last January to deliver a speech on the need for Houston to lead the world in energy transition and a lower carbon future, few knew what kind of reaction he might get.

The speech was a bold move for the Chairman of energy advisory firm Tudor Pickering Holt & Co. and would serve as the lodestar to his tenure as Board Chair of the Greater Houston Partnership. Tudor knew then, as he does now, that Houston's economic future rests on its ability to evolve with the changing demands on the energy sector. Still, in a city long driven and enriched by the oil and gas industry, his message that a reckoning was at hand might not be easily absorbed.

The address at the Partnership's 2020 Annual Meeting marked a turning point in Houston. The local energy community accepted Tudor's call to take on a leadership role and work that had already begun in some corners accelerated as others took up the charge. Less than two months later, the COVID-19 pandemic brought global activity to a near halt, compounding a dive in the oil markets that was already underway. Many companies once eager to develop new

technologies and increase their investment in renewables now find themselves simply trying to stay afloat. The situation has made it harder to achieve key transition goals in the near term, though many believe the effort is now vital to Houston's successful economic recovery.

We talked with Tudor about his decision to address energy transition and where the effort stands today.

Being Chair of the Partnership gives that individual a unique platform to advocate for something vital to the future of Houston. Why was it important to you to tackle energy transition as part of your tenure? I think for several reasons. One is that it's an issue not just of local, but of global interest and importance. Another is that the Houston economy is very heavily weighted to the traditional oil and gas business. It's our job at the Partnership to look around corners and be aware of secular change, and position our companies for that secular change. Third is the issue of the tax base in Houston. Education, parks, libraries — all of that is ultimately highly correlated to the energy business because of how heavily

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weighted our economy is to the sector. So, this issue touches every Houstonian in some form or fashion. And because of our leadership position in the traditional oil and gas business, it's clear that we're highly unlikely to have a cost effective and smooth transition to a lower carbon future if the business community doesn't act like a partner in moving the ball forward. All of those felt like reasons that this needed to be addressed now. We didn't know, of course, that oil prices were going to fall out and that we would be dealing with COVID-19. All of that has made the issue more pressing.

There have been a number of pivotal moments in the history of the energy industry throughout our past. What makes this one unique in your opinion?

The level of overall awareness and concern around climate change and the importance of lowering global Co2 emissions I think makes this a pivotal moment. We're in a very different place now when it comes to the awareness of the general public on that issue. It's risen in the ranks of priorities when it comes to public policy makers as well as companies and investors. All of that makes this time different. True, this is not the first energy cycle we've been through. The traditional oil and gas industry has proven to be resilient and

HOUSTON: LEADING THE ENERGY TRANSITION

- COMMIT TO LOWER CARBON EMISSIONS
- DEVELOP NEW TECHNOLOGIES THAT ADDRESS THE DUAL CHALLENGE: MEETING GLOBAL ENERGY DEMAND WHILE LOWERING THE WORLD'S CARBON FOOTPRINT
- LEVERAGE HOUSTON'S STRENGTHS IN NATURAL GAS
- LEAD DEVELOPMENT OF CARBON CAPTURE, USE AND STORAGE
- BE A LEADER IN ENERGY EFFICIENCY, CONSERVATION AND SUSTAINABILITY; SMART CITY TECHNOLOGY

capable of resizing itself, letting technology drive it to a new place. But the cycle is happening this time at the same moment that investor awareness and pressure has changed dramatically.

What attributes do you believe set up Houston to be the global leader in energy transition? It's a handful of things. One is that new tech development in energy systems is going to be critical to us making this transition. The expertise there is highly concentrated in Houston, particularly in chemistry and chemical engineering. That's also true in mechanical engineering, perhaps a little less so in computer engineering. But we have more talent in those primary talent spaces than anywhere else in the world. Another point is that we have people who understand energy systems, who understand the dynamics of energy and power. It's an area where Houston has a lot of the talent. Another reason is that natural gas is highly important as a bridge to a lower carbon future and Houston is a capital for natural gas. It's an important piece of the transition and Houston is simply a global leader in that sector. Finally, there's a real responsibility among Houston businesses to help us get to a lower carbon future, because we're the ones who know the most about it. Again, it's highly unlikely to happen smoothly without our participation and leadership.

How has COVID-19 impacted the work around energy transition, both here in Houston and also around the world? I think it's been a bit of a setback for energy transition. There are others who don't see it that way. There's a school of thought that the air in Beijing and Mumbai got clearer and global emissions went down dramatically. And that's true, but at what cost? In our current world, global emissions are highly correlated to economic activity. So yes, in recent months we've seen lower emissions, but also a collapse in employment, in living standards and so on. To my mind that's the key message to all of this. We need to change the mix so that we can, in fact, have growth in economic activity and still lower our carbon emissions. That's not going to happen without a hands-on approach, without the producers and the consumers of energy, which is all of us, playing our part. What I think is missing is a realization from the average consumer that we all individually need to be willing to make sacrifices in our lifestyle if we really want to see emissions decline and in a way consistent with Paris Climate Accord. Simply demonizing the oil and gas business isn't at all helpful, and also highly hypocritical when we're the ones consuming it and showing no willingness to consume less.

You set forth some bold principles around transition as part of your annual meeting speech back in January. What has momentum been like and what tangible steps are on the horizon to

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Power Walk
BP's Centre for High
Performance Computing



Downtown Houston
The lights come on in the
world's energy capital.

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continue the work? The acceptance of the broad principles that I laid out is quite high. What I heard generally from oil and gas companies is that they didn't hear anything in that speech that they fundamentally disagree with. The industry does now see itself as a partner in this. It's taken a fair amount of pressure to get them there, from the general public, politicians and so on, but generally they are there. When it comes to the challenge of getting to a lower carbon future without sacrificing economic growth and standard of living, most companies have an understanding of how difficult this is. In the past they've said it's a lot harder than you think, more costly than you think, instead of here are the things we can do, and let's do them together. That's a good and healthy approach and we're getting there.

Another reason that COVID has been difficult is that it's driven down demand for hydrocarbons globally. Less profitability means less money to go into R&D, as companies are just trying to survive. I think we will see more progress in a more normalized post-COVID environment. Unfortunately, at the same time, investors in energy companies are saying they want companies to give the profits back to them and not invest in new technologies. If that's what investors want, it's going to be very hard for companies to reinvest in a meaningful way right now.

With the current economic downturn, how important is it for Houston to retain and transition its energy industry workforce into new energy 2.0 career path opportunities? I'm not all that worried about talent. The quality of people working in the traditional oil and gas business is very high. And while America as a whole may be short on STEM talent, the concentration of that in the energy industry is significant. Their ability to pivot and put that brainpower to work on a new set of technologies is pretty high. We do need a greater concentration of data scientists in our market, but those will follow the jobs, so we need our companies to invest and grow in those spaces.

With the recent announcements of Greentown Labs, Google Cloud, AWS, and Microsoft's expansion to Houston, do you believe that Houston can transform into a leading energy technology innovation hub and truly become the Energy 2.0 Capital of the World? These recent announcements have been very helpful for sure. It's going to take a lot of innovation from the startup ecosystem, and we're in a better place

“THERE'S A REAL RESPONSIBILITY AMONG HOUSTON BUSINESSES TO HELP US GET TO A LOWER CARBON FUTURE, BECAUSE WE'RE THE ONES WHO KNOW THE MOST ABOUT IT.”

—BOBBY TUDOR

on that than we were a year ago. But it's also going to take the bigger companies investing in R&D and being willing to try new technologies. That's where, right now, we're not making as much progress.

The City of Houston's recently announced Climate Action Plan (CAP) has set bold goals to improve the region's carbon emissions, sustainability, resiliency, and ability to mitigate the impacts of climate change. How will the transition of Houston's energy economy help the region achieve the CAP goals? Every bit helps. Every company in Houston, whether you're an oil and gas company or not, can take a leadership role in lowering carbon. More understanding and buy-in that people need to lower their own emissions is a great place to start. Policy certainly does matter. That's everything from building codes to bike lanes and everything in between. That's where local, county and state government can make an impact. But again, it's also all of us at the consumer level being willing to change our own behavior. As long as the consumers of energy aren't willing to make some sacrifice, we're not going to make progress. We would simply be relying on technology to drive down the cost of power and mobility, and that seems unlikely to me. It's a doable thing, but it's going to take a collective sense of responsibility. ■



Johnson Space Center
NASA's Neutral Buoyancy Laboratory

INNOVATION

Funding

Houston companies have received over \$2.3 billion in venture capital funding across more than 600 deals since '15, according to PitchBook. Health care is the largest recipient, drawing 34.1 percent of VC dollars during that period.

Talent

Houston ranks among the best cities for young entrepreneurs thanks to a large supply of young talent and strong university systems. The region is home to more than 300,000 educated millennials and 215,000 STEM professionals.

With more than 235,000 tech workers, Houston has the 12th-largest tech sector in the U.S. with a \$1.6 billion impact to the regional economy. Nearly two-thirds of Houston's high-tech workers are employed in industries other than computers and software.

Houston's Startup Ecosystem

Houston is home to more than 500 venture-backed startups in consumer and business services, health care, data analytics, software, biotech and energy sectors. A strong network of more than 35 incubators, accelerators, makerspaces and coworking spaces has helped strengthen the ecosystem in recent years. These hubs of innovation have created momentum and a critical mass of support for more startups.

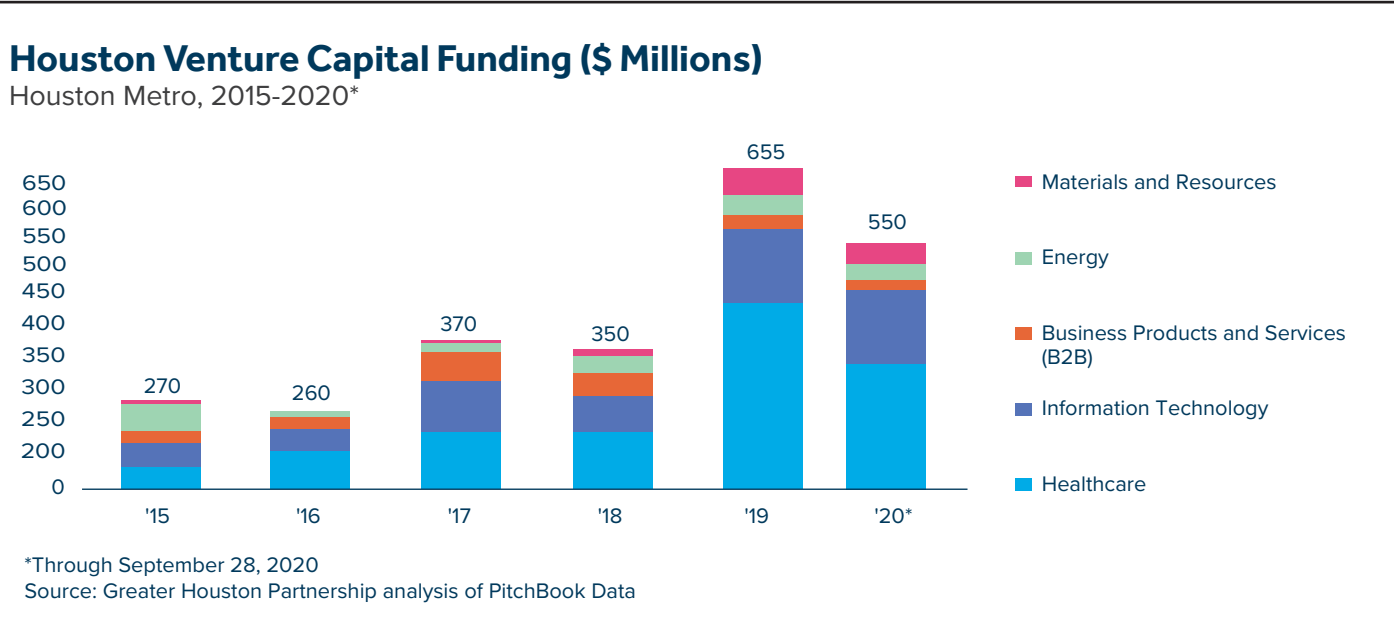
Civic Initiatives

The nonprofit Houston Exponential (HX) was formed in '17 to grow the city's digital startup ecosystem. Through its \$40 million HX Venture Fund of Funds, the organization is investing in venture capital firms that in turn invest in promising startups, all in an effort to foster digital innovation in Houston and bolster the region's tech sector.

BUILDING HOUSTON'S INNOVATION AND TECHNOLOGY ECOSYSTEM

Houston has long been known as a center of corporate and institutional innovation in areas such as energy, aerospace, and life sciences. Houston is home to hundreds of technology and R&D centers, academic research institutes, and civic research centers. Houston's workforce includes 235,800 tech jobs. In recent years, Houston's technical and engineering strengths have given rise to a thriving ecosystem of digital technology companies and life science startups. The region is home to more than 8,200 tech-related firms, including more than 500 venture-backed startups.

Select Incubators and Workspaces in Houston



Select Academic Research Organizations

The entrepreneurship programs at Rice University and University of Houston are consistently ranked as two of the nation's best, according to the Princeton Review.

- Rice University ranks third in the U.S. for graduate entrepreneurship.
- Rice's OwlsPark Accelerator has helped launch dozens of companies.
 - Rice Business Plan Competition is the richest pitch competition in the country, with awards in '20 totaling \$1.1 million.
 - In September '20, the Rice Alliance announced the creation of a new clean energy accelerator to support early-stage energy startups from around the world.

- University of Houston ranks second in the U.S. for undergraduate entrepreneurship.
- RED Labs startup incubator/accelerator has launched 24 companies.
 - Graduate students manage the university's million-dollar Cougar Venture Fund.





The Ion Rice's Ion building, located in a former Sears in Midtown Houston, opens soon.

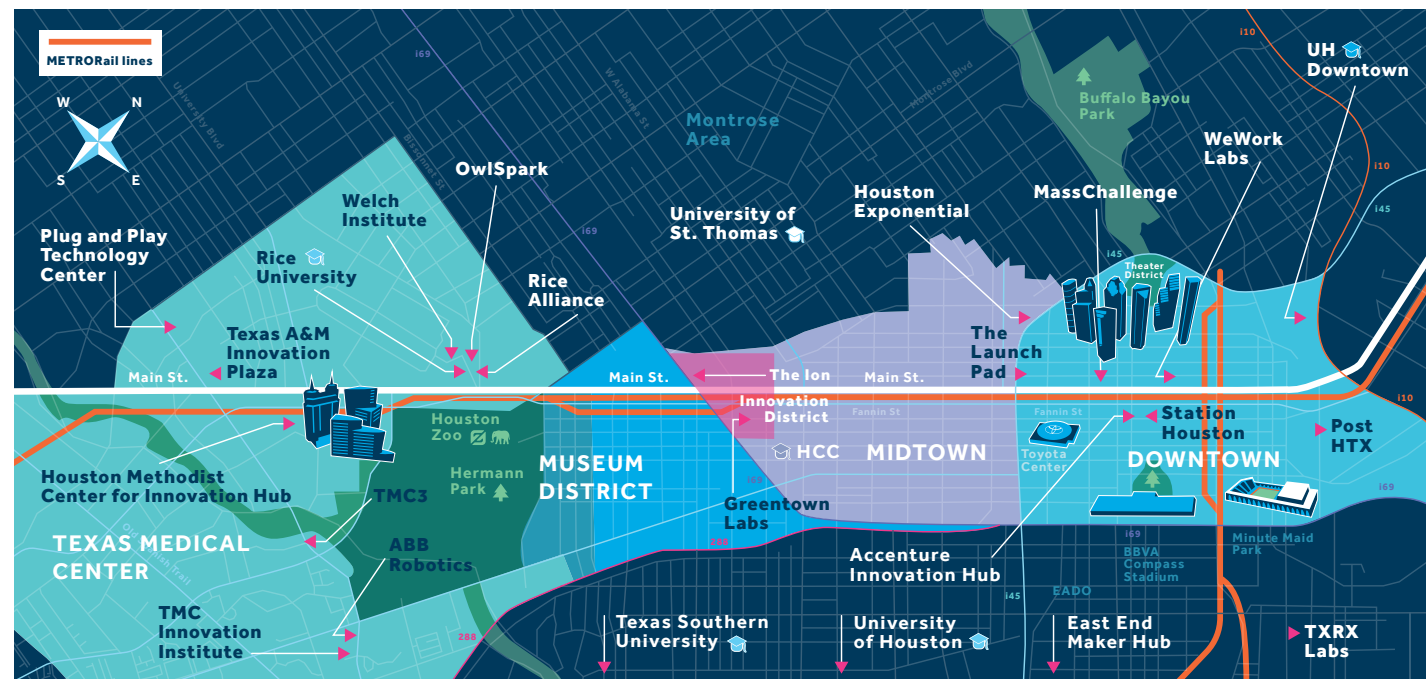
HOUSTON'S INNOVATION CORRIDOR

Houston's Innovation Corridor is at the center of an extraordinarily powerful social and economic convergence. The four-mile-long Corridor is linked by light-rail, bike lanes and sidewalks, and offers easy access to key industry and institutional players along with an unparalleled array of amenities.

Anchored on the south by the world's largest medical complex, the Texas Medical Center, along with top-ranked universities, the Corridor runs north along Houston's light-rail line through the 700-acre Hermann Park and through the Museum District. It continues past the eclectic Montrose neighborhood and through Midtown, home to a millennial-

friendly mix of housing, dining and recreational options. The Corridor reaches its northern limit in Downtown, the nexus of corporate headquarters, financial institutions and professional service firms, and a wide variety of cultural and recreational amenities.

In 2018, Rice University, along with a coalition of community leaders, announced plans to form an Innovation District near the center of the corridor in Midtown Houston. Anchoring the 16-acre district will be The Ion, set to open in '21 to serve as the central hub of innovation. At 300,000 square feet, The Ion will bring together entrepreneurs, corporations and academic institutions to collaborate under one roof.



INNOVATION



AMAZON AND GOOGLE TO OPEN NEW FACILITIES IN HOUSTON AREA

Construction is now underway in Richmond on an 850,000-square-foot fulfillment center for Amazon. The e-commerce company's state-of-the-art facility is set to open in 2021 and will employ approximately 1,000 full-time workers. The center is one of the company's next wave of facilities where employees work alongside Amazon robotics to pick, pack and ship small items for customers such as books, electronics and toys.

"We're delighted to continue our growth and investment in Texas with our new fulfillment center in Richmond," said Alicia Boler Davis, Amazon's vice president of global customer fulfillment.

Fort Bend County Judge KP George

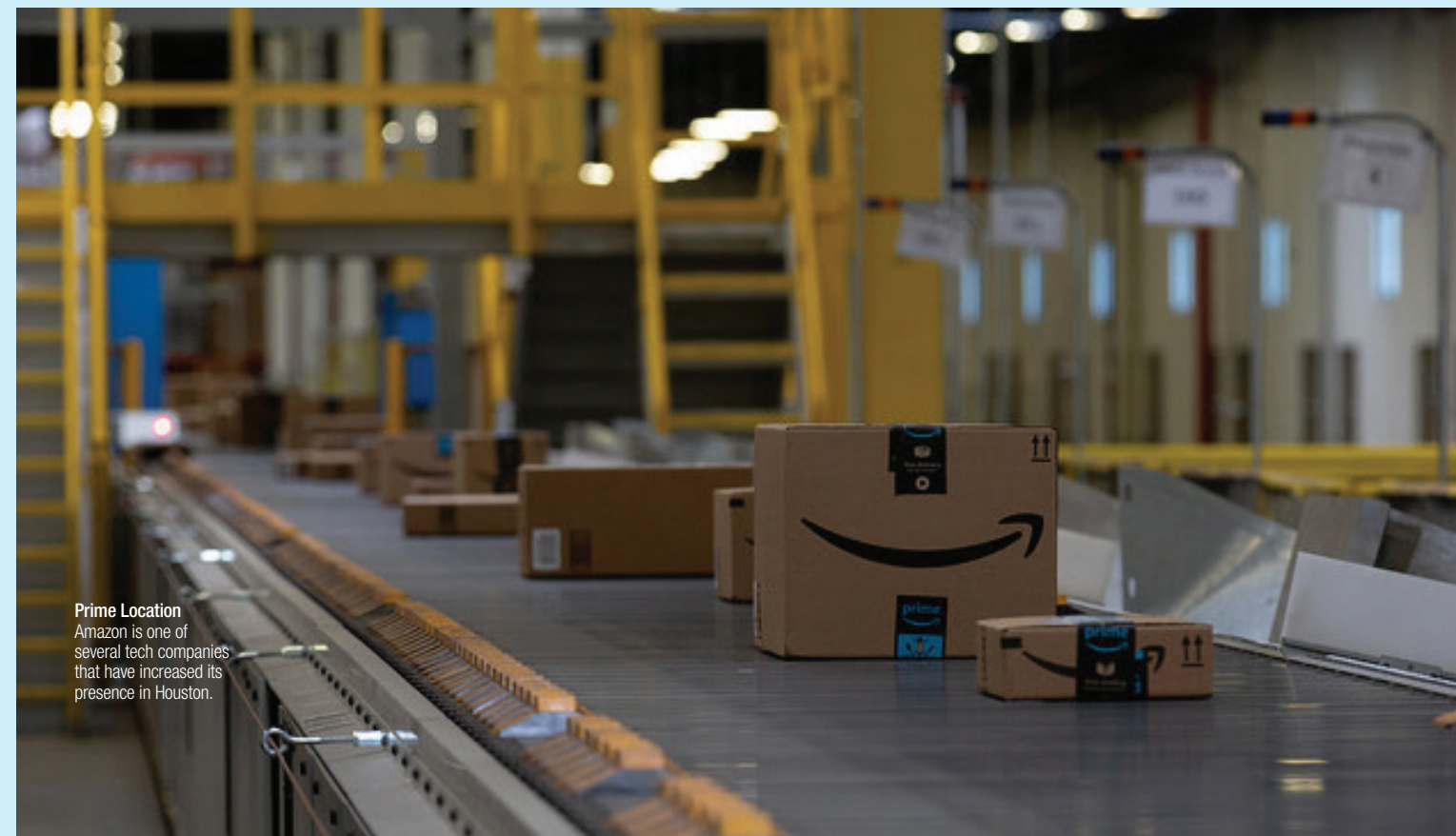
said he's proud that Amazon chose Fort Bend for this major investment. "The Fort Bend fulfillment center will generate 1,000 high-quality jobs for our community, adding tremendous value to our commercial sector. The Fort Bend Economic Development Council and the County have worked diligently with Amazon to successfully implement this major project."

The Partnership worked with Amazon in an effort to increase the company's investment in this region.

Google Inc. also announced in summer 2020 that it will open its first Houston office at One Buffalo Heights on Washington Avenue. The roughly 12,000-square-foot office, which will house Google's regional Cloud

Enterprise Sales Team, is slated to open early next year.

"Houston is an innovation city and our key industries like energy, life sciences, manufacturing and logistics, in particular, are ripe for digital disruption. Houston is a logical destination for Google's next office," said Partnership Chief Economic Development Officer Susan Davenport. "The fact that Google is opening its first office in Houston is a testament to the work we have been doing to build out innovation ecosystem. We are hopeful this will lead to increased engagement between Houston companies and Google, which will lead to an increased presence of the company in Houston as it scales its relationships."



Prime Location Amazon is one of several tech companies that have increased its presence in Houston.

ENTREPRENEUR CALLS HOUSTON A 'HIDDEN GEM' FOR COMPANY

A CLOSER LOOK

Marcelo Cordini is co-founder of December Labs, a full-service design and development company with headquarters in Montevideo, Uruguay, and an office here in Houston. Since it launched in 2014, December Labs has been helping innovative startups, growth-stage and Fortune 500 companies — from Google to Accenture — build advanced tech products that scale. The company has a footprint in health, finance, energy and entertainment.

Here, Cordini shares how his December Labs has grown in Houston, and how he currently plans to expand its footprint in Texas.

Your HQ is in Uruguay. What prompted you to open an office in Houston? While some might have chosen Silicon Valley for their U.S. HQ, Houston has been kind of a hidden gem for us. The city came on my radar for personal reasons — my wife's job drove us here — but I soon realized the many things Houston has to offer. Our company has been able to grow within the local community and ecosystem. I found entrepreneurs with great ideas, experts in their business area, and deals already closed, but they all struggled to find the right tech partner. I think we came to Houston at the right time to fill that gap.

I love the truly unique environment in one of the most diverse cities in the country, famous for healthcare, energy and aerospace. We have been lucky to partner with some of the fastest growing local startups, such as SaaS IT Automation Management provider Liongard, navigation-app Wellsite and apartment-services marketplace Spruce.

How would you describe Houston's startup ecosystem?

I'd consider Houston's startup scene to be unique, growing and diverse. Shortly after settling down in Houston, I started participating in the mentorship program of Station Houston (now part of Capital Factory) and have witnessed how the startup scene is thriving and getting more diverse each day. You might expect many companies are tapping into the health or energy sector, but I've seen everything from real estate to retail, and from finance to fitness. It inspires me to help up-and-coming entrepreneurs in their early days. I've extended my coaching activities to WeWork Labs.

How has the community changed since you came to Houston three years ago? Just a few weeks after I moved to Houston, Hurricane Harvey hit. Despite the disastrous implications, it was somehow inspirational to see how the community stayed strong. I observed a level of solidarity of people helping each other get out of this crisis. I immediately understood what so many had told me about Houston having this unique spirit.

I have seen the same level of generosity in the startup world in the last three years, and that's essential to create a winning startup ecosystem. You will always find someone willing to

Choosing Houston
Marcelo Cordini of
December Labs



help you. Accelerators and incubators have launched multiple Houston programs, many of them supported by the city government, big corporations, and top-tier universities. Startups have succeeded and raised more capital than ever before.

I'm proud to say we have been part of that change helping so many local companies get to where they're at today.

What are your future plans for December Labs in Houston?

Now more than ever, I believe we have the potential to continue strengthening the local startup and technology scene by building amazing products in Houston. Technology is at the forefront of B2B and B2C interaction, and we're excited to see how entrepreneurs and innovative companies continue to thrive in the unique environment here. For December Labs, we have concrete plans to grow our offices, hire talent, and consolidate our local footprint. We also want to continue expanding throughout Texas, where we're already working with innovative startups such as the clinical recovery platform ViviHealth in Austin. One of the things I'm enthusiastic about is to explore partnering with more traditional businesses and corporations who need to innovate, grow the technical offering, or scale their team.

AMERICA'S HEADQUARTERS CITY

Houston is a major corporate center, ranking fourth in the nation in Fortune 500 headquarters and third in Fortune 1000. Many other Fortune firms maintain U.S. offices in Houston. The region ranks sixth on the 2019 Fortune Global 500 list, and 53 of the 100 largest non-U.S.-based corporations have a presence in Houston.

Fortune 500 Companies Headquartered in Houston



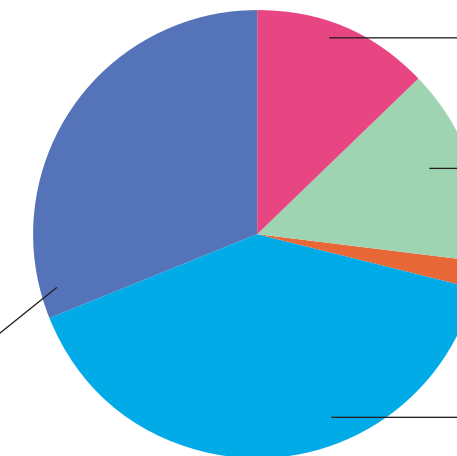
Source: Fortune, 2019

Headquarters and Corporate-Related Occupations in the Houston Metro Area

Talent

Houston has the professional and corporate services talent to support some of the world's largest companies. The region is home to over 700,000 corporate professionals, including administrative, accounting, finance and legal.

305,590 employees
Sales



153,730 employees
Business and Financial Operations

146,730 employees
Management

22,710 employees
Legal

467,400 employees
Office and Administrative Support

HEADQUARTERS

Sky High
Downtown towers
light up the night.

Real Estate

Six major business districts are accessible within minutes of executive-and international-airports

237 million square feet of total office space, with nearly 40 million square feet in Downtown alone.

Houston ranks **10th in the number of Energy Star-certified buildings** which represent annual savings of \$72 million in utilities and emissions.

Aggressive **landlord and developer incentives** creates exceptional buyer values competitive with top HQ cities



Trash and Treasure
The Waste Management
team at work

WASTE MANAGEMENT CEO: WHY WE CHOSE TO KEEP HQ IN HOUSTON

In 2018, Waste Management signed a deal to relocate its corporate headquarters to Capitol Tower in Downtown Houston. But at one time, the company was considering moving its HQ somewhere else. Nashville, Denver and Chicago were among the possibilities.

Waste Management President and CEO Jim Fish said the decision to move was prompted by the expiration of the company's leases at its two Downtown Houston buildings.

"We thought that it made sense to do a full evaluation of Downtown Houston, Houston suburbs, other Texas cities and other non-Texas U.S. cities," said Fish.

Waste Management ultimately decided to stay in Houston. The company is expected to move into its new headquarters next year, occupying nine floors of Capitol Tower. Fish said Houston's diversity and affordability factored into the decision to stay.

"With so many burgeoning neighborhoods like the Heights, the Museum District, Washington [Avenue], Montrose, and all of the restaurants, cultural activities and cosmopolitanism, Houston has become very popular with young professionals between the ages of 22 and 35. That is important to WM. Other important criteria for us were cost of living, tax structure, higher education, transportation [and] business-friendliness of the city/state, to name a few," said Fish.

As the company prepared to move to its new headquarters in Downtown, it's making other changes to its operations, including the addition of a corporate innovation and digital technology platform.

"As our business changes, we felt that it was very important to do our own innovation," said Fish. "Hence the decision to move forward with our own maker space/innovation lab. At this point, the number of jobs added in that facility is to be determined, but we are excited about the potential for the space."

The company's also focusing its efforts on sustainability.

"We continue to invest in sustainable technologies such as one that can create sustainable products from single-use plastics. We are transitioning our diesel fleet to CNG (compressed natural gas) in short order. We expect to be over 70% CNG by the end of 2020," said Fish.

As a board member of the Greater Houston Partnership, Fish has been instrumental in the organization's efforts to recruit and retain headquarters in Houston. In summer 2019, Fish joined the Partnership for a business recruitment mission to New York City.

"My main takeaway was that Houston has a lot more to sell as a great city than we give ourselves credit for," said Fish. "I've said it before: Houston has a great story to tell, we just aren't great storytellers. But we are getting much better at it."

ENERGY CAPITAL OF THE WORLD

Houston is the Energy Capital of the World and the “brain trust” for virtually every segment of the oil and gas industry, including exploration, production, transmission, marketing and supply, with a growing focus on renewable forms of energy technology. Houston employs a quarter of the nation’s jobs in oil and gas extraction. The region is home to 4,650 energy-related firms, and is at the forefront of foreign investment in energy — particularly in Mexico. Additionally, Houston’s petrochemical sector has experienced record-level growth, with \$50 billion of facility construction recently completed or underway.

Two-thirds of the global-integrated oil companies, such as ExxonMobil, Shell and Chevron,

have operations here. More than half of all oil field service firms based outside of North America have offices in Houston, and around one-fifth of the world’s national oil companies, including Saudi Aramco and Gazprom, have operations in Houston.

As these companies work to diversify technologies and generation mix, Houston’s high concentration of energy expertise and experience has meant a large number of relocations to the region in recent decades. The metro offers access to 3 million workers and more engineers than any other U.S. metro. Now, Houston is working to become the leader in energy transition, capitalizing on its talent base and industry know-how to help guide the world to a lower carbon future.

Home to the **fourth-largest number of engineers** in the U.S.

4,600+ energy-related firms in Houston

More than **600 exploration and production firms** and **1,100 oilfield service companies**

More than **180 pipeline transportation establishments**

\$3.7 billion in cleantech venture capital funding

136+ online wind projects across Texas

67 energy tech companies

ENERGY 2.0

As the brain trust of the global energy industry, Houston’s ecosystem offers a competitive advantage to energy companies working in solar, wind, biomass and other renewables activities. The region has a growing base of solar energy sources, and is home to more than 100 solar-related companies. Texas continues to pave the way by leading the nation in installed wind capacity by state, and Houston is home to 30-plus wind-related companies.

Houston is creating an environment that naturally fosters emerging digital technology companies and their R&D work by leveraging its unique strengths in talent, expertise and ability to scale. At least 21 of the Houston’s 40 corporate R&D centers are focused on energy technology and innovation. You can find a healthy mix of innovative start-ups to experienced and evolved tech companies focusing on a range of activity, including blockchain, data analytics and AI.

A
CLOSER
LOOK

NORTH AMERICA’S LARGEST CLEANTECH INCUBATOR EXPANDING TO HOUSTON IN 2021

Cleantech startup incubator Greentown Labs recently announced that it would open a Houston facility in 2021 on the south side of Midtown, near the much-anticipated Ion innovation hub.

Greentown Houston is slated to open in spring 2021 with more than 40,000 square feet of prototyping lab, office and community space for about 50 startup companies, totaling 200 to 300 employees. The facility will be within the footprint of Rice Management Company’s 16-acre Innovation District, anchored by the 300,000-square-foot Ion.

Greentown Labs announced its first-ever national expansion to Houston in June 2020, with the goal of accelerating the energy transition through entrepreneurship, innovation, and collaboration. Greentown is the largest climate tech and cleantech incubator in North America, headquartered just outside of Boston and providing space for about 100 member companies.

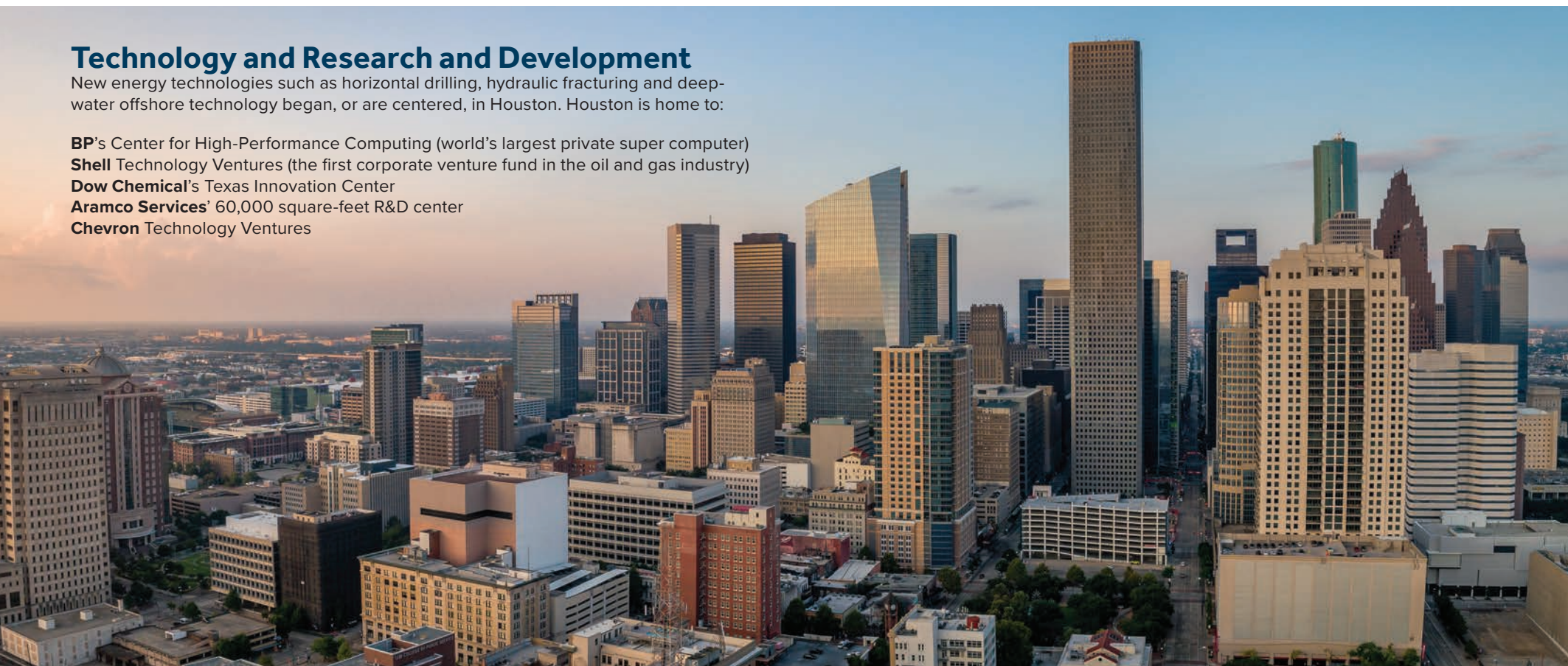
“In order to meet the urgent challenge of climate change, we must engage the talent and assets of major ecosystems around the country,” said Greentown Labs CEO Emily Reichert. “We look forward to catalyzing the Houston ecosystem’s support for climate tech startups as we work together toward a sustainable future for all.”

Greentown Houston joins a growing number of startup support organizations and startup companies already located or locating in the Midtown Innovation District, as well as Houston-based accelerator programs.

Technology and Research and Development

New energy technologies such as horizontal drilling, hydraulic fracturing and deep-water offshore technology began, or are centered, in Houston. Houston is home to:

- BP’s** Center for High-Performance Computing (world’s largest private super computer)
- Shell** Technology Ventures (the first corporate venture fund in the oil and gas industry)
- Dow Chemical’s** Texas Innovation Center
- Aramco Services’** 60,000 square-foot R&D center
- Chevron** Technology Ventures





Med Center
TMC Innovation Institute
is the site of research and
medicine breakthroughs.

BIOTECH AND LIFE SCIENCES

As a hub for medical device manufacturing, pharmaceuticals and health research, Houston has more than 1,700 life sciences companies, cutting-edge health care facilities and research institutions. The health care and life sciences industries collectively employ 320,500 workers, making these larger than Houston's energy sector.

The region's growth in employment, high concentration of key scientists, National Institutes of Health (NIH) funding, quality and quantity of educational intuitions, medical research and health services institutions, and number concentration of high-tech workers recently landed the region the number two spot in CBRE's list of emerging life sciences clusters.

Texas Medical Center

Houston is home to the largest medical center in the world — Texas Medical Center (TMC). Home to the brightest minds in medicine, TMC nurtures cross-institutional collaboration, creativity and innovation through its 61 member institutions. From some of the world's leading hospitals to the world's largest steam and chilled water facility, Houston institutions are making an impact worldwide.

Innovation

In the field of health and medical technology, the Texas Medical Center's Innovation Institute coordinates the efforts of several life science-focused incubator and accelerator programs. The organization aims to help startup companies commercialize new medical technologies by providing access to the vast resources of the world's largest medical center.

Venture capital and private equity investment in Houston life science startups totaled \$161 million in '18. Additionally, the TMC Venture Fund aims to invest \$25 million in early stage health care tech companies in Houston.

The Future

In 2018, TMC announced the creation of TMC3, a multi-institutional 30-acre research campus that brings together the best institutions in clinical care, research and industry. The campus is projected to be complete in 2022, create nearly 30,000 jobs, and bring \$5.2 billion to Texas' economy.

Texas Medical Center features:

8 million patient visits per year

50 million developed square feet

\$3 billion in construction projects recently completed or underway

106,000+ employees

8th-largest business district in the U.S.

#1 cancer center and the largest children's hospital in the U.S.

Nationally ranked in **14 specialties**



Air Ambulance
Memorial Hermann
Hospital's Life Flight

A
CLOSER
LOOK

Levit Green
The new mixed-use development in
the Med Center opens in 2021.

52-ACRE DEVELOPMENT LOOKS TO CAPITALIZE ON HOUSTON'S GROWING LIFE SCIENCES INDUSTRY

A massive new mixed-use development planned near the Texas Medical Center is the latest in a series of projects that will expand Houston's life sciences research and innovation infrastructure.

Hines plans to redevelop a 52-acre site near the intersection of Texas 288 and Holcombe Blvd., in partnership with the Levit family, which has owned the property for generations. Dubbed Levit Green, the project is slated to include a mix of office space, research facilities, retail, residential and green space.

The developers hope to build on Houston's growing life sciences sector centered around the TMC, the world's largest medical campus with more than 60 different hospitals and institutions. Construction on the first phase of Levit Green is slated to start in early 2021.

"At 15.5 percent, Houston has one of the highest five-year growth rates in life sciences establishments in the United States," said John Mooz, senior managing director at Hines. "Impressive advancements in therapeutics, science and innovation are driving demand for real estate. With multimodal connectivity and proximity to TMC, we believe Levit Green will create a new and needed destination for Houston's rapidly growing life sciences cluster."

Earlier in 2020, Texas A&M University announced plans to create Texas A&M Innovation Plaza, a \$550 million mixed-use complex on the edge of the TMC. The five-acre project being developed in phases through 2024 will include education space for the university's dual-degree program in medicine

and engineering, student housing and commercial space for clinical, research and office use. On the south end of TMC, work is slated to begin in 2020 on TMC3, a 37-acre, 1.5 million-square-foot translational research campus that will include labs and research facilities as well as commercial and retail space and a hotel/conference center. Construction on the project is expected to be completed in 2022. The *Houston Chronicle* estimates that together these projects will bring roughly \$2 billion in investment to the area around TMC.

Houston is home to more than 1,700 life sciences companies, and roughly 320,000 workers across the region are employed in healthcare and life sciences — more than the total employment of the energy sector.

MAKING HOUSTON GREATER

The Greater Houston Partnership is the region's premier business organization, representing 12 counties and more than 1,100-member companies that work together to advance Houston as a great global city. The Partnership is an Accredited Economic Development Organization as designated by the International Economic Development Council, and a certified World Trade Center.

Our Services

The Greater Houston Partnership's economic development and international investment team is a one-stop shop to confidentially assist your business growth and relocation needs. The Partnership works with the region's top business and civic leaders, including more than 35 economic development agencies at the state and local level.

REAL ESTATE
Initiate property searches

SITE TOURS
Coordinate site-selection visits and regional briefings

PERMITS
Advocacy for projects and regulatory issues

INCENTIVES
Assist in evaluating and applying for benefits

RESEARCH
Provide data on key business and site factors

ACCESS
Direct access to top business and civic leaders

For more information about Houston's business climate, or expanding in the region, visit HOUSTON.ORG





Johnson Space Center
NASA's engineering lab

A MANUFACTURING POWERHOUSE

Houston is one of the most important industrial bases in the world. There are more than 6,500 manufacturers in the region producing nearly \$85 billion in products annually. The skilled workforce includes more than 234,000 industrial workers, and Houston subsector specialties include fabricated metal, machinery and chemical manufacturing. Collectively, these subsectors represent 60 percent of Houston's total manufacturing workforce.

No. 2 among U.S. metros for manufacturing GDP

Nearly 1 in 3 manufacturers in Texas calls Houston home

27 million consumers within 300 miles and roughly half of the U.S. population within 1,000 miles

NO. 3 GLOBAL COMPETITIVE CITY IN MACHINERY AND EQUIPMENT

MANUFACTURING

Manufacturing Employment in Houston

Number of jobs

DURABLE GOODS

145,000

Fabricated Metal Product Manufacturing

52,500

Machinery Manufacturing

45,000

Computer and Electronic Product Manufacturing

13,200

Other Durable Goods Manufacturing

34,300

NON-DURABLE GOODS

83,900

Petroleum and Coal Products Manufacturing

10,000

Chemical Manufacturing

39,500

Other Non-Durable Goods Manufacturing

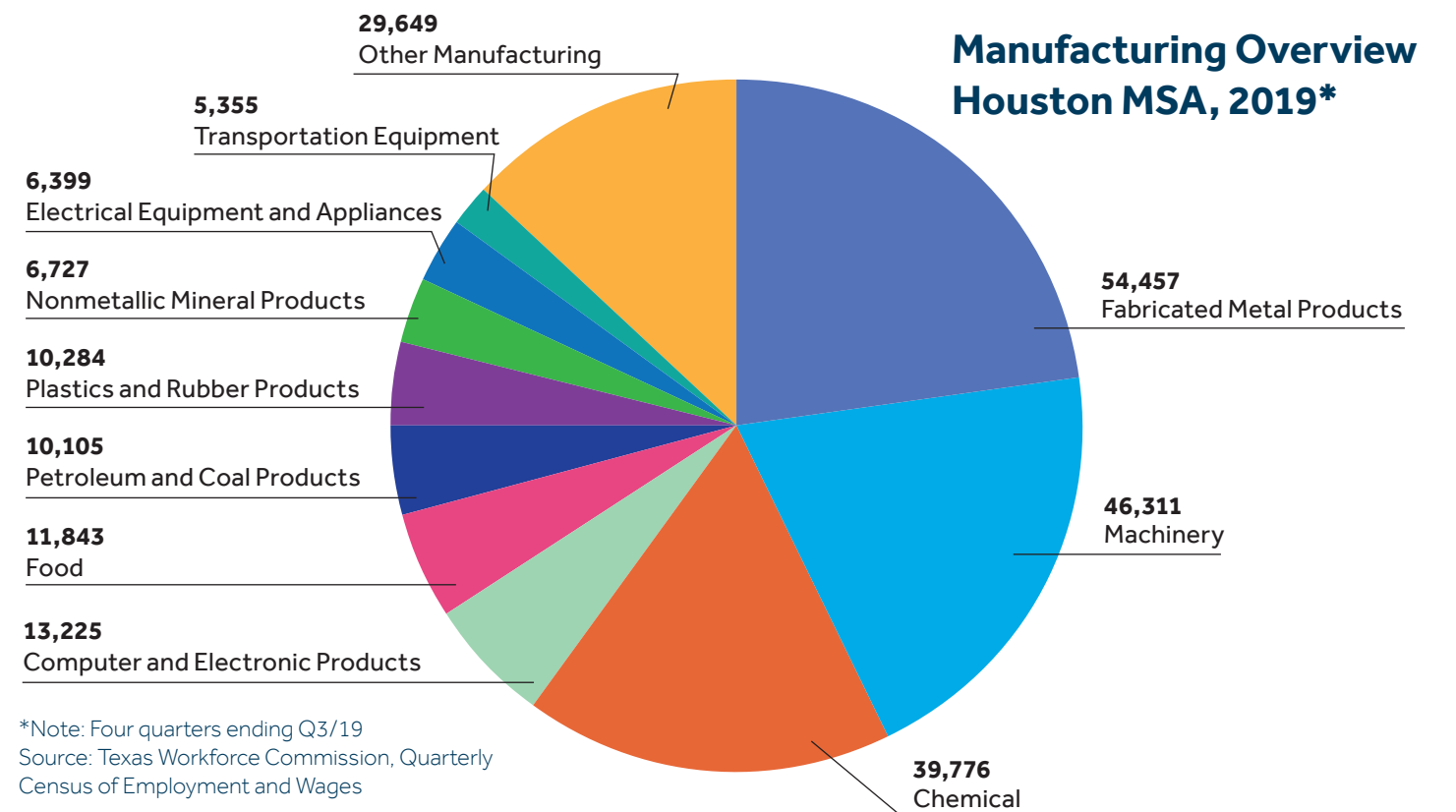
34,400

TOTAL MANUFACTURING | 229,000

Source: Texas Workforce Commission, Current Employment Statistics, 2018

Houston Manufacturing Advantage

Houston has global access to markets thanks to its central location within the U.S. and the Americas. Combine that with its world-class infrastructure around two international airports, four seaports, rail and highways, and companies can minimize their transportation and distribution costs in North America and worldwide.



*Note: Four quarters ending Q3/19
Source: Texas Workforce Commission, Quarterly Census of Employment and Wages

A CLOSER LOOK



FIRST-OF-ITS-KIND MAKERSPACE TO BRING CORPORATE NAMES, STARTUPS UNDER ONE ROOF

Phase I is nearly complete on the East End Maker Hub, a 300,000-plus-square-foot industrial makerspace in Houston's East End that will house startups and the innovation arms of major corporations like Waste Management.

The Hub, which will be equipped for prototyping, testing, small-batch manufacturing and more, will also house and support entrepreneurs, artists, crafters, innovators and legacy manufacturers who are looking to scale their businesses.

The first-of-its-kind project in Houston, and one of only a handful in the nation, has come to life through a partnership between TXX Labs and Urban Partnerships Community Development Corporation (UPCDC). The project is focused on equitable innovation and bringing back Houston's East End as a manufacturing hub.

To learn more about the project, we spoke with Jaime Herrero, Executive Director of UPCDC.

What is the East End Maker Hub and why is there a need for it in Houston? The East End Maker Hub is a 300,000-square-foot industrial makerspace and manufacturing center with

flexible commercial leasing options for small-business owners. As companies move to reduce overhead costs, our space offers Houston's crafters, innovators, fabricators and manufacturers a physical environment geared toward their specific business needs at a price they can afford.

Once completed, the industrial makerspace will be the first of its kind in Houston and one of the largest in Texas. A complete overhaul of a former Baker Hughes facility, the East End Maker Hub drew inspiration from projects like the Greenpoint Manufacturing and Design Center and the Brooklyn Navy Yard in New York, and 7800 Susquehanna in Pennsylvania. The Maker Hub will generate an estimated \$153 million in annual economic impact, and will help to reinvigorate small-batch manufacturing in the East End and further diversify Houston's economy.

How has the history of the Second Ward shaped the East End Maker Hub's mission? And how will the Hub work to amplify the culture of the East End? The Maker Hub aims to harness the East End's manufacturing reputation to create

equitable economic impact and job growth in the area. The Second Ward's immigrant and Latinx influences drive a major thread of our mission — ensuring access to production space for local business owners, particularly business owners of color. We've established several key partnerships with the East End District and Council Member Karla Cisneros to engage the neighborhood and ensure that the Hub's programming is inclusive of the area's diverse business community and public workforce.

Why is the East End a hotbed for small-batch making and manufacturing? The East End is a major manufacturing zone thanks, in large part, to the Port of Houston. The area's numerous industrial properties support production and logistics companies in addition to shipping and procurement operations along the ship channel. The rail line is another option for cargo shipping needs.

Historically, the East End has supported businesses spanning a wide spectrum of industries, from a coffee manufacturing plant to concrete manufacturing and textile factories, and, more recently, small and midsize woodworking and fabrication shops. These companies benefit from physical spaces conducive to their production needs in a convenient location where they can easily receive supplies and fulfillment shipments.

Additionally, the neighborhood's vibrant art scene is a magnet for makers and artisans. The East End supports 30+ arts and culture organizations which showcase the wealth of creative talent in the area and help to preserve the community's character.

How will the Maker Hub foster collaboration between corporate innovation teams and small businesses? Leasing space side-by-side, corporate innovation teams will connect with leading hardware innovation startups developing industry-altering products. Maker Hub tenants are part of the Hub Collective — a collaborative community that fosters grassroots innovation facilitated by local

companies and supported by corporate resources. This tight-knit community of makers and manufacturers is plugged into the wider Houston startup ecosystem, thanks to the Maker Hub's anchor tenant TXX Labs and our relationships with Houston Exponential, The Ion, the Greater Houston Partnership and more. The goal of bringing corporate innovation teams, like Waste Management's Research & Development division, to the Hub is to create new pathways for partnership for our tenants.

How will the East End Maker Hub create equitable economic growth in the Second Ward, and how will the local community be included in this growth? By offering sliding scale rent based on what small business owners can afford, the East End Maker Hub aims to increase access to production space for women and minority business owners specifically. Community outreach and involvement are a central part of this project and are a major focus of the Hub's programming, which will include job training as well as gallery shows where crafting tenants will be invited to highlight their work.

Additionally, the Maker Hub will strengthen Houston's East End by creating 400-plus local jobs directly along with 200 induced jobs annually, providing the area with long-term employment, business and retail opportunities. Through partnerships, the Hub will also provide job training to 75 adult Houstonians and welcome more than 500 young people for hands-on project-based learning annually.

What types of businesses belong at the Maker Hub? At their core, makers are creative problem solvers. This might look like making art to evoke a message or emotion, building furniture that fits a certain function or aesthetic, prototyping and testing a product or device, 3D printing, manufacturing and fabricating, welding, glassblowing, ceramics work — and so much more. The Maker Hub welcomes all crafters, innovators, fabricators and manufacturers in need of production space.



AEROSPACE AND AVIATION

Years before the historic Apollo 11 mission in 1969, Houston was a pioneering hub in the aerospace and aviation sector. But the mission didn't stop at the moon. Over the decades, Houston scientists and engineers have helped with some of the world's biggest space endeavors, including running mission control for the International Space Station for nearly 20 years. Some of the sharpest minds in aerospace and aviation technology continue to chart a vibrant future for Houston centered around NASA's Johnson Space Center and one of the world's only truly urban commercial spaceports.

Talent

The thousands of NASA employees and civilian contractors supporting JSC's operations have created a rich talent pool of aerospace expertise, positioning Houston as a leader in the emerging commercial realm of space flight. In addition, Rice Space Institute has helped to establish Rice University's international reputation in all areas of space research by investing in efforts to further the development of new ideas and innovation in the broad area that is space exploration and utilization.

The Next Frontier

Houston Spaceport is an FAA-licensed, urban commercial spaceport offering unprecedented access to a thriving aerospace community. In addition to serving as a future launch and landing site for suborbital, reusable launch vehicles, Houston Spaceport offers laboratory office space, including technology incubator space and large-scale hardware production facilities.

As a center for collaboration and innovation, Houston Spaceport is unique among the other federally licensed spaceports. Located in the fourth-largest city in the U.S. and a major hub for aerospace and aviation activities, no other spaceport can boast such a connection.

Forming a part of the Houston Airport System and situated at Ellington Airport, the spaceport fits seamlessly into one of the world's largest international travel infrastructures. In addition to improving existing facilities and services, the spaceport continues to find new and groundbreaking ways to increase value for tenants and partners.

500+ space, aviation and aerospace related firms and institutions

\$2.9 billion in total trade in aviation

11,000+ NASA Johnson Space Center employees and contractors

100+ active astronauts and astronauts in training

NASA
The Gemini V spacecraft is on display at Space Center Houston.

Ellington Field
A rendering of the
Houston Spaceport
terminal

A
CLOSER
LOOK

CREATING A WORKFORCE FOR THE TRILLION-DOLLAR SPACE ECONOMY

Thousands of aerospace industry experts, government leaders and entrepreneurs from around the world gathered in Houston in fall 2019 for SpaceCom, the international Space Commerce Conference and Exposition.

The central theme of the event was what industry leaders are calling the “trillion-dollar space economy.” In other words, what’s needed most to prepare the workforce, present and future, for this new economy?

Industry and educational leaders from around the country attempted to answer this question at one of the conference’s breakout sessions.

Here are three key takeaways from that panel discussion:

The Trillion-Dollar Space Economy is Here Now

“The idea of the trillion-dollar space economy is not a

hypothetical concept that is way off in the future,” said panelist Lon Miller, Senior Vice-President and General Manager of Jacobs. “My company is in the middle of it right now.” Miller explained that last year alone, Jacobs, an international technical professional services firm, hired nearly 300 new employees to fulfill roles in engineering, science and technology for their contract with Johnson Space Center in Houston.

Panelist Muge Wood, the Director for the Microsoft Technology Center (MTC) in Houston, agreed. She pointed to the consistent need for specialists in cloud computing, data science and cybersecurity in the tech industry.

Upskilled Workers Play a Vital Role

Across the U.S., regions are seeing a critical need for workers to fulfill middle-skill careers. These are jobs that require advanced

education and skills beyond high school, but less than a four-year college degree. Experts say this need will only grow as the space industry turns into a trillion-dollar economy.

“We have a critical need that is currently a tough skill to get, [which] are skilled technicians. They are a premium right now,” said panelist James Reuter, Associate Administrator for the Space Technology Mission Directorate (STMD) at NASA Headquarters.

To help build this workforce, San Jacinto College is working alongside industry leaders around the Houston region, as well as the Greater Houston Partnership, to help develop the marketable skills and provide these workers with the educational background they need to be successful.

“You can get a certificate, you can get associates degree, or you can get a four-year degree, but how does that tie into the workforce and what is really needed? With the work we are doing, we have to have those conversations with the workforce,” said Brenda Hellyer, Chancellor of San Jacinto College District.

Preparing the Workforce Starts in Elementary School

Experts argued the space economy is growing at such an exponential rate that it’s no longer viable to wait until students are upperclassmen in high school or in college to begin

recruiting. The panelists said their organizations are starting to recruit in elementary school.

“There is a very high demand for STEM skills, so the first thing you don’t attract those people after they are in college, you attract them as elementary students. We have to reach them out there and beyond,” said Reuter.

Reuter said that going into the elementary schools to show children at a young age that there are multiple avenues to success, especially in the STEM fields, is key to growing the workforce.

Panelists added that these elementary school programs also keep students engaged throughout their school career and have a much higher chance of not only graduating high school but going on to continue their education.

San Jacinto College has begun pre-k and elementary school programs that help instill critical thinking and math skills that often hold them back in high school.

“We are changing the way we talk to them. We used to not talk to kids until 10th or 11th grade, but now we have backed it up,” explained Hellyer. “We put the thought process that you can do more you can be more, and we do it through the whole process because you cannot wait until 9th through 12th grade that they can do this — they can break that cycle.”



Johnson Space Center
NASA's Mission Control



Gold in the Gulf
Aboard a platform rig in
the Gulf of Mexico

HOUSTON BUSINESS CLIMATE

Houston offers a competitive business environment at a favorable cost. By many measures, Houston is a tier-one city with tier-two costs. The city is also unabashedly pro-growth. As a testament to the city's strong business climate with low costs and low regulations, Houston remains one of the top four cities in the nation for business relocations and expansions.

Regulatory Advantages

The City of Houston has set priorities to support growth and innovation. The city has no local minimum wage, permitting is fast and friendly, and the cost of doing business in Houston is well below the U.S. major-metro average. Additionally, Houston has no personal or corporate income tax.

Union & Labor Costs

Texas is a right-to-work state, ensuring a choice among quality union and non-union skilled labor. Houston boasts one of the lowest unionization rates nationwide with only 2.2 percent of its private workers unionized, significantly lower than the national rate of 6.5 percent.

Taxes

Texas and Houston understand the need for a stable, friendly and transparent tax structure. Texas is one of the few states without a personal, state, or corporate income tax, which makes the cost of doing business very competitive. In 2015, Governor Greg Abbott signed House Bill 32, which permanently reduced the Texas Franchise Tax (Margin Tax) rates by 25 percent. Houston is a cost-effective location for any company looking to establish a presence or expand their current business. Houston's tax structure makes it a low-cost center for doing business. Plus, the personal tax burden in the Houston area consistently

ranks among the lowest in the nation, which makes it an attractive place for people of all backgrounds to live and work.

An Exceptional Quality of Life

Houston offers superb executive and professional lifestyle opportunities within minutes of major employment centers across the region. Houston's low cost of living means your money goes further in this region than other major global cities.

- Cost of living consistently below the national average
- Access to world class healthcare at the Texas Medical Center's institutions of excellence
- Limitless outdoor amenities (350-plus miles of bikeways, 67,000 acres of parks, 200-plus days of sunshine each year, two yacht clubs and 150-plus public and private golf courses)
- Countless pathways to careers and entry into top colleges and universities through nationally ranked K-12 public, private, charter and magnet schools
- Home to one of the nation's largest collections of fine art, museums, visual and performing arts including symphony, theaters, and countless live music venues
- Estate style homes, luxury condos, master-planned communities, waterfront or ranch style living — Houston has it all

CONTINUED FROM PREVIOUS PAGE

Utilities

The majority of Texas enjoys a deregulated energy market, thus providing electricity customers with a selection of retail electric providers and open-market competition. Electric power is distributed across the region by CenterPoint Energy, Entergy Texas, and AEP. Each of these PUC-regulated transmission and distribution utilities are the “local wires company” who ensure a high level of performance with minimal business disruptions in their respective geographic markets.

State & Local Business Incentives

Houston offers a highly competitive business environment at a favorable cost. The region is a national leader in business relocations and expansions thanks in large part to its pro-growth attitude. A range of local and state incentives are available to qualifying companies to support new, expanding and relocating activities. Most widely used programs are listed first.

Industrial Space

Houston is the nation’s sixth-largest industrial market, due in part to its large and high-growth population and its central geographic advantages as a hub for the Americas. Access to three air cargo airports, four deep-water seaports, three class-1 railroads and a vast network of interstates and interstate-quality highways help move products quickly.

The Houston region boasts more than 560 million square feet of industrial space for manufacturing, logistics and distribution and flex space in urban and rural locations. The Houston region has experienced a significant increase in construction of large-scale, industrial properties to accommodate growth of national fulfillment and regional distribution companies such as Amazon, Best Buy, Daikin, Dollar Tree, FedEx, HomeDepot, Ikea, UPS, and others.

With millions of square feet of new product recently completed or under construction, rents remain affordable for companies looking to execute new leases.

Office Space

Houston is the nation’s sixth-largest office market, with more than 226 million square feet of net rentable area and six major business districts that creates significant value and cost savings in contrast with

other major metropolitan areas.

Due to a soft office market with a large surplus of available Class A properties, many tenants negotiate highly competitive rates for effective rents. Houston also offers one of the nation’s lowest costs of finish-out for office properties across major metropolitan cities.

Land prices in Houston are cheaper than comparable sites in other major U.S. cities. Houston is one of the most affordable cities for tenants to build new office space. In a 2018 study by JLL, Houston was one of the least expensive markets to build out new offices. In recent years, Houston has also seen a significant uptick in new co-working and collaboration spaces across the region. To meet the need of tech firms, startups and small collaboration labs for global companies, new facilities have opened courtesy of StationHouston, WeWork, Headquarters, The Cannon and others. Maker space is also available at several locations across the region.

Space for Every Type of Company

- Six major business districts are accessible within minutes of executive and international airports.
- 116+ million square-feet of Class A office, many full of corporate and lifestyle amenities
- Houston ranks 10th in the number of Energy Star-certified buildings which represent annual savings of \$40 million in utilities and emissions.
- Aggressive landlord and developer incentives creates exceptional buyer values competitive with top HQ cities.

Office Space Costs

Second Quarter 2020

URBAN AREA	AVERAGE ASKING PRICE (\$ PER SQUARE FOOT*)	VACANCY RATE (%)
ATLANTA, GA	\$29.80	18.1
BALTIMORE, MD	\$25.46	16.1
CHICAGO, IL	\$34.76	16.7
DALLAS, TX	\$29.21	21.4
DENVER, CO	\$31.90	14.2
FORT LAUDERDALE, FL	\$35.41	13.0
HOUSTON, TX	\$31.33	23.1
LOS ANGELES, CA	\$44.89	13.3
PHILADELPHIA, PA	\$28.51	13.6
SAN FRANCISCO, CA	\$91.62	7.9
WASHINGTON, DC	\$42.63	16.6

Source: Jones Lang LaSalle

People Power
The region's workforce includes 234,000 industrial workers.



STRATEGIC ACCESS TO MOVE PEOPLE & GOODS

Whether by land, air or sea, Houston offers an impressive array of logistical and distribution channels that businesses count on to meet the demands of today's fast-paced marketplace. With a location that's equidistant from the East and West coasts, and just hours by air from any metro area in the country, Houston is an ideal hub for companies that need national distribution for their products. Companies that locate in Houston can reach nearly 50% of the U.S. population within a 1,000-mile radius.

Airports

The Houston Airport System ranks as one of the largest multi-airport systems in North America. The system is comprised of George Bush Intercontinental Airport (IAH), William P. Hobby Airport (HOU) and Ellington Airport (EFD). Scheduled and charter passenger carriers fly directly to approximately 180+ domestic and international destinations from Houston.

Railroads

As one of the nation's busiest rail centers, the Houston region has three class-one railways with a rail network of more than 800 miles of track. Fourteen mainline tracks radiate from Houston and approximately 2,200 trains per week travel within the Houston region's rail network. The widespread coverage of BNSF, KCS and Union Pacific and others connects Houston with all major markets across the country.

Ports

Houston was the top U.S. metro exporter in 2019 by weight, and is home to a number of ports, including the ports of Houston, Galveston, Freeport and Texas City.

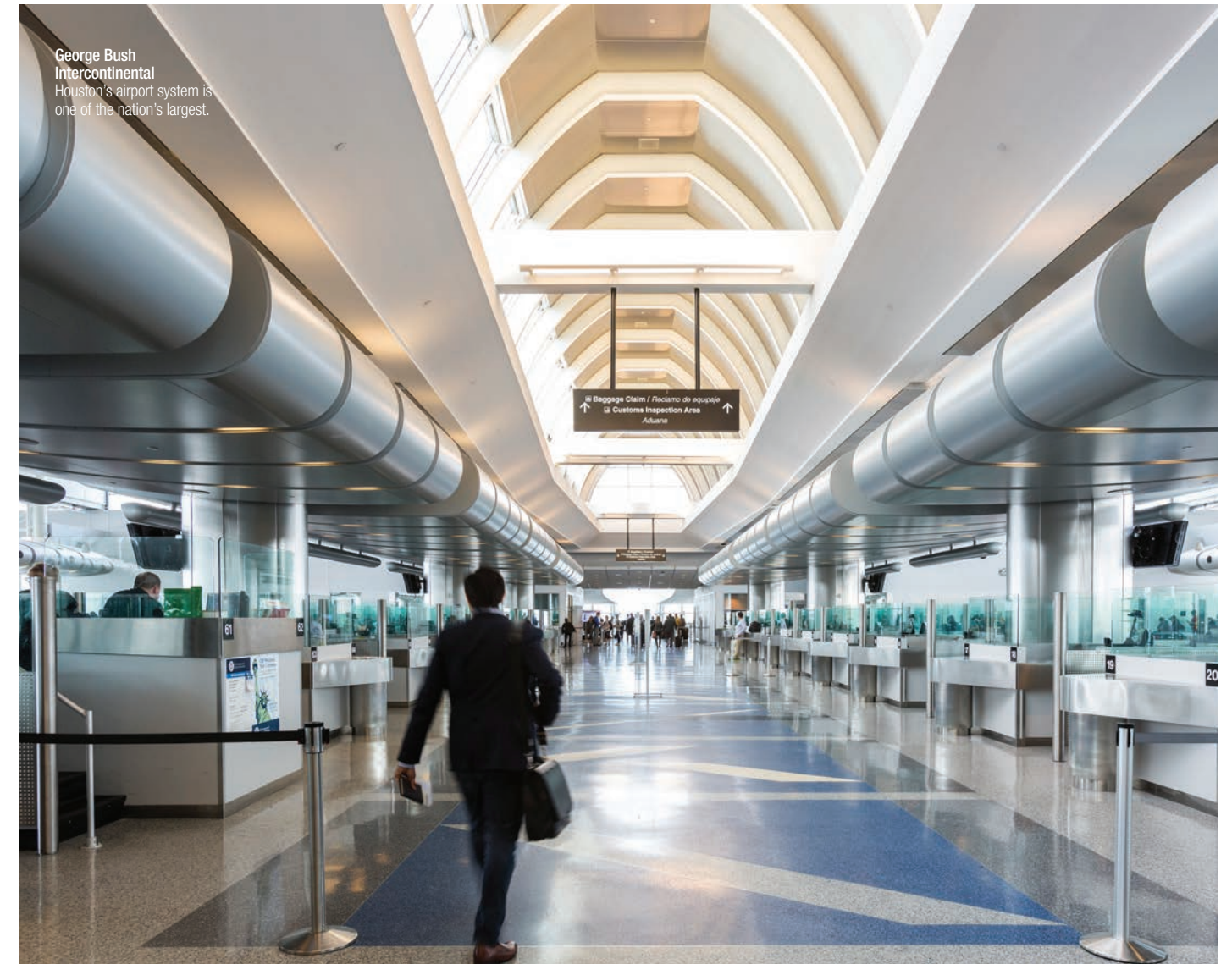
The Port of Houston is the number one port in the U.S. in terms of foreign waterborne tonnage, and the number one break bulk port in America. An environmental and security leader, Port Houston was the first U.S. port to achieve both ISO14001 and ISO28000 certifications. Port Houston is the largest container port on the Gulf Coast, handling 69% of Gulf Coast container traffic in 2018 and ranked the sixth largest U.S. container port by total TEUs in 2018. The region's ports are investing heavily to increase container and break-bulk cargo capacity.

Daily Nonstop Destinations from Houston

180+ Nonstop Destinations



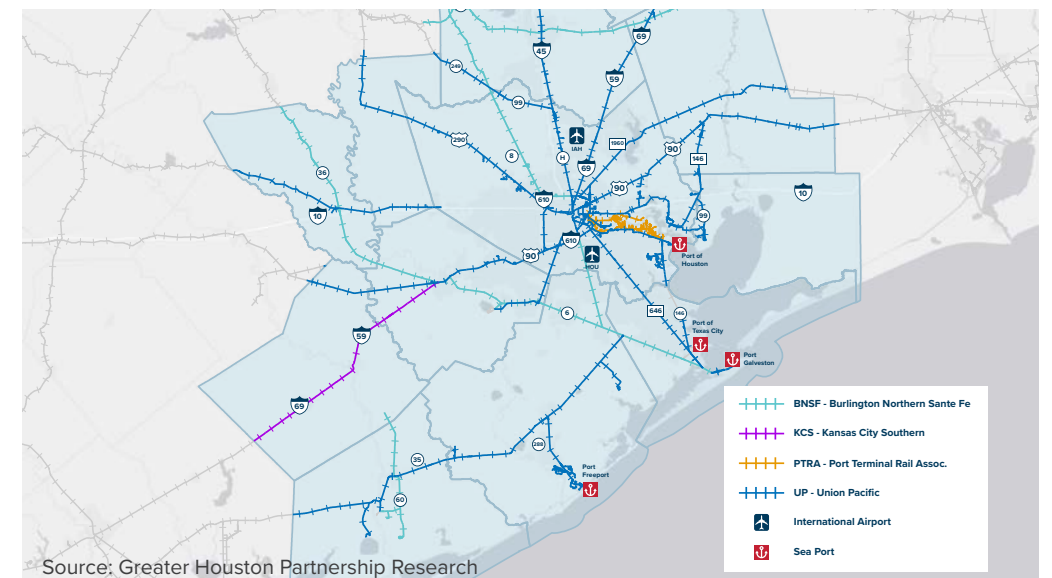
STRATEGICALLY LOCATED HUB FOR THE AMERICAS



Highways

Houston's extensive highway system is well integrated with the Port of Houston, Houston Intercontinental Airport (IAH), Hobby Airport, Ellington Airport, and the mainline railroads serving the city. Houston is at the crossroads of Interstate Highways 10, 45 and 69. When connections are complete, I-69 will link Canada, the U.S. industrial Midwest, Texas and Mexico.

Houston has a "three-loop system," enabling easy connections across the region including Interstate 610, Beltway 8 and Highway 99.



REGIONAL ALLIES



Colorful Community
This mural in Downtown depicts one of the city's mottos.

ECONOMIC DEVELOPMENT ORGANIZATIONS

Bay Area Houston
Economic Partnership
bayareahouston.com

Baytown/West Chambers
County Economic Development
Foundation
281-420-2961

BNSF
bnsf.com

Brookshire Economic
Development
brookshiretexas.org

CenterPoint Energy
centerpointenergy.com

Central Houston, Inc.
centralhouston.org

City of Alvin
alvin-tx.gov

City of Deer Park
deerparktx.gov

City of Friendswood
ci.friendswood.tx.us

City of Fulshear
fulsheartexas.gov

City of Hitchcock
cityofhitchcock.org

City of Houston
houstontx.gov

City of Huntsville
huntsvilletx.gov

City of Kemah
kemah-tx.gov

City of La Porte
laportetx.gov

City of League City
leaguacity.com

City of Meadows Place
cityofmeadowsplace.org

City of Missouri City
missouricitytx.gov

City of Mont Bellevue
montbelvieu.net

City of Pasadena
ci.pasadena.tx.us

City of Rosenberg
rosenbergecodev.com

City of Santa Fe
ci.santa-fe.tx.us

City of Seabrook
seabrooktx.gov

City of Sugar Land
sugarlandtx.gov

City of Texas City
texas-city-tx.gov

City of Webster
cityofwebster.com

City of Willis
ci.willis.tx.us

City Development Corporation
of El Campo
elcampoeco.org

Cy-Fair Houston Chamber
of Commerce
cyfairchamber.com

Dayton Community
Development Corp.
daytonx.retail360.us

Development Corporation
of Richmond
richmondtx.gov

East Montgomery County
Improvement District
emctx.com

Economic Alliance
Houston Port Region
allianceportregion.com

The Economic Development
Alliance for Brazoria County
eda-bc.com

Energy Corridor
Management District
energycorridor.org

Entergy Texas
entergy-texas.com

Fort Bend County
fortbendcountytx.gov

Galveston County
Economic Alliance
gcea.us

Galveston Economic
Development Partnership
gedp.org

Greater Conroe Economic
Development Council
gcedc.org

Greater East End
Management District
greatereastend.com

Greater Fort Bend Economic
Development Council
fortbendcounty.org

Greater Houston Partnership
ghp.org

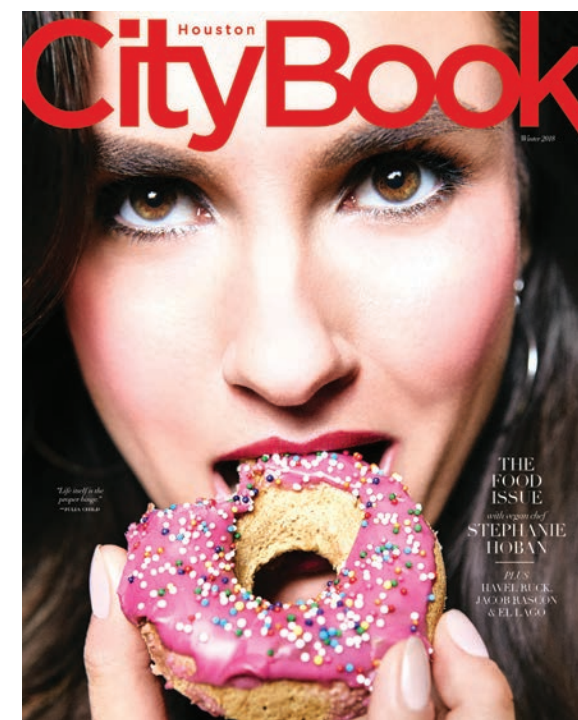
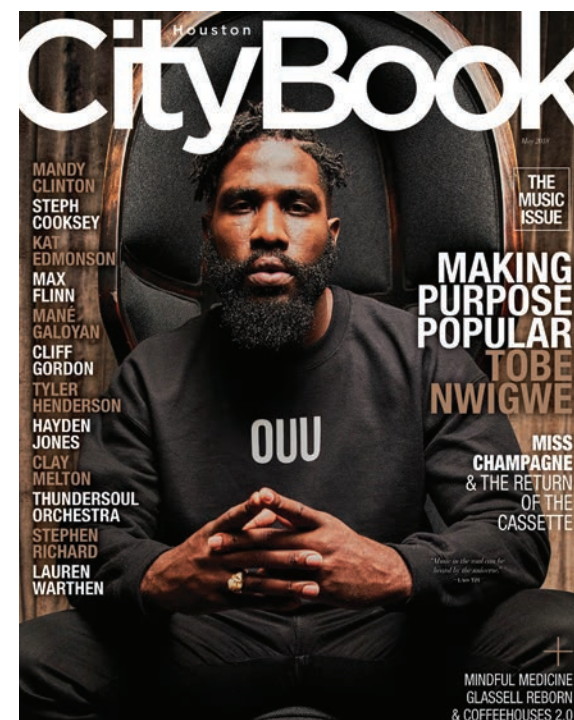
Greater Northside
Management District
greaternorthside.org

Harris County
budget.harriscountytx.org

Houston East End Chamber of
Commerce
eecoc.org

Houston Intercontinental
Chamber of Commerce
houstonicc.org

Houston-Galveston Area Council
h-gac.com



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