

**AGENDA – WORKSHOP OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, TO BE HELD ON MONDAY, AUGUST 20, 2012, AT 7:30 P.M., IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.**

**I. CALL TO ORDER**

**II. PURPOSE OF THE WORKSHOP:**

1. **COUNCIL INPUT AND DISCUSSION:** REGARDING A PROPOSED PLANNED DEVELOPMENT KNOWN AS BUSINESS CENTER PLANNED DEVELOPMENT.  
*Mr. Harold Ellis, Senior Planner.*
2. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE CREATION OF AN ADVISORY BOARD FOR THE PEARLAND DESTINATION MARKETING DIVISION. *City Council.*
3. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE EMPLOYEE INSURANCE BENEFITS FOR STOP LOSS AND ADMINISTRATION SERVICES. *Mr. Brent Weegar, IPS Advisors.*
4. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE PROPOSED FISCAL YEAR 2012-2013 ANNUAL BUDGET.  
*Mr. Bill Eisen, City Manager.*
5. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE THIRD QUARTER 2012 FINANCIAL SNAPSHOT.  
*Ms. Claire Bogard, Finance Director.*

**III. ADJOURNMENT**

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing at 281-652-1840 prior to the meeting so that appropriate arrangements can be made.

# Workshop Item No. 1

1. **COUNCIL INPUT AND DISCUSSION:** REGARDING A PROPOSED PLANNED DEVELOPMENT KNOWN AS BUSINESS CENTER PLANNED DEVELOPMENT. *Mr. Harold Ellis, Senior Planner.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b> August 20, 2012	<b>ITEM NO.:</b> Workshop Item No. 1
<b>DATE SUBMITTED:</b> August 14, 2012	<b>DEPT. OF ORIGIN:</b> Planning
<b>PREPARED BY:</b> Harold Ellis	<b>PRESENTOR:</b> Harold Ellis
<b>REVIEWED BY:</b> Mike Hodge	<b>REVIEW DATE:</b> August 14, 2012
<b>SUBJECT: Request of Kerry Gilbert &amp; Associates, applicant, for a Joint Workshop regarding a proposed Planned Development known as Business Center PD</b>	
<b>EXHIBITS: 1) Vicinity and Zoning Map; 2) Aerial Map; 3) Submitted Planned Development Document</b>	
<b>EXPENDITURE REQUIRED:</b> N/A	<b>AMOUNT BUDGETED:</b> N/A
<b>AMOUNT AVAILABLE:</b> N/A	<b>PROJECT NO.:</b> N/A
<b>ACCOUNT NO.:</b> N/A	
<b>ADDITIONAL APPROPRIATION REQUIRED:</b> N/A	
<b>ACCOUNT NO.:</b> N/A	
<b>PROJECT NO.:</b> N/A	
<b>To be completed by Department:</b>	
<input type="checkbox"/> Finance	<input type="checkbox"/> Legal
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution

**EXECUTIVE SUMMARY**

This workshop is to discuss a request for a Planned Development (PD) to be located at the northwest corner of State Highway 288 and County Road 59, referred to as Business Center PD. The property consists of approximately 38.9 acres and is currently undeveloped. The existing zoning for the property is Business Park District-288 (BP288). The property is divided by Business Center Drive, and is generally located southeast of Pearland Town Center.

The applicant, Kerry Gilbert & Associates, is proposing a development divided into three Land Use Areas, as indicated in their submittal, including a variety of proposed commercial developments, such as restaurants, hotels, auto related uses (gas, wash, and minor auto repair), senior multi-family housing, museum, and manufacturing. At this time a site plan has not been submitted indicated actual building locations. The proposed base zoning for the property is BP-288.

Staff has been working with the applicant over the past few weeks, and has provided the applicant a list of outstanding clarifications needed. An update will be provided at the workshop, if there are any items that remain to be clarified.

**Preliminary Staff Concerns:**

Engineering:

1. Add a note in the PD that a drainage analysis will be provided to ensure that the detention pond at 176' width will provide adequate capacity.
2. Add a note on the exhibits that the driveway locations are conceptual and will be finalized at the time of commercial site review.

Parks and Recreation:

1. Need a 10 foot trail on the north side of 59. This can be achieved by a 10' wide sidewalk . This needs to be included on page 6, as note #14 after Detention.

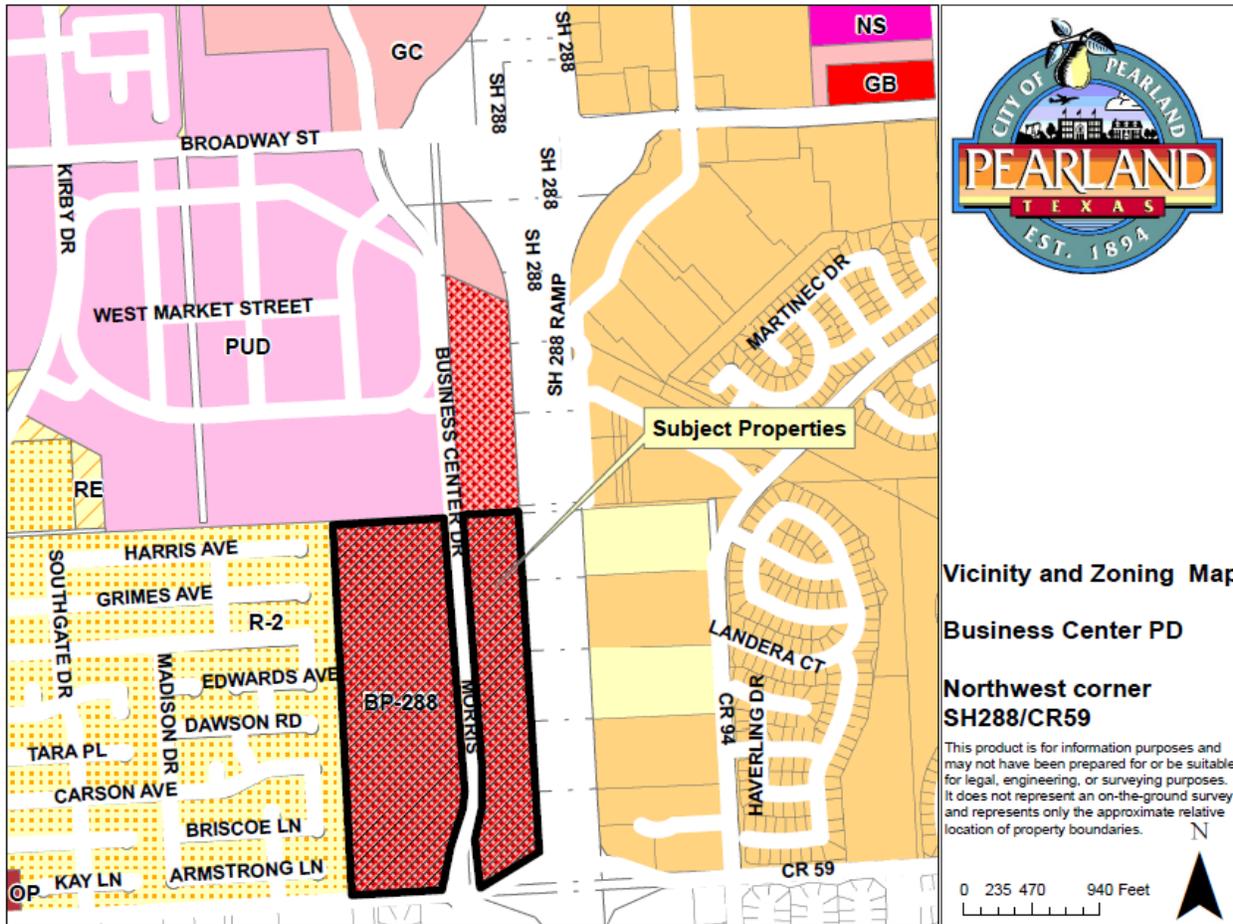
Planning:

An update will be provided at the workshop.

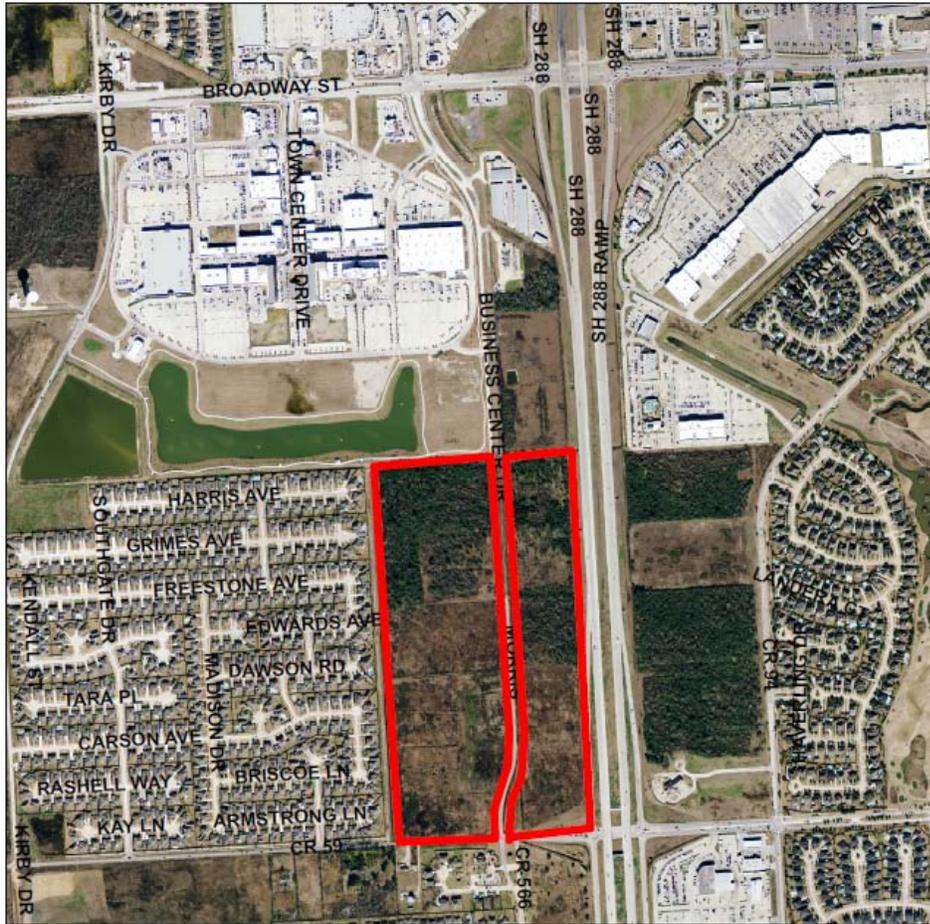
**Staff Recommendation**

Conduct the workshop and provide direction to staff.

**Exhibit 1 – Vicinity and Zoning Map:**



**Exhibit 2 – Aerial Map:**



**Aerial Map**

**Business Center PD**

**Northwest corner  
SH288/CR59**

This product is for information purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

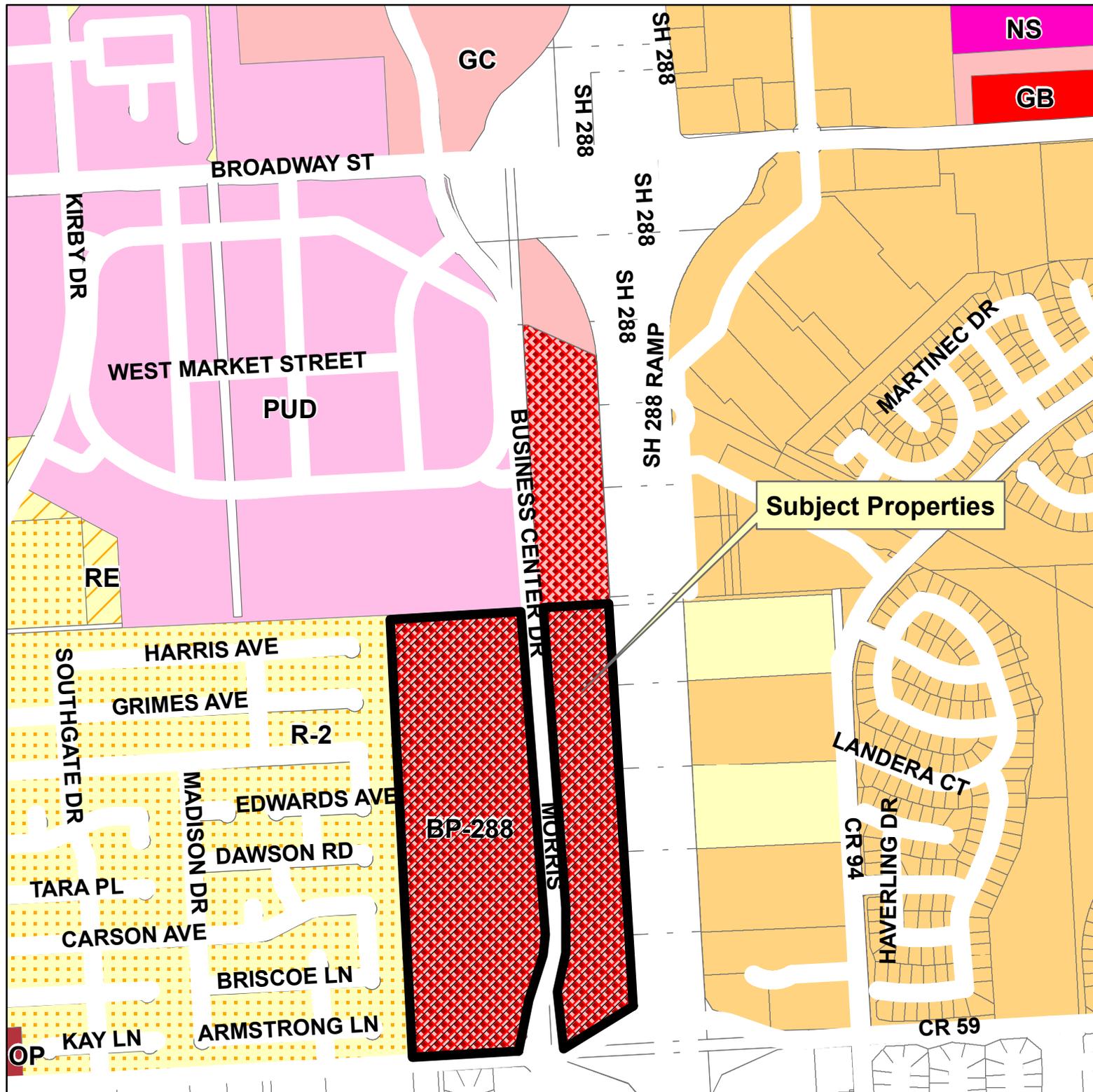
0 235 470 940 Feet





**Exhibit 3 – Planned Development Document Submitted:**

(attached)



### Vicinity and Zoning Map

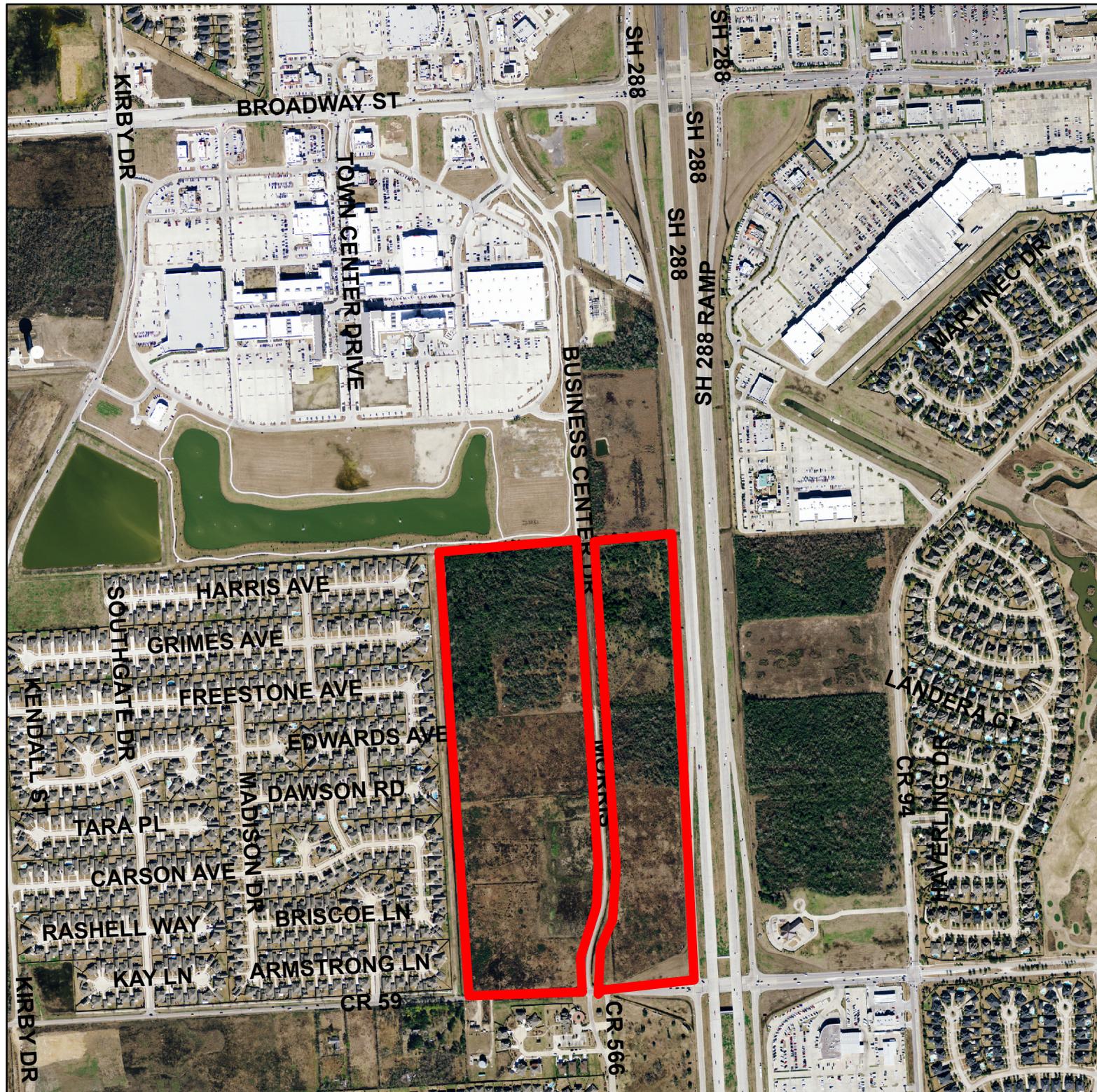
### Business Center PD

### Northwest corner SH288/CR59

This product is for information purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

0 235 470 940 Feet





**Aerial Map**

**Business Center PD**

**Northwest corner  
SH288/CR59**

This product is for information purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

0 235 470 940 Feet



Exhibit 3

## Business Center PD

Prepared for:

Parkside 59/288, Ltd.

Prepared by:

Kerry R. Gilbert & Assoc., Inc.

July 20, 2012

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## **I. Introduction**

### **A. Description of Property**

Parkside 59/288, Ltd. is the owner of the subject property which contains +38.9 acres of land and is located at the northwest corner of CR 59 and US 288. Business Center Drive extends north to Broadway, bisecting the property into two developable tracts. Business Center Drive will also provide the primary entry points into each of the two tracts. Driveway access will also be taken from CR 59 to the south; however, there will be no direct driveway access to US 288 to the east. A 60 foot wide Brazoria County Drainage District Easement forms the western boundary of the tract. South Gate, a single-family residential subdivision is situated west of the drainage easement and proposed 176 foot wide detention pond. The subject tract is vacant, except for an asphalt roadway (the location of future Business Center Drive) that dead ends at northern edge of the property. Exhibit A – Location Map and Exhibit B – Survey depicts the location and boundary of project.

### **B. Description of Proposed Development**

The location of this project at the intersection of a major highway and a major thoroughfare lends itself for commercial, retail, and office development. There are a variety of possible uses for each tract, including small pad sites (banks, restaurants, gas station/convenience store, etc.), large big box retail (home improvement store, grocery store, etc.), hotel/motel, senior living facility and office buildings.

Exhibit D – Land Use Areas illustrates how the subject tract is affected by the future extension of Business Center Drive. Business Center Drive bisects the project into two commercial areas +9.7 acres east of Business Center Drive and +29.2 acres on the west. The storm water detention requirement of +6.8 acres will be located along the western boundary and provide an excellent buffer between the commercial and residential development. The width of the proposed detention is 176' wide which provides a significant buffer distance between the residential and commercial developments. Construction of the fence will occur as the development in LUA 2 and 3 occur.

Exhibit D – Land Use Areas shows the location of the detention between the single family residential and the commercial.

### **C. Describe the area of land in acreage and legal description**

Approximately 38.9 acres comprise the subject site. Exhibit B – Survey, Metes & Bounds description, describes the site.

### **D. Statement as to the purpose and intent of the PD**

The intent of this PD is to allow flexibility of uses with the commercial, retail, and office land uses within the project.

## II. Zoning and Land Uses

### A. Describe existing zoning district surrounding the site

The site is zoned BP-288. The surrounding uses are as follows:

- North: Pearland Town Center PUD and BP-288
- West: R-2 (Southgate neighborhood, Brazoria County Drainage District Easement)
- South: ETJ (single-family residential use),
- East: ETJ (vacant)

Exhibit C – Surrounding Properties/Zoning Map depicts the zoning districts of the adjacent tracts.

### B. Describe the acreage difference between the Base Zoning and proposed district

The base zoning district is BP-288. The proposed district overlays the entire 38.9 acre tract since the location of each specific land use has not yet been determined.

### C. General standards applicable to project

Land uses along US 288 will conform to the BP-288 District (Section 2.4.3.3) and the land uses along Business Center Drive will conform to the Corridor Overlay District (Section 2.4.5.1) except for the specific design standards listed in III. Design Standards Section C of this document.

### D. Permitted and conditional uses allowed

The intent of the PD is to allow for a variety of land uses, including a mix of commercial, office, senior housing, hotel/motel, retail and restaurants. To this end, three distinct Land Use Areas (LUA) are being defined that would confine specific land uses to certain portions of the tract. Location and size of a tract coupled with market conditions are factors in determining the best use for the tract. The LUA designations define the best uses for the tract and set specific design elements for particular uses. The design elements set up standards based on the land use.

Exhibit D – Land Use Areas depicts three land use areas and the respective acreage within each area. The table below lists the potential types of uses within each LUA plus design elements specific to those uses. Any land use permitted or conditionally permitted in the BP-288 district listed in the UDC Land Use Matrix is allowed along with the additional uses listed in the Land Use Area Table within this document. Any uses listed in the Land Use Area Table below are considered Permitted Uses in addition to the Permitted uses in the UDC Land Use Matrix for BP-288. The land uses listed in the table below are restricted to that specific Land Use Area. Additionally, the land uses listed are restricted to a maximum acreage within that specific Land Use Area. The acreage for that use is listed next to the use.

The acreage within each LUA may shift within 15% to allow for flexibility in land uses. The size of the LUA could change depending upon the actual use that is constructed so the ability to increase and decrease the acreage within the LUA is important.

Land Use Area Table

	<b>Types of Uses and Maximum Acreages</b>	<b>Design Element</b>
<p><b>Land Use Area 1</b>  ± 9.9 Acres</p>	<p>Restaurant (Drive-thru)*.....(9.9 acres)                      Restaurant (Dine-in)..... (9.9 acres)                      Hotel/Motel and Extended Stay**...(6 acres)                      Gas/Convenience Store ***.....(3 acres)                      Auto Repair (minor) .....(5 acres)                      Auto Wash (full service/detail) .....(5 acres)                      Auto Wash (self-service) .....(5 acres)                      Laundry/ Dry Cleaning .....(2 acres)                      Garden / Nursery Store .....(8 acres)                      Shopping Center .....(8 acres)</p>	<p>Shared Driveways</p> <p>Orientation of bay windows shall not face Business Center Drive.</p> <p>Drive-thru windows that face the street will be buffered per Section 2.4.5.1.J of the UDC.</p>
<p><b>Land Use Area 2</b>  ±5.8 Acres</p>	<p>Restaurant (Drive-thru)* .....(5.8 acres)                      Restaurant (Dine-in) .....(5.8 acres)                      Gas/Convenience Store ***.....(3 acres)                      Auto Wash (self-service) associated with a gas station</p>	<p>Shared Driveways</p> <p>Orientation of bay windows shall not face Business Center Drive.</p> <p>Drive-thru windows that face the street will be buffered per Section 2.4.5.1.J of the UDC.</p>
<p><b>Land Use Area 3</b>  ±23.4 Acres</p>	<p>Senior Housing Complex .....(14 acres)                      Flex / Back Office .....(12 acres)                      Museum .....(5 acres)                      Bio-tech, High-tech manufacturing (10 acres)                      Shopping Center .....(12 acres)</p>	<p>Shared Driveways</p> <p>Senior Housing Complex is intended for housing by persons 55 years of age or older and that at least 80% of the occupied units are occupied by at least one person who is 55 or older. The design of the complex will incorporate interior hallways.</p> <p>Businesses to be oriented towards Business Center Drive, or if designed with a motor court, business can be oriented towards another business.</p> <p>Orientation of overhead doors and bay windows shall not face Business Center Drive</p>

\* Restaurant (Drive-Thru) limited to three (3) establishments in LUA 1 and two (2) establishments in LUA 2.

\*\* Hotel/Motel/Extended Stay limited to two (2) establishments in LUA 1.

\*\*\*Gas/Convenience Store limited to one (1) facility in LUA 1 and one (1) facility in LUA 2.

### III. Design Standards

#### A. Design Standards

1. Building Design: Architectural Guidelines will be utilized that will encourage architectural compatibility with the various entities that will be developed in the project. Building location will also be a consideration. All buildings should incorporate clean functional design. Building mass should be simple, geometric and finished in the same materials on all sides. Building mounted signage or sign bands, where necessary, should be integrated into the elevation design. The sides and backs of buildings should be architecturally consistent with the front. Side or back elevations which are most often viewed by the general public may require as much attention as the front elevation. Roof lines, architectural detailing and landscaping are all features that can utilize to accomplish this objective. Multi-tenant buildings will be constructed with compatible materials and design characteristics in order to present the identity of an organized building cluster. There will be a compatible family of design elements in building form and materials, roof lines, colors and landscaping.

2. Exterior Materials and Colors: All exterior materials shall complement the architectural design and the overall image of the community in which it is located. Building shall be constructed with compatible materials, textures, colors and forms. No more than three (3) dominant materials should be used on a building exterior. Acceptable materials are concrete, concrete block, glass, glass block, brick, split face concrete block, stone, wood, metal, stucco and stucco-like materials. Corrugated steel or aluminum siding, industrial building systems, and plastic are materials prohibited from use unless the use of material is not visible from the public or adjacent sites. Earth tones with limited pastel alternative as recommended for dominant wall colors for build materials. An accent color may be applied to trim, fascia boards, door panels, or miscellaneous metals. Accent colors will not exceed more than 20% of the building façade for any side of the building. Prohibited colors include colors considered to be fluorescent, iridescent, or dayglo. Also prohibited are the colors purple and pink.

3. Setbacks: Setbacks apply to tracts that abut a public street right-of-way.  
Front: 15'  
Side: 15'

4. Landscaping: A landscaping plan will be developed along the perimeter of the project to ensure uniformity. The landscaping plan will be in conformance with the Corridor Overlay District along Business Center Drive and BP-288 District along US 288 for landscaping, parking lot screening, trash receptacle screening and tree plantings.

5. Lighting: Lighting provides a sense of safety and security throughout the area. Lighting in the parking lots and on the commercial buildings will be in conformance with the current City of Pearland Code.

6. Outside Storage: Outside storage operations are allowed only for those businesses in which outside storage is a function of the business, such as a nursery. The outside storage must be screened from public view and those standards will be in conformance with the current City of Pearland Code.

7. Signage: The control of signs is an important component to the visual harmony of the project. A signage plan will be developed requiring a uniform use of material for each monument sign and multi-tenant sign. Pylon signs are prohibited. Monument signs may be located inside the landscape area along the street right-of-way; the leading edge of the sign shall be at least 5 feet from the property line and the sign shall be perpendicular to the right-of-way. Uses developed within LUA 1 will be allowed signage on both Business Center Drive and US 288.

*On-premise ground signs* – Each business can have one sign per street frontage (frontage is at least 100'). The maximum height of the sign shall not exceed 8 feet (does not include the 2 foot base). The maximum sign area is 100 square feet.

*Multi-tenant signs* – One sign per 600' along Business Center Drive and one sign per 1,000' along US 288. The maximum height is 15' (not including the 2' base) along Business Center Drive and the maximum height along US 288 is 22' (not including the 2' base).

The design and dimension of the signs have not yet been determined, however, Exhibits E thru H illustrate sample signage design for single tenant monument signs and multi-tenant signs along CR 59, Business Center Drive and US 288.

8. Parking: On and off street parking requirements will be in conformance with the City of Pearland UDC. Bicycle parking will also be in conformance with the Section 2.4.5.1.F in the Corridor Overlay District.

9. Service Access and Service Areas: Service drives and service areas should not interfere with parking, driveways or walkways and must be screened from adjoining properties, all public right-of-way and from the office area of any other building which share the site. Ideally, a service area should be provided at the rear (side opposed the street) of all buildings. Service areas which are recessed into the buildings are preferred.

10. Vehicular Access: Location of ingress and egress will be controlled. Vehicular access will be designed to minimize auto-pedestrian conflicts, minimize curb-cuts, maximize curb cut distances along the public right-of-way and minimize automobile conflicts. Shared driveways will be planned to limit the number of driveways along CR 59 and Business Center Drive. Parkside 59/288, Ltd. has been working with the City of Pearland on the design of Business Center Drive to ensure optimal driveway and cross access conditions for future development.

11. Screening: Screening will be in conformance with the City of Pearland UDC except for any exclusions listed below in Section C. The screening for the detention facility will consist of a six (6) foot tall masonry or pre-cast masonry wall along the eastern side of the facility, along LUA 2 and 3. The fence will be constructed in conjunction with the building it is screening within LUA 2 and 3.

12. Utilities: Overhead power lines exist along north side of CR 59 and along the east side of Business Center Drive. The overhead line along Business Center Drive will be relocated as overhead lines along the east side of the proposed detention area. Overhead lines will also be used to bring power towards Business Center Drive. As sites are sold and developed, utilities to these sites will be constructed underground. Exhibit I – Utility Plan depicts the location of existing and proposed overhead power lines.

13. Detention Facility: The detention for this development will be located along the western boundary of the tract and will provide a buffer between the proposed commercial development and the South Gate neighborhood. The detention facility (including the high bank and berm) is 176 feet wide coupled with the existing BDD #4 Drainage right-of-way provides for a 236 foot wide buffer between commercial and residential. A screening wall, six (6) foot tall masonry or pre-cast masonry wall will be constructed along the eastside of the detention facility to enhance the screening of the residential. The wall will be constructed as the buildings are constructed on site. Landscape plantings of trees and shrubs will be also be incorporated along the frontage of CR 59 to provide a visual screening from the public right-of-way.

**B. Instead of a specific site plan, the development has been divided into 3 Land Use Areas and the table above lists the potential uses within each Land Use Area.** The design is dependent upon the users of the development and at this time, there are no users. The design will occur as the project develops. It is essential to the success of the project to maintain flexibility in the design to allow for the market driven uses. The quality and character of the development will be maintained by requiring uniformity and compatibility between the uses and the use of shared driveways to limit access along the major roadways.

**C. Specific list of deviations.**

1. Section 2.4.5.1.C.1 and Section 2.4.4.3.C: Setback requirement for buildings is twenty-five feet (25'). Land Use Area 1 has dual frontage for Land Use Area 1 and driveway access to the site is limited to Business Center Drive. A fifteen foot (15') building line allows for better design of the tracts.
2. Section 2.4.5.1.C.2: Setback requirement for off-street parking, maneuvering, and loading area from the right of way line is thirty feet (30'). Land Use Area 1 has dual frontage and driveway access to the site is limited to Business Center Drive. A setback of fifteen feet (15') allows for better design of the tract.
3. Section 2.4.5.1.D.1 and Section 2.4.4.3.E.1: Building articulation will be included in the architectural guidelines for the development.
4. Section 2.4.5.1.D.2.d: Building materials are discussed above and include restrictions in the Corridor Overlay District. The building materials should not require the additional approval of the Planning Director.
5. Section 2.4.5.1.D.3: Building colors are limited to earth tones and pastel as discussed above, and should not require the additional approval of the Planning Director.
6. Section 2.4.5.1.G.6 and Section 2.4.4.3.I.3: Requires a 25' buffer when adjacent to single family residential. The location of the Detention facility (176 feet wide) and the BDD #4 Drainage right-of-way (60 feet wide) provides an adequate buffer to the

single-family residential neighborhood to the west. An additional 25 foot green space within the commercial development would be excessive.

7. Section 2.4.5.1.I.6.: The visibility of the detention facility from CR 58 will be screened with landscaping, not fencing.
8. Section 2.4.5.1.M: Utilities constructed underground. Along the frontage of Business Center Drive, the utilities will be constructed underground. However, as stated above in Section A.12, overhead utilities will remain bringing power to the development. Exhibit I – Utility Plan shows the overhead and underground locations.
9. Section 2.4.4.3.A.1: Permitted uses in BP-288 are listed on the UDC Land Use Matrix. We request additional uses be permitted as listed in the Land Use Table in Section 2 above. Prohibited uses include “Pet Care Facility/Animal Kennel (with outdoor pens)” and “Office, Parole-Probation, Bail Bonds”.
10. Section 2.4.4.3.F: Detention facilities are required to be incorporated as an amenity. The detention required for this development is better served as a buffer to the single family residential rather than as a lake amenity for the project. The total width of the detention and drainage easement is 236 feet. This distance, coupled with the six foot (6’) wall provides a sufficient buffer and screening to the residential neighborhood to the west.

**D. All requirements of the Unified Development Code will be met, unless specifically mentioned in this document**

#### **IV. Required dedications of land or public improvements**

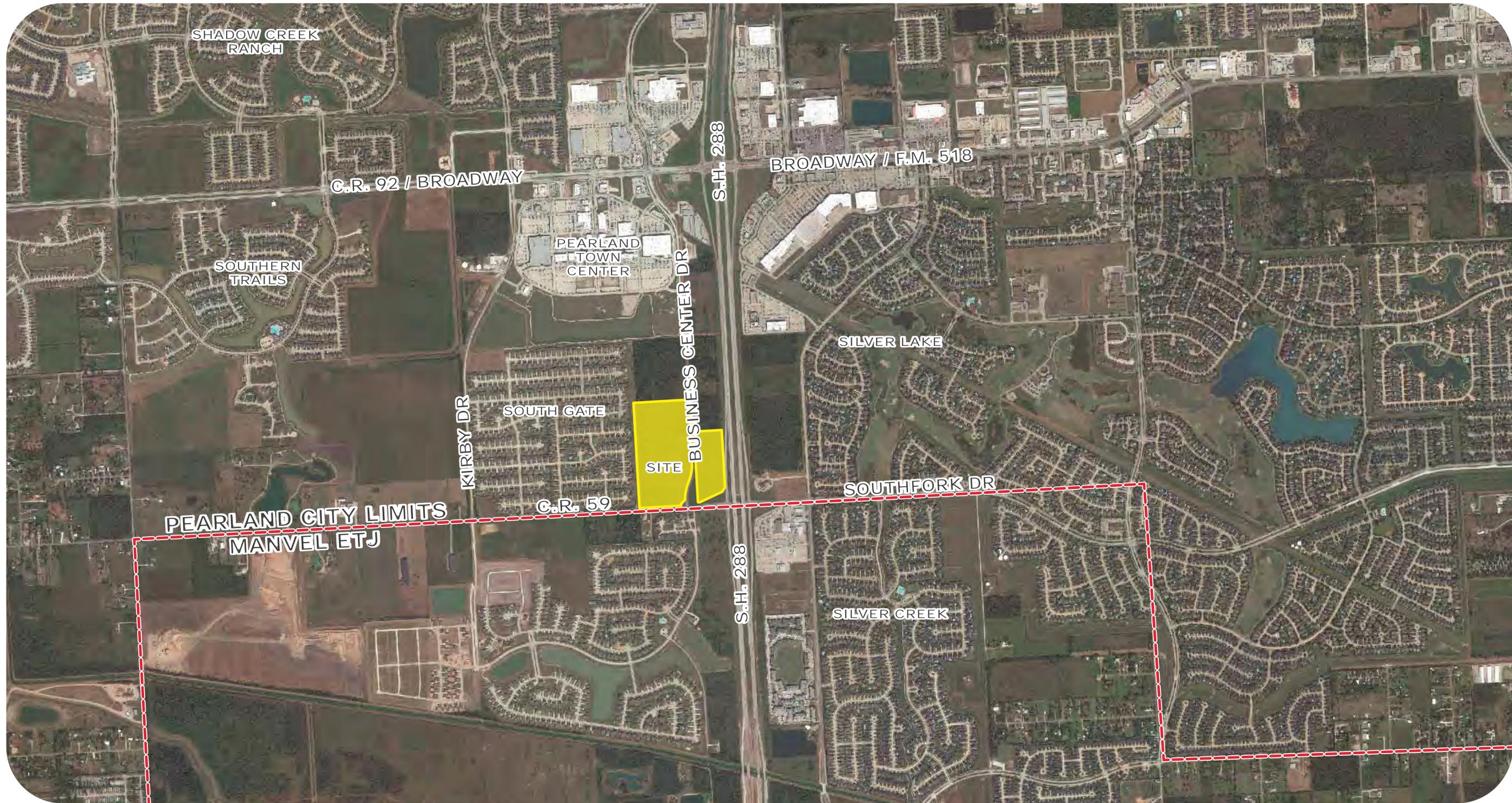
This development is primarily commercial, retail and office and therefore no dedication to parkland required. If the Senior Housing Complex is developed, then the park and open space requirements for multi-family will be applied to that specific site.

#### **V. Phasing Schedule**

The development of this project is based on market conditions and the construction of Business Center Drive. Phase I most likely will be either LUA 1 or 2 since these locations have existing access along CR 59.

#### **VI. Exhibits**

- A – Location Map
- B – Survey, metes & bounds description
- C – Surrounding Properties/ Zoning Map
- D – Land Use Areas
- E – Monument Signage along CR 59 and Business Center Drive
- F – Multi-tenant Signage along CR 59 and Business Center Drive
- G – Monument Signage along US 288
- H – Multi-tenant Signage along US 288
- I – Power Line Exhibit



**A**

location map

a location map for  
**BUSINESS CENTER PD**  
 ± 38.9 ACRES OF LAND

prepared for  
**PARKSIDE 59/288 LTD.**

THIS DRAWING IS A PICTORIAL REPRESENTATION FOR PRESENTATION PURPOSES ONLY AND IS SUBJECT TO CHANGE. FURTHER, SAID DRAWING IS A SCANNED IMAGE ONLY AND IS NOT FOR COMPUTATION OR CONSTRUCTION PURPOSES. THIS DRAWING MAY OR MAY NOT INCORPORATE INFORMATION AND/OR DATA PROVIDED TO KERRY R. GILBERT & ASSOCIATES, INC. BY OTHER CONSULTANTS RELATIVE TO ENGINEERING AND DRAINAGE, FLOOD PLAINS AND ENVIRONMENTAL ISSUES AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE. NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE ACTUAL DESIGN, LOCATION, AND CHARACTER OF THE FACILITIES SHOWN ON THIS MAP ARE INTENDED. ADDITIONALLY, NO WARRANTY IS MADE TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

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KERRY R. GILBERT & ASSOCIATES, INC.

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NOT TO SCALE

JUNE 15, 2012  
 KGA #I-175A

Notes:

- 1) All bearings referenced to the Texas Coordinate System, South Central Zone, NAD 83 (1993 ADJ) Epoch 2002.02.
2) This survey was prepared from information furnished by Stewart Title Guaranty Company, File No. 1029333002, Effective date June 3, 2012.
3) By graphical plotting, the subject tract lies within Zone "X" (un-shaded) as defined as "Areas determined to be outside the 50-year floodplain" as shown on Federal Emergency Management Agency Flood Insurance Rate Map, Map No. 4803300020 H, Effective date June 5, 1999.
4) The portion of the subject tract identified as being located within the city limits of the City of Pearland, Texas, is zoned "SP-288" (Business Park District-288), and is subject to the provisions of City of Pearland Unified Development Ordinance No. 200071 and the Zoning Map, Ordinance No. 200071, approved by City Council, February 27, 2006 and as amended by official action of the City Council.
5) All of the subject tract lies within Brazoria County Municipal Utility District No. 34.
6) There are no structures and no paved or striped parking spaces on the subject tract.
7) There is no visible evidence of the subject tracts being used as a solid waste dump, sump, or sanitary landfill.
8) A metes and bounds description was prepared for the subject tract on a separate instrument dated June 19, 2012.

DESCRIPTION OF 38,909 ACRES (1,694,878 SQUARE FEET)

Being 38,909 acres of land located in the H.T. & B. R.R. Company Survey, Section 81, Abstract Number 300, Brazoria County, Texas, being a portion of Lots 38, 39, 40, 49, and 50 of the Allison Ritchey Gulf Coast Homes Company's Part of Suburban Gardens, a subdivision of record in Volume 2, Page 96, of the Plat Records of said Brazoria County (B.C.P.R.), more particularly being the residence of the residence of 30,583 acre tract described as Part One and the residue of that certain called 9,990 acre tract described as Part Two conveyed from Compass Bank to Parkside 59/288, Ltd., by an instrument of record under Document Number 2010102491, of the Official Public Records of said Brazoria County, (B.C.P.R.), said 38,909 acres being more particularly described in two parts by metes and bounds as follows: Part One being 29,226 acres (1,273,076 square feet) and Part Two being 9,683 acres (421,802 square feet), all bearings referenced to the Texas Coordinate System, South Central Zone, NAD83 (1993 adjustment), Epoch 2002.02.

PART ONE

BEGINNING at a 5/8-inch iron rod with cap stamped "LJA ENG" found for the northwest corner of said 30,583 acre tract and the southwest corner of that certain called 3.39 acre tract conveyed from Brazoria County Land & Cattle Co. to George D. Fishman and wife, Mary Fishman, by an instrument of record under Document Number 2002060022, of the Official Records of said Brazoria County, (B.C.P.R.), said point being on the east line of Southgate Section Two, a subdivision of record in Volume 24, Page 278-279, B.C.P.R., said point also being common west corner of Lots 37 and 38 of said Allison Ritchey Gulf Coast Home Company's Part of Suburban Gardens subdivision;

Thence, North 86°42'55" East, along the common line of said Lots 37 and 38, along the north line of said 30,583 acre tract, the south line of said 3.39 acre tract and said south line of that certain called 3.33 acre tract conveyed from Ky-Tex to George Fishman and Mary Fishman by an instrument of record under File Number 98-040465 and corrected under File Number 97-004956, B.C.P.R., 828.57 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set on the west right-of-way line of Business Center Drive (100 feet wide) as described under Document Numbers 201007382, 201007393, 201007402, B.C.P.R., from which a 3/4-inch iron pipe found for the common corner of said Lots 37, 38, 41 and 48 of said Allison Ritchey Gulf Coast Home Company's Part of Suburban Gardens subdivision bears North 86°42'55" East, 493.51 feet;

Thence, South 03°16'00" East, along the west right-of-way line of said Business Center Drive, 1025.77 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, continuing along the west right-of-way line of said Business Center Drive, (width varies), 69.54 feet along the arc of a tangent curve to the right having a radius of 750.00 feet, a central angle of 12°57'06", and a chord that bears South 03°12'34" West, 69.54 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner at the intersection of the west right-of-way line of said Business Center Drive and the west right-of-way line of County Road 566 (width varies) as described in Volume 2, Page 96, B.C.P.R., Volume 133, Page 126, Volume 881, Page 232, Volume 1035, Page 636, and Volume 1035, Page 642, B.C.P.R., the beginning of a curve;

Thence, along the west right-of-way line of said County Road 566 the following four courses:

- 1. 66.34 feet along the arc of a non-tangent curve to the right having a radius of 686.20 feet, a central angle of 05°32'22", and a chord that bears South 18°58'03" West, 66.32 feet to a concrete right-of-way monument found for corner;
2. South 21°45'33" West, 13.71 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner, the beginning of a curve;
3. 275.59 feet along the arc of a non-tangent curve to the left having a radius of 746.20 feet, a central angle of 21°09'40", and a chord that bears South 11°09'26" West, 274.03 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, from which a found concrete right-of-way monument bears North 57°07'14" West, 148 feet;
4. South 42°42'06" West, 71.88 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner on the north right-of-way line of County Road 59 (width varies) as described in Volume 2, Page 98 and Volume 24, Page 33-36, B.C.P.R.;

Thence, South 86°44'15" West, along said north right-of-way line, 10.00 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for an angle point on the north right-of-way line of said County Road 59, said point being the northeast corner of that certain called 0.5248 acre tract conveyed to the City of Pearland as a donation for right-of-way as described under Document Number 201007390, B.C.P.R.;

Thence, South 86°40'26" West, along the north right-of-way line of said County Road 59 as described under Document Number 201007390, B.C.P.R., 646.10 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for the southeast corner of said 0.5248 acre tract, said point being on the west line of the aforementioned 30,583 acre tract, said point being the southeast corner of Southgate Section One, a subdivision of record in Volume 24, Pages 33-36, B.C.P.R.;

Thence, North 03°18'00" West, along the west line of said 30,583 acre tract, the west line of said Lots 38, 39 and 40, and the east line of said Southgate Section One, passing at 1330.57 feet to a 5/8-inch iron rod with cap stamped "DALE HARDY RPLS 4847" found for the northeast corner of said Southgate Section One and the southeast corner of the aforementioned Southgate Section Two, in all 1,583.44 feet to the POINT OF BEGINNING and containing 29,226 acre (1,273,076 square feet) of land;

PART TWO

BEGINNING a 5/8-inch iron rod found for the northeast corner of said 9,990 acre tract and the southeast corner of that certain called 2.515 acre tract conveyed from DXB Richmond, Inc to Gold Star Development by an instrument of record under Document Number 2008031966, B.C.P.R., said point also being on the west right-of-way line of SH 288 (width varies) as described in Volume 1041, Page 462, Volume 1041, Page 468, and Volume 1052, Page 153, B.C.P.R., said point being on the common lot line of said Lot 48 and 49 of said Section 81, from which a found 3/4-inch iron pipe bears South 52°36'37" East, 0.53 feet;

Thence, South 03°14'03" East, along the common line of said 9,990 acre tract and said westerly right-of-way line, 877.70 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for an angle point on said common line;

Thence, South 30°49'10" West, continuing along said common line, 82.81 feet to a broken concrete right-of-way monument found for an angle point on said common line;

Thence, South 64°55'07" West, continuing along said common line, 391.06 feet to a broken concrete right-of-way monument found for an angle point on said common line;

Thence, South 86°45'24" West, continuing along said common line, 30.02 feet to a broken concrete right-of-way monument found for the southwest corner of said 9,990 acre tract, some being the intersection on said westerly right-of-way line and the east right-of-way line of County Road 566 (width varies) as recorded in Volume 2, Page 96, B.C.P.R., Volume 133, Page 126, Volume 881, Page 232, Volume 1035, Page 636, and Volume 1035, Page 642, B.C.P.R.;

Thence, North 03°11'11" West, departing said common line and along the west line of said 9,990 acre tract and along the east right-of-way line of said County Road 566, 371.50 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set at the intersection of the east right-of-way line of said County Road 566 and the east right-of-way line of said Business Center Drive (100 feet wide) as described under Document Numbers 201007382, 201007390, 201007393, and 201007402, B.C.P.R., the beginning of a curve;

Thence, along the east right-of-way line of said Business Center Drive, 187.07 feet along the arc of a non-tangent curve to the left having a radius of 850.00 feet, a central angle of 12°36'35", and a chord that bears North 03°02'11" East, 186.69 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner;

Thence, North 03°16'00" West, continuing along the east right-of-way line of said Business Center Drive, 5.11 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner on the north line of the aforementioned 9,990 acre tract and the south line of the aforementioned 2.515 acre tract, said point also being on the common lot line of Lots 48 and 49 of the aforementioned Allison Ritchey Gulf Coast Homes Company's Part of Suburban Gardens subdivision;

Thence, North 86°47'22" East, along the common line of said 9,990 and 2.515 acre tracts and said common lot line, 410.34 feet to the POINT OF BEGINNING and containing 9,683 acres (421,802 square feet) of land;

Said Part One and Part Two containing a total of 38,909 acres (1,694,878 square feet) of land.

SURVEYOR'S CERTIFICATE

To Parkside 288/59, Ltd, and Stewart Title Guaranty Company; I hereby certify that on the 15th day of June, 2012,

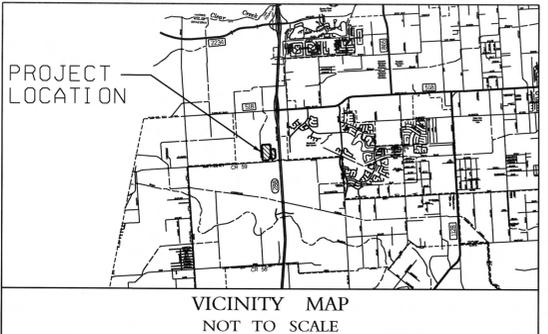
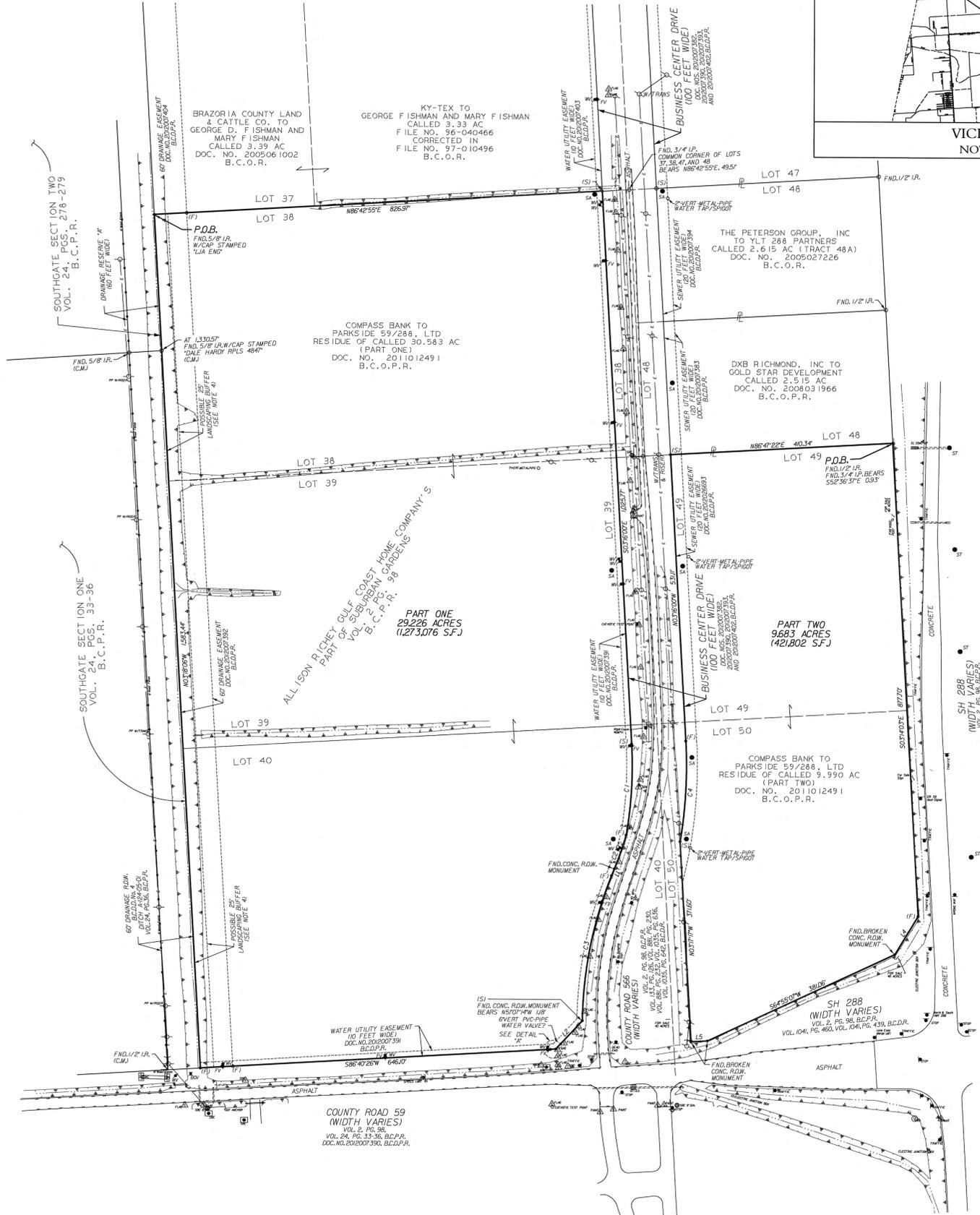
This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 2, 3, 4, 6(a), 7(a), 7(b)(1), 7(b)(2), 7(c), 8, 9, 10(a), 11, 15, 16, and 18 of Table A thereof. The field work was completed on June 8, 2012.

Date of Plat or Map: June 19, 2012

GARY D. NUTTER, Registered Professional Land Surveyor, Texas Registration No. 3659

CURVE TABLE with columns: Curve, Radius, Tangent, Chord, Arc, Delta, Chord Bearing

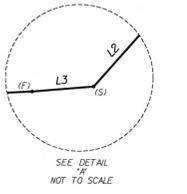
LINE TABLE with columns: Line, Bearing, Distance



Scale: 1" = 80'

- LEGEND: B.C.D.R. - BRAZORIA COUNTY DEED RECORDS, B.C.P.R. - BRAZORIA COUNTY OFFICIAL PUBLIC RECORDS, B.C.P. - BRAZORIA COUNTY OFFICIAL RECORDS, B.C.P. - BRAZORIA COUNTY PLAT RECORDS, (S) - SET 5/8" IR. W/CAP STAMPED "LJA ENG", (F) - FOUND 5/8" IR. W/CAP STAMPED "LJA ENG", IR. - IRON ROD, I.P. - IRON PIPE, (C.M.) - CONTROLLING MONUMENT, - E - OVERHEAD UTILITIES, - P - POWER POLE W/ GUY WIRE, - E - OVERHEAD UTILITIES, - E - ELECTRICAL BOX, - E - ELECTRICAL JUNCTION BOX, - E - ELECTRIC METER, - E - ELECTRIC UNIFORM BOX, - P - PEDESTAL, - P - TELEPHONE CABLE MARKER, - H - HIGHBANK LINE STYLE, - H - HIGHBANK LINE STYLE, - F - FLOW LINE OF DITCH, - A - EDGE OF ASPHALT, - F - FLUSHING VALVE, - W - WATER VALVE, - P - PEDESTAL, - S - SIGN, - G - GRATE INLET, - G - GAS LINE MARKER (PIN FLAG), - S - STORM MANHOLE, - S - SANITARY MANHOLE

ACREAGE SUMMARY: TRACT ONE = 29,226 ACRES (1,273,076 S.F.), TRACT TWO = 9,683 ACRES (421,802 S.F.), TOTAL = 38,909 ACRES (1,694,878 S.F.)



SEE DETAIL NOT TO SCALE

DESCRIPTION OF  
38.909 ACRES  
(1,694,878 SQUARE FEET)

Being 38.909 acres of land located in the H.T. & B. R.R. Company Survey, Section 81, Abstract Number 300, Brazoria County, Texas, being a portion of Lots 38, 39, 40, 49, and 50 of the Allison Richey Gulf Coast Homes Company's Part of Suburban Gardens, a subdivision of record in Volume 2, Page 98, of the Plat Records of said Brazoria County (B.C.P.R.), more particularly being the residue of that certain called 30.583 acre tract (described as Part One) and the residue of that certain called 9.990 acre tract (described as Part Two) conveyed from Compass Bank to Parkside 59/288, Ltd., by an instrument of record under Document Number 2011012491, of the Official Public Records of said Brazoria County, (B.C.O.P.R.), said 38.909 acres being more particularly described in two parts by metes and bounds as follows: Part One being 29.226 acres (1,273,076 square feet) and Part Two being 9.683 acres (421,802 square feet), all bearings referenced to the Texas Coordinate System, South Central Zone, NAD83 (1993 adjustment), Epoch 2002.02;

**PART ONE**

BEGINNING at a 5/8-inch iron rod with cap stamped "LJA ENG" found for the northwest corner of said 30.583 acre tract and the southwest corner of that certain called 3.39 acre tract conveyed from Brazoria County Land & Cattle Co. to George D. Fishman and wife, Mary Fishman by an instrument of record under Document Number 2005061002, of the Official Records of said Brazoria County, (B.C.O.R.), said point being on the east line of Southgate Section Two, a subdivision of record in Volume 24, Pages 278-279, B.C.P.R., said point also being common west corner of Lots 37 and 38 of said Allison Richey Gulf Coast Home Company's Part of Suburban Gardens subdivision;

Thence, North  $86^{\circ} 42' 55''$  East, along the common line of said Lots 37 and 38, along the north line of said 30.583 acre tract, the south line of said 3.39 acre tract and said south line of that certain called 3.33 acre tract conveyed from Ky-Tex to George Fishman and Mary Fishman by an instrument of record under File Number 96-040466 and corrected under File Number 97-010496, B.C.O.R., 826.97 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set on the west right-of-way line of Business Center Drive (100 feet wide) as described under Document Numbers 2012007382, 2012007390, 2012007393, and 2012007402, B.C.O.P.R., from which a 3/4-inch iron pipe found for the common corner of said Lots 37, 38, 47 and 48 of said Allison Richey Gulf Coast Home Company's Part of Suburban Gardens subdivision bears North  $86^{\circ} 42' 55''$  East, 49.51 feet;

Thence, South  $03^{\circ} 16' 00''$  East, along the west right-of-way line of said Business Center Drive, 1,025.77 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, continuing along the west right-of-way line of said Business Center Drive, (width varies), 169.54 feet along the arc of a tangent curve to the right having a radius of 750.00 feet, a central angle of  $12^{\circ} 57' 08''$ , and a chord that bears South  $03^{\circ} 12' 34''$  West, 169.18 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner at the intersection of the west right-of-way line of said Business Center Drive and the west right-of-way line of County Road 566 (width varies) as described in Volume 2, Page 98, B.C.P.R., Volume 133, Page 126, Volume 881, Page 230, Volume 881, Page 232, Volume 1035, Page 636, and Volume 1035, Page 642, B.C.D.R., the beginning of a curve;

Thence, along the west right-of-way line of said County Road 566 the following four courses:

1. 66.34 feet along the arc of a non-tangent curve to the right having a radius of 686.20 feet, a central angle of  $05^{\circ} 32' 22''$ , and a chord that bears South  $18^{\circ} 58' 03''$  West, 66.32 feet to a concrete right-of-way monument found for corner;

2. South  $21^{\circ} 45' 33''$  West, 13.71 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner, the beginning of a curve;
3. 275.59 feet along the arc of a non-tangent curve to the left having a radius of 746.20 feet, a central angle of  $21^{\circ} 09' 40''$ , and a chord that bears South  $11^{\circ} 09' 26''$  West, 274.03 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, from which a found concrete right-of-way monument bears North  $51^{\circ} 07' 14''$  West, 1.18 feet;
4. South  $42^{\circ} 42' 06''$  West, 71.88 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner on the north right-of-way line of County Road 59 (width varies) as described in Volume 2, Page 98 and Volume 24, Page 33-36, B.C.P.R.;

Thence, South  $86^{\circ} 44' 15''$  West, along said north right-of-way line, 10.00 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for an angle point on the north right-of-way line of said County Road 59, said point being the northeast corner of that certain called 0.5248 acre tract conveyed to the City of Pearland as a donation for right-of-way as described under Document Number 2012007390, B.C.O.P.R.;

Thence, South  $86^{\circ} 40' 26''$  West, along the north right-of-way line of said County Road 59 as described under Document Number 2012007390, B.C.O.P.R., 646.10 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for the northwest corner of said 0.5248 acre tract, said point being on the west line of the aforementioned 30.583 acre tract, said point being the southeast corner of Southgate Section One, a subdivision of record in Volume 24, Pages 33-36, B.C.P.R.;

Thence, North 03° 18' 06" West, along the west line of said 30.583 acre tract, the west line of said Lots 38, 39 and 40, and the east line of said Southgate Section One, passing at 1,330.57 feet a 5/8-inch iron rod with cap stamped "DALE HARDY RPLS 4847" found for the northeast corner of said Southgate Section One and the southeast corner of of the aforementioned Southgate Section Two, continuing along the west line of said Lot 38 and the east line of said Southgate Section Two, in all 1,583.44 feet to the POINT OF BEGINNING and containing 29.226 acre (1,273,076 square feet) of land.

## **PART TWO**

BEGINNING a 5/8-inch iron rod found for the northeast corner of said 9.990 acre tract and the southeast corner of that certain called 2.515 acre tract conveyed from DXB Richmond, Inc to Gold Star Development by an instrument of record under Document Number 2008031966, B.C.O.P.R., said point also being on the west right-of-way line of SH 288 (width varies) as described in Volume 1041, Page 460, Volume 1041, Page 888, and Volume 1052, Page 159, B.C.D.R., said point being on the common lot line of said Lot 48 and 49 of said Section 81, from which a found 3/4-inch iron pipe bears South 52° 36' 37" East, 0.93 feet;

Thence, South 03° 14' 03" East, along the common line of said 9.990 acre tract and said westerly right-of-way line, 877.70 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for an angle point on said common line;

Thence, South 30° 49' 10" West, continuing along said common line, 82.81 feet to a broken concrete right-of-way monument found for an angle point on said common line;

Thence, South 64° 55' 07" West, continuing along said common line, 381.06 feet to a broken concrete right-of-way monument found for an angle point on said common line;

Thence, South  $86^{\circ} 45' 24''$  West, continuing along said common line, 30.02 feet to a broken concrete right-of-way monument found for the southwest corner of said 9.990 acre tract, same being the intersection on said westerly right-of-way line and the east right-of-way line of County Road 566 (width varies) as recorded in Volume 2, Page 98, B.C.P.R., Volume 133, Page 126, Volume 881, Page 230, Volume 881, Page 232, Volume 1035, Page 636, and Volume 1035, Page 642, B.C.D.R.;

Thence, North  $03^{\circ} 17' 17''$  West, departing said common line and along the west line of said 9.990 acre tract and along the east right-of-way line of said County Road 566, 371.60 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set at the intersection of the east right-of-way line of said County Road 566 and the east right-of-way line of said Business Center Drive (100 feet wide) as described under Document Numbers 2012007382, 2012007390, 2012007393, and 2012007402, B.C.O.P.R., the beginning of a curve;

Thence, along the east right-of-way line of said Business Center Drive, 187.07 feet along the arc of a non-tangent curve to the left having a radius of 850.00 feet, a central angle of  $12^{\circ} 36' 35''$ , and a chord that bears North  $03^{\circ} 02' 17''$  East, 186.69 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" found for corner;

Thence, North  $03^{\circ} 16' 00''$  West, continuing along the east right-of-way line of said Business Center Drive, 531.11 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner on the north line of the aforementioned 9.990 acre tract and the south line of the aforementioned 2.515 acre tract, said point also being on the common lot line of Lots 48 and 49 of the aforementioned Allison Richey Gulf Coast Homes Company's Part of Suburban Gardens subdivision;

Thence, North  $86^{\circ} 47' 22''$  East, along the common line of said 9.990 and 2.515 acre tracts and said common lot line, 410.34 feet to the POINT OF BEGINNING and containing 9.683 acres (421,802 square feet) of land.

38.909 acres

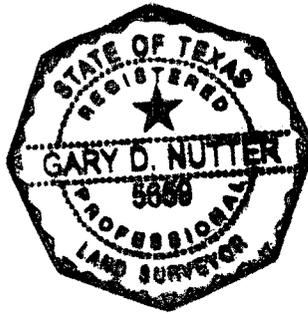
June 19, 2012  
Job No. 1352-1003-202

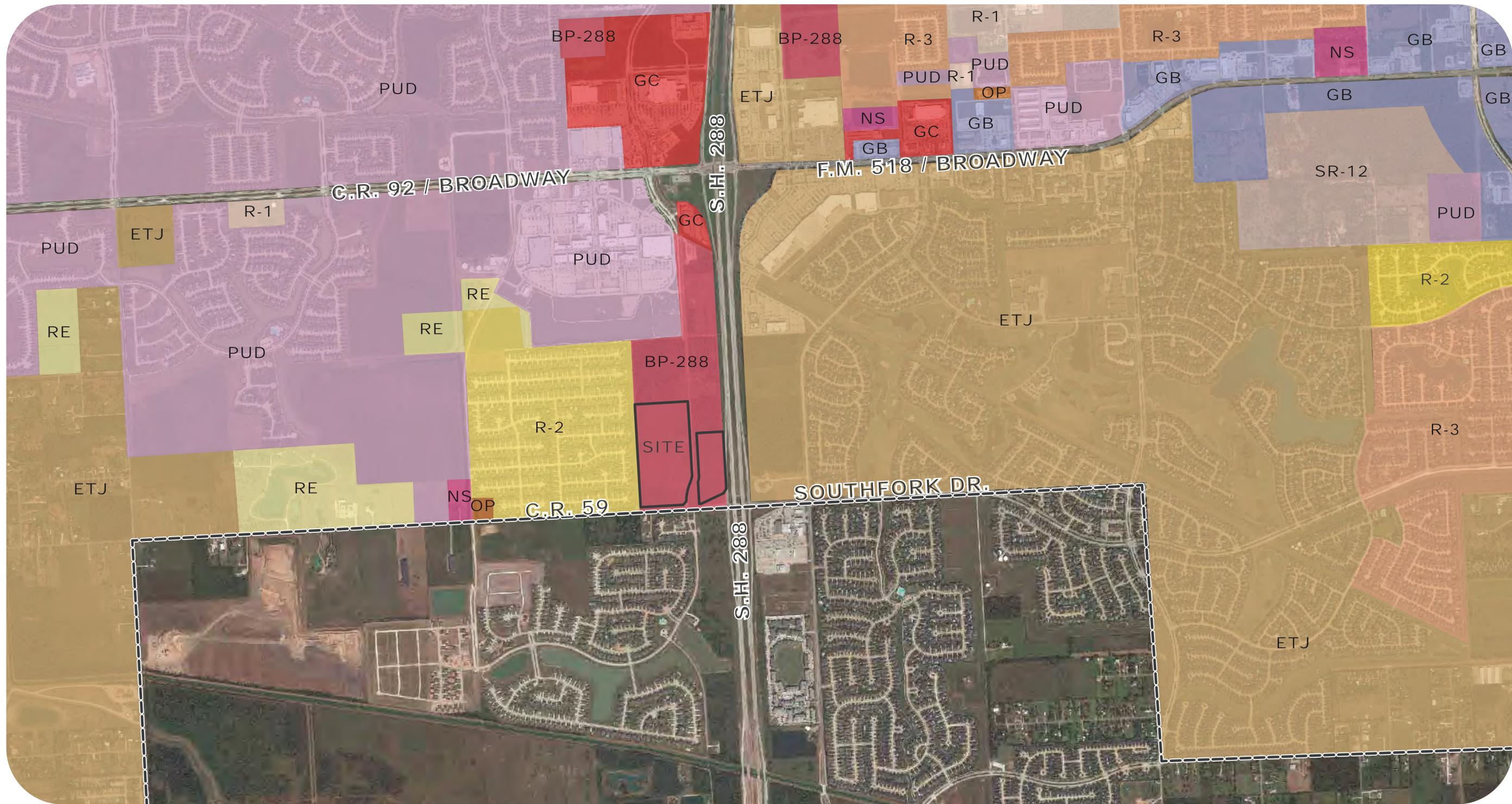
Said Part One and Part Two containing a total of 38.909 acres (1,694,878 square feet) of land.

This description was prepared from a survey prepared by the undersigned dated June 19, 2012.



Gary D. Nutter  
Registered Professional Land Surveyor  
Texas Registration Number 5659  
LJA Engineering & Surveying, Inc.





**C**

current zoning map

THIS DRAWING IS A PICTORIAL REPRESENTATION FOR PRESENTATION PURPOSES ONLY AND IS SUBJECT TO CHANGE. FURTHER, SAID DRAWING IS A SCANNED IMAGE ONLY AND IS NOT FOR COMPUTATION OR CONSTRUCTION PURPOSES. THIS DRAWING MAY OR MAY NOT INCORPORATE INFORMATION AND/OR DATA PROVIDED TO KERRY R. GILBERT & ASSOCIATES, INC. BY OTHER CONSULTANTS RELATIVE TO ENGINEERING AND DRAINAGE, FLOOD PLAINS AND ENVIRONMENTAL ISSUES AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE. NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE ACTUAL DESIGN, LOCATION, AND CHARACTER OF THE FACILITIES SHOWN ON THIS MAP ARE INTENDED. ADDITIONALLY, NO WARRANTY IS MADE TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

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a zoning map for  
**BUSINESS CENTER PD**  
 ± 38.9 ACRES OF LAND

prepared for  
**PARKSIDE 59/288, LTD.**

KERRY R. GILBERT & ASSOCIATES, INC.

Land Planning Consultants

23501 Cinco Ranch Blvd.  
 Suite A-250  
 Katy, Texas 77494  
 (281) 579-0340  
 Fax (281) 579-8212

NOT TO SCALE

JUNE 15, 2012  
 KGA #I-175A



**EXHIBIT D**

land use areas

a land use area exhibit for  
**BUSINESS CENTER PD**  
 ± 38.9 ACRES OF LAND

prepared for  
**PARKSIDE 59/288, LTD.**

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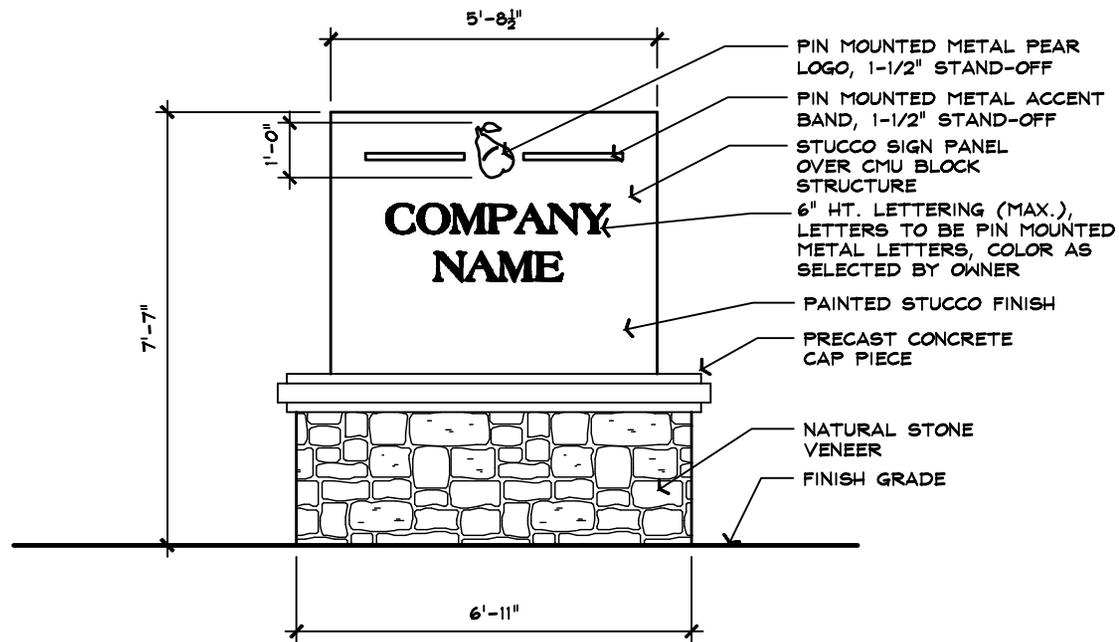
**KERRY R. GILBERT & ASSOCIATES, INC.**

**Land Planning Consultants**

23501 Cinco Ranch Blvd.  
 Suite A-250  
 Katy, Texas 77494  
 (281) 579-0340  
 Fax (281) 579-8212

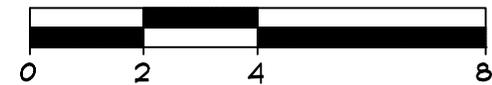


JUNE 15, 2012  
 KGA #I-175A

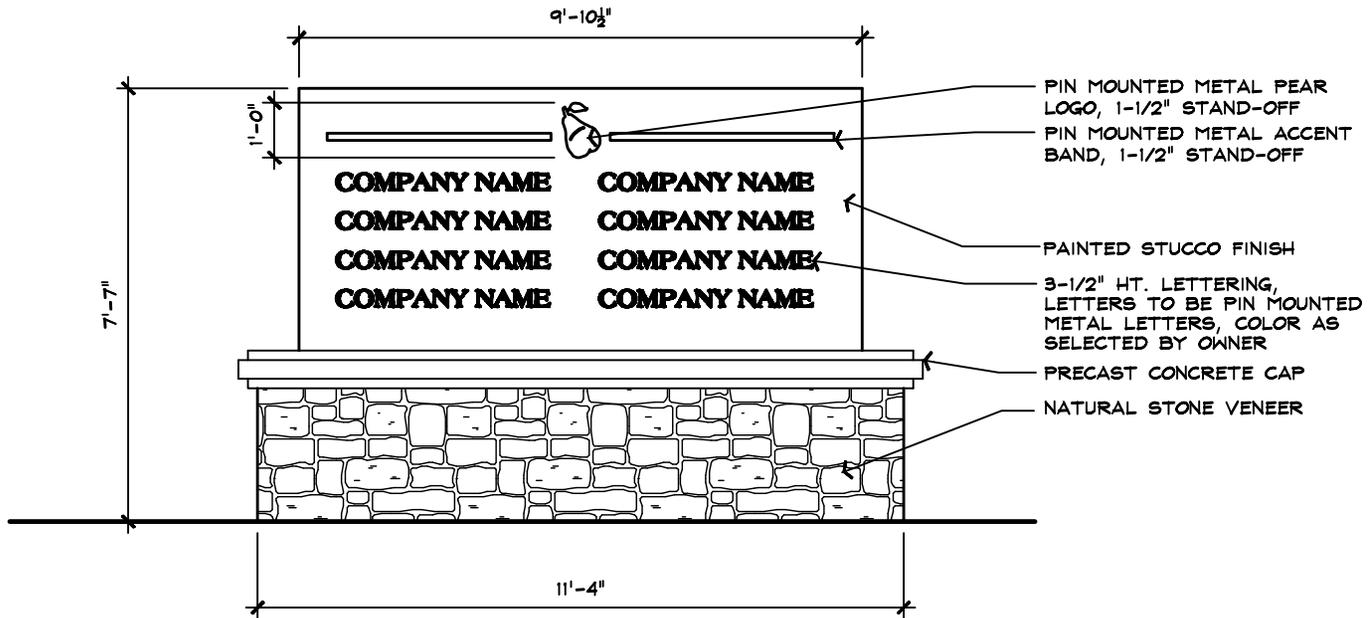


# SINGLE TENANT MONUMENT SIGN

C.R. 59 AND BUSINESS CENTER DRIVE

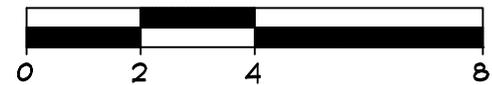


**EXHIBIT E**

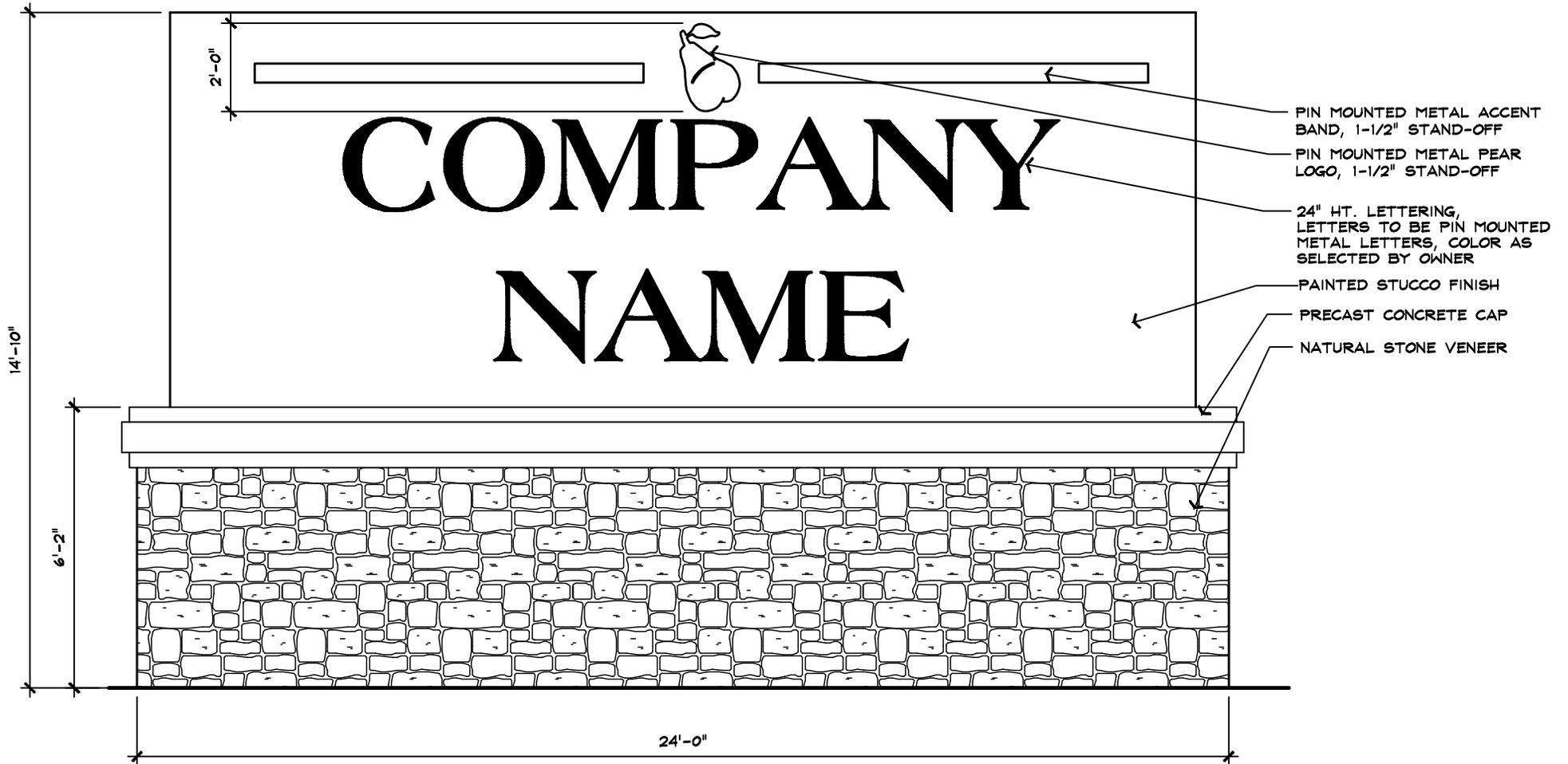


## MULTIPLE TENANT MONUMENT SIGN

C.R. 59 AND BUSINESS CENTER DRIVE



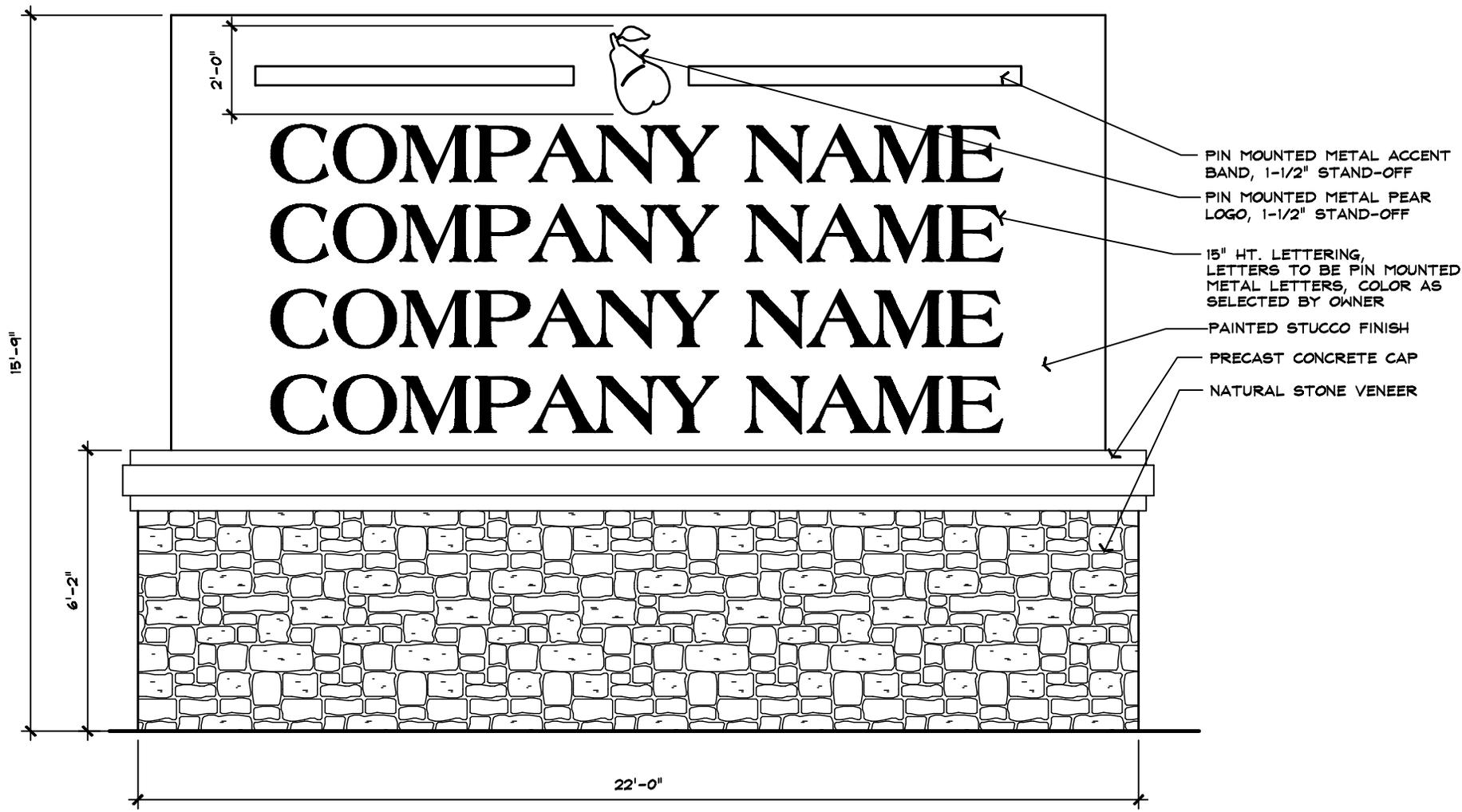
**EXHIBIT F**



SINGLE TENANT SIGN - HWY 288 FRONTAGE



EXHIBIT G



MULTIPLE TENANT SIGN - HWY 288 FRONTAGE

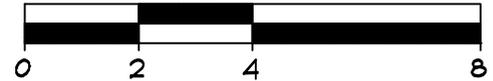
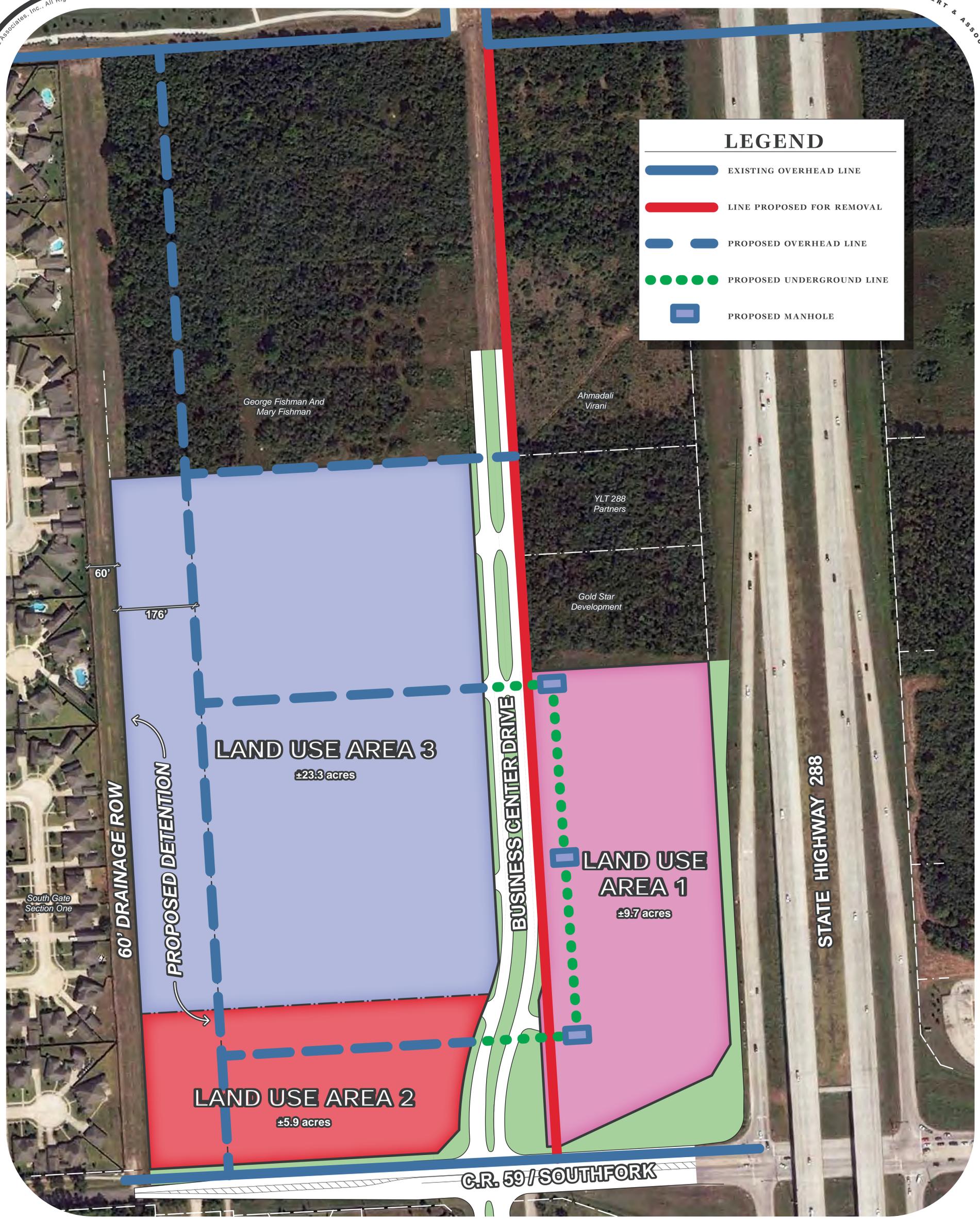


EXHIBIT H



### LEGEND

- EXISTING OVERHEAD LINE
- LINE PROPOSED FOR REMOVAL
- PROPOSED OVERHEAD LINE
- PROPOSED UNDERGROUND LINE
- PROPOSED MANHOLE

60' DRAINAGE ROW  
PROPOSED DETENTION

LAND USE AREA 3  
±23.3 acres

BUSINESS CENTER DRIVE

LAND USE AREA 1  
±9.7 acres

LAND USE AREA 2  
±5.9 acres

STATE HIGHWAY 288

C.R. 59/SOUTHFORK



## EXHIBIT

### power line locations

a power line exhibit for  
**BUSINESS CENTER PD**  
 ± 38.9 ACRES OF LAND

prepared for  
**PARKSIDE 59/288, LTD.**

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**KERRY R. GILBERT & ASSOCIATES, INC.** Land Planning Consultants



JUNE 15, 2012  
KGA #I-175A

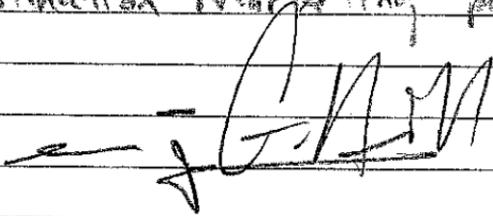
23501 Cinco Ranch Blvd.  
Suite A-250  
Katy, Texas 77494  
(281) 579-0340  
(281) 579-8212

# Workshop Item No. 2

2. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE CREATION OF AN ADVISORY BOARD FOR THE PEARLAND DESTINATION MARKETING DIVISION. *City Council.*

8/13/12

The following council members request a workshop to discuss the creation of an advisory board for the Pearland Destination Marketing Division including options for makeup of board, selection of board members and authority of board. Input from the VP of Destination Marketing is specifically requested, as to these topics and any other topics deemed pertinent by staff or Destination Marketing personnel.

A handwritten signature in black ink, appearing to be "J. G. M.", written over a horizontal line.

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF: 08/20/2012</b>	<b>ITEM NO.:</b> Workshop Item No. 2
<b>DATE SUBMITTED: 08/13/2012</b>	<b>DEPARTMENT OF ORIGIN:</b> Finance
<b>PREPARED BY:</b> Claire Bogard	<b>PRESENTOR:</b> Bill Eisen
<b>REVIEWED BY:</b> Bill Eisen	<b>REVIEW DATE:</b> 8/15/12
<b>SUBJECT: Workshop-Destination Marketing Advisory Board</b>	
<b>EXHIBITS: Long-Term Options</b>	
<b>EXPENDITURE REQUIRED: N/A</b>	<b>AMOUNT BUDGETED: N/A</b>
<b>AMOUNT AVAILABLE: N/A</b>	<b>PROJECT NO.: N/A</b>
<b>ACCOUNT NO.: N/A</b>	
<b>ADDITIONAL APPROPRIATION REQUIRED: N/A</b>	
<b>ACCOUNT NO.: N/A</b>	
<b>PROJECT NO.: N/A</b>	
<b>To be completed by Department:</b>	
<input type="checkbox"/> Finance <input type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

**EXECUTIVE SUMMARY**

**BACKGROUND**

Back in the fall and early into spring 2012, Council held several workshops on Destination Marketing, including but not limited to:

- City function vs. Chamber function
- Selection process of candidate
- Oversight Board/Advisory Committee

General consensus of the Council in March 2012 was that an advisory committee was not needed and since then the Vice-President of Destination Marketing was hired by the Chamber.

Last Monday, two Council members requested this item be placed back on the agenda for discussion. While the staff is not certain of the nature of the requesting members desire discussion, we have attached an outline of an advisory board that was reviewed

with Council previously. Council will be provided a copy of a previously written Client-Attorney Privilege memo on this subject, under separate cover..

**RECOMMENDED ACTION**

Review and Discuss

## **Destination Marketing – Long-Term Options**

1. Continue as is with Chamber performing Destination Marketing and with grant programs to arts and historical groups.
  
2. Create a new non-profit group that would perform Destination Marketing, arts promotion, and historical preservation.
  - Would require by-laws to be drafted
  - Could require Board to be appointed by the City Council
  - Could contract with existing groups to perform Destination Marketing, and arts/historic functions (e.g. Chamber of Commerce, Pearland Arts League, Pearland Historical Society)
  
3. Create Advisory Board appointed by City Council (see attached).

# **HOT Advisory Board**

## 1. Membership\*

- Hotel Owner/Manager
- City Staff Member
- Owner or Manager of business that benefits from Tourism (Town Center, e.g.)
- PISD Representative
- Resident of city
- Chamber of Commerce President
- Representative of arts community or Historical Society

\*With exception of “Resident”, members need not live in City

## 2. Authority

- Develop Strategic Plan
- Make recommendations to City Council on annual budget, contracts over \$20,000 and budget amendments
- Make recommendation to City staff on the expenditure of funds for contracts less than \$20,000
- Oversee contract with Chamber and any other entity using funds

## 3. Destination Marketing staff person would be hired by the organization that has the contract to perform the function.

## **WORKSHOP ITEM NO. 3**

Information on this item should be available by Friday August 17, 2012 and will be provided via email or delivered to each Councilmember's home.

# Workshop Item No. 4

4. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE PROPOSED FISCAL YEAR 2012-2013 ANNUAL BUDGET. *Mr. Bill Eisen, City Manager.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b> 08/20/2012	<b>ITEM NO.:</b> Workshop Item No. 4
<b>DATE SUBMITTED:</b> 07/13/2012	<b>DEPT. OF ORIGIN:</b> Finance
<b>PREPARED BY:</b> Claire Bogard	<b>PRESENTOR:</b> Bill Eisen
<b>REVIEWED BY:</b> Bill Eisen	<b>REVIEW DATE:</b> 8/13/2012
<b>SUBJECT: Workshop on Proposed Budget for FY2012-2013</b>	
<b>EXHIBITS: Budget Books Distributed July 30, 2012 Destination Marketing FY2013 Budget</b>	
<b>FUNDING:</b> <input type="checkbox"/> Grant <input type="checkbox"/> Developer/Other <input type="checkbox"/> Cash Opns <input type="checkbox"/> Bonds To Be Sold <input type="checkbox"/> Bonds- Sold <input type="checkbox"/> L/P – Sold <input type="checkbox"/> L/P – To Be Sold	
<b>EXPENDITURE REQUIRED:</b> N/A <b>AMOUNT AVAILABLE:</b> <b>ACCOUNT NO</b> <b>ADDITIONAL APPROPRIATION REQUIRED:</b> <b>ACCOUNT NO.:</b> <b>PROJECT NO.:</b>	<b>AMOUNT BUDGETED:</b> N/A <b>PROJECT NO.:</b>
<b>To be completed by Department:</b> <input checked="" type="checkbox"/> Finance <input type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

**EXECUTIVE SUMMARY**

**BACKGROUND**

Pursuant to State law, the budget was filed on July 30, 2012 and the City had its first budget workshop on August 6, 2012 and a series of budget workshops will follow, culminating in budget and tax rate public hearings and adoption of the budget and tax rate in September.

The budget workshop for this evening will focus on Destination Marketing. Cory Cart, Vice-President of Destination Marketing with the Chamber will be present to review the proposed fiscal year 2013 Destination Marketing budget totaling \$385,530, which is funded from Hotel Occupancy Taxes.

Staff will also be prepared to follow-up on any questions from the August 6<sup>th</sup> and August 13<sup>th</sup> budget workshop.

**POLICY/GOAL CONSIDERATION**

Compliance with City Charter, State Law, and Truth-in-Taxation in the adoption of the budget and tax rate.

**FINANCIAL INFORMATION**

The budget has been distributed to City Council with all the financial information and the budget, in its entirety is on the City's web-site and has also been filed with the City Secretary for public access and review.

On Wednesday, August 15<sup>th</sup>, to start the Truth-in-Taxation process, the effective tax rate calculation was published. Pursuant to State law, if the proposed tax rate exceeds the rollback rate or the effective rate, whichever is lower, the taxing unit must vote to increase total tax revenues by a percentage and place a proposal to adopt the rate on a future agenda. This will be a record vote. Also, the debt service tax rate that is published is the rate that is required to be adopted for the debt service tax rate. Effective and rollback calculations are as follows:

Effective Tax Rate	\$0.673287
Roll Back Tax Rate	\$0.718301
Debt Service Tax Rate	\$0.490000
Proposed Tax Rate	\$0.705100

Since the proposed tax rate of \$0.7051 exceeds the Effective Tax Rate, the City will be required to vote to increase total tax revenues by 4.73% and hold two public hearings.

At Council's Special Meeting for this evening, Council will be asked to vote on a 4.73% tax increase and set the public hearings. The public hearings will be September 4<sup>th</sup> and September 10<sup>th</sup> with the first reading of the Ordinance on September 17 and the second and final reading on September 24, 2012.

**RECOMMENDED ACTION**

Conduct Budget Workshop for the 2012-2013 Fiscal Year.



<b>Equipment &amp; Software - Purchases &amp; Repairs &amp; Fees</b>	<b>7,075</b>	
Computer Maintenance		500
John Paradiso & Assoc. - Annual Infotrac Software Fees		2,520
Online Hotel Room Booking & Package System for Website		3,000
E-mail Service/Computer Backup/Bulk E-mail Distribution		555
Other		500
<b>Event Recruitment/Grant Program</b>	<b>40,000</b>	
<b>Management/Operations Fees &amp; Services</b>	<b>173,790</b>	
Direct/Indirect Salaries, Payroll Taxes & Benefits		155,000
FEMA Flood Payments		770
Electricity		3,000
Water		775
Satellite TV Service - Direct TV		420
Kitchen Supplies		500
Security System & Services		550
Pest Control		225
Office Cleaning		1,900
Lawn Maintenance		1,900
Accounting & Legal		5,000
Paychex Expenses		750
Insurance - General Liability, Directors & Officers Liability		3,000
<b>Meeting Expense/Hospitality/Entertainment</b>	<b>3,350</b>	
<b>Postage</b>	<b>3,700</b>	
Meter Postage - Registration packets, VG distribution and more		3,500
Postage Meter		200
<b>Publications/Collateral Materials/Printing/Photo Processing</b>	<b>44,025</b>	
Pearland Visitors Guide (printing 75,000, design, etc...)		25,000
Pearland Meeting & Event Planners' Guide (3-ring binders)		1,250
Pearland Meeting & Event Planners' Guide Printed Tabs		400
Copy Machine Copy Fees		2,500
Destination Marketing Newsletter (entire hospitality industry)		7,125
Tear-off Visitor Maps		2,500
Direct Mail Collateral Materials		1,000
Stationary, Envelopes, Business Cards, etc.		1,750
Proposals/Presentations/Board Packets, etc.		500
Photo Library - Photographer, Processing, Copies, etc.		1,500
Other (Calendar of Events, Dining Guides, etc.)		500
<b>Sponsorships</b>	<b>1,250</b>	
Pearland Classic Coaches Book		1,000
TISCA Water Polo Event		250
<b>Staff/Board Development</b>	<b>11,750</b>	
DMAI (Destination Marketing Assoc. Int'l) Annual Conference - July		1,500
TACVB (TX Assoc. of CVBs) Annual Conference - Aug.		1,750
TACVB Mid-Winter Conference - Jan.		1,000
TTIA (TX Travel Industry Assoc.) Conference		2,000
TTIA Unity Dinner - Legislative Year		1,500
Southeast Tourism Marketing College (1 week towards TMP cert.)		1,750
Destination Marketing Advisory Board Retreat		750
Brazoria County Day in Austin		500
Pearland Day in Austin		500
Other		500

<b>Supplies (Office and General Supplies)</b>	<b>1,500</b>	
<b>Telephone/Cell Phone/Fax/Internet/DSL</b>	<b>2,845</b>	
Landline Service		1,225
Cell Phone Service		1,200
Internet Service		420
	<b>385,530</b>	

# Workshop

## Item No. 5

5. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE THIRD QUARTER 2012 FINANCIAL SNAPSHOT. *Mr. Claire Bogard, Finance Director.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b>	August 20, 2012	<b>ITEM NO.:</b>	Workshop Item No. 5
<b>DATE SUBMITTED:</b>	August 13, 2012	<b>DEPT. OF ORIGIN:</b>	Finance
<b>PREPARED BY:</b>	Claire Bogard	<b>PRESENTOR:</b>	Claire Bogard
<b>REVIEWED BY:</b>	Bill Eisen	<b>REVIEW DATE:</b>	8/13/12
<b>SUBJECT: Workshop – 3rd Quarter 2012 Financial Snapshot</b>			
<b>EXHIBITS: PowerPoint Presentation</b>			
<b>FUNDING:</b>			
<input type="checkbox"/> Grant <input type="checkbox"/> Developer/Other <input type="checkbox"/> Cash <input type="checkbox"/> Bonds To Be Sold <input type="checkbox"/> Bonds- Sold <input type="checkbox"/> L/P – Sold <input type="checkbox"/> L/P – To Be Sold			
<b>EXPENDITURE REQUIRED: N/A</b>		<b>AMOUNT BUDGETED: N/A</b>	
<b>AMOUNT AVAILABLE:</b>		<b>PROJECT NO.:</b>	
<b>ACCOUNT NO.:</b>			
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>			
<b>ACCOUNT NO.:</b>			
<b>PROJECT NO.:</b>			
<b>To be completed by Department:</b>			
Finance	Legal	Ordinance	Resolution

**EXECUTIVE SUMMARY**

**BACKGROUND**

One of the outcomes from the City Council retreat from 2009 to present was for Council and Citizens to receive regular updates on the City's Finances – State of the Finances Snapshot. This update is done quarterly and includes the review of financial activity for the General Fund, Water & Sewer Fund, PEDC, and Hotel/Motel Fund. The update also includes key economic indicators, update on grant and warrant activities, and major capital projects.

### **POLICY/GOAL CONSIDERATION**

Council 2009-2010 Strategic Direction and carried forward to Council's 2010-2011, 2011-2012 and 2012-2-13 Strategic Direction: Continue to communicate through regular "State of the Finances Snapshot" Workshops. The PowerPoint presentation is also put on the City's website, in order to share the information with the citizens.

Also, pursuant to Council's goal of receiving data from external sources to understand the impact of trends on the revenue base, attached are some articles regarding the Houston area economy and forecast.

### **RECOMMENDED ACTION**

Receive workshop on 3rd Quarter 2012 (April - June 2012) Financial Snapshot.

**ECONOMIC INFORMATION**  
**List of Articles Attached**

1. Forbes – Whiles Rest of US Economy Plods, Houston Gets Hot July 2012
  2. Forbes – The Best Places for Business and Careers June 2012
  3. Perryman – Texas Economic Outlook July 2012
  4. Dallas Fed – Houston Economic Update August 2012
  5. GHP – Houston Economy at a Glance August 2012
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**Forbes**  
com

Best Places 2012

## While Rest Of U.S. Economy Plods, Houston Gets Hot

Kurt Badenhausen, 07.16.12, 6:00 PM ET

Direct Energy Chief Executive Chris Weston needed a new home for his company, which provides electricity, natural gas and home energy services to 6 million residential and business customers across North America. The Toronto firm considered as many as 15 cities for its new headquarters, but only one ever really had a chance. "Houston was the obvious answer in the end for us," says Weston.

In January his company announced that it would relocate its office to the booming Texas city and hire 200 people immediately. The move will generate an annual local economic impact of \$59 million, according to the Greater Houston Partnership.

Why was Houston so obvious? "You have a constellation of energy companies in Houston, and the city provides a stable structure with its political and regulatory commitment, which we find extremely important," says Weston, who's led the \$10-billion-in-sales subsidiary of U.K.-based Centrica since 2009. Others agree. Exxon Mobil is building a 385-acre corporate campus here that will accommodate 10,000 employees. The company announced this month it was transferring 2,100 employees from Fairfax, Va., as well as 110 from Akron, Ohio, to Houston. BP and Anadarko Petroleum are consolidating U.S. operations here as well.

Oil and gas drive the Houston economy and are responsible for 50% of the jobs related to the export of goods and services outside the area. But that's gone way down over the past 30 years. Energy represented 87% in the early 1980s. That diversification helped Houston emerge from the recent recession faster than any other large U.S. city. Houston's employment dropped 16 straight months from its peak in August 2008. Yet the carnage was much worse in other major metros like Riverside, Calif. (48 straight down months), Phoenix, Ariz. (38), Los Angeles (36) and Minneapolis (36). Houston and Washington, D.C. are the only major metros to have recovered all the jobs they lost in the recession.

Houston ranks No. 20 in FORBES' 14th annual ranking of The Best Places for Business and Careers (for the Top 25, see p. 100). While the rest of the country plods along, Houston's \$384 billion economy boomed by a China-like 8.6% in 2011, best in the U.S., and is expected to expand 8.5% this year. Job growth has been the eighth best in the country since 2006, at an annual 1.2% pace. Moody's Analytics forecasts employment gains of 3.2% a year through 2014, which would rank Houston sixth among the 200 largest metro areas. People are chasing those jobs. The Houston metropolitan area, with a population of 6.1 million, experienced a net migration gain of 313,800 new residents during the past five years. Compare that with the three metros bigger than Houston: New York, Los Angeles and Chicago. They had a combined loss of 365,700 (see chart).

Houston went through a devastating recession in the 1980s as the price of oil plummeted and 220,000 jobs were lost. The recent economic downturn was much shallower for Houstonians. The price of oil plunged again (down more than \$100 per barrel between July 2008 and December 2008), but energy companies did not overreach this time in the climb up to \$145 oil. Only 1,200 oil and gas extraction jobs, or 2.6% of the total, were lost during the recent recession, and companies have since added back 7,200 jobs in the sector. Home builders also avoided the overdevelopment seen in other cities like Phoenix. The result: Home prices increased 16 of the past 17 years, according to Moody's Analytics. The only decline--in 2008--was less than 1%.

Energy continues to power the economy, but health care, transportation and technology are gaining. Three of the four top medical research institutions in Texas are based here. The Texas Medical Center, employing 92,500 people (annual budget: \$14 billion), is the largest in the world and includes the renowned MD Anderson Cancer Center. The Port of Houston ranks first in the U.S. in foreign tonnage and first in U.S. imports, generating \$179 billion in annual statewide economic impact, according to a 2012 study. NASA and the Johnson Space Center make it an aerospace hub as well. "[Oil and gas] is still king here, but there are so many different pieces to it that we are not a one-industry town," says Mayor Annise Parker.

Recent nonenergy companies making the move to Houston include Waste Connections, the third-largest trash hauler in the U.S. It moved its headquarters from Sacramento, Calif. this year to escape the poor California business climate. Dow Chemical announced plans in April to construct a new ethylene production plant, a \$470-million-a-year bonus for Houston's economy.

In all there are 68 publicly traded companies with more than \$1 billion in sales headquartered in Houston, second only to New York, with 83. Twelve billionaires call Houston home, led by energy titan Richard Kinder, worth \$8.2 billion.

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What could slow Houston down? A prolonged period of cheap oil would certainly sting. "The energy industry is very volatile, and that adds volatility to Houston," says Edward Friedman, an economist who tracks Texas for Moody's Analytics. Still, Friedman thinks the emergence of China and India as economic powers will keep oil prices from collapsing anytime soon.

Farouk Shami, founder and chairman of Farouk Systems, which manufactures more than 1,000 beauty products, moved his manufacturing operations from China to the U.S. over the past three years. He says costs increased 15% after the move, but it was worth it because he produces a better-quality product--resulting in fewer returns--and no longer has three months of inventory sitting on the shelves. Farouk now employs 2,000 people in the area. Shami, a Palestinian-American who took a run at the Texas governor's office in 2010 but lost decisively in the Democratic primary, is decidedly pro-Houston. "Houston is the future of America," he says. America could do a lot worse.

**Special Offer: Free Trial Issue of Forbes**



**Kurt Badenhausen**, Forbes Staff

I cover sports business with rare dip in education & local economies

BUSINESS | 6/27/2012 @ 11:52AM | 56,077 views

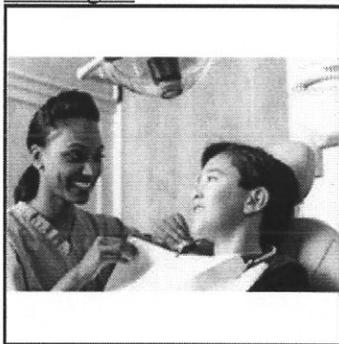
# The Best Places For Business And Careers

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11 images

Photos: [The Best Big Cities For Jobs](#)



[The Best Jobs For Young People](#)



*Jenna Goudreau* [Forbes Staff](#)

[Staff](#)



[10 Cities Where The Rental Markets Are](#)



[Rebounding](#)

*Morgan Brennan* [Forbes Staff](#)

The U.S. economy continues to sputter along with frustratingly high unemployment and sluggish GDP growth, but there are pockets of the country that are booming with 4% unemployment and 8% economic growth. Companies looking to squeeze costs and maximize productivity are increasingly turning to these locales to relocate operations and open new offices.



[Click for full photo gallery: The Best Places For Business And Careers](#)

You won't find many of these areas on the two coasts. Cities in California and New England are saddled with high business costs and heavy regulatory burdens. States in the heartland, like Utah, Texas, Nebraska and Colorado, have the best business climates right now.

Topping our 14<sup>th</sup> annual list of The Best Places for Business and Careers is Provo, Utah. The \$16 billion economy is thriving largely on the back of Brigham Young University. The school provides a stabilizing presence as the third-largest private college by enrollment in the U.S. The school is also generating new jobs. During 2010 it ranked third in the numbers of start-ups produced through university research—13 in total—behind only the nearby University of Utah (18) and MIT (17).

Job growth was a robust 3% in the Provo metro in 2011, third best in the U.S. It enjoys—by far—the lowest violent crime rate in the U.S. and ranks tenth lowest overall for crime, including property crime. The metro population has doubled over the past two decades to 542,700.

## **The 25 Best Places For Business And Careers**

### **Complete Coverage: Best Places For Business And Careers**

Joining Provo in the top 10 is sixth-ranked Ogden, Utah. Last year, 30 miles north of the city, Procter & Gamble opened its first U.S. manufacturing plant in more than three decades. The \$540 million facility will create 1,000 new jobs in the area. Median household incomes in Ogden are a robust \$60,625.

To gauge the best places for business in the U.S., we rate the 200 largest metro areas on a dozen factors. Forbes uses data from Moody's Analytics, the

U.S. Census and Bert Sperling, who runs Sperling's BestPlaces. We consider job metrics, costs, income growth, quality of life, education of the labor force and more (click [here](#) for a detailed methodology).

Last year's top city, Raleigh, N.C., dipped to No. 2 this year as living costs rose to 5% above the national average. Raleigh continues to be an attractive destination for companies with business costs 18% below the national average, according to Moody's Analytics, and a highly educated workforce thanks to nearby schools like North Carolina State, Duke University and University of North Carolina.

Job seekers are making their way to Raleigh as its net migration rate was the second highest in the U.S. over the past five years. A net 116,500 people have moved to Raleigh since 2007.

Texas dominates the ranking with five cities in the top 25, led by eighth-ranked Dallas. The Dallas economy surged 6.2% last year—second best in the nation—to \$254 billion. The job outlook in Dallas is strong with 2.9% annual growth expected through 2014, according to Moody's. Dallas is home to 17 billionaires, more than any other U.S. city besides New York and San Francisco.

Houston ranks No. 20 as it emerged from the recession faster than any other major city. It was the fastest-growing local economy in the U.S. last year, expanding 8.6%. Energy companies continue to flock to Houston to take advantage of the vast talent pool of workers in the oil and gas industry. Exxon Mobil is building a 385-acre complex in Houston suburb, The Woodlands, that will accommodate 10,000 employees. The company plans to transfer 2,100 employees from Fairfax, Va. as well as 110 from Akron, Ohio, to Houston. BP and Anadarko Petroleum are consolidating U.S. operations in Houston as well. (See ["While Rest Of U.S. Economy Plods, Houston Gets Hot"](#))

Energy companies power the Houston economy, but health care, transportation and technology are gaining. Three of the four top medical research institutions in Texas are based here. The Port of Houston generates \$179 billion in annual statewide economic impact, according to a 2012 study. NASA and the Johnson Space Center make it an aerospace hub as well. "[Oil and gas] is still king here, but there are so many different pieces to it that we are not a one-industry town," says Mayor Annise Parker.

California cities occupy half of the bottom 10 spots in our ranking. Stockton, which is on the brink of a bankruptcy filing, ranks No. 196. Only Las Vegas

had a higher foreclosure rate in 2011, according to RealtyTrac. Merced, Calif. clocks in at No. 199. Only 12% of adults have a college degree in the Central Valley city. Bringing up the rear is Modesto, Calif., where the unemployment rate is 17.7% Modesto has seen employment fall four straight years.

The Golden State did place a city in the top 25 for the first time since 2005 when San Diego made the cut. San Francisco ranks No. 23 due to a strong job and economic outlook despite the nation's highest living costs—a staggering 54% above the average U.S. city. San Fran has a highly educated labor force with 48% of the population possessing a college degree.

### **The 25 Best Places For Business And Careers**

#### **Complete Coverage: Best Places For Business And Careers**

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**This article is available online at:**

**<http://www.forbes.com/sites/kurtbadenhausen/2012/06/27/the-best-places-for-business/>**



**Perryman: Texas economic outlook stays good**  
Lewis F. McLain, Jr. to: cbogard@ci.pearland.tx.us

07/15/2012 09:22 AM

PERRYMAN: Economic outlook stays good

Odessa American  
July 15, 2012 6:00 AM  
By M. Ray Perryman

Perryman is the head of The Perryman Group and serves as a distinguished professor at the International Institute for Advanced Studies.

Texas is forecast to continue to outperform the nation through the long-term horizon. The Lone Star State fared much better than most of the United States during the recession, and currently faces lesser problems in term of unemployment and housing market conditions. Recently, the state's economy has continued to improve and unemployment rates have decreased, although they remain undesirably high in a few parts of the state.

A long-term economic forecasting perspective requires a slightly different focus, with emphasis on factors which are more fundamental to growth such as demographics, education, and the changing industrial base. Texas is facing substantial challenges in some of these areas, while others are improving the state's outlook.

The Texas housing market avoided the worst of the national downturn, and many areas are now approaching sales at levels historically supported by population expansion. Foreclosures are down and permits are increasing. Inventories of homes for sale are also falling. Another source of strength is oil and gas exploration and development. Rig counts have been trending well over 900, with activity in both long-established fields (such as those in the Permian Basin) and more recent finds (such as the Eagle Ford Shale in South Texas). Technological improvements have both increased total recoverable amounts and enhanced economies.

Most of the current growth in production of natural gas has come from shale formations such as the Barnett Shale in the Metroplex area and the Eagle Ford Shale (which also has substantial oil reserves). These fields are emerging as a crucial component of the nation's natural-gas supply, and estimates of the total potential U.S. supply from shale sources is rising rapidly as new fields are discovered and explored. While low gas prices are limiting new drilling at the moment, market patterns will change over the long-term horizon. Drilling for oil remains strong.

For the areas in close proximity to fields, the economic stimulus is particularly strong. Exploration and production involve huge capital investments, thousands of jobs, and millions in royalty payments. Although the Texas economy has diversified to the point where it is less tied to energy than in the past, oil and gas related activity will remain a notable source of economic stimulus for the foreseeable future.

Recent locations and expansions are also working to position Texas for future growth. A number of sizable investments in the state have substantial potential for synergistic development. The Caterpillar manufacturing facility in Victoria, technology firms such as Apple in Austin and the Metroplex, and many others will generate opportunities in the decades to come.

In spite of the good economic news for Texas, there remain substantial

obstacles to continued success. Global and national issues can curtail the state's future performance. The debt crisis in Europe (and elsewhere), the "fiscal cliff" the United States is facing, and other sources of uncertainty pose threats to Texas' expansion.

The state budget situation is another cause for concern. Insufficient investment in needed infrastructure could stifle future expansion, as problems such as traffic congestion decrease the state's competitiveness for attracting corporate locations. The fundamental imbalances in state revenues and expenses must be addressed in a meaningful way or prosperity will ultimately be threatened. Another major challenge for the Lone Star State is educational attainment, but that's a topic for another day.

Balancing the strengths and challenges, The Perryman Group's latest forecast calls for reasonable expansion through the long-term forecast horizon. Compound annual growth in output (real gross product) during the 2011-2040 timeframe is expected to be 3.3 percent, which translates to expansion of more than \$1.8 trillion. The information, durable manufacturing, and services sectors are projected to exceed a 3.9 percent compound annual rate of growth in output over the period.

Employment is forecast to increase at a 1.59 percent compound annual rate, with total gains of almost 6.4 million jobs. Sectors expected to see the largest numbers of new positions during the next three decades include services (projected to add some 3.9 million net new jobs) and wholesale and retail trade (up almost 876,000). The information sector is likely to see compound annual employment growth of more than 1.6 percent, while several others expand at a rate greater than 1.0 percent.

In conclusion, the Texas economy continues to recover from the recent recession, with notable job gains and improvement in the housing market. There are also positive trends at work, such as resurgence in traditional sources of business activity and major locations in emerging industries. At the same time, the Lone Star State must deal with key infrastructure and education issues or future economic performance will be jeopardized.

The Perryman Group's forecast calls for growth over an extended time horizon, though business cycles are inevitable. The state remains well positioned compared to most areas, and has the potential to see even better performance with meaningful solutions to fiscal and other issues.

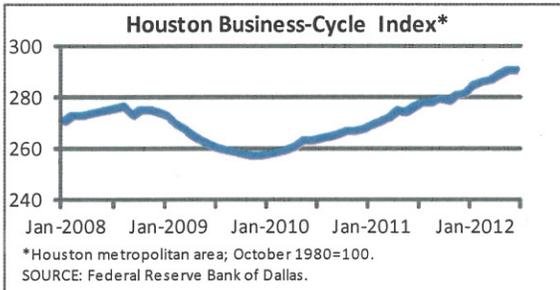
# Houston Economic Update

August 2012



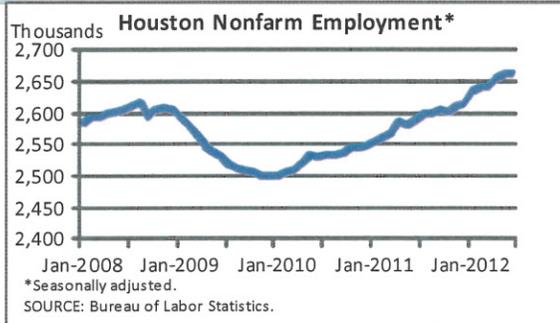
FEDERAL RESERVE BANK OF DALLAS, HOUSTON BRANCH

## Houston Business Cycle



The Federal Reserve Bank of Dallas business-cycle index indicates economic activity in the Houston metropolitan area grew at an annualized rate of 2.8 percent in June. Estimates of weak employment growth for June may be weighing on the index, but key area industries continue to perform well despite eroding national and international expectations. Real estate markets are improving and seeing strong activity levels, energy prices are mostly in healthy territory and retail indicators are looking strong. Thus, the outlook for Houston in the coming months remains positive.

## Employment

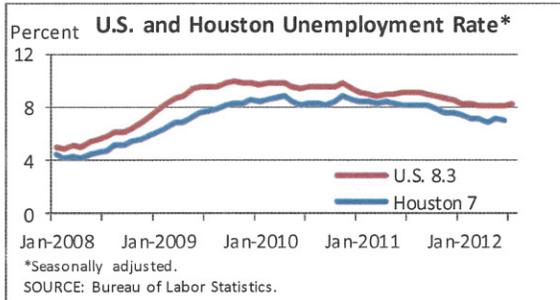


Seasonally adjusted nonfarm payroll employment was essentially unchanged in June, bringing the three-period-average rate down to 3.02 percent. With construction—particularly heavy and civil construction—adding to mining’s persistent strength, that category saw the highest growth rate (17.8 percent) and number of jobs added (4,100) in June. Government and financial activities had the largest one-month decline, each with 3,000 jobs lost (9.9 percent and 15.6 percent, respectively). With a steadily growing labor force, the seasonally adjusted Houston unemployment rate fell from 7.1 percent in May to 7 in June. The U.S. unemployment rate rose to 8.3 percent from 8.2 in July with no significant change in the labor force.

### Employment Changes

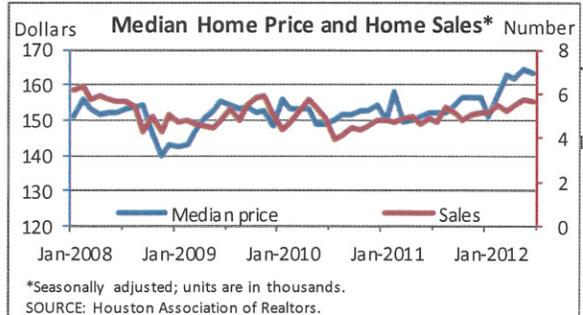
Prof. & business services	-2.5
Construction & mining	16.6
Trade, transportation, utilities	3.2
Manufacturing	2.4
Education & health services	1.9
Leisure & hospitality	6.2
Other services	7.6
Financial activities	5.6
Information	-5.1
Government	-4.0

Figures are three-period-average annualized monthly growth rates, ordered by descending industry contribution to first quarter 2012 year-to-year real wage growth. Data are from the Bureau of Labor Statistics, seasonally adjusted by the Federal Reserve Bank of Dallas.



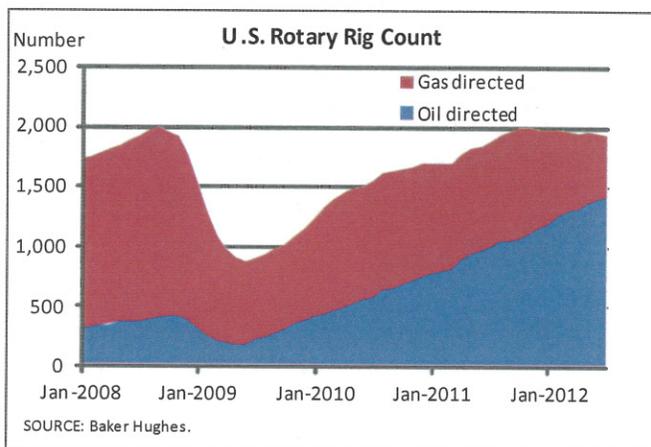
## Real Estate

Seasonally adjusted home sales declined an average of 2.46 percent over the three months ending in June. Single-family housing permits and starts were down in June, but trends remain flat to positive. Multifamily occupancy was 89.4 percent in the second quarter, and lease rates were up for all apartment classes over the last year and quarter. Industrial vacancy rates fell to 5.3 percent in the second quarter, a decline both year to year and from the first quarter, and CBRE cites 4.5 million square feet under construction. Office space continues to outperform, with lease rates up and vacancy rates down from the first quarter to 13.9 percent.



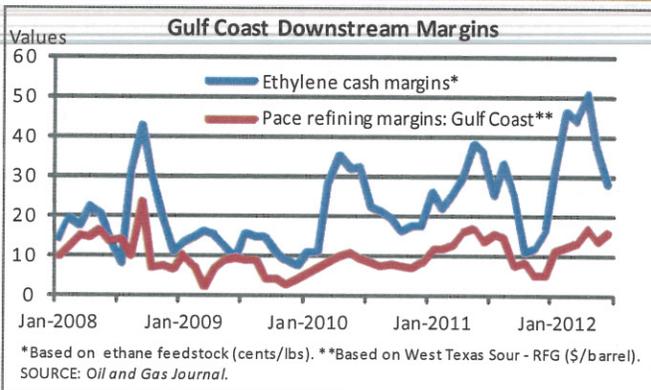
## Upstream

The average daily prices of West Texas Intermediate and Brent crude oil were \$87.93 and \$102.79 a barrel in July, respectively, and the Henry Hub average spot price of natural gas was \$2.96. On an energy-equivalent basis, oil was 5 to 6 times the price of gas. The July average weekly U.S. rig count was 1,944, and the number of active rigs in the Gulf of Mexico increased slightly to 48. Weekly rig totals have been flat to down despite increasing oil activity due to continued declines in gas rigs brought on by very low prices. Those rig declines and substitution to natural gas from coal in electricity generation are putting upward pressure on natural gas prices. Inventories of natural gas continued to climb in July, and both crude oil and natural gas storage remain above their five-year ranges.



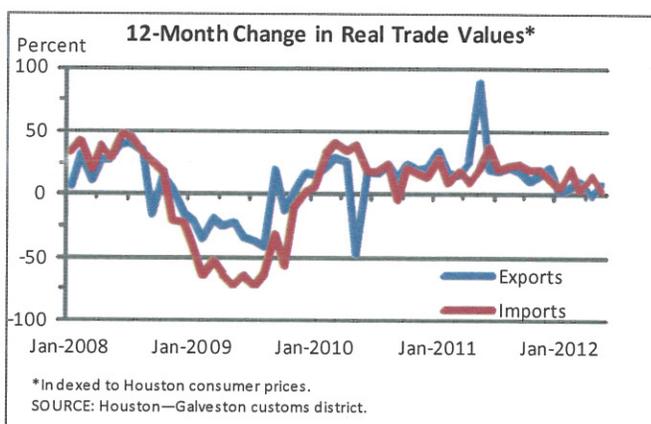
## Downstream

The June margins of refiners remained above historical averages. Gulf Coast conventional gasoline and diesel prices both rose in July to average \$2.65 and \$2.88, respectively, recovering most of June's price declines. Exports of refined products softened but remained high at 2.8 million barrels per day. Petrochemical firms are benefiting from NGL prices (ethane, propane, butane) that fell sharply over the past three months. The Gulf pipeline-delivered spot price for ethylene, a central plastics building block, climbed throughout July to \$48.50. Polymer spot prices were up over July levels as well. Domestic resins production was down slightly in June relative to a year prior.



## Trade and Autos

The real value of imports and exports at the Houston-Galveston customs district maintained a solid positive year-over-year trend through June due in part to the high price and export volumes of petroleum products. Oil exploration and production-related products like steel pipe, chemicals and plastic resins continue to be key drivers of observed growth. Meanwhile, Houston total auto sales registered their best second quarter since 2007, and June 2012 sales were nearly 88 percent higher year to year, according to InfoNation Inc. The average retail price of new vehicles fell slightly despite a rise in the truck/SUV share of sales due in part to increased purchases of cars under \$30,000, a market that had seen significant substitution to used cars.



**Capacity Utilization:** Seasonally adjusted capacity utilization rates for regionally important industries remain solid.

- Manufacturing as a whole was strong at 78.2 percent of capacity in June, but the manufacturing Purchasing Managers Index is signaling a slowdown.
- Petroleum and coal products were at 86 percent in June, a pickup from the previous two months.
- Chemicals, plastic products and rubber, and plastic materials and resins all saw some declines in May, but the former two categories increased to 77 and 78.3 percent, respectively, in June.
- The American Chemistry Council reported a slowdown in U.S. chemical production, and global chemical capacity utilization is on a downward trend, ending June at 85.4 percent.

# The Economy at a Glance Houston

A publication of the Greater Houston Partnership

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- Consumer Confidence Returns** — A pair of indicators released in July—vehicle and home sales—signal that consumer confidence has returned to Houston. Local auto dealers sold 90,451 new autos, trucks and SUVs in the second quarter of '12, the highest quarterly volume since Q3/07. Houston-area realtors sold 7,575 homes in June, the highest one-month total since August '07. Autos are big-ticket items. Homes are big-ticket items *and* require a long-term commitment. Increased sales of both suggest local consumers have the income and the confidence to make long-term financial commitments.

Three factors have helped instill this confidence—job growth, income growth, and the strong performance of Houston’s core industry – energy.

The 10-county Houston region has reported steady job growth for two and a half years now. The private sector has added 221,100 jobs during that period. Every sector but two, information and government, is growing. Additionally, nonfarm payroll employment in Houston is at an all-time high, according to data from the Texas Workforce Commission.

Wages have grown significantly as well. The average annual wage in Houston is \$9,100 higher now than in '09, according to the *Quarterly Census of Employment and Wages*. The average annual wage in business and technical services is up \$10,972. In manufacturing, it’s up \$13,832, primarily due to higher hourly rates and increased overtime. Even in the low-paid retail and food service sectors, average annual wages are up \$2,236 and \$1,176, respectively over the same period.

Moreover, the energy industry seems to have found a new floor, one that many in Houston are comfortable with. The price of West Texas Intermediate, the U.S. benchmark for light crude, has remained above \$75 a barrel for nearly two years now. The North American drilling rig count has remained above 1,900 for the past 52 weeks. Activity continues to grow in the Eagle Ford shale, the oil play written about in previous issues of *Glance*. During the first six months of this year, the Texas Railroad Commission issued 2,297 per-

**Historical and Projected Volumes - Houston Metro Area**

Year	Home Sales	Auto Sales
'02	58,914	343,738
'03	64,600	319,940
'04	72,183	303,984
'05	79,012	322,068
'06	87,799	349,638
'07	83,736	358,770
'08	69,336	306,860
'09	63,801	218,710
'10	61,004	240,354
'11	63,803	254,996
<b>'12 Projected</b>	<b>70,000</b>	<b>315,000</b>

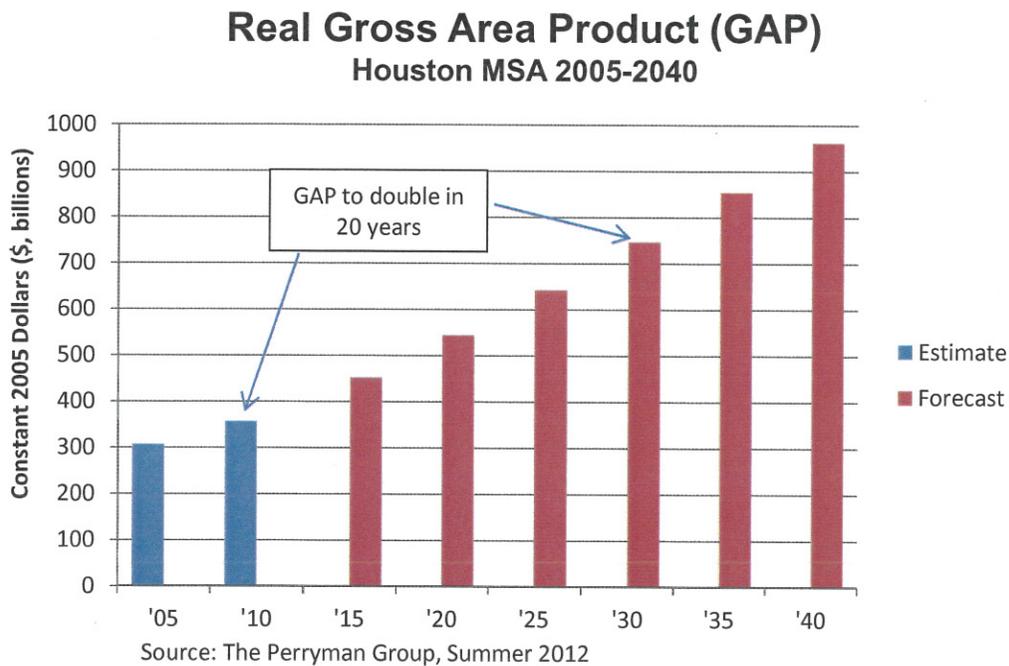
Sources: *historical*, Houston Association of Realtors® and *TexAutofacts*, InfoNation of Sugar Land; *projected*, *TexAutofacts* and the Greater Houston Partnership

## HOUSTON—THE ECONOMY AT A GLANCE

mits to drill in the Eagle Ford shale. At that pace, the commission will issue more than 4,500 permits by the end of the year, which would be a 62.5 percent increase over '11.

If the pace of sales holds, '11 will be recorded as the year that auto and home sales returned to normal in Houston. *TexAuto Facts* forecasts local dealers will sell more than 315,000 units this year. Houston-area realtors are on pace to sell more than 70,000 homes. Both would represent the best performance since '07, the year prior to the recession.

- **Houston Projected to Outperform Most of the Nation** — The Houston-Sugar Land-Baytown metro area is forecasted to more than double its real (*i.e.*, net of inflation<sup>1</sup>) gross area product (GAP) in the next two decades. According to the Perryman Group's *Summer 2012 Long-Term Outlook*, the Houston region's real GAP amounted to \$380.3 billion<sup>2</sup> in '11 and will grow to \$768.7 billion in '31. Perryman expects real GAP to reach \$962.2 billion in '40. This would result in a compound annual growth rate (CAGR) of 3.32 percent, outpacing most U.S. metro areas.



The Perryman Group states that the Houston area will remain a global center for the oil and gas industry, with corporate headquarters, related technology firms, and service businesses contributing to ongoing growth. The report explains: “In spite of the cyclical nature of oil and gas exploration and production, global expansion in energy demand and technological advances will keep Texas and the Houston area at the forefront of the in-

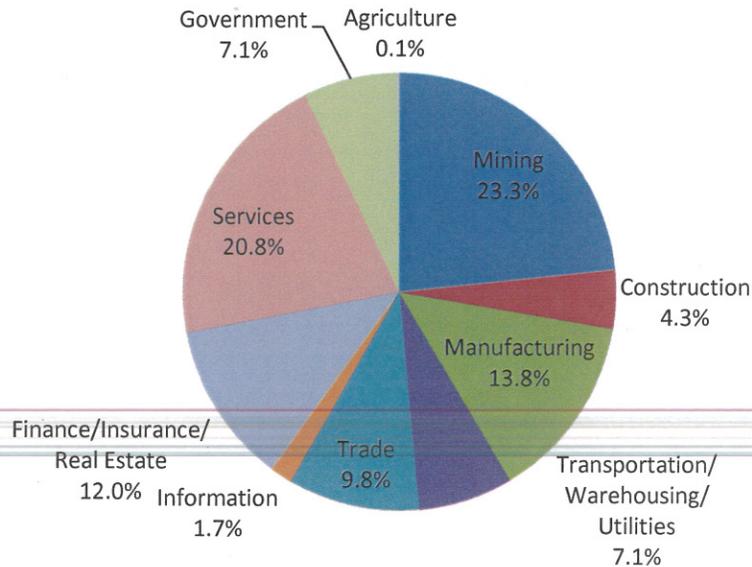
<sup>1</sup>The Perryman Group reports real GAP in 2005 dollars.

<sup>2</sup> Houston's nominal GAP in '11 was \$442.4 billion. See the below article “How big is Houston's economy?” for commentary on Houston's nominal/current GAP.

## HOUSTON—THE ECONOMY AT A GLANCE

dustry.” The report also notes that additional long-term drivers of the economy include the port facilities serving the Houston region and the strong health care base.

### 2011 Houston MSA Gross Area Product by Industry



Source: The Perryman Group, Summer 2012

The industry sector that contributed the most to Houston’s GAP in ’11 was mining (primarily oil and gas exploration and production), which represented 23.3 percent of the GAP. Services accounted for 20.8 percent, followed by manufacturing (13.8 percent), and finance/insurance/real estate (12.0 percent). From ’10 to ’40, the Perryman Group expects mining and services to grow the fastest, with a CAGR of 6.8 percent, followed by manufacturing (6.1 percent), trade (5.2 percent), and finance/insurance/real estate (5.1 percent).

The report also sees the Houston region leading Texas in population growth, averaging an annual rate of 1.8 percent from ’11 to ’40 and adding 4.14 million residents. Over the same period, the Texas-based economic forecasting firm expects wage and salary employment to rise at a 1.6 percent annual rate, growing from 2.7 million jobs in ’11 to 4.3 million jobs in ’40 and accounting for almost one-fourth of Texas’ job growth during that time frame.

- **Employment Continues to Grow** — The Houston-Sugar Land-Baytown Metropolitan Statistical Area added 85,000 net new jobs, a 3.3 percent annual increase, in the 12 months ending June ’12, according to data released by the Texas Workforce Commission. Over the month, the Houston region added 7,600 jobs with the private sector growing by 20,500 jobs and the public sector shrinking by 12,900 employees. The losses in the public sector are the result of seasonal layoffs as teachers, educators and school administrators on 10-month contracts go off the payroll in the summer. In light of the current challenges to education funding, it is unclear how many of these jobs will return in the fall. If not for

## HOUSTON—THE ECONOMY AT A GLANCE

the continued losses in the government sector, the region would be growing at a rate of 100,000 or more jobs per year. Since June '11, the private sector has grown by 95,600 jobs, a 4.3 percent increase over the year.

Houston's economy continues to outperform the nation. Houston matched the combined job creation of Dallas-Fort Worth-Arlington (51,600 jobs), Austin-Round Rock, (4,400 jobs), and San Antonio-New Braunfels (10,500 jobs). Nationally, only Los Angeles and New York, metros two and three times larger, produced more jobs than Houston. New York added 138,000 and Los Angeles added 108,400. However, Houston's 3.3 percent annual growth rate outpaces New York's 1.6 percent and Los Angeles 2.1 percent.

The three sectors in Houston adding the most jobs since June '12 were health care and social assistance (20,100 jobs, 7.4 percent annual rate), accommodation and food services (17,400 jobs, 7.9 percent annual rate), and retail trade (9,800 jobs, 3.6 percent annual rate). The three sectors with the fastest growth rates were fabricated metal product manufacturing (5,000 jobs, 10.0 percent annual rate), machinery manufacturing (4,500 jobs, 9.6 percent annual rate), and oil and gas extraction (4,000 jobs, 8.2 percent annual rate).

The construction sector has finally begun to rebound, adding 7,900 jobs over the past 12 months, a 4.4 percent growth rate. Growth should continue as Dow, Chevron Phillips, Exxon and others break ground on chemical plants and ethane crackers in the area, the demand for office space spurs office construction, and the declining inventory of re-sale homes generates additional housing starts.

- Houston's Trade Flow on the Rise** — More than \$118.1 billion in foreign trade passed through the Houston-Galveston Customs District in the first five months of '12, an 11.4 percent increase from \$105.9 billion handled during the same period in '11. Exports totaled \$52.0 billion from January through May this year, up 8.5 percent from \$47.9 billion. Imports totaled \$66.1 billion through May, a 13.9 percent increase from the same period last year.

Top Commodities, Houston-Galveston Customs District, Jan '12 - May '12			
Exports	Value (\$B)	Imports	Value (\$B)
Mineral fuel and oil	\$19.4	Mineral fuel and oil	\$40.4
Industrial machinery	7.7	Articles of iron or steel	4.4
Organic chemicals	7.1	Industrial machinery	4.3
Plastics	2.7	Electric machinery	3.3
Electric Machinery	2.5	Organic chemicals	1.9
All Others	12.5	All others	11.8
<b>Total</b>	<b>52.0</b>	<b>Total</b>	<b>66.1</b>

Adapted from WISERTrade: International Trade Database, WISER LLC, Copyright 2004. No Claim to Original United States Government Works. All Rights Reserved

## HOUSTON—THE ECONOMY AT A GLANCE

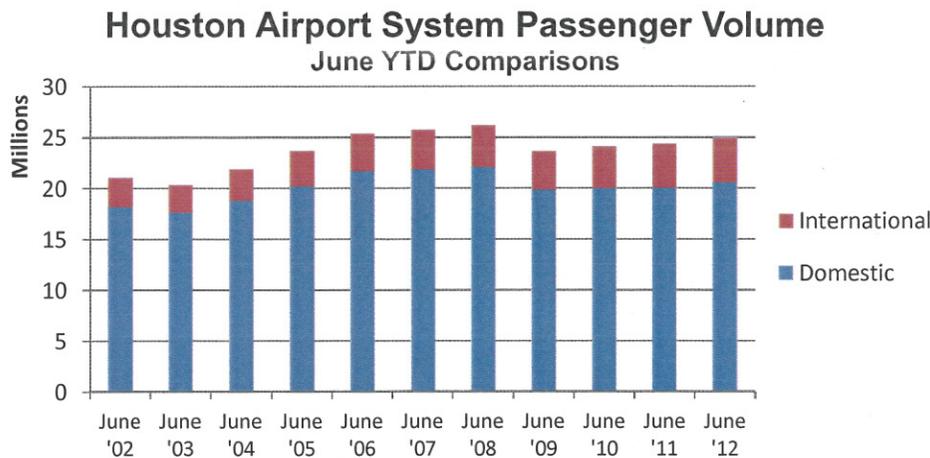
For the 12 months ending May '12, trade through the customs district totaled \$278.2 billion. This is the 10th consecutive record-setting month. Prior to the recession, the 12-month total peaked at \$245.1 billion in October '08. Houston surpassed the previous peak in August '11 with \$250.4 billion and has continued to grow since then. Five commodities accounted for 76.0 percent of all exports through the district: mineral fuel and oil (\$19.4 billion), industrial machinery (\$7.7 billion), organic chemicals (\$7.1 billion), plastics (\$2.7 billion) and electric machinery (\$2.5 billion).

Imports totaled \$66.1 billion in May '12, up 13.9 percent from \$58.0 billion a year earlier. Five commodities accounted for 81.7 percent of all imports through the district: mineral fuel and oil (\$40.4 billion), articles of iron and steel (\$4.4 billion), industrial machinery (\$4.3 billion), electric machinery (\$3.3 billion) and organic chemicals (1.9 billion).

The Houston-Galveston district is the third busiest in the United States, following Los Angeles (first), and New York (second). However, the 11.4 percent rise in the value of trade here through May surpasses gains of 7.8 percent in Los Angeles and 3.0 percent in New York, marking continued increased trade flow between Houston and the world.

- Airport Traffic Continues to Grow**—In the first half of this year, the Houston Airport System (HAS) handled 24.99 million passengers, a 2.4 percent increase from the 24.41 million handled over the first six months of '11. This is the strongest January to June performance since the recession began in the fall of '08.

Domestic traffic grew by 2.7 percent from 20.05 million passengers June '11 YTD to 20.58 million passengers June '12 YTD. During this same period, international passenger volume rose by 1.0 percent from, 4.37 million travelers to 4.41 million. Domestic traffic continues to dominate HAS activity with an 82.4 percent share of all travel. However, the share of international passengers has increased over the past 10 years, from 13.0 percent in the first half of '02 to 17.6 percent in the first half of '12.



Source: Houston Airport System

## HOUSTON—THE ECONOMY AT A GLANCE

Typically, HAS handles higher passenger volume in the second half of the year, primarily due to holiday travel. In the past three years, the total passenger count from July to December was around five percent higher than from January to June. Given this trend, HAS could see an estimated 26.24 million passengers in the last six months of '12. This would bring the annual total to 51.24 million passengers for all of '12, a 2.4 percent increase over the 49.98 passengers in '11. That projected total for '12 works out to a 24/7 average of more than three passengers every two seconds.

Air cargo handled through the HAS declined a slight 1.9 percent from 461.2 million pounds the first half of '11 to 452.2 million pounds the first half of '12. This drop primarily reflects the 4.5 percent decrease in deplaned air cargo, from 227.1 million pounds June '11 YTD to 216.9 million pounds June '12 YTD. Enplaned air cargo remained steady with a 0.6 percent increase from 234.0 million pounds June '11 YTD to 235.4 million pounds June '12 YTD.

- **How big is Houston's economy?** — It depends on whom you ask. The Partnership's Research Department has identified estimates of gross domestic product (GDP)<sup>3</sup> from five different sources— George Mason University Center for Economic Research, IHS Global Insight, Moody's Economy.com, The Perryman Group and the U.S. Bureau of Economic Analysis. Their estimates can be found below.

The numbers vary because each forecaster uses a different methodology and makes different assumptions about the factors driving growth. So what's the true size of Houston's economy?

A simplistic approach would be to average the five estimates, which produces a value of \$397.8 billion. If one dismisses the two extremes, the remaining three average to \$401.3 billion. Either approach generates an estimate for local GDP in the neighborhood of \$400 billion, give or take a few billion dollars. To paraphrase a remark widely attributed to the late Senator Everett Dirksen, a billion here, a billion there, and pretty soon you're talking about a real big economy.

### Estimates of Gross Domestic Product 10-County Houston Metro Area

Source	'11 Estimate (Billions)*
The Perryman Group	\$442.4
IHS Global Insight	\$420.4
GMU Center for Economic Research	\$399.0
U.S. Bureau of Economic Analysis ('10 est)**	\$384.6
Moody's Economy.com	\$342.8

\* current/nominal dollars

\*\* BEA has not released estimates for '11.

<sup>3</sup> Estimates are for '11 and in current/nominal dollars.

## HOUSTON—THE ECONOMY AT A GLANCE

How big? Data from the World Bank helps to put the size of Houston's GDP in perspective. If Houston were a sovereign, it would have the world's 28<sup>th</sup> largest economy and rank behind Argentina, Austria, and South Africa but rank ahead of the United Arab Emirates, Thailand and Denmark. At Houston's current rate of GDP growth, 6.1 percent according to Global Insight versus 3.1 percent for South Africa, the number 27 slot is within reach.

### GDP Comparisons

Rank	Nation	'11 GDP (\$B)
25	Argentina	445.9
26	Austria	418.5
27	South Africa	408.2
28	<i>Houston</i>	401.3
29	U.A.E.	360.2
30	Thailand	345.6
31	Denmark	332.7

Source: World Bank and GHP Estimates

Patrick Jankowski, Jenny Philip and Pooja Patel  
contributed to this issue of  
*Houston: The Economy at a Glance.*

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The Key Economic Indicators table is updated **whenever any data change** — typically, 11 or so times per month. If you would like to receive those updates by e-mail, usually accompanied by commentary, please email your request for **Key Economic Indicators** to [dmorrow@houston.org](mailto:dmorrow@houston.org) with the same identifying information.

You may request **Glance** and **Indicators** in the same email.

# HOUSTON—THE ECONOMY AT A GLANCE

## Houston Economic Indicators

A Service of the Greater Houston Partnership

	Month	MONTHLY DATA			YEAR-TO-DATE TOTAL OR YTD AVERAGE*		
		Most Recent	Year Earlier	% Change	Most Recent	Year Earlier	% Change
<b>ENERGY</b>							
U.S. Active Rotary Rigs	July '12	1,944	1,900	2.3	1,976 *	1,900 *	4.0
Spot Crude Oil Price (\$/bbl, West Texas Intermediate)	June '12	83.13	95.87	-13.3	98.14 *	97.66 *	0.5
Spot Natural Gas (\$/MMBtu, Henry Hub)	June '12	2.43	4.51	-46.1	2.37 *	4.22 *	-43.9
<b>UTILITIES AND PRODUCTION</b>							
Houston Purchasing Managers Index	June '12	59.2	61.4	-3.6	59.4 *	60.1 *	-1.2
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	May '12	4,165,578	4,315,318	-3.5	3,983,538	4,003,822	-0.5
<b>CONSTRUCTION</b>							
<b>Total Building Contracts (\$, Houston MSA)</b>	<b>May '12</b>	<b>684,178,000</b>	<b>769,449,000</b>	<b>-11.1</b>	<b>4,088,982,000</b>	<b>3,655,967,000</b>	<b>11.8</b>
Nonresidential	May '12	149,300,000	321,654,000	-53.6	1,439,064,000	1,566,795,000	-8.2
Residential	May '12	534,878,000	447,795,000	19.4	2,649,918,000	2,089,172,000	26.8
<b>Building Permits (\$, City of Houston)</b>	<b>June '12</b>	<b>278,641,812</b>	<b>323,784,652</b>	<b>-13.9</b>	<b>2,236,490,806</b>	<b>1,628,692,461</b>	<b>37.3</b>
Nonresidential	June '12	184,715,387	196,991,077	-6.2	1,490,109,258	1,090,260,029	36.7
New Nonresidential	June '12	44,945,318	83,110,113	-45.9	542,107,753	359,360,362	50.9
Nonresidential Additions/Alterations/Conversions	June '12	139,770,069	113,880,964	22.7	948,001,505	730,899,667	29.7
Residential	June '12	93,926,425	126,793,575	-25.9	746,381,548	538,432,432	38.6
New Residential	June '12	76,692,414	107,396,682	-28.6	607,125,483	437,498,933	38.8
Residential Additions/Alterations/Conversions	June '12	17,234,011	19,396,893	-11.2	139,256,065	100,933,499	38.0
<b>Multiple Listing Service (MLS) Activity</b>							
Closings	June '12	7,575	6,572	15.3	35,159	30,975	13.5
Median Sales Price - SF Detached	June '12	171,000	160,000	6.9	158,445 *	150,915 *	5.0
Active Listings	June '12	42,207	51,342	-17.8	42,714 *	50,858 *	-16.0
<b>EMPLOYMENT (Houston-Sugar Land-Baytown MSA)</b>							
<b>Nonfarm Payroll Employment</b>	<b>June '12</b>	<b>2,686,000</b>	<b>2,601,000</b>	<b>3.3</b>	<b>2,657,184 *</b>	<b>2,569,033 *</b>	<b>3.4</b>
Goods Producing (Natural Resources/Mining/Const/Mfg)	June '12	513,900	489,200	5.0	500,017 *	478,633 *	4.5
Service Providing	June '12	2,172,100	2,111,800	2.9	2,157,167 *	2,090,400 *	3.2
<b>Unemployment Rate (%) - Not Seasonally Adjusted</b>							
Houston-Sugar Land-Baytown MSA	June '12	7.5	9.0		7.1 *	8.4 *	
Texas	June '12	7.6	8.8		7.1 *	8.2 *	
U.S.	June '12	8.4	9.3		8.3 *	9.2 *	
<b>TRANSPORTATION</b>							
<b>Port of Houston Authority Shipments (Short Tons)</b>	<b>June '12</b>	<b>3,525,114</b>	<b>3,411,089</b>	<b>3.3</b>	<b>21,618,059</b>	<b>21,298,115</b>	<b>1.5</b>
<b>Air Passengers (Houston Airport System)</b>	<b>June '12</b>	<b>4,631,962</b>	<b>4,593,542</b>	<b>0.8</b>	<b>24,992,848</b>	<b>24,411,848</b>	<b>2.4</b>
Domestic Passengers	June '12	3,804,375	3,799,163	0.1	20,581,974	20,046,455	2.7
International Passengers	June '12	827,587	794,379	4.2	4,410,874	4,365,393	1.0
<b>Landings and Takeoffs</b>	<b>June '12</b>	<b>68,767</b>	<b>74,660</b>	<b>-7.9</b>	<b>414,991</b>	<b>431,264</b>	<b>-3.8</b>
<b>Air Freight (000 lb)</b>	<b>June '12</b>	<b>75,042</b>	<b>77,407</b>	<b>-3.1</b>	<b>452,232</b>	<b>461,223</b>	<b>-1.9</b>
Enplaned	June '12	39,650	40,940	-3.2	235,367	234,079	0.6
Deplaned	June '12	35,392	36,467	-2.9	216,865	227,144	-4.5
<b>CONSUMERS</b>							
<b>New Car and Truck Sales (Units, Houston MSA)</b>	<b>June '12</b>	<b>31,688</b>	<b>16,882</b>	<b>87.7</b>	<b>168,060</b>	<b>125,032</b>	<b>34.4</b>
Cars	June '12	13,995	7,265	92.6	75,153	54,913	36.9
Trucks, SUVs and Commercials	June '12	17,693	9,617	84.0	92,907	70,119	32.5
<b>Total Retail Sales (\$000,000, Houston MSA, NAICS Basis)</b>	<b>4Q11</b>	<b>30,452</b>	<b>27,723</b>	<b>9.8</b>	<b>100,444</b>	<b>90,404</b>	<b>11.1</b>
<b>Consumer Price Index for All Urban Consumers ('82-'84=100)</b>							
Houston-Galveston-Brazoria CMSA	June '12	204.829	201.309	1.7	204.707 *	199.483 *	2.6
United States	June '12	229.478	225.722	1.7	228.850 *	223.599 *	2.3
<b>Hotel Performance (Harris County)</b>							
Occupancy (%)	1Q12	66.7	60.5		66.7 *	60.5 *	
Average Room Rate (\$)	1Q12	95.35	91.97	3.7	95.35 *	91.97 *	3.7
Revenue Per Available Room (\$)	1Q12	63.57	55.60	14.3	63.57 *	55.60 *	14.3
<b>POSTINGS AND FORECLOSURES</b>							
Postings (Harris County)	July '12	2,799	3,138	-10.8	21,546	26,297	-18.1
Foreclosures (Harris County)	July '12	817	782	4.5	6,016	5,982	0.6

## HOUSTON—THE ECONOMY AT A GLANCE

### Sources

Rig Count  
Spot WTI, Spot Natural Gas  
Houston Purchasing Managers  
Index

Electricity  
Building Construction Contracts  
City of Houston Building Permits

MLS Data  
Employment, Unemployment

Baker Hughes Incorporated  
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National Association of  
Purchasing Management –  
Houston, Inc.  
CenterPoint Energy  
McGraw-Hill Construction  
Building Permit Department, City  
of Houston  
Houston Association of Realtors®  
Texas Workforce Commission

Port Shipments  
Aviation

Car and Truck Sales

Retail Sales  
Consumer Price Index  
Hotels

Postings, Foreclosures

Port of Houston Authority  
Aviation Department, City of  
Houston  
*TexAuto Facts Report*,  
InfoNation, Inc., Sugar Land TX  
Texas Comptroller's Office  
U.S. Bureau of Labor Statistics  
PKF Consulting/Hospitality Asset  
Advisors International  
Foreclosure Information & Listing  
Service

# HOUSTON—THE ECONOMY AT A GLANCE

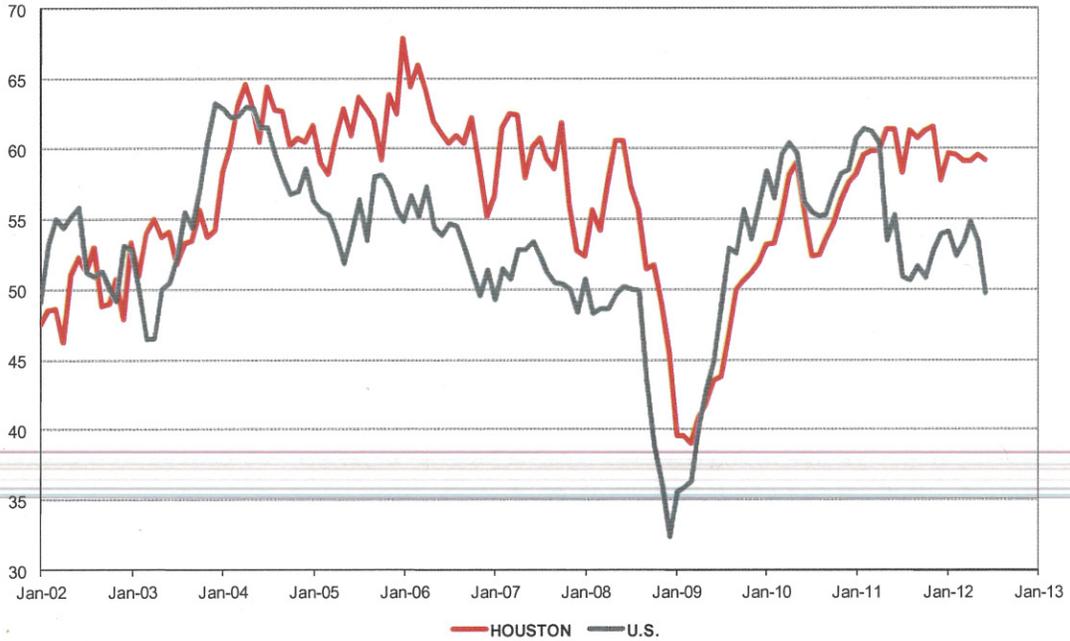
## HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

	June '12	May '12	June '11	Change from		% Change from	
				May '12	June '11	May '12	June '11
<b>Total Nonfarm Payroll Jobs</b>	<b>2,686.0</b>	<b>2,678.4</b>	<b>2,601.0</b>	<b>7.6</b>	<b>85.0</b>	<b>0.3</b>	<b>3.3</b>
<b>Total Private</b>	<b>2,324.2</b>	<b>2,303.7</b>	<b>2,228.6</b>	<b>20.5</b>	<b>95.6</b>	<b>0.9</b>	<b>4.3</b>
<b>Goods Producing</b>	<b>513.9</b>	<b>503.2</b>	<b>489.2</b>	<b>10.7</b>	<b>24.7</b>	<b>2.1</b>	<b>5.0</b>
<b>Service Providing</b>	<b>2,172.1</b>	<b>2,175.2</b>	<b>2,111.8</b>	<b>-3.1</b>	<b>60.3</b>	<b>-0.1</b>	<b>2.9</b>
<b>Private Service Providing</b>	<b>1,810.3</b>	<b>1,800.5</b>	<b>1,739.4</b>	<b>9.8</b>	<b>70.9</b>	<b>0.5</b>	<b>4.1</b>
<b>Mining and Logging</b>	<b>96.8</b>	<b>95.4</b>	<b>88.6</b>	<b>1.4</b>	<b>8.2</b>	<b>1.5</b>	<b>9.3</b>
Oil & Gas Extraction	53.0	52.1	49.0	0.9	4.0	1.7	8.2
Support Activities for Mining	40.7	40.3	38.5	0.4	2.2	1.0	5.7
<b>Construction</b>	<b>179.9</b>	<b>172.0</b>	<b>172.4</b>	<b>7.9</b>	<b>7.5</b>	<b>4.6</b>	<b>4.4</b>
<b>Manufacturing</b>	<b>237.2</b>	<b>235.8</b>	<b>228.2</b>	<b>1.4</b>	<b>9.0</b>	<b>0.6</b>	<b>3.9</b>
Durable Goods Manufacturing	160.1	158.9	150.8	1.2	9.3	0.8	6.2
Nondurable Goods Manufacturing	77.1	76.9	77.4	0.2	-0.3	0.3	-0.4
<b>Wholesale Trade</b>	<b>139.6</b>	<b>139.3</b>	<b>136.5</b>	<b>0.3</b>	<b>3.1</b>	<b>0.2</b>	<b>2.3</b>
<b>Retail Trade</b>	<b>279.6</b>	<b>275.2</b>	<b>269.8</b>	<b>4.4</b>	<b>9.8</b>	<b>1.6</b>	<b>3.6</b>
<b>Transportation, Warehousing and Utilities</b>	<b>126.6</b>	<b>124.5</b>	<b>121.5</b>	<b>2.1</b>	<b>5.1</b>	<b>1.7</b>	<b>4.2</b>
Utilities	17.3	17.1	16.1	0.2	1.2	1.2	7.5
Air Transportation	19.6	19.6	19.8	0.0	-0.2	0.0	-1.0
Truck Transportation	23.2	23.0	22.0	0.2	1.2	0.9	5.5
Pipeline Transportation	10.4	10.5	10.4	-0.1	0.0	-1.0	0.0
<b>Information</b>	<b>31.2</b>	<b>31.3</b>	<b>31.9</b>	<b>-0.1</b>	<b>-0.7</b>	<b>-0.3</b>	<b>-2.2</b>
Telecommunications	15.4	15.5	16.0	-0.1	-0.6	-0.6	-3.8
<b>Finance &amp; Insurance</b>	<b>90.5</b>	<b>91.8</b>	<b>88.5</b>	<b>-1.3</b>	<b>2.0</b>	<b>-1.4</b>	<b>2.3</b>
<b>Real Estate &amp; Rental and Leasing</b>	<b>49.5</b>	<b>49.4</b>	<b>48.6</b>	<b>0.1</b>	<b>0.9</b>	<b>0.2</b>	<b>1.9</b>
<b>Professional &amp; Business Services</b>	<b>389.4</b>	<b>389.8</b>	<b>383.9</b>	<b>-0.4</b>	<b>5.5</b>	<b>-0.1</b>	<b>1.4</b>
Professional, Scientific & Technical Services	185.6	185.7	181.3	-0.1	4.3	-0.1	2.4
Legal Services	23.6	23.1	23.3	0.5	0.3	2.2	1.3
Accounting, Tax Preparation, Bookkeeping	17.3	17.4	17.2	-0.1	0.1	-0.6	0.6
Architectural, Engineering & Related Services	62.0	61.4	60.5	0.6	1.5	1.0	2.5
Computer Systems Design & Related Services	26.6	26.4	25.2	0.2	1.4	0.8	5.6
Admin & Support/Waste Mgt & Remediation	182.5	183.0	181.9	-0.5	0.6	-0.3	0.3
Administrative & Support Services	171.0	172.5	173.8	-1.5	-2.8	-0.9	-1.6
Employment Services	76.8	77.2	69.2	-0.4	7.6	-0.5	11.0
<b>Educational Services</b>	<b>42.9</b>	<b>43.9</b>	<b>42.4</b>	<b>-1.0</b>	<b>0.5</b>	<b>-2.3</b>	<b>1.2</b>
<b>Health Care &amp; Social Assistance</b>	<b>292.4</b>	<b>293.1</b>	<b>272.3</b>	<b>-0.7</b>	<b>20.1</b>	<b>-0.2</b>	<b>7.4</b>
<b>Arts, Entertainment &amp; Recreation</b>	<b>30.5</b>	<b>28.8</b>	<b>29.7</b>	<b>1.7</b>	<b>0.8</b>	<b>5.9</b>	<b>2.7</b>
<b>Accommodation &amp; Food Services</b>	<b>238.1</b>	<b>235.8</b>	<b>220.7</b>	<b>2.3</b>	<b>17.4</b>	<b>1.0</b>	<b>7.9</b>
<b>Other Services</b>	<b>100.0</b>	<b>97.6</b>	<b>93.6</b>	<b>2.4</b>	<b>6.4</b>	<b>2.5</b>	<b>6.8</b>
<b>Government</b>	<b>361.8</b>	<b>374.7</b>	<b>372.4</b>	<b>-12.9</b>	<b>-10.6</b>	<b>-3.4</b>	<b>-2.8</b>
Federal Government	27.2	27.2	27.7	0.0	-0.5	0.0	-1.8
State Government	70.3	72.5	69.8	-2.2	0.5	-3.0	0.7
State Government Educational Services	37.5	39.5	37.5	-2.0	0.0	-5.1	0.0
Local Government	264.3	275.0	274.9	-10.7	-10.6	-3.9	-3.9
Local Government Educational Services	184.0	193.9	190.8	-9.9	-6.8	-5.1	-3.6

SOURCE: Texas Workforce Commission

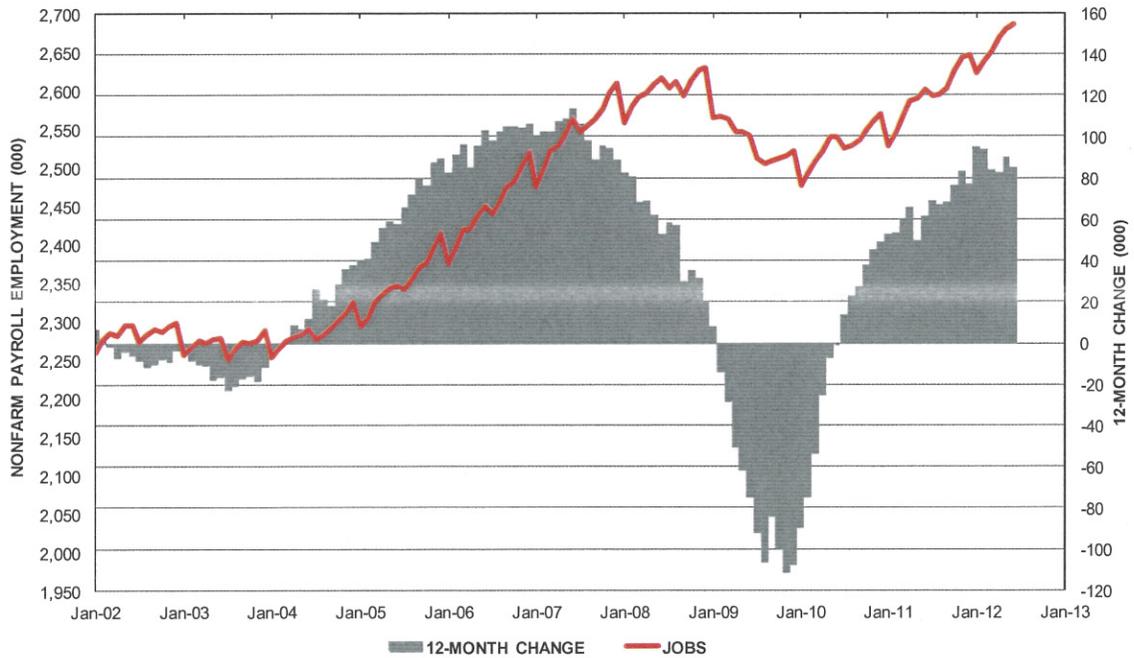
# HOUSTON—THE ECONOMY AT A GLANCE

## PURCHASING MANAGERS INDEX HOUSTON & U.S. 2002-2012



Source: National Association for Purchasing Management - Houston, Inc.

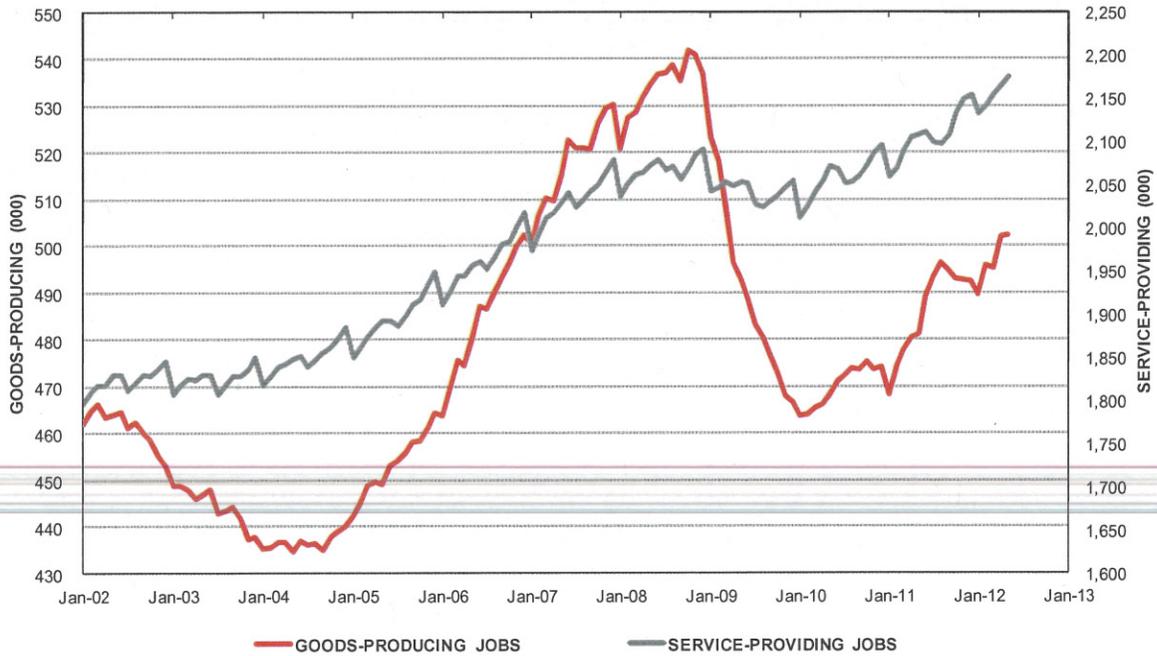
## HOUSTON MSA EMPLOYMENT 2002-2012



Source: Texas Workforce Commission

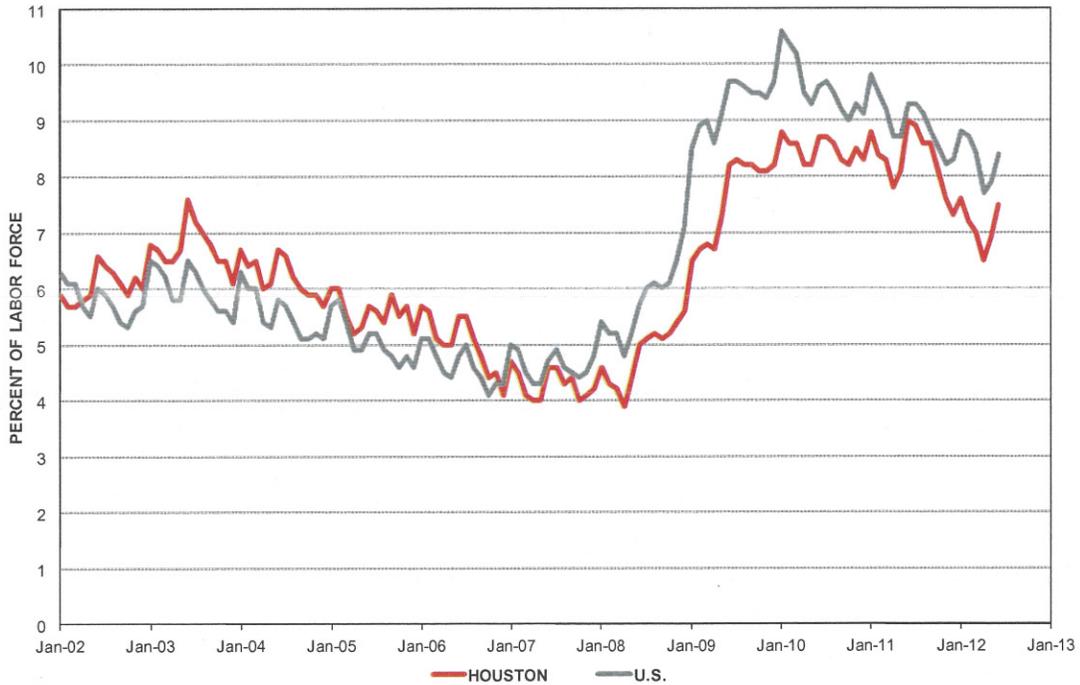
# HOUSTON—THE ECONOMY AT A GLANCE

## GOODS-PRODUCING AND SERVICE-PROVIDING EMPLOYMENT HOUSTON MSA 2002-2012



Source: Texas Workforce Commission

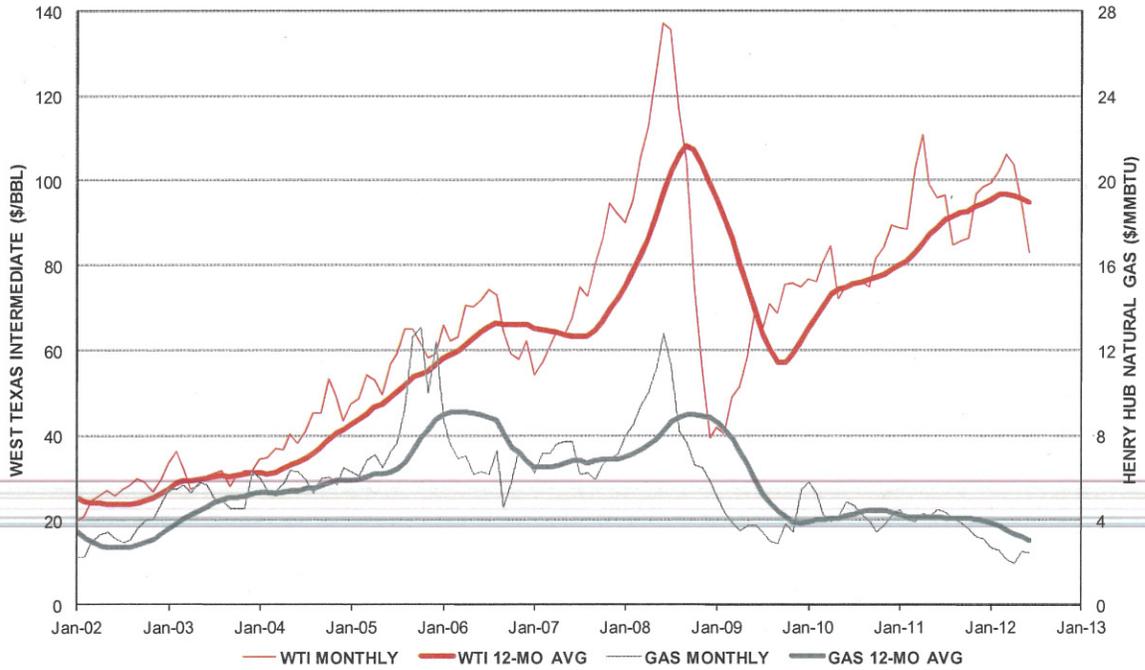
## UNEMPLOYMENT RATE HOUSTON & U.S. 2002-2012



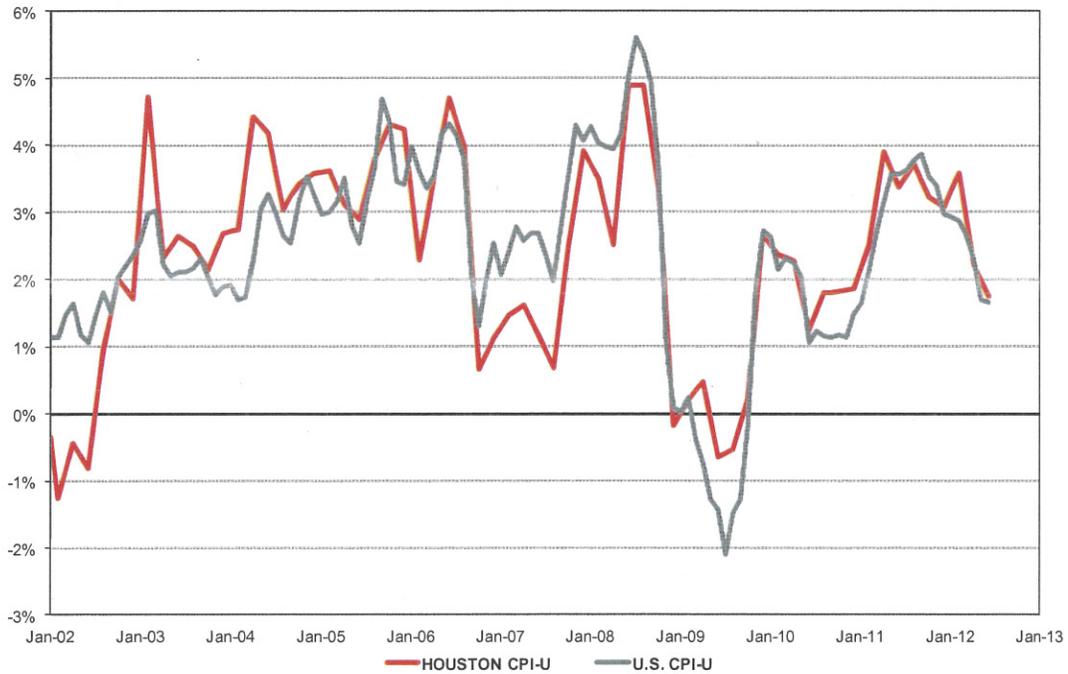
Source: Texas Workforce Commission

# HOUSTON—THE ECONOMY AT A GLANCE

## SPOT MARKET ENERGY PRICES 2002 - 2012



## INFLATION: 12-MONTH CHANGE 2002-2012



## **WORKSHOP ITEM NO. 3**

Information on this item should be available by Friday August 17, 2012 and will be provided via email or delivered to each Councilmember's home.