

Population Update

Update for 2011 Estimates

This is an interim report on Harris County population estimates prepared for the June 2012 CIP. The next fully updated Population Report will be prepared for Mid Year Review in September.

Harris County is Growing Fast

Harris County is the nation's third most populous county with an estimated 4.2 million residents as of July 1, 2011. The following chart shows the estimates for 2011 compared to the census counts in 2010 and 2000.

	2000 Census	2010 Census	Increase	Growth Percentage	2011 Estimate	1 year Increase
City of Houston	1,919,789	2,057,280	137,491	7.2%	2,077,000	19,720
Other cities	439,615	473,716	34,101	7.8%	476,000	2,284
Unincorporated Area	1,041,174	1,561,463	520,289	50.0%	1,628,000	66,537
Total County	3,400,578	4,092,459	691,881	20.3%	4,181,000	88,541
<i>Percent Unincorporated</i>	<i>31%</i>	<i>38%</i>	<i>75%</i>		<i>39%</i>	<i>75%</i>

The unincorporated area with over 1.6 million in population now represents 39% of total county population with the trend of 75% of the growth in population being in the unincorporated area.

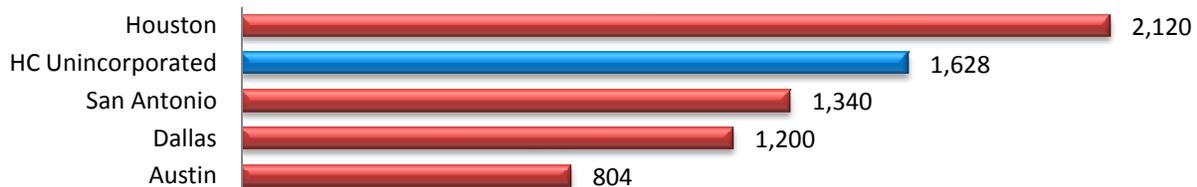
Unique Unincorporated Area

Harris County is essentially home to the 2 largest cities in Texas if you consider the unincorporated area as a stand-alone city. Harris County Unincorporated passed the cities of Phoenix and Philadelphia in the 2010 census meaning that Harris County is essentially home to both the fourth (Houston) and fifth (Harris County Unincorporated) most populous "cities" in the US.

Harris County was the fastest growing county in the US in the July 2011 estimate exceeding 2nd place Los Angeles County by 26%. Dallas, Bexar and Tarrant counties also made the top 10.

Harris County is unique having the only unincorporated population in Texas or the US that is approaching 2 million residents.

	2000 Census	2010 Census	Increase	Growth Percentage	2011 Estimate
City of Houston (entire city)	1,953,631	2,099,451	145,820	7.5%	2,120,000
Harris County Unincorporated	1,041,174	1,561,463	520,289	50.0%	1,628,000
San Antonio	1,144,646	1,327,407	182,761	16.0%	1,340,000
Dallas	1,188,580	1,197,816	9,236	0.8%	1,200,000
Austin	656,562	790,390	133,828	20.4%	804,000



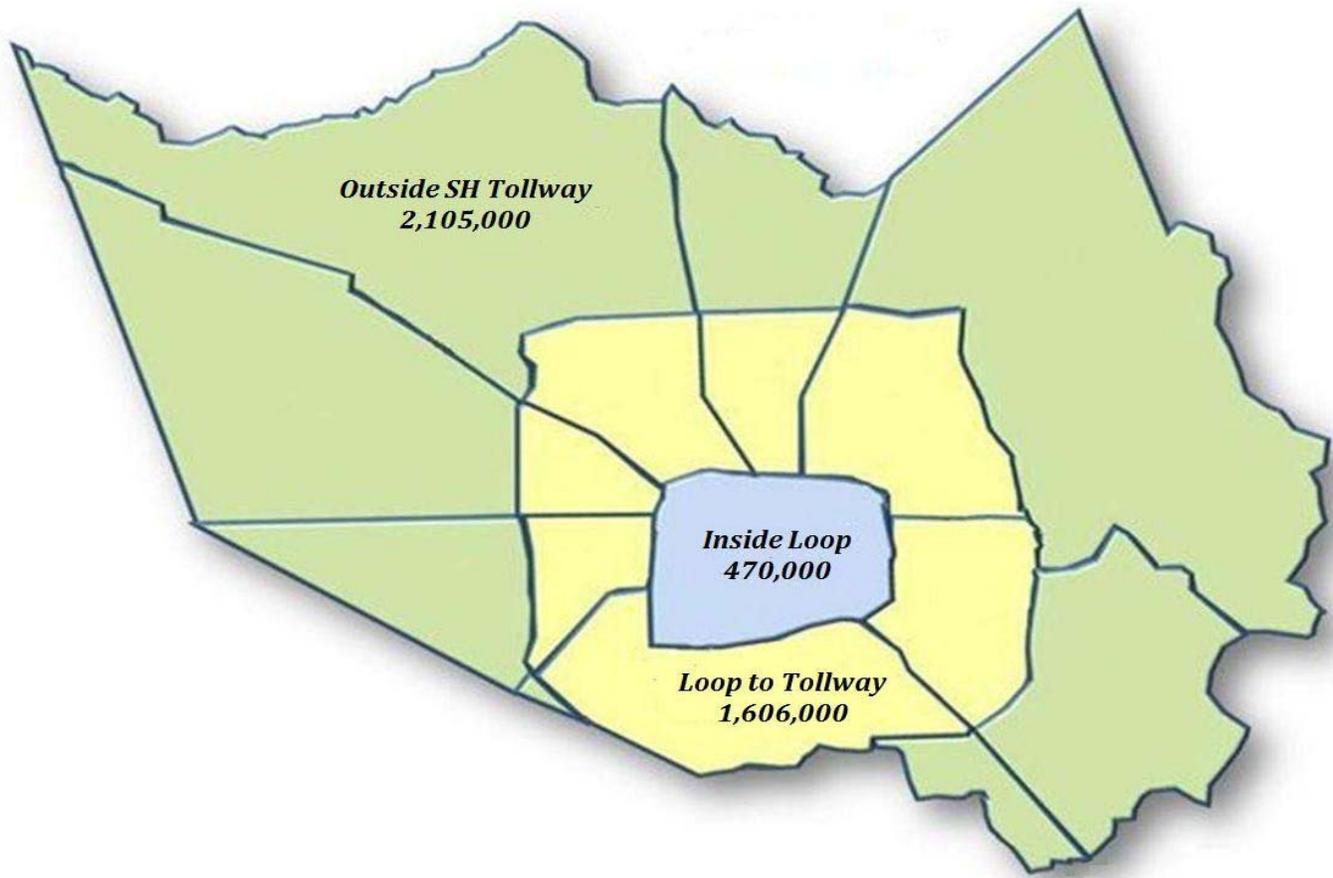
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Population Spreading Out

Over the last decade, the population of Harris County has spread out considerably. While detailed data has not been released for July 1, 2011, based on population trends and the countywide estimate, the population outside the Sam Houston toll road now exceeds the population inside the toll road.

Population	1990 Census	2000 Census	2010 Census	Growth Since 2000 Census		2011 Estimate
				Population	Percent	
 Inside Loop 610	428,982	456,649	469,051	12,402	2.7%	470,000
 Loop to Tollway	1,281,787	1,493,635	1,597,326	103,691	6.9%	1,606,000
Subtotal Inside Tollway	1,710,769	1,950,284	2,066,377	116,093	6.0%	2,076,000
 Outside Tollway	1,107,430	1,450,294	2,026,082	575,788	39.7%	2,105,000
Entire County	2,818,199	3,400,578	4,092,459	691,881	20.3%	4,181,000
<i>Percent Outside Tollway</i>	<i>39%</i>	<i>43%</i>	<i>50%</i>	<i>83%</i>		<i>50%</i>

Population Estimates as of July 1, 2011



Infrastructure and Growth

Harris County is primarily responsible for the infrastructure maintenance and development outside the Tollway. This area is growing at a rate more than six times that of the growth inside the Tollway and the County relies primarily on property taxes to fund this development. Harris County does not receive general sales taxes like the cities and METRO.

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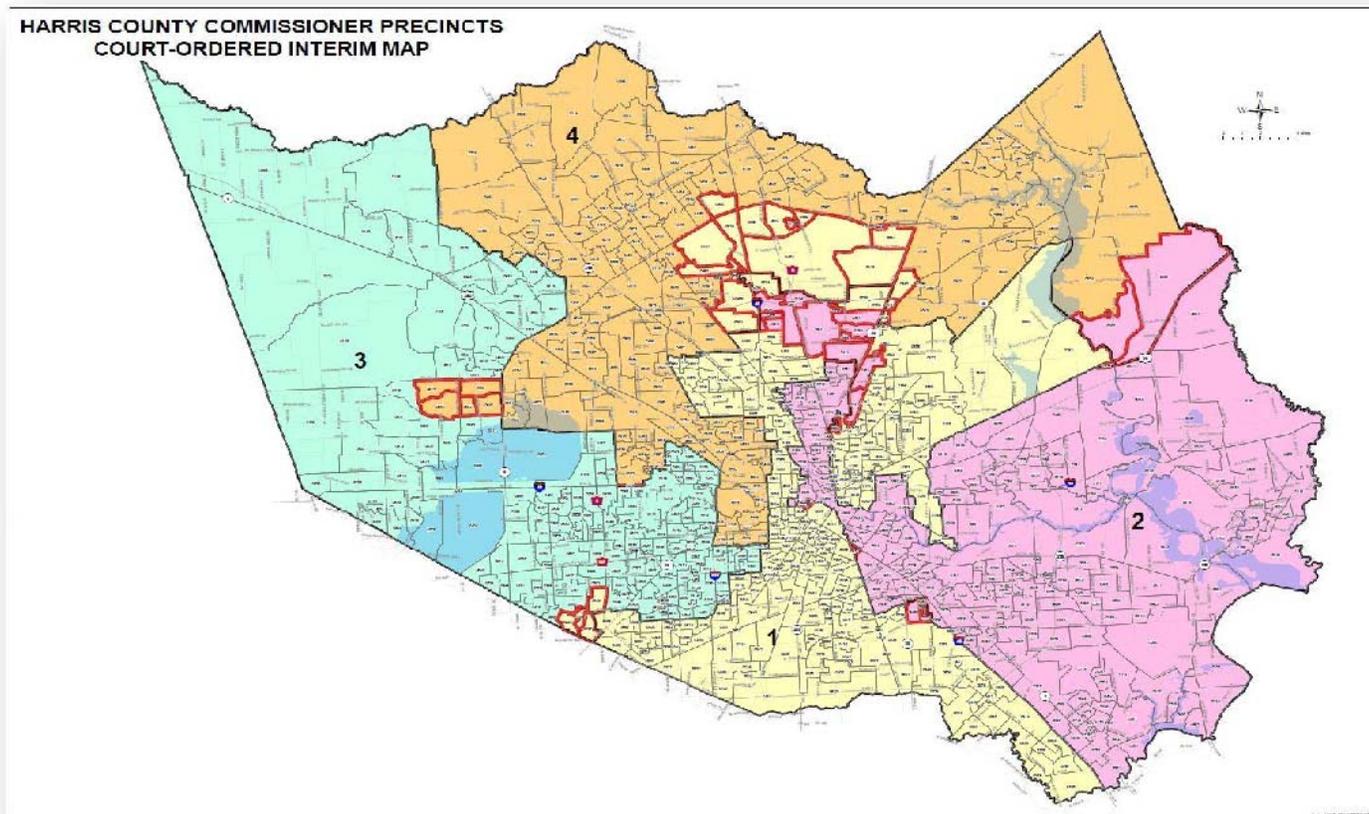
Harris County Precincts and Redistricting

Each of the four Commissioner precincts in Harris County has a significant population in the unincorporated area. The court adopted a map last summer which was changed in a court case that resulted in the "Court Ordered Interim Map" shown below.

This map will be used for the November 2012 elections. Should a new map be approved during the fiscal year, court may elect to adopt that new map.

The following shows a breakdown of the population based on the Court-ordered map shown:

Commissioner Precinct	Within City Limits	Unincorp. Area	Total	Percent in Cities	Share of Unincorp.
Precinct 1	786,764	210,025	996,789	78.9%	13.5%
Precinct 2	795,665	187,615	983,280	80.9%	12.0%
Precinct 3	632,960	424,082	1,057,042	59.9%	27.2%
Precinct 4	315,607	739,741	1,055,348	29.9%	47.4%
	2,530,996	1,561,463	4,092,459	61.8%	100.0%



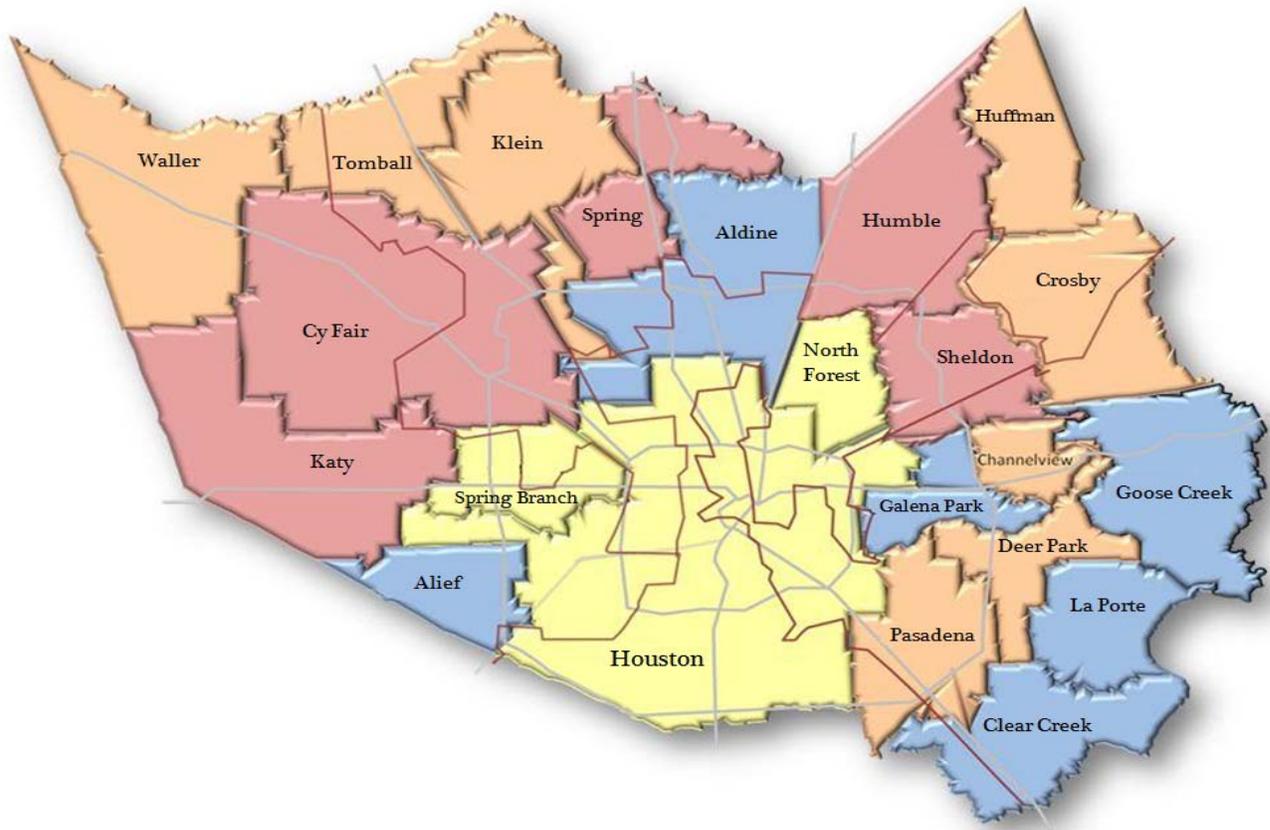
There isn't sufficient detailed information available to update the population by precinct for 2011. After HCAD completes the property tax valuation this summer, the estimates for population as of July 1, 2012 will include analysis of the effects on the precinct population.

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School Enrollment Trends

The following shows the total student enrollment for each of the public school districts in Harris County comparing the 2010-11 school year with the 2000-01 year.

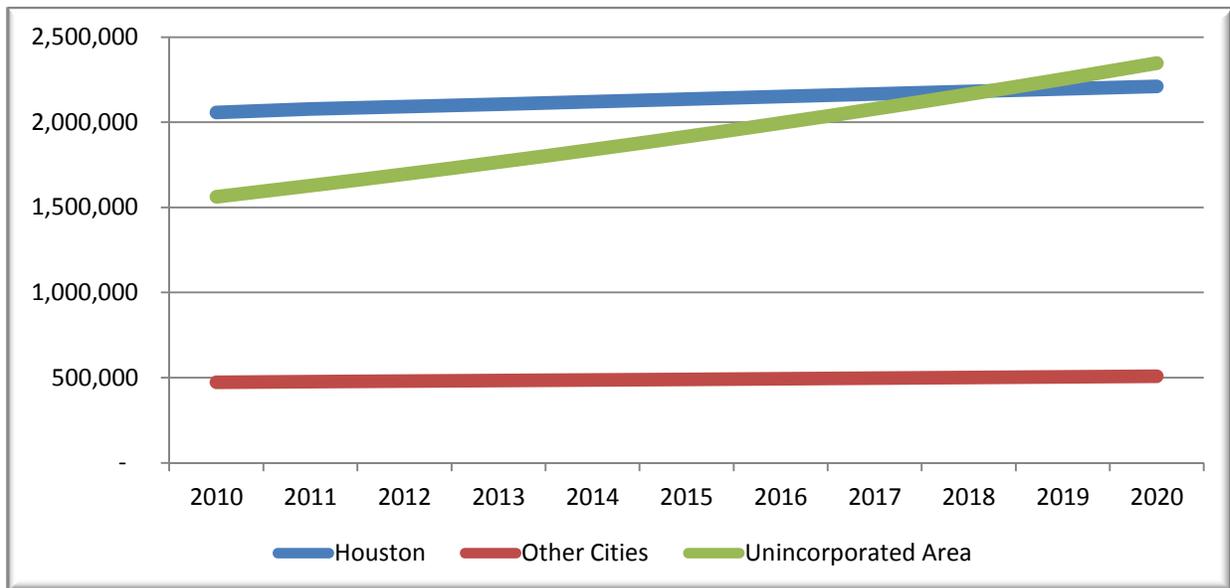
West Side Districts		Central Districts		Northeast Districts		Southeast Districts	
District	Growth %	District	Growth %	District	Growth %	District	Growth %
Cy-Fair	56.7%	Aldine	18.0%	Crosby	26.5%	Deer Park	10.8%
Katy	61.3%	Alief	4.5%	Huffman	20.2%	La Porte	0.2%
Klein	31.8%	Galena Park	11.4%	Humble	40.9%	Clear Creek	23.2%
Spring	47.7%	Houston	-3.6%	Sheldon	67.3%	Pasadena	19.4%
Tomball	38.0%	North Forest	-35.9%			Goose Creek	15.1%
Waller	22.8%	Spring Branch	0.9%			Channelview	22.6%
Total Enrollment							
2000-2001	175,977		371,662		36,052		119,029
2010-2011	263,792		373,839		50,747		140,292
Change	87,815		2,177		14,695		21,263
%	49.9%		0.6%		40.8%		17.9%



The 4 largest school districts in the western half of the County (Katy, Cy-Fair, Spring and Klein) had 164,000 students enrolled 10 years ago which increased to 248,000 this past year. These districts had only 78% as many students as HISD in 2001. Now they have 22% more students than HISD. Cy-Fair alone has grown from 68,000 students in 2001 to 106,000 students enrolled in 2011, representing an increase from 32% of the size of HISD in 2001 to 52% in 2011. If these trends continue, Cy-Fair could become the largest school district in the County by the year 2020.

The Next Ten Years

The following shows the projected growth in population during the next 10 years assuming that the growth patterns from 2000 to 2010 continue for Harris County with no significant areas being annexed by the city of Houston.



The unincorporated area would pass the city of Houston in population by 2018 if the current trends continue. Total Harris County population would pass the 5 million mark in 2019.

Harris County government provides much of its services to residents throughout the county including people living in Houston and surrounding cities and towns. Property taxes collected for the Hospital District, the Port of Houston and the Flood Control District provide funding for services that benefit all county residents. Approximately 40% of the county's property tax rate was allocated to these jurisdictions last year.

In addition, a significant portion of the property tax revenue for the county general fund and debt service funds provide the resources for the benefit of all county residents. For example, the court system and administration of justice, the jails and the countywide elected officials such as the District Attorney, County Clerk, District Clerk and Tax Assessor-Collector all provide services to city and unincorporated area residents. There are some services, such as a portion of law enforcement and public safety, public health and libraries that are provided primarily to the unincorporated areas.

The toll road system also provides mobility to citizens throughout the county. Mobility is one of the keys to Harris County's continued strong growth.

While nothing is certain, all indications are that Harris County will continue to experience significant growth throughout the County in all 4 County Commissioner precincts and especially in the unincorporated areas. The demand for infrastructure to support this growth, as well as increased demand for services such as law enforcement and health care, will make it necessary to maintain adequate sources of revenue for budgetary purposes.

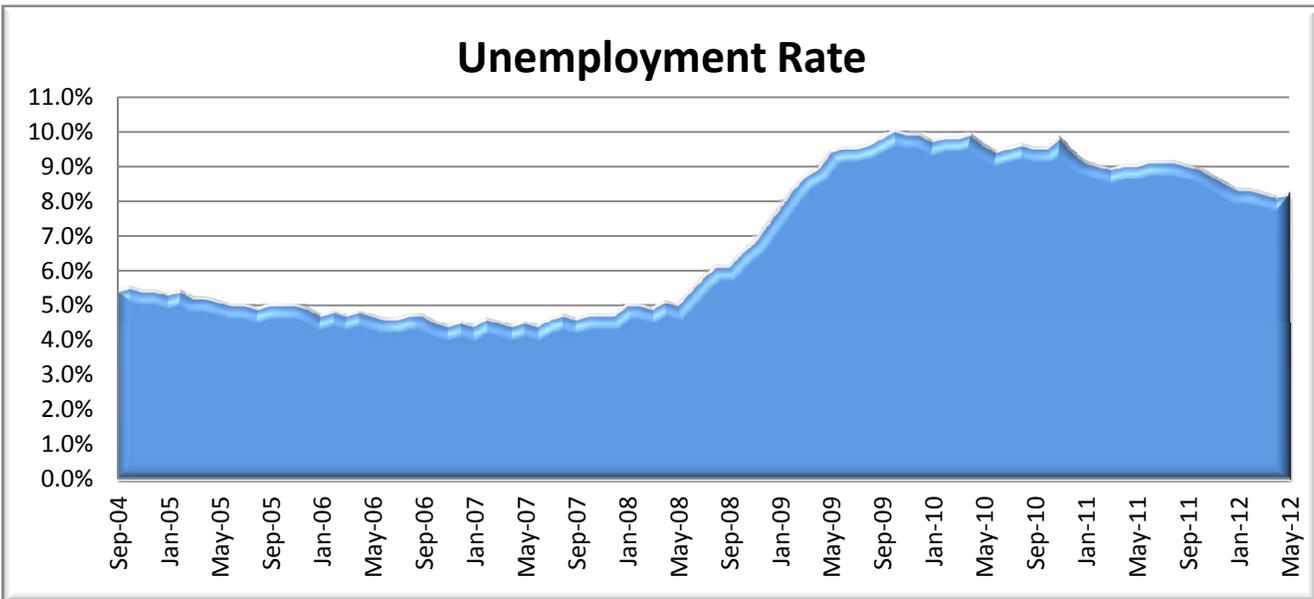
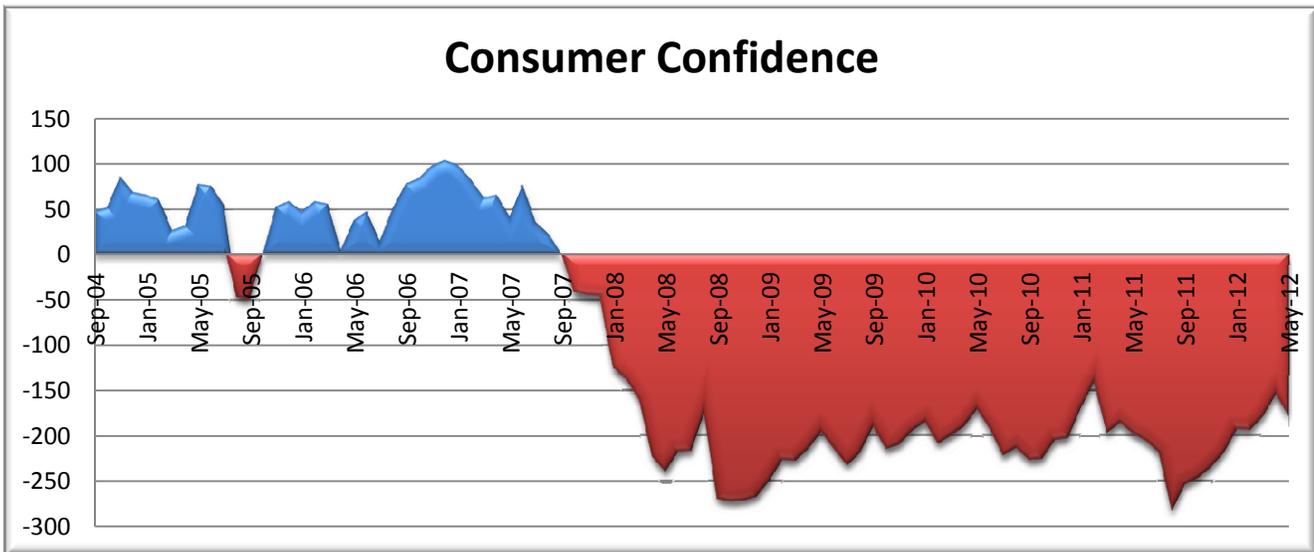
Economic Environment

National Economy

The United States economy is continuing to go through a period of uncertainty that started in 2007. Significant fluctuations in energy prices combined with historically high levels of federal government spending, ongoing military conflicts and fundamental changes in the financial and credit markets have contributed to a high level of concern about the future.

Problems in the housing industry resulting from some aggressive and questionable lending practices over the last few years have led to declining home prices and increased foreclosure rates in many parts of the country. Interest rates have declined significantly as the federal funds rate is near zero and mortgage interest rates continue to be at 50-year lows.

The lack of stability in the European monetary system along with continued high unemployment contribute to the ongoing lack of confidence that US consumers have in the economy. The following graphs show consumer confidence and unemployment rates for the 8 years.



Challenges for Government at all Levels

State and local governments throughout the U.S. have faced significant budget challenges over the last few years. The State of Texas, despite the relative strength of its economy, has not been immune to the effects of the national economic issues. Budget cuts at the state level often affect the availability of funds for local governments.

County government relies on a combination of property taxes, fees and funding from federal and state governments to conduct operations. This economy has put significant pressure on those sources of county revenue while the need to provide services is increasing.

Harris County Highlights

A number of positive trends for the local economy are encouraging.

HCAD's estimates for the total taxable value for property taxes is estimated to be \$283.3 billion which is up 2.23% from last year's value of \$277.1 billion and is comparable to the peak value for fiscal year 2009.

The Greater Houston Partnership tracks a number of local economic indicators and the following summarizes some of these trends.

The value of building contracts through April 2012 are up 15.6% compared to the first 4 months of 2011 in the Houston metropolitan area. The value of building permits in the city of Houston are up 48.2% compared to the first 4 months of 2011.

The unemployment rate for the Greater Houston Area dropped to 6.9% in May, more than a full percent less than the national rate. Non-farm employment grew by 88,000 jobs or 3.4% in the last 12 months.

The median sales price for a single family home in April 2012 was \$160,120 compared to \$148,000 a year ago, up 8.2%. Homes posted for foreclosure are down 28.7% from a year ago.

The rig count for April 2012 of 1,965 active rotary rigs is up 9.8%.

Port of Houston Authority shipments in the month of April are up 3.6% while air passengers are also up 6.2% compared to a year earlier.

New car and truck sales for the Greater Houston Area for the first 5 months of 2012 are up 26.1% compared to the same period for 2011.

Hotel occupancy was up to 60% for calendar year 2011 compared to 55.2% for 2010. The average revenue per available hotel room increased by 11.4% from 2010 to 2011 averaging \$54.60 per room in 2011.

All of these indicators appear to point to a continued recovery for this area.