Over the last decade, the Energy Corridor has become the heart of Houston’s and the World’s energy business, growing into a vibrant employment center and residential community. An influx of new business development projects is pumping up growth in this key area of West Houston.
Growth Trending Up

Construction in the Energy Corridor this past year surpassed the previous three years’ combined total. The Corridor has one of the highest occupancy rates, as well as rental rates, of all submarkets in the region. Approximately $200 million of new construction is already underway in the area, with more than $400 million of future development in the pipeline.

Strategically located along I-10 West between Dairy Ashford and Barker Cypress Road, the Energy Corridor has developed into one of the premier destinations for relocating companies, energy and non-energy alike. Its well-planned and managed growth offers high quality office space in safe, park-like settings within minutes of highly desirable neighborhoods.

The Energy Corridor Management District spans over 1,500 acres extending along both sides of I-10 from Tully to west of Broadfield Blvd., and along North Eldridge Parkway from I-10 to south of Briar Forest. The Texas Legislature created the Energy Corridor Management District in 2001 to improve, enhance and promote the area within its boundaries.

Suburban Locations in Demand

Suburban locations are gaining popularity all over the country. National studies reveal that in 1979, 74 percent of office space was located in city cores, while only 26 percent was in the suburbs. By 1999, the central cities’ share fell to 58 percent while the suburban share grew to 42 percent. Growth forecasts for Houston predict that 90 percent of all new jobs will be created outside Loop 610. And the Energy Corridor will be the beneficiary of many of these new jobs.

The Houston-Galveston Area Council forecasts significant population growth between Beltway 8 and just outside the Grand Parkway, in an arc from I-45 North around west Houston to State Highway 288. And the Energy Corridor is at the center of that arc.

This concentration of employment, office space and ancillary land uses (such as hotels, restaurants, retail and other) is what is known as a “Major Activity Center” or MAC. Among all of the MACs in Houston, the Energy Corridor is the first choice for energy companies. Its 339 energy-related firms stand as the largest concentration in any MAC, outnumbering other areas like Uptown,
Downtown, Westchase, Sugar Land and Greenspoint.

Diverse Business Environment

But Energy is not the end of the story in the Energy Corridor, which has come into its own as West Houston’s central business district. Along with major international energy companies, and the engineering and service providers that work with them, a variety of computer, software development, medical products, and other service industries diversifies the employment base. In addition to multinational and local growth-oriented energy companies such as BP America, Shell Exploration and Production, ExxonMobil Chemical, ConocoPhillips, Cabot Oil and Gas, and GlobalSantaFe, leading companies including Cardinal Health Care, Inc., Sysco Corporation and Accenture, and a future medical campus for Texas Children’s Hospital are all located in the area.

Every day, more than 60,000 employees come to work in over 14 million square feet of office space in the Energy Corridor. The majority of office space is Class A, and much of it is owner occupied. Adding to the mix are 2.2 million square feet of research - service - warehouse space, 16 hotels and a host of restaurants, retail centers and upscale apartment communities. A population of approximately 1.2 million in over 436,000 households lives in the 10-mile area around the Energy Corridor.

Finding and Keeping Good Employees

Relocation experts say recruiting and retaining employees is a prime factor prompting energy-related firms to locate in the Energy Corridor. A location close to employees’ homes has made the Energy Corridor a more attractive corporate address. West Houston offers a rich variety of master-planned communities and exemplary schools that are particularly attractive to sought-out professionals. After a few of the major global players, such as BP, ExxonMobil, Shell and ConocoPhillips, moved in, smaller firms serving them followed to be closer to clients. Houston’s continuing outward growth will only increase the attractiveness of the Energy Corridor.

A location allowing employees to live near work and in high-performing public school districts gives employees an edge in recruiting and retention. Younger employees demand a more positive work-life balance from their workplace. Studies indicate that the next generation of professionals does not expect to stay with one company for an entire career, and will not sacrifice families for jobs. Working in a suburban location, closer to home, or with access to easier commuting solutions, is a major attraction for these employees.

The Energy Corridor’s central location in West Houston on I-10 between the Sam Houston Tollway and the Grand Parkway, with major north-south connecting thoroughfares like Eldridge Parkway, SH 6 and Barker Cypress, provides exceptional access. The expanded I-10 with the two-way toll road in the center and additional access points such as the new Park Ten Boulevard intersection will improve mobility in and to the Corridor.

Room for Companies to Grow

Environments that can adapt and maximize efficiency of companies’ business operations are in demand. Many companies require a big, open floor plate for a trading floor or project design teams. Others prefer a more segmented office layout in a vertical or stacked office tower. Some, such as energy services companies, need both. They need to locate the corporate headquarters in a class-A office building, while maintaining business operations or research facilities in an industrial setting.

Unlike urban activity centers, the Energy Corridor offers both types of uses within the same office parks, as well as opportunities for additional growth. Major parks like WestLake Park, Park 10 and Ten Oaks still have a variety of available sites for new development of all types, from high-rise office towers to low-rise, campus settings. Because employers need to protect their facilities’ invest-
Cyclists ride under Memorial Drive in the Energy Corridor on a portion of the 20-mile long multi-use trail in Terry Hershey and George Bush Parks.

ments, a stand-alone suburban office building is less desirable than a comparable office inside a mixed-use, master-planned office park.

**Mobility and Recreation**

The Energy Corridor Management District works closely with the Texas Department of Transportation on the I-10 improvements and with local agencies on other thoroughfare and mobility improvements. It also is developing a regional transit plan to manage growth of work-related trips. The district is pursuing several initiatives related to fire protection, crime prevention and public safety. Landscape, streetscape, open space, and recreational improvements will improve the quality of life and the built environment in the Energy Corridor, while enhancing the existing natural environment.

The Corridor is also located between George Bush and Cullen/Bear Creek Parks, which comprise for over 26,000 acres, and 50 miles of recreational trails that welcome joggers, walkers and bikers. The parks and wildlife in and around the Energy Corridor provide a beautiful environment for its companies and outdoor activities for its residents. In addition, neighborhood parks, such as, Ray Miller Park provide close-to-home playgrounds and picnic areas for families. The newly extended Terry Hershey Park Hike and Bike Trail connects neighborhoods along Buffalo Bayou from Beltway 8 to SH 6 and Energy Corridor businesses. The Energy Corridor District is working with Harris County, the Corps of Engineers and area homeowners associations to expand the hike and bike trails network as part of its initiative to provide commuting alternatives.

The Energy Corridor built a global reputation as the home of energy giants. Because of the area’s combination of office space in a natural setting with immediate proximity to vibrant communities, other companies are following in the giants’ footsteps.

David W. Hightower serves as president for the Energy Corridor District. Hightower is also executive vice president and chief development officer of Wolff Companies, a real estate investment and land development company based in Houston, Texas. Since joining Wolff Companies in 1980, he has participated in the ownership, development and/or management of approximately 4,400 acres of commercial, residential and agricultural land investments. David can be reached via e-mail at dwh@wolffcompanies.com.