

Hurricane Ike Impact Report: Harris County



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HURRICANE IKE IMPACT REPORT

HARRIS COUNTY SUMMARY

Economic Impacts

Overall Economic Impact to Harris County is estimated to be \$103.8 billion

\$90.3 billion in estimated losses to the industrial sectors

\$13.5 billion in estimated losses to the services sectors

The total economic impact (loss) to Harris County from Hurricane Ike is estimated to be \$103.8 billion. Numbers are based on the Disaster Impact Model's accumulation of loss in sales during the four quarters (2008 Q4 - 2009 Q3) following Hurricane Ike. Already considered the most costly storm to make landfall in Texas, Hurricane Ike's true economic impacts to the region continue to be analyzed. Harris County's wholesale sector was impacted the hardest, experiencing an estimated \$38.8 billion in losses alone.

Impact Report

COUNTY INFORMATION

Harris County, located on the upper Gulf Coast in Southeast Texas, was originally formed as Harrisburg County by the First Congress in 1836. Harris County developed as an industrial power in 1911 with the approved formation of the Harris County Navigation District. What started as a small settlement of a few thousand has grown to a population of nearly 3,984,349 (2008), making it the most populous county in Texas and the third most populous county in the United States. The county seat is Houston, the largest city in Texas. Harris County has grown into an economic engine for the region and state of Texas with large revenues and tax dollars coming from the county's petrochemical industry, shipping, manufacturing, wholesale, educational and medical facilities and tourism.

HURRICANE IKE

Hurricane Ike made landfall with **Category 2** winds and **Category 4** water surges. In fact, Ike produced the highest storm surge along the Texas coast since 1915. As a result 10-12 foot surges flooded several communities along the southeast portion of Harris County. The storm's 100-mile-an-hour winds through downtown Houston blew out several windows in large business buildings and roofs from residential structures.



Federal Funding

\$151,546,599.54 in Individual Assistance grants

\$111,691,738.48 in Housing Assistance grants

\$39,854,861.06 in Other Needs Assistance grants

\$396,286,985.55 in Public Assistance grants

\$178,842,300.00 in U.S. Small Business Administration loans

COUNTY IMPACTS

According to the Disaster Impact Model, developed by Texas A&M AgriLife, the estimated economic impact to Harris County for the 12-month period following Ike was \$103.8 billion. Among the 29 industry sectors evaluated in Harris County, the wholesale sector suffered the greatest loss at \$38.8 billion.

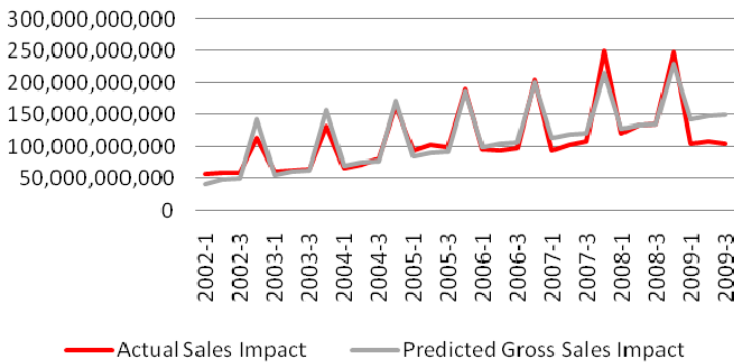
Harris County was severely affected by the winds and storm surge from Ike. The county's waterfront communities of Morgan's Point, La Porte and Galena Park, which are not protected by a levee, had 581 structures suffer major damage or destroyed at an estimated cost \$162.4 million in damages. Harris County suffered \$8.3 billion in total property damages.

Houston, nicknamed the Energy Capital of the World, is home to five of the 6 super-major energy companies. Several of these companies endured infrastructure damages. Texas experienced the largest power

outage in history when CenterPoint Energy, Inc took a direct hit from Ike, resulting in 2.15 million power outages. CenterPoint Energy had an estimated 62.8 miles of cable down and nearly 86% of their circuits were out. It took 7 days and 10 crews of nearly 450 people to finish major repairs.

After Ike, debris was a major problem. The cost of debris removal for Harris Island alone was \$240,410,776.

Harris County Economy-wide Ike Impacts



After Hurricane Ike (2008 4Q – 2009 3Q), Harris County experienced on average a 19% per quarter reduction in gross sales during the four quarters following the storm. Total losses for the county are estimated at \$103.8 billion.