

BUSINESS BRIEFS

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Welcome to the first issue of Bay Area Houston Economic Partnership's *BUSINESS BRIEFS*. We've designed this newsletter to better inform you, our members, as well as our friends, about BAHEP initiatives. Keep in mind, though, that the following information is just a snapshot of the activities in which we have been involved over this period.

We hope that through this newsletter, which you'll receive four times each year, you will have a better understanding of the work we do to stimulate regional economic development and employment.

Knowing that your days are as full as ours, we've tried to be concise, yet informative, in this presentation. We invite your comments toward making this the best communication vehicle that it can be.

Sincerely,



Bob Mitchell
President
Bay Area Houston Economic Partnership

I. Business Assistance Programs

State of the Counties Address

BAHEP hosted "State of the Counties" addresses by Harris County Precinct 2 Commissioner Sylvia R. Garcia and Galveston County Judge Jim Yarbrough on June 18. Commissioner Garcia and Judge Yarbrough briefed the BAHEP membership on issues impacting their respective counties and the collaborative spirit that exists between them. BAHEP's Political Protocol Committee hosted a special reception prior to the General Membership Meeting for the region's elected officials. The purpose of the reception was to provide an opportunity for our elected officials, especially those who have recently taken office, to get acquainted with the region's business leaders in an informal setting. Over 60 elected officials and 150 business leaders attended the reception and meeting.

International Maritime Advisory Committee

The BAHEP International Maritime Advisory Committee (IMAC) has initiated a collaborative effort between the Pasadena Independent School District and Texas A&M University at Galveston to implement a High School Maritime Studies Program to develop workforce skills to meet the long-term needs of the local maritime industry. Dr. R. Bowen Loftin, vice president / CEO, Texas A&M University at Galveston, is serving as IMAC's chairman.

Ellington Field Marketing and Expansion Opportunities

BAHEP hosted a meeting with City of Houston Council Member Mike Sullivan and representatives of Colliers International. Bob Mitchell, Coy Davidson and Mike Taetz





of Colliers International briefed Council Member Sullivan on marketing initiatives related to Houston's 350-acre site available for development on the southeast side of Ellington Field.

BAHEP Helps Oceaneering Seek Incentives

BAHEP met with Tom Mesa, City of Houston Economic Development Department, to discuss incentives for Oceaneering International. Previously, BAHEP had met with representatives from Harris County, as well as the State of Texas, to discuss incentives for the company, including support from the Texas Enterprise Fund. Oceaneering's recently awarded NASA contract to produce the next generation astronaut space suits is currently under review. The company plans to expand its facilities in Bay Area Houston to design, develop, fit and test the space suits.



Seabrook Water Transportation Study

BAHEP assisted the City of Seabrook Economic Development Corporation in evaluating proposals for a feasibility study of a water transportation system to improve mobility in the city and surrounding area. BAHEP also assisted the Seabrook EDC prior to the proposal evaluation process in collecting data on water transportation systems and engineering firms with pertinent experience.



Commuter Rail in Bay Area Houston

The Bay Area Houston Economic Partnership, together with BayTran and the Economic Alliance Houston Port Region, hosted a luncheon on April 9, 2008, featuring speakers Barry Goodman and Rick Beverlin of The Goodman Corporation. More than 150 business leaders, educators and elected officials heard the speakers address the feasibility of turning the Highway 3 railroad into a commuter rail system running between Galveston and Houston.



Five of the 10 U.S. counties experiencing the most growth between 2006 and 2007 are in Texas: Harris County, Tarrant County, Bexar County, Collin County, Travis County.

Erzia Space - Spanish Aerospace Company

Eriza Space, a Spanish aerospace company, visited BAHEP in May at the recommendation of the governor's office. Dan Seal and Paul Chavez met with representatives of the company to discuss their request for assistance in exploring business opportunities in the region. Erzia Space specializes in the design and production of advanced RF (radio) and wireless communications systems.



BAHEP Hosts Prospect Review Meeting

BAHEP hosted Prospect Review Meetings to review prospects and discuss marketing opportunities with local municipalities and other interested BAHEP members. Representatives from area municipalities participated in the meetings chaired by Barbara Cutsinger.

Specialty Chemical Sector Workforce Issue

BAHEP met with Workforce Solutions to explore potential ways in which to resolve staffing issues within the specialty chemical sector. Chemical companies are experiencing severe shortages of engineers and skilled workers and are asking for assistance in developing long-term solutions.





Houston Area Safety Council Expansion

BAHEP participated in the Houston Area Safety Council (HASC) meeting at the Deer Park location in May. HASC is planning to build a new training campus in Pasadena at Spencer and Center Street. HASC has purchased 24 acres and estimates an additional \$12 million in build-out costs. Following the meeting, Paul Chavez met with a BAHEP investor organization that is involved with workforce training and safety issues for the manufacturing sector to discuss its goals and objectives.



Jim "Mattress Mack" McIngvale Presentation

The BAHEP Small Business Committee hosted Jim "Mattress Mack" McIngvale during the May 2008 BAHEP General Membership Meeting. More than 175 community leaders and elected officials, including State Representative John Davis, were in attendance. McIngvale's message to small business owners was "innovate or evaporate."

JPMorgan Chase Meeting on Tax Incentives

Paul Chavez, BAHEP marketing director, met with JPMorgan Chase International Banking in April to discuss BAHEP's aerospace and chemical sector activities as well as potential leads from JPMorgan. Crowe requested information on the various Bay Area Houston cities including the tax structures and available incentives.



State of City of Seabrook Address

BAHEP took a lead role in coordinating the "State of the City of Seabrook Address" by former Mayor Robin Riley. Over 120 community leaders, elected officials and educators were in attendance to hear Riley address successes and challenges for the city. He commended BAHEP for the positive impact of its economic development initiatives in Bay Area Houston.

Houston dominates the U.S. production of three major resins: polyethelene (37.1% of U.S. capacity), polyvinyl chloride (37.0% of U.S. capacity) and polypropylene (53.4% of U.S. capacity). Half of all Texas plastics workers are employed in Bay Area Houston.



Suntron Corp. Expansion

Regina Morales, director of Economic Development, City of Sugar Land, arranged a meeting between Suntron Corporation and BAHEP representatives (Bob Mitchell, Paul Chavez and David Braun) to discuss expansion opportunities in Bay Area Houston. Suntron became a member of BAHEP in April 2008.

Current BAHEP Projects in Bay Area Houston

BAHEP is currently working on 34 projects within the region. The projects include manufacturers, aerospace, financial organizations, energy producers, specialty chemicals and distribution centers considering expansion or relocation.



II. Marketing & Sales

Norwegian Delegation Follow-Up Workshop

BAHEP hosted the second workshop with a delegation from Stavanger, Norway, in May 2008 at Space Center Houston. Speakers included Dr. Bill Staples, president, University of Houston - Clear Lake; Dr. Jim Helm, Engineering Division chair, University of Houston - Clear Lake; Admiral Allen B. Worley, superintendent, Texas Maritime Program at Texas A & M University - Galveston; and Michelle Brekke, Technology Transfer Office, Johnson Space Center. Richard Sanger, BAHEP





International Business Committee chair, arranged and moderated the event, which promoted bilateral economic development dialogue between the Greater Stavanger Economic Development organization, BAHEP and Bay Area Houston municipalities. During this visit, BAHEP provided a guided tour of the region. Staples had addressed the delegation in a previous meeting held in January 2008, along with Dr. R. Bowen Loftin, vice president and CEO, Texas A & M University - Galveston. The Stavanger delegation is very impressed with BAHEP's economic development successes and wants to continue collaborations on educational and economic development opportunities.

Houston Business Journal Features Bay Area Houston

BAHEP and Bay Area Houston were featured in the *Houston Business Journal* published June 27 - July 3, 2008. *HBJ* interviewed Barbara Cutsinger with a focus on the BAHEP mission and economic development opportunities in the region. Prior to the interview, the reporter was given a tour of Bay Area Houston.



Scotland Economic Development Delegation Meeting

BAHEP hosted a delegation from Aberdeen Scotland led by Peter Stephen, Lord Provost of the Aberdeen City Council, to explore reciprocal economic development opportunities in Bay Area Houston.

BAHEP "Hot Projects" Presentations

The Seabrook Rotary Club, the JSC Federal Credit Union, Prosperity Bank, Nassau Bay Management District, League City Economic Development Corporation, Lakewood Yacht Club, the Appraisal Institute, and Warwick Construction received presentations on BAHEP's "Hot Projects" from Barbara Cutsinger. The purpose of these presentations is to provide information about on-going projects in the region. Warwick Construction became a member of BAHEP in June 2008.

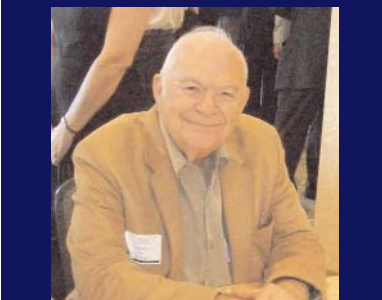


Women own about 48 percent of Texas' privately owned businesses, ranking Texas second in the nation for women-owned businesses.



Tradeshows, Conferences and Regional Meetings Participation

BAHEP staff members participated in numerous tradeshows, conferences and regional meetings to market Bay Area Houston and learn about business expansion and relocation opportunities. These included the Texas Economic Development Council Winter and Spring Meetings, the Industrial Asset Management Council Spring Meeting, the Offshore Technology Conference, the Houston Area Realtors Commercial Expo, the Bio Products Conference, the Economic Development Logistics Forum, and several specialty chemical conferences in Galveston and New Orleans.



III. Advertising, Public Relations, and Media Communications

Print Media

Numerous publications, including *The Houston Chronicle*, *The Bay Area Citizen*, *The Pasadena Citizen* and *The Friendswood Journal*, publish Bay Area Houston's *Business to Business* update monthly. Story topics include economic development news, Space Alliance Technology Outreach Program activities, and other information relevant to the region's business community. The *Bay Area Houston Magazine* frequently publishes stories about Bay Area Houston's Small Business Committee activities and other economic development news in the region.





Internet Media

The e-newsletter, *Business Development Update*, produced by BAHEP five times a year, is available online and distributed to more than 2,500 commercial brokers, developers and site consultants. The *Business Development Update* includes information regarding commercial, office, industrial, residential, retail and infrastructure development in Bay Area Houston. This publication was distributed in February, April, and June 2008.

News articles during this quarter were published in *Guidry News* and *The Citizen* including the SATOP success story about San Jacinto College Professor Hugh Rogers who helped a small business develop a product to prevent drive-off gas thefts.



IV. Preserve NASA funding

Citizens for Space Exploration Meetings with Congress

For the 17th year in a row, Bay Area Houston Economic Partnership's Citizens for Space Exploration (CSE) committee traveled to Capitol Hill in Washington, D.C., with the singular purpose of supporting a fully funded space exploration program with a goal of investment in NASA set at 1 percent of the federal budget. From May 19-22, 2008, 147 CSE citizen taxpayers from 29 states, with Texas leading the way with 49 travelers, met with 333 congressional offices. Area business leaders, educators, college students and elected officials attended and participated in the CSE visits to Capitol Hill. Eleven members of Congress and a U.S. senator attended CSA's Congressional Reception, which was a remarkable turnout by normal Washington standards.



In 1917, the U.S. government purchased 1,280 acres of land from Dr. R. W. Knox and the Wright Land Company to establish an airbase in Houston. Ellington Field is one of the few airfields built for World War I training purposes still in operation today.



Testimony to U.S. House of Representatives Subcommittee

Congressman Nick Lampson and Bob Mitchell were invited to testify before the U.S. House of Representatives Subcommittee on Commerce, Justice, Science and Related Agencies. Mitchell described the value of the SATOP program to small businesses and the importance of Congress appropriating funding for the program in FY2009. Congressman Lampson testified on the importance of NASA to the nation's economy and requested an additional funding of \$2 billion for FY2009 in order to assure completion of the International Space Station and to close the gap between the Space Shuttle retirement in 2010 and the first launch of the Orion Crew Exploration Vehicle in 2015.



V. Space Alliance Technology Outreach Program (SATOP)

SATOP Success Story - San Jacinto College

Technical assistance provided by Hugh Rogers, professor of Electrical Technology, San Jacinto College North, has helped in the development of a device to prevent drive-off theft at gas stations. An entrepreneur had a problem with his invention that would lock the fuel nozzle into the filler pipe of a vehicle until the customer paid for the gas. A design flaw caused the nozzle to unlock prematurely, and Rogers, along with his class, solved the problem.

The inventor is currently in discussions with the world's largest manufacturer of

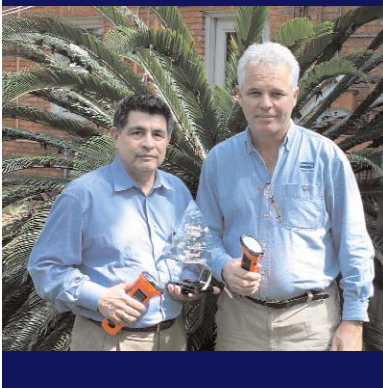




gas pump nozzles in order to reach a cooperative agreement to take his product to market.

Technical Assistance to Area Businesses

SATOP completed technical assistance to five small businesses located in the region during this report period. The success of SATOP's help to these businesses will be monitored as the businesses take their products to market.



League City EDC Business Retention Program

SATOP participated in the League City Economic Development Corporation's business retention visit to ERF Wireless. The company was briefed on the availability of SATOP's free technical assistance.

Boeing Engineer Honored

Ed O'Keefe, an engineer with The Boeing Company, was recently recognized by SATOP at an awards event for providing technical assistance to small businesses for six consecutive years. O'Keefe and The Boeing Company have assisted numerous small businesses located in the region resolve technical challenges with new products and processes.



SATOP Promotion

SATOP exhibited at the Government Procurement Connection trade show at the George R. Brown Convention Center and participated in the Port of Houston Authority Small Business Development Program networking forum. Small businesses located throughout region were informed about the free engineering services offered by this state-funded program.

VI. Membership



New members in 2008

The following companies have joined Bay Area Houston Economic Partnership since the beginning of 2008:

- 5 to 50 Networks Inc.
- Alliant Technologies Inc. (ATK)
- Bastion Technologies Inc.
- Computer Sciences Corporation
- Deerwood Development Group
- IN Consulting LLC
- Jamail and Smith Construction
- Kaplan Professional EduNeering
- Patriot Bank Clear Lake
- REG Houston LLC
- San Jacinto Museum of History Association
- Solana Venture Partners
- South Shore Grille
- Suntron Corporation
- Tietronix Software Inc.
- Titan Testing & Engineering Services Inc.
- University of Texas M. D. Anderson Cancer Center - Bay Area
- Warwick Construction Inc.



BAHEP members

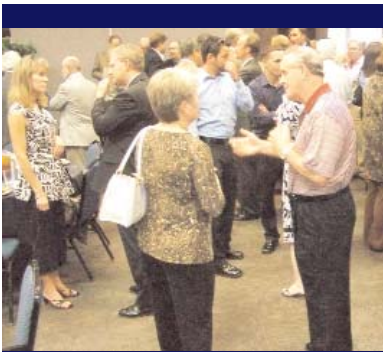
Bay Area Houston Economic Partnership owes much of its success to the active participation of its members. Following is a list of our members as of Aug. 27, 2008:

- | | | | |
|------------------|------------------|----------------------|---------------------|
| 5 to 50 Networks | Al-Razaq | Alliance Strategic | AmegyBank of |
| Advantage BMW | Computing | Business Services | Texas |
| Clear Lake | Services | Alliant Technologies | American Acryl |
| The Aerospace | Allen Samuels | Inc. (ATK) | Amstel Holdings |
| Corporation | Chrysler Jeep | Altair Development | Anadarko Industries |
| AeroSys LLC | Alliance | Corporation | Archer Group with |
| Air Products and | Commercial | AM Biotechnologies | Remax |
| Chemicals Inc. | Investments Inc. | | |





- ARES Aerospace and Technology Services
- The Arts Alliance Center at Clear Lake
- Ashby Crinion
- Astrium North America Inc.
- AT&T
- Bailey's Family Restaurants Inc.
- Barlow, Jones & Brust LLP
- Barrios Technology
- Bastion Technologies
- Bay Area Citizen
- Bay Area Houston Ballet & Theatre
- Bay Area Houston Magazine
- Bay Area Houston Transportation Partnership (BAYTRAN)
- Baybrook Mall / General Growth Properties Inc.
- Bay Oaks Country Club
- Bayshore Medical Center
- BaySouth Maintenance Services Inc.
- Big League Dreams
- BLACKHAWK Management Corporation
- The Boeing Company
- Booz-Allen & Hamilton Inc.
- Born Wild Innovative Promotions
- Bowers & Sadler
- Capital Bank - Pasadena
- Capital Commercial Investments Inc.
- CB Richard Ellis
- CDC Houston Inc.
- CDS Market Research Inc.
- CenterPoint Energy
- Chemical Market Resources Inc.
- Cherokee Webster Development LP
- CHRISTUS St. John Hospital
- Cimarron
- City of Clear Lake Shores
- City of Dickinson
- City of El Lago
- City of Friendswood
- City of Houston
- City of Kemah
- City of Kemah / KCDC
- City of La Porte
- City of League City
- City of Nassau Bay
- City of Pasadena
- City of Seabrook
- City of Taylor Lake Village
- City of Webster
- Clay Development & Construction Inc.
- Clear Creek Independent School District
- Clear Lake Area Chamber of Commerce
- Clear Lake Flowers & Gifts
- Clear Lake Regional Medical Center
- Coldwell Banker United Realtors
- College of the Mainland
- Colliers International
- Collins & Associates
- Communities In Schools Bay Area
- Computer Sciences Corporation (CSC)
- Concorde Realty Development
- Continental Airlines
- Crowder Funeral Homes
- CTX Mortgage Company
- Ruby Cubley
- Cullen's Upscale American Grille
- Dean & Draper Insurance Agency LP
- Deerwood Development Group Inc.
- Deke Slayton Cancer Center
- Devereux Texas Treatment Network
- Dickinson ISD
- Digitex Corporation
- Dittmar Associates
- doc2e-file
- DRDA PC
- Economic Alliance Houston Port Region
- EduSafe Systems
- ELS
- Emig Communications
- Endeavour Holdings
- Enterprise Advisory Services Inc.
- ERC Inc.
- EVAL Americas
- Express Employment Professionals
- The Eye Clinic of Texas
- Falcon Group
- Fast Signs - Clear Lake
- Friendswood Chamber of Commerce
- Friendswood ISD
- Frost Bank
- Futron Corporation
- Galveston County Galveston County Economic Alliance
- Galveston Economic Development Partnership
- GB Tech Inc.
- GeoControl Systems
- GeoLogics Consulting
- Gray Construction
- Greater Houston Convention & Visitors Bureau
- Greater Houston Partnership
- Greer, Herz, & Adams LLP
- Gregg & Gregg PC
- Griffin Integrated Marketing
- Griffin Partners Inc.
- GSL Industrial
- Guidry News Service
- Gulf Coast Limestone Inc.
- Gulf Coast Waste Disposal Authority
- Gurry Mechanical
- Ham, Langston & Brezina LLP
- Hamilton Sundstrand
- Harborwalk Yacht Club & Marina
- Harris County
- Hilton Houston NASA Clear Lake
- Hodges Family Holdings / Hodges Corporate Holdings
- Honda of Clear Lake
- Honeywell
- Houston Area Safety Council
- Houston Association of Realtors
- The Houston Chronicle
- Icon Bank of Texas
- IN Consulting LLC
- INEOS NOVA LLC
- INEOS Olefins & Polymers USA
- Interactive Medical Connections Inc.
- ITGLOBE Inc.
- ITT Technical Institute
- J. A. Billipp Company
- Jacobs Engineering
- Jamail and Smith Construction
- JES Tech
- John Manlove Marketing & Communications
- JPMorgan Chase Bank
- JSC Federal Credit Union
- Just, Fabio & Ward
- Kaneka Texas Corp.
- Kaplan Professional EduNeering



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- Kelsey-Seybold Clinic
- Kemah Boardwalk
- Key Broadcasting Company
- L-3 Enterprise IT Solutions
- Lakewood Yacht Club
- La Porte ISD
- LCS Constructors
- League City Chamber of Commerce & Business Assn.
- Lexus of Clear Lake
- Lockheed Martin
- Lockwood, Andrews & Newnam Inc.
- Madison Benefits Group Inc.
- Marriott
- Marsh Darcy Partners Inc.
- Martin Fein Interests
- MaximGroup
- MaxxStar / Newton Graphic and Promotional
- MDA Federal Inc.
- Meador Staffing Services
- MEI Technologies
- Melange Catering and Fine Cuisine
- Memorial Hermann Southeast Hospital
- Merrill Lynch
- Metrica Inc.
- Metro Properties
- Mills Shirley, LLP
- Minuteman Press
- Moody Gardens Inc.
- Moody National Bank
- MRI Technologies
- My FlooringAMERICA
- NASA / Johnson Space Center
- National Space Biomedical Research Institute (NSBRI)
- Tad A. Nelson, Attorney at Law
- Neptec USA
- Network Development & Investments
- Norman Frede Chevrolet
- Northrop Grumman Integrated Systems
- Null-Lairson PC
- Oceaneering Space Systems Inc.
- Odfjell USA Inc.
- One Stop Party Shop
- Orbital Sciences Corporation
- The Pasadena Citizen Pasadena ISD
- Patriot Bank
- PBK Architects
- Pennington Chen Interests
- Pepper-Lawson Construction LP
- Perry Homes / A Joint Venture
- Perry's Restaurant Group
- PM Realty Group
- Port of Houston Authority
- Prosperity Bank
- PSI Automation
- Quanah Technical Services / Quahada Corp.
- Raytheon Technical Services Company
- REG Houston LLC
- Regional Capital
- Rhapsody Solutions
- Emyre Barrios Robinson
- RSA Corporation
- S&K Aerospace Inc.
- SAIC
- San Jacinto College District
- San Jacinto Museum of History
- Richard H. Sanger, Jr.
- Solana Venture Partners LP
- South Shore Grille
- South Shore Harbour Resort & Conference Center
- Southwest Airlines Company
- Southwest Airport Services
- Space Center Automotive
- Space Center Houston
- Space City Films
- Space City Services
- SPACEHAB Inc.
- SSCI Environmental & Consulting Services
- Star Toyota
- Sterling Bank - Clear Lake
- Stinger Ghaffarian Technologies
- Strasburger & Price
- Studley Inc.
- Summit Management Group
- Suntron Corporation
- TEI Staffing
- Teledyne Brown Engineering
- Terracon Consultants
- Tessada & Associates
- Texas A&M University at Galveston
- Texas Chiropractic College
- Texas Citizens Bank
- Thrivent Financial for Lutherans Bay Area Group
- Tietronix Software
- Titan Testing & Engineering Services Inc.
- tommy's Seafood Steakhouse
- Total Petrochemicals USA Inc.
- Transwestern Commercial Services
- Robert L. Trask
- Trustmark National Bank, Texas
- Twenty Twenty Properties Inc
- UHCL Center - Economic Development & Research
- United Equities Inc.
- United Space Alliance
- Universities Space Research Association - USRA
- University of Houston
- University of Houston - Clear Lake
- University of Texas M. D. Anderson Cancer Center - Bay Area
- U.S. Development Group
- UTMB - Galveston
- The Verandah Companies
- Vesco Business Products
- Wachovia Bank NA
- Wachovia Securities
- Waldron & Schneider LLP
- Warwick Construction Inc.
- Waste Management of Texas Inc.
- Wile Interests
- Wendell M. Wilson & Dr. Pat Potter
- Wyle Life Sciences Group
- Yellow Book USA