Business Development Update

A publication of Bay Area Houston Economic Partnership
Issue 34 – March 26, 2010
www.bayareahouston.com

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Bay Area Houston Economic Partnership (BAHEP) is a member-driven organization that provides leadership to stimulate regional economic development and employment in a range of industries such as aerospace engineering, biotechnology/bioscience, specialty chemicals and plastics, and information technology and communications. BAHEP partners with 270 member companies, 13 cities, Galveston County, Harris County and the Port of Houston Authority in southeast Texas to foster economic vitality through regional collaboration.

Commercial / Office / Industrial Development

Portagas has purchased a 38,000 SF facility at 1202 Beltway 8 in **Pasadena** for its new corporate office. The building has a large office area, clean room and manufacturing/warehouse area. Portagas is in the business of packaging calibration gases; its products are internationally marketed to an extensive list of customers including petrochemical plants and environmental companies. Plans are to bring 20 employees to the new location and then hire approximately 10 more in the first year. BAHEP worked this project with the City of Pasadena and broker Jim Stark / CBRE.

Kaneka Corporation is looking to expand its solar power manufacturing operations as well as ramping up Kaneka Nutrient's Ubiquinol manufacturing. Kaneka Texas has installed a solar power test panel at its **Pasadena** industrial district site. Once up and generating power, the company would like to test the waters for commercial interest in the U.S. The panels are currently made in Japan. Another aspect of expansion plans involves the manufacturing of Ubiquinol, the active antioxidant form of CoQ10. Kaneka Nutrients is the only U.S.-based CoQ10 manufacturing facility and produces using a proprietary yeast-fermentation process. For over 30 years, Kaneka has produced the highest-quality CoQ10 in the world, and with the introduction of Ubiquinol, it furthers its position as category leader and for future growth.

Chemetall, a new lithium manufacturing plant, has opened in the **Bayport Industrial District** on Bay Area Blvd. The company is investing $1.5 million to upgrade and retrofit an existing facility. Its product, butyl-lithium, is primarily used for medical device applications. Also, the Belgium-based company, employing more than 2,700 worldwide, is a primary supplier of lithium and cesium compounds to the European Space Agency. This local operation has 10 employees.

Port Crossing Commerce Center on SH 146 in **La Porte** expects completion of a new 250,000 SF rail-served building in the 4th quarter, 2010.

Bay Oaks Business Park is under construction on Genoa-Red Bluff Road in **Pasadena** and will have sites ready for development in the next 30 days. It's just off Beltway 8 going east.

Site work will start on a new 45-acre office and business park on Beltway 8 (Sam Houston Parkway) in **Pasadena** within 60 days. Site is one mile south of SH 225.

A former plastics manufacturing facility in **Pasadena's** industrial district has become available for a new owner. The 150-acre property is located at 9802 Fairmont Parkway; it has 7,000 lineal feet of rail, 45,000 SF of buildings and extensive infrastructure. The site is accessed by Underwood Road and served by the Union Pacific railroad. The Bayport Industrial District is home to over 70 chemical and plastic manufacturing firms from around the globe. The district offers an extensive feedstock pipeline network and tax abatements and incentives for qualified new development and investment. Former Plastics Manufacturing Facility on 150 AC
A proposed master facilities plan was recently presented for UTMB's Victory Lakes property. Plans call for ambulatory care facilities, outpatient procedure and treatment centers, clinics, administration buildings, retail, parking garages and logistics support on the 60+ acre campus in **League City**. Check it out! UTMB Victory Lakes Master Facility Plan In May, the first building on the Victory Lakes campus will open -- the 110,000 SF Specialty Care Center.

NASA Update – BAHEP just returned from leading a 30-member delegation to Washington, D.C. where it met with the congressional delegations in the House and Senate science and appropriations committees. This delegation is part of BAHEP's ongoing comprehensive plan to counter the administration's proposed 2011 NASA budget which came out on February 1st. BAHEP feels that positive progress is occurring in its efforts to preserve NASA's human space exploration program. Visit GoBoldlyNASA to learn more and share it with your friends.

Have you ever wondered how space exploration impacts YOUR daily life? NASA @ Home and City
(Be sure to rotate the views.)

Transactions

- 300,000 SF Frontier Logistics LP has leased space at Port 225 East business park in **Pasadena** – 3005 SH 225 -- for a plastic resin packaging and distribution operation.
- 216,000 SF United DC leased at 4330 Underwood Road – **Bayport North** Industrial Park.
- 143,125 SF International Distribution Corp. leased at 4331 Underwood Road – **Bayport North** Distribution Center II.
- 137,000 SF Supply Chain Management leased space at Port 225 Business Park in **Pasadena**. The growing business park on SH 225 now has three buildings complete; occupancy is at 93%. *BAHEP member Colliers International – Brad Beauchamp represented the tenant.*
- 22,800 SF Cat Spec Ltd leased the building and an additional 2.5 acres at 10020 Galveston Road (SH 3) in **Houston**.
- 13,000 SF U.S. General Services Administration leased space at Fairmont Business Center, 11810 Fairmont Parkway at Bay Area Blvd. in **La Porte**.
- 10,000 SF ST Laboratories Group LLC leased space at 1404 S. Houston Rd. in **Pasadena.** *BAHEP member Colliers International – Bruce Wallace and Marshall Clinkscales represented the landlord.*
- 9,988 SF UTMB-Galveston leased space at the Clear Lake Center in **Webster**. *BAHEP member United Equities – Buster and Doug Freedman represented the landlord.*
- 8,400 SF Pelican Health & Fitness leased space at 1908 Hialeah in 8,400 SF.
- 7,700 SF Finn Co. leased space at 519 N. Broadway in **La Porte**.
- 7,500 SF Lennox Industries leased space at **Houston's** Ellington Trade Center.
- 7,500 SF Jacobs Technology leased space at **Houston's** Ellington Trade Center.
- 4,000 SF TSI Turbo Service LLC leased an industrial building with lay down yard at 602 N. 1st St, **La Porte** near Barbours Cut Rd. The company is a subsidiary of Turbo Service International based out of Southampton, UK, specializing in turbocharger overhaul and repair to the marine industry. *BAHEP member Holt Properties – Jeanette Holt represented the tenant.*
- 3,714 SF VI Services leased space at the Atrium Crest office building at 18333 Egret Bay in **Webster.** *BAHEP member Twenty-Twenty Properties – Frank Cole represented the landlord, Cole Crest.*

- 3,000 SF Kuraray America leased additional space at One Corporate Plaza in **Houston** at 2525 Bay Area Blvd. The company produces PVA, PCB and special polymer grades.
- 3,000 SF UTMB-Galveston leased climate-controlled warehouse space at 100 E. NASA Parkway in **Webster**.
- 2,121 SF Gulf Coast Heart Clinic at Bay Colony Professional Bldg. in **League City**.
- 2,156 SF Leased at #4 Professional Park in **Webster** to a physician, Dr. Sharon Wallace.
- 2,029 SF SGT Inc. leased additional space at 100 Cyberonics Blvd. in **Houston**. *BAHEP member Studley – Derrell Curry negotiated for the tenant.*
- 1,484 SF Solomon M. Musyimi law firm leased space at 3029 S. Shaver at Spencer Hwy. in **Pasadena**.
- Building purchased - 30,000 SF at 524 Pasadena Blvd., **Pasadena**. *BAHEP member Colliers International – Marshall Clinkscales and Coy Davidson represented the seller*.
- Building purchased – 6,000 SF at 7202 Spencer Highway in **Pasadena.**
- Land purchased – 20 acres - Brittany Bay Business Park, Gulf Freeway and Butler Rd. in **League City**.
- Land purchased - A medical office group will build on 3.88 acres at Clear Lake Crossing. *BAHEP member Wile Interests represented the land owner.* Property is at SH 3 and Clear Lake City Blvd. in **Houston**.
- Land purchased – JSC Federal Credit Union is under construction on 1.74 acres at Tuscan Lakes Shopping Center, NE corner of **League City** Parkway and FM 270.

Congratulations to:

- Memorial Hermann Southeast Hospital (**Houston**). It was one of five Texas hospitals identified in HealthGrades' America's 50 Best Hospitals for 2010. Full information about the report can be found on HealthGrades' website. Also, the hospital just announced a new Cath Lab and EP (electrophysiology) to complement its heart and vascular services.
- University of Texas Medical Branch (UTMB) in **Galveston**. The institution is now a full member of the Texas Medical Center! This will strengthen connections with the 49 other Texas Medical Center institutions to ensure the Houston/Galveston region remains a leader in health sciences, research and patient care.

Did you know that **Ellington Airport** has almost $50 million dollars in military construction projects now underway?

Now Open!
Webster - NeoGenesis Wellness and Medical Spa opened at Houston Physicians Hospital, 333 Texas Ave.; Bethany Home Health at 5 Professional Park Drive; The PsyClinic, 330 East Medical Center Blvd.
Coming Soon!
Dickinson - The Center for Alternative Medicine has begun construction of a new 2,400 square foot building to be located at 1001 FM 517 East; value is approximately $350,000.

NEED FREE ENGINEERING ASSISTANCE FOR ONE OF YOUR PRODUCTS OR SERVICES?? *SATOP has an available team of engineers and scientists from the NASA Johnson Space Center and more than 20 aerospace companies and colleges which utilize their aerospace expertise to solve technical / engineering challenges for small businesses. Since 1999, SATOP has assisted over 600 Texas companies. To learn more about this free program and view some of SATOP's success stories or submit a request for technical assistance, visit www.SpaceTechSolutions.com/bahep.*

NOTE: Please feel free to pass this e-newsletter along to others who would enjoy it, and, whenever possible, remember to credit Bay Area Houston Economic Partnership for this information.

Retail / Hospitality Development

Remember ….A Great Italian Restaurant… A Heck of an Irish Bar? Birraporetti's is coming to **Friendswood** at the end of March or early April! The popular Houston restaurant that began in the 70's is moving into what was previously Babbo Bruno's at 400 W. Parkwood Avenue -- FM 528 and Sunset Drive. The other two Texas locations are downtown **Houston** at 500 Louisiana St. and in Arlington.

For those wanting to know …..Cafe Adobe will open at the end of this month at **Baybrook Mall** next to the new Olive Garden.

The former restaurant site at 5144 Center St. in **Pasadena** has been purchased for Jimmy Changa's, a new-concept restaurant.

The Sweet Spot Audio and More will open mid-April at **League City's** Pecan Park Plaza (3,150 SF) at FM 518 and the Gulf Freeway (I-45). It will be very appealing to guys but ladies are also welcome. The shop will carry high-end audio equipment, model cars, collectibles, and albums. Live music is planned, too. In addition to this tenant, letters of intent are out for two prospects for the 50,000 SF anchor space and for four other tenants.

Gordy Park is in the early stages of development along the west side of SH 146 in **Kemah.** Plans for the 33-acre tract could include a Town Center for Kemah offering an entertainment district with office and mixed-use development. Completion of a new intersection, Gordy Park Drive, is expected in the second quarter of 2010.

Word is there are two national retailers currently looking at property in **Dickinson.**

It's reported that a Fairfield Inn will be built on Beltway 8 in **Pasadena**, just north of Fairmont Parkway, behind the IHOP, San Jacinto Harley Davidson and Hooters.

Dickinson Food Mart, located at FM 517 and FM 646, has begun construction of a new 14,000 SF building valued at approximately $800,000 to replace the existing gas station and convenience store. The new building will include approximately 9,000 SF of retail lease space.

Baybrook Center, at El Dorado and the east side of the Gulf Freeway (I-45) in **Houston**, reports that the new building going up is an Exxon and Timewise food store which will open in three weeks.

Friendswood's Captain's Corner shopping center is getting an updated look. The 76,500 SF retail center at 106 S. Friendswood Drive has available space for lease: 10,080 SF, 15,170 SF, and three smaller spaces.

Seabrook Center, a new retail / office building on NASA Parkway, has new tenants coming, according to the signage – AT&T, Crossfit / VIP Longevity.

Coming Soon

League City – European Wax Center and Spring Creek Barbeque (5,994 SF) at NE corner of FM 646 and Gulf Fwy - Victory Lakes Town Center; Cato Fashions, Sterling Bank, Subway, VIP Nails, Lounge & Spa and Salon Naturale at the League City Towne Center, Gulf Freeway at FM 646; Subway at 1600 League City Parkway (Brittany Bay Center); Hampton Inn at Victory Lakes opens on May 15.

Clear Lake Shores – Outriggers restaurant on FM 2094

Friendswood – Pearland Seafood (4,044 SF) at 129 W. Parkwood Drive. BAHEP member Alliance Commercial Investments – Pete Zamora represented both the landlord and the tenant. Café Le Chat and Allure Salons at 907 S. Friendswood Dr.; Elite Training System at 2407 W. Parkwood Ave.; Koothan Vet Clinic at 400 N. Friendswood Dr.

Seabrook – Marriott Springhill Suites opens in April on NASA Pkwy; Bay Area Turning Point resale shop at 1908 Hialeah on April 7th
Pasadena – Luz Communications leased at Crossroads Center – Spencer Hwy. and Red Bluff Rd.; Arlan's Market is remodeling and expanding by 10,000 SF at NASA Pkwy and Kirby Drive.
Webster – James Coney Island at I-45 and NASA Pkwy; Hibachi Grill & Supreme Buffet at 155 W. Bay Area Blvd.

Now Open!
Clear Lake Shores – Opus Bistro at 1002 Aspen Rd.
Houston – Eve's Custom Jewelry and Repair at 1109 Bay Area Blvd.
League City – Tuscany Bistro at 2951 Marina Bay Drive; Big Juan Burrito at 176 Gulf Fwy; Staples office products at League City Towne Center; Café Under the Oaks at 615 Main St.
Friendswood – Kelm Engineering, Focus Therapy and Peden & Associates at 907 S. Friendswood Dr.
Dickinson - Argo Insurance Services at 1700 FM 517 East
Pasadena – Main Street Grill and Café at 3660 Burke Rd.
Webster – Holiday Inn Express, 900 Rogers Court at Baybrook Commons; Bombay Tadka at 17926 Hwy 3 (Webster Point); Six Strings Rock Bar and Grill at 20237 Gulf Fwy; Beyond Image at The Boulevard Shopping Center on Bay Area Blvd.

Groundbreaking!
Nassau Bay – Nassau Bay Town Square - Saturn Lane at NASA Parkway. First phase of the retail space is underway for Texas Citizens Bank, Wings 'N More and Bay Area Houston Economic Partnership. Second phase of retail will include Five Guys Burgers and Fries, Verizon and Baker St. Pub.

Residential Development

- Update on Tuscan Lakes in **League City**: 592 homes are now built; the master plan calls for 1,659 single-family homes. The 870-acre development is at FM 270 and the League City Parkway (SH 96). Four new builders were recently added to the mix with home prices ranging from the $130's to $300's.

- First residents at the Voyager Apartment Homes at the Space Center are moving in. The 313-unit complex is the first development to be completed at the new **Nassau Bay** Town Square. Sizes range from 670 – 1,422 SF, one, two and three-bedroom homes. Location is 18101 Point Lookout Drive, directly across from the Johnson Space Center.

- Fifteen more lots have been purchased by K. Hovnanian in Bentwood at Bay Colony, a **Dickinson** subdivision.
- The engineering phase is underway for Section 3 of Bayou Lakes on FM 517 in **Dickinson**.

- Two million dollar renovation and repair is underway on the Clear Lake-waterfront Endeavour condominiums in **Pasadena**. Available units will be marketed this spring.

- A new builder, Highland Homes, has been added at Creekside in **Friendswood's** West Ranch. The south side of FM 518 will be under development sometime this year. Plans include lakes, a community clubhouse and larger swimming pool, parks, greenbelt trails and commercial development.

- Rolling Meadows is a new 124-unit apartment community planned in **Kemah** on FM 518 near Wal-Mart. It's affordable housing for active people 55+ -- high quality units

and monthly rents that are below the market rate. One and two bedroom units will be available; amenities include a swimming pool, computer center, perimeter fencing and controlled gate access.

Infrastructure News and Everything Else!

City News …..

- A reduction in fire insurance rates will soon be seen by businesses throughout **League City**. Recently, the city's fire insurance score was significantly lowered by the state's official rating system; the fire insurance rate is tied directly to the score.

  Butler Longhorn Museum has opened at 1220 Coryell. Art, history and science exhibits relating to the Butler Longhorn cattle bloodline are featured.

  East Side Regional Park will be developed on 28 acres of land donated to the city by Tuscan Lakes. The new $16 million city park will have an Olympic-sized pool and plenty of hike and bike trails.

- **Clear Lake Shores** will seek voter approval for bonds needed to begin the Town Center project. The project encompasses the commercial district known as the Town Center along FM 2094/Marina Bay Drive from Watergate Marina to the Jarboe Bayou bridge. The City Council also recently approved the Town Center Zoning Overlay ordinance that allows mixed use development combining retail, office and residential in this area.

- **Friendswood** – City is receiving a $2.3 million Community Development Block Grant to purchase and install generators that are critical to infrastructure.

- **Seabrook** – The city's new 21,000 SF, $5.6 million library is underway at 2400 N. Meyer Road; the city contributed $1.2 million and **Harris County**, the remainder.

  Also, the city received approval and grants to rebuild Waterfront Road where all the fish markets and Pappadeaux's are located. And yes, Pappadeaux's will rebuild! Proposed for the Old Seabrook area on Meyer Road is an open-air village market for local artisans and a farmer's market.

- City of **Dickinson** is in the design phase for approximately 15 different public works projects and expects to be issuing bids in June for these projects. Once Round 2 of the Hurricane Ike CDBG funding opens, the city anticipates submitting another 17 - 20 public works projects. Over the next 24 months, the city will have approximately 37 public works projects in progress.

  A fixed-route bus service will begin in the next couple of weeks – and it's free until the end of September.

  The City of **Dickinson** and the **North Galveston County** Chamber of Commerce will host the First Annual Red, White & Bayou Crawfish and Texas Music Festival on Saturday, May 15, 2010, adjacent to the Dickinson City Hall and Library Complex just east of the intersection of FM 517 and SH 3. www. redwhiteandbayou.com

- City of **La Porte** is currently working to set into place additional business incentives, including tax abatements and 380 agreements, that will heavily favor retail and commercial office development while also reaching out to the warehousing, transportation and manufacturing industries that are already a strong part of its local

economy.

Construction has started on the Gateway project at SH 146 and Main Street. Two large pillars will welcome visitors to the city. The City owns the 5,000 SF restaurant property at that corner and will renovate it for an operator.

Sylvan Beach Park is, once again, a beach and now open! The city's new focal point, 48,000 SF Five Points Town Plaza at the intersection of Main and Broadway, is now open. A developer has proposed a mixed-use component such as retail on the bottom, condominiums on top and an office next door for the properties abutting the plaza.

The Sylvan Beach Festival is the last Saturday in April – April 24th.

- **Pasadena** – The city's former police station at 1114 Davis Street has a new $1 million facelift and is now the Municipal Services Building. It is home to the housing, health and permits departments, Public Works, Planning Department, Community Development and the Neighborhood Network, city marshals, along with the code enforcement and environmental services departments.

The new service has been so popular that multiple stops have been added to the **Harris County** Transit circulator bus route that operates in Pasadena, South Houston, La Porte, Clear Lake, Seabrook, Baytown, Highlands and Crosby. Find the latest routes here: Harris County Transit bus routes

Education news …..

- The **University of Texas Medical Branch-Galveston** received $5 million in federal funding for its Biocontainment Training Center. UTMB has set the standard for well-trained biocontainment scientists and engineers to work in safe, secure laboratory settings as they discover new tests, treatments and vaccines for emerging diseases. The research is critical to national defense preparedness against man-made and naturally occurring biological threats.
- Due to remarkable growth in enrollment, **San Jacinto College** will hire 63 full-time faculty in a wide range of disciplines for the 2010-2011 academic year. Learn more here: Faculty Hiring - San Jacinto College
- **CCISD**'s Clear Falls High and Bayside Intermediate are scheduled to open this fall at Education Village on the League City Parkway (Hwy 96) near SH 146. This will be the sixth high school for the district …460,000 SF and will house 2,500 students! Bayside Intermediate is 176,500 SF; Mossman Elementary is already open (105,000 SF).
- **San Jacinto College** received a $465,589 grant from the U.S. Department of Labor to offer free training to those who qualify to become a certified manufacturing production technician (CPT). Training will consist of four skill modules: safety, quality control and continuous improvement, manufacturing process and production, and maintenance awareness. The training program will be held at the San Jacinto College South campus located at 13735 Beamer Road in Houston. Read more at Guidry News
- To address the need for skilled workers in the maritime and energy industries, **San Jacinto College**, through a $400,000 federal appropriation, is developing enhanced training programs in technical education and dual credit programs with area high schools. Programs directed at the maritime industry would include deckhand, tanker man, able-bodied seaman, firefighting and pilot training. Training jobs in the energy sector include wind technicians, power plant operations, power generation technicians and solar technicians. Check with the main, south or north campus for class schedules. www.sanjac.edu

  The college also offers petrochemical training programs for the expansion of incumbent worker training. Geared toward low income, unemployed incumbent workers and

Hispanic women, San Jacinto College will receive more than $2 million to train workers in the petrochemical and energy industries; occupations would include system and refinery operators, instrumentation and automation technology.

Did you know that the 2009 total passenger count at Bush Intercontinental Airport rose by 68,900 to total almost 3.5 million? At Houston's Hobby Airport, the count was up 18,224 bringing the total count for that airport to 716,009 – reported by the *Houston Business Journal.*

Road News ……

--- Seabrook

- Funded by **Harris County** and the cities of **Seabrook** and **El Lago**, the Repsdorph Road extension and widening project might start this summer. The $16 million project will link the road with Lakeside Drive. First phase will include the portion from NASA Parkway to the new traffic circle and the second phase is from the traffic circle to Hwy 146.

---League City

- The interchange at I-45 and League City Parkway (SH 96) is scheduled for completion in April. TxDOT contract for widening FM 646 to five lanes, between I-45 and SH 3, is scheduled to be let in August.

---Big Stuff

- The Texas Transportation Commission announced plans to widen the Gulf Freeway to 10 main lanes between Kurland Drive, just south of Fuqua, to FM 2351 – a five-mile stretch. This is a $100.5 million project.
- The *Bay Area Citizen* reports that the northbound entry ramp from the NASA bypass to the Gulf Freeway (I-45) main lanes could open by the end of March, weather permitting. Also reported is that an exit ramp will open to NASA Parkway on the northbound side.

How "tweet" it is! BAHEP is now part of the Twitter network providing its members and followers yet another way to keep up with its activities. Check out BAHEP's tweets at https://twitter.com/BAHEP.

Economic development doesn't happen by itself! If you would like to know more about how you can support our economic development initiatives and have the opportunity to work with the region's business leaders, please contact our Membership Services Representative, Harriet Lukee, at 281.486.5535 or Harriet@bayareahouston.com.

Clear Lake Shores • Dickinson • El Lago • Friendswood • Houston • Kemah • La Porte
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