



Issue 14

Commercial / Office / Industrial

- The City of **Nassau Bay** has selected Transwestern Development Company as its redevelopment partner. To encourage a vigorous turnaround of commercial property values, a variety of incentives may be offered. Projects will focus on office buildings, medical office buildings, retail, public facilities and high-density residential. Nassau Bay's waterfront location on Clear Lake and Clear Creek offer enticing opportunities for redevelopment. Watch closely as this project is moving fast!
- Cherokee Investment Partners, an equity firm specializing in Brownfield development, expects to close soon on a 574-acre tract in **Webster** – the former Texas Genco power plant site. Conceptual land use includes residential, commercial, upscale retail, parks and recreation and a publicly-accessible marina. Work should start late Spring, 2006. Since Webster has roughly 400 single-family homes in the city, it would be significant to have housing for another 2,000+ residents, which is what the developer envisions. The property sits on Highway 3 and NASA Parkway. The NASA Bypass will cross the tract on the west and north sides giving easy access to Interstate 45 and beyond.
- UTMB has revealed plans for its new Specialty Care Center at Victory Lakes. The 35-acre tract runs along the I-45 frontage road between the **League City** Parkway (SH 96) and SH 646. The first phase will be a two-story, 100,000 SF ambulatory specialty services facility. Groundbreaking should begin in August; completion is expected in December, 2007. Possibilities for the remaining land are medical professional offices, high-tech incubator space, a pain management center, and/or a mini-service center that offers a sandwich shop, drug store or other businesses that would support the health campus. UTMB will partner with a developer if the project enhances its overall vision.
- Just north and adjacent to this property is Centerpointe, a mixed-use development of 11 tracts from 2 to 29 acres. Opportunities for retail, multi-family, commercial, medical and professional offices are available. In the immediate area is the Victory Lakes residential community, Beacon Lakes public golf course, Bay Colony shopping center, Big League Dreams ball park and the 209,000 SF Wal-Mart Super Center under construction. There might be some activity soon on the northeast corner of SH 646 / I-45 as 33 acres were recently sold. No word yet on what will be built.
- Plans for the town center at **Friendswood's** West Ranch is still on the drawing board. Friendswood Development is looking for a partner on this portion of the project. Construction will depend on the demand for residential lots. Homes will be starting early summer with models ready by fall. The entire project of 1,500 home sites should be built out by 2013. The initial phase is 367 lots across three subdivisions: Creekside - \$290 to \$400,000, Stone Creek's garden homes - \$220 - \$300,000 and Estates at West Ranch starting at \$400,000.
- In March, **Seabrook's** redevelopment consultant, JJR, will unveil the latest concept and action plans for The South Seabrook Marine District. This will be a transformation of The

Point, Old Seabrook and Jennings Island along Clear Creek Channel into a fun and exciting destination.

- Land clearing has started and infrastructure is planned this fall for Grand Bay at **Kemah**. The 120-acre development is on the east and west sides of SH 146 / Hwy. 96 (League City Parkway). Gordy Park, the 34-acre development on the west side adjoining Grand Bay, plans to start infrastructure work this summer. Both developments have visions of luxury single family and multi-family --mid and high rise, upscale retail, banks, and boutique hotels. A marina is part of the concept for Grand Bay's east side bordering Galveston Bay.
- A 5.5-ac tract in **Webster** has been purchased by a New Jersey-based company with plans for a 4-story office building; location is the corner of Feathercraft and E. Medical Center Blvd. Currently, the building design and layout are in the works for a Class A speculative facility, 100 - 120,000 SF. Some covered parking is anticipated. Construction should begin this summer with completion scheduled for Spring, 2007.
- The \$8.5 million Acadian Plaza project in **Friendswood** will start soon. The developer, hailing from Louisiana, plans to bring a unique style to the professional office & retail center with lighting and fixtures to replicate those found in the New Orleans region. Total building size is 60,000 SF; 24,000 SF for professional office space and the remainder for restaurants, a spa and other retail tenants. Location is FM 528 at Sunset Boulevard.
- Just announced, University of Texas M. D. Anderson Cancer Center will open an onsite radiation treatment satellite facility at **Nassau Bay's** Christus St. John Hospital. The latest in linear accelerators and technology will be available at this center, same as the main campus. It will alleviate the time some patients spend to travel downtown plus the on-going therapy. The center will be incorporated into the hospital's \$16M, 70,000 SF expansion currently underway. Completion is this Fall.
- Two 48,000 SF LEED certified 'green' medical office buildings will soon be under construction in **Webster**. Site location is 251 Medical Center Boulevard; both buildings will be state-of-the-art and one of the most advanced facilities in the region. According to the developer, only 15,000 SF remains available in the first building; completion is late 2006. Neighbors include Clear Lake Regional Medical Center and the Heart Hospital, Diagnostic Systems Laboratories, Triumph Hospital Clear Lake, Deke Slayton Cancer Center and the Medical Plaza at Clear Lake.
- Tantalus Bay is a new mixed-use development on Egret Bay Blvd. near FM 518 in **League City**. Clearing on the 61-acre tract will start in a few weeks. What's planned? Office, retail, commercial, residential and a small-boat marina. The six acres next to this project are under contract. No details yet.

New leases!

- 60,645 SF - East Belt Business Park in **Pasadena** leased space to Wrist USA -32,000 SF, Munters -17,067 SF, Horn Sales & Mktg -6,698 SF and 4,880 SF to Terminix.
- 10,960 SF - Boeing leased 16834 Titan Drive building.
- 5,000 SF - Northrop Grumman leased space at 16055 Space Center Blvd.
- 3,500 SF - Diabetes Centers in **Nassau Bay**

Under Construction! Eye Center of Texas at 4415 Crenshaw in **Pasadena**, 8,157 SF.

- Custom Catalytic Solutions will build a new 35,000 SF facility in **Bayport** North Industrial Park. The start-up company provides custom catalysts and specialized technology to help refineries and chemical plants generate cleaner fuel, cleaner products and less

waste. This project will create over 20 high-tech jobs for the area in the next few years; capital investment is over \$5M. Ten acres were purchased so the company will have room to grow.

- New industrial buildings coming up!
 --A South Carolina-based company has purchased a 183-ac tract on Red Bluff Rd. in the **Bayport** Industrial District for speculative warehousing and distribution. They are currently working with a potential user for 300,000 SF; this deal could build out to around one million square feet. Total build out for the entire business park is almost three million square feet!
 --Port Crossing on S.16th Street in **La Porte**'s TIRZ area near Hwy. 146. A large distribution facility is planned. One potential user is a logistics company.

BAY AREA HOUSTON – CONTIGUOUS OFFICE SPACE SUMMARY

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BUILDING NAME	BUILDING ADDRESS	CONTIGUOUS AVAILABLE	BUILDING SIZE
<u>NASA / Clear Lake</u>			
2400-2450 NASA Parkway	2400-2450 NASA Parkway	160,000	160,000
Marina View	2600 South Shore Blvd.	51,199	120,000
1820 NASA	1820 NASA Parkway	51,100	51,100
1840 NASA	1840 NASA Parkway	42,060	42,060
1812 Space Park	1812 Space Park Drive	40,848	40,848
1814 Space Park	1814 Space Parke Drive	39,038	39,038
Marina One	2525 South Shore Blvd.	25,514	119,249
Two Corporate Plaza	2625 Bay Area Blvd.	18,500	161,331
201 Flint Ridge	201 Flint Ridge	18,000	45,000
Bay Terrace II	555 Forge River	17,859	109,494
Baybrook Office Parke South	1550-1560 Bay Area Blvd.	14,536	87,598
Bay Plaza I	711 W. Bay Area Blvd.	10,703	103,847
<u>Pasadena / La Porte / Gulf Fwy.</u>			
12301 Kurland Bldg.	12301 Kurland	246,221	246,221
817 Southmore	817 Southmore Avenue	20,000	45,000
Ventech Building	1149 Ellsworth Drive	20,000	127,399
4040 Red Bluff	4040 Red Bluff	19,452	19,452
6021 Fairmont Parkway	6021 Fairmont Parkway	12,000	24,000
Burke Square Office Center	3222 Burke	7,440	43,800
3737-3743 Red Bluff Road	3737-3743 Red Bluff Rd.	7,106	88,000

Groundbreaking!

Webster – Comfort Suites
Pasadena – Patients Medical Center

Coming soon!

Seabrook – Beacon Federal Credit Union (Miramar Shopping Center)
Pasadena – Sylvan Learning Center on Fairmont Pkwy;
Friendswood – Patriots Bank on FM 528 & FM 518 (3,180 SF)

Retail Development

Academy will build a new 108,000 SF store in **Webster**; scheduled opening is Fall, 2006. Coming soon to the same area is Cheddar's Restaurant and ITT Technical Institute building a new 30,000 SF vocational school on Magnolia. Several other projects are expected to be announced soon.

It will be all inside soon! Construction has started on **Pasadena's** 99,200 SF Penneys on Fairmont Parkway at Pansy St. Good news for Chick-fil-A fans – there's one coming to the pad site. Wells Fargo took 2,650 SF at the 6021 Fairmont Parkway building. Regions Bank has permitting for their 8,474 SF building on Beltway 8.

What's new at the 4 corners of **Baybrook**?

- Baybrook Passage: Taco Milagro, T-Mobile and 3 other tenants will be housed in a 19,800 SF building between Panera Bread and TGI Friday's. Groundbreaking: March, 2006. Under construction is 7,000 SF for Berryhill's and two other tenants. The location is behind Wells Fargo Bank. Borders will have a new neighbor, Portrait Innovation – 2,300 SF.
- Baybrook Village: K & G Men's Store is moving to Bay Area Blvd. They'll occupy the former Marshall's space of 27,000 SF.
- The developer won't say exactly what's coming, but plans for the 20+ acre site just south of Baybrook Square (west side of I-45 in Webster) call for exciting new retail and hospitality.
- Baybrook Mall: Shiekh Shoes (straight from California!) for the whole family, Jugo Juice, a smoothie place using natural, unprocessed foods, and Teavana, offering 100 kinds of tea, teapots and other tea accoutrements. In the food court: Sarku Japan.

Pasadena's north side should see new activity in grocery stores and restaurants thanks to the vote – recently passed - allowing restaurants to sell and serve alcoholic beverages and for grocery/convenience stores to sell beer and wine. This area generally starts north of Spencer Highway.

New Leases! Central ACE Hardware has leased the former Sears Hardware on Bay Area Blvd., 25,639 SF.

Galveston's Moody Gardens is still number two in the area for the 2006 Top 25 Paid Attractions (reported in *Houston Business Journal*). Visitors numbered 1.96 million in 2004! Space Center **Houston** held on to the number 9 ranking with 705,000 visitors.

Groundbreaking!

Pasadena – Patient Hospital on Beltway 8 (100,990 SF)

Coming soon!

La Porte – Bayou City Wings on Spencer Hwy.

What's New?

Webster – Borders Books & Music plus Seattle's Best Coffee Shop at Baybrook Passage

Nassau Bay – Sartin's of Nassau Bay on Upper Bay Road

Seabrook – Seabrook Plaza: MG Furniture

Residential Development

- Monte Bello – Single family development of 23 lots on 16 acres are proposed in **Friendswood** at Woodlawn & Shawdowbend.
- Seaside Village – Forty-nine new coastal cottages in **Seabrook** on Repsdorff Rd. Homes from the \$150's.
- Mar Bella – Taylor Woodrow will build 500 of the new 1,300 homes planned for this new community in **League City**. \$140,000 to \$400,000. Forty acres of scenic lakes; 44-acre nature park. Seventy-one acres for commercial development will be available fronting SH 146 and SH 96. Construction will begin 1st qtr. 2006.

- Retreat at Bay Forest – 28 single-family residential lots are in the preliminary stage for Wharton Weems Blvd. / Old Hwy. 146 / S. Broadway in **La Porte**.
- Village of Tuscan Lakes – A gated community will be built for residents that are 55 and older on 105 acres of the Tuscan Lakes property. This master planned area on the **League City Parkway** and FM 270 will have about 400 single family homes in the 1,700 to 2,600 SF range – starting in the \$180,000's. Walking trails, a recreation center, fitness rooms, and resort-style heated swimming pools are some of the amenities.

Infrastructure News

Under consideration in the City of **La Porte** is creation of a foreign trade zone that would help entice companies to set up business in the many new industrial business parks in their city. The location would be along SH 225 and Underwood.

A \$24.7M permit has been registered in **Pasadena** for the gate facility at the new **Bayport** terminal. This is an important piece of the project as this automated system will control truck traffic and cargo in and out of the terminal. Additionally, \$79M in permits were issued for the cruise terminal that should be operational in 2007.

Wake up and smell the coffee! Did you know there are four coffee decaffeination plants in the U.S. and that three of them are in Houston?

Trivia: Coffee is the 2nd largest globally-traded commodity with oil being the 1st.

Road News

---Galveston County

- The first half of Galveston's new causeway will open in March. It's important to note that traffic flow will not be restricted from the current level during construction. Scheduled for a 2008 completion, the completed causeway will have 4 lanes in each direction. The new structure should last at least 50 years. An average of 67,000 vehicles a day cross the causeway.

Did you know 225,000 cubic yards of concrete will be used for this structure - enough for a 4" thick, 4 ft. wide sidewalk, over 800 miles long (ex. El Paso to Beaumont) ???

---League City

- The bid letting for the I-45 / League City Parkway interchange is scheduled for January, 2007. The parkway, also known as SH 96, will extend under the freeway and continue to Brittany Bay Boulevard. This is a \$22M project with completion scheduled for 4th quarter of 2008.
- The bid letting for another bridge over I-45 at SH 646 is coming up in April. This will be an 8 – 10 month project.

---La Porte

- Canada Road is now open from Fairmont Parkway to Spencer Highway meeting with East Blvd. and continuing on to SH 225.
- Bay Area Blvd. is near completion from Fairmont Parkway to Spencer Highway and will connect with Sens Rd. continuing to SH 225.
- The long-awaited overpass of the UP railroad tracks on Fairmont Parkway has begun!

---Webster

- A new corridor beginning on the feeder of I-45 and curving north to connect with Kobayashi Blvd. near Fry's will start soon. This will provide additional access to new stores planned for the immediate area.

- Texas Avenue North will be open this week! Live Oak and Orchard Streets will be under construction shortly.

---Houston

- Glenwest Drive will open in March. The \$1.5M road was built on land dedicated by CDC-Houston to this project. This will ease traffic woes around **Baybrook** Mall as it will run behind the mall from El Dorado to Bay Area Blvd.

---Big Stuff

- NASA Bypass is back on track with a new contractor. Completion of the 3.4 mile roadway is expected by the end of 2008. Beginning on Interstate 45 in **Webster**, the 4-lane divided highway will cross a tract of undeveloped land south of Magnolia Street, cross Highway 3 and then curve north to intersect NASA Parkway at Sarah Deel Road. It will connect with the parkway near the Johnson Space Center in **Nassau Bay**. Overpasses are planned over Highway 3, Sarah Deel Rd., and El Camino Real / FM 270.

The second phase of the project, connectors from the bypass directly onto I-45, was also recently awarded for \$54M. The Interstates' southbound lanes will connect directly with the eastbound lanes of the bypass and the bypass' westbound lanes will connect directly with the northbound lanes of I-45. This project should be completed same time frame as the bypass.

- SH 146 Improvement: The latest public meeting focused on two alternatives for the Shoreacres Blvd. / Choate Rd intersection, a grade separation at Red Bluff and direct connectors for Port Rd. This will involve the creation of elevated connectors near the Port's **Bayport** expansion; also an overpass at Red Bluff Road. At completion, the \$200M project will widen the highway to three lanes from **La Porte** to Texas City (about 24 miles). Construction on the 10-year project will begin in 2010.

"Do not go where the path may lead, go instead
where there is no path and leave a trail."

--Ralph Waldo Emerson