



Issue 15

Commercial / Office / Industrial

- Redevelopment has taken a welcome turn in the right direction for **Nassau Bay**. A portfolio consisting of 12 office buildings and one surplus land parcel, all directly across the street from the main entrance to the Johnson Space Center, is for sale. The land size is 27+ acres. The cluster of buildings was constructed between 1964 and 1970, providing commercial office space to support the space center. The City is working to ensure a vigorous turn-around and may offer economic development incentives and legislative initiatives to assist with commercial development within the city limits.

On another note, the 10+ acre tract on NASA Parkway that was the home of Sheraton and Clarion, is under contract to a Houston development company will plans for office, R & D and retail development. Also, the hotel on NASA Parkway (formerly Holiday Inn & Brentwood Inn) has been sold to a group from St. Louis that plans to improve the property then re-flag it by year's end. Both are positioned where the NASA bypass will merge with the parkway.

- To be announced late August/early September is the winning team that will head up NASA's Crew Exploration Vehicle (CEV) program. Two teams, Northrop Grumman Boeing and Lockheed Martin, are vying for the contract to help NASA develop the CEV that will transport crew members to and from the International Space Station, the moon and beyond. Both teams have established proposal offices in Bay Area Houston and have shown a strong commitment to the region and both will have a significant economic impact to the community. The Bay Area Houston Economic Partnership is already receiving inquiries from team members and subcontractors.
- Plans call for spec medical office space with possible retail at the corner of Hwy. 3 and FM 1959, across from **Ellington Field**. Nine acres were purchased by a development group who found the location perfect. It's a few minutes from Memorial Hermann Southeast Hospital and a few miles away from four more area medical centers. The Ellington Field vicinity attracts all types of companies, not just because of the airport system; Interstate 45 and Beltway 8 are just a few minutes away.
- The former home of Texas Genco (12301 Kurland building) at the corner of Beltway 8 and I-45, will have new tenants soon. Dashiell Corporation leased 53,000 SF; letters of intent are out for 80,000 SF. Rentable space is 180,000 SF; lab space -- 25,000 SF.
- UTMB in **Galveston** just completed the first-of-its-kind-in-the-world laboratory. The W.M. Keck Center for Virus Imaging is the first Biosafety Level 3 laboratory with a cryo-electron microscope, allowing researchers to create molecule-by-molecule models of virus samples. The lab is designed so that researchers can use the microscope from a remote location – even halfway around the world. After obtaining the necessary authorizations, the lab will be the first to use cryo-electron microscopy to study the avian flu virus, SARS virus, and others. Protocols will be very strict to ensure the safety of the researchers and the samples.

- A recent article in the *Houston Chronicle* reported that 22 suburban hospitals are in construction stage due to population growth and demand for medical care in the suburbs. Four of those are in the Bay Area Houston region with an investment value totaling \$79.44 million. (Clear Lake Regional Medical Center expansion and new Heart Hospital addition in **Webster**; Christus St. John Hospital renovation/expansion in **Nassau Bay** and new Patients Medical Center in **Pasadena**.) Additionally, UTMB plans a \$41 million specialty care center in League City bringing the overall regional investment to \$120.44 million.
- Momentum is still riding high in Kemah with all the new mixed developments planned for Hwy. 146 and SH 96. In the meantime, the city will be hosting the J/24 US National sailboat races on April 29th in Kemah's Lighthouse district. www.kemah.net/sailintokemah.html for more info.
- Infrastructure is complete for the construction of two office buildings, both two-story & 40,000 SF, at Clear Lake Crossing -- Hwy. 3 and FM 2351. Several tracts are for sale; two have been purchased by Wells Fargo and a dental office.
- Port Crossing Commerce Center plans to break ground this summer in **La Porte** on two spec buildings totaling 631,000 SF. One million of the total build out (3.5 to 4 million SF) is rail served. The partners plan tilt-wall buildings, 30 foot clear height, in a landscaped, business park setting.
- Construction will start this summer on phase one of Park 225 East's industrial development. Located at SH 225 and South Street in **Pasadena**, building area is 560,000 SF covering 42+ acres with parking for 370. Later, phase two will be built on the remaining 42 acres – 595,390 SF and parking for 590.

Purchases!

--Marino Ware, a company in the steel framing products business, has bought the former Graver Manufacturing facility on Bay Area Blvd. in the **Bayport Industrial District**. The buy came with 18+ ac of land, two rail spurs, and five buildings totaling 167,244 SF. Reportedly, the location works well for the company; they are involved in the massive rebuilding of the Gulf Coast plus that of the vibrant building activity going on around the new Bayport Container Terminal.

--Griffin Dewatering Company purchased the 36,740 SF building on Blackhawk Ave. and FM 2351 in **Friendswood**.

New leases!

- 80,080 SF at 2450 NASA Parkway was leased to SAIC.
- 52,000 SF at East Belt Business Park in **Pasadena** was leased to Teadit North America, Inc. for their manufacturing and distribution operations. Customized seals and gaskets are the main business for the German-headquartered company.
- 3,400 SF at 6021 Fairmont Parkway in **Pasadena** was leased to Global Sleep Technologies & Texas Foot Specialties.

New Construction!

- Staybridge Suites will start soon on a 105-room hotel on Texas Avenue North in **Webster**.

Honors!

- Bayshore Medical Hospital in **Pasadena** and Clear Lake Regional Medical Center in **Webster** have both received recognition from HealthGrades, a company that compiles the data from clinical outcomes for procedures and diagnoses performed by 5,100

hospitals across the country. Bayshore Medical Center was one of 89 hospitals across America to win in 2006 but they also won in 2004 and 2005, bringing the hospital to the top two percent nationwide. Clear Lake Regional Medical Center is ranked No. 1 in the Houston area for overall cardiac care in HealthGrades 2006 analysis. They also received the 2006 Stroke, Vascular and General Surgery Excellence Award as well as the 2005 Women's Health Care Excellence Award.

Groundbreaking!

Webster – 251 Medical Center Blvd. 'green' medical buildings

What's new?

La Porte – Monument Area Federal Credit Union at 607 W. Fairmont Pkwy.

Retail Development

- **Pasadena** may see a lot of changes coming to their retail mix along E. Southmore Avenue. Home to City Hall, the Police Station, and Town Square Mall, the well-traveled northside corridor has attracted the attention of new tenants and developers. The space that Mervyns occupied has several different prospects looking it over. In the mall, already anchored by Sears and Palais Royal, Macy's plans to take over the Foley's spot and several retailers are said to be eyeing the former Dillard's.

The City is officially working on a redevelopment plan for the area and timing couldn't be better as developers plan to close this month on the five-acre Bank One site. Having ownership to the city's only skyscraper, they are looking at a variety of options for the pad sites and building restaurants, office, and retail It's wide open!

- The third phase of **League City's** 60-acre Bay Colony Town Center, I-45 at SH 646, has been announced. Three restaurants, three professional buildings and 75,000 SF of office space are planned. Phase two leasing has gone quickly with Chili's, Taco Cabana and Petco coming this summer.

In that same area on the southeast side of I-45, another center is planned with Home Depot and Target as anchors.

*Did you know the Randall's grocery store on El Dorado Blvd. at Hwy. 3
(now for lease) was once visited by Boris Yeltsin?*

*In 1989 on his first visit to America, the former Russian communist leader had toured the Johnson Space Center and then, on a spur-of-the-moment whim, stopped at Randall's on the drive back to **Ellington Field**. It is said that the visit to the grocery store changed his life. He returned to Russia and, within two years, left the Communist Party and became a reformer.*

- Brokers for **Seabrook's** new Lakeside Shopping Center on NASA Parkway report that contracts are out for several tenants including a restaurant. The architecture emulates the feel of the uptown area – multi-pastel colors and gorgeous landscaping! Daily traffic count is about 23,000 cars/day.
- A new 14,000 SF retail center is being built in **Nassau Bay** on NASA Parkway. And one in **Friendswood**, same size, the South Friendswood Plaza on FM 528. Sterling Plaza, 9,850 SF, is being built on FM 528 for two tenants.
- The developers of the planned H-E-B at FM 270 and FM 518's northwest corner say they are still deciding on the size of the store. In the meantime, they have purchased 7

additional acres across the road - east side – on Robinson Bayou. Crossroads Plaza in **League City** will encompass about 34 acres all together.

- Cheddar's Restaurant will build the largest store in their chain in **Webster** – Magnolia & I-45 – 9,200 SF. Same locale ... ITT Technical Institute and another national school, not yet announced.

New retail tenants

- Two tenants have signed up to take the former Wal-Mart on Fairmont Parkway in **Pasadena**. Incredible Pizza, with an 'incredible' all-you-can-eat buffet and choice of themed dining rooms, usually features bowling, indoor go-kart races, bumper cars, a mini golf course and arcade games. The building will be shared with 24 Hour Fitness.
- ABH Furniture & Friendswood Design Center have leased space in **Friendswood's** Raton Plaza.
- Starbucks and Chase Bank are among those leasing space at the new **Pasadena** Penneys' pad sites. Chick-Fil-A will be a stand-alone and 60,000 SF is still available next to the new department store.

New Leases in Webster!

- 7,102 SF - The Perfect Piece, a unique furniture consignment and fine interiors store, opening this summer in Bay Area Plaza, Hwy. 3 and Bay Area Blvd.
- 25,000 SF – Mardel Christian Book Store (first store in Houston) is taking space next to Hobby Lobby and, in turn, they will take on an additional 10,000 SF at the Centre at Baybrook.
- 4,000 SF - McAlister's Deli has leased space at Webster Town Center, a new 10,000 SF retail center at Magnolia St. and I-45 in front of the Cinemark Theater.

SOLD!

- Two retail service centers recently sold at high \$/SF. In different transactions, California investors have purchased a 6,656 SF building at 4835-4841 Fairmont Parkway in **Pasadena** for \$327/SF and an 11,060 SF retail building at 19222 Gulf Freeway, fronting **Baybrook Mall**, for \$431/SF. Both are two-tenant buildings.

Coming soon!

La Porte – 101 Bar & Grill at 101 E. Main Street
League City – Luby's Cafeteria at Bay Colony

What's New?

League City – Shelly's Steaks & Seafood at Perkins Station on FM 518
Nassau Bay – Luna restaurant at the Hilton
Seabrook – Signature Bistro on NASA Parkway
Baybrook Mall - Jugo Juice - first U.S. location

Residential Development

- **Seabrook** - Oak Ridge Meadows – 61 homes off Lakeside Drive. Also, Searidge, Sec. 2 off Todville Road – 72 lots will start construction in November.
- Coral Bay – 210 upscale condominiums will be built in **Webster** on Egret Bay Boulevard. Features include a clubhouse, billiard rooms, theater and underground parking garage. The four-story, resort-style structure will have units ranging from 850 to 1,700 SF and price tags of \$159,000 - 289,000. The developer plans to dredge Cow Bayou in order to build boat docks for the residents; total investment is \$40 million.
- The Street of Dreams opened April 6th and will continue for 6 weeks at Harborwalk (**Galveston County** – Hitchcock, TX). The luxury home show expects 40,000 visitors.

Six homes are open showing off the latest trends in residential bay front construction, interior design, architecture, technology and landscaping. Expected build out is 500 homes; 260 of 340 prepared lots have been sold.

Infrastructure News

- Five schools in the Clear Creek School District received an Exemplary rating from the Texas Education Agency. One was in **Kemah** (Stewart), one in **League City** (Ferguson) and the other three are in the **southeast Houston** zip codes (Armand Bayou, Brookwood & Ward). Seven of eight intermediates and the other 13 elementary schools earned the 2nd highest rating-- Recognized.

Did you know the academic decathlon team for **Friendswood** Independent School District won its 14th consecutive state championship? They scored the highest out of 22 schools in its division. Congratulations!

Road News

---League City

- TxDot said the SH 96 project's planning is about 60% complete. Original plans called for the highway to cross over I-45 but it was changed; now, the freeway will cross over the highway. Expectation is that the project will be let in Fall, 2007. .
- The overpass at FM 646 and I-45 will take 50 days; it has an early-completion bonus award – also a per/day late charge if it goes over the target completion date.

---La Porte

- Bay Area Blvd. is now open from Fairmont Parkway to Spencer Highway. The road connects with Sens Road and continues to SH 225.

---Webster

- Rice Creek Lane will be the name of the new road starting on the I-45 feeder and ending at Kobayashi Blvd. near Fry's Electronics.

---Houston

- Glenwest Drive is unofficially open. The road is between El Dorado and Bay Area Blvd. behind Baybrook Mall. Great new route to avoid those high-traffic times!

---Seabrook

- The City is acquiring about .5 acres to connect Repsdorph Road with Lakeside Drive.

---Big Stuff

NASA Bypass work is progressing. The median between the east and west bound lanes is being paved so that traffic can be diverted later without having to close any lanes. Two lanes will be open at all times both directions – original plan was one lane each way.

"He who thinks he leads, but has no followers, is only taking a walk."

