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Commercial / Office / Industrial Development

New City Member! We are pleased to announce the City of **Dickinson** has joined our partnership. At the bottom of this newsletter is a convenient link to all our cities – **Dickinson, Friendswood, Houston (SE), Kemah, La Porte, League City, Nassau Bay, Pasadena, Seabrook, and Webster.**

-----Lockheed Martin Corporation has been awarded the contract to design, develop and build NASA's shuttle successor, Orion. The contract, valued in the range of \$1.5 billion to \$4.2 billion, will create approximately 1,100 new jobs. The first manned flight is planned for no later than 2014 to the International Space Station and to the moon no later than 2020. Lockheed Martin will perform the majority of the vehicle engineering work at NASA's Johnson Space Center in Houston and complete final assembly at the Kennedy Space Center in Florida. Researchers, including some at the University of Texas Medical Branch, will play a huge role in keeping astronauts safe for long periods of time in space – six to nine months at a time. The contest to build Orion was between two teams of aerospace contractors – Lockheed Martin and a team of Northrop Grumman Corp. and The Boeing Co.

-----Edgewater, **Webster's** new community, is officially underway. The 574-acre site was purchased earlier this year by Cherokee Webster Development – a partnership between Houston-based Johnson Development Corp. and Cherokee Investment Partners, LLC. Demolition has begun on the site -- Genco's former plant; clean up will follow, taking about 9 months. Tracts will then be sold to commercial and residential developers who will construct the properties. The actual community will encompass 330 acres (NASA Parkway between Hwy. 3 and Sarah Deel) including 375,000 SF in retail space, some office, and the city's first marina. The upscale development expects to add 2,600 new residents in the form of single-family homes, townhomes, high-end apartments and condominiums. Highlights of the project include 100 custom homes to be built on a man-made island. This project won an award from the International Economic Development Corporation (IEDC) for the best public/private partnership for a city under 50,000 population. They will collect their award this September in the Big Apple.

-----A Request for Proposal (RFP) has been issued for the redevelopment of north **Pasadena**. The area extends from Spencer Highway to the northern city limits and includes all land in the area to the east and west city limits. The City seeks to contract with a consulting firm or team to develop a long range plan of action to encourage new development, expand employment opportunities, increase the supply of quality housing, improve neighborhoods and enhance the overall quality of life for citizens. The redevelopment

plan may include the creation of a town square center near Pasadena Boulevard / Southmore Avenue intersection, creation of special use districts for parking or light industrial purposes, preservation and promotion of the City's historical heritage, re-use of the Capitan Theater and other City landmarks, and market the potential for entertainment and tourism-related activities and venues. Proposals are due October 9th, 2006; the RFP can be found at www.demandstar.com. Contact Teresa Vazquez-Evans at tvazquez@ci.pasadena.tx.us.

-----A well-known, regional retail developer has under contract the 90-acre portion of Grand Bay at **Kemah** on the west side of SH 146. It's anticipated that major infrastructure will begin within 60 days. Besides retail, it looks as though some multi-family, commercial and office might be in the mix, too. We'll keep you updated on this one.

-----Final recommendations for the South **Seabrook** Marine District show five areas for the city's redevelopment project – incremental improvements that will likely span many years. The areas are 1) Old Seabrook on the east side of Hwy. 146 2) The waterfront areas along Todville Road 3) The Point, located at the southernmost tip of the city, east of Hwy. 146 4) The Marina District, west of Highway 146 at the southern end of the city and 5) The NASA Parkway corridor. On another note, the city's Planning and Zoning Commission has strengthened guidelines to ensure first-class development for structures 40 feet or higher. High rises may only be constructed in marine and water activity districts, not residential areas, and are subject to other restrictions such as structural materials and outer appearance.

-----City of **Friendswood** will host their 4th annual Broker and Developer Day on October 19th. Elizabeth Morris, CEO & Chief Economist for Insight Research Corporation will highlight retail opportunities for the city identified by the ROAN report. This will be an excellent opportunity to get an update on the Clear Creek Village Center (134-acre development on FM 528), West Ranch master-planned development and West Ranch Village Center (766 acres on FM 518), their downtown revitalization and several new projects coming up. Call Karen Capps at 281.996.3250.

-----Adjacent to Patients Hospital, currently being built at Crenshaw and Beltway 8 in **Pasadena**, a 50,000 SF, two story medical / professional office building is coming up -- projected completion date of first quarter, 2007. On the site are two other tracts that would allow for medical growth; approximately 80,000 SF combined.

-----Two Harbour Square, a complex of three new medical/professional office buildings totaling 26,800 SF, will be built on Marina Bay Drive (FM 2094) in **League City**. The class A buildings will be across the street from the South Shore Harbour hotel, marina and fitness center.

-----A grand hotel for **Seabrook** -- The Marriott Apollo will be built on NASA Parkway overlooking Clear Lake. A local developer plans a 17-floor, 225-room tower for the 4.5-acre tract that will include a first floor 'launch pad', a mezzanine level for a spa, bar & grill, then nine floors for a full-service hotel and the remaining eight as privately-owned condominiums.

-----New building: 50,100 SF single-story office building at 16969 Texas Ave. in **Webster**. Corporate Centre Texas will be constructed on 3.5 acres with approximately 5/1000 parking. The structure is 50% pre-leased; 25,000 SF is available. Expected build out is April 1, 2007.

-----City Council in **League City** has approved three planned unit developments and six municipal utility districts for a 4,600-acre development on the city's west side. Eight municipal utility districts will be needed in all. The project centers on the future Grand Parkway and extension of Bay Area Blvd. from Magnolia Creek south to FM 517. A small portion of the yet unnamed master-planned community will be in **Dickinson**.

-----The City of **Kemah** has annexed 108 acres in the area called 'South Kemah', situated between the

League City Parkway (SH 96) and South Kemah Drive. The area is mostly undeveloped pastures but with the exponential growth of the Bay Area Houston region, the area could see new homes and commercial districts in the near future. The annexation was a land swap with **League City**.

----INEOS, the world's third-largest chemical company, is expanding operations and will bring 150 new jobs to **League City**. Based in the United Kingdom, the company found 26,000 SF at the Marina View building at South Shore Harbour for their two newly-formed business units – Nitriles and Oligomers. The expansion and relocation is projected to create an annual regional economic impact of \$173 million. The company was considering several other out-of-state locations but League City lured the company by providing a five-year grant of up to \$113,000; other reasons were available office space and an educated and technically proficient workforce.

New business parks!

---Completed! WilliamsPort Industrial Center in **La Porte** on Hwy. 225 near SH 146. Ozburn Hesse Logistics, LLC and Jacobson Warehouse Company, Inc. leased 210,000 SF.

---Just breaking ground: Fairmont Business Park on Fairmont Pkwy. at Bay Area Blvd. in **La Porte**. Distribution space available from 60,000 to 245,000 SF, 24' clear height. Flex space is 12,000 to 72,000 SF, 18' clear height.

New leases!

---Packwell, Inc. has leased 450,000 SF on 19 acres at Underwood Business Park in **La Porte**, investing \$11 million in the project. The company provides logistics in an extensive railcar-packaging center. Their steadily-growing business provided the need for a larger plant – and large it will be!

---Arizona Tile, an importer of ceramic/porcelain tiles and natural stone slabs and tiles, will move into their new 300,000+ SF building approximately March 2007. The building will be located in the Port Crossing Commerce Center in **La Porte**.

---Frontier Logistics plans to lease 250,000 SF, a build-to-suit also at the Port Crossing Commerce Center. The company trucks plastic pellets domestically and ships them internationally. Timeline for completion is later this year.

---Powell Industries, Inc. has leased the former 138,617 SF warehouse facility at 12301 Kurland. Since purchasing a new product line, space was needed for the employees and assets. Newly acquired GE Consumer & Industrial will be fully relocated to Houston within 18 months. Powell Industries will add 10,000 to 15,000 SF of office space to accommodate the GE team.

---L-Con Constructors has leased 27,610 SF at 12301 Kurland. They are an industrial general contracting company focused on petro-chemical and refining, power and heavy industrial markets.

---Motion Industries has leased 15,200 SF at **Pasadena's** East Belt Business Park.

Purchases!

---Carson Cos., Rancho Dominguez, CA-based REIT, has purchased two recently-constructed industrial buildings. The **Bayport** North Distribution Center totals 565,000 SF. Some of their California tenants have expressed an interest to Carson about expansion to the Houston area.

Did you know Houston ranks No. 1 on the list for manufacturing companies in Texas? *Manufacturers' News Inc.*

reported that Texas is home to 25, 581 manufacturing companies employing 1,246,086 workers. According to MNI, Texas' top industry is industrial machinery and equipment which accounts for 16% of the state's manufacturers. They show Houston with 4,227 plants, a gain of 177 plants from one year ago. Over the past five years, Houston gained 65 manufacturers.

BAY AREA HOUSTON – CONTIGUOUS OFFICE SPACE SUMMARY ~ 7,500 SF +			
BUILDING NAME	BUILDING ADDRESS	CONTIGUOUS AVAILABLE	BUILDING SIZE
12301 Kurland Bldg.	12301 Kurland	115,000	257,958
2400 NASA Parkway	2400 NASA Parkway	80,000	160,000
1820 NASA	1820 NASA Parkway	51,100	51,100
1275 Space Park	1275 Space Park	43,222	43,222
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 Park Drive	39,038	39,038
1300 Bay Area Blvd.	1300 Bay Area Blvd.	35,690	35,690
2222 Bay Area Blvd.	2222 Bay Area Blvd.	31,706	64,403
Marina One	2525 South Shore Blvd.	20,703	119,249
Ventech Building	1149 Ellsworth Dr.	20,000	127,399
201 Flint Ridge	201 Flint Ridge	18,000	45,000
Bay Terrace 11	555 Forge River	17,859	109,494
Marina View	2600 South Shore Blvd.	16,622	120,000
500 N. Koyabashi	500 N. Koyabashi	15,545	15,545
6021 Fairmont Pkwy.	6021 Fairmont Pkwy.	10,818	24,000
Bay Plaza 1	711 W. Bay Area Blvd.	10,703	103,847
18100 Upper Bay Rd.	18100 Upper Bay Rd.	9,826	24,148
Camino Center 1	17629 El Camino Real	9,174	78,181
Baybrook Office Park	1550-1560 W. Bay Area Blvd.	8,150	87,598
Armand Plaza	16441 Space Center Blvd.	7,915	64,000
12000 Aerospace	12000 Aerospace	7,505	79,615

Prepared by Coy Davidson, Colliers International cdaavidson@colliertexas.com 713.830.2128

Coming soon!

Houston – Amegy Bank on Bay Area Blvd. near El Camino Real
Friendswood – Patriot Bank and Wachovia Bank at Friendswood Crossing, FM 528/518
La Porte – Shell Federal Credit Union on Spencer Hwy.

What's New?

Dickinson – Mainland Bank on FM 517
League City - Amoco Federal Credit Union on Cross Colony Drive

Retail Development

-----H-E-B is revamping part of their 90,000 SF superstore on FM 528 in **Friendswood** with a Central Market-themed Café on The Run concept that provides grab and go individually packaged prepared meals.

-----Two new hard corners totaling 16 acres have been purchased by a Houston developer with retail as a major target. Located at the NE and NW intersections of SH 646 and South Shore Blvd. in **League City**, the area is booming with large to mega-sized homes. Plans are on the drawing board -- more details as they come.

-----Taters Kountry Kitchen, serving old-fashioned, home-style cooking, has broken ground on Center St. in **Pasadena**. Six acres are available next to the restaurant for other dining opportunities.

-----Advantage BMW Clear Lake in **League City** has a new addition! Lotus of Clear Lake has opened with

models starting at \$45,000.

-----Perry's & Sons Market & Grille on S. **Friendwood** Drive is undergoing a \$100,000 expansion to accommodate their national Online Meat Market Sales.

-----Acadiana Centre in **Friendwood**, FM 528 and Sunset, is still under construction but several retail tenants have already leased space: Melange, Gallery of Salons – 10,365 SF, Extreme Electronics – 2,500 SF, Babbo Bruno's – 5,500 SF, Jakes's Grill, Marble Slab, and Friendwood Fillies. Still available - 9,000 SF. Professional office space will be available, too – approximately 36,000 SF.

-----A new retail center will be built on 33 acres at the Gulf Freeway at SH 646. The **League City** Towne Center will anchor Home Depot and Target. Overall, there are six anchor spaces and 10 pad sites.

-----Some of the former Eckerd Drug store space is still available and in high traffic areas. The new free-standing store on Bay Area Blvd. and El Camino Real will have a new life as a Wachovia Bank. The store on El Dorado and Hwy. 3 is still available as is the Randall's and Palais Royal. Eckerd's in the **Dickinson** Plaza Shopping Center on the Gulf Freeway at FM 517 is available; Baskins Western & Work Wear, Palais Royal, Hollywood Video and Family Dollar are among the tenant mix.

-----Phase I of **League City's** Victory Lakes Town Center at the Gulf Freeway and SH 646 has started. Lowe's is taking 135,000 SF. Also available: 125,382 SF of junior anchor space and 18,000 SF of additional retail and three pad sites. Wachovia Bank is taking 39,204 SF. Phase II will include 129,000 SF for soft-good tenants.

Coming soon!

Webster – Hidden Treasures on NASA Pkwy. & El Camino;

La Porte – Chili's on Spencer Hwy; Baytown Seafood on SH 146; Steakhouse on Main St. at Five Points.

League City – Whataburger, Denny's and Panda Express at Victory Lakes; Masa Sushi at Bay Colony Town Center

Friendwood – Ellie's Kitchen & Catering at Captain's Corner

Baybrook Passage – Lavish Hair Salon

Baybrook Square - Party City

What's New?

Nassau Bay – Green Tomatoes Mexican Grill at 1212 NASA Pkwy.; Antique Tea Room & Bakery at 18091 Upper Bay Rd.

Kemah – Extreme Texas Choppers

League City – Wal-Mart Supercenter at Victory Lakes; Don Julio's Mexican Restaurant at Bay Colony

Dickinson – Dickinson Seafood on FM 517

Baybrook Gateway – Huntington Learning Center

Baybrook Mall - Metropark, Forever XXI, Hollister, Limited too, Lucky Brand Jeans, SHI Shoes by Journeys

Residential Development

-----The Verandah Companies plan to close in December on a 34-acre island in **League City**. Currently known as the 'Island at South Shore Harbour', Verandah will create a master-brand community for the tract, together with exclusive island amenities, environmental and architectural control for developers/builders who want to buy lots or acreage. The island's master plan design will include approximately 600 residential units which will be represented in five different product types.

-----Verandah Companies also plan to close on 26 acres of waterfront property on Enterprise Blvd. in **League City**. Luxury apartments and townhomes are planned. Again, the company will have the infrastructure in place for interested builders and developers.

-----Jennings Island Development Corp. plans twin 20-story condominiums on 4.26 acres of **Seabrook's** Jennings Island. The 210-unit towers will be separated by a swimming pool and cabana overlooking Clear Lake.

-----Plans are also in the works for a 6-story Mediterranean-style mid-rise on 2.89 acres near The Point (east of SH 146) in **Seabrook**. More details as they come.

-----Hamilton/Silvers Development plans a 54-unit condominium tower at 4011 NASA Parkway. Currently in the design process, construction could begin within 9 months for the structure. Unit size starts at 1,800 SF with 250 SF balconies. Environmentally friendly, too!

-----More waterfront homes! The Peninsula is planned for Davis Road in **League City**. Sixteen of 39 acres are useable for 48 homes on canal lots ranging from \$275's to the \$350's.

-----Endeavour Parkside has altered plans for their new \$55 million, 34-story condominium tower. The 146 units will now be for sale instead of lease. Units from the \$300's with penthouses \$1.5 to \$3 million will be available, 750 to 3,000 SF. Construction will begin this December; location is in **Pasadena** next to Clear Lake Park.

-----The Lakes of Bay Area - FM 517 in **League City**. Lot size is at least one acre; only 34 lots remain of 119. Home prices are \$399,000 up. Amenities are a 54-acre stocked lake, 7-acre park and 2 boat ramps.
Infrastructure News

-----Nassau Bay is working to further enhance the city; they recently added the International Space Station monument along NASA Parkway, added palm trees and live oaks and pedestrian lighting. It's looking good for replacement of the chain link fence along the parkway from Space Center Blvd. to Saturn Lane – fronting the Johnson Space Center complex. The new fence will be stone pillars with iron work in between – this is an 80% federal / 20% local cost reimbursement program.

-----The opening of the \$1.2 billion Bayport Container Terminal has been pushed back to November because of some design changes and technology-related issues. Security and communication enhancements plus berths larger than originally planned contributed to the delay ... as did the weather. Officials are eager to complete the project as Barbours Cut container terminal is operating at capacity, and then some.

*Did you know that 600,000 passengers will come through Galveston's two cruise terminals this year?
Up from the 532,000 passengers in 2005, The Port of Galveston ranks
No. 5 in North America with Miami remaining No. 1.*

-----Pasadena I.S.D. will receive a grant from the U. S. Department of Education for a six-year program totaling \$1.1 million per year. The grant will be used to prepare and inform students about post-secondary education and to begin a more rigorous Advanced Placement program within the district. Another subject the program will tackle is financial aid information – scholarships, grants and loans. The program will start with seventh graders this year.

*Did you know Clear Creek I.S.D. holds the record for being the only large district over 25,000 students to have
a Recognized District designation in 9 of the last 10 years?
Along with their latest Recognized rating, another 10 schools will be rated Exemplary
- twice the number in that category last year.*

-----Yes! University of Houston-Clear Lake received approval to add the Doctor of Education in Educational Leadership degree to its roster of programs. The first class is Spring, 2007. Also, the University is now offering enrollment in their Small Business Development Institute. This unique program will give small-business owners an edge on the competition with free marketing and management guidance. The institute will help business owners by pairing them up with advanced business students, then working under the guidance of an instructor, they make recommendations that normally might be made by a consultant. Information: Sam Bruno, 281.283.3122.

*Did you know the University of Houston system has a \$3 billion impact on the Houston economy?
This equates to that of a major corporation - bringing \$1.1 billion annually in new funds which produce*

about \$3.1 billion in total economic benefits that, in turn, generate 24,000 jobs.
They produce 12,500 new graduates every year who enter the workforce in Houston and throughout Texas.

Road News

League City

- TxDOT is widening FM 518 to 5 lanes from the intersection of 518 and 270 to SH 146. Project should take another 6 – 9 months.
- According to developers, the extension of Walker Street through Center Pointe, with connection in Victory Lakes, should be completed in Summer 2007.

Houston

- Alignment is set for the Beamer Road extension from El Dorado Blvd. south to FM 528 (NASA Parkway). Details on the project phases are being worked out.

Pasadena

- Vista Road is now open from Beltway 8 to Space Center Blvd. The next extension planned is Crenshaw from Beltway 8 to Space Center – should begin in 2007. Both will allow for growth which is already taking place at the corner of Vista with a new restaurant, hotel and bank.

Big Stuff!

- The latest plan for the Hwy. 146 expansion is to abandon TxDOT's plan to bypass Seabrook's businesses and instead, go for the alternate plan: a multi-lane arterial highway from Red Bluff Road to Repsdorff Road and multi-lane freeway from Repsdorff to Clear Creek. There will be right-of-way and funding issues to deal with before a completion date is set.

**"If you are losing a tug-of-war with a tiger, give him the rope
before he gets to your arm. You can always buy a new rope."**

Max Gunther

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