

BAHEP extends its sincere appreciation for the continued support of the *Houston Chronicle* through this monthly supplement.

April 2015

## Gilmer's State of the Economy luncheon draws large BAHEP attendance

Dr. Robert W. (Bill) Gilmer delivered a very informative message in late March about Houston's economy, particularly how the price of oil affects Houston's upstream companies on its west side and the downstream industry on its east

Houstonian can confirm. During the last 52 weeks, the price of light crude went from a high of \$107.03 per barrel to a low of \$43.46 per barrel (according to CNN Money) with a lot of stops in between. However, he cautioned everyone saying, "In 1982 there was an 80 percent decline in the rig count and one in seven jobs disappeared in Houston during that time period. This is not 1982."

Gilmer did predict that oil prices could easily go below \$40 per barrel with more than a 50 percent cut in the rig count. He said, "We are facing a significant downturn in drilling, which seems to be on the usual 12 to 18 month track. Taken alone it would easily bring a mild recession to Houston." He noted, however, that the bottom would probably be hit late this year with an upswing in drilling beginning and prices returning to \$60 per barrel early next year. In the long run, though, oil will continue to be a cyclical and slower growing industry.

On a positive note, Gilmer reported that Houston's economy and statistics all continue to look great. He then presented various scenarios on how cuts in exploration and production could affect Houston.

The big news is that at the other end of the oil industry on the east side of town there is an unprecedented construction boom underway in petrochemicals and liquid natural gas export facilities.

The east side is booming while the white-collar west side is feeling much of the pain of the drilling downturn. Gilmer said that

taken together they mean several years of modest growth instead of near-term recession.

He concluded, "West Houston will lag for the next couple of years, waiting for oil prices to rise and upstream energy to

recover, but by 2017, the construction boom will peak, the number of construction workers will decline rapidly, and recovery of upstream will again drive jobs. West Houston will return to the economic driver's seat as the price of

oil recovers." The details of Gilmer's economic outlook, which include much more than space allows in this article, can be seen in his [presentation](#), which is located on BAHEP's website at [www.bayareahouston.com](http://www.bayareahouston.com).



**Bill Gilmer, Ph.D.**

side, before a large mid-day gathering of members of the Bay Area Houston Economic Partnership. Gilmer is the director of the Institute for Regional Forecasting in the University of Houston's Bauer College of Business.

Introducing his presentation, "Oil in Freefall! And the Economic Outlook for Houston," Gilmer noted how the price of oil is just about as predictable as the formation of a sinkhole, as any

## BAHEP welcomes Spence as newest member of economic development team

Jimmy Spence joined the Bay Area Houston Economic Partnership on April 21, 2015, as its aerospace marketing manager.

BAHEP President Bob Mitchell commented, "Jimmy impressed me with both his professional and personal background. I knew fairly quickly into the interview that he would be the ideal person for the position."

Spence stated, "I'm very excited to be joining the BAHEP family. BAHEP's mission of developing the region economically and providing opportunity for its citizens is something in which I'm proud to be involved."

"I look forward to working with BAHEP and its members to grow inno-



**Jimmy Spence**  
BAHEP Aerospace  
Marketing Manager

vation and new collaborations. This is a great chance for me to serve my community in a meaningful way."

Spence holds a BBA with a specialty in marketing from Southwest Texas State University. Following

several years in retail management, he changed his career direction to become a teacher first in Spring Independent School District and most recently in Goose Creek ISD.

He served as an advanced placement government teacher in Spring as well as an advanced placement economics teacher in Goose Creek. Spence was also the economics/government team leader in both school districts.

Spence's interest in aviation began as a child. His father was a Naval aviator, and he often went to the base where his father worked, hanging out with the pilots, going to airshows, etc. One of his first jobs in high school was working at H&R Aviation in line service fueling and towing planes.

Spence explained,

"H&R specializes in aerobatics training; so, there were always really neat airplanes going in and out of there, and equally interesting people to go along with them, including astronauts and other aviation enthusiasts who worked at NASA." In college Spence also worked in line service at the San Marcos airport.

He noted that his father still flies both privately and for American Airlines. He tries to get out to help him with his Starduster as often as possible and catch a ride whenever he can.

BAHEP's Citizens for Space Exploration Texas will make its 24th annual trip to Washington, D.C., from May 19-22, 2015, in support of human space exploration. It will be an interesting initiation for the newest member of the BAHEP team.

## Three new members add increasing diversity to BAHEP membership

### Marsh & McLennan Agency LLC

Marsh & McLennan Agency LLC (MMA) is a wholly owned subsidiary of Marsh, dedicated to serving the needs of middle market companies in the United States. Through the strength of its management team, its geographic presence and world class value added services, MMA provides privately held companies



with risk management and employee benefit insight that help enable them to flourish in the market.

Bay Area Houston Economic Partnership President Bob Mitchell welcomed Marsh & McLennan Agency saying, "The services provided by Marsh & McLennan become increasingly important as the requirements of business ownership get more complicated every day. They work to reduce costs, lower risks and improve efficiency, which is vital to long term growth."

The agency is located at 2500 City West Boulevard in Houston, Texas, where Anthony Gruppo serves as the company's CEO. Thomas Lam will represent Marsh & McLennan within BAHEP. He stated, "The middle market utilizes a much different paradigm from that of national or global risk management agencies. This market needs a company that they can trust and that can provide additional tools for opportunity and growth. We're here to service those unique needs. We feel that working with BAHEP will give us a greater understanding of the market in the region."

Marsh & McLennan Agency LLC is located at 2500 City West Boulevard, Suite 2400, Houston, TX 77042. To learn more, visit [www.marshmc.com](http://www.marshmc.com) or call 713.780.6100

### S&K Global Solutions, LLC

S&K Global Solutions, LLC (SKGS) is a Small Business Administration, 8 (a) certified corporation owned by the Confederated Salish and Kootenai Tribes that is headquartered on the beautiful Flathead Reservation in north-



western Montana. SKGS has joined the Bay Area Houston Economic Partnership.

"Bay Area Houston has experienced phenomenal growth over the past few years across multiple industry sectors. There is definitely a demand for the services of S&K Global Solutions, and we look forward to working together to meet those demands," stated Bob Mitchell, BAHEP president.

Senior Program Managers Barbara DeBernardo

and David R. Dean will represent SKGS at BAHEP. Dean said, "Central to our mission is the economic development of our community. BAHEP has a well-earned reputation for its expertise in economic development, and we joined the organization to effectively contribute to that effort."

SKGS specializes in providing logistics and supply chain management, engineering support services, telecommunications, information technology management and advisory services, and project management support for government and commercial customers. SKGS has a

proven capability to provide rapid, technically innovative responses to complex, mission-critical requirements.

SKGS provides support to clients across a wide spectrum of the federal government. It has contracts with the following agencies and services:

- U.S. Air Force
- U.S. Navy
- U.S. Army
- U.S. Army Corps of Engineers
- Federal Aviation Administration

- Environmental Protection Agency
- NASA

Three of SKGS' flagship customers include:

- NASA/Johnson Space Center
- USAF, F-15 System Program Office
- FAA Western Services Area

The local office of SKGS is located at 1331 Gemini, Suite 315, Houston, Texas 77058 with its headquarters in Polson, Mont., and additional offices in Bremerton, Wash.; Annandale, Va.; Oklahoma City, Okla.; and Warner Robbins, Ga. For additional information, visit [www.skgs-llc.com](http://www.skgs-llc.com) or call 281.468.7565.

### MDT Financial Advisors, LLC

The Bay Area Houston Economic Partnership extends a warm welcome to new member MDT Financial Advisors, LLC. The company provides individually designed financial advice to help clients chart well-defined paths to their financial goals. MDT Financial Advisors, LLC focuses on comprehensive investment and estate planning strate-

gies, investment consulting and retirement planning services.

"MDT Financial Advisors, LLC provides a very valuable service for individuals and institutions, especially when taking into consideration the complexity of today's financial marketplace," stated Bob Mitchell, BAHEP president.

Candace Rudy, a financial advisor with MDT Financial Advisors, LLC, said, "We



are committed to providing sound financial advice with exceptional service and a well-executed investment plan. We are also committed to be of service to the community and look forward to working with BAHEP as part of that commitment."

MDT Financial Advisors, LLC serves individuals and businesses in all areas of investment planning, including: retirement planning, tax minimization strategies, estate planning strategies, education funding, risk management, investments, and employee and executive benefits.

MDT is located at 455 E. Medical Center Blvd., Suite 115, Houston, Texas 77598. To learn more, visit [www.mdtfa.com](http://www.mdtfa.com) or call 281.938.1111.

**BUSINESS** to BUSINESS is a monthly Bay Area Houston Economic Partnership publication in partnership with the *Houston Chronicle*. BAHEP is a member-driven organization in southeast Texas that includes more than 265 business partners encompassing 14 cities, Galveston and Harris counties, the Houston Airport System, and the Port of Houston Authority. For membership information, contact Membership Director Harriet Lukee at 832.536.3250.  
*Bay Area Houston Economic Partnership*  
18045 Saturn Lane  
Houston, TX 77058  
832.536.3255  
"Like" us on [Facebook](#): [BayAreaHoustonEcon](#)  
Follow us on [Twitter](#): @BAHEP