



**In this Edition...**

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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

Bay Area Houston's healthcare industry continues to grow by leaps and bounds! The region is served by outstanding healthcare systems including BAHEP members Bayshore Medical Center, CHRISTUS St. John Hospital, Clear Lake Regional Medical Center, MD Anderson Regional Care in the Bay Area, Memorial Hermann Southeast Hospital, San Jacinto Methodist Hospital and UTMB Health.

Here are some of the region's 2012 **HEALTHCARE** highlights --

❖ In **Pasadena** ...

- Medical Resort at Bay Area is expected to open February 1st at 4900 E. Sam Houston Parkway (Beltway 8). The 55,919 SF facility will offer skilled nursing for short-term stays plus physical, occupational, and speech therapies. Private rooms and bathrooms and high-end amenities will be offered. Approximately 200 will be employed at the \$11 million facility. This is the first facility in the Houston area for this Dallas-based company.
- Kelsey-Seybold Clinic begun construction on a new clinic with an expected completion in spring 2013. The 5.6-acre tract is located at 5049 E. Sam Houston Parkway near Crenshaw Road. The two-story building will total 36,400 SF and offer many specialties plus additional capacity for OB/GYN and primary care physicians and medical and diagnostic testing.
- Pristine Hospital of Pasadena opened at 1004 Seymour Street. It is fully licensed as a special acute care hospital for 32 beds with two psychiatric partial hospitalization programs. Eventually, all three floors will be built-out to include a psychiatric ward, in-patient and out-patient services, a full-service emergency department and ob-gyn, lab and diagnostic services. Plans are to hire 150 new employees within six months ramping up to 300 new employees in three years. It received national accreditation from DNV Healthcare which will allow the hospital to receive reimbursement for its patients covered by Medicare and Medicaid.

❖ In **Webster** --

- Clear Lake Regional Medical Center has a \$92 million expansion and renovation underway for its 595-bed hospital on Medical Center Blvd. A new 154,470 SF patient tower is being built to include state-of-the-art operating, pre-operating and recovery rooms and a new 30-bed adult ICU. Also planned is a 79,940 SF renovation to the Women's and Children's Center.
- Build-out of the new hospital, Bay Area Regional Medical Center, is underway at 200 Blossom Street. The \$160 million, 176-bed hospital (and 674-space parking garage) plans

to open November 2013. Future expansion could accommodate up to 248 beds and 900 parking spots.

- ❖ In **League City** –
  - The University of Texas Medical Branch has announced plans for an \$82 million expansion at its League City location at 2240 I-45, between the **League City** Parkway and FM 646. The 142,000 SF expansion will include 39 inpatient beds, 17 emergency/urgent care beds, additional operating rooms, endoscopy rooms and 25,000 SF of shell space for future development. This will be the second building on the 60+-acre tract. UTMB opened the \$61 million, 110,000 SF Specialty Care Center in 2010.
  - Methodist Retirement Communities plans to build 'The Crossings', approximately 190 units for independent, assisted, memory support and skilled nursing in League City. The company purchased 18 acres on FM 270 (Egret Bay Blvd.) at FM 518. This is a \$75 million project; approximately 150 full-time jobs will be created. Groundbreaking is anticipated in 2014 with an opening in 2015.
- ❖ In **Galveston** –
  - UTMB broke ground on the \$438 million Jennie Sealy Hospital featuring 310 patient rooms including 54 that are dedicated ICU beds and 20 operating suites.

2013 will bring even more healthcare development ...new medical office buildings and clinics in Webster, Friendswood, Dickinson and Pasadena are planned.

**OFFICE** activity has been plentiful in the region as evidenced by these 2012 transactions --

Recent office leases ....

- 19,000 SF – Odfjell leased at 13100 Space Center Blvd.
- 10,000 SF – Embry-Riddle Aeronautical University leased at 16055 Space Center Blvd. in **Houston**. This location will offer these new degrees: Master of Systems Engineering, Master of Science in Logistics and Supply Chain Management, and Master of Science in Project Management. BAHEP member Colliers International - Ace Schlameus represented the landlord.
- 2,700 SF – Braskem, a Brazilian petrochemical company, leased at 6021 Fairmont Parkway in **Pasadena**.

Recent real estate sales –

- Mission Companies purchased an office building at 12301 Kurland in **Houston** - 195,525 SF. It's 92% leased.
- DCT Industrial Trust Inc. acquired two rail-served buildings in **La Porte** at 9701 and 9708 SH 225 totaling 312,964 SF.
- Two multi-family properties were sold to Dakota Enterprises – Capital Estates in **Webster** (181 units) and Harbortree in **Houston** (151 units).
- Primrose Schools purchased land (60,000 SF) on Falcon Pass Drive in **Houston** for a new school that's now under construction.
- Steve Lieber & Associates Inc. purchased a 4,628 SF building at 402 E. Commerce Avenue in **Webster**. The company provides OEM GPS, telemetry, antennas, vertical market software and various other GPS-related equipment and services.
- Villas at Edgewater, a 414-unit property in **Webster**, sold to Investcorp.

2012's notable office deals –

- ❖ Universal Weather and Aviation Inc., a business aviation solutions provider, purchased the 158,627 SF office building at 1150 Gemini Avenue in **Houston**. The company will be relocating its corporate world headquarters and approximately 700 employees from its current location in the Hobby Airport area.
- ❖ ABC Professional Tree Services purchased a 42,000 SF building at 201 Flint Ridge Road in **Webster** for its new corporate headquarters.
- ❖ MEI Technologies Inc. leased 22,000 SF at the new Saturn One office building at **Nassau Bay** Town Square.
- ❖ Burrow Global LLC leased 10,000 SF at Deerwood Glen Office Park in **Pasadena**.

- ❖ Worley Parsons leased 30,000 SF at 3700 Bay Area Blvd. in **Pasadena**.
- ❖ Bay IBI Group Architects leased 17,000 SF at Galaxy II, corner of Medical Center Blvd. and Feathercraft in **Webster**.
- ❖ RiceTec leased 13,000 SF at 13100 Space Center Blvd. in **Houston** (on the southeastern edge of Ellington Airport property) for its new corporate business office location.
- ❖ Nassau Engineering Company leased 10,000 SF at 2200 Space Park in **Nassau Bay**.
- ❖ AP Networks LLC leased 14,520 SF at Galaxy II in **Webster**, Medical Center Blvd. at Feathercraft.
- ❖ Shelmark Engineering bought a 4,896 SF building at 921 FM 517 East in **Dickinson** for its new office location.

#### Ellington Airport highlights ...

- ❖ The \$50+ million Coast Guard headquarters building is underway. Completion is expected in June 2013; the 117,000 SF facility will house more than 300 Coast Guard personnel.
- ❖ Webber Properties LP and J. A. Billipp Company are developing a master plan for 37 acres of Webber-owned property adjacent to Ellington Airport for build-to-suit facilities that will accommodate a wide range of requirements from air cargo to aviation-related office, warehouse, production and/or assembly facilities. Buildings for lease or sale can range in size from 60,000 SF up to 300,000 SF. The development will have direct ramp and taxiway access to the north sector of the airport.
- ❖ Ellington will be home to several new aviation museums including The Lone Star Flight Museum.
- ❖ A new terminal, tower and federal inspection station for U.S. Customs and Border Protection will be built -- \$10.8 million investment.

#### **INDUSTRIAL** sector announcements in 2012

- ❖ Kuraray America Inc. will build a new PVOH (polyvinyl alcohol) resin production facility in **La Porte**. This multi-million dollar project will create 107 new jobs; projected completion date is September 2014. Production capacity is expected to be 40,000 tons/year in the first phase.
- ❖ Kuraray America is increasing production of its ethylene vinyl alcohol copolymer (EVAL) resin at its facility in **Pasadena** by more than 17 million pounds per year. Completion for this expansion is expected in January 2014 at a cost of \$49 million bringing 15 permanent jobs. Kuraray has three manufacturing plants for the EVAL resin: Pasadena, TX, Japan and Belgium.
- ❖ Oxiteno, a Brazilian chemical company, purchased a former specialty chemical plant on 63 acres in **Pasadena's** Industrial District for its first U. S. production facility. The company bought the Old World Industries plant and plans to invest \$15 million to retrofit it for production of specialty surfactant chemicals. The plant is expected to be open in early 2013 with a production capacity of 32,000 tons of specialty chemicals.
- ❖ Houston Area Safety Council broke ground on its new 30-acre multi-phase safety training campus in **Pasadena** on Center Street near Spencer Highway. The initial phase will include a 220-seat auditorium with stadium seating, a state-of-the-art computer lab with 725 workstations and parking for 800 vehicles. The company focuses on computer-based and instructor-led training to meet the growing needs of the petrochemical, space and food industries in the Houston area and beyond.
- ❖ **La Porte** Terminal LP just completed a 450,000 SF, \$17 million facility to be used for manufacturing, storing and shipping polymer products. The company is a subsidiary of Katoen Natie, a global manufacturing and logistics firm.
- ❖ AkzoNobel NV, a Netherlands-based paints and specialty chemicals manufacturer, is building a new tri-methyl-gallium (TMG) plant at its manufacturing plant in **La Porte**. It should be completed in August 2014.
- ❖ LyondellBasell plans to expand capacity at its **La Porte** ethylene plant to more than 2.5 billion pounds of ethylene per year; estimated completion date is 2014. The plant location is 1515 Miller Cut-Off Road.
- ❖ Celanese Corporation, a global technology and specialty materials company, announced it will build a new methanol production facility at its complex in the **Bayport** Industrial District. After completion, the methanol capacity will be 1.3 million metric tons per year. Operations will start in 2015.
- ❖ Global NuTech Inc., a construction company that builds additions to refineries and plants, moved its headquarters from Huntington Beach, CA, to 1602 Old Underwood Road in **La Porte**, and changed its name to Texas Gulf Energy.

Recent industrial leases for Bay Area Houston ...

- 53,000 SF – JV Industrial Companies leased office / warehouse space at 4100 Underwood in **Bayport North** Industrial Park.
- 15,000 SF – Brand IQ leased at the Ellington Trade Center on SH 3 in **Houston**. BAHEP member Stream Realty represented the building owner.

Highlights of 2012's industrial lease deals – over 900,000 SF so far this year!

- ❖ Gulfwinds leased 247,240 SF at Port Crossing, **La Porte**
- ❖ Overland Distribution leased 103,185 at Port Crossing, **La Porte**
- ❖ Floor & Décor Outlets leased 109,000 SF at Bay Area Business Park, **Pasadena**
- ❖ International Distribution Corporation leased 100,000 SF at **Bayport North** Distribution Center
- ❖ Jacobson Warehouse leased 55,000 SF at Bay Area Business Park, **Pasadena**
- ❖ JV Industrial leased 53,000 SF at **Bayport North** Industrial Park
- ❖ Tyco Valves & Control leased 45,000 SF at **Bayport North** Industrial Park
- ❖ Honeywell International leased 44,000 SF at Bay Area Business Park, **Pasadena**
- ❖ City Farm Energy Corporation leased 41,250 SF at 2439 Albright, **Pasadena**
- ❖ Energy Maintenance Services leased 27,120 SF at Bay Oaks Business Park, **Pasadena**
- ❖ American International Shipping leased 27,000 SF at 8201 La Porte Rd., **La Porte**
- ❖ Catalyst Trading Company leased 22,000 SF at 8211 La Porte Freeway, **La Porte**
- ❖ Brand IQ leased 15,000 SF at Ellington Trade Center, **Houston**
- ❖ Mustang Seals leased 13,440 SF at 906 Gemini, **Houston**
- ❖ Morrison Supply leased 10,000 SF at 305 E. Walker, **League City**

New industrial buildings are on the way ....

- ❖ Construction is underway for a new rail-served, front load 261,000 SF distribution facility at Port Crossing Commerce Center in **La Porte**. Details: tilt-wall, 30-foot clear height, 66-foot staging bays, 47 dock-high loading doors, 16 rail-served doors, two grade level ramps and 68 designated trailer parking spaces. It has 21 parking spaces for the build-to-suit office areas. Expected completion date for this project is 1st or 2nd quarter of 2013.
- ❖ 22 acres purchased - Carson 225, a new 355,000 SF industrial business park, is planned on 22 acres recently purchased in **Pasadena**, southwest corner of SH 225 at Beltway 8.
- ❖ Construction just completed on a spec building, 30,000 SF concrete tilt-wall, 20-ton crane ready, at Bay Oaks Business Park in **Pasadena** on Genoa-Red Bluff Road.
- ❖ Corrosion Products Services purchased 4+ acres at 2060 Magnolia St. and **Pasadena** Blvd. for its new office and fabrication facilities. Under construction are two 5,000 SF buildings and one that's 10,000 SF.

**FOR A BIRD'S EYE VIEW of what's going on in Bay Area Houston, click on [http://www.bayareahouston.com/default/assets/File/HOT\\_PROJECTS - December 2012\(7\).pdf](http://www.bayareahouston.com/default/assets/File/HOT_PROJECTS_-_December_2012(7).pdf). There's always something new!**

## Retail / Hospitality Development

Development plans in the works!

- A Houston development group, Pinnacle Alliance Fund, is planning a sizeable, high-quality mixed-use project along the Gulf Freeway in **League City**. Spread over 100 acres between Big League Dreams and the Bay Colony shopping area, the group envisions restaurants, entertainment venues, retail, hotels/hospitality, office, medical and some multi-family. The development has been in the works for the last 18 months. More details to follow after the first of the year.
- A conceptual site plan has been developed for a commercial reserve tract at **Friendswood's** West Ranch. Not including the pad sites, it totals 99,250 SF with 4.6 spaces/1,000 SF parking. The

developer, Friendswood Development Company, would like to see a 62,000 SF anchor and several smaller tenants.

- The City of **Kemah** has a vision for a 30-acre waterfront tract on Galveston Bay. The plan could include an upscale resort hotel and convention center, spa, golf recreation area, pier, pools, and courts for sports activities. The tract is along SH 146 between FM 518 and the League City Parkway.

DR34M at the Jim West Mansion has opened at 3303 NASA Parkway! Owned by Hakeem Olajuwon, the flagship store offers exclusive shopping for men's clothing plus a collection of leather bags and home furnishings. The 17,000 SF building has been beautifully restored; it was constructed in 1930 by oil and cattle tycoon James Marion West. The building sits in the city limits of **Pasadena** and overlooks Clear Lake. Check it out: <http://www.dr34m.com/>

Recent real estate deals –

- Masa Sushi Japanese Restaurant bought land on the NW corner of FM 518 and Hunters Lane in **Friendswood** (2.7 acres).
- Learning Rx Center leased 1,868 SF at 126 West Bay Area Blvd. at Bay Area Square in **Webster**. The company provides "brain training" for people seeking enhanced learning skills and general cognitive development. Plans are to be open in March or April.

A big event we saw in 2012 ..... The space orbiter 'landed' at Space Center **Houston** after floating in from Florida! The mock-up shuttle will be ready for visitors in the Spring.

[Did you know Angry Birds arrives at Space Center Houston tomorrow?](#)  
[Visitors will find huge 3-D sculptures and imaginative scenes from "Angry Birds Space"](#)  
[plus a giant Angry Birds Space logo that's perfect for a photo-op.](#)

In 2012, these national and regional (or just plain famous) retailers debuted -- or will very soon -- in Bay Area Houston .....

❖ At **Baybrook Mall**:

- The Cheesecake Factory opened in November.
- P. F. Chang's China Bistro is under construction.
- H&M opened in May.
- FLEXI Shoes will open its first store in the Houston area a next to the LEGO store. (casual, sport, outdoor, semi-dress, sandals and professional footwear for men and women) The store is headquartered in Mexico and has been around since 1935.
- See's Candies opened its first full-service store in the Houston area.

❖ At **Baybrook Passage**:

- Bonfish Grill opened this summer – first one for Bay Area Houston!
- LongHorn Steakhouse is under construction.
- ❖ Studio Movie Grill will build a \$9 million theater on 6 acres in **League City**, NE corner of the Gulf Freeway and Victory Lakes Drive. Plans are to open in fall 2013.
- ❖ Qdoba Mexican Grill opened a restaurant in **Houston** at Bay Area Blvd. and El Camino Real.
- ❖ Wolfies will open its restaurant and sports bar soon at 463 Bay Area Blvd. in **Houston**.
- ❖ Steak 'n Shake opens late January 2013 at the Gulf Freeway and Magnolia in **Webster**.
- ❖ Bone Daddy's House of Smoke is under construction at the Baybrook Shopping Center in **Webster** (east side of the Gulf Freeway by Hobby Lobby and Bed, Bath & Beyond). This will be the restaurant's first location in the Houston MSA and the sixth for the state. They'll be open soon.
- ❖ Aldi Food Store will open in March or April at 4140 Fairmont Pkwy in **Pasadena**.
- ❖ The owner of **Seabrook's** famous Tookie's (burgers, onion rings and more!) plans to open Tookie's Seafood Restaurant. Two and one-half acres were purchased at 1106 Bayport Blvd. (SH 146).
- ❖ Jimmy Changas opened the new chain's second restaurant at Victory Lakes in **League City**.
- ❖ Tanger's 90-store Outlet Mall opened in Texas City on I-45 at Holland Road in October. Also, Buc-ee's announced it will build one of the largest stores in its chain .. 60,000 SF .. just north of

the mall.

### Coming Soon

**Dickinson** - Burgers and Grill at FM 517 & California St.; Edible Arrangements at FM 517 and the Gulf Fwy.

**Kemah** - Scallywags (restaurant) at Bradford Ave. & 6<sup>th</sup> St.; Human Maze (amusement) on Bradford Ave.

### Now Open

**Houston** - Rita's Ice & Custard at El Dorado and Space Center Blvd.; Nocturne (international food & restaurant); Crazy 8 leased 2,100 SF at the Baybrook Village Shopping Center on Bay Area Blvd.

**Friendswood** - Ampersand (home décor, gifts, coffees) at 1548 Sunset Drive

**League City** - Las Haciendas Mexican Bar & Grill at 2951 Marina Bay Drive

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.

## Residential Development

One of the big residential stories for this year was the come-back for Hidden Lakes in **League City**. Home builders Gehan Homes and Megatel Homes have 214 finished lots under contract while another builder/developer has purchased 125 acres at Hidden Lakes (along South Shore Boulevard, north of FM 646 and south of SH 96). The entire master-planned development is expected to include about 800 homes on 350 acres, and there are approximately 100 acres for commercial development.

In 2013, several new residential projects will be announced. We'll keep you in the loop!

## Infrastructure News and Everything Else!

### By sea or by air .....

- Princess Cruises and Norwegian Cruise Lines will offer new service from the **Bayport Cruise Terminal**. Princess Cruises' new service begins November 2013 with a total of 27 departures planned for the season aboard the 3,080-passenger Caribbean Princess. The inaugural cruise sails between Nov. 5 and Nov. 9 and will support U.S. veterans. Norwegian Cruise Lines will bring the 2,374-passenger Norwegian Jewel to Houston to sail seven-day Western Caribbean cruises. The cruises from Houston will go on sale to the public in mid-December 2013.
- Southwest Airlines announced non-stop service will begin in June 2013 between **Hobby Airport** and New York's LaGuardia Airport. Also, the airline is looking to add new nonstop service from Hobby Airport to Reagan Washington National Airport. Announced earlier this year, Southwest won approval from the Houston city council to build an approximately \$100 million international terminal at Hobby Airport. Southwest will offer international flights to Latin America by 2015.

A new Metro park and ride will be built on 22 acres, southeast corner of El Dorado Blvd. and Glenwest Drive in **Houston**. Over 1,500 parking spaces will be provided. It should be ready to go in about 18 months.

### Education highlights for 2012 .....

- San Jacinto College purchased 13 waterfront acres along the **Port of Houston** to build a U.S. Coast Guard-approved maritime center that will prepare mariners for an industry in need of an

increasing workforce.

- Construction has started for **Pasadena** ISD's new 236,000 SF Career Technology Education High School. The concept is centered on agriculture, business, construction and manufacturing, health, technology and engineering, and transportation. Plans are to open in the fall of 2014.
- **Dickinson** High School opened its new 220,000 SF academic wing that includes six science labs, four computer labs, a 175-seat auditorium classroom, 4,000-seat competition gym, locker rooms, band hall and dance hall.

#### **Road News .....**

**Dickinson** - Lots of road work will be starting next year in Dickinson. As many as 15 streets could be upgraded.

BAHEP is now part of the Facebook and Twitter network providing its members and followers yet another way to keep up with its activities.

Like us on Facebook at: <https://www.facebook.com/BayAreaHoustonEcon>

Check out our 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 Director, Harriet Lukee, at 832.536.3255 or [Harriet@bayareahouston.com](mailto:Harriet@bayareahouston.com).

[Clear Lake Shores](#) • [Dickinson](#) • [El Lago](#) • [Friendswood](#) • [Houston](#) • [Kemah](#) • [La Porte](#)  
[League City](#) • [Nassau Bay](#) • [Pasadena](#) • [Seabrook](#) • [Taylor Lake Village](#) • [Webster](#)

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