



A publication of Bay Area Houston Economic Partnership

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BAHEP is a member-driven organization dedicated to stimulating regional economic development and employment in Southeast Texas. Founded in 1976, BAHEP works with over 300 investor companies, local governments, and educational institutions to attract, retain, and expand industry in the region. Our members include business partners encompassing 18 cities and Galveston and Harris counties.

Please feel free to pass this e-newsletter along to others who would enjoy it, and kindly credit Bay Area Houston Economic Partnership.

COMMERCIAL / OFFICE / INDUSTRIAL

New Development / Construction –

SouthPort 45, a new business park by Lovett Industrial, has site work underway on Scarsdale Blvd. in **Houston**. Three buildings are planned: Bldg. 1 is 96,080 SF, 32' clear height, front load with two drive-in doors and 18 dock doors; Bldg. 2 is 176,580 SF, 32' clear height, front load with two drive-in doors and 42 dock doors; Bldg. 3 is 395,611 SF, 36' clear height, cross dock with four drive-in doors, and 80 dock doors. All buildings will have 2,500 SF spec office, ESFR sprinkled, and 25' FC LED on 15' Whips lighting. Expected delivery of these buildings is August for Bldg. 3 and October for Bldgs. 1 and 2. The location is between SH 3 and the Gulf Freeway and a half mile from Beltway 8.

Davie Defense completed its acquisition of Gulf Copper & Manufacturing Corporation's shipbuilding assets in **Galveston** and Port Arthur. This secured all required federal approvals and positioned Texas as a major hub for the nation's expanding Arctic and naval shipbuilding programs. Gulf Copper facilities are at the center of an international shipbuilding partnership as the United States, Canada and Finland deepen cooperation aimed at expanding icebreaker construction, strengthening shipyard capacity, and improving Arctic defense readiness.

Davie Defense is negotiating with the U.S. Coast Guard to deliver Arctic Security Cutters. The company also expanded its agreement with Huntington Ingalls Industries' Ingalls Shipbuilding division to fabricate outfitted structural units for the Navy's Flight III Arleigh Burke Destroyers. The program will run for the next five years. Galveston College and Gulf Copper Dry Dock & Rig Repair just launched a brand-new Shipfitting Training Program which will provide hands-on skills needed to build a rewarding career in the maritime and industrial trades, focusing on Ship Construction and Repair. Read more here: [Galv. Daily News Davie](#)

In **Kemah**, a new office warehouse project is underway on Anders Lane and FM 518. The six-acre tract is being divided into seven lots with a free-standing office warehouse being constructed on each lot. Specs: sizes range from 6,000 to 8,000 SF each, 18' ceilings, grade level doors and steel construction with a stone veneer, and space for storage and parking. The buildings will be for sale; the first one has been sold. Morrison Development, LLC is the developer.

Aerospace and Aviation News –

Venus Aerospace is expanding at the **Houston Spaceport** which will include a new rocket engine testing range. This year, the company received a \$3.9M grant from the Texas Space Commission plus investments from Lockheed Martin Ventures and America's Frontier Fund. Venus Aerospace is the first U.S. business to test-fly a rotating detonation rocket engine via a supersonic drone.

Did you know the Spaceport and Ellington Airport support over 85,100 jobs
and drive \$2B in annual economic impact?

Astrolab, based in California, leased space in the Texas A&M University's **Space Institute** making the company the first tenant for the new facility currently under construction. It is one of the companies selected by NASA to design its upcoming Lunar Terrain Vehicle (LTV) Services lunar rover which will ferry astronauts across the moon's surface. Intuitive Machines Inc. and Lunar Outpost Inc. were also named in addition to Astrolab, who is partnering with Axiom Space on the LTV project. Local companies, Odyssey Space Research LLC and Arrow Science and Technology, are collaborating on the project.

It's never too early to plan – BAHEP is starting to gear up for the 2026 Citizens for Space Exploration (CSE) trip to Washington, D.C. – you're invited to join us! This is the 34th year to host this trip. The travelers meet with congressional offices to speak on behalf of America's leadership in human space exploration. CSE conducts the largest pro-human space exploration grassroots annual trip to Washington, D.C. in the nation. The 2026 trip is Monday, May 18th - Wednesday, May 20th. **Website Link:** <https://www.citizensforspace.org/2026-wash-dc-trip> If you plan to join us, please register for the trip through the QR code as soon as you can so that we can start to plan out our teams.

KBR secured a \$98.7M Space Force deal which spans over three years. The DICE (Design Implementation for Collaborative Environment) contract will establish a testing and training environment for the U.S. Space Force in Colorado Springs, CO. Read more here: [HBJ KBR](#)

Ad Astra Rocket Co. landed a \$4M NASA grant for VASIMR (Variable Specific Impulse Magnetoplasma Rocket). The intention is to boost the readiness of Ad Astra's plasma rocket engine. Read more here about the difference in rocket propulsion technologies: [HBJ Ad Astra](#)

Acquisitions, Leasing and Other Transactions –

In September, Denver-based Sagard Real Estate and Ontario Teachers' acquired a 163,402 SF industrial facility in **Pasadena**. The 225 Crossing Logistics Center at 310 Beltway Green Blvd. was built in 2024. This month, Sagard Real Estate acquired a 75,225 SF industrial facility at the **Port of Houston** near **Barbours Cut Container Terminal**. This facility was built in 2008 on five acres.

An Atlanta-based real estate firm, Stonemont Financial Group, acquired a six-acre property in **La Porte**. It's 61,000 SF of office, maintenance, and manufacturing space at 615 N. 6th Street – at the entrance to **Barbours Cut Container Terminal**.

57,000 SF - Saber Power renewed and expanded its lease at 13100 Space Center Blvd. Charlie Neuhaus and Harrison Schumacher / Partners Real Estate represented the tenant.

15,000 SF – Bilfinger SE, a company based in Germany, moved into space at 10001 Porter Road in **La Porte** to focus on support operations along the Gulf Coast. The company will employ about 35 at this office; overall, the company employs over 2,000 people in the U.S. serving the oil and gas, chemicals, energy, pharmaceuticals, and food and beverage industries.

Healthcare News -

CLS Health purchased approximately 10 acres in **Webster**. Planned for Phase one is a 27,000 SF surgical center and a 25,000 SF medical office building. The plan for phase two is an additional 41,000 SF medical office building and urgent care. Location is 1000 W. Medical Center Blvd., just off the Gulf Freeway.

Did you miss an issue of the Business Development Update? Current and previous editions can be found here: <https://bayareahouston.com/business-development-update/>

RETAIL / HOSPITALITY / MIXED-USE

Development News –

Sunset Amphitheater Houston is planned for **Webster's** Flyway district. It will be a 12,500-seat multi-seasonal amphitheater on 34 acres with adjacent land for parking and infrastructure. It will feature a canopy roof, wind walls and state-of-the-art audio/visual. At the center will be the Aikman Club, a 350-seat, membership-based elevated space built in partnership with Troy Aikman; 217 Luxe FireSuites will surround the Aikman Club. Colorado-based Venu Holding Corp. is working with the City and the Webster Economic Development Corp. on this project. In the coming months, there will be more information released.

[HBJ Sunset](#)

The 10th in Texas! Ikea is coming to **Webster** next summer at the Center at Baybrook, 19801 Gulf Freeway. A 93,000 SF store is planned to open in August 2026. It will open in space formerly occupied by Bel Furniture and Chair King. What you can expect: 7,000 items on display with over 4,800 items available to purchase and immediately take home, a central planning area for personalized design for kitchens, bathrooms, bedrooms, small space living and more, and a Swedish food experience.

Kirby Ice House will open its fifth location in the Houston area ... this time in **Clear Lake** at 530 Bay Area Blvd. Planned is a 12,600 SF building with 7,500 SF of outdoor seating. Completion is expected by the first of September 2026.

Coming to the Clear Lake Center in **Webster**, Gulf Freeway at FM 528, is Slick City Action Park. The 33,500 SF amusement center / indoor action park will open in the former Tuesday Morning space.

TakeOff Adventure Park **Pasadena**, a concept from Fun City Entertainment, leased 60,000 SF at 5950 Fairmont Parkway. Included in the fun will be a ninja course, foam pit, climbing walls, trampolines, arcade, and party rooms. David Meyers and Alyx Penland / NewQuest repped the landlord; Cesar Miranda / KW Commercial Signature Realty for the tenant. The opening is planned late in the first quarter of 2026.

Fireball Soccer is under construction at NASA Bypass Business Park, 304 Ibis St., in **Webster**. Within this 24,320 SF building will be two indoor soccer fields.

Cinemark **Webster** will start work on a \$16M renovation to add a Gamescape entertainment space. This adds bowling, gaming, laser tag, and event space along with a full-service bar and restaurant to the 18-screen theater. Interior upgrades to the concession areas and auditoriums are included. Renovations start in February with completion scheduled for November 2026.

Read King plans to convert the former Macy's store at **Almeda Mall** into a marketplace – The Market at Almeda. Negotiations are in the works for a grocer, fitness center, and a beauty school. The plan is to use 65,000 SF for the grocery store on the first floor and have more tenant space on the east and west sides of the building. There would also be space on the second floor for tenants. Groundbreaking is expected to begin in the first quarter of 2026. Work will include a new face for this property – a cool, retro vibe. Aside from this building, there's about six acres on the other side of Kleckley Drive. The developer plans to add a detention pond between two tenant pad sites that will be for sale or ground lease to retail or restaurant users. We'll keep you posted on the progress. Read more about it: [HBJ Almeda](#)

RREAF Holdings is close to breaking ground on the \$700M Margaritaville Resort in **Galveston**. The 300,000 SF, 15-story, 334-key resort hotel is expected to start construction in the second quarter of 2026. Construction will also start soon on the 278 beach cottages, priced from \$1M to \$4M.

Restaurants, Cafés and More –

Nassau Bay –

- Schafer Family Restaurants has purchased the former Luby's property on NASA Parkway across from NASA Johnson Space Center and Space Center Houston. They intend to fully renovate the building into a full-service, sit-down seafood restaurant and bar. The owners also operate a waterfront restaurant -- Schafer's Coastal Bar & Grille -- in Clear Lake Shores. More details later!

Seabrook –

- Soulfreak Seabrook Café opened at 1305 Main Street.

Kemah –

- Pasta Margarita opened at 1415 SH 146.

Texas City –

- Longhorn Steakhouse is planned for the west side of I-45 near Buc-ees.
- The Jay Café opened at 5885 Gulf Freeway.

Friendswood –

- Monarch Pastries & Coffee House opened at 2114 El Dorado Blvd.

Houston

- Abbott's Frozen Custard and P. Terry's Burger Stand both plan a location at H-E-B anchored Baybrook East.

Friendswood –

- The Lemon Drop (soda shop and toys) opened at 111 S. Friendswood Dr.

Webster –

- Papichulo Mexican Grill opened at 111 W. Bay area Blvd.

Cruise News ...

Sunshine, a 3,000-passenger Carnival Cruise Line vessel, will homeport in **Galveston** during 2027 and 2028 replacing the *Carnival Spirit*. Four-to-ten-day voyages to Caribbean itineraries will be offered including new ten-day sailings to Cozumel, Isla Tropicale, Montego Bay, and Grand Cayman.

The *Carnival Miracle* will start a 14-day sailing to Lisbon, Portugal in May 2027 via Bermuda and several Portuguese ports. Following will be nine-day and longer cruises from Lisbon, Dover, and Rome through late 2027. [Galv Daily News Cruise](#)

The newest ship from Switzerland-based MSC Cruises, the *Seascope*, debuted in **Galveston** with seven-night sailings to the Western Caribbean. MSC Cruises is the world's third-largest cruise line. In November, the fourth cruise terminal opened at Pier 16, and the *Seascope* was the first to set sail from there. This vessel can accommodate 5,632 passengers and 1,648 crew members; there are 11 dining venues, 19 bars and lounges, five swimming pools and a 1,772 ft. waterfront promenade. Norwegian Cruise Line's *Viva* will also sail from the new terminal. Read more here: [HBJ MSC](#)

Royal Caribbean International just announced that the *Icon of the Seas*, the world's largest cruise ship, will begin sailing from the **Port of Galveston** in August 2027. The ship is 1,196 ft. long and 219 ft. wide, features 20 decks with 18 of them dedicated to guests, carries 5,610 passengers (double occupancy) in 2,805 staterooms, and is operated by a crew of approximately 2,350. [Galv Daily News RCI](#) Two other Royal Caribbean ships will homeport in Galveston beginning in 2027: *Liberty of the Seas* and *Symphony of the Seas*.

Read about all the new cruises here: [Galv. Daily News New Cruises](#)

Did you know that **Port of Galveston** officials expect 3.9 million cruise passenger embarkations and debarkations and 445 sailings in 2026?

Acquisitions and Leases ...

The 92-key Homewood Suites at 401 Bay Area Blvd. in **Webster** sold to a new owner with HVS Brokerage & Advisory brokering the sale. A full renovation is planned.

Thornton's Gymnastics Center LLC leased 15,997 SF in the NASA Bypass Business Park located at 512 E NASA Rd. in **Webster**. Wayne Rutledge / Rutledge Commercial Real Estate represented the tenant, and Ross Wycoff for the landlord.

Palms 880 LLC purchased the 4,800 SF office building in the Lawrence Business Park located at 880 Lawrence Rd. in **League City**. Wayne Rutledge / Rutledge Commercial Real Estate negotiated the deal.

The **Webster** Shopping Center at 528 W. Bay Area Blvd., 94% leased, has been sold. The sale of the 24,000 SF retail property was negotiated by Justin Miller / Marcus & Millichap.

Now Open

[Deer Park – Mustang Cat at 316 Georgia Avenue. PSI Pressure System Corp. at 4804 Railroad St.](#)

[Webster – Gulf Coast Veterinary Specialists at 20610 Gulf Freeway](#)

Have you looked at our flip book of HOT PROJECTS? [Hot Projects](#)

RESIDENTIAL DEVELOPMENT

A new \$30.5M multifamily project is under construction in **Houston** on 9 acres at 16200 SH 3 near Bay Area Blvd. OHT Partners and Crow Holdings are teaming up on the 336-unit development. It will feature six four-story buildings with a modern European farmhouse style and one-and-two bedrooms from 690 to 1,070 SF. Features include smart technology for doors and thermostats, coworking space, resort-style pool with pavilion and cabanas, fitness center, package lockers, air-conditioned corridors, and a dog park. Completion is planned for the third quarter of 2027.

Hines purchased 1,532 acres for 2,730 homes in **League City**, three miles west of I-45 with frontage on the future Grand Parkway. Lots will be 50, 60 and 70-foot with homes ranging from \$400's to \$800's. Builders are Highland Homes, Newmark Homes, Westin Homes, David Weekley Homes, and Chesmar Homes. [HBJ Hines](#)

Transactions -

Green Arbor Apartments, 252 units at 10601 Sabo Road in the Southbelt-Ellington area, recently sold; Chip Nash, Bob Heard and Jaleel Adatia / Colliers repped the sellers.

INFRASTRUCTURE NEWS & EVERYTHING ELSE!

A desalinization plant is planned to be built by a private utility company on land where the P.H. Robinson power plant once stood. EPCOR NR Holdings Inc. is working with the Texas Commission on Environmental Quality on permitting and approval to development and operate a seawater desalination facility in **Texas City near Bacliff on Galveston Bay**. The project is planned on more than 200 acres east of SH 146 and west of FM 517 in far north Texas City. This site already has large in-flow and out-flow canals built to circulate cooling water for the thermal generation plant. Read more here: [Galv. Daily News](#) [HouChron](#)

Port Houston has completed its portion of Project 11, which is the dredging of the **Houston Ship Channel**. Working in partnership with the U.S. Army Corps of Engineers, this will expand the reach of Galveston Bay, thus improving two-way vessel movement and operational efficiency for all users of the channel. With this deepening and widening of the Houston Ship Channel, container terminals will be able to accommodate larger vessels including larger neo-Panamax vessels.

The Gulf Coast Protection District approved two major engineering design contracts for the **"Ike Dike,"** the centerpiece of the Coastal Texas Project. Dallas-based Jacobs got the contract for the design of the Bolivar Roads Gate System which will span the 2-mile-wide waterway separating Galveston Island from Bolivar Peninsula. Omaha-based HDR Inc. will design the Bolivar and West Galveston Beach and Dune System, a project focusing on restoring vital coastal ecosystems and reinforcing natural barriers in the region. Read about it here: [HBJ GCPD](#)

Southwest Airlines will begin flights to Anchorage, Alaska, a major oil and gas hub, in May 2026. The flights will be once daily connecting Anchorage with Denver and Las Vegas through the summer.

National Technical Institute just opened a new campus along the Gulf Freeway at Scarsdale in the Gulf Point Business Park, 13027 Gulf Commerce Drive. NTI offers programs for entry-level careers in HVAC/R service, repair, and installation, plus entry level plumbing and electrical. NTI's curriculum is contractor-driven and uses a mix of in-person classes for certificate programs and hybrid programs that combine virtual coursework and in-person hands-on labs.

Education News –

Alvin College (a name change from Alvin Community College) received accreditation for two new degree programs that include applied science associate degrees in the following: Marketing, Advertising and Sales / prepares students for careers in public relations, e-commerce, digital advertising and sales; Integrated Technology / prepares students for careers in the information technology field with a focus on IT infrastructure, network administration, software development, data security and programming.

College of the Mainland and the University of Houston are collaborating to support students transferring from community colleges to pursue a four-year degree. The UH Next pilot program will launch in spring 2026 in UH's College of Liberal Arts

and Sciences and serve as a model for future expansion into more colleges at UH. Through a Memorandum of Understanding, students will be able to take advantage of a streamlined transfer process after completing their associate degree at COM.

College of the Mainland Dental Hygiene Clinic will soon open its doors to community patients. The COM Dental Hygiene program is a five-semester associate degree program that provides the knowledge, skills and clinical experience needed to enter the dental hygiene profession. Services will be offered by first and second-year students under the supervision of the college's licensed dentists and dental hygiene faculty to adults and children ages five and up.

College of the Mainland will add a second four-year degree – a Bachelor of Applied Science degree in Operations Management. This degree will equip students with the skills to manage and optimize business processes, supply chains and production systems which are in high demand. In the three-county areas of Brazoria, Galveston and Harris Counties, research shows there are about 4,500 openings anticipated through 2034. Median hourly rates range from about \$46 to \$60 for general and operation managers, industrial production managers, and construction managers according to the Gulf Coast Workforce Board. [Galv. Daily News COM](#)

City News –

Pasadena - Pasadena Economic Development Corporation and Visit Pasadena announced that the City has been officially designated as a Tourism Friendly Texas Certified Community by the Governor's Economic Development and Tourism Office, a recognition that underscores the city's commitment to leveraging tourism as a key economic driver. [visit-pasadenatx.com](#)

La Marque – Groundbreaking was held for the expansion of the \$27.5M westside wastewater treatment plant at 2701 Woodland St. The plant will be built by November 2026.

Road News –

Construction will start in the spring of 2027 on the SH 99 **Grand Parkway Segment B-1** design-build project. It will feature four toll lanes – two in each direction – plus frontage roads, interchanges, and multiple direct connectors. It includes four direct ramps connecting the Grand Parkway with I-45, improving access for commuters heading toward Houston or Galveston. Most funding for the \$1.96B project will come from toll revenue. Section B-1 is expected to open to traffic in the summer or fall of 2031. [Comm. Impact Grand Pkwy](#)

BAHEP is part of Facebook and LinkedIn, 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 LinkedIn at <https://linkedin.com/company/bay-area-houston-economic-partnership/>



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 Membership Director Harriet Pilgrim at 832.536.3255 or Harriet@bayareahouston.com.

Clear Lake Shores • Deer Park • Dickinson • El Lago • Friendswood • Houston
Kemah • La Marque • La Porte • League City • Morgan's Point • Nassau Bay • Pasadena
Santa Fe • Seabrook • Taylor Lake Village • Texas City • Webster

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