

OCTOBER 2018

REDNews

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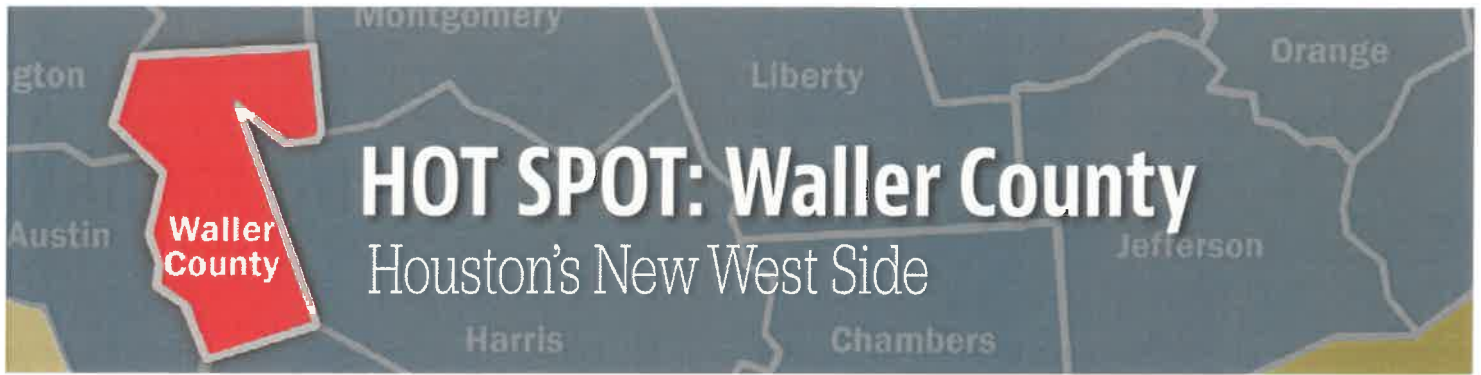
Summits In Houston & Dallas

The New West Houston

WALLER COUNTY
ECONOMIC DEVELOPMENT PARTNERSHIP

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BY BRANDI SMITH

Driving on I-10 about 35 miles west of Downtown Houston, it's a blink-and-you-might-miss-it moment. A larger-than-life Igloo Cooler sits in the distance, marking the entrance to the company's massive plant. It's a very visual cue that you've reached West Ten Business Park.



Brett Walker,
Executive Vice
President,
Parkside Capital

"It was one of the first premier business parks in that area," says Brett Walker, executive vice president of Parkside Capital, which developed the project.

Looking at it now, most developers wouldn't bat an eye at picking up 500 acres with frontage along I-10, U.S. 90 and Katy's Cane Island Parkway. It was a different story in 2008 when Parkside bought the acreage.

"Some people would say we were crazy," Walker laughs. "But in hindsight, we were ahead of the game."

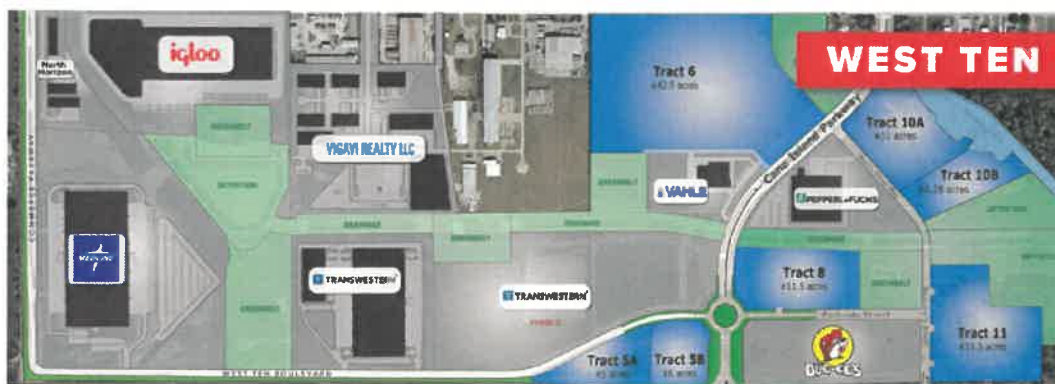
West 10's location created some initial concerns for its new owners. The entire property was located in Katy, though a portion of it was in Fort Bend County and the rest was in Waller County. That meant it would have to work with a number of different agencies, including the City of Katy, Fort Bend County and Waller County Economic Development Partnership.

"All the agencies we worked with really worked together to make this happen. The amount of cooperation has been very encouraging," says Walker. "Waller County EDP comes to the table with the end user in mind. Their interest is in creating long-term value and generating a good employment base for the county." Three years in, the company made its first sales to Igloo and Medline. Since then, companies such as Vahle, Oakmont Industrial Group and Pepperl+Fuchs have moved in. Parkside has sold most of the tracts in the past few years, but it still has about 12 acres left.



John Isom,
Director,
City of Waller
Economic
Development
Corporation

West Ten's success has followed right along with that of Waller County. Stretching more than 515 square miles on the west side of Houston, major highways such as I-10, SH 6 U.S. 90 and U.S. 290 all run through it. As construction has wrapped up on the latter, interest in the area has increased, according to John Isom, director of the City of Waller Economic Development Corporation.



"If companies located here need to ship anything or travel anywhere, they can easily head any direction they want to," Isom adds.

Its accessibility has helped make Waller County a destination for companies and homeowners, who are each looking for space to grow away from the city's tight quarters. In 2000, the county boasted a population of just more than 32,000. That number has since topped 40,000 and is expected to grow exponentially in the years go come.

COURTESY PARKSIDE CAPITAL



COURTESY DAIKIN NORTH AMERICA

"I think we're going to continue to see that kind of residential growth because of the jobs coming here," says Isom.

A prime example of that is the \$417 million manufacturing hub that Daikin Industries opened in 2017. The 4.1 million square foot facility for the Japanese heating and cooling maker, is built on a 491-acre parcel located on U.S. 290, just east of Waller. The company started with 1,000 employees, but expects to have about 7,000 by 2020.



Keith Edwards,
Senior Vice
President,
Caldwell Companies

"It's a driver for residential development," says Keith Edwards, senior vice president

of brokerage services for Caldwell Companies, which represented the seller in the Daikin deal. "I think the 290 corridor is going to be totally developed within the next decade."

The firm is backing that up, having just recently closed on 58 acres along the freeway for commercial development.

Other companies that have built their North American headquarters in Waller County include Burckhardt Compression, Goya Foods and MAN Energy Solutions, formerly MAN Diesel & Turbo, which located at the new The Uplands Business Park at Twinwood, a new 600-acre industrial development located just south of I-10.

"... a new phase of growth ..."

That's why developers, such as Wolff Companies, have taken notice. Now in its fifth decade, the company has been a leader in developing master-planned, mixed-use business communities in the Houston area.

"We have remained focused on the Houston market – and more specifically, properties along major freeways in West



Houston – since our inception," explains Carolyn Wolff Dorros, the company's executive vice president. "We study these corridors constantly. It is one slice of the business where we have developed expertise."

Examples of that range from Brookhollow, a 160-acre project on the then yet-to-be completed West Loop at U.S. 290, to projects such as Park 10, Ten Oaks and Central Park on I-10 and Beltway and Westway Park on the Sam Houston Tollway. The completion of reconstruction along U.S. 290, says Wolff Dorros, is a bellwether of a "new phase of growth for that corridor."

The company recently purchased more than 520 acres with nearly 4,200 feet of frontage along U.S. 290, dubbing it Beacon Hill. It will use 251 acres to build a business park catering to uses ranging from light



Carolyn Wolff Dorros,
Executive Vice
President,
Wolff Companies

industrial and distribution to office and retail. Wolff sold the remaining 270 acres to Long Lake Ltd. to develop a master-planned residential community featuring approximately 1,000 homes.

Long Lake, which delivered nearly 1,000 homes in 2018, is one of the most active home builders in the Houston market. The company chose Beacon Hill as the site for its newest development to capitalize on its success in the Villages of Cypress Lakes. The 2,500-home development located on U.S. 290 inside Grand Parkway will be sold out within the next 18 months.

According to Wolff Dorros, Long Lake, which builds under a variety of brand names, will begin design work immediately and aims to deliver its first lots by January 2020 with completed homes to follow shortly thereafter.

Though Wolff has only just started the process of working with Waller County EDP and the City of Waller EDC, Wolff Dorros says "we are very much looking forward to the relationship. Every one of the individuals with whom we've worked to date has been extraordinarily helpful in this process."



Bob Nickles,
Principal,
Alegacy
Development

"... a perfect position ..."

That's a very similar experience to Alegacy Development's cooperation with the EDPs at the city and county level.

"They've been really willing participants, helpful contributors," says Bob Nickles, principal at Alegacy

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Houston's New West Side

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Development "I think you'll find Waller County as insightful and active as any in the country to add the right jobs and add the right development."

Nickles' company has helped add more than 260 jobs in Waller County since it built a heavy industrial park. In addition to the 200 provided by anchor Alegacy Equipment, Cordyne Electrical Manufacturing & Distribution and Grizzly Services have contributed an additional 60.

"These are fantastic, skilled, high-paying, full-benefit jobs in manufacturing, heavy fabrication, assembly, and the like," boasts Nickles. "Those are jobs that weren't here when we bought the cornfield in 2013."

Finding that cornfield was easy for him.

"We live in the area, so we looked for and found the piece of property we wanted in this region," Nickles says. The company has turned the 90-acre parcel into a home for several different crane-served buildings. Right now, about 275,000 square feet are under roof, leaving another 40 or so acres for development.

"We've built everything here to be extra heavy duty. As the anchor tenant, Alegacy Equipment requires everything we do inbound and outbound is from that oversize and overweight load perspective. So, very heavy, extra-large everything," explains Nickles. "We built this entire development for like-kind businesses."



COURTESY ALEGACY DEVELOPMENT

That means infrastructure like extra-wide roads with extra-concrete thicknesses and extra crane tonnage.

"With the combination of U.S. 290 being finally almost finished and SH 99 going in, it puts us in a perfect position to recruit and have employees from all around town, virtually, all around the Houston metro," Nickles adds. "That really provides the ability for this area to build out into the next major corridor of Houston."



Hydie McAlister,
Partner,
RCR Rail Co.

"... failure is not an option ..."



Sharon Beach,
Partner,
RCR Rail Co.

The thing about Waller County is freeways aren't the only transportation option. Rail is also a major player for corporations looking to move their product, specifically the Union Pacific Class 1 railroad that runs through Hempstead. That's what caught the eye of RCR Rail Co., an offshoot of McAlister

Assets launched by Hydie McAlister and her business partner Sharon Beach. The company purchased 120 acres north of Hempstead with plans to build a rail-served logistics park.

"Hempstead started out as a rail community. If you look at the City of Hempstead sign, it contains a rail locomotive," says Jeff Pittman, vice president of



COURTESY WOLFF COMPANIES



Jeff Pittman,
Vice President of
Land and Industrial,
CBRE.

land and industrial for CBRE. "What we're trying to do is bring that industry back, but a modern version of it."

"For a rail park, geographic location is important. You need to be close to highways and industry, but what's more important is how the location complements the network of the Class 1."

McAlister explains. "The northwest quadrant of Houston, which has access to Waco and Austin and sits on the Union Pacific rail line, is a strategic place for Union Pacific"

But she adds, "there are no public parks on the west side of Houston; rail business tends to be focused on the east side of the city."

Pittman continues, "Union Pacific, I think we can say, is excited about this project, too. It doesn't approve projects without being something that they want in their network."

The partners emphasize their park will be high-end and industrial grade, benefiting the city. That's especially important, says McAlister, since it's being built at the entrance of Hempstead.

"The clients we're talking to are national- and international-grade firms that want to consolidate here," she says. "We want it to compliment Houston and



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RCR HEMPSTEAD LOGISTICS PARK

COURTESY RCR RAIL CO.

we want to work with Waller County EDP and the city of Hempstead to make that happen."

The project is a labor of love for McAlister, who lives just five miles from the property and watched the area lose hundreds of jobs when Lawrence Marshall closed its dealership back in 2009. "After that, the industry in the Hempstead area just went really dormant," she says. "I personally was interested in bringing a high-end industrial park and high-employer businesses back to Hempstead."

"Failure is not an option, and in turn, we're invested in the area as far as being in Houston for a very long time," echoes Beach. "It's personal to give back to the community, as well as bringing industry to the growth of Houston."

Crews are currently clearing the property, which should be finished in the next 30 days or so. Construction and installation are expected to get underway in Q1 2019 with operations starting in Q2 2019.

Eventually, McAlister says, she'd even like the project to include a museum honoring Hempstead's rail history. It's a conversation she's had with Vince Yokom, executive director of the Waller County EDP, with whom RCR Rail Co. worked to get its rail-served industrial development started.

"It's been a great relationship," says McAlister.

"... a lot of good projects ..."

Though they range in offerings, many of the corporations in Waller County have that in common; they all speak highly of Yokom and the EDP.

"We're attracting top-tier companies and we're getting a lot of North American headquarters," says Yokom. "There are a lot of good projects here. We've always focused our energy on projects that we feel are a good match. We don't just jump in there with anybody."



Vince Yokom,
Executive Director,
Waller County
Economic
Development
Partnership

Instead, the EDP approaches every project on a case-by-case basis. Every business, he explains, is coming to Waller County with a unique set of circumstances and it's important for the EDP to be able to develop a similarly unique response.

"We don't say, 'Hey, we gave so-and-so a deal. We're going to need to do this kind of the same deal,'" says Yokom. "That will never happen."

While the EDP's ultimate goal is to bring in new business, it's also trying to determine what works best in what part of the sprawling county. It's using its available incentives to encourage more directed development.



COURTESY KDW LTD

"For example, there are a lot of distribution centers going in along I-10. When you consider the overall impact of putting another 2,000 trucks on the road in that area right now, that isn't the best long-range plan," Yokom says. "We might offer incentives for a distribution center that wants to go along U.S. 290 instead since we don't have as many there."

The EDP also works to expedite the timeline for project approvals, especially for those that fall inside a city's limit. It implements what it calls a parallel abatement process, beginning its approvals at the same time as the city does, thereby cutting the waiting period in half.

Yokom also points to the organization's fast and consistent review process for prospects.

"We try to respect their timelines as best possible. Obviously, we have our own process we have to do, but we try to be as respectful as possible," he says. "I think that comes out in a lot of the negotiations."

Already kept incredibly busy by companies interested in making Waller County home, Yokom says he's preparing for it to get even busier in the years to come.

"We're not only Houston's new west side, we're Katy's new west side, and we aren't going to stop growing," he says. ■

