

B U S I N E S S

# Developer snaps up 12 office buildings

**NASSAU BAY:** Buy is a bid to make over large NASA-area tract

By **LAURA ELDER**  
The Daily News

Encouraged by NASA-fueled job creation, a Houston company has acquired and will demolish 12 aging office buildings on 27 acres next to Johnson Space Center to make way for a mixed-used development.

Griffin Partners said it plans to demolish the 12 office buildings, which make up 450,000 square feet of Class C office space, to make way for a development that would include fresh office, retail, residential and hotel projects.

Typically, office buildings are classified based on location and physical characteristics, with Class A being of the highest quality.

The company purchased the buildings from Nassau Development, which has owned the portfolio of properties since the 1980s.

Neither buyer nor seller would divulge the purchase price.

The office buildings included in the acquisition were built between 1964 and 1970.

NASA and its contractors occupied the buildings over the years.

But the largest tenants remaining in the buildings are

some real-estate firms and IBM, which has about 150 employees in 1810 Space Park.

Significant demolition won't begin before the end of the year as Griffin Partners waits for leases to expire.

Griffin Partners is an investment management company with a focus on real estate.

Five of the office buildings are without tenants. Two of the buildings have been vacant since 1985, according to Bay Area Houston Economic Development Partnership.

"Frankly, the buildings are vintage 1960s and functionally obsolete," said Edward Griffin, president of the company. "They don't have the right design or systems to compete in today's market."

Griffin said the company, which has developed office buildings in the Webster area, bought the properties because of the thousands of jobs likely to be generated by NASA as it pushes ahead with plans to build Orion, the next generation spacecraft that will replace the shuttle fleet.

In August, NASA awarded a \$7.5 billion contract to Lockheed Martin to build Orion.

Lockheed Martin earlier this year leased 80,000 square feet at 2400 NASA

Parkway in Nassau Bay to accommodate a growing work force for the project.

The work to build the shuttle's successor is expected to create about 1,100 jobs. Numbers fluctuate, but Lockheed Martin Space Operations has more than 1,000 employees in the region and offices at 2625 Bay Area Blvd.

Griffin said he expected to see demand for quality office space and homes grow.

Another potential booster to the Nassau Bay and surrounding cities is the NASA Parkway bypass. The 3.4-mile bypass will connect Interstate 45 in Webster to a spot just west of the properties Griffin Partners purchased.

"That's going to have a significant impact on the overall traffic patterns to the area and will be very beneficial to the property," Griffin said.

Nassau Bay rocketed into existence on what had been ranch land when Houston developers learned in 1962 about NASA's plans to develop Johnson Space Center.

With about 4,500 residents, Nassau Bay is built out and has little land remaining. Officials in recent months have reported that the city has seen a noticeable uptick in the number of older homes being demolished and re-

The 12 Nassau Bay office buildings Griffin Partners bought are:

- 1275 Space Park
- 1810 Space Park
- 1812 Space Park
- 1814 Space Park
- 1816 Space Park
- 18100 Upper Bay Road
- 1720 NASA Parkway
- 1730 NASA Parkway
- 1740 NASA Parkway
- 1820 NASA Parkway
- 1830 NASA Parkway
- 1840 NASA Parkway

Sources: Bay Area Economic Partnership and city of Nassau Bay

placed by newer, larger abodes that suit the needs of residents lured to the city by the space program and related industries.

Nassau Bay's largest employers are Lockheed Martin, Christus St. John Hospital, Boeing and IBM.

Griffin Partners' mixed-use project, which will include some three- to four-story multi-family buildings, is expected to have a \$150 million build-out value.

"This reinvestment will benefit Nassau Bay, its neighbors and the NASA contractors who will want to be as close as possible to their customer," said Jim Reinhartsen, president of the Bay Area Houston Economic Development Partnership.

## IN BRIEF

### Small business classes

TEXAS CITY — Galveston County Small Business Development Center has released April class dates.

developing leadership skills. Classes will take place on the second Friday of the month from May through December. Registration costs \$500 and is due Friday. Call

Galveston Chamber of Commerce will have a ladies lunch at noon each Friday. For location, call Maureen Hayes, 409-763-5326 or e-mail mhayes

Council of Business Women will meet from 11:30 a.m. to 1 p.m. on the second Tuesday of each month at Peppers, Interstate 45 and FM 518 in League City. The