

COMING SUNDAY

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MARKETING | BUSINESS OF GIVING | REAL ESTATE | ENERGY | RETAIL | OIL | COMPUTING | MONEY

DIGEST

ENTERTAINMENT

Developers plan winter-sports park

FORT WORTH — A development group unveiled plans for a winter-sports theme park, anchored by a 25-story outdoor mountain, that would give Texans a chance to snow ski and ice skate in the summer.

Developers of the Coolzone Winterplex park pitched their vision for the \$696 million project slated for north Fort Worth to investors and institutional lenders this week.

Skiers and snowboarders would slide down the mountain on a slippery carpeted surface called Snowflex.

The project will be ready to break ground when the financing is in place, said Charlie Aaron, president of Bearfire Group, which is developing the project.

ASSOCIATED PRESS

COURT

CEO's restitution wins judge's OK

NEW YORK — A judge has signed off on a restitution agreement requiring the former CEO of Computer Associates International to pay at least \$52 million — including proceeds from the sale of his yacht and pair of Ferraris — to victims of an accounting fraud at one of the world's largest software companies.



KUMAR

U.S. District Judge Leo Glasser approved the deal Friday. But a special master overseeing a restitution fund announced thousands of people who lost money would recover only a small fraction.

The deal with Sanjay Kumar, who received 12 years in prison in November, would theoretically make him liable for as much as \$798.6 million in payments to investors. Prosecutors acknowledge, though, that Kumar and his family will probably never be able to pay that amount.

Also Friday, founder and former Computer Associates Chairman Charles Wang was accused of directing and participating in fraudulent accounting, according to The Wall Street Journal.

"I intend to vigorously defend my good name and fight... efforts to place the crimes of Kumar and his management team at my feet," Wang said.

BLOOMBERG NEWS

LABOR

Steelworkers union gains members

PITTSBURGH — One of the nation's last independent steel unions formally merged with the United Steelworkers on Friday, adding to the ranks of North America's largest industrial labor union.

The Independent Steelworkers Union, which represents 1,150 at Mittal Steel's mill in Weirton, W. Va., voted overwhelmingly to join the Pittsburgh-based union.

ASSOCIATED PRESS

TECHNOLOGY

Google aims to buy tech ad company

SAN FRANCISCO — Seeking to expand its already well-honed ability to sell targeted Internet ads, Google said it has agreed to pay \$3.1 billion in cash to acquire ad-management tech company DoubleClick.

ASSOCIATED PRESS

Big project in works near Space Center

\$150 million development may have shops, apartments, offices and hotel

By NANCY SARNOFF
HOUSTON CHRONICLE

A Houston developer plans to demolish 12 low-rise office buildings near the Johnson Space Center to build a \$150 million mixed-use real estate project with apartments, a hotel, shops and office space.

Griffin Partners purchased the buildings, in the city of Nassau Bay along NASA Parkway, from a group that had held them for many years.

The purchase price was not disclosed, but commercial land prices in the area can range from \$25 to \$35 per square foot, according to Ken Page, a

real estate broker with Cushman & Wakefield.

Located on 27 acres, the buildings comprise 437,406 square feet and are about 50 percent occupied. The remaining leases expire at year's end, at which time Griffin Partners will begin demolition.

This will be the first development project of this scale for the commercial real estate firm, which was founded 27 years ago and was formerly

known as Griffin Juban.

The developer expects to break ground on the project in phases, depending on demand for space. It will sell parcels to residential and hotel developers and build the office and possibly the retail space itself.

President Edward Griffin envisions the project with a 200-room hotel, up to 100,000 square feet of retail space, at least 300,000 square feet of

Please see NASA, Page D5



ROBERT DIBRELL / CHRONICLE

TELEVISION COMMERCIALS

As the summer driving season draws near, an oil giant rolls out an advertising effort to try to convince consumers that there's more to picking a pit stop than price per gallon



JASON BAUM ILLUSTRATION
SOURCE: BP

BP launches campaign to distinguish its stations

By KRISTEN HAYS
HOUSTON CHRONICLE

LONDON-BASED oil giant BP has launched a \$36 million advertising campaign to urge drivers to fill up at its stations just as gasoline prices inch closer to \$3 a gallon on the cusp of the summer driving season.

The national campaign features animated television, radio, print and Internet ads that feature a catchy tune aimed at steering consumers

toward its 13,000 retail outlets across the U.S., including 31 in Texas.

Advertising experts say BP's timing of the campaign illustrates an effort to distinguish its stations rather than try to beat the price at the station down the street by a few pennies at a time of seasonally high demand.

"They want to reach the greatest number of consumers when demand is highest in order to emphasize that their brand and services are more than simply a dollar amount

Please see BP, Page D5

Fair trade: Mangoes for motorcycles

Harleys will be heading to India as final details of a bilateral import-export agreement with the U.S. are settled.

SEE STORY ON PAGE D6

BUSINESS OF GIVING

Nonprofit sector struggles with leadership shortage

BEFORE co-founding in Houston the nation's third Dress for Success affiliate, Nancy Levicki was the European couture buyer for the erstwhile emporium Sakowitz.

She's got the perfect mix of panache and practicality that's as effective with battered women needing business suits as it is with the corporate sponsors donating money.

But as she charts out the future of the nonprofit that provides career clothing and counseling for economically disadvantaged women, she can't count on finding a former



SHANNON BUGGS

high-fashion retail buyer with high-society contacts to take on her job when she's ready

for retirement. "My board is always concerned about succession," she says. "Statistics show that people who follow founders have about an 85 percent failure rate. That's staggering."

Succession plans at many nonprofits lack a key element: senior managers who can run the organizations in the future.

A study last year estimated

Please see BUGGS, Page D5

LABOR

Ready for a raid

Many of the illegal immigrants in the nation's meatpacking towns are preparing for their possible arrest. PAGE D3

MARKETS AT A GLANCE

▲ Dow	▲ Nasdaq	▲ S&P	▼ Oil	▼ Natural gas
■ 12,612.13	■ 2,491.94	■ 1,452.85	■ \$63.63	■ \$7.801
■ +59.17, +0.5%	■ +11.62, +0.5%	■ +5.05, +0.3%	■ -22 cents, -0.3%	■ -12.3 cents, -1.6%

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Description:
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Insertion Number:
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Color Type:

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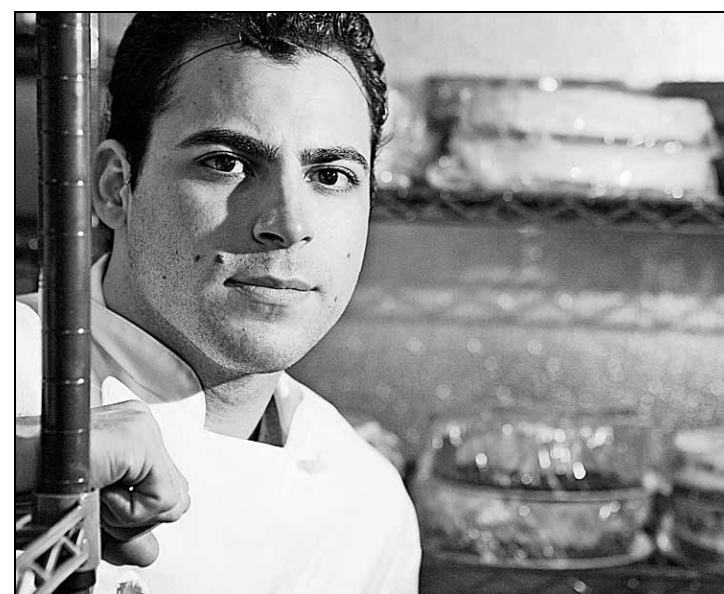
LOANS: Critic wonders if microcredit truly helps

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public and private development agencies, cites favorable studies of microfinance's effectiveness in Bolivia, Ghana, India and Indonesia, while Bangladesh's Grameen Bank, the world's most famous microfinance institution, won the 2006 Nobel Peace Prize. According to the

United Nations, industrywide loan repayment rates are 97 percent.
Kiva, which says it has never had a loan default, has prospered along with the industry. It launched in 2005, the United Nations' International Year of Microcredit. Since then, Kiva's lenders have lent more than

\$5 million, Ramsey said — over \$3 million since January alone. But for all the optimism, some industry observers remain skeptical.
"I think Kiva is a totally unnecessary organization that exists to please the people who are participating and isn't making any real difference," said Tho-

mas Dichter, a former U.N. and World Bank microfinance consultant with over 40 years in international development.
Evidence questioned
Dichter said microcredit can indeed enhance a poor woman's sense of worth and make the life of a subsistence entrepreneur slightly more tolerable. But he argued there is no empirical evidence small loans can move that entrepreneur out of poverty.
A banana-seller with little education and few skills does not have the capacity to move into the middle class, Dichter contended, while the more sophisticated small entrepreneurs Kiva often lends to, such as butchers, clothing retailers and cell phone salesmen, have access to other credit sources.
"It's the unwritten paradox of microcredit," Dichter said. "It can't really do much for those who it would like to help, and it's unnecessary for those who it can help."
CGAP senior adviser Kate McKee said the majority of global evidence shows microcredit helps the poor. But she said "the picture that's out there" — of small loans generating high-return economic activity and thrusting people out of poverty — is an "oversimplification."
CGAP is careful to distinguish microfinance, which encompasses microcredit, micro-insurance and microsavings programs, from microcredit.
"The evidence is pretty strong that access to a wider range of financial services that might include debt, but not be limited to it, has more robust or useful impacts for poor people," McKee said.



MICRO LENDER: Jaime Acosta, a baker at Dessert Gallery, made a loan to the owner of a general store in Nuevo León, Mexico, through Kiva.org.

said, critics like Dichter can use Kiva to evaluate their thesis. If a borrower's business fails, lenders will be reading about that failure online.
Microcredit is "an admit-

tedly imperfect science," Shah said, and there is "still room for doubt. But where is the burden of proof at this point?"
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BP: As prices rise, company is seeking consumer loyalty

CONTINUED FROM PAGE D1
on a sign," said Terry Daugherty, an associate advertising professor at the University of Texas.
"Are there consumers that focus purely on the cost at the pump? Yes, but again, those are not who BP is trying to target with this campaign," Daugherty said.
Barbara Kahn, a marketing professor at the University of Pennsylvania's Wharton School of Business, said gasoline price wars are often losing battles because the other guy just matches the cuts.
Also, convenience of a station's location often plays into where consumers buy gas whether or not the price is lower, she said.
"What you're trying to do is get people to be loyal to other things around the gas purchase," Kahn said. "It's a trade-off that saving a few pennies on gas or the location is not driving the purchase."
Several drivers questioned at Houston gas stations on Friday said convenience largely determines where they stop.
"I just buy gas at any gas station," said Houston taxi driver Richard Babson as he filled his tank at an Exxon Mobil station charging \$2.62 for regular unleaded. "But when I see gas that's a lot higher, I'll keep going where I'm going and stop at one that's lower."
According to AAA, the national average price of a gallon of regular unleaded gasoline was \$2.82 on Friday — up nearly 2 cents from the day before. The average price in Texas was \$2.72, and the average was a penny higher in Houston at \$2.73.
Five states had average per-gallon prices that surpassed \$3

— California, Oregon, Hawaii, Nevada and Washington.
And demand was strong, with a four-week average hike of 2.5 percent compared to the same period last year. The Department of Energy data showed this week's inventory to be 5 percent lower than year-ago levels, Pickering Energy Partners said in a note to investors this week.
"Hello \$3 retail gasoline!" the note said.
However, the ups and downs of gasoline prices didn't play a part in the timing of BP's rollout of the campaign, BP spokeswoman Valerie Corr said.
"As the busy summer driving season starts, we think that the campaign will resonate with consumers," she said.
Corr said BP's research shows that consumers don't expect much from a gas station. But most of those who viewed the ads in the testing stage liked the message of improving the experience of stopping for gas.
Consumers have plenty of choices. According to NPN Magazine, a trade publication of the petroleum marketing industry, the nation had nearly 167,500 gas stations in 2005, its most current count available. That figure includes all outlets, such as those with convenience stores and others.
Of those, Texas has the most — 16,500 — followed by No. 2 California at 9,857. Of branded retail outlets, NPN's 2005 data showed Citgo had the most in the nation at 13,680, followed by ConocoPhillips, Shell, BP and Exxon Mobil. BP-branded gas stations are all east of the Rocky Mountains. Corr said the company doesn't market gasoline in the Houston area.
Efforts to urge consumers to

choose one gas station over another aren't new. In the late 1990s Exxon Mobil introduced the Speedpass, which catered to on-the-go drivers.
Known as a "contactless" card, drivers wave a Speedpass in front of a sensor at the pump to unlock it and allow a fill-up without having to swipe a credit or debit card or go inside the store. Competitors followed suit.
"If you speed up the efficiency with which you get gas, that might be a reason to choose one gas station over another," Khan said.
The nationwide BP ads, which can be seen locally, have no dialogue. On a background of green and yellow, the colors of the company's logo, animated characters choose BP branded gas stations over others with a jingle in the background.
One features children in a car who bypass two dilapidated stations. Another shows a travel-weary family in need of gasoline, clean restrooms, snacks and drinks.
Plenty of gas stops offer those things, said Bruce Vanden Bergh, an advertising professor at Michigan State University. But he said BP is an aggressive marketer of a softer, environmentally friendly image despite disastrous missteps like the 2005 Texas City refinery blast that killed 15 or last year's shutdown of an Alaskan oil pipeline because of a leak.
"It could just be more PR in an environment when they know people are mad at the big oil companies," he said. "It seems retro to me for a gas company to be really concerned about branding their gas stations."
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ment incentives.
Zoning changes may also be required for the development to proceed, as the city of Nassau Bay put height restrictions on its buildings.
Griffin said he expects office and retail demand to come from residential development in the area as well as from new jobs that are expected due to Lockheed Martin Corp.'s contract with NASA for the new Orion spacecraft.
"There are a lot of new rooftops down there, and that bodes well for retail," he said.
Access to the property will be improved when the new NASA Parkway bypass is completed.
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NASA: Zoning changes could become necessary

CONTINUED FROM PAGE D1
office space and some 300 apartments.
The existing office buildings were built between 1964 and 1970. NASA and its contractors have occupied space there, but now the largest tenants are IBM and real estate companies. Two of the buildings have been vacant since 1985.
"It's time for them to be redeveloped into higher and better uses. It's the front door to NASA," said Page, who represented the seller, Nassau Development, in the transaction along with Scott Myers of Cushman & Wakefield.
Griffin wouldn't elaborate, but said it is working with the city and Harris County on various economic develop-

ment incentives.
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BUGGS: Compensation is going to have to be worth their while

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the U.S. nonprofit industry needs to hire, starting this year through 2016, an additional 640,000 executives, or 2.4 times the number currently employed in the industry.
By 2016, the industry will need to add about 80,000 senior managers every year, according to the study by Bridgespan Group, a Boston-based executive search firm and consultancy for nonprofits.
Work force shortages in the charitable sector will allow intractable social issues to become more unruly.
Progress toward solutions will slow as nonprofits struggle to build infrastructures that can effectively employ an estimated \$6 trillion in charitable bequests from aging baby boomers.
The "leadership gap," as diagnosed by Bridgespan, stems from the expansion of nonprofit operations, staff turnover and baby boomer retirements in the management ranks.
Within five years
Although Levicki is not nearly ready to step down as president of Dress for Success Houston, she knows she will gradually step aside for a new leader within five years.
"I have the greenlight from my board if the right person shows up to hire," she says. "I don't want to bring someone in right now and disrupt our staff of six. They are some of the best young women I know and one of them may develop into the next leader."
But very likely the next president will come from the for-profit business world and need a sizable salary to lure her to the job.

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■ Name:	Casa de Esperanza de los Ninos
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■ Web site:	www.casahope.org

Operated by the Greater Houston Community Foundation, DonorHouston is a searchable database of local nonprofit organizations, based on information submitted by the individual charities. For more information, visit www.donorhouston.org.

Bridgespan prescribes a three-part cure for closing the leadership gap — composed of making good compensation packages better, spending more to turn workers into managers and looking for leaders outside traditional talent pools.
Charity Navigator, which evaluates the financial practices of over 5,000 nonprofits, pegs the average compensation of CEOs of the organizations it reviews at \$140,000.
In the Houston area, the median base salary for a nonprofit CEO/executive director is \$76,746, according to the 2006-2007 wage and benefit survey produced by the United Way of the Texas Gulf Coast.
The median bonus received by more than a quarter of that group, meaning half of recipients get more and half get less, is \$4,000.
Local organizations also increased their employees' salaries by an average 4.4 percent in 2006, compared to 3.9 percent in 2004, according to the United Way survey.
Still, those increases did not prevent the average number of

full-time employees locally from dropping 27 percent to 30 compared to 42 in 2004, according to the United Way. The charities blamed the staff reductions mostly on downsizings and attrition.
Salary increases
Stemming the tide of defections to government and for-profit businesses will require donors to accept that salaries in the industry must increase.
The charities already know that they have to provide market-rate wages and benefits to attract talented staffers who will stay committed to the cause. The fear is donors will shudder when they see overhead costs rise.
But for the industry to remain vital, some creep in costs will have to be accepted.
Columnist Shannon Buggs has completed the personal finance planning certificate program at the University of Houston. She invites questions and comments, but cannot offer specific advice about individual circumstances. Contact her at shannon.buggs@chron.com.

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