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Let's get
physical
HBJ unveils
Houston's Healthiest
Employers
SECTION 2



Top 5

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CHEMICAL ROMANCE



Breaking ground

Chevron Phillips CEO Pete Cella is concerned about finding workers for his company's \$6 billion investment in chemical expansions on the Gulf Coast, one of which started construction.

JORDAN BLUM, 12

Overcoming hurdles

Besides worker shortages, other issues such as regulations and permitting are casting shadows on the plethora of companies with chemical expansions in the Houston area.

MOLLY RYAN, 14

CENTERPIECE

HOME SWEET HOME

Once upon a time, prisoners worked the sugarcane plantations southwest of Houston. Eventually, the sugar industry transformed the sleepy community of Sugar Land into one of the fastest-growing areas of Houston, attracting Fortune 500 investment and so many residents it's running out of houses. And that has some wishing for the good old days. 18-21

ACQUISITION CORNER



Cooler maker bought

Katy-based cooler manufacturer Igloo Products has a new owner, but CEO Gary Kiedaisch will remain at the helm. 15

Food distributor changes hands

A 77-year-old, family-owned Houston food distributor was bought by a 117-year-old, family-owned Michigan food distributor. Got it? 4

Secret buyer forks over millions

Houston-based Apache found a buyer for some of its Canadian assets as it continues to focus on U.S. shale plays. 13



INVESTING

GUESS WHERE HOUSTON ANGELS ARE PUTTING THEIR MONEY? 14



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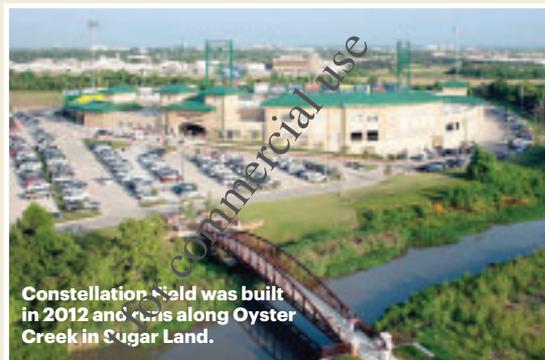
HoustonBusinessJournal.com/email

CENTERPIECE

SUGAR LAND OF OPP

Sweet for some, sour for others

What started as a sleepy community built around the sugar industry has morphed into a mecca of development and diversity

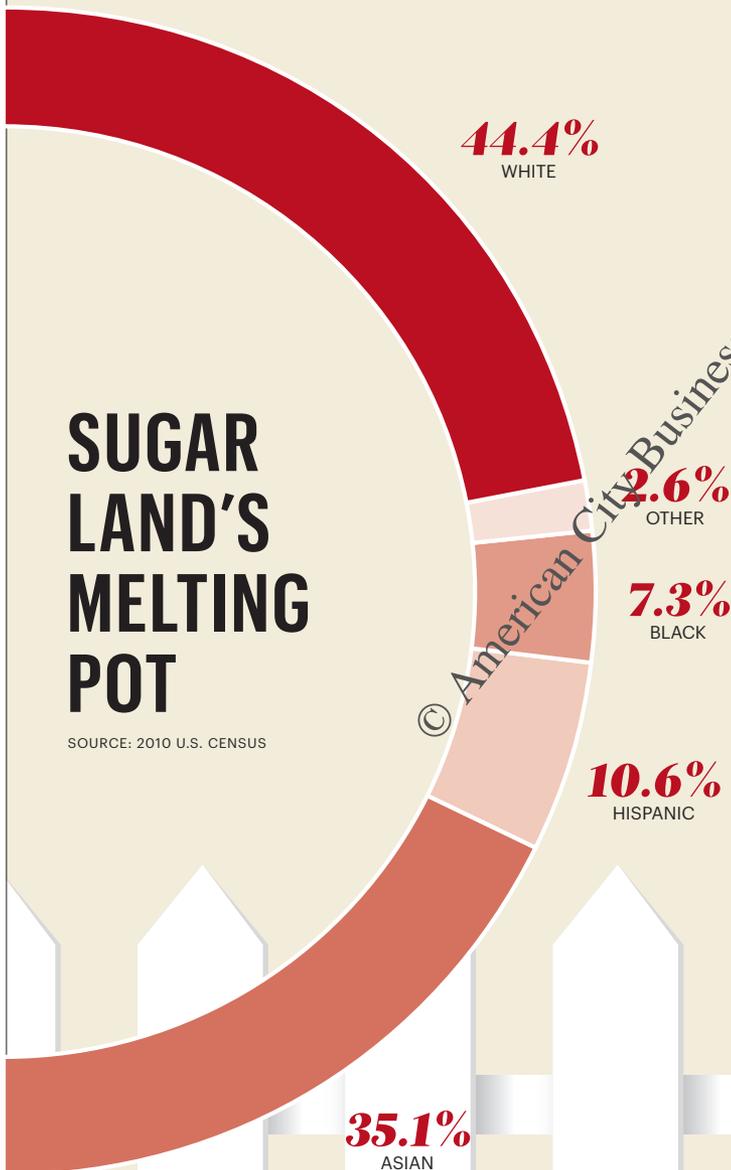


Constellation Field was built in 2012 and sits along Oyster Creek in Sugar Land.

COURTESY



There are plans for the former Imperial Sugar refinery, right, to be repurposed into either a hotel or office space.



BY JENNY ALDRIDGE
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The grass looks greener depending on what side of the picket fence you are standing on in Sugar Land. The once small town that built its name and heritage around the sugar industry is bustling with new development.

However, as is often the case, the change has inspired conflict, as some long-time residents have begun to defend their way of life, which some say favors a caste system of affluent neighbors. Others are welcoming the progress that brings with it new business, expanded services and increased home values.

Changing times

In recent years, Sugar Land has seen a flurry of new home construction and commercial real estate development.

The city implemented a new econom-

ic development department 10 years ago to draw new business to the area and, more recently, started hosting community forums to keep residents up-to-date on the city's progress.

Stephen Klineberg, co-director of the Kinder Institute for Urban Research at Rice University and a sociology professor, has witnessed backlash at the meetings from some long-time residents.

"There is some real resistance in the community against the changes that are unfolding. Sugar Land residents are especially concerned about all the multifamily housing being built. It goes against the sense of what Sugar Land was supposed to be," he said. "Change is tough. Especially for many of Sugar Land's older Anglos. This is not what they bought into."

Fort Bend County, where Sugar Land is located, is touted as one of the most ethnically diverse areas of the country. The county is closest in the U.S. to having an equal division among the nation's

ORTUNITY:



COURTESY



COURTESY

The top-selling master-planned community of Telfair was once the site of a men's prison.

four major ethnic communities – Asian, African American, Latino and Caucasian – with Asian being the fastest-growing there.

While some people would prefer to see neighbors whose faces reflect their own, Klineberg said, the real prejudice for some Sugar Land residents is about class, not race, due to the affordable housing being built.

“Get ready, Sugar Land. Change is coming,” Klineberg said.

The price of the sweet life

When Realtor Joan Berger of Heritage Texas Properties moved with her family to Sugar Land more than 30 years ago, about 4,000 people lived in the sleepy bedroom community, which was put on the map by its largest employer at the time, Imperial Sugar Co.

Today, Sugar Land is an entity all its own.

In the past 10 years, Sugar Land has received national kudos from a variety

► CLOSER LOOK

Sugar Land

Founded: 1959

2013-2014 budget: \$207.57 million

Property tax rate: \$0.30895

Mayor: James Thompson

Population: 84,511

Median age: 41.2

Median home price: \$234,000

School system: Fort Bend Independent School District

SOURCES: U.S. CENSUS BUREAU, CITY OF SUGAR LAND

of sources, ranging from the Anti-Defamation League, which recognized the city for “its ongoing commitment to foster an inclusive and respectful community,” to CNN Money, which has consistently ranked it as one of the best places to live. Last year, Sugar Land was named America’s 20th-safest city based on anal-

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Convict labor harvesting sugarcane in Sugar Land around 1900.

COURTESY SUGAR LAND HERITAGE FOUNDATION

THERE’S NO SUGAR IN SUGAR LAND

BY EMILY WILKINSON
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What is now a bustling business hot spot was kickstarted by a sugarcane plantation that found its workforce from the nearby state prison.

The plantation set the backbone for what would become Imperial Sugar Co., which harvested and refined local sugar and is the namesake of Sugar Land.

However, due to plant disease and high federal taxes, harvesting sugarcane became no longer feasible, and raw sugar was then imported for the refinery, according to the Sugar Land Heritage Foundation.

The company went through ownership changes throughout the years — going public and private — and filed for bankruptcy in 2001, but it emerged the same year amid downsizing plans.

The Imperial Sugar refinery, which had been in continual operation since the mid-1800s, closed in 2003, according to the Sugar Land Heritage Foundation. However, the company’s headquarters remain in Sugar Land even though its presence there has greatly diminished. Imperial Sugar had 78 local employees as of September 2013, according to the Fort Bend Economic Development Council.

The company operates refineries in Savannah, Ga., and Gramercy, La., and is one of the largest processors, packagers and marketers of sugar in the U.S.

Preserving the past

Iconic buildings that were once part of Imperial Sugar’s operations are being preserved and repurposed as part of Imperial Sugar Land, a 720-acre mixed-use development. North Carolina-based Cherokee Investment and the State of Texas General Land Office own the land, which includes Constellation Field, home of the Sugar Land Skeeters, a minor league baseball team. In 2012, a private-public partnership built the

\$848M

Imperial Sugar’s revenue in 2011, its last year as a public company, which made it the 80th-largest public company in the Houston area

1843

Year Imperial Sugar Co. was officially founded

1928

Year the last sugarcane crop was harvested in Sugar Land

\$80M

Price the Netherlands-based food processor Louis Dreyfus Commodities LLC paid for Imperial Sugar in 2012

\$36 million stadium that can seat up to 10,000, doubles as a concert and event venue and was a major catalyst in revitalizing the area.

Other repurposing plans include the Fort Bend Children’s Discovery Center, which will occupy one floor of the former 20,000-square-foot container warehouse, which housed Imperial Sugar’s packaging equipment. The center, a project of the Children’s Museum of Houston, met its \$3.65 million fundraising goal in December and will open in May 2015.

Longer-term plans include repurposing the former Imperial Sugar refinery — or Char House — into either a boutique hotel or office space.

As for housing, Johnson Development Corp. said construction has started on the first 116 patio homes in the community — priced from \$300,000 to the mid-\$700,000s — and construction on 27 townhomes will start in about four weeks. Other lofts and multifamily units are also planned.

In addition, Houston-based Johnson Development has teamed up with Dallas-based KDC to market and develop 55 acres in the development for Class A office space.

CENTERPIECE

“Change is tough. Especially for many of Sugar Land’s older Anglos. This is not what they bought into.”

STEPHEN KLINEBERG, Kinder Institute for Urban Research



“Where are our teachers, firefighters and other professionals who work in the community, but don’t make \$100,000, supposed to live? People are oversensitive to the multifamily thing.”

TOM WILCOX, retired Sugar Land developer



CONTINUED FROM PAGE 19

ysis of FBI statistics.

“It’s evolved in a good way. The mayor and city council listen to what members of the community have to say about development. They’re very proactive,” said Berger, who’s a member of the city’s planning and zoning committee.

Depending on the neighborhood, houses range in price from \$100,000 into the multimillion-dollar scope. In 2012, the median price for a home was \$238,000, according to the Houston Association of Realtors.

“People coming here will find a variety of different living options. We have everything from apartments and town houses to the big ‘gazambahouses.’ It’s a good place to buy a home. We have a great school system and easy access to (Highways) 6 and 59,” Berger said.

Among the lures of the area are expansive properties which have a feel

of being in the country – for the right price.

Cindy Burns of Martha Turner Sotheby’s International Realty is currently selling the Sugar Land home of retired Houston Astros pitcher Shane Reynolds. The 8,543-square-foot estate is listed for \$4.75 million.

Indeed, there was a 55.3 percent increase in 2013 year over year in Fort Bend County for homes with a price tag of \$1 million and more, according to HAR – much higher than in Harris and Montgomery counties.

That isn’t slowing residential development though.

Planned developments abound in Sugar Land and are quickly selling out. Riverstone and Aliana ranked in the top 20 of top-selling master-planned communities in the country, according to research compiled in 2013 by John Burns Real Estate Consulting. And other master-planned communities in the city, such as Telfair, a more than 2,000-acre development, are low on lot inventory.

While most residents are pleased with new single-family developments, a source of discontent for some is a boom in multifamily housing.

Long-time Sugar Land resident Tom Wilcox, a retired developer with the Johnson Development Corp., said more multifamily housing is necessary for the area to grow.

Two years ago, when he was president of the Riverstone Homeowners Association, Wilcox said many of his neighbors fretted over two new apartment complexes set for construction in their neighborhood, which would have accounted for about 10 percent of the residents there. This frustrated Wilcox.

“Where are our teachers, firefighters and other professionals who work in the community, but don’t make \$100,000, supposed to live?” Wilcox asked. “People are oversensitive to the multifamily thing.”

Multifamily housing in Sugar Land is very regulated, and the six to seven complexes in the city continue to be occupied and well maintained, Wilcox said.

“Some people just want to look out and see cows grazing,” said Wilcox. “But guess what? Those people are living in houses where the cows used to be.”

SUGAR LAND’S 10 LARGEST EMPLOYERS

Antonio Gallafassi, president of Tramontina USA, a Brazilian company that manufactures high-end, nonstick cookware, chose to relocate his offices from Houston to Sugar Land in 1998 because of the area’s small-town feel and customer service.

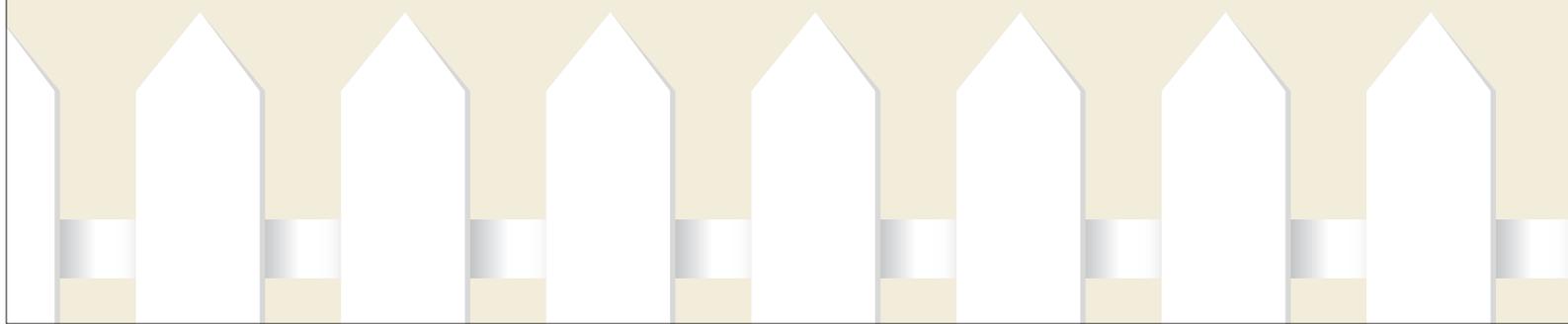
“No matter what we needed, the city was there, even visiting us in our office,” he said. “That never happened when we were in Houston.”

The fact that the city has its own private airport is also a draw for new businesses, said Regina Morales, Sugar Land’s director of economic development. Her office is exploring the possibility of building a Tier 2 convention center to accommodate conferences that are too small for Houston’s George R. Brown Convention Center. The project was included on a 2007 list of destination attractions community leaders said they would like to see built in Sugar Land.

– Jenny Aldridge

Rank	Company/address	Employees	What it does
1	Fluor Enterprises Inc. One Fluor Daniel Drive	2,800	Engineering, procurement and construction
2	Fort Bend ISD 16431 Lexington Blvd.	2,580	Education
3	Schlumberger Ltd. 225 Schlumberger Drive	2,200	Oilfield services and technology
4	Methodist Sugar Land Hospital 16655 Southwest Freeway	1,700	Full-service health care
5	Nalco Champion 7701 U.S. Highway 90A	850	Petrochemicals
6	UnitedHealthcare/UnitedHealth Group 14141 Southwest Freeway	800	Health benefits
7	City of Sugar Land 2700 Town Center Blvd. N.	676	Local government
8	Tramontina USA Inc. 12900 W. Airport Blvd.	500	Manufactures cookware
9	Noble Drilling Services Inc. 13135 Dairy Ashford Road	480	Offshore drilling
10	Memorial Hermann Sugar Land 17500 W. Grand Parkway S.	450	Full-service health care

SOURCE: SUGAR LAND ECONOMIC DEVELOPMENT



CENTERPIECE

PROJECTS TO WATCH

Forbes named Fort Bend County as the fifth fastest-growing county in the U.S. last year, noting that corporations are moving to livable centers that feature a high quality of life. Indeed, major companies have expansions or new developments planned in the Sugar Land area. And as the population continues to grow in Sugar Land, so does the medical community that serves it. Two of Sugar Land's largest employers — Houston Methodist Sugar Land Hospital and Memorial Hermann Sugar Land — both have major projects in the works. — Emily Wilkinson



TEXAS INSTRUMENTS CAMPUS

Dallas-based Texas Instruments Inc. (Nasdaq: TXN) broke ground in April 2013 on its business and development center on 7.4 acres at the northeast corner of U.S. Highway 59 and University Boulevard. The 160,000-square-foot building has space for an additional 40,000-square-foot expansion. The company will relocate about 400 employees to the \$35 million building when it is finished this spring. Texas Instruments' new campus in Sugar Land was designed by Houston-based Powers Brown Architecture and is being built by Sugar Land-based E.E. Reed Construction LP.



MEMORIAL HERMANN SUGAR LAND NEW TOWER

Memorial Hermann Sugar Land Hospital will break ground May 14 on its \$93 million, six-story, 120,000-square-foot patient tower that will increase the hospital's bed count to 141. Omaha, Neb.-based HDR Inc. is the architect and a general contractor has not been selected yet.

"The growth of Fort Bend County is projected to grow another 10 percent over the next five years. It makes sense to do it now and continue to invest here, where we have a great presence," said Greg Harrison, CEO of the hospital.



SUGAR LAND PERFORMING ARTS CENTER

The \$67 million, 6,400-seat center will sit on roughly 40 acres of city-owned property in the Telfair commercial district, southeast of Highway 59 and University Boulevard. The project is scheduled to go out for bid in the fall and will take about two years to complete.

FLUOR CAMPUS

Fluor Enterprises Inc., a subsidiary of Irving-based Fluor Corp. (NYSE: FLR), has purchased 50 acres at the southeast corner of Highway 59 and University Boulevard for future development. The company — Sugar Land's largest employer — inked an incentive deal with the city and committed \$165 million in capital investment. Plans — which are in the very early stages — call for an up to 1 million-square-foot campus close to Fluor's current facilities, where it will relocate from when its lease expires in mid-2021.



NALCO CHAMPION CAMPUS

Nalco Champion, a company formed out of the merger of Houston's Nalco Co. and Champion Technologies Inc., will build a 133,000-square-foot headquarters on 18.5 acres next to its existing Sugar Land facility. The building, designed by Powers Brown, will accommodate 1,000 Nalco Champion employees, some of whom will relocate to the facility from other Houston and Fresno sites. Nalco Champion also plans to renovate its existing 45,000-square-foot Sugar Land office next to the new headquarters building. This existing facility will expand its research, development and engineering lab facilities. Nalco Champion, Sugar Land's fifth largest employer, expects to complete the new headquarters building in late 2015 but has not started construction or selected a general contractor yet.



HOUSTON METHODIST SUGAR LAND HOSPITAL EXPANSION

Plans are underway at Houston Methodist Sugar Land Hospital for five major projects that will cost around \$131 million.

The largest project is a new six-story patient tower, which will increase the hospital's bed count to 339. The tower will break ground this summer and is expected to open in the first quarter of 2016.

Methodist is also building a facility to house its orthopedics and sports medicine physicians. The practice, currently located at Highway 6 and Brooks Street, will move to a 60,000-square-foot building on the corner of Highway 59 and Sweetwater Boulevard. It will break ground in the second quarter and be complete in the first quarter of 2015.

90 ACRES UP FOR GRABS

Newland Communities, the developer of the master-planned community of Telfair in Sugar Land, is selling about 90 acres of commercial real estate at the intersection of Highway 59 and University Boulevard. The property represents the last prime freeway-fronting property in Sugar Land, according to Colliers International, the firm representing Newland in the sale.

The firm has already received hundreds of inquiries on the property, said Kolbe Curtice with Colliers.

"This is the highest demand I have seen on a deal in over 30 years," he said.

GROCERY WARS

Fiesta Market Place will close in Sugar Land on April 20 after less than a year of operation due to poor sales. Sugar Land has more grocers per capita than any other Houston suburb, according to Jazz Hamilton, vice president of retail brokerage at CBRE Group Inc.

"Within the last year, Kroger closed its location at Williams Trace and Highway 6. Not surprisingly, the niche grocers are also feeling the hit," Hamilton said.

Fiesta Market Place is the first of its kind for Houston-based Fiesta Mart Inc. and includes the first Caribou Coffee coffee house in Texas and a Red Mango frozen yogurt shop. Fiesta is owned by Houston-based Grocers Supply Co.