



## Real Estate

The Central City Industrial Park has been sold to Pelec Central City.

**SHARÓN STEINMANN:** CHRONICLE



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DEAL OF THE WEEK

# Baker Hughes parts with industrial park

**By KATHERINE FESER**

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Baker Hughes Oilfield Operations has sold its massive Central City Industrial Park redevelopment on 75 acres in the shadow of downtown.

Pelec Central City purchased the property, consisting of 18 buildings at 5301 Polk St. near Wayside.

The industrial park was once home to the Hughes Tool drilling bit manufacturing plant started by Howard Hughes Sr., the father of the reclusive millionaire, in the 1920s. It came into the Baker Hughes fold when it merged with Baker International in 1987.

The property was redeveloped as an industrial park after the Hughes Christensen subsidiary moved to The Woodlands in 1993.

The Boyd Commercial team of R. Conrad Bernard represented Baker Hughes while Dan Zoch represented the buyer, a local partnership with John Frantz and John Pogue as principals.

"Baker Hughes' primary objective in that renovation was to be a good neighbor to the east side of town," Bernard said. "Rather than shutter the plants, Baker Hughes spent millions of dollars tearing down nonfunctional buildings and renovating buildings to lease out to third parties."

Located about three miles east of downtown, the complex contains 1 million square feet of manufacturing and distribution space and is 82 percent leased. Among its 13 tenants are Grant Prideco, HAJOCA Corp., Pilgrim's Pride, Baker Oil Tools, Reed-Young Co. and Suddath Relocation Systems. The state of Texas owns a 245,000-square-foot office facility in the industrial park. About 2,500 people work in the park.

"Central City kind of sparked some of the revitalization throughout the East End," said Ralph Crabtree, director of real estate for Baker Hughes.

Examples of improvements that followed include the redevelopment of Gulfgate Mall and the emergence of the Greater East End Management District to promote economic development.

"Central City is a value-added investment for Pelec and offers endless opportunities for

redevelopment, including industrial, retail and residential uses," Zoch said.

Pelec plans to continue operating the industrial park.

"Our feeling is that the Port of Houston is kind of the heartbeat of Houston, Texas, and we wanted to be a part of that," Pogue said.

Terms of the sale were not disclosed. The asking price was about \$12.5 million. Financing was arranged by Rob LaRue of Live Oak Capital through Legg Mason Real Estate Investors.

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