

Pasadena Finally Digs into Incentive Cooffers

For the first time since a half-cent sales tax for economic development became effective 10 years ago, Pasadena has used the money to convince a company to move into its city limits.

Pasadena Second Century Corp., which handles the City of Pasadena's earmarked money, lured PinnacleAIS LLC to town with \$260,000 in incentive money. And in doing so, Pasadena beat out similar incentive offers made by League City, Friendswood and Pearland, where PinnacleAIS is currently located.

Formed in 2006, the fast-growing engineering company provides services and technology to the petrochemical industry.

Ryan Sitton, president and CEO of PinnacleAIS, says Pasadena was selected so the firm could be close to its customer base of refineries. But he says heavy recruitment by Pasadena officials helped seal the relocation deal. Sitton says he worked with the mayor, a couple of city council members and various department heads during the process.

"They really reached out to us," Sitton says. "They've really engaged us."

PinnacleAIS acquired 18 acres in Pasadena more than a year ago for a possible development. The site is located between Allen-Genoa Road and Strawberry, and is bisected by Hernandez Road. Pasadena City Council voted this week to abandon Hernandez so all of PinnacleAIS' property would be contiguous.

Paul Davis, Pasadena's economic development manager, says Pasadena Second Century will pay \$36,000 to the city to close the little-used street and convey ownership to PinnacleAIS. The economic development entity is also paying the city to bury the utility line along Hernandez and to extend a sewer line by 1,000 feet, bringing the total incentive package to \$260,000.

"We did up-front things that will save them a lot of cash out-of-pocket," Davis says.

As a result of the financial commitments, PinnacleAIS plans to break ground in early 2010 on a nearly 9,000-square-foot office building valued at \$1.2 million.

The company will move its roughly 30 employees who work in leased space in Pearland into the new site around midyear. Approximately 20 PinnacleAIS employees also work in Corpus Christi.

Sitton expects to add 20 to 40 employees to the payroll during 2010.

"We're constantly growing," he says.

Staying Active

PinnacleAIS plans the sort of corporate campus that Sitton says will appeal to people who have graduated from college in the last 10 to 15 years. He says many of those people don't want to commute to a skyscraper in downtown Houston but instead want to see green space when they look out the window. They may also want to be able to go outside during lunch and jog, ride their bike, play volleyball or play softball with co-workers, says Sitton, who plans to add those amenities to the campus within a year.

Davis says the suburban office concept, and the high-caliber employees it will attract, are what prompted Pasadena to offer its first economic incentive.

Until now, the city has used those funds to fix streets, curbs, gutters and sidewalks. Future money will be used to pay for urban street designs and esplanade landscaping. And Davis says he's trying to keep an undisclosed Japanese chemical company rooted in the Pasadena area.

Says Davis: "We will always try to recruit new jobs and new appraised values."