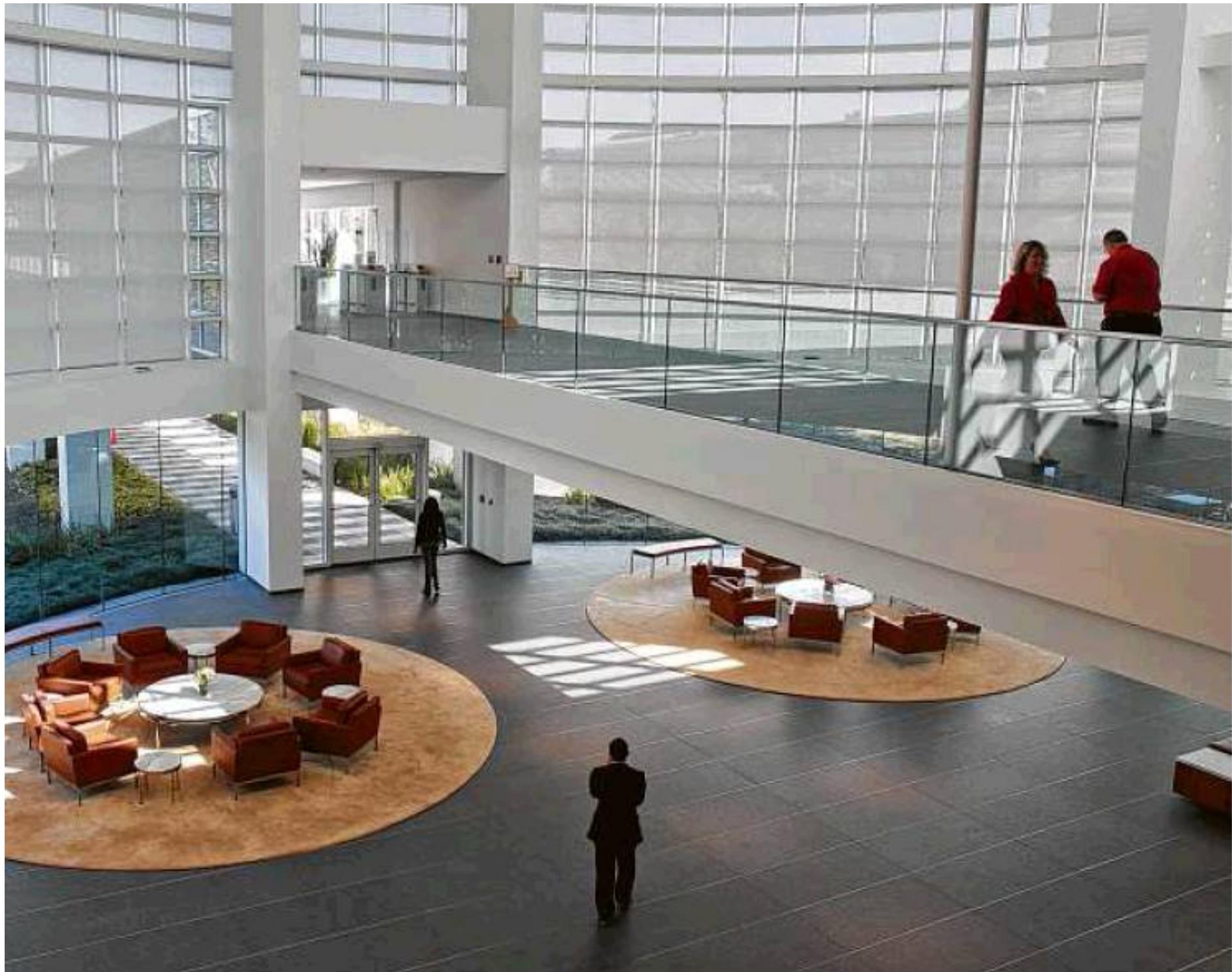


REAL ESTATE

Going from campus to tower

ConocoPhillips moving nearby to 22-story Energy Corridor building

BY NANCY SARNOFF



Gary Fountain

ConocoPhillips plans to relocate 1,500 employees from its current headquarters just north of Interstate 10 at Dairy Ashford into a new building south of the freeway.



Conoco-Phillips' Energy Center Four is a recently completed tower off Interstate 10 at North Eldridge Parkway.

Nancy Sarnoff / Houston Chronicle

ConocoPhillips said Tuesday that it will leave its sprawling campus in the Energy Corridor for a new skyscraper nearby that the oil giant has been trying to sublease since earlier this year.

The Houston-based company plans to relocate the approximately 1,500 employees from its current headquarters just north of Interstate 10 at Dairy Ashford into the new building south of the freeway.

The move, planned for mid-2018, raises questions about what will happen to ConocoPhillips' 1980s-era office campus, a collection of low-rise buildings on 62 acres along the Addicks Reservoir. The company said it is still assessing its options for the property.

“I’m excited about the prospect of having all our Houston-based employees near each other and in modern, cost-effective buildings,” ConocoPhillips CEO Ryan Lance wrote in an email to employees Tuesday.

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The company’s new headquarters will be in Energy Center Four, a recently completed tower off I-10 at North Eldridge Parkway. ConocoPhillips already occupies an adjacent building, Energy Center Three, which houses employees from its Lower 48 business unit.

In 2013, before the price of oil collapsed, ConocoPhillips signed a lease for the 22-story Energy Center Four but later decided it didn’t need the space and hired a real estate brokerage to put it on the sublease market.

The two buildings, which are connected by a sky bridge, comprise 1.15 million square feet of office space.

“This decision only impacts our Houston-area workforce, but it’s part of our collective efforts to build a new future,” Lance said in his note.

Clark Martinson, executive director of the Energy Corridor District, said it also benefits an area whose office market has perhaps suffered the most from the oil price collapse.

“It takes 600,000 square feet off the market,” he said. “That’s huge.”

Martinson also noted that Shell recently vacated older space in the area in favor of new digs with all the bells and whistles of a modern workspace.

“The tower design is the one that is the favored building type for modern efficiencies,” he said.

Even though ConocoPhillips will leave behind a 1.4 million-square-foot campus, the property could ultimately be revamped or rebuilt as a mixed-

use complex or something other than an office complex.

Today, the “highest and best use” for the property is likely a redevelopment, said Dan Boyles Jr., a partner with commercial real estate firm NAI Partners.

Boyles said ConocoPhillips likely made a prudent financial decision to relocate instead of renovate an older facility.

When the campus opened in the mid-1980s, it was a shining example of the suburban corporate outpost.

In 1989, the Rice University architecture journal *Cite* published a feature on the property, highlighting the low-slung design of its three-story pavilions connected by bridges above ponds and grassy areas.

“Although Conoco closely borders the Katy Freeway, it would be easy to drive by and only barely notice the 16 buildings that make up the complex,” the author wrote.

The property at 600 N. Dairy Ashford was built to house thousands more employees. Several years ago, ConocoPhillips spun off refiner Phillips 66. Those employees recently relocated into a 1.1 million-square-foot campus in Westchase.

Connecticut-based Kevin Roche, John Dinkeloo and Associates designed the original campus. nancy.sarnoff@chron.com twitter.com/nsarnoff