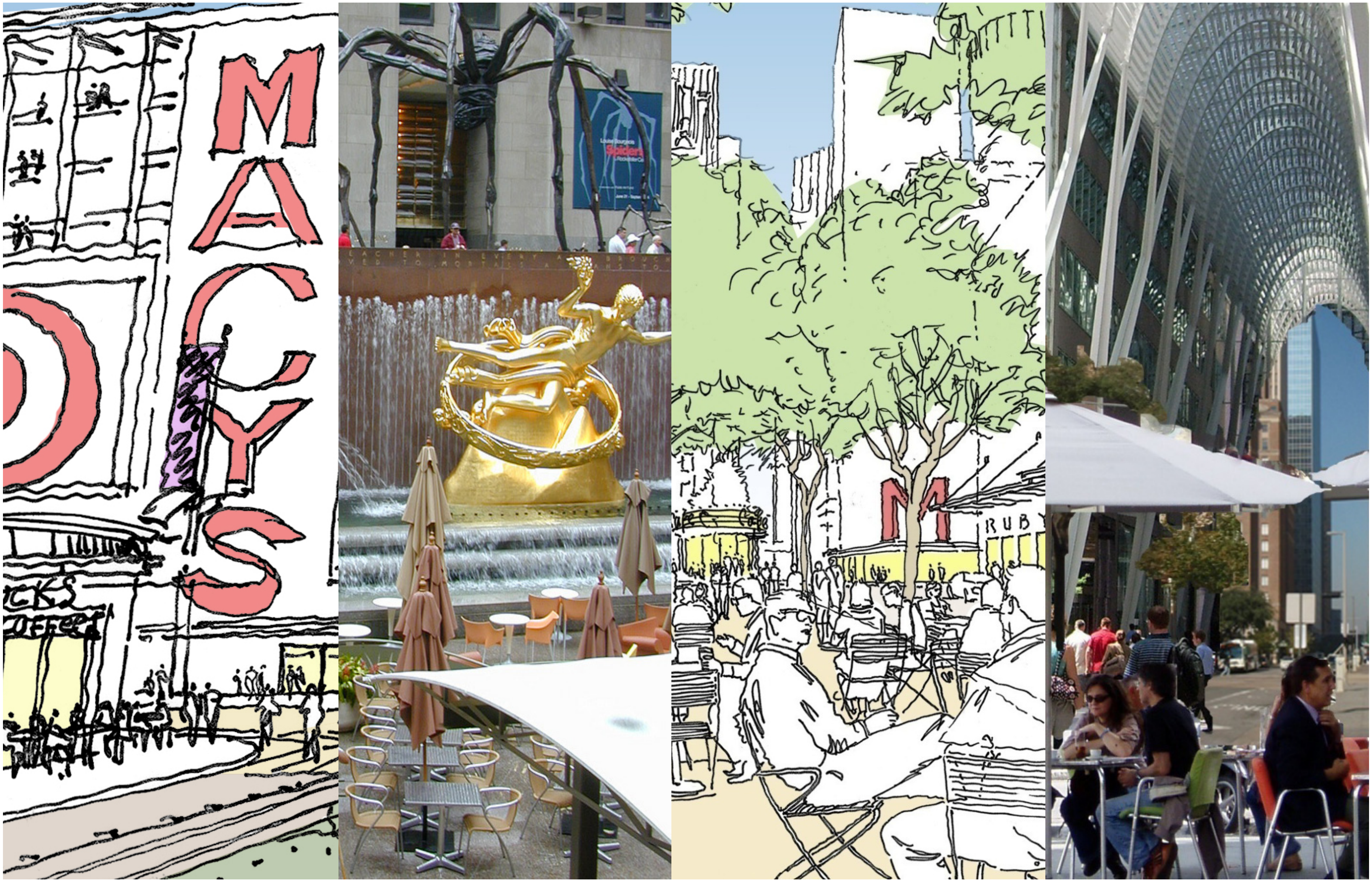
Houston Downtown Mixed-Use Retail Core

Prepared for Houston Downtown Management District

October 2011



The Fransen Company STANTEC|CommArts

AECOM

Main Street (Looking North)

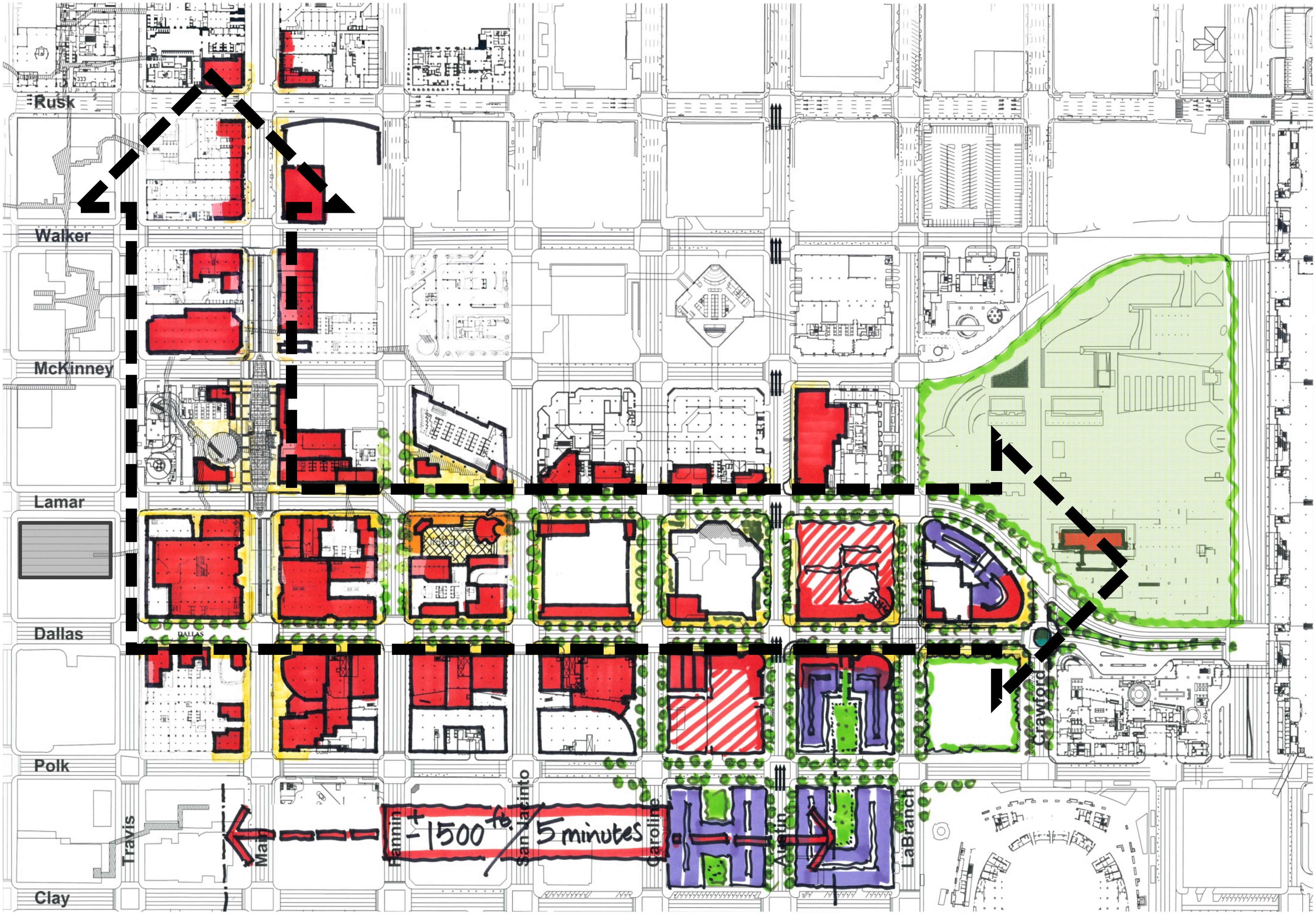
Executive Summary: A New Vision

We envision downtown Houston with a world-class retail and entertainment district worthy of this great city. This report advances a shared vision developed between stakeholders, the Houston Downtown Management District and the consultant team of AECOM, The Fransen Company, and Stantec|CommArts. The study area focuses on six blocks of Main Street, plus the key cross-streets of Lamar and Dallas. The proposed shopping/retail and entertainment district leverages current significant visitorship of the Sports and Convention venues on the east side of downtown. The study anticipates a robust array of shopping, entertainment and dining options. We foresee a revitalized and vibrant 24/7 district that will serve an emerging and vital downtown residential population. Gracious streetscapes, outdoor dining and a compelling "shopping district" brand are primary aspects needed to fulfill the vision. Over time, strategic implementation at a variety of scales with numerous stakeholders will require carefully orchestrated plans and an agreed upon roadmap. Our short- and long-term recommendations are both detailed and broad. Our immediate and far-reaching concepts paint a picture of a future retail "place" worthy of the world-class corporate downtown for which Houston is known.

Our plan calls for building on the strength of what already exists. It focuses on retaining Macy's department store in the historic Foley's building and the careful, targeted repositioning of storefronts along Main, Lamar and Dallas Streets. Main Street will require a surgical intervention of active ground floor uses in the existing buildings. A core of sidewalk cafes and activities will revitalize and energize Main Street Square. Lamar Street will provide convenience retail and support retail as well as a strong and cohesive approach to the development of the public realm by way of gracious sidewalks, active ground floor uses, storefronts and a robust signage program, not to mention the added possibility of a new signature public "place." Dallas Street will be the focus of the Shopping District anchored at one end by Macy's and Main Street and at the other end by new retail, entertainment and residential uses. District improvements will be incremental, focused and success-oriented. We want to provide a clear path forward, never providing an excess of space and risking vacant storefronts.

The underlying principles of the plan address four themes that will strategically position downtown Houston as a successful Shopping District. These are

- Connectivity
- "Friendly" Programs, Plans and Policies
- The Quick Win
- A Big Idea



Summary Concept Plan showing Proposed Retail at Ground Level (red)

The following plan for the **Houston Downtown Mixed-Use Retail Core** promotes the revitalization of the existing retail core and seeks to elevate this Shopping District to world-class status. The plan aims to accomplish this goal with incremental changes for short-term opportunities, mid-term opportunities and a long-range vision. The recommendations for urban design and retail development are comprehensive and have key initiatives that address the public realm with emphasis on the pedestrian environment, parking and mobility and strategic building interventions.

The plan acknowledges the importance of and builds on the existing retail establishments within the core. These include Macy's, Houston Pavilions and The Shops at Houston Center, as well as the existing restaurants and retail within the tunnel system. Houston Downtown Management District (HDMD) must also take advantage of the surrounding districts and venues to strengthen and develop the retail core as a Destination Place – a vibrant mixed-use downtown where Houstonians and visitors can shop, eat and play.

Conceptual Urban Design Recommendations

The Plan emphasizes that pedestrians are priority when planning the public realm. Pedestrian connectivity is a design principle vital for successful retail environments. The recommended streetscape improvements along Dallas Street will create a lively and energetic street scene. Environmental branding and identity will further enhance and communicate downtown as a vibrant and exciting place.

Parking and mobility are also integral components in generating a world-class retail core. The plan recommends broad and specific initiatives that would ease, not hinder, both parking and mobility to increase visitorship to the area. Some of these ideas include shared office parking during off-peak hours with entertainment and retail uses, improving the Crawford and Dallas intersection as a gateway, and reevaluating the one-way street system and bus circulation, among others.

Lastly, strategic building interventions are recommended with the goal of refreshing and invigorating the vitality of the retail environment with strong anchors and continuous retail storefronts, especially along Main Street. A few of these recommendations include re-visioning Macy's in the historic Foley's building, Sakowitz building ground floor space and the Convenience Mart at the prominent corner of Main and Lamar.

The Recommended Plan

The phasing plans illustrated in this section identify both immediate and long-term development opportunities. The success of the retail core will depend on Connectivity, effectively joining this district to the following surrounding areas: the sports and convention venues to the east, the corporate work places to the west and north and the tunnel infrastructure. This Connectivity along with integrated transit and parking solutions will help increase visitorship and create demand for a thriving retail center. A Big Idea for the Downtown Mixed-Use Retail Core will help establish and solidify a brand for the retail core. Whether or not it is an iconic built structure, A Big Idea will create the epicenter for a dynamic environment while emphasizing quality of place. To give a positive first impression to all visitors to the area, we recommend interventions enabled by "Friendly" Programs, Plans and Policies. These emphasize a pedestrian-friendly, transit-friendly and parking-friendly environment. The Quick Win proposes that the first intervention be a manageable accomplishment that would be seen as a first triumph encouraging subsequent initiatives to follow.

Implementation and Phasing of
The Recommended Plan

Phase 1: Macy's and the historic Foley's building
Phase 2: Historic Sakowitz building and The 100% Intersection of Main and Dallas Streets
Phase 3: Main Street
Phase 4: Lamar Street
Phase 5: Dallas Street
Phase 6: Mixed-Use Residential Neighborhood

Phase 1. Macy's and the historic Foley's building should be repositioned as a state-of-the-art, mixed-use building. Additional uses in the basement and the upper levels may include creative office space, a hotel or a basement retail anchor. Macy's and the historic Foley's building are addressed in this report; see Appendix A for the Foley's building Structural Feasibility Study.

Phase 2. The historic Sakowitz building is currently used as a parking garage. The plan envisions the ground floor as retail space with the upper floors remaining as parking.

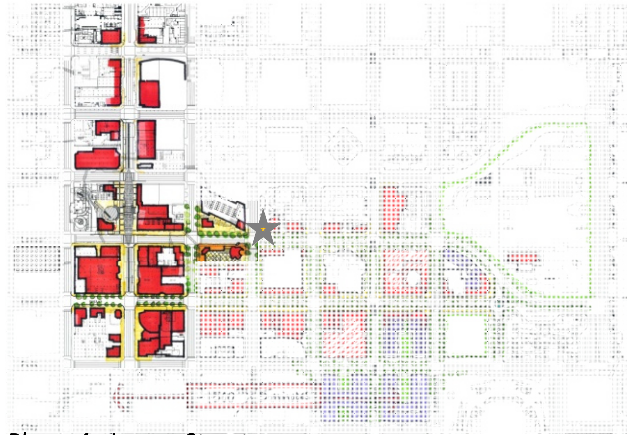
The 100% Intersection, the four corners of Main and Dallas Streets, and the Dallas streetscape are the second phase of establishing Main and Dallas as the most prominent intersection of the retail core. Creating retail frontage directly at the intersection and improving the streetscape will work in tandem to create a lively pedestrian-first public realm.

Phase 3. This phase fills in the gaps on Main Street with compatible uses for a cohesive retail environment. The plan calls for surgical interventions incorporating active retail ground floors with a core of sidewalk cafes and activities at Main Street Square.

Phase 1: Macy's and the historic Foley's building

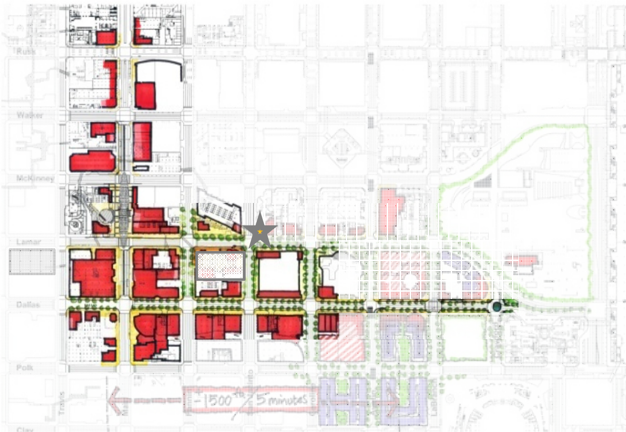
Phase 2: Historic Sakowitz building and The 100% Intersection of Main and Dallas Streets

Phase 3: Main Street



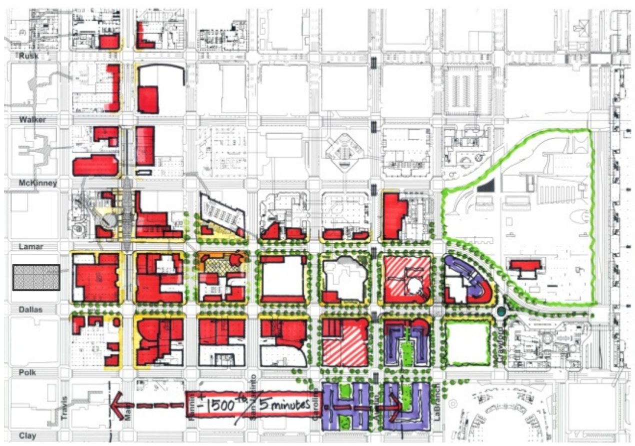
Phase 4: Lamar Street

Phase 4. Lamar Street will provide convenience retail and support retail for the district as well as strong development of the public realm with gracious sidewalks, open space opportunities and a robust signage program.



Phase 5: Dallas Street

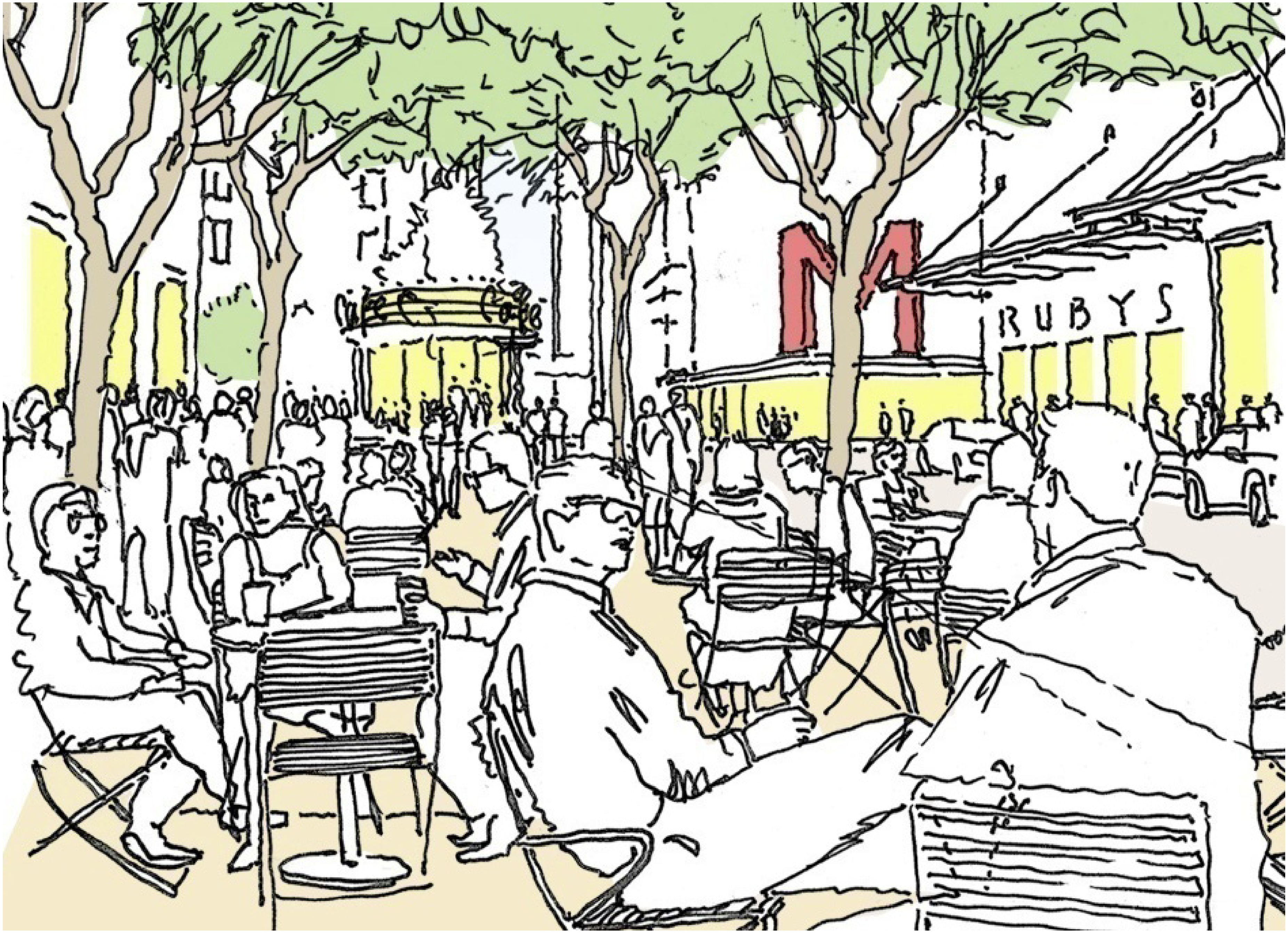
Phase 5. Dallas Street will be the focus of the Shopping District anchored by Macy's on the west end and new retail, entertainment and residential developments on the east end.



Phase 6: Mixed-Use Residential Neighborhood

Phase 6. The new mixed-use residential neighborhood developments are part of the long-range vision. The increased residential base will be integral for a successful and self-sustaining Shopping District.

Dallas Street – Proposed new iconic Fountain/Element at the intersection of Dallas and Crawford (Looking West)



Proposed Widened Sidewalk with Cafe Dining on Dallas Street
(Looking West toward Main Street)

Table of Contents

Executive Summary	i
Introduction	1
Our Approach	6
Conceptual Urban Design Recommendations	8
Proposed Retail Plan	11
Parking and Mobility	14
Environmental Branding and Identity – Stantec|CommArts	16
The Recommended Plan	18
Macy's and the Historic Foley's Building	19
The Historic Sakowitz Building and The 100% Intersection of Main and Dallas Streets	22
Main Street	25
Lamar Street	29
Dallas Street	34
A Big Idea – Galleria	43
Mixed-Use Residential Neighborhood	45

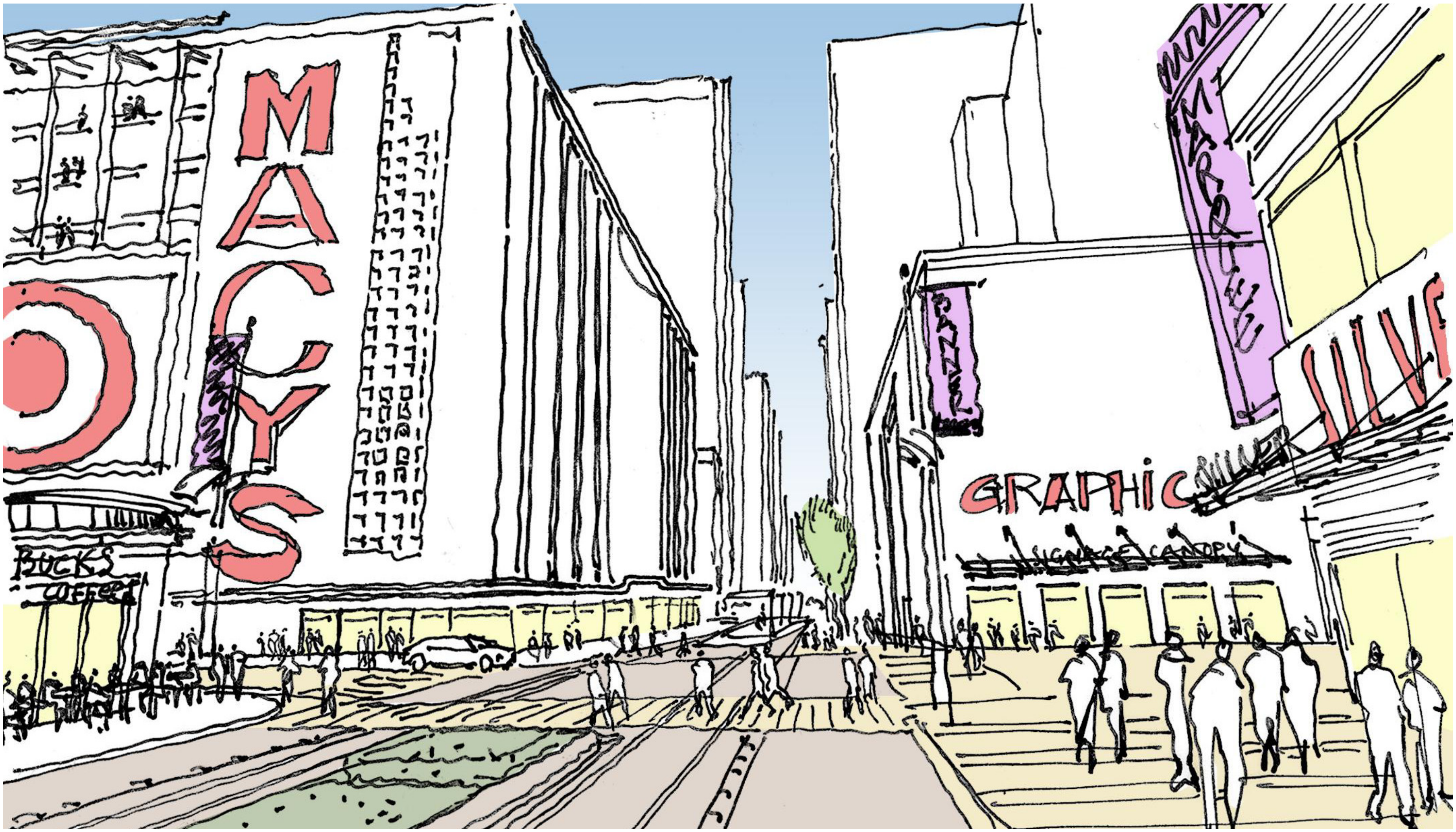
Appendix:

A. Foley's Building Structural Feasibility Study – AECOM	52
B. Environmental Branding and Identity Images – Stantec|CommArts	62
C. Demographic Comparative Analysis – Solheim Research	71

Introduction

Shop Downtown Houston – experience the best!

The following is a summary of our conceptual urban design thoughts and recommendations to promote the revitalization and retail specific goals of the "Houston Downtown Development Framework," including the identification of immediate opportunities and challenges in the designated Shopping District. Our recommendations fall into three categories: actions for the short term, mid-term plans and a long-range vision.



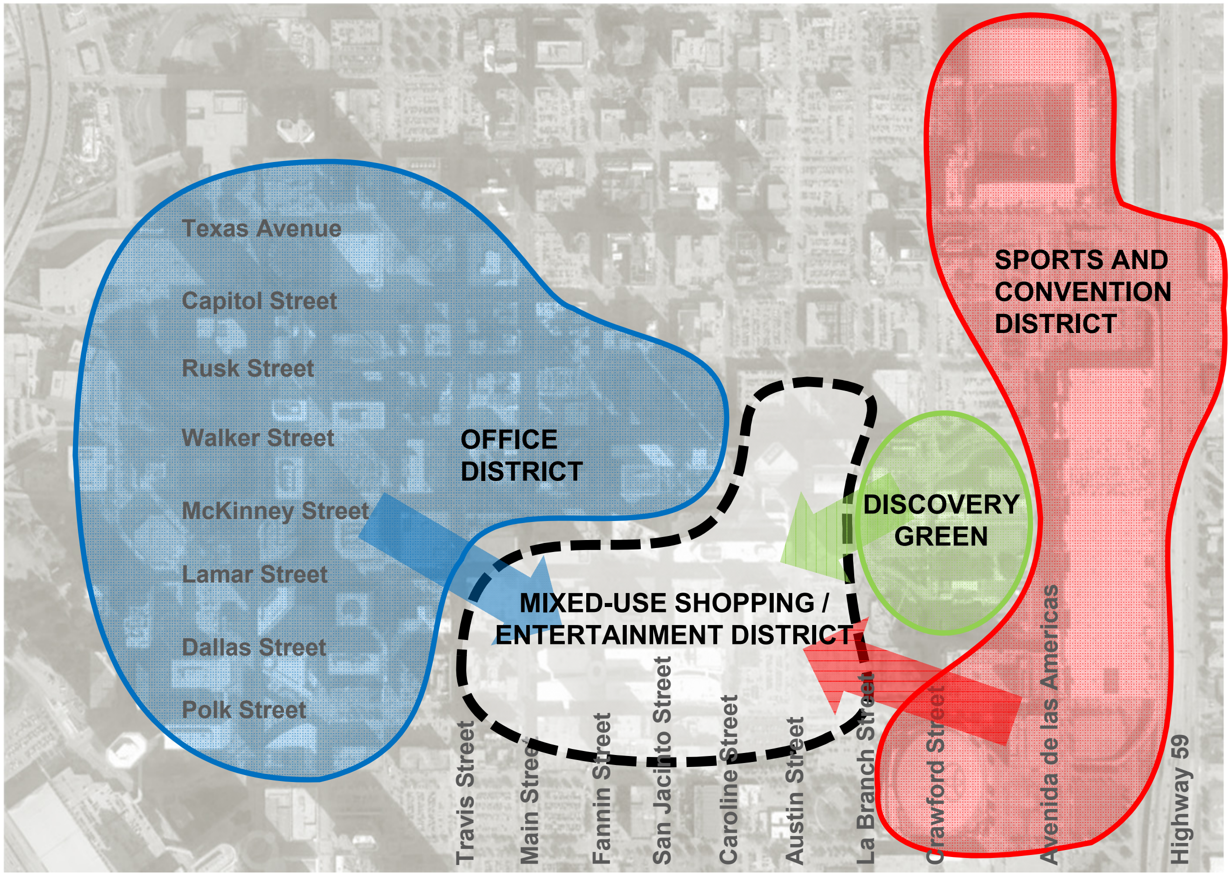
The underlying principles of the plan address four themes that will strategically position downtown Houston as a successful Shopping District. These are

- Connectivity
- “Friendly” Programs, Plans and Policies
- The Quick Win
- A Big Idea

Connectivity

Downtown is surrounded by success, particularly to the east where new residential, sports, convention, entertainment and public space developments have made this sector of the city an indispensable asset – one with which HDMD should more strongly connect. Plans and strategies that improve synergy between the Shopping District and the Sports and Convention District are commanding strategies – the result of which may increase both vehicular and pedestrian traffic in the Shopping District. Transit and parking must play a role in this as well, being mindful of the importance of automobiles as they are still a dominant form of transit for customers and visitors in downtown.

Connectivity also applies to connecting those who inhabit the tunnels and skybridges. Their animation, energy and potential spending are indispensable to creating a lively, vital and successful public realm. An improvement in setting is capable of attracting new customers as well as compelling new merchants to move downtown. A Big Idea can also play a role in this.

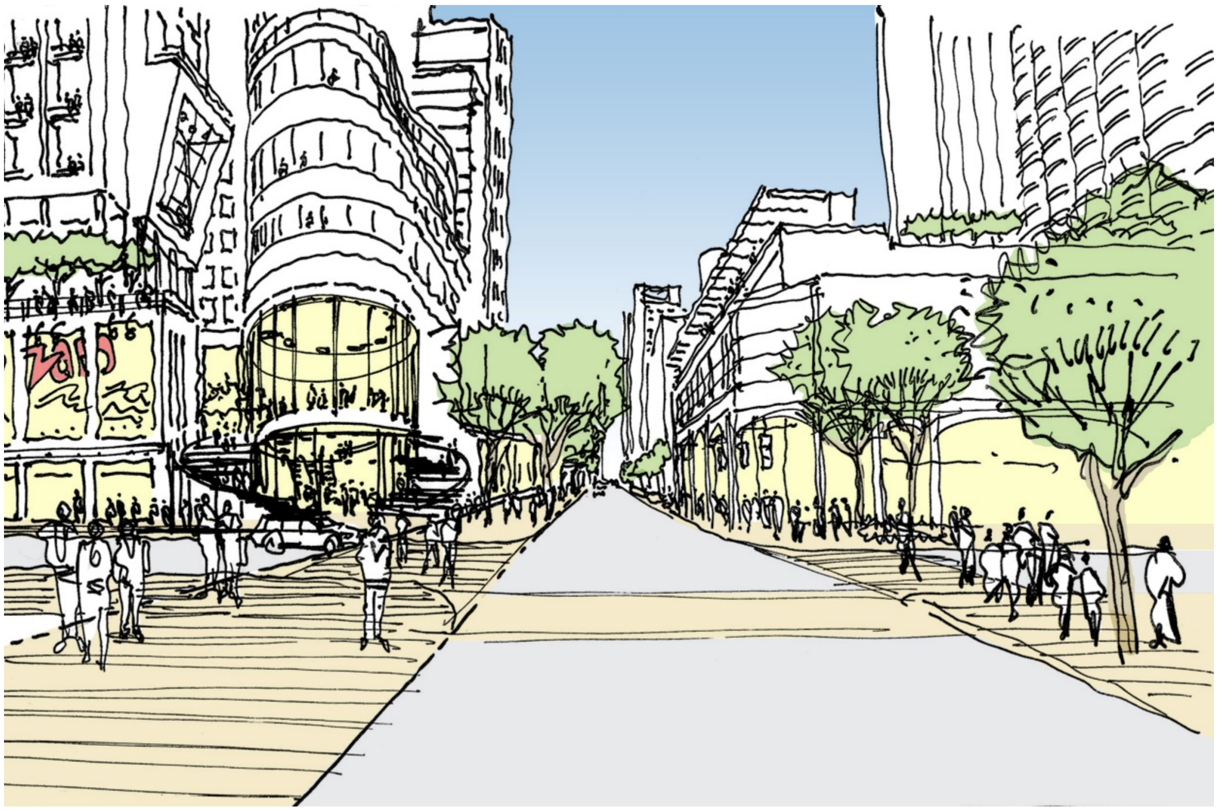


Connectivity Diagram

“Friendly” Programs, Plans and Policies

We must recognize that nearly anything that brings people downtown needs to be facilitated and enhanced as “Friendly” to locals and visitors. Pedestrian environment, transit, vehicles, programs, events, parking and retail – these issues matter to current visitors and those we are trying to attract and need to pass the “Friendly” test. Policies and initiatives vital to the revitalization of downtown with a successful mixed-use retail core must be created and facilitated.

This is related to the first outcome Connectivity but the nuance here is that this friendliness concerns itself with how we can improve the perception of downtown. This would combat negative perceptions and other issues, whether real or imagined, that continue to undermine downtown’s appeal.

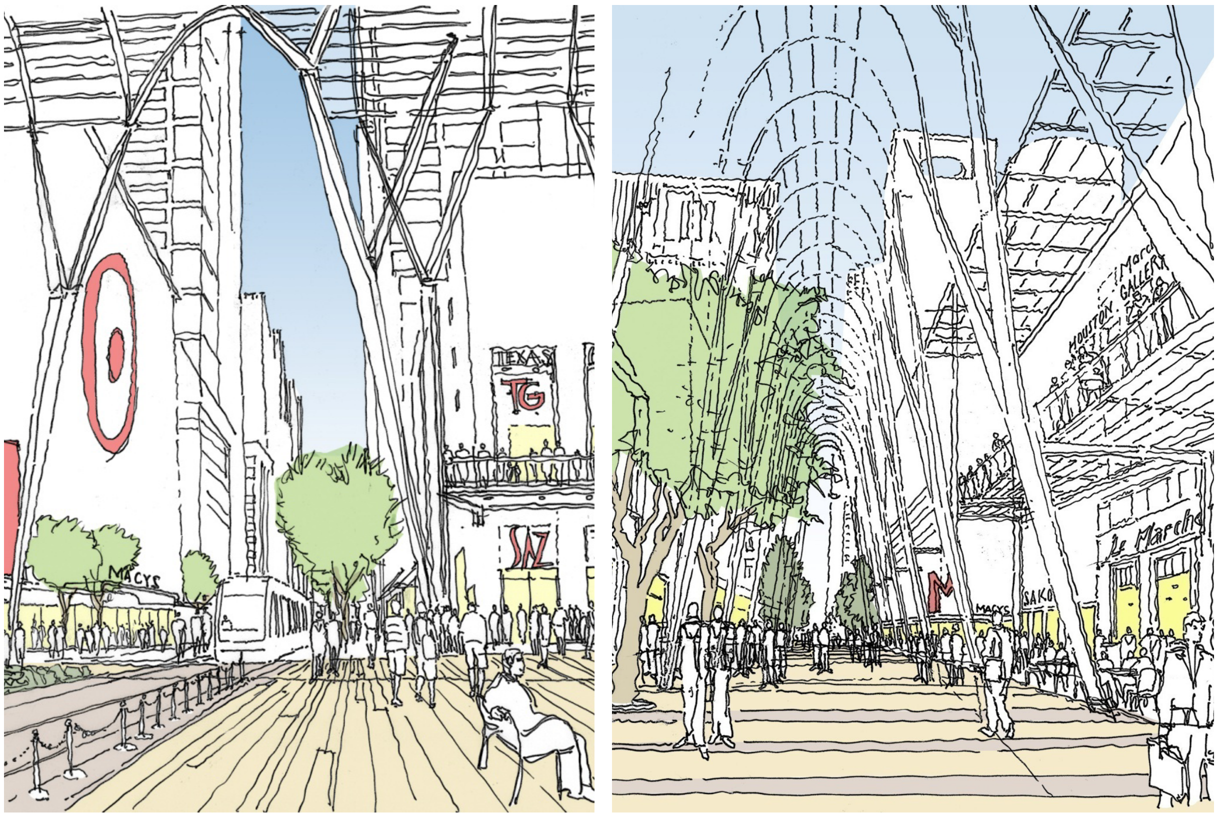


Pedestrian Friendly Environment – Proposed Dallas Streetscape

The Quick Win

There have been several studies, plans, design initiatives and programs over the last fifteen years intended to improve the perception and quality of environment of Houston's downtown. It would be in the best interest of HDMD to put forward a plan or program, albeit modest in scale or scope, which results in a palpable and measurable Quick Win. This success can then serve as a foothold in demonstrating that things can improve while creating momentum for the retail core revitalization. It could be a festival, an art installation, an event or anything that can put the downtown Shopping District front and center on Houston's radar. A free concert or performance or a street fair of some kind can propagate interest and give HDMD the spotlight to engage the broader community in the mission of making downtown the heart of Houston.

Free Concerts in Downtown, Los Angeles



A Big Idea – Pedestrian Promenade

A Big Idea

Even if it is accomplished sometime in the future, A Big Idea can be a compelling "must-see" initiative. The idea of an urban galleria or promenade – an impressive glass-covered structure – certainly can fulfill that goal. If the urban galleria formed a new, grand public space surrounded by terrific food and beverage and trees for shade, the social experience of the Shopping District would be transformed. A transparent multi-level design would expose the retail tunnels, making them visible to passersby rather than hidden from view. To succeed in getting the locals who work downtown every day to physically and materially contribute to the life of the street, this move will have to be compelling. There are certainly Big Ideas that relate to enticing and capturing great retail or food and beverage tenants. What downtown needs is a big move or idea so compelling to the locals that they are convinced to have another look at downtown as a place to live, work and play.

A Big Idea can also vividly brand downtown. It can serve as an image or icon that represents downtown to effectively create an identity. If the Big Idea executed can serve this function, the concept will create an environment that will endure and transcend. In addition, if it is compelling enough, it may be the outcome of a capital campaign where the corporate citizens invested in Houston step up and make commitments to transform downtown with a bold initiative they are willing to back politically and financially.

Our Approach

Working in collaboration with HDMD staff, our team developed programming and scoping to define the design approach. We engaged in a three-phase approach within the five-month timeline to complete the proposed work effort. The three phases were Analysis, Alternatives and ultimately the selection and development of the preferred plan and recommendations.

Analysis
Our work began by building on our current understanding of the existing context and other studies completed to date. Our team reviewed past studies conducted over the past two decades by HDMD and preceding organizations, the Houston Downtown Public Improvement District (HDPID) and the Houston Downtown Management Corporation (HDMC). We reviewed documents such as the Houston Downtown Development Framework (2004) and the Houston Downtown Retail Analysis (2010) for their relevance to the current effort. We developed a clear understanding and agreement on the goals and objectives for the Shopping District by identifying opportunities and constraints. The work for this phase and "What We Heard" culminated in the development of an agreed upon set of goals and objectives and established design principles which were used to guide the on-going work effort.

Our work during the Analysis phase included the identification and analysis of the following elements and issues: a need to engage the larger context; boldly engage the underground tunnel and retail system; improve sidewalk and right-of-way conditions; modify access, egress and servicing; develop a comprehensive parking plan; make general streetscape improvements; utilize environmental branding to create an identity for the Shopping District and create a holistic leasing strategy. Each of these opportunities is expanded upon in the subsequent sections of this report.

Alternatives
In collaboration with HDMD and stakeholders, we developed multiple conceptual urban design alternatives with recommended short- and long-term actions:

- Draft, outline design and development guidelines for the Shopping District with a specific focus on streetscape and storefront improvements
- The treatment of parking structures at the street level

Additionally, we outlined conceptual urban design alternatives for the development or redevelopment (new versus preservation and re-use of existing structures) of critical retail facilities within the Shopping District. The conceptual urban design alternatives and actions were presented to local area stakeholders and public officials at mid-phase and end-phase meetings. At the conclusion of this Alternatives Phase, a preferred plan and direction was identified.

The Recommended Plan
Following the selection of the recommended alternative, the plan was refined along with the design and development guidelines for the Shopping District and specific interventions. Our team developed and presented the recommended urban design concepts and documents as guidelines for a mixed-use retail core in downtown Houston. The recommended urban design concepts focus on proposed recommendations to enhance the local retail market and create a more cohesive downtown shopping experience, integrating the retail core within the larger downtown context. Ultimately, the broad goal of the project was to develop an integrated urban design document that allows HDMD to pursue a shared vision with stakeholders for a sustainable and vital mixed-use metropolitan core for the downtown office market, residential sector, conventioneers and tourists.


NIGHTS & WEEKENDS
NOISE & BUS STOPS DETER SIDEWALK CAFÉS
YOUTHFUL ENVIRONMENT
VISITORS DON'T KNOW WHERE TO PARK
NURTURE EXISTING RETAIL
NEIGHBORHOOD CHARACTER
GROUND FLOOR RETAIL
MORE ANGLED STREET PARKING
WHAT WE HEARD…
SENSE OF COMMUNITY & SAFETY
CONVENTION GOERS
STREETSCAPE/LANDSCAPE FOR NICE WALKING EXPERIENCE
25-35 FEMALE
MORE RESIDENTIAL
2-WAY STREETS
REDUCE BUS TRAFFIC TO IMPROVE STREET LIFE
CINEMA MULTIPLEX
CROSS ADVERTISING

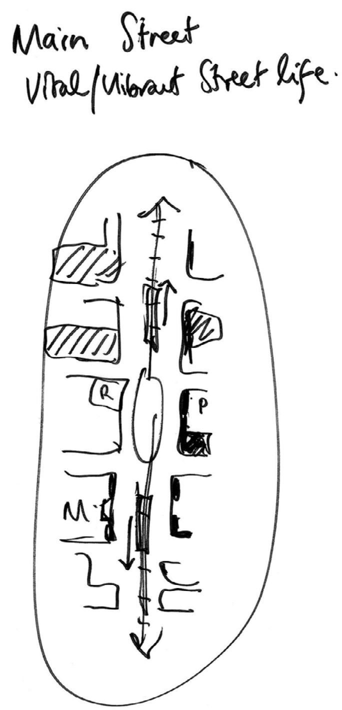
Conceptual Urban Design Recommendations

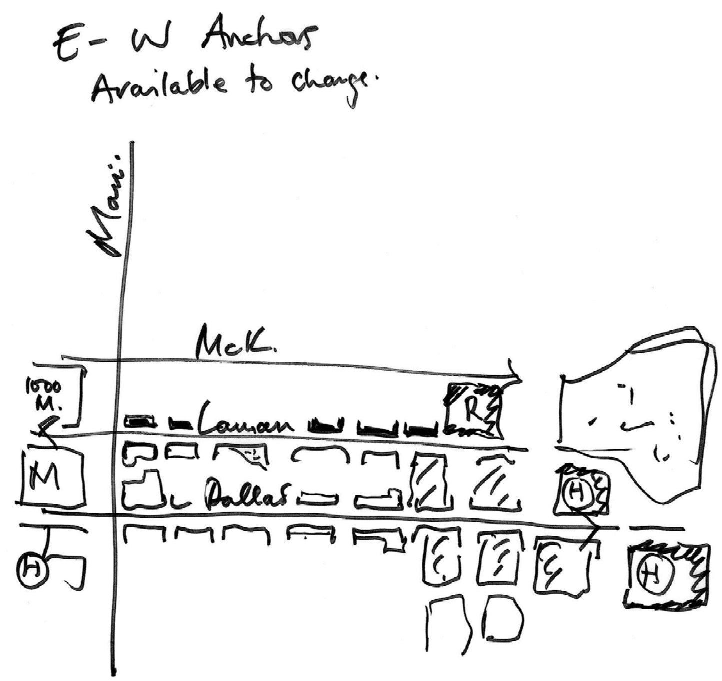
The following is our understanding and conceptual design recommendations and actions to developing the design alternatives.

The Bigger Picture
Our plan addresses downtown Houston's multiple and layered retail factors and competitors that have an adjacent benefit to or impact on the Shopping District and the mixed-use retail core as a whole. These include, but are not limited to, supporting Macy's as the foundation store for a successful Shopping District, the recently opened Houston Pavilions (2007), The Shops at Houston Center (1982) and numerous shops and restaurants along Main Street in downtown and in the Houston tunnel system.

Additionally, the plan recognizes the Sports and Convention District and land uses adjacent to the Shopping District, including the George R. Brown Convention Center (1987), Hilton America's Hotel (2003) and Discovery Green (2008), all of which add to the mixed-use vitality in downtown but exist as stand-alone projects. Our plan leverages visitors to the nearby baseball and basketball venues, Minute Maid Park (2000) and Toyota Center (2003), to further activate downtown and the Shopping District and contribute to its short- and long-term success.

Our team also believes A Big Idea should be developed for the Shopping District. It needs a great address recognized both locally and nationally to maximize the value of the urban core. Like other major cities, Houston needs its own Michigan Avenue, Hollywood Boulevard, Third Street Promenade or 5th Avenue in order to rise above its local competitors like The Galleria. Such a venue would afford Houstonians and visitors alike an alternative venue to shop, eat and play.





Conceptual Diagrams of Existing Conditions:

Main Street*, with Main Street Square, light rail transit, pedestrian streetscape, Macy's and other retail, is positioned to be a vital component of the Shopping District with vibrant street life.*

Dallas and Lamar Streets *are seen as east-west corridors connecting the Skyline District to the Sports and Convention District.*

The Larger District
Seventeen blocks comprise the Shopping District and serve as the geographic area of urban analysis and design for the Houston Downtown Mixed-Use Retail Core. It is important, however, to look beyond the boundaries of this area to fully realize what makes it unique and what will need to be done to differentiate it as a robust shopping and entertainment district, different from the Historic and Theater Districts, and a complement to the Sports and Convention District while still serving local office users and residents.

Large Draws
Minute Maid Park at Crawford, Texas, Hamilton and Congress is ten blocks from Macy's and Houston Pavilions – just far enough to make any synergies difficult. Fashion shopping and a baseball game are not typically the same trip; however, if the center of retail and restaurant activity was well established and adjacent to other large traffic generators, there would be a higher level of overall excitement downtown. A current successful example is downtown San Diego with Petco Park and the Gaslamp District.


Gaslamp District, San Diego

Toyota Center at LaBranch, Polk, Bell and Jackson offers potential for traffic generation at the Houston Pavilions due to its close proximity and complementary use.

George R. Brown Convention Center and Discovery Green are additional draws to the larger area. These venues are important components in the overall scheme, but the existing streetscape between these venues and the Shopping District and the perceived distance for pedestrians offer challenges in planning a strong connection to the retail core area. Streetscape improvements or similar interventions that improve the public realm and connectivity should be considered.

Colleges
All of the nearby college campuses are potential additive components to the downtown market area and should be considered in any retail planning or program.

Tunnels and Skybridges
The extensive system of underground tunnels and skybridges serves to short circuit the on-street activity. Initially it is recommended that these alternate routes not become a distraction. A powerful street level plan will subordinate their importance.

A Pedestrian-First Public Realm
For the retail core area, our design proposals and guidelines address viable alternatives for a robust mixed-use development and a multi-modal street environment. These potentially need to be implemented with a variety of property owners, developers, facility managers and retail tenants of respective blocks and parcels over time. Pedestrian connectivity and ease of movement is paramount to any successful retail environment. Our proposal realizes first and foremost that creating a cohesive "place" on automobile and bus dominated streets, often hostile with limited sidewalk capacity, will be the challenge.

Sidewalk and Right-of-Way
Downtown streets have very limited right-of-way, which packs all public facilities into a finite space. This is particularly a problem when buildings and parking lots encroach on the right-of-way, further limiting HDMD's useable space. Not much can be done with building encroachments, but HDMD can and does coordinate with property owners to shift parking lots back to the right-of-way, thus opening up some additional public space. Creative design should be implemented where there are limited sidewalk widths and removal of traffic lanes is not an option. There needs to be a balance between providing adequate pedestrian flow and enhancing the streetscape through street trees, non-grated tree wells, landscaping and other amenities. Additionally, retail store fronts may want amenities and interesting features that help attract customers.

Alternative approaches have been developed to create a pedestrian-focused public realm on Dallas Street. These are illustrated in the Dallas Street section of The Recommended Plan starting on page 34.

Multi-Level Retail
For analysis and design purposes, the retail core area was considered at the subterranean basement or tunnel level, at street level, and at second floor level. In some instances, retail space programming and design will need to be considered beyond the second floor level or across multiple blocks, based on ownership of existing facilities and structures. As we have learned, multi-level retail products are challenging, especially when out of sight or difficult to find. Travelling between levels will need to be a compelling event.

The Authentic Base
Surrounding the retail core area are more than 140,000 business employees and an increasing residential population in and adjacent to downtown, all of which should be considered the base. As in all great places, it is the locals who pioneer and take ownership of the unique identity that attracts visitors. Locals need to be served first to make an authentic place.

Access
Vital to downtown Houston and the Shopping District is the Metropolitan Transit Authority's (METRO's) light rail transit and bus system. Main Street Square is a prominent urban design transit component — a postcard image for downtown – and needs to be fully leveraged as a part of the Shopping District. Similarly, with METRO's Green Line and Purple Line currently under construction, and with the downtown segments running east-west on Rusk and Capitol Streets, connections to various modes of transit (pedestrian, bicycle, light rail and vehicular) need to be fully integrated during the conceptual urban design phase. Bus transit is provided on all east-west and north-south streets with the exception of Polk Street and Caroline Street, which can be a major impediment to creating comfortable pedestrian sidewalks.

Additionally, the following issues, opportunities and/or constraints have been identified and need to be addressed by this study:

- **Below Grade Utilities**
  Streetscape improvements recommended in this report should have minimal impacts to underground utilities. For instance, when widening sidewalks into the roadway area, typical public and private utility modifications would be related to the relocation of storm sewer inlets, traffic and pedestrian signals, and street lights to accommodate the widened sidewalk as well as the adjustment of manholes to match new sidewalk surface elevations. While there are costs associated with these changes, there should be no major utility conflicts that would result in costs above and beyond that of a typical streetscape improvement project.

- **Handicapped Access, Egress and Servicing**
  In relation to sidewalks, HDMD is committed to making sure all new projects are accessible to everyone. Texas Accessibility Standards will be followed to meet Texas Department of Licensing and Regulation requirements.

- **Environmental Branding and Identity**
  Key to any successful district is its clear and well-defined Sense of Place. District iconography, environmental graphics, signage, wayfinding and placemaking strategies are addressed on page 16 and supplemented in Appendix B.

- **Leasing**
  Ensuring that the appropriate mix of uses is provided for a balanced and exciting district is vital. Serving locals and visitors with a product mix that is complimentary both day and night will be key. A Demographic Comparative Analysis was conducted regarding potential new retail and entertainment tenants. This is located in Appendix C.

- **Coordination**
  Relative to implementing The Recommended Plan, HDMD will continue to coordinate planning and construction efforts with property owners, stakeholders, and other individuals as needed.


Magnificent Mile, Chicago

Proposed Retail Plan

Rationale

It is imperative that the existing retail situation be understood before any planning begins. Our approach has been to evaluate the existing situation by speaking directly with retailers, landlords, city officials and community leaders followed by the development of our initial recommendations for review and discussion with stakeholders.

The work product for this team effort has produced a plan that is focused and phased. Enhancing the conditions for existing retailers downtown should be addressed as a priority. Nurturing these existing retail stores is critical to achieving success in gaining new retail tenants. Downtown Houston's credibility within the overall retail community should be a primary goal of the final work product.

Premise

Existing downtown retail – Macy's, Houston Pavilions, The Shops at Houston Center, etc. – needs a revitalization plan that is merchant driven, designed to attract significant private-sector capital investment, and developed in the context of an overall long-range plan and approach. Some of these sites, particularly The Shops at Houston Center, may be deemed too expensive to re-orient into an active retail street level compared to other strategically located sites. Alternative uses like the Kelsey-Seybold Clinic within The Shops at Houston Center should be evaluated on the basis of strengthening the variety of uses available within the Shopping District.

Key Questions and Assumptions to be Explored

- Is the current, low level of retail performance in downtown Houston principally a market issue or mainly a physical, planning, site and location, parking, access or merchandising problem?
- What is the size of the current market? From what zip codes are Macy's customers? What is their customer profile?
- If additional retail mass is developed downtown, what is the size of the potential market?

Independent Assessment

- Gain direct input from selected existing and potential retailers like Macy's, Forever 21, JCPenney, Target and major cinema companies.
- Identify and quantify the downtown retail market in the context of its competition.
- Gain input from key landlords and civic leaders.

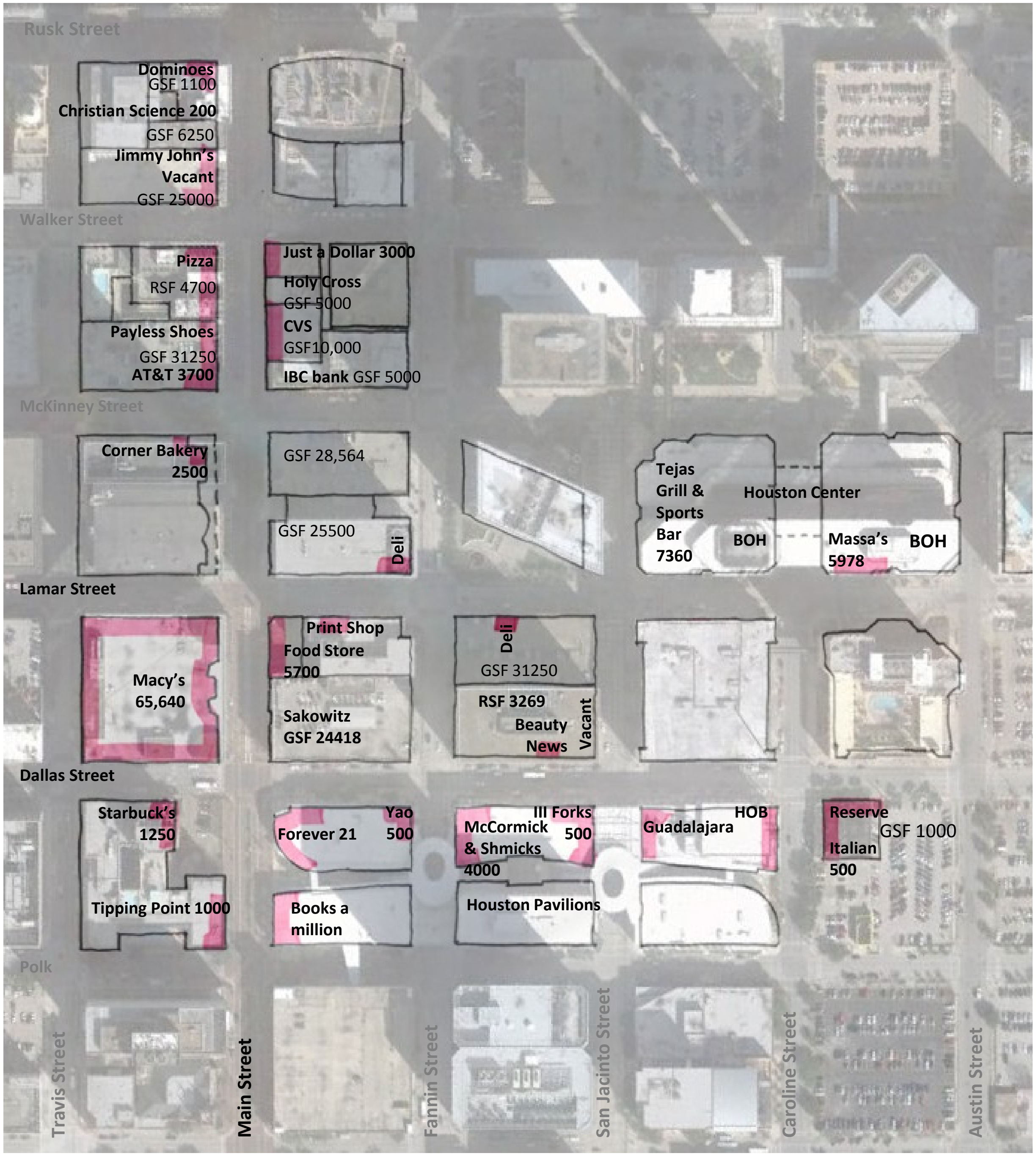
Plan in Collaboration with AECOM Team

- Based upon the above assessment, identify major issues impacting retail performance, priority sites and opportunities and lead retailers.
- Address and make recommendations regarding critical issues impacting downtown Houston's retail performance such as parking, access, site sizes and adjacencies.
- Identify a series of action steps that target key issues and Phase I projects – including sites, users and developers.
- Identify opportunity sites, users and approaches for future phases.

Actions

The subsequent sections address independent retail initiatives, each of which is anticipated to contribute to the successful implementation of this recommended plan.

Each action involves a separate retail-oriented, user-driven project that falls under the umbrella of The Recommended Plan. It is suggested that each of these be pursued separately with distinctly different owners, funding sources, users, timetables and retail programs. As a whole, these projects exemplify strategic moves to improve retail performance downtown and serve as critical pieces of this recommended plan for a successful Shopping District.



Existing Retail at Street Level

An inventory of the existing retail at the street level was made in order to assess the current retail environment relative to the ideal retail conditions.

The diagram shows existing storefronts along Main, Lamar and Dallas Streets. Light pink denotes retail or restaurant uses with square footage.

RSF – rentable square feet

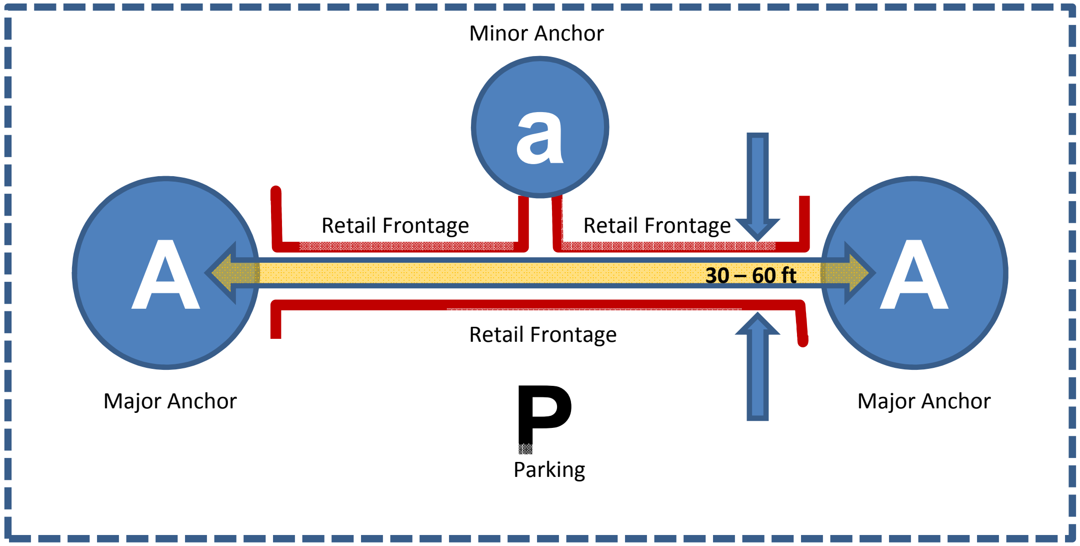
GSF – gross square feet (may include lobby, back of house and sometimes garage access)

Sources include costar leasing database and HDMD AutoCAD file.

Retail "Rules of Thumb"

Ideal retail conditions, or retail "rules of thumb," represent downtown Houston's competition. The ideal retail environment is exemplified by the diagram on the right and is characterized below.

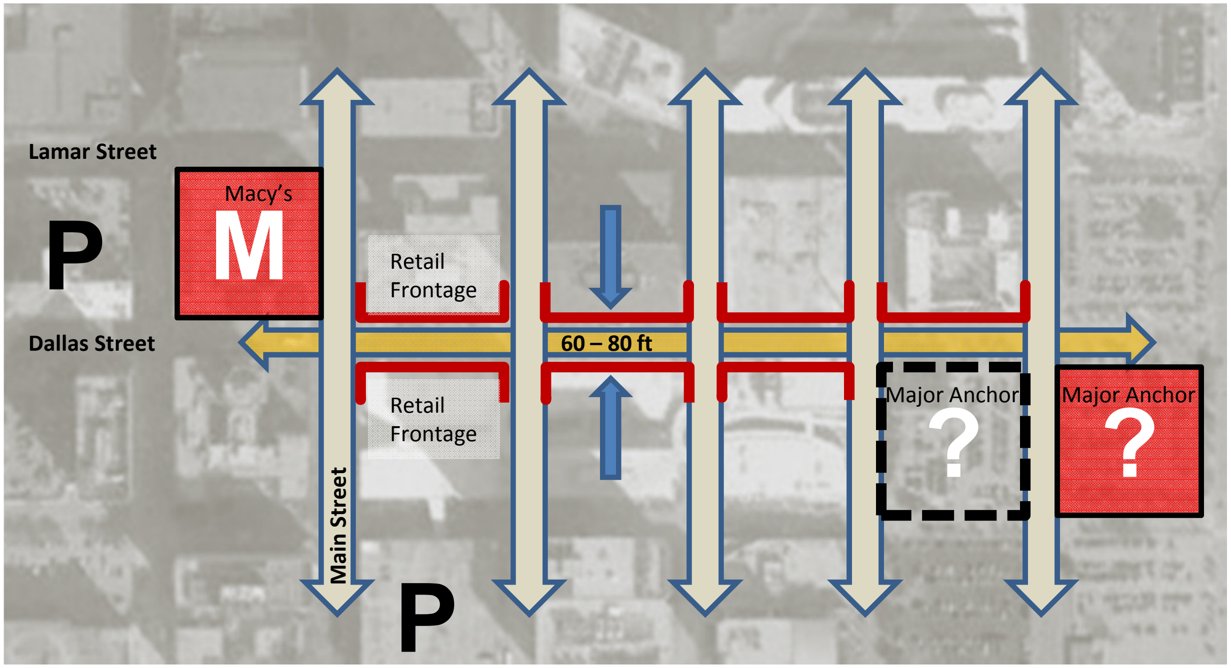
- Major retail anchors at both ends
- Continuous, uninterrupted retail frontage
- Minor retail anchor located within retail frontage
- Street width of 30 to 60 feet
- Shopping on both sides of the street
- Pedestrian-first environment
- Distance of 1,500 linear feet equivalent to a 5 minute walk
- Convenient (free) parking



Existing Retail Environment Transformation

The current retail environment is depicted in the diagram on the right. The existing retail environment will improve with the following recommendations:

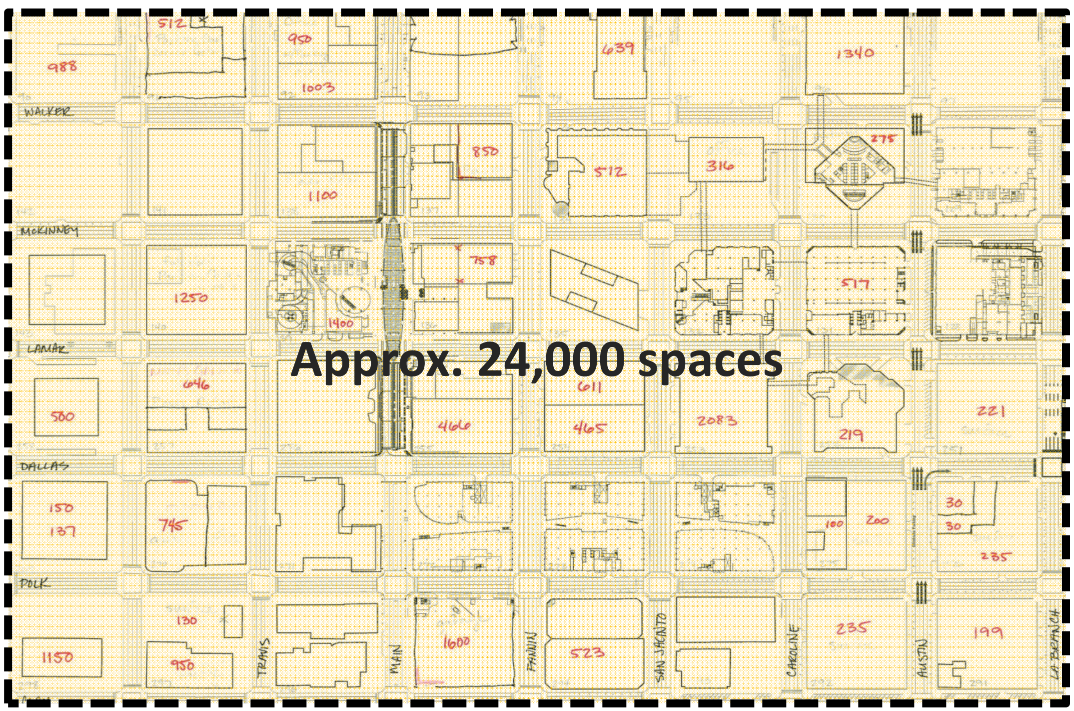
- Introducing a major retail anchor on the east side
- Providing continuous retail frontage
- Reducing the street width
- Embracing a pedestrian-first environment
- Providing convenient (free) parking



Parking and Mobility

Downtown has limited parking in some areas, which definitely impacts retail development. Retail parking needs to be convenient and easy to find. Relative to vehicular transit, both street level and garage parking need to be addressed.

Parking Inventory
There are approximately 24,000 parking spaces in the area bounded by Rusk, La Branch, Clay and Louisiana. This aggregate represents primarily office parking only. These private structures are an opportunity for shared parking with retail and entertainment customers. The parking spaces per garage or surface lot are indicated in red.



The following are various strategies to address parking demand and ease of multi-modal mobility. A combination of the following and a comprehensive mobility plan are recommended.

Shared Parking
Reductions in parking are achieved when parking is shared between mixed land uses since different activities have different peak demands. The existing office parking can be shared and made available to retail and entertainment customers on weekends and evenings since retail and entertainment parking demand peaks at this time while office parking peaks during the middle of the day during the week.

The following can be an action item for implementation of shared parking.

Retail Peak Parking Program
Objective: Support enhanced retail performance downtown with retail parking that is competitive with suburban shopping options, while not disadvantaging private parking operators.

Premise: The pricing of parking during non office-usage times does not reflect over-supply at those times. Significant unused parking capacity exists in parking garages located near downtown's retail focus area (Main and Dallas) and is available Monday through Friday after 5:00 PM and weekends and holidays all day.

Proposal: Solicit participation from private garage owners/operators to provide free (two hour), validated retail parking for purchases greater than $10 Monday through Friday after 5:00 PM and on weekends and holidays all day as part of a test program. The public sector should consider providing a financial incentive and significant recognition for participating garage owners/operators. Such an incentive will be significantly less costly than the public sector cost of providing land and constructing retail parking, a typical municipal cost in many downtowns. Note: Increased sales and the resulting sales tax gains should create incremental public revenue to more than offset proposed incentives.

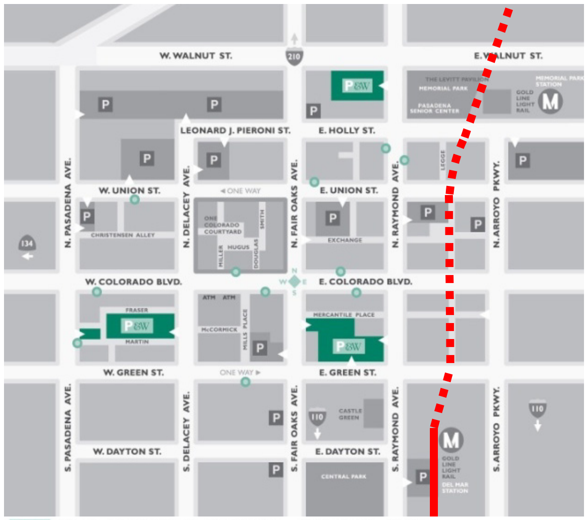
On-Street Parking
On-street metered parking should be provided wherever possible because it is visible and convenient. The parking revenue could pay for public amenities within the Shopping District, or more specifically on the blocks with metered parking.

Macy's Parking Structure
The parking structure on Lamar between Travis and Milam should be retained for the retail customer base.

Parking Lots on Dallas
It may be possible to collaborate with the owners of parking lots near Discovery Green on a program to develop some single level retail as an interim phase (8-10 plus years) and retain surface parking behind the stores and restaurants. Long-term solutions, illustrated in the Mixed-Use Residential Neighborhood section of this report, should include the following:

- High density mixed-use with an emphasis on providing a variety of residential options
- Active ground floor uses throughout
- Second-level cinemas nested into a larger project

Parking District
A district-wide approach should be taken to provide pedestrian-friendly public parking structures in strategic locations around the Shopping District. These central locations would create a "park once" environment where visitors are encouraged to "park once" and walk to their desired destinations within the district. Developers or building owners could pay in-lieu fees that fund these public parking facilities instead of providing private parking. The parking revenue could pay for public amenities within the Shopping District. A successful precedent is Old Pasadena with Colorado Boulevard.



P&W Park & Walk locations - 90 min. free
P Public Parking locations
Valet Stand locations
M Metro Gold Line stations

Old Pasadena Parking & Valet Map:
Main retail boulevard is a two-way street that reduces short trips around the block (low carbon footprint). The street level retail is primary with parking mid-block behind the retail street. The parking district is shared with offices. The streetscapes are pedestrian friendly in scale including scramble intersections.

Vehicular Circulation
Getting around downtown in general can be a bit cumbersome due to the one-way streets. One-way street grids do not provide the greatest amount of benefit to street retail. The advantages and disadvantages to maintaining this street system should be evaluated, and existing one-way streets should be converted to two-way streets near retail where possible.

Bus Traffic on Dallas Street
Bus traffic should be reduced or curtailed to provide a pleasant retail environment for sidewalk cafes and shoppers. Further investigation and collaboration with METRO is recommended.

North/South Streets
Fannin and San Jacinto between Dallas and Polk should be utilized for service, loading and valet services.

Crawford-Dallas Intersection
The existing condition is currently a vehicular circulation solution that needs to be a pedestrian-first solution. As a key visual landmark opportunity between the Sports and Convention District and the Shopping District, the intersection needs to be carefully recast to provide the following:

- Easy pedestrian access east to west along Dallas
- A visual landmark, either a sculpture or fountain element, to "announce" the Shopping District as visitors approach from the east
- A single block two-way street on Crawford between Dallas and Polk, which could allow for a taxi cab waiting area and bus pick-up and drop-off area (illustrated in the Dallas Street section of this report)

Environmental Branding and Identity

Houston's downtown will benefit from a clear, compelling and well-defined Sense of Place. The particular kind of place we wish to encourage is one characterized as safe, pedestrian-friendly, properly scaled and rich in street level character and vitality. These qualities result in a setting in which retailers, restaurants and cafes can attract customers. A comprehensive environmental branding program, as defined herein, constitutes an indispensable component in achieving a viable mixed-use retail core.

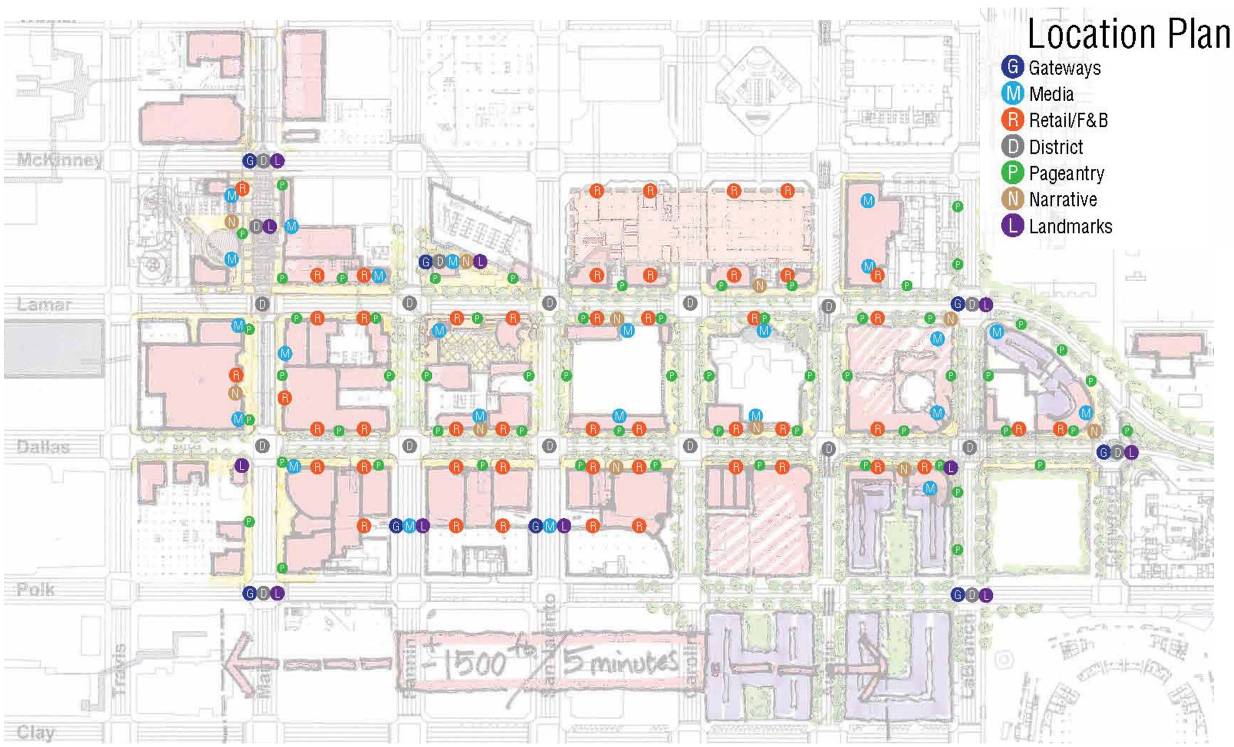
Our strategies and recommendations are intended to create a setting that further enhances downtown as an exciting place to locate a headquarters, a law practice or a new enterprise, maintaining the point of pride when one says, "Our offices are downtown." District iconography, environmental graphics, signage, wayfinding and placemaking strategies provide the means for communicating downtown's new energy, life and variety.

Our desire is to attract new enterprises, merchants, restaurateurs and others who can bring life and energy to the streets of downtown Houston. Our focus is also to assist in retaining existing tenants and users as downtown continues to remake itself as a first tier "people place."

Downtown Houston currently has a "brand." It is seen primarily as a sophisticated workplace at its core, with a number of interesting and well-used adjacent land uses.

The dominant architectural character is late 20th century corporate modern interspersed with large parking structures. It is, as the saying goes, nearly "all business." Downtown does have important adjacent land uses that include Discovery Green, George R. Brown Convention Center, historic Market Square Park and the Historic District and a small but interesting collection of close-in housing stock and a lively food and beverage scene.

Our recommendations seek to create contextual changes that can facilitate the repositioning or expanding of the downtown brand in order to infuse it with the desired outcomes and attributes HDMD is working toward.



Recommended Layout of District Iconography, Environmental Graphics and Signage

A Seven-Step Program
A well thought out seven-step program of iconography, environmental graphics and signage consisting of the following strategies and programs will make a material contribution to this repositioning effort. Implementing the following seven recommendations will positively alter visitor perceptions in concert with the other recommendations within this plan.

Step 1. More clearly delineate downtown's entry points or Gateway moments with elements of appropriate scale, materiality, character and design that herald the presence of a district worth entering and exploring. These elements may be architectural, sculptural and/or landscape-based. Lighting, sound and movement may also be integrated, as well as aspects of Step 6.

Step 2. Encourage or facilitate the introduction of larger scale Media elements that will lend energy and animation to the public realm where appropriate. These elements can include some form of sponsorship and promote key brands, locations and experiences.

Step 3. Create Retail and Food and Beverage Signage Guidelines that communicate a new level of energy within the context of downtown, repositioning it as a vital and exciting destination to visitors, residents and event attendees at surrounding venues. Consider allowing tenants, businesses and brands that do not have a physical presence on the streets to advertise in ways that add visual energy to the streetscape and environment. Initiate a sign code policy revision to allow for downtown's commercial signage to equal modern private sector standards commonly located in the greater Houston region.

Step 4. Develop a state-of-the-art downtown Signage and Wayfinding system that uses conventional and emergent radio frequency- and Global Positioning System-enabled systems to ensure the visitor remains "found." This program may include mobile phone enabled TAG readers and other new strategies that connect and then guide the shopper or diner to special offers and services.

Step 5. Create the armatures for a more assertive downtown-wide Pageantry and Banner program that serve to promote, inform and entertain the visitor with changing graphics. This may be an opportunity for co-branding and cross-promotion with on-going activities at venues adjacent to the district.

Step 6. Design a compelling collection of Narrative elements that tell downtown's story – past, present and future. Engendering a Sense of Place in downtown includes connecting people to their environment through stories that, in this location, can be historic as well as humorous, quirky and highly personal. They may also be changeable with live (but monitored) blogs that allow visitors to feel they are a friendly part of on-going "Downtown Conversations."

Step 7. Identify opportunities for compelling and artistic Landmark Moments in the public realm within the district that assist in orienting the pedestrian and facilitating movement and awareness throughout downtown. Unlike conventional Art in Public Places programs, these works will be guided by clear requirements to embody the values, virtues and particularities of this place. Artistic expression is a part of this program but is not the purpose of the program.

Sign Examples of Seven Steps (see Appendix B for additional examples)

The Recommended Plan

The following section is a more in-depth description of each successive phase of The Recommended Plan. The implementation and phasing is as follows:

Phase 1: Macy's and the historic Foley's building

Phase 2: Historic Sakowitz building and The 100% Intersection of Main and Dallas Streets

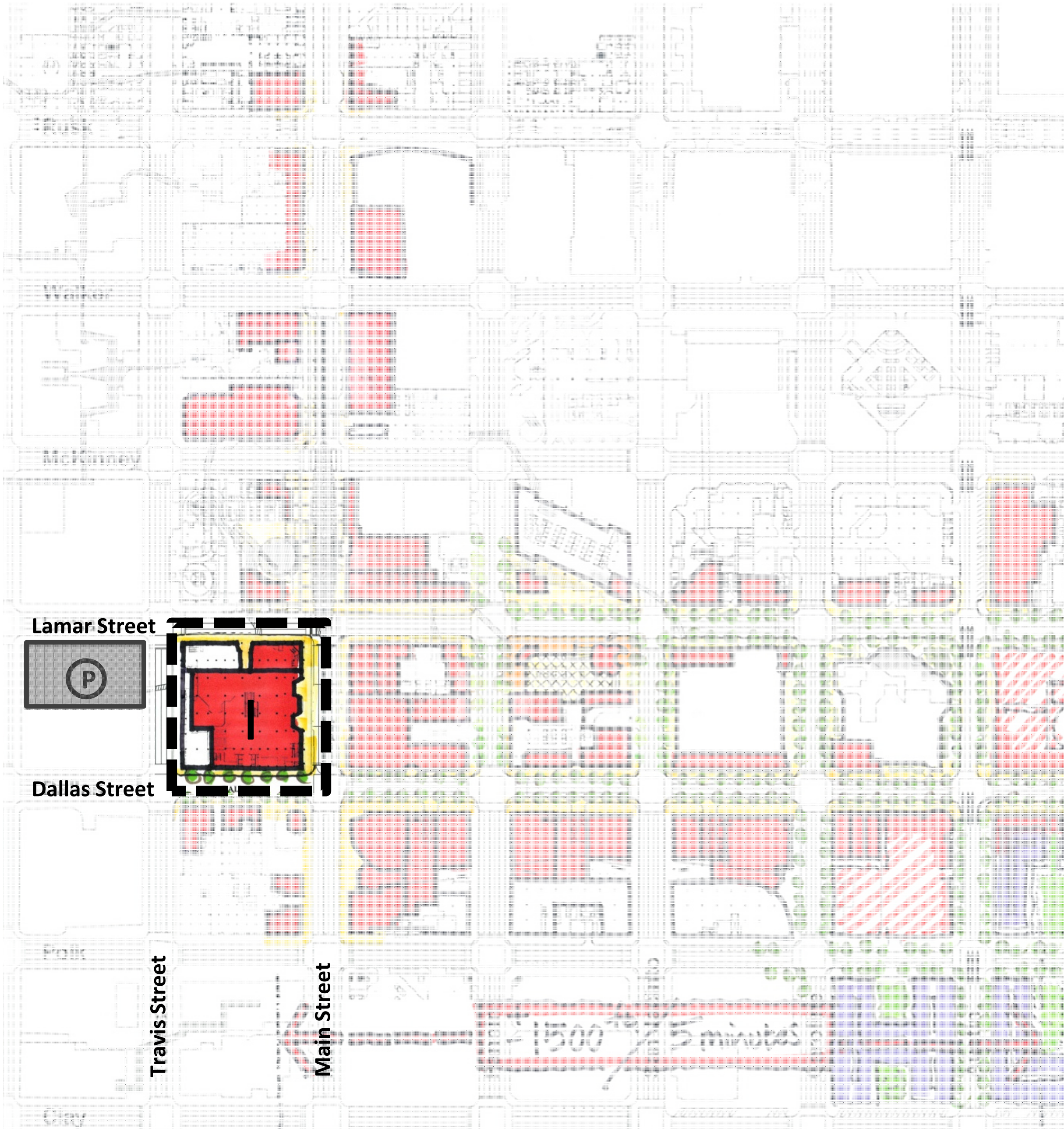
Phase 3: Main Street

Phase 4: Lamar Street

Phase 5: Dallas Street

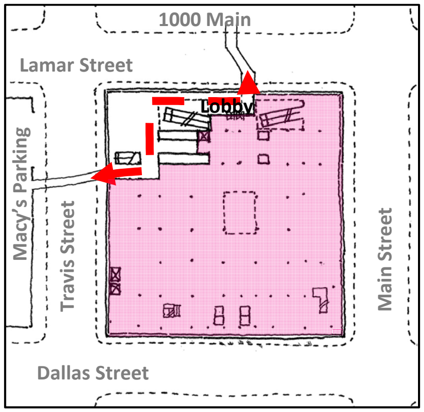
Phase 6: Mixed-Use Residential Neighborhood

Phase 1: Macy's and the Historic Foley's Building

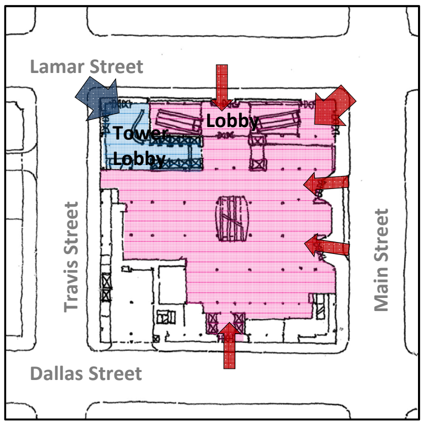


The historic Foley's building should be repositioned as a state-of-the-art mixed-use building, adding a possible second anchor tenant to the lower, tunnel level of the building, consolidating the existing Macy's store and adding office space to the upper levels.

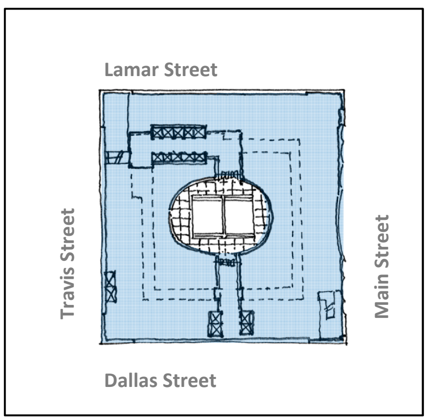
Macy's existing 5-story, 392,000 gsf department store, bounded by Travis, Main, Dallas and Lamar Streets, is the retail center-of-gravity for downtown. The store appears to be operating primarily as a merchandise clearance for the company, likely under-performing relative to other Macy's stores in the market. Key issues impacting Macy's include cost of parking ($10 weekdays and $3 on weekends), lack of retail critical mass, limited comparison shopping downtown and strong suburban competition. One indicator of a problem at Macy's downtown is their limited hours of operation: closed Sunday and open Saturday and weekdays from 9:00 AM to 6:00 PM. A recent initiative by Macy's, a "Free Saturday Parking" pilot program, was enacted in June 2010.



Basement Level – Improved tunnel access to Macy's parking and 1000 Main with 2-story lobby to street level



Ground Floor – Macy's tower lobby (Travis and Lamar) and independent retail anchor entrance (Main and Lamar)



Upper Floors – Office use on 4th to 10th floors with atrium on uppermost floors

Program to Retain Macy's in Place

Macy's is considered to be the critical starting point in any discussion of retail in downtown Houston. The following are recommendations:

- **Consolidate the Current Macy's Operation** onto three renovated and re-merchandised levels, ground, second and third floors, which reduces the footprint from approximately 220,000 sf to 150,000 sf. The ground level can be highlighted as a unique and enticing boutique retail experience, allowing Macy's to showcase selected brands.

  Note: Currently Macy's produces 70% of its volume on the main floor and 7% on the 5th floor. The number one door is the tunnel entrance.

- **Provide Merchandised Basement with New Anchor Tenant –** Leverage access to the office population and parking from the tunnel entrance by creating a basement level retail opportunity for an independent retail anchor.
  - **Identify** an appropriate tenant.
  - **Upgrade** the tunnel entrance to Macy's to maximize the tunnel access.
  - **Develop** a new "signature entry lobby" with escalators down to the corners of Main and Travis at Lamar Street. Creating a double height space between the basement and street level with vertical circulation will create visual impact and an inviting view from street level.
  - **Share** service and loading between existing and future tenants.

- **Retrofit Levels 4-10 for Office Use**
  - **Create** approximately 350,000 sf of office space.
  - **Develop** a new office lobby and vertical transportation at the street level. The new office lobby entrance can be located on the Travis and Lamar corner across from the new 1000 Main Street office tower.
  - **Reuse** the upper levels for new office users. Cut out a courtyard or atrium space to provide day-light into the 65,000 gsf floor plates. The addition of an atrium and windows to the upper levels will create a hybrid space of both large and small floor areas.
  - **Modify** the facade to provide a "curtain wall" on three sides, preserving the historic building front on Main Street.

- **Provide Additional Building Improvements**
  - **Enhance** the Main Street entry with a new “signature display window” by bringing the current central bay of windows down to the sidewalk level.
  - **Add** display windows to enhance long, blank street walls.
  - **Replace** bird wire, which is unsightly and ineffective, with a light-box on the underside of the canopy to serve dual-purposes of illumination and keeping birds out.
  - **Remove** parking meters from the curb cut on Main Street.
  - **Illuminate** the storefront windows during early morning rush hours.
  - **Introduce** music to counter the METRO announcements on Main Street.
  - **Provide** valet and concierge service as a guest amenity in the Macy’s parking structure.

Economics
The income (rent) assumptions utilized to support the investment of new capital into the building’s retail will be driven by the following two factors:

- Macy’s assessment of sales potential from a new, state-of-the-art store at their preferred size (and the amount of rent this projected volume can support)
- Responses from other potential retailers regarding the basement space

An important consideration is the potential conversion of the unused basement space into a productive retail level with a notice of intent (NOI) that can be capitalized. Redeploying the upper floors as office will be a market-driven option that potentially creates a significant, incremental and long-term source of value. A gap between the amount of capital the new retail rent streams can support and the necessary retail capital investment may result in the need for some level of public financing.

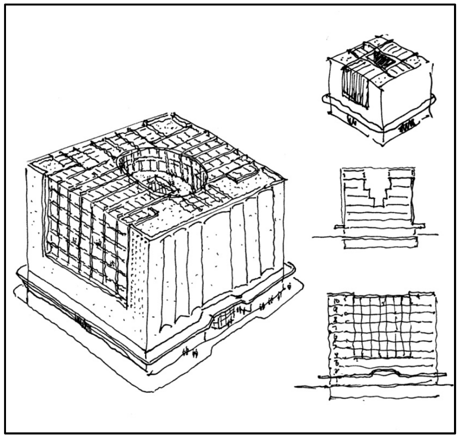
Consolidated and Remodeled Macy’s

- Macy’s has a long-term lease (with 10-year operating covenant) with adjusted lease rate.
- Macy’s remains open during remodel.

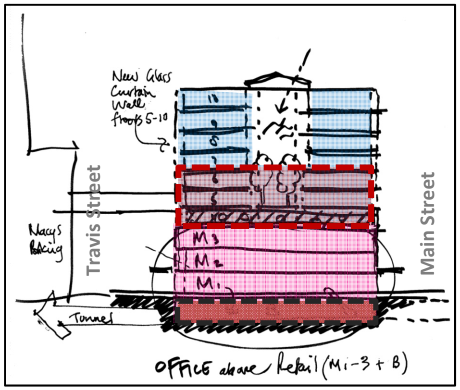
Background
Informational meetings were held with Macy’s national head of real estate, the Macy’s store manager and the building owner. A tour of the entire building was also conducted.

Note: The plans and diagrams represent the project team’s concepts and have not been vetted with any of the above mentioned stakeholders.

The Demographic Comparative Analysis which assesses retail opportunities for the basement of the Macy’s building is in Appendix C.



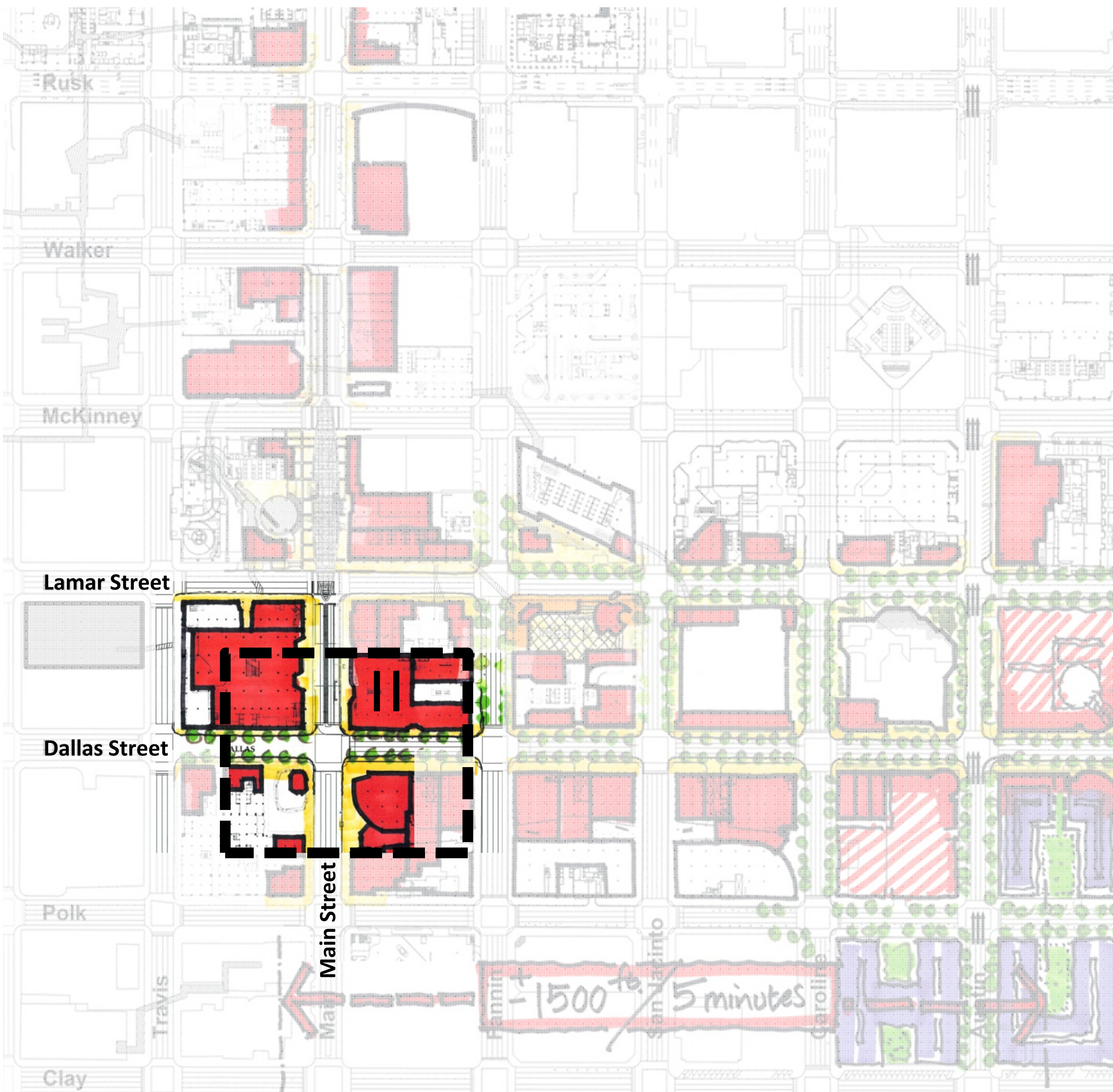
Elevation and Massing Studies



Section

Creative Office Image

Phase 2: The Historic Sakowitz Building and The 100% Intersection of Main and Dallas Streets



Sakowitz Building

The 100% Intersection

The historic Sakowitz building is currently used as a parking garage. Our recommendations envision the ground floor as retail space with the upper floors remaining as parking.

The Historic Sakowitz Building – Ground Floor Re-Commissioned as Retail Space

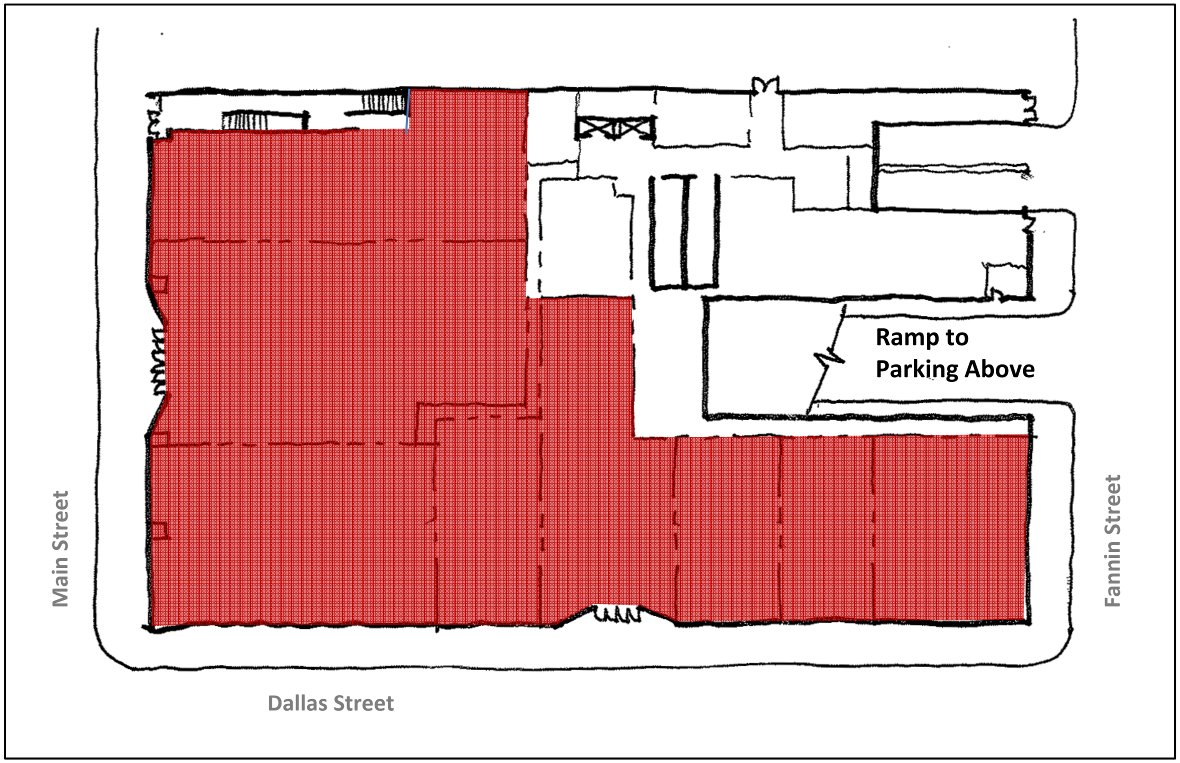
- Displace 80 ground level parking spaces to allow approximately 24,000 square feet of retail to occupy the entire ground floor. Existing speed ramps and upper floor parking would remain in service.
- Provide high profile and productive retail on the ground level, which will benefit the overall retail environment, including Houston Pavilions and Macy's, and increase the value of the building.

Economics

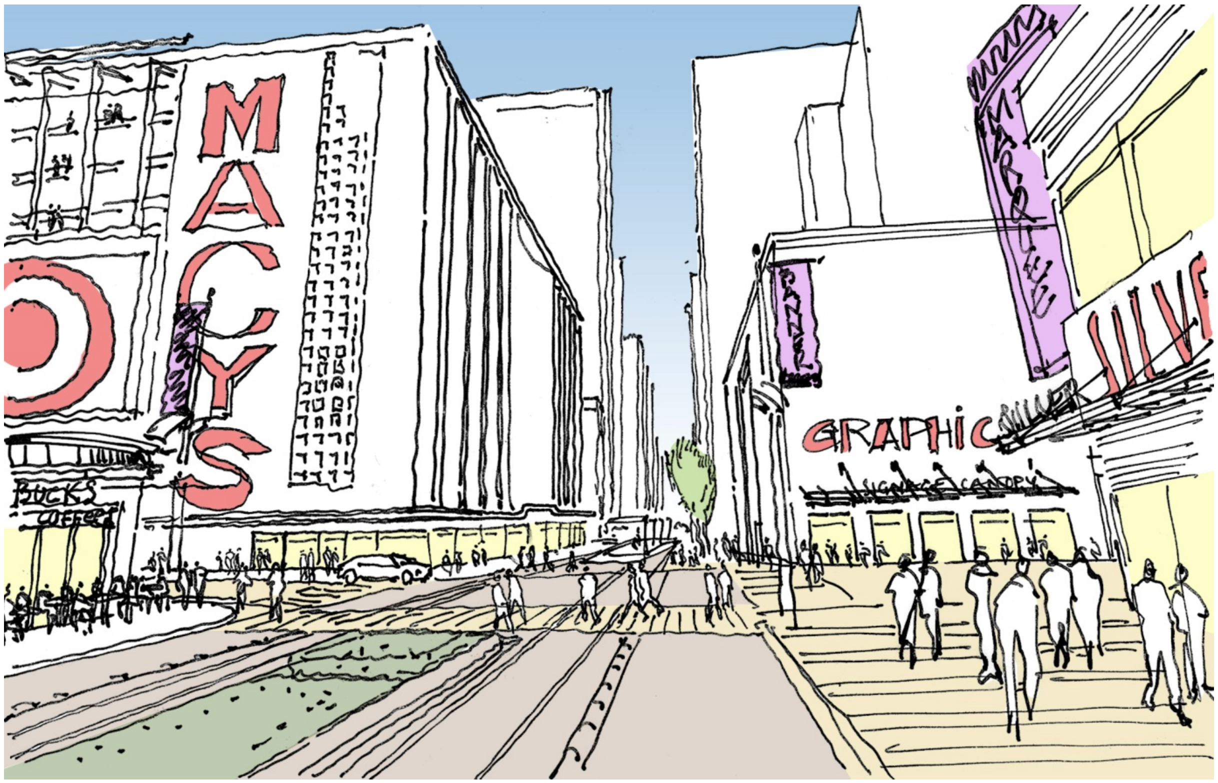
- Parking rates per space are $170 per month unreserved and $200 per month reserved.
- Building occupancy is currently below 70%.
- Maximum revenue from the 80 ground floor parking spaces would be $16,000 per month or $192,000 per year. It is possible that the actual revenue from this ground floor area is $150,000 per year or less.
- The net retail rent would need to be only $5 to $6 per square foot annually to offset the parking revenue, not accounting for retrofitting costs attributed to the owner.
- The owner would receive weekend/evening parking revenue.

Background

A meeting was held with the owner, Younan Properties. Ownership is willing to consider retail to replace ground floor parking.



Ground Floor – Multiple Retail Stores or One Anchor Store Tenant

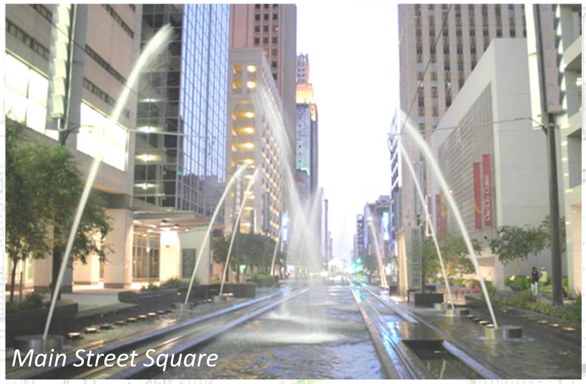


Main and Dallas Street Intersection (Looking North)

The 100% Intersection of Main and Dallas
All four corners of this prominent intersection within the Shopping District should be activated with ground floor retail. Creating retail frontage directly at the intersection and improving the streetscape will work in tandem to create a lively pedestrian-first public realm.

This effort will capitalize on the existing infrastructure of the METRO light rail along Main Street, Main Street Square, the adjacent historic buildings (Foley's and Sakowitz) and the existing retail establishments of Macy's and Houston Pavilions. Improving street level access on the southeast corner to Forever 21 and reconfiguring the southwest corner with a new active use, like a cafe, would improve the pedestrian public realm.

Phase 3: Main Street



Main Street Square

Main Street should be a cohesive retail environment with compatible uses. Interventions should be made to incorporate active retail ground floors with a core of sidewalk cafes and activities at Main Street Square.

Proposed Retail Street Frontage

The following are design recommendations:

- Provide continuous street level retail to complement this pedestrian, multi-modal street with the METRO light rail and Main Street Square.
- Develop a comprehensive retail signage and graphics program.
- Mandate active ground floor uses.
- Require transparent storefronts.
- Activate ground floor of parking garages.
- Encourage outdoor cafes on Main Street Square.

Convenience Mart at Main and Lamar

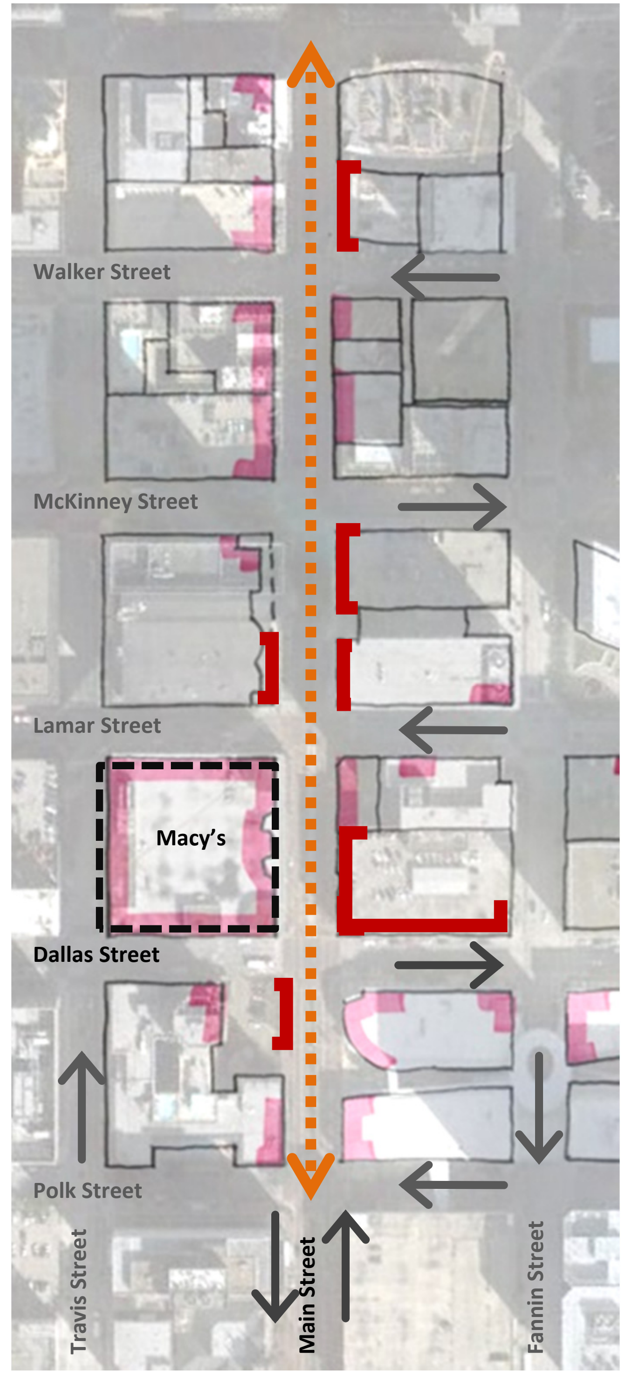
- Re-tenant Convenience Mart to create a compatible retail environment for Macy's, Houston Pavilions and other existing retail tenants.

Existing Retail at Street Level

Proposed Retail at Street Level

Transit Linkages

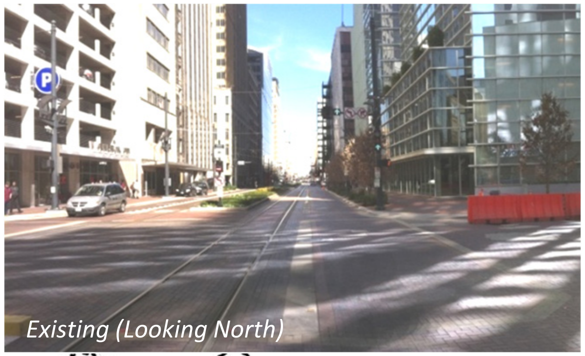
Vehicular Linkages



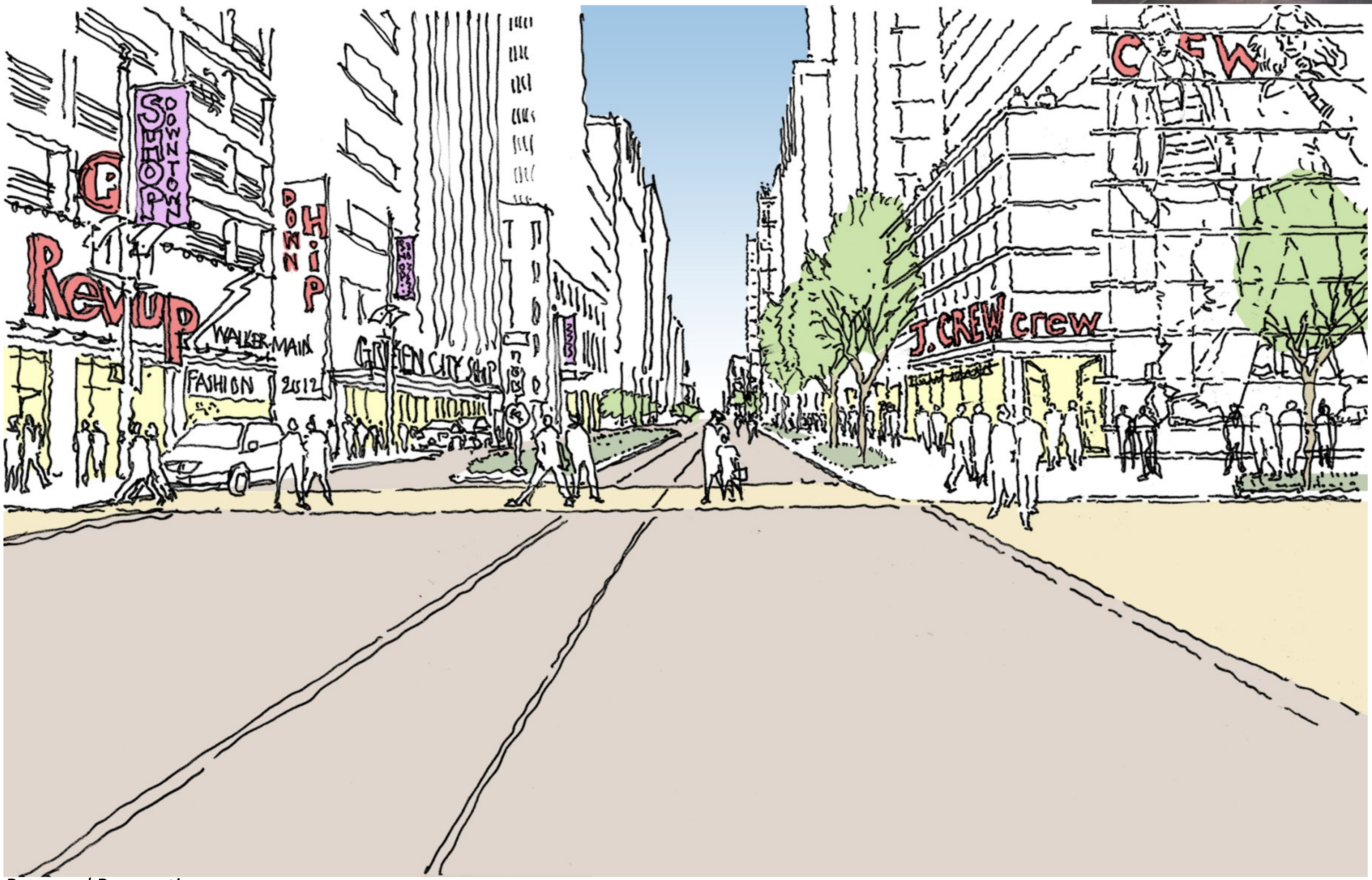
Main Street at Walker

The following design recommendations are depicted in the proposed perspective:

- Provide retail frontage on most or all corners of the intersection.
- Require continuous use of transparent glass storefronts (like on the northeast and northwest corners).
- Locate ground floor retail at the base of parking garages (like on the northwest corner).



Existing (Looking North)

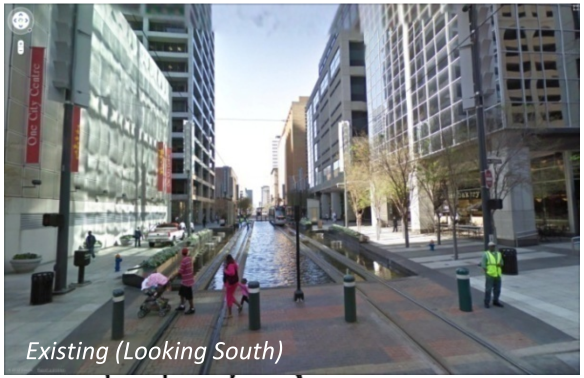


Proposed Perspective

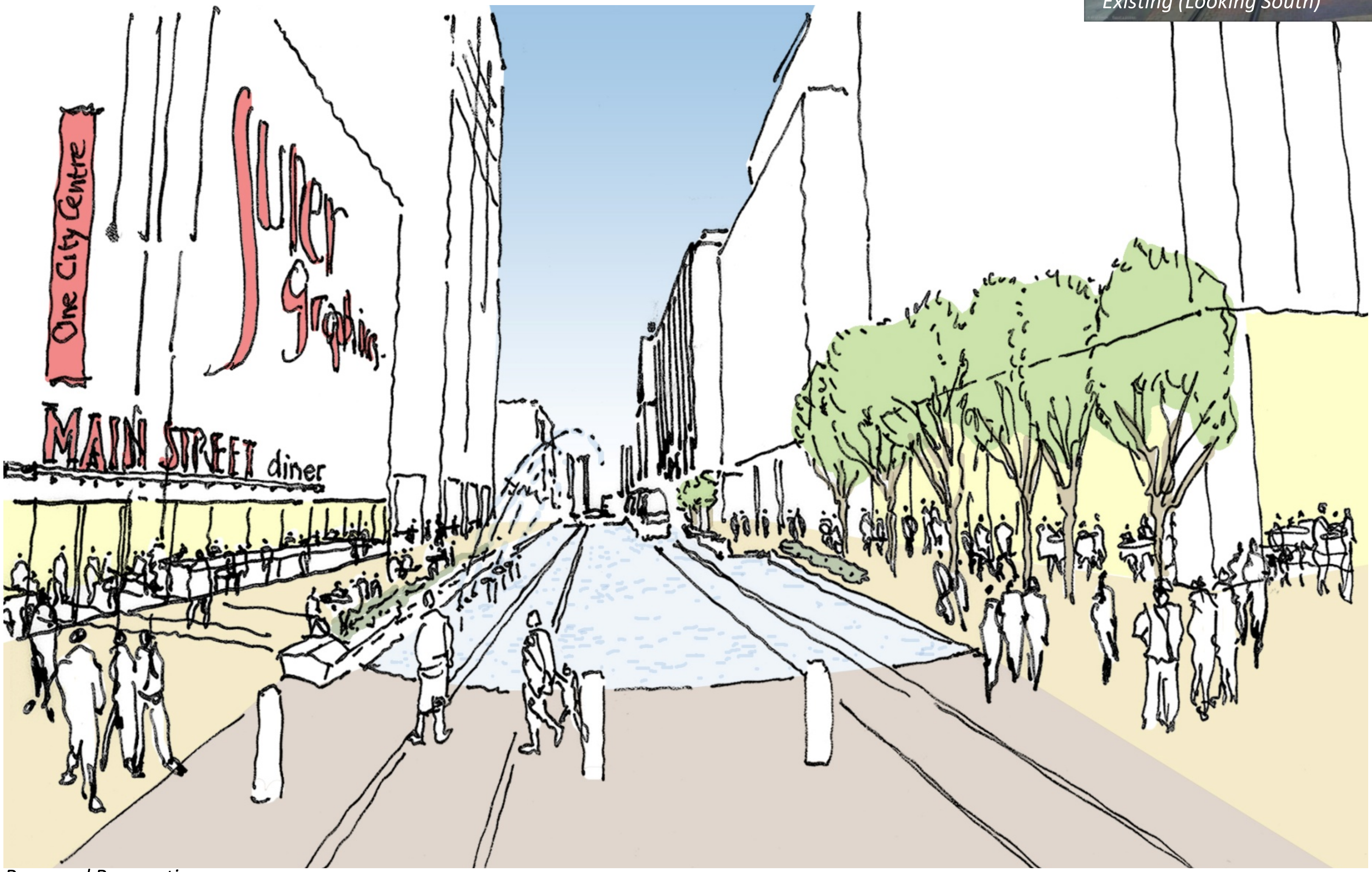
Main Street at McKinney

The following design recommendations are depicted in the proposed perspective:

- Renovate the ground level of the garage to include active uses. The blank wall of the parking garage is a missed opportunity in front of Main Street Square.
- Activate Main Street Square with outdoor cafes and additional signage.



Existing (Looking South)



Proposed Perspective

Phase 4: Lamar Street

Existing Plan with Proposed Sunken Retail Plaza at Tunnel Level

Lamar Street should provide convenience retail and support retail for the district as well as strong development of the public realm.

Convenience Retail and Support Retail

- Provide continuous retail street frontage.

Strong Development of the Public Realm

- Create gracious sidewalks to promote a pedestrian-friendly environment.
- Develop a robust signage program.
- Provide open-space opportunities.

Of Special Note

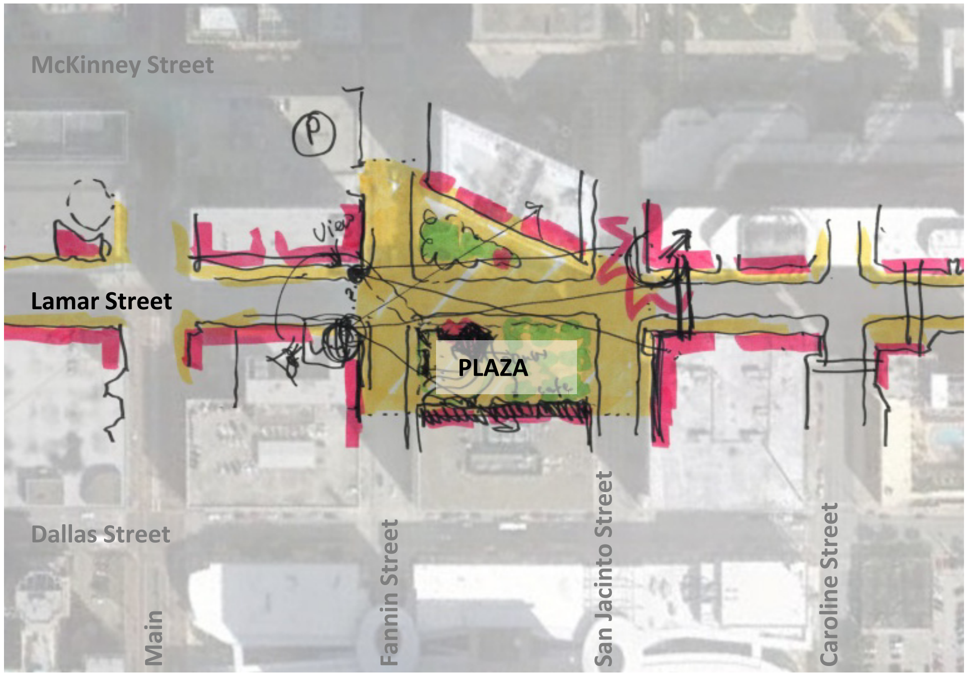
Market Square Park at Milam, Congress, Travis and Preston Streets is a graceful urban park with a pavilion restaurant. This is the type of environment well-suited for such an opportunity.

Proposed Sunken Urban Plaza

The following diagrams and images depict a sunken urban plaza along Lamar Street.

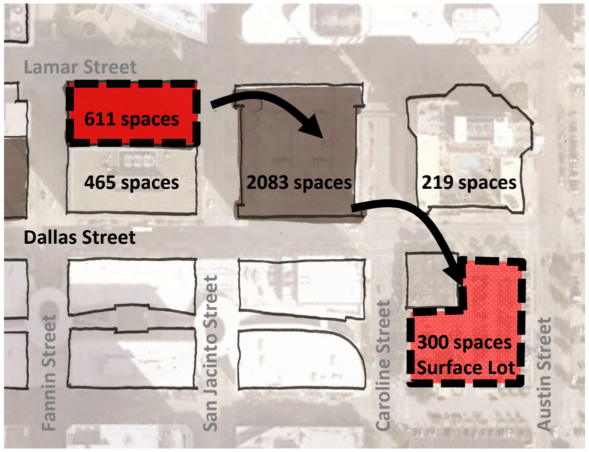
- The public plaza could connect the tunnel system to the street level.
- The public plaza could be programmed for special events.

Market Square Park



Proposed Plan of Sunken Plaza and Continuous Street Retail

Parking Strategy
The relocation of 600 spaces from the structure on Lamar between Fannin and San Jacinto could open up land to create a signature address not unlike Rockefeller Center in Midtown, New York City. A sunken plaza open to the street level and tunnel system is a way of culminating and day-lighting the below-grade tunnel system.



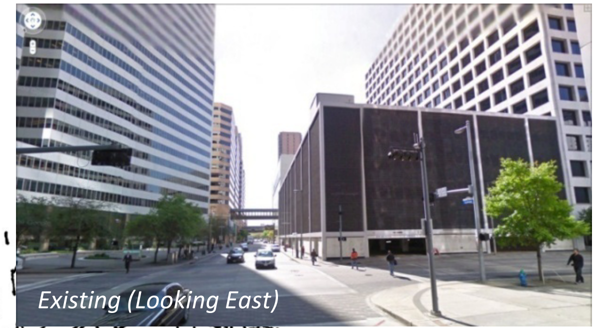
This diagram shows how HDMD can work with owners and developers to relocate parking spaces in order to create public realm improvements.

Proposed Next Steps
- Develop a parking strategy.
- Develop a new parking resource for retail users.

Precedent Images

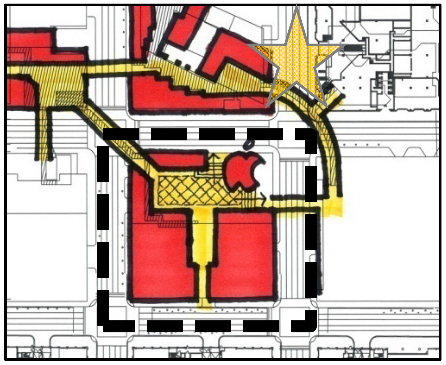
Urban Sunken Plaza: Rockefeller Center, NYC
- *Versatile sunken plaza surrounded by corporate high rise towers and retail*
- *Connected to both subterranean and street level*

Underground Apple Store, New York City
- *Located within plaza of corporate office tower*
- *Adjacent to Central Park, office towers, hotel and retail*
- *Connected to street level*

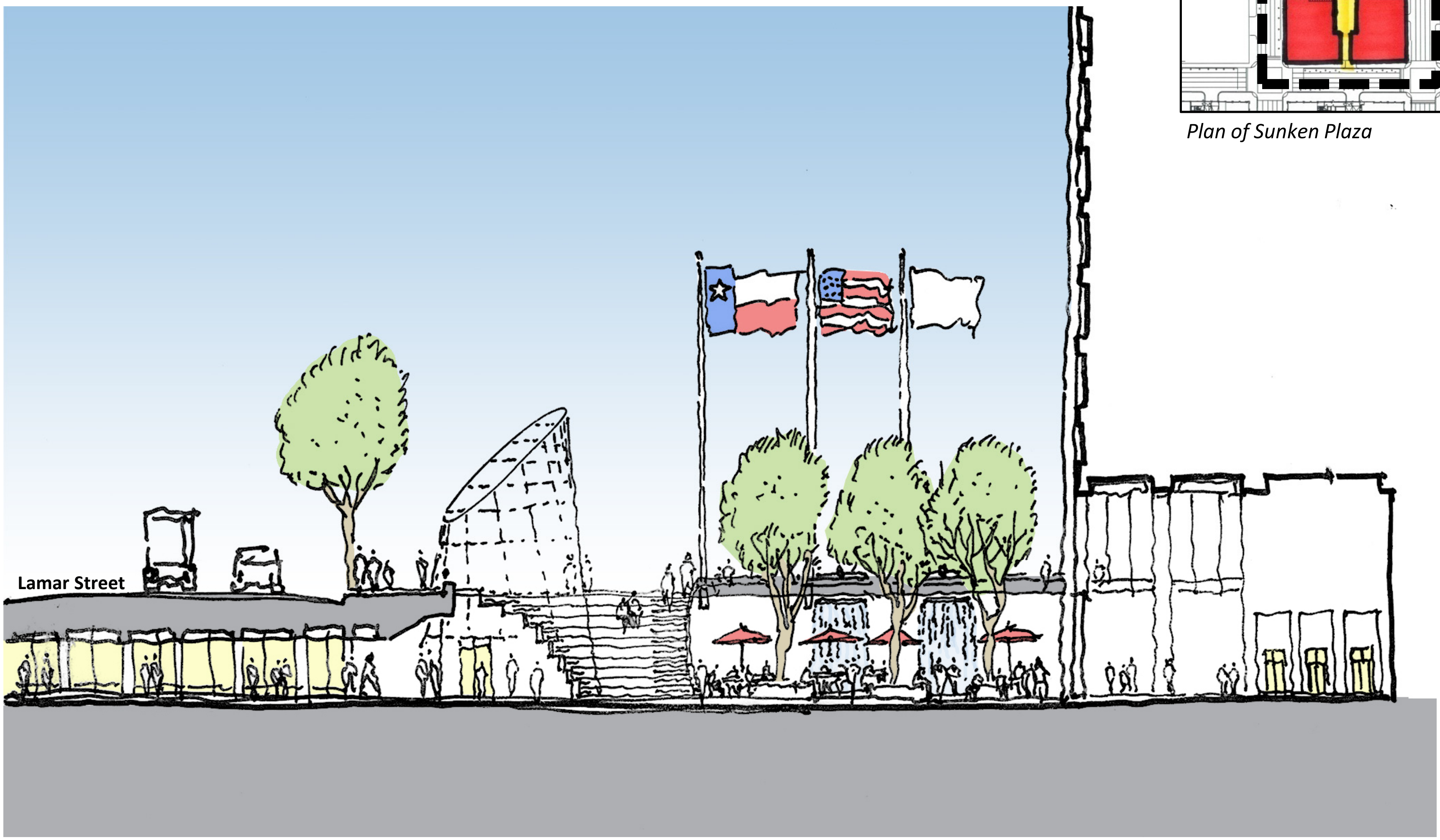


Existing (Looking East)

Proposed Perspective - Lamar Street at Fannin (Looking East)



Plan of Sunken Plaza



Section: Urban Sunken Plaza – Lamar Street between Fannin and San Jacinto Streets

Phase 5: Dallas Street

Dallas Street (Looking West from Austin)

Dallas Street will be the focus of the Shopping District anchored by Macy's on the west end and new retail, entertainment and residential developments on the east end.

Proposed Retail Street Frontage

- Proposed retail street frontage should be continuous.

A Pedestrian-First Public Realm

Currently there is a streetscape project along Dallas Street. This project is the impetus for continued improvements to the pedestrian environment. Additionally, alternatives have been developed to create a pedestrian-focused public realm on Dallas Street.

Design Recommendations

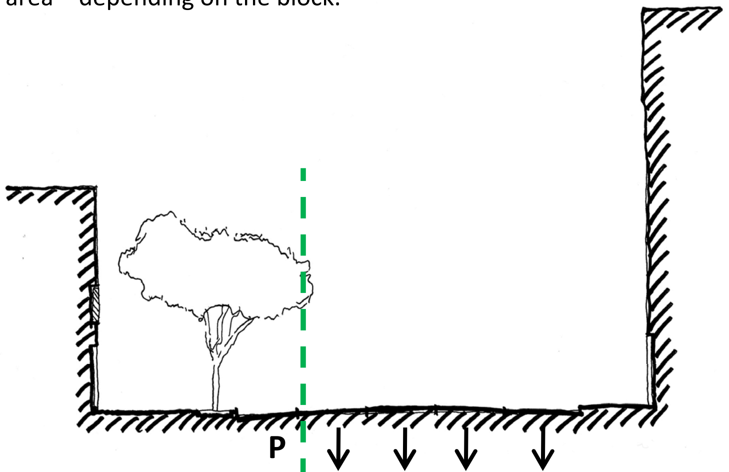
The following diagrams and images depict proposed improvements to the public realm.

- Develop a comprehensive retail signage and graphics program.
- Mandate active ground floor uses.
- Activate ground floor of parking garages.
- Require transparent storefronts.
- Develop mixed-use projects on surface lots.

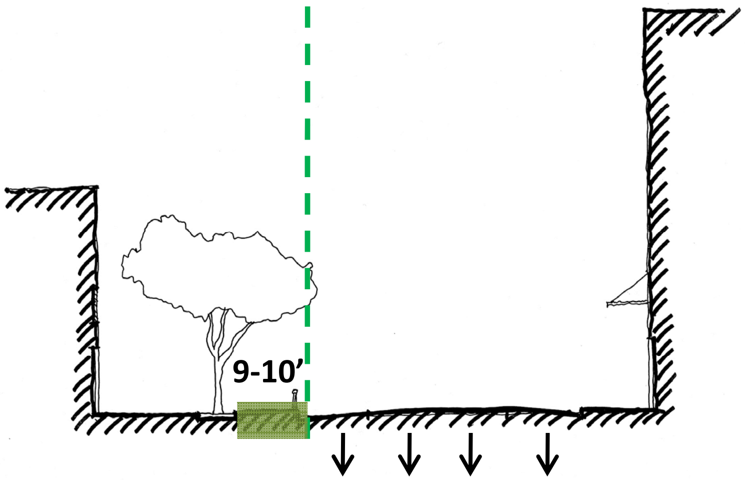
Proposed Plan of Dallas Street and Continuous Street Retail

Existing Conditions

Dallas Street is an eastbound, one-way street with five lanes, three of which are continuous lanes for vehicular traffic. The northern lane of the street serves as a traffic lane during peak hours and a parking lane during non-peak hours. The southern lane serves various functions – peak traffic lane, non-peak parking lane, designated parking area, bus drop-off area and/or landscape area – depending on the block.



Existing Conditions



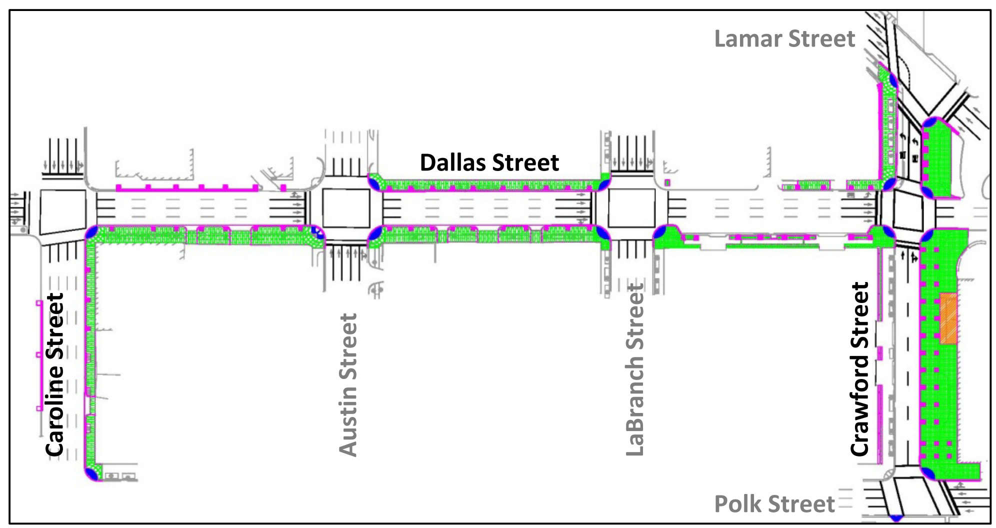
Current Project Under Implementation

Current Project Under Implementation – Dallas Streetscape as Part of Caroline, Dallas, and Crawford Streetscape Improvements Project

This current project includes streetscape improvements to Caroline between Polk and Dallas (1 block), Dallas between Caroline and Crawford (3 blocks) and Crawford between Polk and Lamar (1.5 blocks). Improvements include

- Removal and replacement of sidewalks, driveways and curb ramps
- Widening of sidewalk into the nearest traffic lane on the south side of Dallas and into the nearest two lanes on the east side of Crawford at Hilton Americas
- Modification of storm sewer to accommodate inlet relocation
- Installation of retaining walls, landscaping, irrigation and electrical components for pedestrian lighting
- Relocation of traffic signal/pedestrian signal/streetlight poles

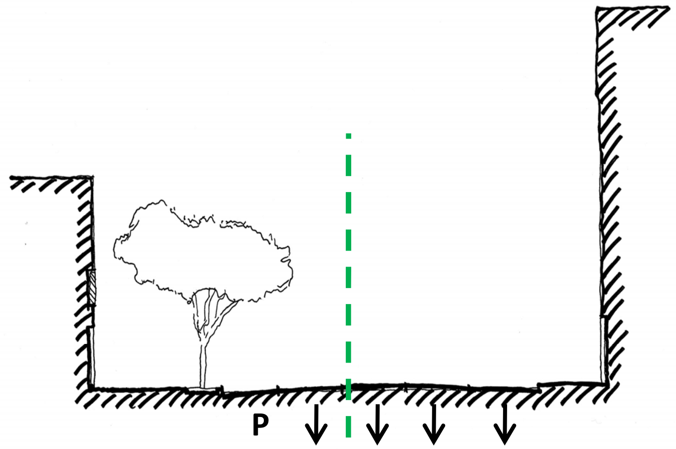
By shifting the existing curb line out into the nearest traffic lane on Dallas between Caroline and Crawford, approximately 9 to 10 feet of additional pedestrian right-of-way is gained. This additional streetscape area will enhance the pedestrian environment by providing enough room for amenities such as landscaping, sidewalk cafes and other furnishings, without compromising area mobility. The southern non-peak parking lane will be removed; however, the existing four lanes open to vehicular traffic will remain.



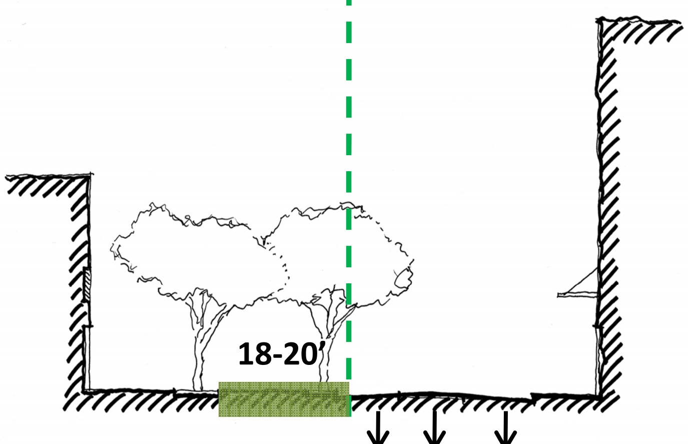
Current Project – Layout of Proposed Improvements

Alternative – Additional Widened Sidewalk on South Side

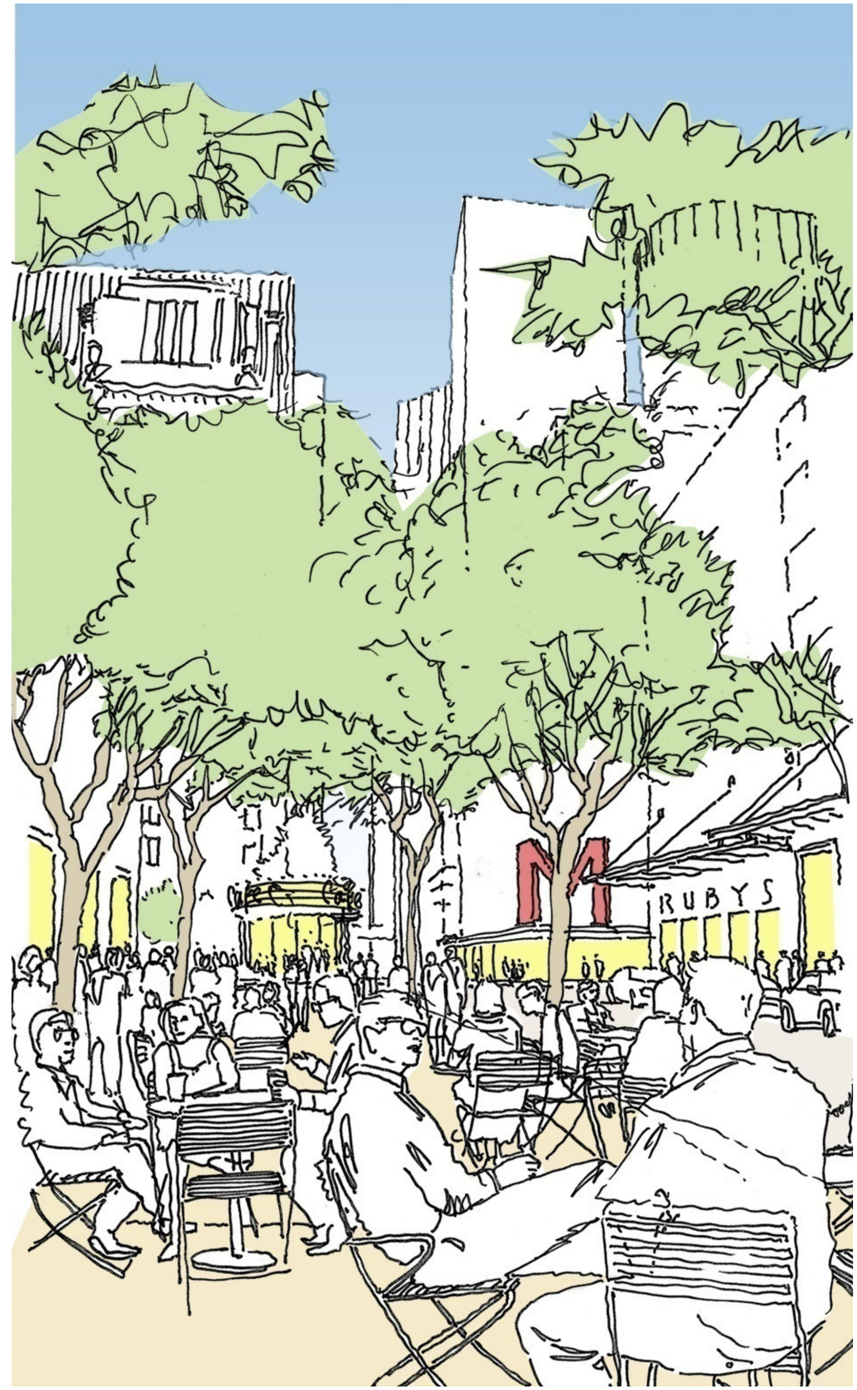
This alternative shifts the south curb line further out into the roadway than with the current project under implementation (between Caroline and Crawford) and existing conditions between Travis and Caroline at Houston Pavilions. This allows the existing sidewalk to be widened approximately 18 to 20 feet between Travis and Crawford. The three continuous lanes of vehicular traffic would remain, with the option of converting one of the lanes to parking during non-peak hours. This alternative would further enhance the public realm and provide additional space for streetscape improvements.



Existing Conditions



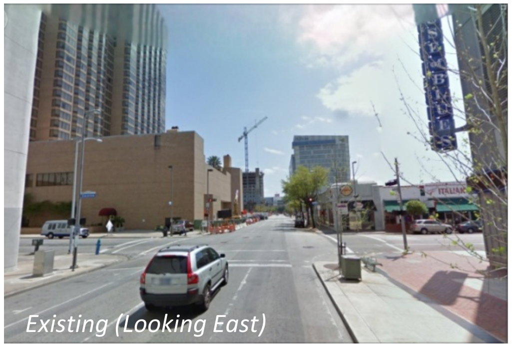
Alternative – Proposed Section



Dallas Street at Caroline

The following design recommendations for the proposed Alternative are depicted in the perspective:

- Implement a comprehensive streetscape plan with street trees to promote a pedestrian environment.
- Incorporate a signage or public art program for existing blank walls.
- Reconfigure existing loading docks wherever possible. All future developments should locate loading docks on side streets away from Dallas.



Existing (Looking East)

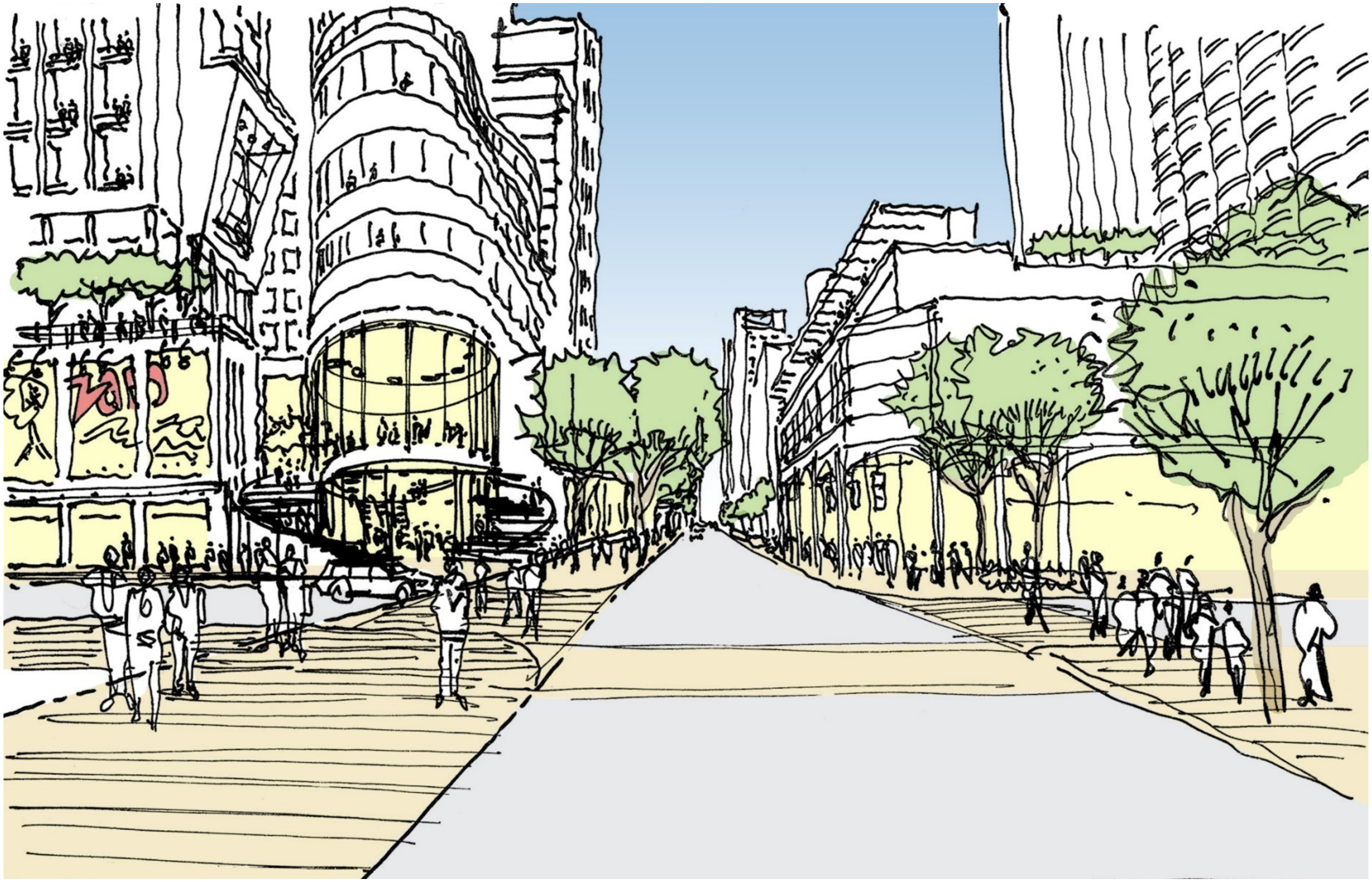
Proposed Perspective

Dallas Street at Austin

The following design recommendations for the proposed Alternative are depicted in the perspective:

- Implement a comprehensive streetscape plan with street trees to promote a pedestrian environment.
- Incorporate a signage or public art program for existing blank walls.
- Reconfigure existing loading docks wherever possible. All future developments should locate loading docks on side streets away from Dallas.
- Redevelop surface lots (underutilized land) in line with this recommended plan.

Existing (Looking West)



Proposed Perspective

Dallas Street at Crawford

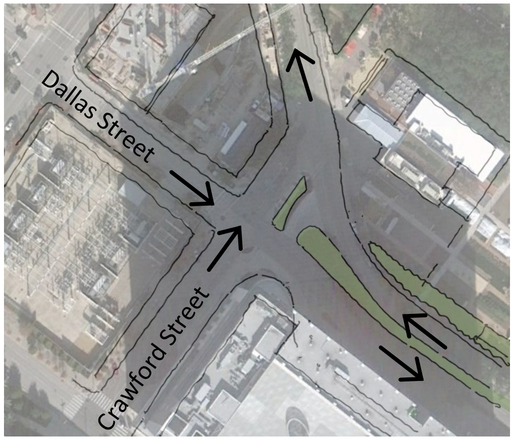
Gateway Fountain or Public Art Opportunity for Dallas Street and Shopping District

A gateway element should be explored to identify and brand the Shopping District.

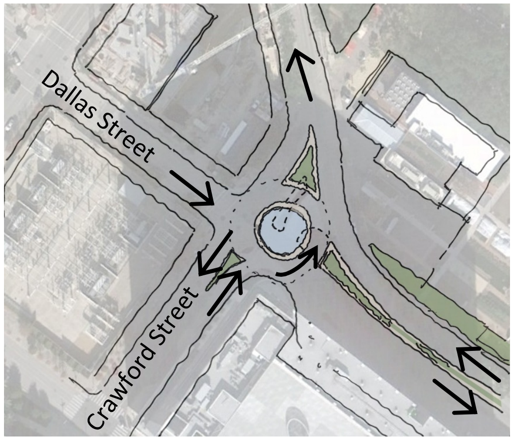
A public art opportunity at the east end of Dallas Street should be pursued even if the street configuration and flow of traffic does not change.

Existing (Looking West)

Proposed Perspective



Existing Intersection



New Gateway Fountain (or Public Art)

Precedent Images

Gateway Fountain or Public Art Opportunity:

Columbus Circle round-about and fountain near Time Warner Center, New York City

- *Located at one of New York City's landmark intersections*
- *Near The Shops at Columbus Circle, an upscale shopping mall that includes a Whole Foods Market in basement (68,000 square feet), restaurants, office space, residential condominiums, the Mandarin Oriental Hotel, Jazz at Lincoln Center (1,200-seat theater) and CNN Studios*

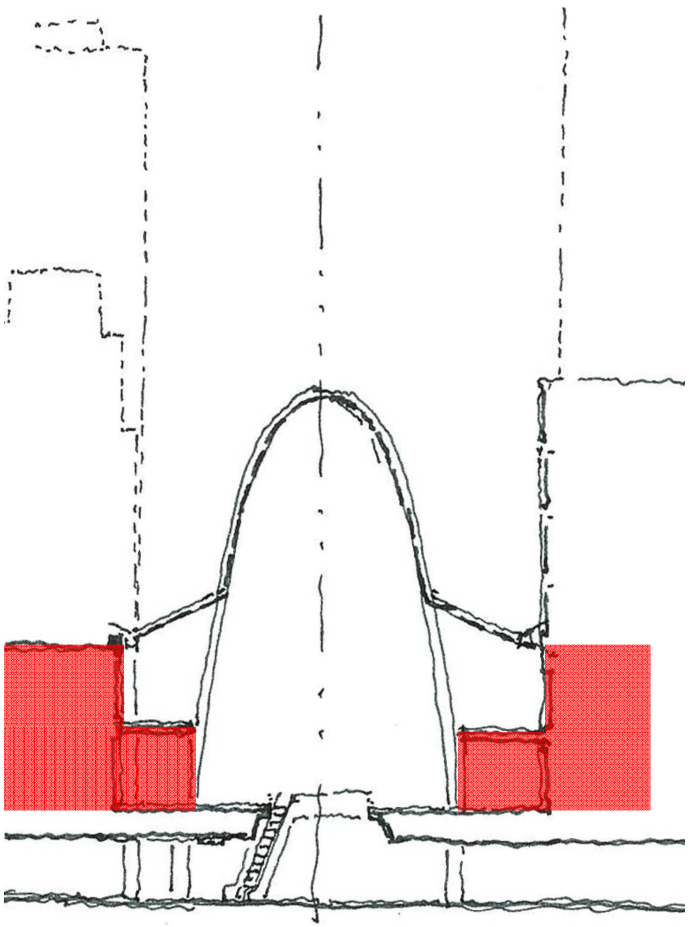
MECOM Fountains, Houston

- *A landmark at the intersection of Main and Montrose*
- *Considered a gateway to Hermann Park, the Museum District, Rice University and the Texas Medical Center*

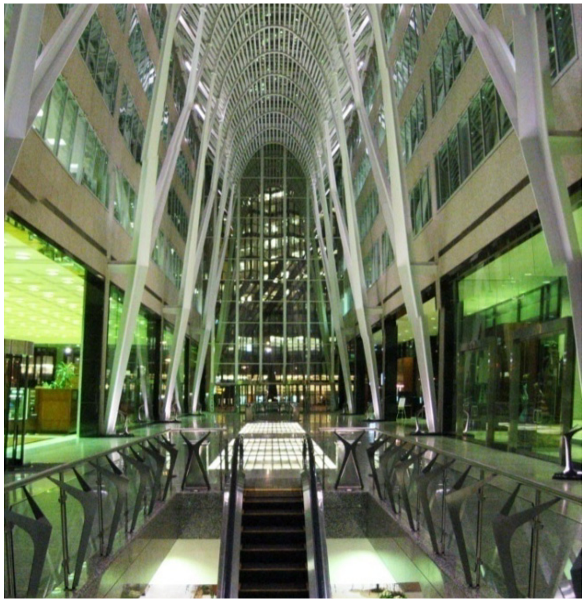
A Big Idea

Pedestrian Promenade

This proposed design removes the curb and roadway elements on Dallas Street, from Travis to Caroline Street, and closes off vehicular access in this area. A proposed tall, shaded galleria structure provides an iconic public room and allows existing retail frontages on both sides of the street to extend beyond their current building facade. Access to/from the tunnel system is created. Outdoor cafe seating is allowed to pour into the galleria area.



Proposed Section

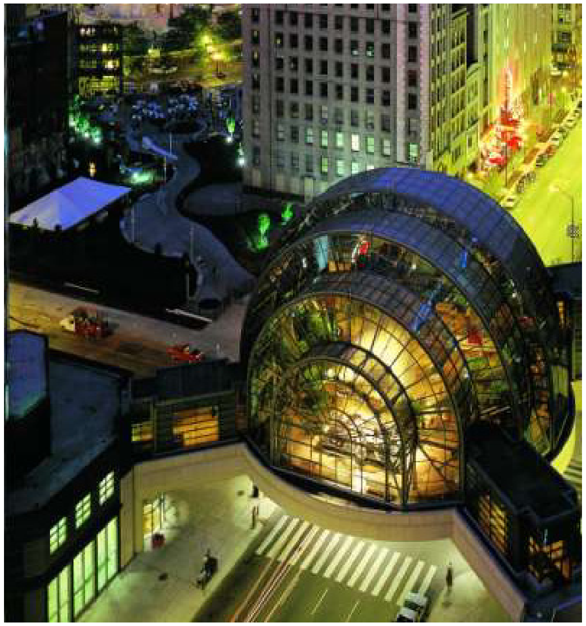


BCE Place and Allen Lambert Galleria, Toronto

- *Six story pedestrian galleria with office and retail*

Galleria Vittorio Emanuele II, Milan, Italy

- *Simple, yet bold idea of street-covered, pedestrian-only experience*
- *Ground level of primary importance*

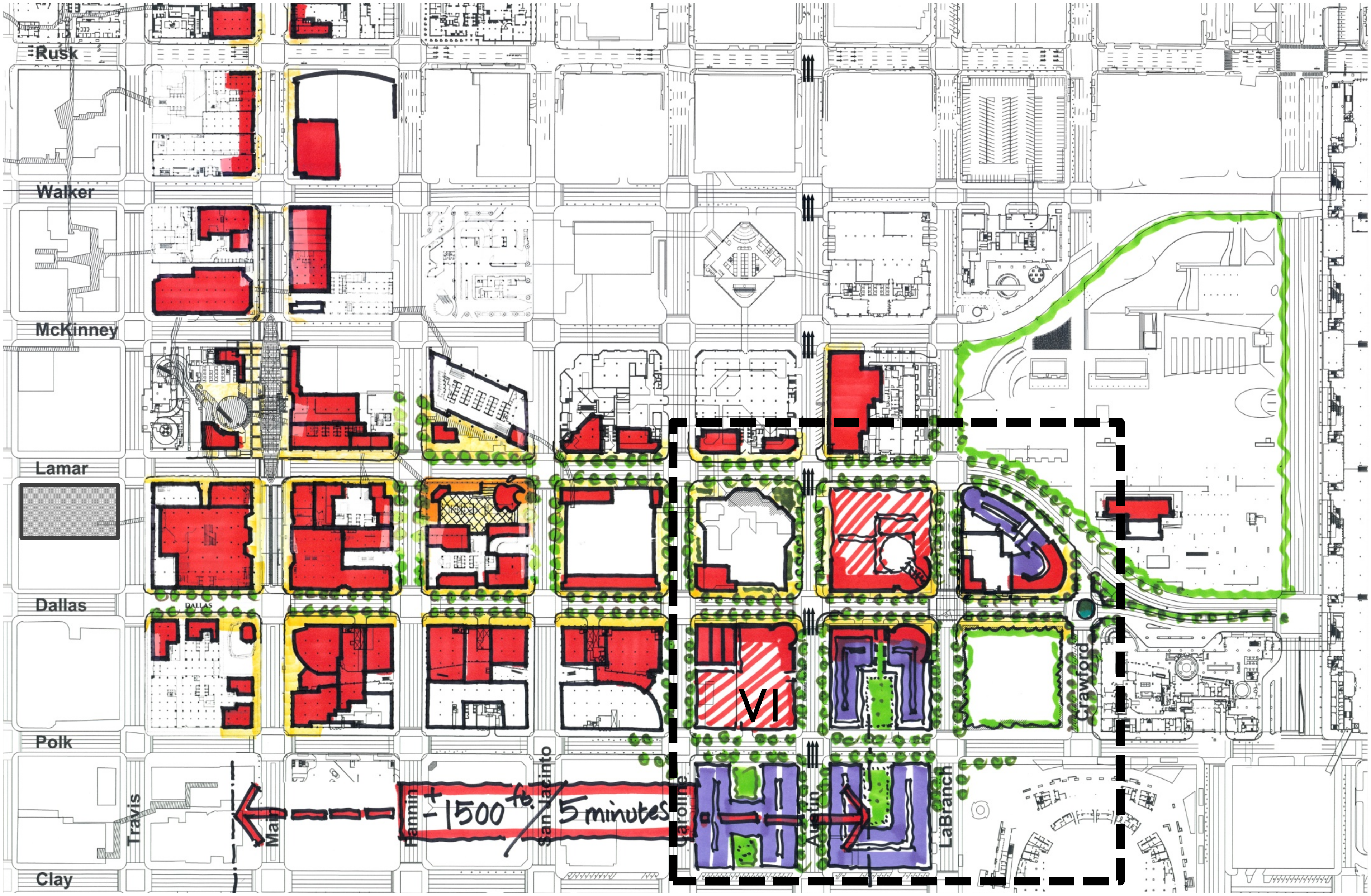


Circle Center, Indianapolis

- *Second level of primary importance*
- *Visible from end to end*
- *Contains bridges with retail over streets*
- *Includes iconic glass arts garden*

Phase 6: Mixed-Use Residential Neighborhood

The development of more residential units in and around Houston's downtown core should be a priority. This residential base will be integral to the creation of a successful Shopping District.



Mixed-Use Residential Neighborhood

Both alternatives illustrate the following design concepts:

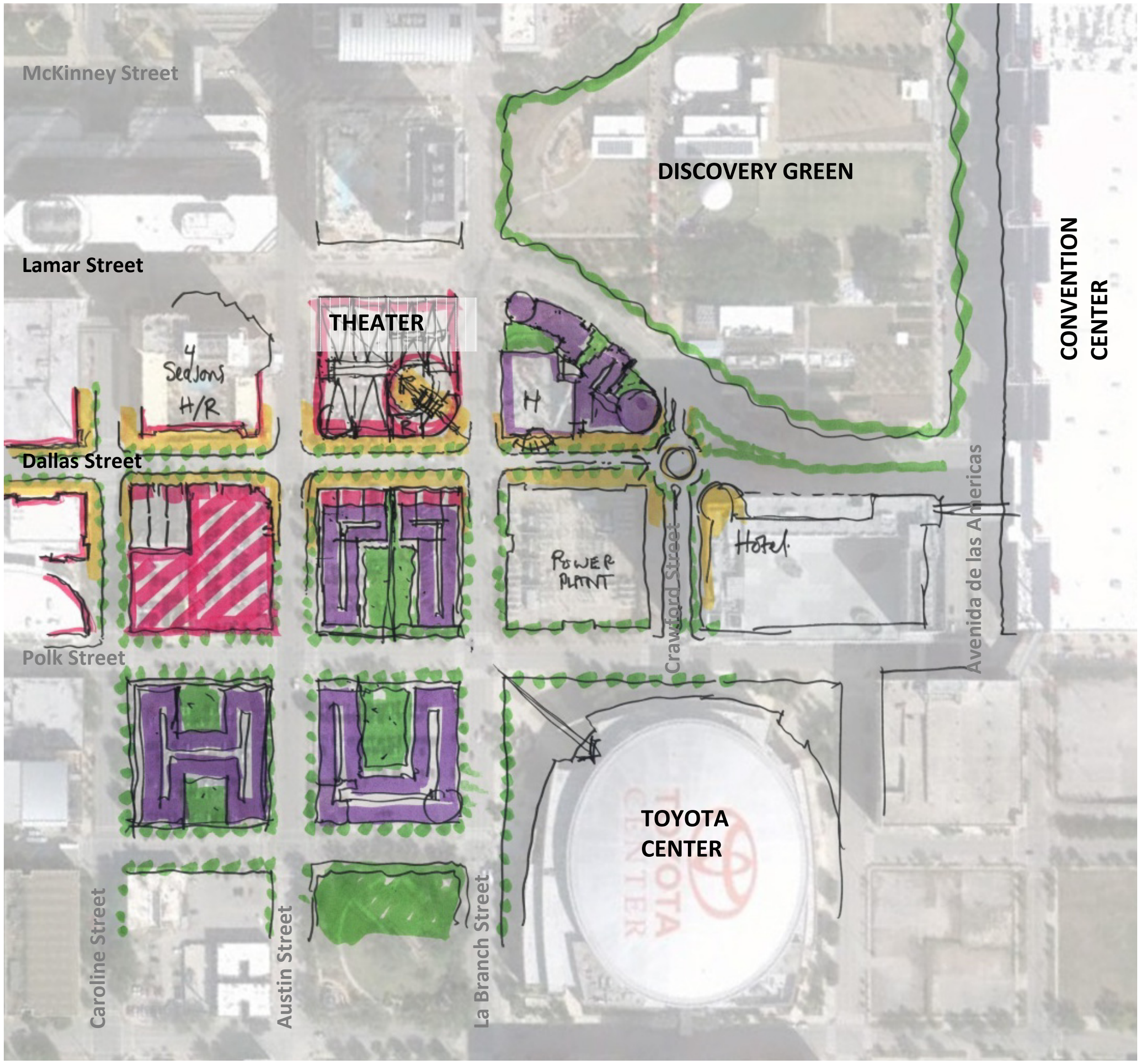
- Continuous street level retail along Dallas Street, even as a base to a residential development
- Streetscape improvements along Dallas Street, connecting the Sports and Convention District with the Shopping District
- Gateway fountain or public art opportunity at Dallas Street and Shopping District

Objective

- Identify retail and entertainment opportunities that can be nested into high-rise uses like office, hotel and/or residential.
- Identify several potential sites and solicit property owner support for the concept of creating a mixed-use, high-rise development. Mixed-use opportunities could include a multi-plex cinema and major retailers.

Approach

- Assess the market potential.
- Solicit user interest.
- Create a layout and plan with a vertical component (housing, hotel or office).
- Create a rough economic model.
- Approach targeted landowners and developers in the market with the opportunity.

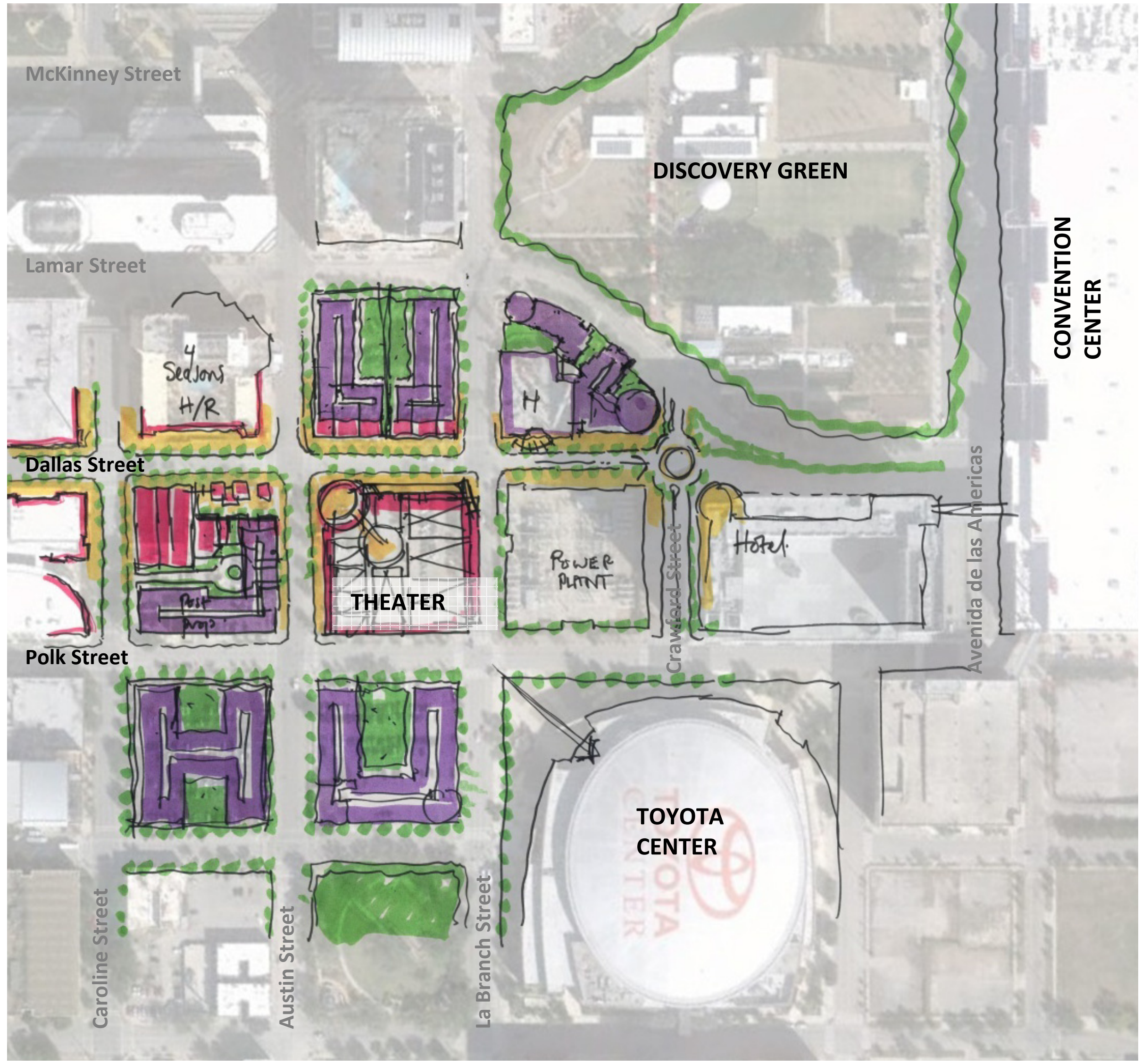


Alternative 1 Plan:
Potential Cinema Theater between Dallas and Lamar Streets

Retail

Residential

Streetscape Paving



Alternative 2 Plan:
Potential Cinema Theater between Dallas and Polk Streets

Retail

Residential

Streetscape Paving

Urban Entertainment District:
LA LIVE, Los Angeles, California

- *Adjacent to convention center and basketball arena*
- *Includes hotel, restaurants, concert venues, movie theater and outdoor plaza*

Movie Theater nested in a Mixed-use Development:
Paseo Colorado, Pasadena, California

- *Mixed-use development containing residential, grocery store, movie theater and restaurant anchors*
- *Double-loaded retail with anchors facing street and smaller retail loaded on interior mid-block "paseo"*
- *Inlcudes second floor movie theater, restaurant and bars and a Gelson's Market*
- *Street level of primary importance (residential lobbies, paseos and grand stairs all come down to street level)*
- *Pedestrian-only cross streets*

Urban Target: West Hollywood Gateway,
West Hollywood, California

- *Ground floor retail with Target on second floor*
- *Open to major intersection with parking behind*

Precedent Images

Pedestrian Scale Streetscape and Storefront Retail:

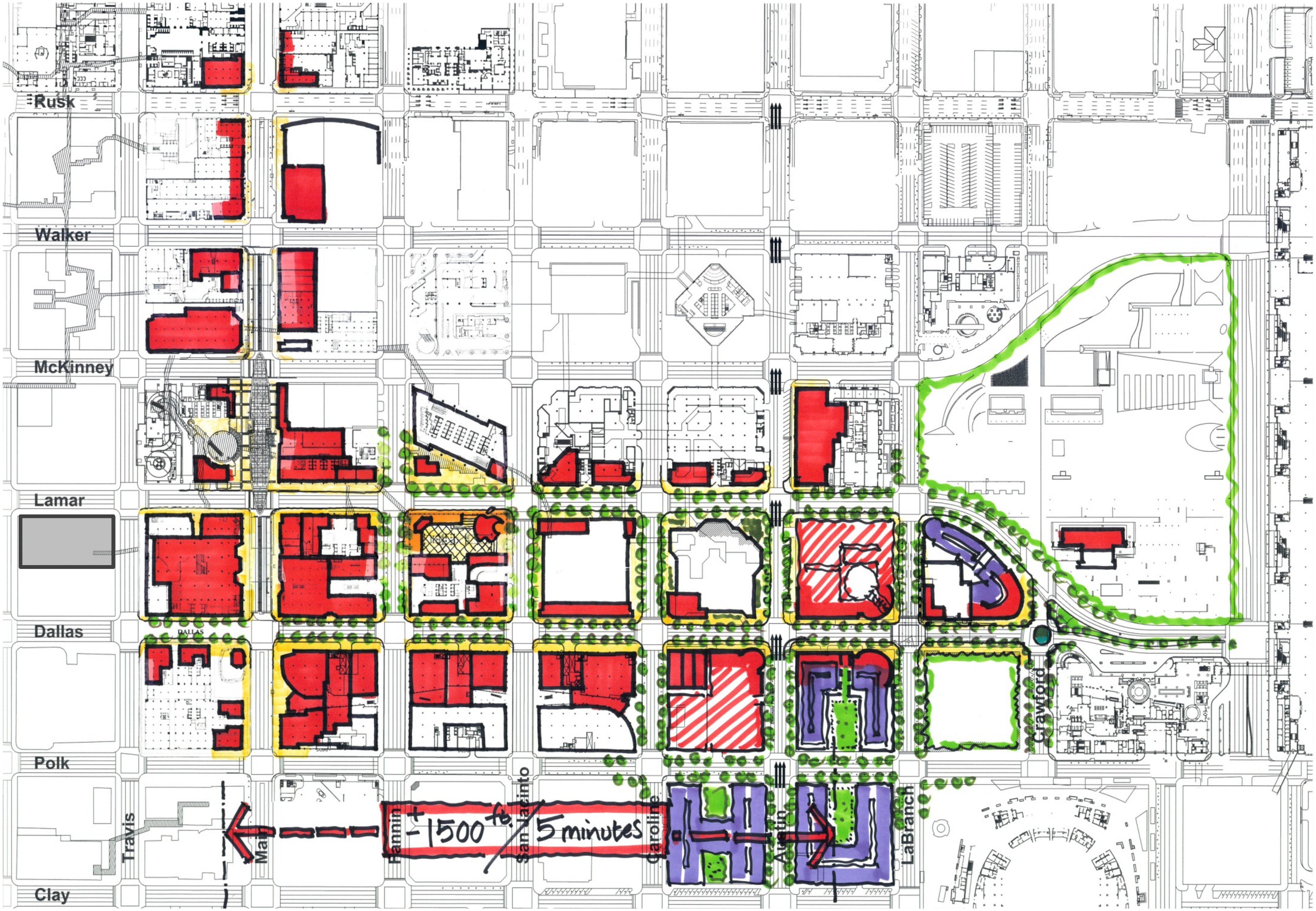
Santana Row, California

- *Mixed-use urban village with retail, restaurants, apartments, condominiums and hotel*

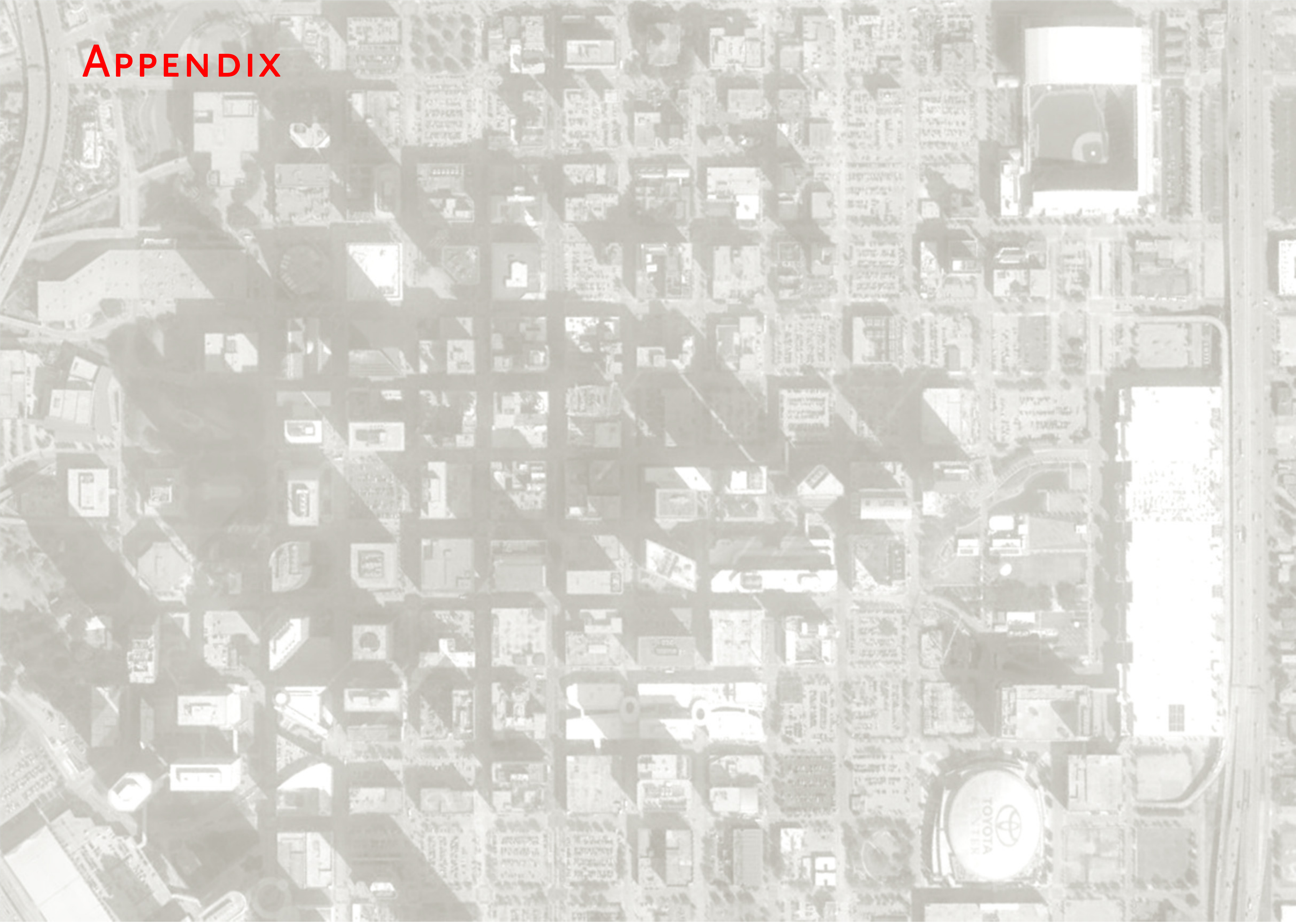
Midtown Square, Houston

- *Ground floor retail with residential above (Note: Residential would need to be high-rise for downtown)*
- *Retail scaled down to pedestrian street level*
- *Midblock parking*

Full Build-Out



APPENDIX



AECOM
5757 Woodway Drive
Suite 101 West
Houston, TX 77057-1599
www.aecom.com

713 780 4100 tel
713 267 2857 fax

To: Kristin Landry, P.E.
From: Divya Kenche, P.E.
Date: March 14, 2011
Subject: Foley's Building Structural Feasibility Study

Executive Summary

The Macy's in downtown Houston currently occupies all 10 floors of the historic Foley's building plus the basement of the building located at 1110 Main St. The purpose of this structural feasibility study is to investigate options for consolidating Macy's to three or four floors of the building and bringing in various other retailers and/or businesses to occupy the rest of the building.

Three options were considered in the study. Option 1 entails moving Macy's to the basement and floors 1 through 3. Offices will be located on floors 4 through 6, while a hotel or lofts will occupy floors 7 through 10. A rectangular atrium will be added in the center of the building, extending from floor 7 to floor 10. There will be a new lobby added to the northwest corner of the building, which will contain a new bank of elevators to service the upper (non-Macy's) floors. There will also be new escalators installed on the Lamar Street side of the building to connect the basement and 1st floor. The final change in this option is the replacement of the brick curtain wall in some locations with glass.

Option 2 consists of moving Macy's to floors 1 through 3. A new store will be brought into the basement. The 4th floor will be used as a back office and a transfer floor for additional utilities and structural supports. The remaining floors will be turned into a cinema, requiring three of the existing floor structures to be removed to accommodate the height of a theater. New escalators will be added on the Lamar Street side of the building all the way up to the cinema levels.

The final option, Option 3, brings a new store to the basement and has Macy's occupying floors 1 through 4. Offices will be located on the remaining floors, as well as a new, round atrium. As with Option 1, a new lobby will be added to the northwest corner of the building with new elevators to service the upper floors. New escalators will be added to access the basement, and portions of the existing brick exterior will be replaced with glass.

The study found that Option 2 is not feasible. Removing the entire three floors results in the building being unstable. Existing columns are designed to be braced at each floor. The removal of many of the interior columns puts a large amount of load on the remaining columns for which they were not designed. As a result, this option would require the addition of new, larger columns, and it is unknown whether or not the existing foundation would be able to carry these new supports due to a lack of available record drawings for the building.

It was found that Options 1 and 3 are both feasible. The building can be modified to support the proposed changes. However, a detailed structural on-site investigation is recommended for final results if either of these options is selected. Structural details within record drawings of the building were for floors 7 through 10 only, and for this analysis, it was assumed that the reinforcing was the same for the other floors.

Introduction

This study investigates the structural feasibility of renovating the existing Foley's building located at 1110 Main St. in downtown Houston. The purpose of the study is to consolidate Macy's on 3 or 4 retail levels while the rest of the floors are being considered for various types of adaptive reuse of the space.

Structural Investigation

The available record drawings of the building do not provide sufficient structural details for all the floors; therefore, the analysis was based on the following assumptions:

- The existing foundations are adequate to support the renovations.
- Beams are the same on all floors (beam schedule available for the 7th floor and beam layouts available for floors 8 through 10 only).
- A new elevator pit will be added at the new elevator locations, and a new escalator pit will be added at the new escalator locations.

A condition assessment and survey at critical locations is recommended before proceeding further with renovation plans.

The study investigates three options using STAAD Pro to create a computer model of the building (see Exhibit A of this report).

Option 1:

Proposal

This option consists of relocating Macy's to the basement and floors 1 through 3. Floors 4 through 6 will be offices, and floors 7 through 10 will be a hotel or lofts. There will be a rectangular atrium added to the center of the building on floors 7 through 10. A new lobby will be added to the northwest corner of the building (near the intersection of Lamar and Travis) with new elevators servicing the upper floors of the building. New escalators will be added on the Lamar Street side of the building traversing from the basement to the 1st floor. Portions of the existing brick exterior will be replaced with glass.

Structural Analysis

The study investigates the removal of beams and columns at the central core of the building from floor 7 to floor 10 and building an atrium at the center of the building. The building was analyzed in STAAD Pro as a moment frame since there are no shear walls in the existing building.

The proposed renovations to the existing Foley's building under Option 1 are structurally feasible. The existing building has adequate capacity to support the future loads for gravity if the beams supporting the atrium walls are strengthened. The relocation of the elevators may be feasible if the existing foundation is evaluated and modified to carry the elevator loads. The addition of new escalators is feasible only if the existing beams and columns are upgraded and modified to carry the higher loads. It may also be possible to retrofit the beams with structural steel. The new glass curtain wall is acceptable as long as it weighs the same or less than the existing brick. New structural details will be needed to attach the glass to the existing structure. Because of the changes to the stiffness of the building with the modifications, shear walls will have to be constructed to decrease the lateral deformations.

Conclusion

Option 1 is feasible based on the assumptions of this study. A detailed structural on-site investigation is recommended for final results if this option is selected.

Option 2:

Proposal

This option brings a new store to the basement of the building and consolidates Macy's onto floors 1 through 3. The 4th floor will be used as a back office and a transfer floor for additional utilities and structural supports. Floors 5 through 10 will be turned into a cinema. New escalators will be added on the Lamar Street side of the building all the way up to the cinema levels.

Structural Analysis

This study investigates the removal of three entire floors (floors 6, 8 and 10) including beams, girders, columns, and slabs in order to have a minimum clearance of 23 feet. Option 2 is not feasible due to the following reasons:

1. Taking out interior columns and beams will transfer loading to the remaining columns, which were not designed for that much loading.
2. Removing the interior columns and beams will decrease the stiffness of the building, causing it to be laterally unstable.
3. Removing the beams and slab will double the unbraced length of the remaining columns, resulting in the kL/r to be too large, diminishing the capacity of the columns.
4. To support the new cinema and the large unbraced lengths required for the theaters, new, larger columns and beams would need to be added. Insufficient record drawing data prevents verification that the foundation could carry these new supports.

Conclusion

Option 2 is not feasible.

Option 3:

Proposal

This option includes a new store in the basement with Macy's occupying floors 1 through 4. Offices will be located on floors 5 through 10. A new atrium will be added on floors 5 through 10 as well, with the atrium being round and graduating to smaller sizes as it goes down the building. A new lobby will be added to the northwest corner of the building (near the intersection of Lamar and Travis) with new elevators servicing the upper floors of the building. New escalators will be added on the Lamar Street side of the building traversing from the basement to the 1st floor. Portions of the existing brick exterior will be replaced with glass.

Structural Analysis

The study investigates the removal of beams and columns at the central core of the building from floor 5 to floor 10 and building a round atrium at the center of the building. The building was analyzed in STAAD Pro as a moment frame since there are no shear walls in the existing building.

The proposed renovations to the existing Foley's building under Option 3 are structurally feasible. Due to the shape of the atrium, there will be cantilevered beams to support the walls of the atrium that will need to be strengthened. The relocation of the elevators may be feasible if the existing foundation is evaluated and modified to carry the elevator loads. The addition of new escalators is feasible only if the existing beams and columns are strengthened to carry the higher loads. It may also be possible to retrofit the beams with structural steel. The new glass curtain wall is acceptable as long as it weighs the same or less than the existing brick. New structural details will be needed to attach the glass to the existing structure. Because of the changes to the stiffness of the building with the modifications, shear walls will have to be constructed to decrease the lateral deformations.

Conclusion

Option 3 is feasible based on the assumptions of this study. A detailed structural on-site investigation is recommended for final results if this option is selected.

Constraints

- The available building record drawings are not complete. It is not possible to obtain accurate beam and column reinforcement. Therefore, it is necessary to undertake a condition assessment and survey before proceeding.
- The level of information on the foundation of the building is insufficient. It has been necessary to make assumptions about the foundation's ability to support the renovations.

Conclusion

Three options were studied to investigate possible renovations for the existing Foley's building in downtown Houston. STAAD Pro was used to model these options on the computer. It was found that Option 1 (Macy's, offices, hotel/lofts, and a 4-story rectangular atrium) and Option 3 (Macy's, additional store, offices, and a 6-story round atrium) are feasible, while Option 2 (Macy's, additional store, and cinema) is not feasible. Several assumptions were made based upon the available structural record drawings, so a detailed structural on-site investigation is recommended before proceeding further with specific renovation plans.

Exhibit A – STAAD Pro Figures

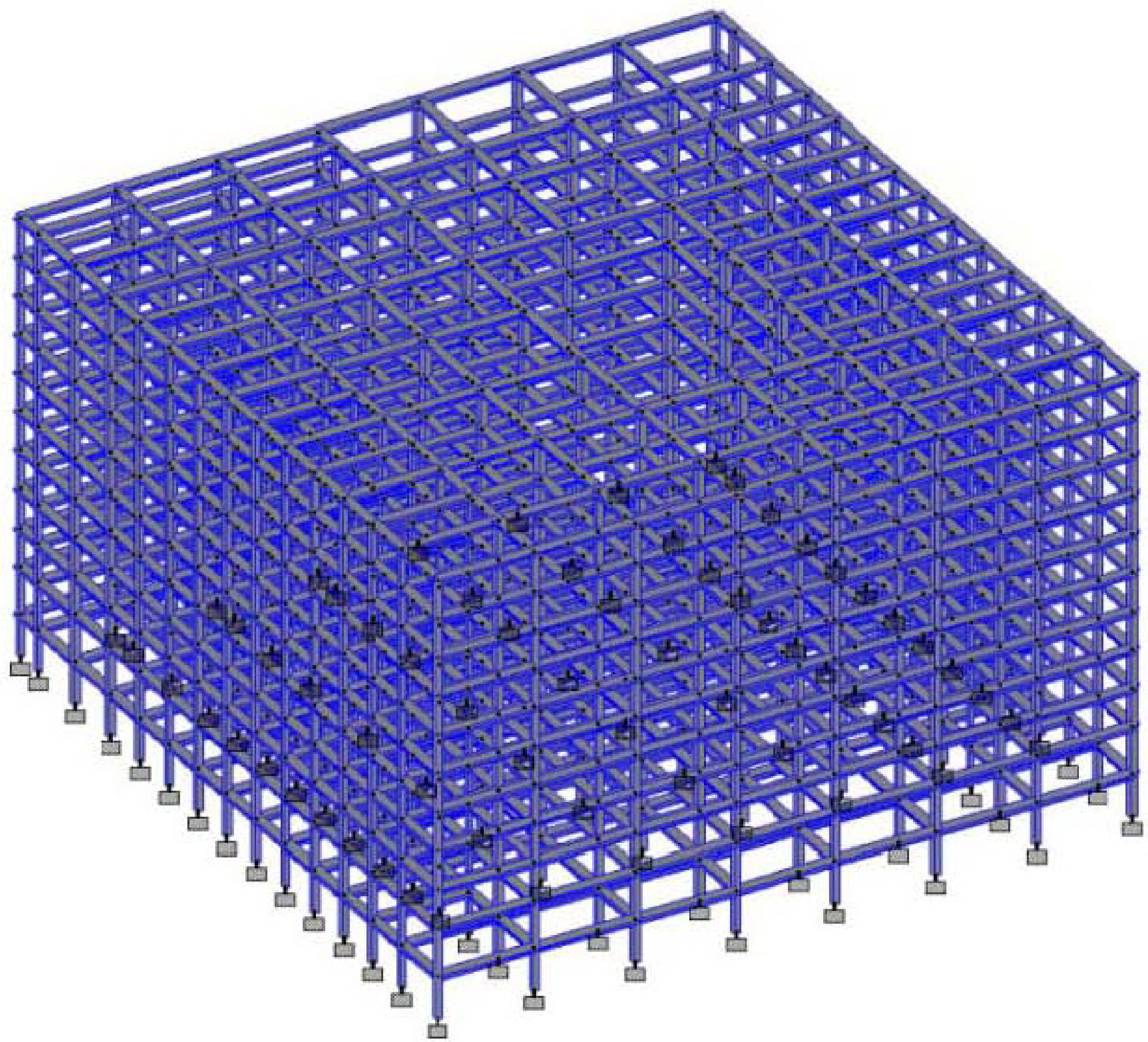


Figure 1 - 3D STAAD Pro model of Foley's building

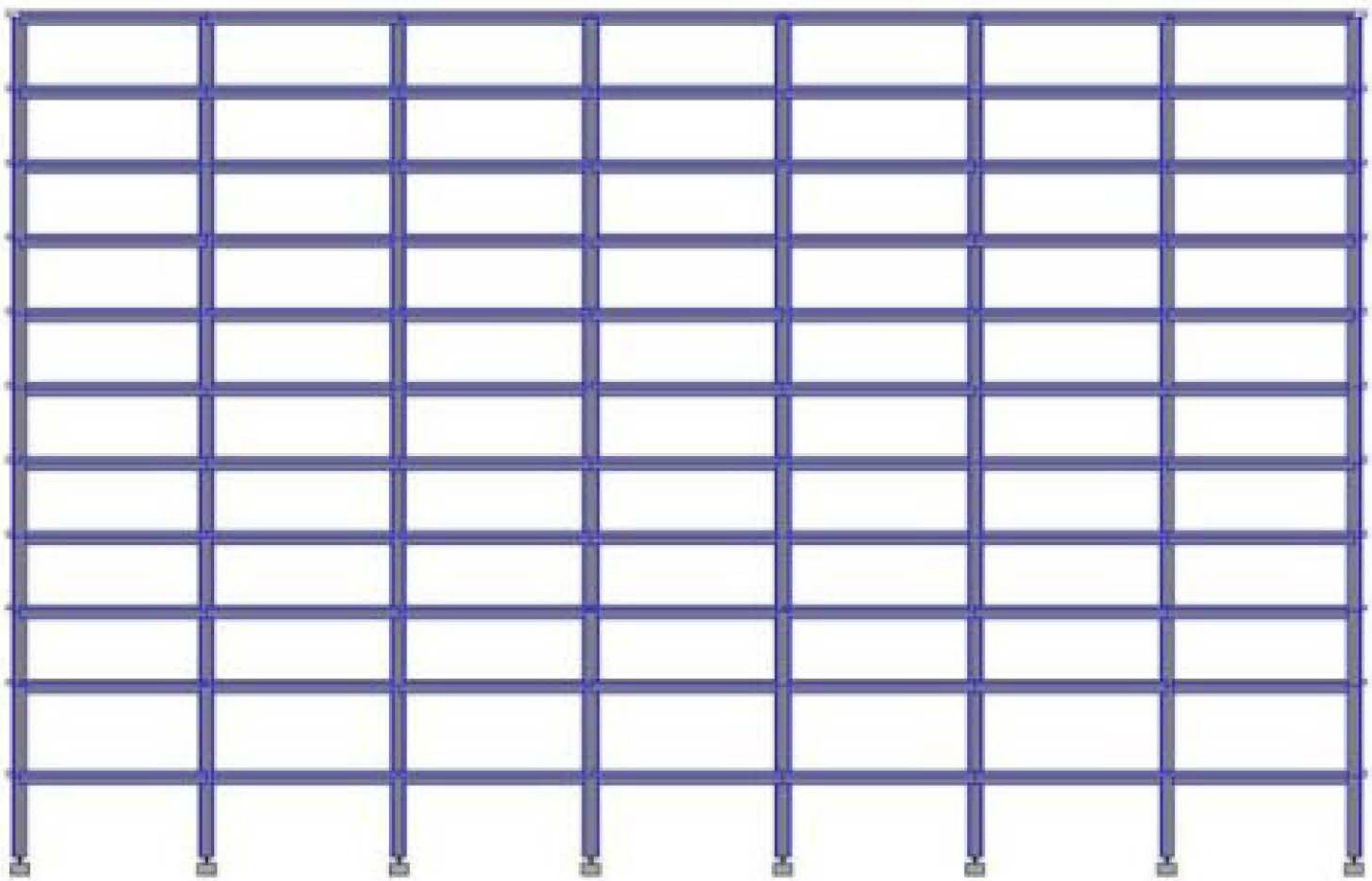


Figure 2 - Profile view of STAAD Pro model of Foley's building

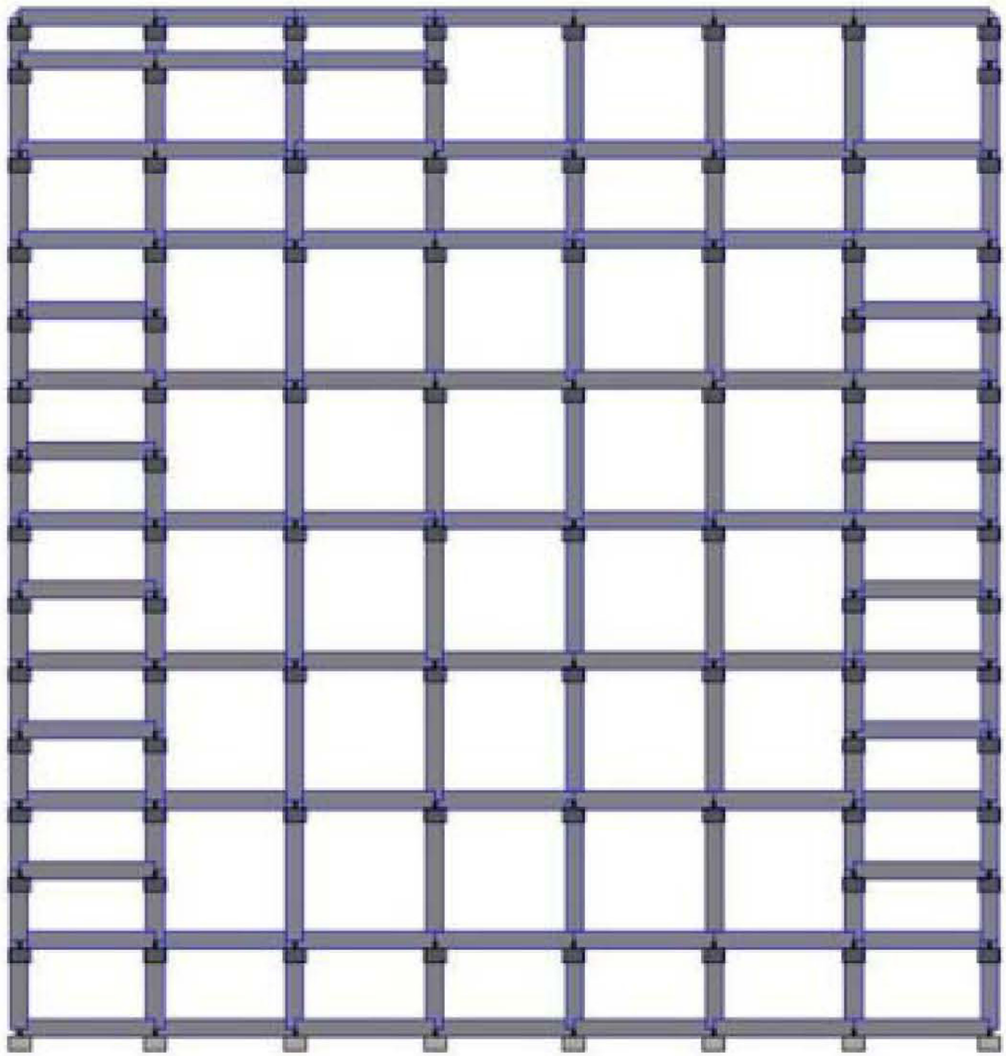


Figure 3 - Plan view of STAAD Pro model of Foley's building

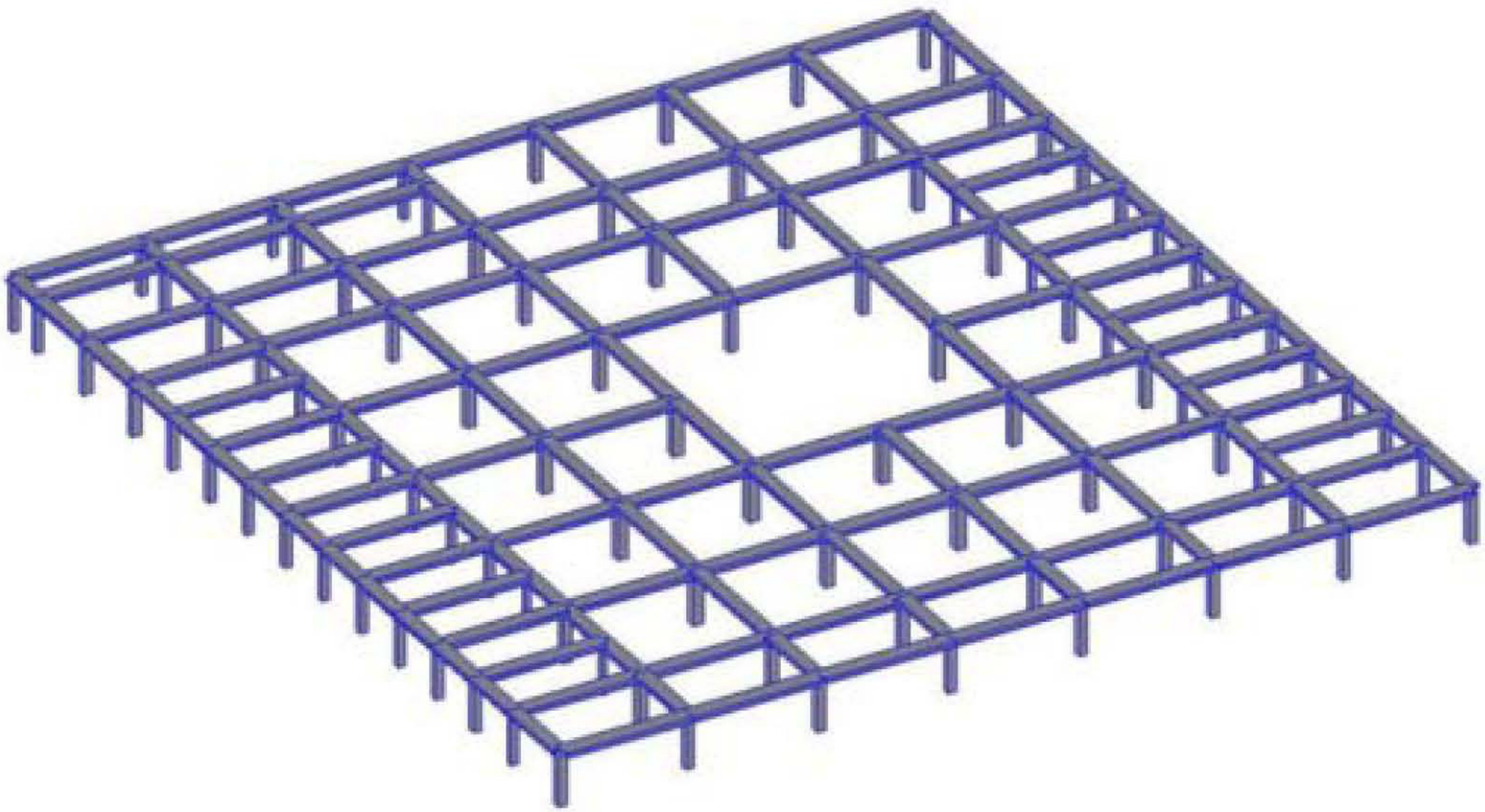


Figure 4 - Floors 7 through 10 floor plan (Option 1)

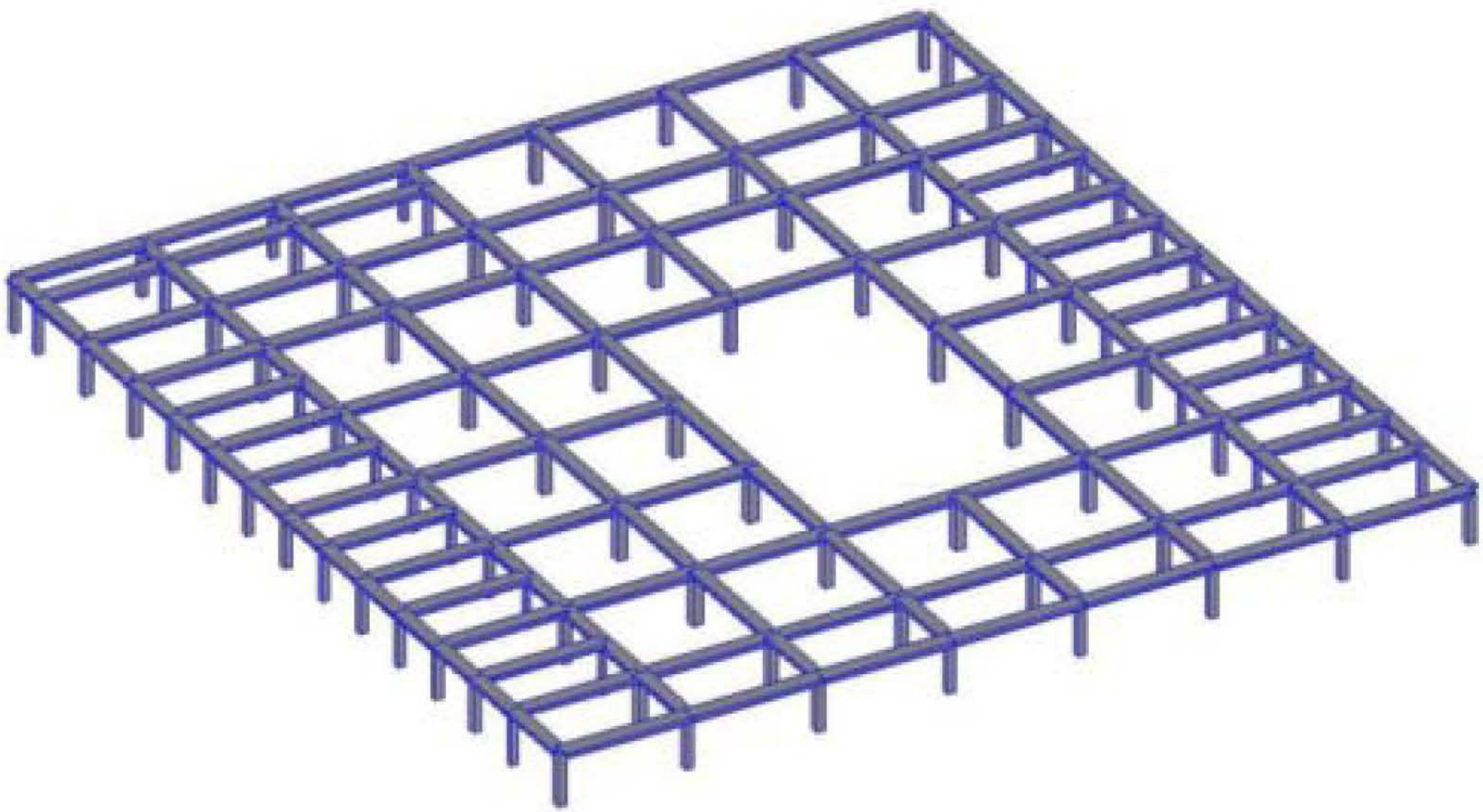
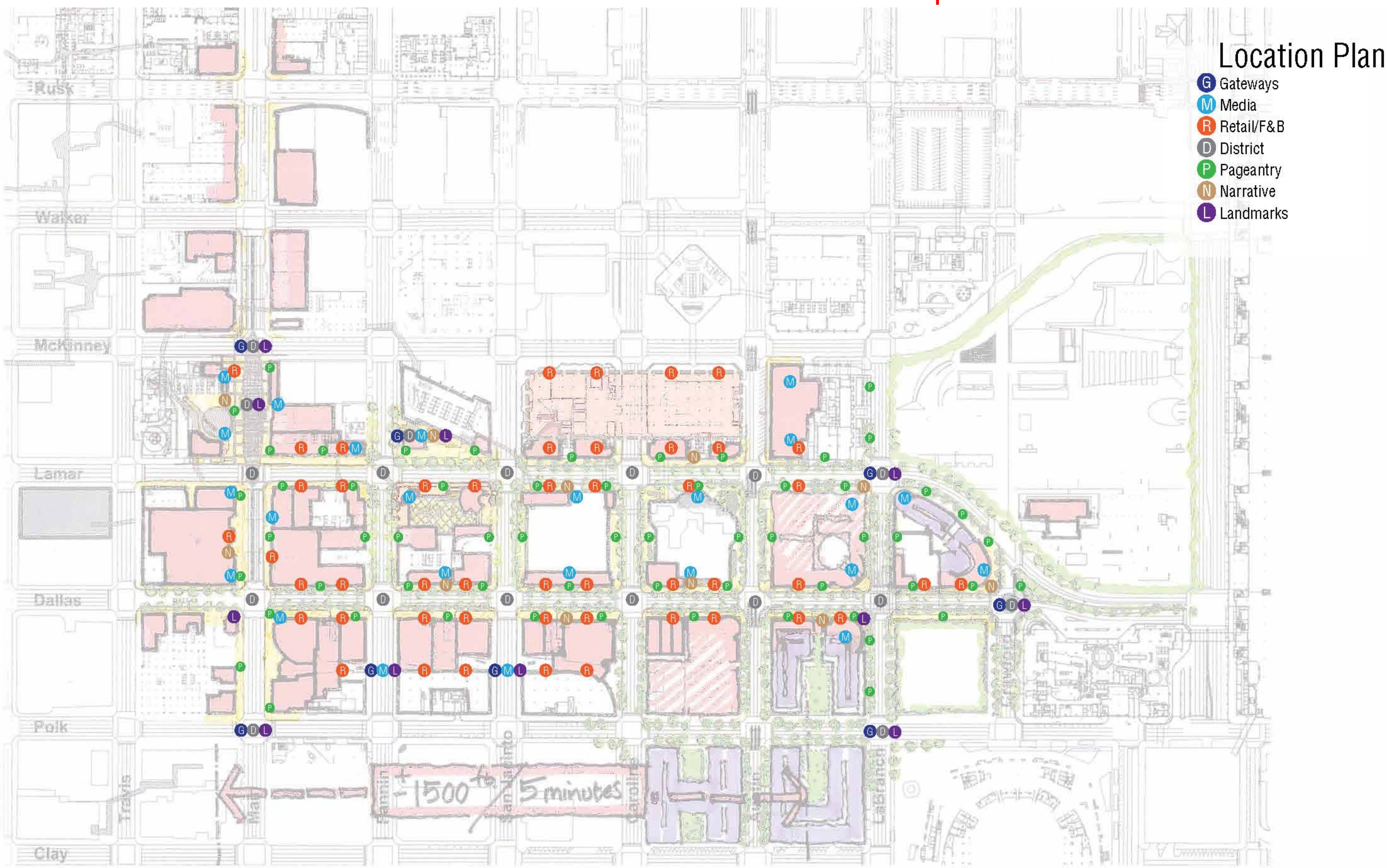


Figure 5 - Floors 5 through 10 floor plan (Option 3)

Appendix B: Environmental Branding and Identity – Stantec|CommArts

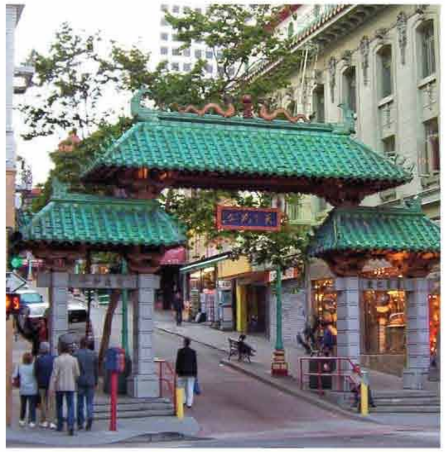


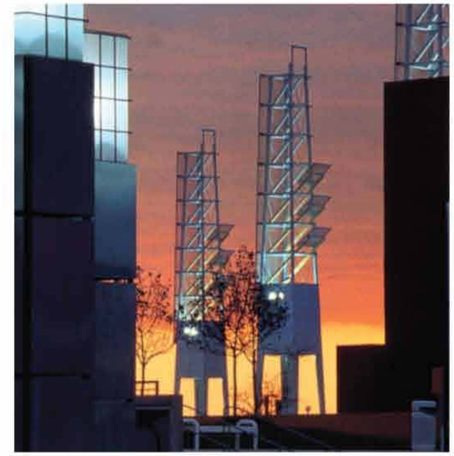
Stantec
commarts

DOWNTOWN HOUSTON MANAGEMENT

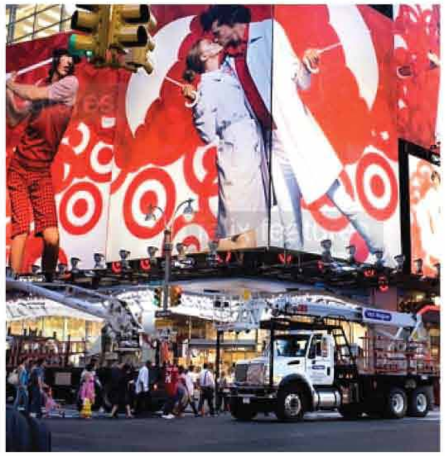
District Voices
25 March, 2011

G Gateways/Entries

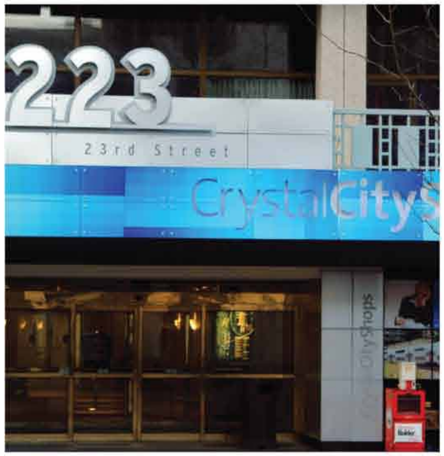


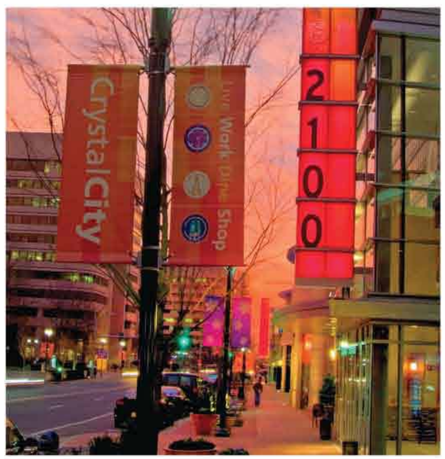


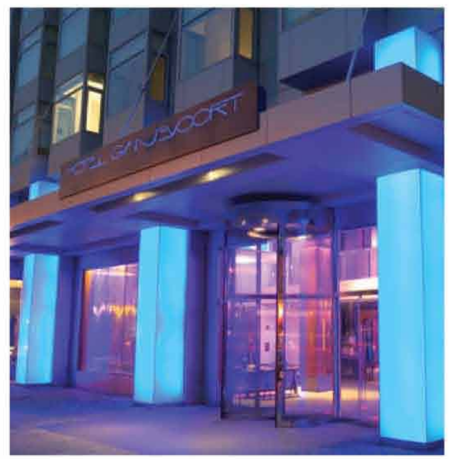
M Large Scale Urban Media



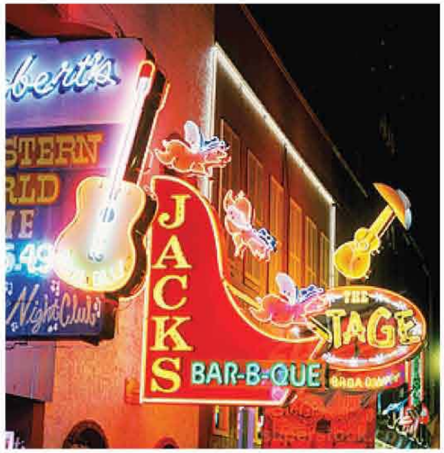
R Sophisticated, Urban Retail Voice

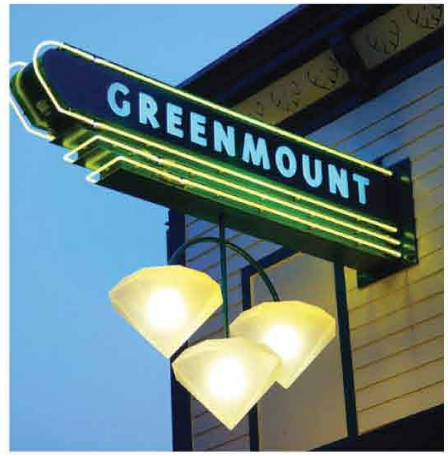


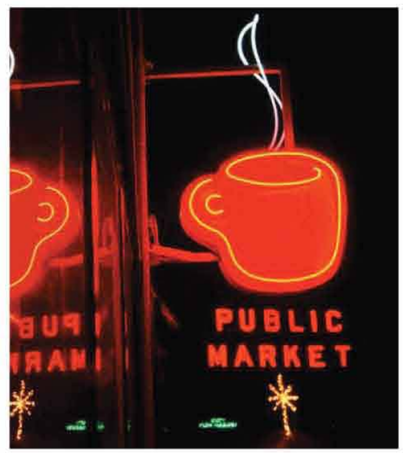




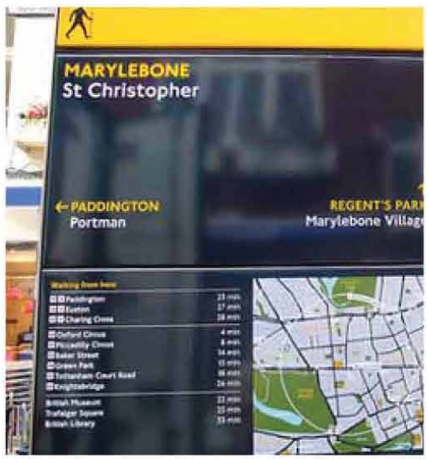
R Food & Beverage



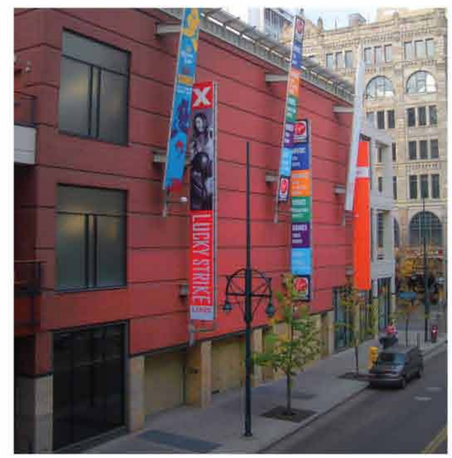




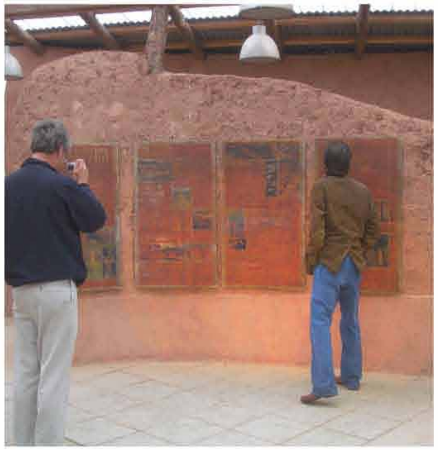
D District Wayfinding

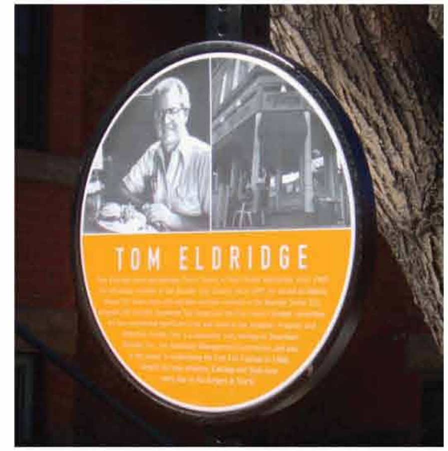


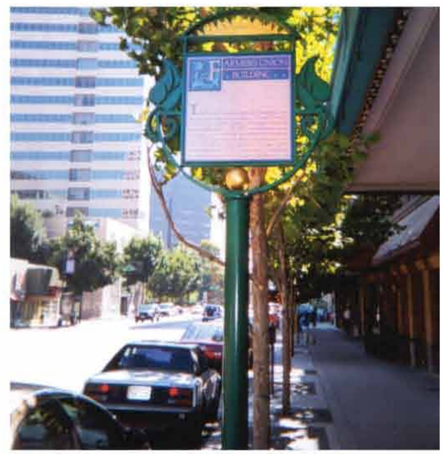
P Banner Pageantry Program



N Narrative Elements







L Landmark Moments

Solheim Research

MEMORANDUM

TO: John Fransen, The Fransen Company
FROM Karen Solheim, Solheim Research
DATE: February 11, 2011
SUBJECT: Downtown Houston, TX Demographic Comparative Analysis

Summary of Findings

At your request, I analyzed the demographic opportunity associated with a new and updated retail/entertainment complex under study for downtown Houston, Texas. For purposes of this analysis, the location of this new and updated complex will be focused on the intersection of Main and Dallas Streets. This work is a desktop analysis and reflects in-house data, as well as data that were gathered for the project; as such, it does not include field checking of the information.

A drive time analysis has shown that almost all people who currently reside within the I-610 Loop are 15 minutes or less from the downtown complex site. This area is densely populated; 426,000 people live within 15 minutes and 801,000 within 20 minutes.

Cinemas are under-represented inside the I-610 loop. While both AMC and Cinemark operate multiple units in Houston, 8 and 11, respectively, neither chain is represented within 15 minutes of downtown. Regal Cinemas has one multiplex just at the 15 minute boundary. All three cinema chains represent viable options for downtown Houston.

A comparative demographic analysis of 15-minute drive time area surrounding Houston's AMC theaters and the downtown site was conducted. This work revealed the downtown demographics compare very favorably with AMC Loew's Fountains 18, and only slightly less than those of the AMC Studio 30, in Houston's western suburbs.

Cinemark operates multiplexes in locations serving a variety of different income groups. This analysis determined that downtown Houston offers significantly more middle-to-upper income residents than at least three existing Cinemark multiplexes, Cinemark Tinseltown 290, Tinseltown USA, and Cinemark Hollywood Movies 20.

Regal Cinemas has only two units in Houston; both have 24 screens and are in higher income areas. Houston's downtown area is not quite as strong demographically. This analysis then compared downtown Houston to downtown Knoxville, headquarters of Regal. This comparison showed Houston to be much stronger than downtown Knoxville, both in terms of total numbers of people and their incomes and spending potential.

Target represents an opportunity for downtown Houston primarily because of the large population base currently served with limited numbers of stores. Target operates 34 units in the Houston metro area, but only one within the densely populated 15-minute drive time area. Even though Target has another store two miles from the downtown site, an area with a population of 426,000 people can usually support two Target stores. Drive time area comparisons reveal that downtown Houston is similar to, but demographically slightly below, the area around Meyerland Plaza Mall. With its large population base and adequate demographics, the downtown area offers potential for another Target unit in the central part of town.

With 27 stores in Houston, but none inside the I-610 Loop, Best Buy is also a candidate for downtown Houston. This analysis clearly demonstrated that downtown Houston area pulls from much stronger demographics than those areas around three of the existing Houston-area Best Buy stores: Gulfgate, North Freeway, and N. Sam Houston Parkway. The demographically closest area is that around the Best Buy unit in Meyerland Plaza Mall.

At present, Macy's is the only fashion department store in downtown Houston. The company has let this unit slip from a fashion store to a basic, almost clearance-type of unit. Beyond downtown, the closest Macy's is their two buildings in the Houston Galleria, which is located west of the I-610 Loop. This leaves a very large void in the central part of the market. A thriving retail/entertainment complex in downtown Houston could offer Macy's the opportunity to reposition their unit to offer fashion with a broader price point range, and right-size an older facility into a competitive unit.

Background and Objectives

This research is a desktop comparative demographic analysis, focusing upon the primary drawing area for downtown complex and the drawing areas of various potential retail and entertainment additions to downtown. The specific purpose was to identify and quantify the demographic opportunity in downtown Houston, with comparisons that will be meaningful to individual retailers and theaters.

The findings are presented in two components: 1) analysis of the primary drawing area for major retailers in the downtown complex, and 2) comparisons to drawing areas served by the movie theaters and retailers under consideration for the complex.

Primary Drawing Area
(See pages 22 - 30)

The drawing area of a retail/ entertainment complex is a function of alternative opportunities (the competition) and the time needed to get to such a complex (regional accessibility.) Multiple resources were utilized to quantify the competition. Existing retailers, shopping centers, and similar destinations located in and surrounding downtown were identified, located, and mapped. Detailed GIS analysis of demographic patterns and trends provided insights into the challenges and opportunities associated with a downtown location.

To measure accessibility, a drive time model was employed to define the geography that can be reached within a 15 and 20 minute drive from the downtown site. This analysis has shown the downtown Houston is accessible from a geographically large area. Most of the neighborhoods inside I-610 are within 15 minutes of the downtown site. Within a 20-minute drive time are all the neighborhoods inside the I-610 circumferential, as well as many neighborhoods located several miles outboard of I-610.

The following are key demographic characteristics of the 15-minute and 20-minute drive time areas:

- Large population base: 426,000 people living within a 15 minute drive of the site, and 801,000 within a 20 minute drive.
- Mixed ethnicity: Within 15 minute drive: 70% of the population identifies as white, 24% Black/African American, and 4% as Asian. Same proportions for the 20 minute drive time area.
- Hispanic population (which can be any racial category) represents 54% of the population within 15 minutes and 53% within 20 minutes.

- Majority renters: 49% of the housing units with a 15-minute drive time are renter-occupied and 38% within 20 minutes.
- Housing vacancy rates are slightly higher than the metro average: 16% vacant within 15 minutes and 15% vacant within 20 minutes. This is typical for central city core areas.
- Median income of the area residents is very close to the Houston metropolitan area median: 15 minute area has a median household income of $49,024 and the 20 minute, $51,310, which are only slightly less than the metro median of $54,968.
- Incomes vary considerably east and west of downtown, with the highest to the west and lowest to the east.
- The per capita income for both the 15- and 20-minute drive time area is HIGHER than the Houston metropolitan area: The per capita income within the 15-minute drive time is $29,760, and within the 20-minute drive time, $30,098, both of which compare favorably to the Houston metro per capita income of $27,880.
- The higher per capita incomes are the result of smaller family size: 2.7 persons per household within 15 minutes, and 2.6 within 20 minutes, compared to 2.9 in the Houston metro. This suggests more disposable income per capita.
- Education levels are comparable to the Houston metropolitan averages: 27.2% of the residents of the 15 minutes drive time have a four year college degree or more, and 27.4% of the 20-minute drive time are similarly educated. This compares to 28.2% of the Houston metro. These data reflect the presence of universities within the drive time areas.

15- AND 20-MINUTE DRIVE TIME AREAS AROUND DOWNTOWN SITE

SUMMARY DEMOGRAPHICS							
Area	Per Capita Income	Average Household Income	Median Household Income	Owner Occupied	Renter Occupied	Median Age	% of Adults w 4-Year College Degree +
15-minute drive time Area	$29,760	$73,057	$49,024	35%	49%	33.9	27.2%
20 Minute Drive Time Area	$30,098	$76,073	$51,310	38%	47%	34.2	27.4%
Houston MSA	$27,880	$78,655	$54,968	56%	32%	33.8	28.2%
State of Texas	$24,952	$69,185	$49,012	57%	31%	33.7	25.4%
US Totals	$27,994	$72,974	$52,547	59%	29%	37.1	28.1%

See pages 25 - 27 for detailed demographic reports of 15- and 20-minute drive times area, for the years 2000, 2010, and 2015.

Movie Theaters

Demographic profile comparisons were made between the 15-minute drive time area for downtown Houston and comparable areas served by other movie theaters. For purposes of this analysis, three theater companies were selected; AMC, Regal Entertainment Group (Regal/Edwards), and Cinemark. These were selected because they operate in the region with multiplex cinemas and are candidates for the downtown location. The 15-minute drive time area was calculated for each of the comparison theaters, in order to compare to the drawing of downtown.

AMC Theaters

AMC operates eight multiplex movie theaters, with a total of 180 screens, in the greater Houston area. Three multiplexes were selected for the demographic comparisons: the AMC Gulf Point 40, the AMC Studio 30, and AMC Loews Fountains 18. See the map on pages 31 and 32 for the locations of these theaters.

15-MINUTE DRIVE TIME AREA COMPARISONS: AMC

TOTAL POPULATION AND NUMBER OF HOUSEHOLDS EARNING $35,000+ & $50,000+

AMC Theaters	2010 Population	HHs $35,000 +	HHs $50,000 +
Downtown Houston Site	426,458	83,981	63,411
AMC Studio 30	358,825	99,812	77,199
AMC Loews Fountains 18	275,867	56,626	43,048
AMC Gulf Pointe 30	212,177	49,331	38,125

The downtown drive time area compares very favorably with all three existing AMC theaters' drive times. There is more total population living within 15 minutes of the downtown site that any of the three comparison AMC cinemas.

Households likely to visit full-price multiplex cinemas are those earning $35,000 or more, with those most likely to frequently visit are earning $50,000 or more. Comparing number of households earning $35,000 + and those earning $50,000 + within the 15-minute drive time areas, the downtown cinema site compares favorably with both AMC Loews Fountains 18 and AMC Gulf Pointe 30.

The table below highlights additional demographics for the 15-minute drive time comparisons.

15-MINUTE DRIVE TIME AREA COMPARISONS: AMC

INCOME, HOUSING STATUS, AGE							
AMC Theaters	Per Capita Income	Average Household Income	Median Household Income	Total Housing Units	Owner Occupied	Renter Occupied	Median Age
Downtown Houston Site	$29,760	$73,057	$49,024	188,838	35%	49%	33.9
AMC Studio 30	$41,521	$91,326	$63,328	186,013	28%	58%	34.8
AMC Loews Fountains 18	$23,224	$69,777	$55,688	99,077	46%	45%	33.7
AMC Gulf Pointe 30	$23,609	$67,567	$54,931	81,938	54%	35%	33.5

The 15-minute drive time area for downtown compares favorably with that of the AMC Loews Fountains 18 and Gulf Pointe 30. This is especially true for per capita income, where the data for downtown is higher than that of either AMC Loews Fountains 18 or AMC Gulf Pointe 30. The residents of the downtown area are younger, comparable to those of the Fountains 18 and Gulf Pointe 30 area, a positive factor for movie attendance.

A complete demographic profile which comparing the Downtown Houston 15-minute drive time area and the comparison AMC Theaters is shown on page 33.

Cinemark Theatres

Cinemark Theatres operates 11 Houston-area movie theaters, using both Cinemark and Cinemark Tinseltown names, giving this chain the most locations in the metro area. Cinemark cinemas have 163 movie screens in Houston to take second place in number of screens. Three cinemas were selected for comparison to downtown: the Cinemark Tinseltown 290 and Tinseltown USA, and Cinemark Hollywood Movies 20. (See map on pages 31 and 32 for the locations of these theaters.)

The Tinseltown cinemas are slightly smaller than previous comparisons, with 18 screens at Tinseltown 290 and 20 screens at Tinseltown USA.

The downtown Houston 15-minute drive time area compares very favorably with these three existing movie houses. There are more people living near downtown, and even more importantly, there are substantially more households earning $35,000 + and $50,000 +.

15-MINUTE DRIVE TIME AREA COMPARISONS: CINEMARK THEATRES

TOTAL POPULATION AND NUMBER OF HOUSEHOLDS EARNING $35,000+ & $50,000+

Cinemark Theatres	2010 Population	HHs $35,000 +	HHs $50,000 +
Downtown Houston Site	426,458	83,981	63,411
Cinemark Tinseltown 290	251,748	55,459	41,268
Cinemark Hollywood Movies 20	168,855	36,764	28,115
Cinemark Tinseltown USA	163,437	26,425	17,925

A more detailed demographic analysis shows the downtown area compares very favorably to all three, with more similarity to Tinseltown 290 and Cinemark Movies 20 than to Tinseltown USA which serves a more basic trade area.

15-MINUTE DRIVE TIME AREA COMPARISONS: CINEMARK THEATRES

INCOME, HOUSING STATUS, AGE							
Cinemark Theatres	Per Capita Income	Average Household Income	Median Household Income	Total Housing Units	Owner Occupied	Renter Occupied	Median Age
Downtown Houston Site	$29,760	$73,057	$49,024	188,838	35%	49%	33.9
Cinemark Tinseltown 290	$24,576	$66,805	$50,087	102,787	47%	41%	34.8
Cinemark Hollywood Movies 20	$22,468	$65,607	$51,661	63,590	57%	32%	33.5
Cinemark Tinseltown USA	$16,721	$52,772	$38,191	57,555	52%	36%	31.9

A complete demographic profile comparing the downtown Houston 15-minute drive time area and the comparison Cinemark Theatres is shown on page 34.

Regal Cinemas

Regal Entertainment Group operates theaters under the Regal name and the Edwards name, including two in the greater Houston area, the Edwards Greenway Grand Palace Stadium 24 and the Regal Houston Marq*E Stadium 23 & IMAX. The maps on page 31 and 32 show the theater locations.

This analysis also included the Regal Riviera Stadium 8, a downtown cinema in Regal's hometown of Knoxville, TN. The downtown site has more total population living within a 15 minute drive than any of the three comparison multiplex cinemas, as shown below.

15-MINUTE DRIVE TIME AREA COMPARISONS: REGAL CINEMAS

TOTAL POPULATION AND NUMBER OF HOUSEHOLDS EARNING $35,000+ & $50,000+			
Regal Cinemas	2010 Population	HHs $35,000 +	HHs $50,000 +
Downtown Houston Site	426,458	83,981	63,411
Edwards Greenway Grand Palace Stadium 24	421,030	122,840	98,970
Regal Houston Marq*E Stadium 23 & IMAX	385,831	109,089	87,150
Regal Riviera Stadium 8 Knoxville	142,276	25,599	16,133

In terms of number of households earning $35,000 + and $50,000 +, downtown Houston has slightly fewer of these households than the area around Houston's Marq*E Stadium 23 & IMAX, but substantially more than around the downtown Knoxville area.

15-MINUTE DRIVE TIME AREA COMPARISONS: REGAL CINEMAS

INCOME, HOUSING STATUS, AGE							
Regal Cinemas	Per Capita Income	Average Household Income	Median Household Income	Total Housing Units	Owner Occupied	Renter Occupied	Median Age
Downtown Houston Site	$29,760	$73,057	$49,024	188,838	35%	49%	33.9
Edwards Greenway Grand Palace Stadium 24	$47,566	$101,257	$68,478	225,673	31%	53%	35.8
Regal Houston Marq*E Stadium 23 & IMAX	$43,873	$100,355	$69,908	190,758	39%	46%	36.3
Regal Riviera Stadium 8 Knoxville	$20,824	$43,378	$30,326	71,642	43%	46%	36.3

The income profile of the downtown Houston drive time is modest compared to the suburban theaters, but compares very favorably to downtown Knoxville. Homeownership rates in the 15-minute drive time area surrounding downtown are similar to those of the Regal locations. On the age profile, downtown Houston comes out on top, with the youngest median age, 33.9 years.

A complete demographic profile comparing the 15-minute drive time areas of downtown Houston and the comparison Regal theaters is shown on page 35.

Target

Target operates 34 stores in the Houston metropolitan area, under both the Target and the Super Target banners. Target is a good candidate for downtown Houston because of the significant population base with limited shopping opportunities. Four existing stores, three regular Target units and one Super Target, were selected for demographic comparisons: Meyerland Plaza Mall, Houston NW at 13250 Northwest Freeway, and Houston South at 8503 S San Houston Parkway E, and the South Central Houston Super Target. The locations of these stores are shown on the maps on pages 36 and 37.

There is also a Target store located two miles northwest of the downtown site, adjacent of I-10, Katy Freeway. This store's drive time area is very likely to overlap significantly with the downtown 15-minute drive time area, and therefore this location was excluded to avoid double counting the same population.

The downtown Houston 15-minute drive time has significantly more resident population that the areas around the comparison stores. In addition, in the key income segments \$35,000+ and \$50,000+, the downtown area is very similar to the area around the Super Target in South Central Houston. Both are stronger than the areas surrounding Houston NW and Houston South.

15-MINUTE DRIVE TIME AREA COMPARISONS: TARGET

TOTAL POPULATION AND NUMBER OF HOUSEHOLDS BY INCOMEGROUP: $35,000 +, $50,000 +, $75,000 +

Target Stores	2010 Population	HHs $35,000 +	HHs $50,000 +	HHs $75,000 +
Downtown Houston Site	426,458	83,981	63,411	41,960
Meyerland Plaza Mall	350,577	94,632	74,361	51,792
SuperTarget South Central	261,449	80,291	65,713	48,629
Houston NW 13250 Northwest Fwy	237,971	51,866	38,542	23,071
Houston South 8503 S Sam Houston Pkwy E	146,818	34,025	25,976	15,085

Overall, demographically, the downtown area is stronger than the areas around Houston NW and Houston South, but slightly weaker than the area around Meyerland Plaza Mall, as shown on the table on the top of the next page. With a per capita income of just under $30,000 and a median household income of $49,000, there is significant demand within 15 minutes of downtown.

15-MINUTE DRIVE TIME AREA COMPARISONS: TARGET

INCOME, HOUSING STATUS, AGE							
Target Stores	Per Capita Income	Average Household Income	Median Household Income	Total Housing Units	Owner Occupied	Renter Occupied	Median Age
Downtown Houston Site	$29,760	$73,057	$49,024	188,838	35%	49%	33.9
Meyerland Plaza Mall	$39,425	$90,337	$63,225	172,886	35%	52%	35.2
SuperTarget South Central	$49,346	$104,172	$71,898	140,650	39%	47%	37.5
Houston NW 13250 Northwest Fwy	$22,880	$63,223	$48,935	95,106	48%	41%	34.3
Houston South 8503 S Sam Houston Pkwy E	$23,288	$65,486	$52,985	57,212	54%	36%	34.0

The complete demographic profile comparing the downtown Houston 15-minute drive time area and these Target stores is shown on page 38.

Best Buy

Best Buy operates 27 electronics stores within the Houston Metropolitan Area. Four were chosen for comparison based on their locations approximal to the downtown area, and exhibiting an economic and ethnic mix similar to the downtown area. The stores selected were: Gulfgate Center, Meyerland Plaza Mall, 1077 North Freeway, and 6006 Sam Houston Parkway N, as shown on page 39.

Of these stores, only the Meyerland drive time area is close in number of households with middle to higher incomes -- $35,000+, $50,000+, or $75,000+. In part, the strength of the downtown area compared to these Best Buy locations is the function of the significantly larger population in the downtown drive time area, which has more households in all income segments. The Gulfgate, North Freeway, and Sam Houston Parkway drive time area have many fewer middle income households than the downtown drive time area.

15-MINUTE DRIVE TIME AREA COMPARISONS: BEST BUY

TOTAL POPULATION AND NUMBER OF HOUSEHOLDS BY INCOMEGROUP: $35,000 +, $50,000 +, $75,000 +

Best Buy Stores	2010 Population	HHs $35,000 +	HHs $50,000 +	HHs $75,000 +
Downtown Houston site	426,458	83,981	63,411	41,960
Gulfgate Center	356,700	49,436	31,710	15,682
Meyerland Plaza Mall	350,577	94,632	74,361	51,792
1077 North Freeway	233,614	39,066	25,828	12,119
6006 Sam Houston Pkwy. N	98,901	19,967	14,623	7,866

The difference is shown with more detail in the table below, where the very low incomes of the 15-minute drive time areas for Gulfgate, North Freeway, and Sam Houston Parkway are very dissimilar from the downtown drive time area. Again, downtown Houston compares most closely to Meyerland Plaza Mall.

15-MINUTE DRIVE TIME AREA COMPARISONS: BEST BUY

INCOME, HOUSING STATUS, AGE							
Best Buy Stores	Per Capita Income	Average Household Income	Median Household Income	Total Housing Units	Owner Occupied	Renter Occupied	Median Age
Downtown Houston site	$29,760	$73,057	$49,024	188,838	35%	49%	33.9
Gulfgate Center	$16,747	$48,239	$32,182	129,450	42%	45%	32.3
Meyerland Plaza Mall	$39,425	$90,337	$63,225	172,886	35%	52%	35.2
1077 North Freeway	$16,703	$50,442	$37,588	88,757	43%	43%	31.1
6006 Sam Houston Pkwy. N	$20,062	$63,513	$48,046	35,010	60%	29%	31.8

The complete demographic profile comparing the downtown Houston 15-minute drive time area and the comparison Best Buy units is shown on page 40.

Macy's

At present, Macy's is the only fashion department store in downtown Houston. However, the company has let this unit slip from a fashion store to a basic, almost clearance-type of unit. Beyond downtown, the closest Macy's representation is the Houston Galleria, where they operate out of two buildings. The Galleria is located beyond the I-610 freeway on the west side of Houston, as shown on the map on page 41.

This leaves a very large void in the central part of the market. A thriving retail/entertainment complex in downtown Houston would offer Macy's an opportunity to reposition their unit to offer more fashionable merchandise at a broader price point range.

Within a 15-minute drive time area, downtown Houston compares favorably with downtown Miami, and significantly exceeds the strength of downtown Cincinnati, as shown on the table at the top of the next page.

Compared to Philadelphia, one of Macy's strongest downtown stores (outside of New York City), Houston's downtown drive time area has a substantially lower total population. However, it is the higher income shoppers who are most important to fashion department stores, and a comparison of the numbers of households with incomes of $75,000 or more demonstrates Houston's strength. With 41,960 higher income households, the downtown Houston 15-minute drive time area contains 79% as many higher income households as downtown Philadelphia.

15 MINUTE DRIVE TIME AREA COMPARISONS: MACY'S

TOTAL POPULATION AND NUMBER OF HOUSEHOLDS BY INCOMEGROUP: $35,000 +, $50,000 +, $75,000 +				
Macy's Downtown Stores	2010 Population	HHs $35,000 +	HHs $50,000 +	HHs $75,000 +
Downtown Philadelphia	874,994	144,770	99,758	53,124
Downtown Miami	456,120	78,112	55,826	34,049
Downtown Houston	426,458	83,981	63,411	41,960
Downtown Cincinnati	306,207	60,948	43,724	26,539

Further demographic comparison by drive time reveals the similarities between the Miami downtown and the Houston downtown. On median and average household income measures, Houston exceeds all three comparison areas.

15 MINUTE DRIVE TIME AREA COMPARISONS: MACY'S

INCOME, HOUSING STATUS, AGE							
Macy's Downtown Stores	Per Capita Income	Average Household Income	Median Household Income	Total Housing Units	Owner Occupied	Renter Occupied	Median Age
Downtown Philadelphia	$18,491	$46,006	$32,434	410,938	42%	40%	34.4
Downtown Miami	$22,538	$53,999	$36,203	212,101	33%	52%	41.8
Downtown Houston	$29,760	$73,057	$49,024	188,838	35%	49%	33.9
Downtown Cincinnati	$24,509	$55,487	$38,154	154,622	38%	44%	35.7

The complete demographic profile comparing the downtown Houston 15-minute drive time area and the comparison Macy's units is shown on page 42.

In addition to generating sales from the residents of the 15-minute drive time area, Macy's should be able to attract sales from both the office workers and the visitor population. The Houston Downtown Management District estimates that there are 140,000 office workers, working in 44 million square feet of office space in downtown. And there are 4,858 hotel rooms in 15 hotels in downtown Houston. Taken together, the office workers and visitors offer a sizable additional shopper base for fashion retail in downtown Houston.

Conclusions

- Downtown Houston is home to an increasing residential population, approximately 4,000 people, and is accessible to a very large population; within 15 minutes live 426,000 people. The substantial 15-minute drive time population, while economically diverse, includes enough people in each income segment to offer positive comparisons to other locations operated by three cinema chains, Target, Best Buy, and Macy's.

- The large number of office workers (140,000) and many visitors offer a sizable additional patron base for retail and cinema in downtown Houston.

- There is only one cinema multiplex chain within 15 minutes of downtown Houston. As a result, there is opportunity for a new cinema in a retail/entertainment complex in downtown.

- While Target already has a unit within 2 miles, the substantial population base within a 15 minute drive of downtown suggests opportunity for an additional unit.

- Best Buy represents another potential anchor for downtown. Best Buy currently operates a number of stores in moderate income areas. The downtown drive time demographics are much stronger, suggesting downtown offers more opportunity than locations they currently serve.

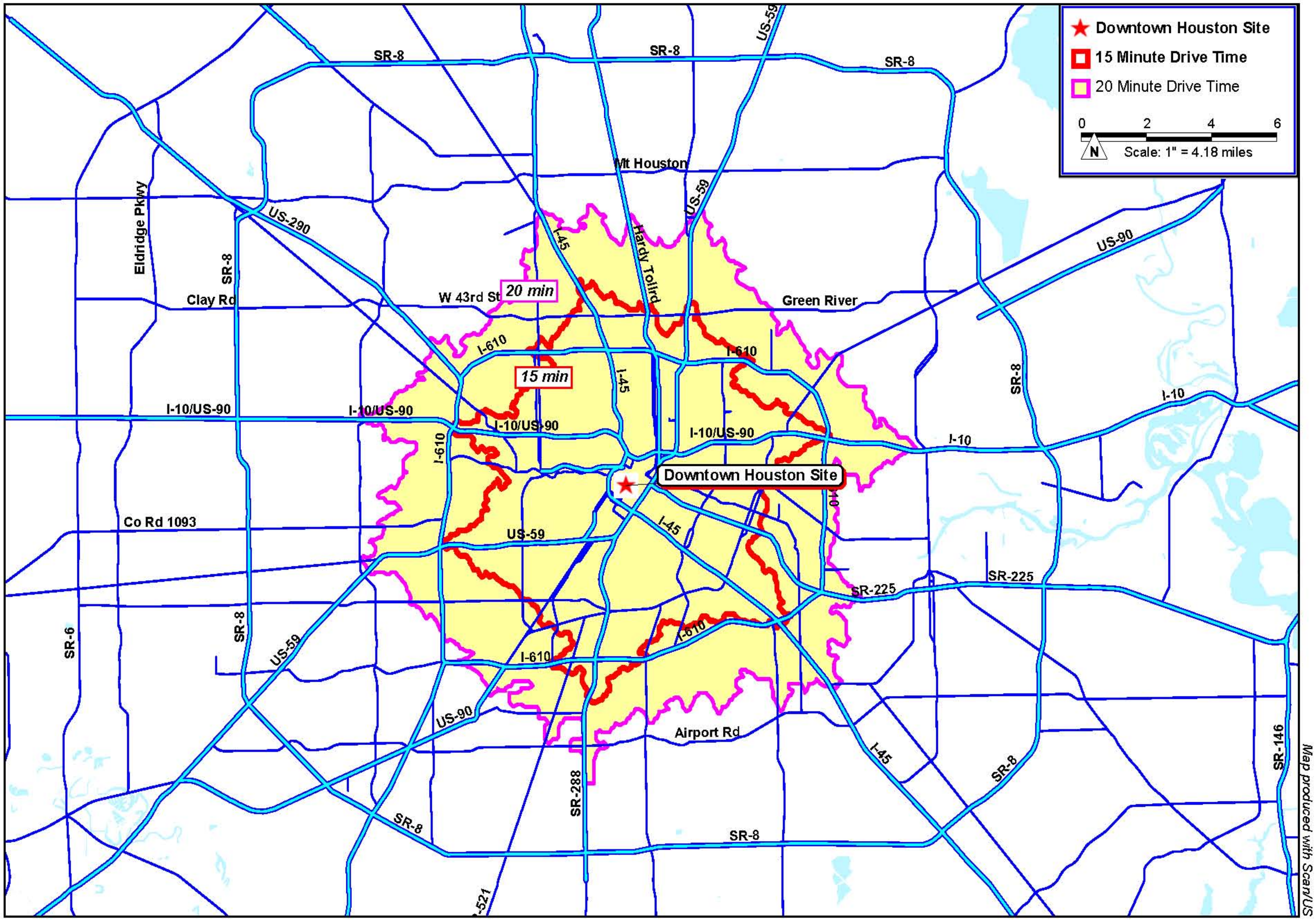
- Macy's is seeking to strengthen its market position in Houston, after initial challenges merging the May Company units into Macy's. The opportunity to participate in a new project downtown may be just the catalyst to encourage them to right-size and update their older downtown unit. It is expected that they will welcome a strengthening of the retail node at their site.

LIST OF EXHIBITS

Tables and Maps	Page(s)
Map: 15 & 20 MINUTE DRIVE TIME AREAS; DOWNTOWN HOUSTON SITE………………………………….	23
Table: DOWNTOWN HOUSTON SITE PRIMARY DRAWING AREA BY DRIVE TIME…………………………	24
Table: CENSUS UPDATE TRENDS: 2000/2010/2015 10 MINUTE DRIVE TIME………………………………	25-26
Table: CENSUS UPDATE TRENDS: 2000/2010/2015 20 MINUTE DRIVE TIME …………………………….	26-27
Map: POPULATION DENSITY AND DRIVE TIME AREA………………………………………………………	28
Map: MEDIAN HOUSEHOLD INCOME AND DRIVE TIME AREA……………………………………………….	29
Map: PER CAPITA INCOME AND DRIVE TIME AREA…………………………………………………………..	30
Map: MOVIE THEATERS BY DRIVE TIME ZONE……………………………………………………………….	31
Map: MOVIE THEATERS: KEY COMPARISONS TO DOWNTOWN HOUSTON………………………………	32
Table: AMC THEATERS: 15 MINUTE DRIVE TIME COMPARISONS………………………………………………	33
Table: CINEMARK THEATERS: 15 MINUTE DRIVE TIME COMPARISONS……………………………………	34
Table: REGAL THEATERS: 15 MINUTE DRIVE TIME COMPARISONS………………………………………………	35
Map: TARGET AND BEST BUY BY DRIVE TIME ZONE………………………………………………………	36
Map: TARGET COMPARISON STORES…………………………………………………………………………	37
Table: TARGET COMPARISONS: DOWNTOWN HOUSTON + SELECTED TARGET STORES…………	38
Map: BEST BUY COMPARISON STORES…………………………………………………………………….	39
Table: BEST BUY COMPARISONS: DOWNTOWN HOUSTON + SELECTED BEST BUY STORES……….	40
Map: MACY'S DEPARTMENT STORES IN HOUSTON METRO AREA………………………………………	41
Table: MACY'S COMPARISONS: DOWNTOWN HOUSTON + SELECTED MAYC'S STORES……….........	42

15 & 20 MINUTE DRIVE TIME AREAS: DOWNTOWN HOUSTON SITE

Solheim Research



DOWNTOWN HOUSTON SITE: PRIMARY DRAWING AREA BY DRIVE TIME
POPULATION, ETHNICITY, & HOUSING

	15 Minute Drive Time	20 Minute Drive Time	Houston MSA	State of Texas	US Totals
Population					
1990 Census	365,565	680,800	3,731,126	16,986,514	248,709,010
2000 Census	386,091	739,496	4,669,566	20,851,820	281,421,906
2010 Estimate	426,458	800,832	5,857,302	25,046,555	309,720,039
2015 Projection	441,066	817,975	6,459,967	27,445,155	323,290,763
% Change 1990-2000	0.5%	0.8%	2.3%	2.1%	1.2%
% Change 2000-2010	1.0%	0.8%	2.3%	1.8%	1.0%
% Change 2010-2015	0.7%	0.4%	2.0%	1.8%	0.9%
Ethnicity 2010					
% Hispanic (Any Race)	54%	53%	35%	37%	16%
Race 2010					
% White	70%	70%	75%	82%	74%
% Black	24%	24%	17%	12%	12%
% Native American	1%	1%	1%	1%	1%
% Asian + Pacific Islander	4%	4%	6%	4%	4%
% Other + two or more races	2%	2%	2%	2%	8%
Total Population	100%	100%	100%	100%	100%
Households					
2000 Census	142,192	273,493	1,639,397	7,393,354	105,480,101
2010 Estimate	158,938	299,554	2,026,431	8,661,531	115,074,142
% Change 2000-2010	1.1%	0.9%	2.1%	1.6%	0.9%
Household Size					
2010 Persons per Household	2.5	2.6	2.9	2.8	2.6
% of Pop. In Group Quarters	6.1%	3.7%	1.4%	2.4%	2.7%
Housing Profile 2010					
Total Housing Units	188,838	352,219	2,303,078	9,878,341	130,843,849
Owner Occupied	35%	38%	56%	57%	59%
Renter Occupied	49%	47%	32%	31%	29%
Vacant	16%	15%	12%	12%	12%

Source: ScanUS 02/2011

DOWNTOWN HOUSTON SITE: PRIMARY DRAWING AREA BY DRIVE TIME
AGE, INCOME, AND EDUCATION

	15 Minute Drive Time	20 Minute Drive Time	Houston MSA	State of Texas	US Totals
Age 2010					
Median Age	33.9	34.2	33.8	33.7	37.1
% Age 0 - 9	15%	15%	16%	16%	14%
% Age 10 - 19	13%	13%	15%	14%	13%
% Age 20 - 24	8%	8%	7%	7%	7%
% Age 25 - 44	30%	29%	29%	28%	27%
% Age 45 - 64	24%	24%	25%	24%	26%
% Age 65 +	10%	11%	9%	11%	14%
Income 2010					
Per Capita Income	$29,760	$30,098	$27,880	$24,952	$27,994
Average Household Income	$73,057	$76,073	$78,655	$69,185	$72,974
Median Household Income	$49,024	$51,310	$54,968	$49,012	$52,547
Income Distribution 2010					
% of HHs < $35,000	47.2%	45.5%	31.9%	36.2%	28.6%
% of HHs $35,000 - $49,999	12.9%	13.7%	14.0%	14.6%	19.6%
% of HHs $50,000 - $74,999	13.5%	14.2%	18.5%	18.4%	19.0%
% of HHs $75,000 - $99,999	7.9%	7.7%	12.7%	11.9%	12.6%
% of HHs $100,000 +	18.5%	18.9%	22.9%	18.9%	20.3%
Number of Households by Income 2010					
HHs < $35,000	74,957	136,370	646,013	3,134,337	32,880,960
HHs $35,000 - $49,999	20,570	40,965	284,579	1,266,503	22,523,680
HHs $50,000 - $74,999	21,451	42,645	374,787	1,590,520	21,814,240
HHs $75,000 - $99,999	12,625	22,989	256,565	1,032,906	14,503,063
HHs $100,000 +	29,335	56,585	464,487	1,637,265	23,352,199
HHs $35,000 +	83,981	163,184	1,380,418	5,527,194	82,193,182
HHs $50,000 +	63,411	122,219	1,095,839	4,260,691	59,669,502
HHs $75,000 +	41,960	79,574	721,052	2,670,171	37,855,262
Education of Persons Age 25 + 2010					
% of Persons < HS Diploma	34.7%	33.2%	19.8%	20.3%	14.6%
% HS Diploma or Equivalent	21.1%	22.0%	25.6%	26.8%	29.7%
% Some College< 4 yr Degree	17.0%	17.4%	26.5%	27.5%	27.5%
% Bachelors Degree	15.4%	15.6%	18.8%	17.2%	17.7%
% Graduate/Prof. Degree	11.8%	11.8%	9.4%	8.3%	10.3%

Source: ScanUS 02/2011

Census Update Trends: 2000/2010/2015

Downtown Houston Analysis — Scan/US, Inc.

All Objects Selected in the Object Manager: (15 Minute Drive Time) — 02/12/2011

		2000 Census		2010 Estimates		2015 Projections	
Population		386,091		426,458		441,066	
In Households		363,369	94.1%	400,478	93.9%	414,170	93.9%
In Families		274,475	71.1%	305,998	71.8%	315,041	71.4%
In Non-family Households		88,894	23.0%	94,480	22.2%	99,129	22.5%
In Group Quarters		22,722	5.9%				
Race:	White	197,459	51.1%	296,909	69.6%	307,744	69.8%
	Black	89,260	23.1%	102,389	24.0%	102,447	23.2%
	American Indian	1,861	0.5%	3,429	0.8%	3,997	0.9%
	Asian	8,591	2.2%	14,981	3.5%	16,063	3.6%
	Pacific Islander	173	0.0%	616	0.1%	747	0.2%
	Other/Multi-Racial	88,747	23.0%	8,134	1.9%	10,068	2.3%
Hispanic Population		183,510	47.5%	231,627	54.3%	248,404	56.3%
Labor Force: Pop, 16+ Years		300,704		331,365		345,417	
In Armed Forces		92	0.0%	90	0.0%	89	0.0%
Employed		158,152	52.6%	186,700	56.3%	194,268	56.2%
Unemployed		16,760	5.6%	20,718	6.3%	20,581	6.0%
Not In Labor Force		125,700	41.8%	123,857	37.4%	130,479	37.8%
Education: Pop, 25+ Years		242,651		271,615		283,904	
No HS Diploma		92,921	38.3%	94,247	34.7%	90,840	32.0%
HS Graduate		43,444	17.9%	57,346	21.1%	63,890	22.5%
College, No Degree		35,326	14.6%	37,234	13.7%	38,067	13.4%
Associate Degree		6,135	2.5%	8,921	3.3%	10,670	3.8%
College Degree		36,583	15.1%	41,704	15.4%	45,511	16.0%
Graduate/Professional Degree		28,242	11.6%	32,163	11.8%	34,926	12.3%
Households		142,192		158,938		174,557	
Families		78,880	55.5%	84,339	53.1%	89,440	51.2%
With Kids		45,014	31.7%	46,756	29.4%	48,527	27.8%
Non-Families		63,312	44.5%	74,599	46.9%	85,117	48.8%
With Kids		500	0.4%	422	0.3%	355	0.2%
Average Size:	Household	2.6		2.5		2.4	
	Family	3.5		3.6		3.5	
	Non-Family	1.4		1.3		1.2	
Total Housing Units		159,325		188,838		208,172	
Vacant		17,133	10.8%	29,900	15.8%	33,615	16.1%
Owned		59,643	37.4%	66,431	35.2%	70,461	33.8%
Rented		82,549	51.8%	92,507	49.0%	104,096	50.0%
Households by Persons:	1	50,947	35.8%	61,750	38.9%	71,491	41.0%
	2	37,880	26.6%	39,368	24.8%	45,831	26.3%
	3-4	33,355	23.5%	34,996	22.0%	36,250	20.8%
	5+	20,010	14.1%	22,824	14.4%	20,985	12.0%
Vehicles Available		186,287		228,317		258,012	
Per Household:	0	24,885	17.5%	22,264	14.0%	22,265	12.8%
	1	65,146	45.8%	70,972	44.7%	77,656	44.5%
	2	39,922	28.1%	47,903	30.1%	53,461	30.6%
	3+	12,222	8.6%	17,799	11.2%	21,175	12.1%
Average Vehicles/HH		1.3		1.4		1.5	

Census Update Trends: 2000/2010/2015

Downtown Houston Analysis — Scan/US, Inc.

All Objects Selected in the Object Manager: (15 Minute Drive Time) — 02/12/2011

		2000 Census		2010 Estimates		2015 Projections	
Total Aggregate Income ($Mil)		8,240		12,691		15,097	
Per Capita Income		21,343		29,760		34,229	
Households	< $10,000	23,394	16.5%	20,396	12.8%	20,010	11.5%
By	$10,000 - $14,999	11,863	8.3%	12,801	8.1%	13,700	7.8%
Income:	$15,000 - $19,999	11,195	7.9%	12,422	7.8%	13,352	7.6%
	$20,000 - $24,999	10,320	7.3%	10,593	6.7%	11,202	6.4%
	$25,000 - $29,999	9,457	6.7%	9,539	6.0%	9,931	5.7%
	$30,000 - $34,999	9,127	6.4%	9,206	5.8%	9,619	5.5%
	$35,000 - $39,999	7,482	5.3%	7,599	4.8%	8,048	4.6%
	$40,000 - $49,999	12,452	8.8%	12,971	8.2%	13,704	7.9%
	$50,000 - $59,999	9,282	6.5%	10,413	6.6%	11,375	6.5%
	$60,000 - $74,999	9,975	7.0%	11,038	6.9%	12,362	7.1%
	$75,000 - $99,999	9,733	6.8%	12,625	7.9%	15,021	8.6%
	$100,000 - $124,999	5,988	4.2%	8,306	5.2%	10,129	5.8%
	$125,000 - $149,999	2,932	2.1%	5,216	3.3%	6,647	3.8%
	$150,000 - $199,999	3,554	2.5%	6,509	4.1%	8,033	4.6%
	$200,000 - $249,999	1,402	1.0%	2,488	1.6%	3,098	1.8%
	$250,000+	4,029	2.8%	6,816	4.3%	8,326	4.8%
Aggregate	Household	$7,947.6		$11,611.5		$13,979.2	
Income:	Family	$4,949.9		$7,207.7		$8,376.0	
($Mil)	Non-Family	$2,823.6		$4,403.7		$5,603.1	
Average	Household	$55,893		$73,057		$80,084	
Income:	Family	$62,753		$85,461		$93,650	
	Non-Family	$44,598		$59,031		$65,829	
Median	Household	$40,142		$49,024		$52,864	
Income:	Family	$49,013		$59,742		$64,263	
	Non-Family	$32,667		$40,855		$45,147	
Households	< $10,000	25,325	17.8%	22,462	14.1%	22,187	12.7%
By	$10,000 - $14,999	11,439	8.0%	12,413	7.8%	13,301	7.6%
Disposable	$15,000 - $19,999	12,451	8.8%	13,606	8.6%	14,600	8.4%
Income:	$20,000 - $24,999	12,409	8.7%	12,618	7.9%	13,245	7.6%
	$25,000 - $29,999	11,675	8.2%	11,807	7.4%	12,323	7.1%
	$30,000 - $34,999	9,574	6.7%	9,717	6.1%	10,285	5.9%
	$35,000 - $39,999	8,647	6.1%	8,828	5.6%	9,256	5.3%
	$40,000 - $49,999	13,313	9.4%	14,823	9.3%	16,138	9.2%
	$50,000 - $59,999	9,232	6.5%	10,213	6.4%	11,440	6.6%
	$60,000 - $74,999	9,353	6.6%	12,025	7.6%	14,265	8.2%
	$75,000 - $99,999	7,445	5.2%	10,547	6.6%	12,934	7.4%
	$100,000 - $124,999	3,493	2.5%	6,290	4.0%	7,892	4.5%
	$125,000 - $149,999	2,234	1.6%	3,995	2.5%	4,938	2.8%
	$150,000 - $199,999	1,920	1.4%	3,376	2.1%	4,185	2.4%
	$200,000 - $249,999	879	0.6%	1,537	1.0%	1,900	1.1%
	$250,000+	2,796	2.0%	4,681	2.9%	5,668	3.2%
Disposable	Aggregate ($Mil)	$6,819.3		$9,928.4		$11,835.5	
Income:	Average	$47,959		$62,467		$67,803	
	Median	$34,460		$41,145		$43,985	

Census Update Trends: 2000/2010/2015

Downtown Houston Analysis — Scan/US, Inc.
All Objects Selected in the Object Manager: (15 Minute Drive Time) — 02/12/2011

	2000 Census		2010 Estimates		2015 Projections	
Total Population	386,091		426,458		441,066	
< 5 Years	28,399	7.4%	32,689	7.7%	31,014	7.0%
5 - 9 Years	27,577	7.1%	31,158	7.3%	31,600	7.2%
10 - 14 Years	24,608	6.4%	27,604	6.5%	29,814	6.8%
15 - 19 Years	28,113	7.3%	29,661	7.0%	30,526	6.9%
20 - 24 Years	34,731	9.0%	33,731	7.9%	34,208	7.8%
25 - 34 Years	73,431	19.0%	66,118	15.5%	61,496	13.9%
35 - 44 Years	60,765	15.7%	60,228	14.1%	58,834	13.3%
45 - 54 Years	46,286	12.0%	56,353	13.2%	57,347	13.0%
55 - 64 Years	26,578	6.9%	44,347	10.4%	51,617	11.7%
65 - 74 Years	19,113	5.0%	25,421	6.0%	33,832	7.7%
75 - 84 Years	11,886	3.1%	13,165	3.1%	15,128	3.4%
85+ Years	4,604	1.2%	5,983	1.4%	5,650	1.3%
Median Age	31.7		33.9		35.4	
Population, Female	184,588	47.8%	201,421	47.2%	207,035	46.9%
< 5 Years	13,837	7.5%	15,472	7.7%	14,540	7.0%
5 - 9 Years	13,601	7.4%	14,815	7.4%	14,871	7.2%
10 - 14 Years	11,911	6.5%	12,910	6.4%	13,913	6.7%
15 - 19 Years	13,049	7.1%	13,743	6.8%	14,099	6.8%
20 - 24 Years	15,796	8.6%	15,318	7.6%	15,448	7.5%
25 - 34 Years	33,217	18.0%	29,331	14.6%	27,127	13.1%
35 - 44 Years	26,825	14.5%	26,578	13.2%	25,825	12.5%
45 - 54 Years	21,683	11.7%	26,043	12.9%	26,370	12.7%
55 - 64 Years	13,241	7.2%	21,876	10.9%	25,001	12.1%
65 - 74 Years	10,560	5.7%	13,339	6.6%	17,391	8.4%
75 - 84 Years	7,496	4.1%	7,960	4.0%	8,682	4.2%
85+ Years	3,372	1.8%	4,036	2.0%	3,768	1.8%
Median Age	32.5		34.9		36.5	
Population, Male	201,503	52.2%	225,037	52.8%	234,031	53.1%
< 5 Years	14,562	7.2%	17,217	7.7%	16,474	7.0%
5 - 9 Years	13,976	6.9%	16,343	7.3%	16,729	7.1%
10 - 14 Years	12,697	6.3%	14,694	6.5%	15,901	6.8%
15 - 19 Years	15,064	7.5%	15,918	7.1%	16,427	7.0%
20 - 24 Years	18,935	9.4%	18,413	8.2%	18,760	8.0%
25 - 34 Years	40,214	20.0%	36,787	16.3%	34,369	14.7%
35 - 44 Years	33,940	16.8%	33,650	15.0%	33,009	14.1%
45 - 54 Years	24,603	12.2%	30,310	13.5%	30,977	13.2%
55 - 64 Years	13,337	6.6%	22,471	10.0%	26,616	11.4%
65 - 74 Years	8,553	4.2%	12,082	5.4%	16,441	7.0%
75 - 84 Years	4,390	2.2%	5,205	2.3%	6,446	2.8%
85+ Years	1,232	0.6%	1,947	0.9%	1,882	0.8%
Median Age	31.0		33.1		34.5	

Source: 2000 U.S. Census, 2010/2015 Scan/US Estimates

Census Update Trends: 2000/2010/2015

Downtown Houston Analysis — Scan/US, Inc.
Drive times urban: 20 Minutes or Less — 02/12/2011

		2000 Census		2010 Estimates		2015 Projections	
Population		739,496		800,832		817,975	
In Households		713,414	96.5%	771,015	96.3%	787,103	96.2%
In Families		553,640	74.9%	606,893	75.8%	620,335	75.8%
In Non-family Households		159,774	21.6%	164,122	20.5%	166,768	20.4%
In Group Quarters		26,082	3.5%				
Race:	White	376,632	50.9%	556,840	69.5%	568,507	69.5%
	Black	167,189	22.6%	188,409	23.5%	187,662	22.9%
	American Indian	3,761	0.5%	6,718	0.8%	7,742	0.9%
	Asian	20,877	2.8%	32,187	4.0%	33,575	4.1%
	Pacific Islander	428	0.1%	1,422	0.2%	1,723	0.2%
	Other/Multi-Racial	170,609	23.1%	15,256	1.9%	18,766	2.3%
Hispanic Population		339,878	46.0%	424,216	53.0%	453,908	55.5%
Labor Force: Pop, 16+ Years		568,201		615,721		633,944	
In Armed Forces		205	0.0%	205	0.0%	205	0.0%
Employed		305,890	53.8%	352,661	57.3%	361,290	57.0%
Unemployed		29,938	5.3%	36,339	5.9%	36,122	5.7%
Not In Labor Force		232,168	40.9%	226,516	36.8%	236,327	37.3%
Education: Pop, 25+ Years		461,527		508,838		524,958	
No HS Diploma		168,820	36.6%	168,819	33.2%	162,311	30.9%
HS Graduate		86,464	18.7%	112,060	22.0%	124,060	23.6%
College, No Degree		69,311	15.0%	71,234	14.0%	71,410	13.6%
Associate Degree		12,467	2.7%	17,483	3.4%	20,345	3.9%
College Degree		71,085	15.4%	79,168	15.6%	83,704	15.9%
Graduate/Professional Degree		53,380	11.6%	60,074	11.8%	63,128	12.0%
Households		273,493		299,554		321,999	
Families		159,670	58.4%	167,935	56.1%	176,262	54.7%
With Kids		91,373	33.4%	93,246	31.1%	96,123	29.9%
Non-Families		113,823	41.6%	131,619	43.9%	145,737	45.3%
With Kids		952	0.3%	770	0.3%	636	0.2%
Average Size:	Household	2.6		2.6		2.4	
	Family	3.5		3.6		3.5	
	Non-Family	1.4		1.2		1.1	
Total Housing Units		303,367		352,219		379,673	
Vacant		29,874	9.8%	52,665	15.0%	57,674	15.2%
Owned		121,764	40.1%	133,837	38.0%	140,380	37.0%
Rented		151,729	50.0%	165,717	47.0%	181,619	47.8%
Households by Persons:	1	92,800	33.9%	110,288	36.8%	123,778	38.4%
	2	73,176	26.8%	74,885	25.0%	85,392	26.5%
	3-4	67,858	24.8%	70,056	23.4%	71,922	22.3%
	5+	39,659	14.5%	44,325	14.8%	40,907	12.7%
Vehicles Available		373,279		449,112		496,490	
Per Household:	0	41,228	15.1%	36,276	12.1%	35,964	11.2%
	1	125,229	45.8%	132,886	44.4%	141,391	43.9%
	2	81,994	30.0%	95,021	31.7%	103,266	32.1%
	3+	25,006	9.1%	35,371	11.8%	41,378	12.9%
Average Vehicles/HH		1.4		1.5		1.5	

Source: 2000 U.S. Census, 2010/2015 Scan/US Estimates

		2000 Census		2010 Estimates		2015 Projections	
Total Aggregate Income ($Mil)		16,102		24,103		27,909	
Per Capita Income		21,774		30,098		34,120	
Households	< $10,000	40,394	14.8%	34,579	11.5%	33,523	10.4%
By	$10,000 - $14,999	21,523	7.9%	22,547	7.5%	23,915	7.4%
Income:	$15,000 - $19,999	20,262	7.4%	21,855	7.3%	23,176	7.2%
	$20,000 - $24,999	20,464	7.5%	20,484	6.8%	21,335	6.6%
	$25,000 - $29,999	19,083	7.0%	18,874	6.3%	19,492	6.1%
	$30,000 - $34,999	18,170	6.6%	18,031	6.0%	18,621	5.8%
	$35,000 - $39,999	15,510	5.7%	15,255	5.1%	15,762	4.9%
	$40,000 - $49,999	25,257	9.2%	25,710	8.6%	26,691	8.3%
	$50,000 - $59,999	18,974	6.9%	20,913	7.0%	22,328	6.9%
	$60,000 - $74,999	20,150	7.4%	21,732	7.3%	23,569	7.3%
	$75,000 - $99,999	18,341	6.7%	22,989	7.7%	26,548	8.2%
	$100,000 - $124,999	11,186	4.1%	14,995	5.0%	17,593	5.5%
	$125,000 - $149,999	5,678	2.1%	9,930	3.3%	12,156	3.8%
	$150,000 - $199,999	7,218	2.6%	12,555	4.2%	14,800	4.6%
	$200,000 - $249,999	2,933	1.1%	5,026	1.7%	5,941	1.8%
	$250,000+	8,343	3.1%	14,079	4.7%	16,549	5.1%
Aggregate	Household	$15,716.5		$22,787.8		$26,547.7	
Income:	Family	$10,307.4		$14,968.9		$17,027.9	
($Mil)	Non-Family	$5,071.6		$7,818.8		$9,519.6	
Average	Household	$57,466		$76,073		$82,447	
Income:	Family	$64,555		$89,135		$96,606	
	Non-Family	$44,557		$59,405		$65,321	
Median	Household	$41,996		$51,310		$54,430	
Income:	Family	$50,854		$61,797		$65,491	
	Non-Family	$33,521		$41,931		$45,494	
Households	< $10,000	43,888	16.0%	38,180	12.7%	37,288	11.6%
By	$10,000 - $14,999	20,743	7.6%	21,853	7.3%	23,204	7.2%
Disposable	$15,000 - $19,999	22,977	8.4%	24,401	8.1%	25,791	8.0%
Income:	$20,000 - $24,999	24,778	9.1%	24,624	8.2%	25,536	7.9%
	$25,000 - $29,999	23,472	8.6%	23,292	7.8%	24,064	7.5%
	$30,000 - $34,999	19,652	7.2%	19,432	6.5%	20,110	6.2%
	$35,000 - $39,999	17,635	6.4%	17,627	5.9%	18,185	5.6%
	$40,000 - $49,999	27,077	9.9%	29,517	9.9%	31,435	9.8%
	$50,000 - $59,999	18,652	6.8%	20,113	6.7%	21,803	6.8%
	$60,000 - $74,999	17,623	6.4%	21,928	7.3%	25,270	7.8%
	$75,000 - $99,999	13,998	5.1%	19,231	6.4%	22,685	7.0%
	$100,000 - $124,999	6,815	2.5%	11,870	4.0%	14,299	4.4%
	$125,000 - $149,999	4,568	1.7%	7,815	2.6%	9,201	2.9%
	$150,000 - $199,999	4,002	1.5%	6,828	2.3%	8,061	2.5%
	$200,000 - $249,999	1,852	0.7%	3,166	1.1%	3,724	1.2%
	$250,000+	5,754	2.1%	9,677	3.2%	11,343	3.5%
Disposable	Aggregate ($Mil)	$13,378.8		$19,494.6		$22,523.3	
Income:	Average	$48,918		$65,079		$69,948	
	Median	$35,772		$42,785		$45,099	

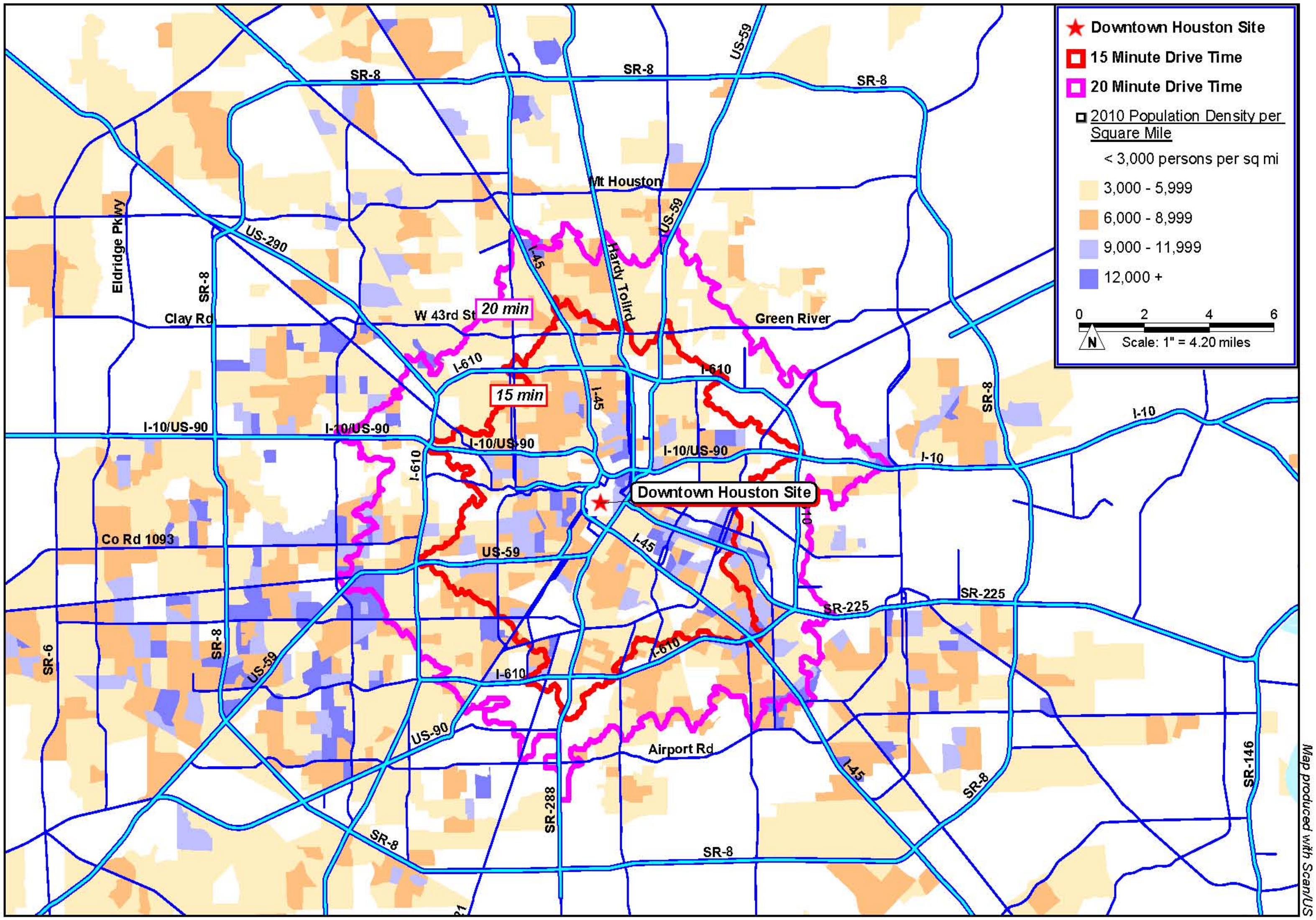
Census Update Trends: 2000/2010/2015

Downtown Houston Analysis | Scan/US, Inc.
Drive times urban: 20 Minutes or Less | 02/12/2011

	2000 Census		2010 Estimates		2015 Projections	
Total Population	739,496		800,832		817,975	
< 5 Years	57,441	7.8%	63,442	7.9%	59,157	7.2%
5 - 9 Years	55,306	7.5%	60,036	7.5%	60,051	7.3%
10 - 14 Years	49,167	6.6%	53,097	6.6%	56,612	6.9%
15 - 19 Years	52,205	7.1%	54,406	6.8%	55,831	6.8%
20 - 24 Years	63,835	8.6%	61,013	7.6%	61,366	7.5%
25 - 34 Years	137,098	18.5%	121,309	15.1%	111,266	13.6%
35 - 44 Years	113,904	15.4%	111,443	13.9%	107,637	13.2%
45 - 54 Years	87,671	11.9%	105,197	13.1%	105,591	12.9%
55 - 64 Years	51,717	7.0%	84,405	10.5%	96,757	11.8%
65 - 74 Years	37,504	5.1%	48,590	6.1%	63,660	7.8%
75 - 84 Years	24,288	3.3%	26,001	3.2%	29,145	3.6%
85+ Years	9,360	1.3%	11,893	1.5%	10,902	1.3%
Median Age	31.9		34.2		35.6	
Population, Female	361,509	48.9%	387,313	48.4%	393,304	48.1%
< 5 Years	28,028	7.8%	30,461	7.9%	28,200	7.2%
5 - 9 Years	27,139	7.5%	28,793	7.4%	28,603	7.3%
10 - 14 Years	23,939	6.6%	25,223	6.5%	26,847	6.8%
15 - 19 Years	24,620	6.8%	25,655	6.6%	26,341	6.7%
20 - 24 Years	29,818	8.2%	28,396	7.3%	28,428	7.2%
25 - 34 Years	63,681	17.6%	55,234	14.3%	50,370	12.8%
35 - 44 Years	52,373	14.5%	50,963	13.2%	48,960	12.4%
45 - 54 Years	42,531	11.8%	50,174	13.0%	50,082	12.7%
55 - 64 Years	26,390	7.3%	42,742	11.0%	48,166	12.2%
65 - 74 Years	20,982	5.8%	25,902	6.7%	33,249	8.5%
75 - 84 Years	15,213	4.2%	15,745	4.1%	16,777	4.3%
85+ Years	6,795	1.9%	8,025	2.1%	7,281	1.9%
Median Age	32.9		35.4		36.8	
Population, Male	377,987	51.1%	413,519	51.6%	424,671	51.9%
< 5 Years	29,413	7.8%	32,981	8.0%	30,957	7.3%
5 - 9 Years	28,167	7.5%	31,243	7.6%	31,448	7.4%
10 - 14 Years	25,228	6.7%	27,874	6.7%	29,765	7.0%
15 - 19 Years	27,585	7.3%	28,751	7.0%	29,490	6.9%
20 - 24 Years	34,017	9.0%	32,617	7.9%	32,938	7.8%
25 - 34 Years	73,417	19.4%	66,075	16.0%	60,896	14.3%
35 - 44 Years	61,531	16.3%	60,480	14.6%	58,677	13.8%
45 - 54 Years	45,140	11.9%	55,023	13.3%	55,509	13.1%
55 - 64 Years	25,327	6.7%	41,663	10.1%	48,591	11.4%
65 - 74 Years	16,522	4.4%	22,688	5.5%	30,411	7.2%
75 - 84 Years	9,075	2.4%	10,256	2.5%	12,368	2.9%
85+ Years	2,565	0.7%	3,868	0.9%	3,621	0.9%
Median Age	31.0		33.2		34.6	

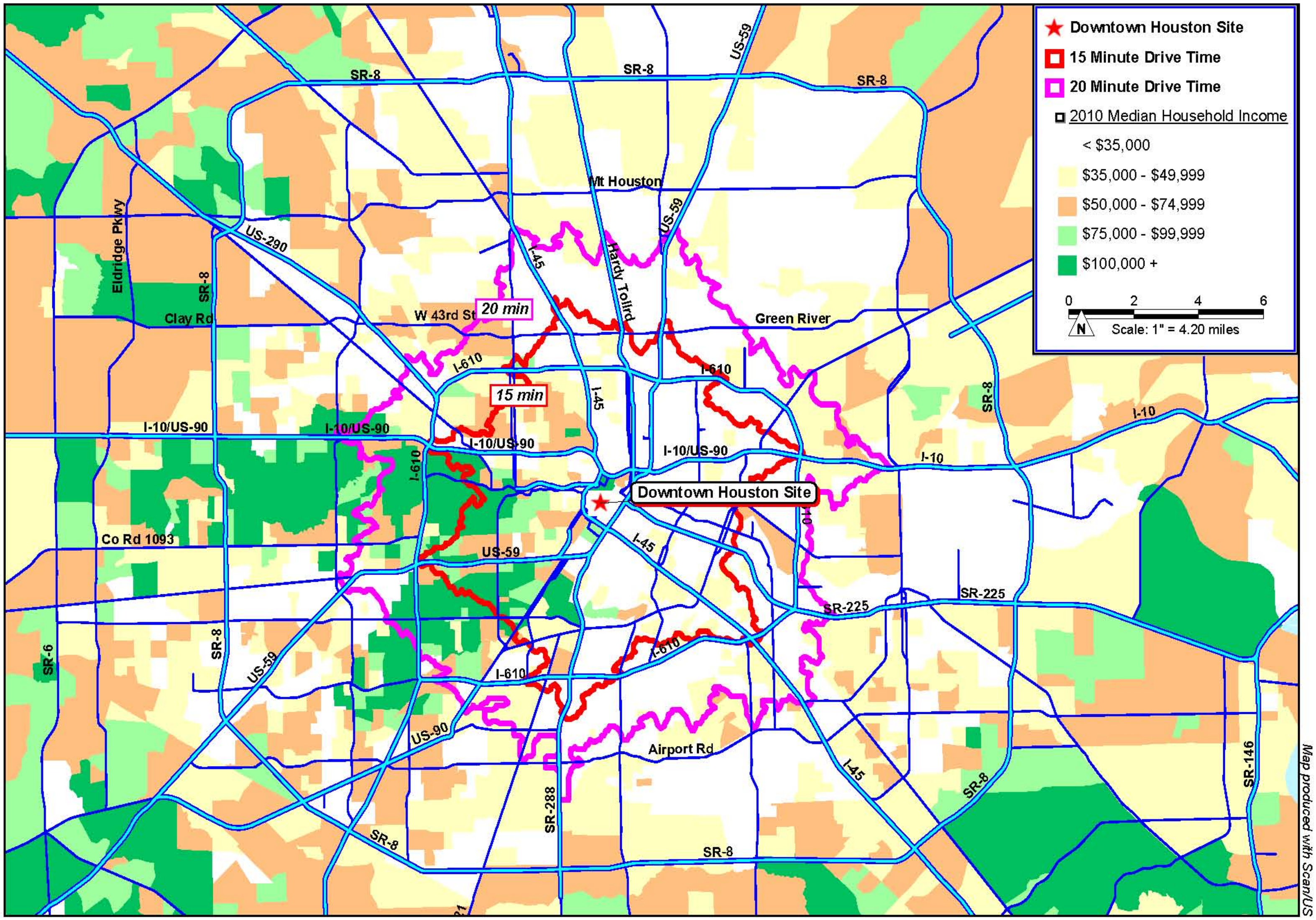
POPULATION DENSITY AND DRIVE TIME AREA

Solheim Research



MEDIAN HOUSEHOLD INCOME AND DRIVE TIME AREA

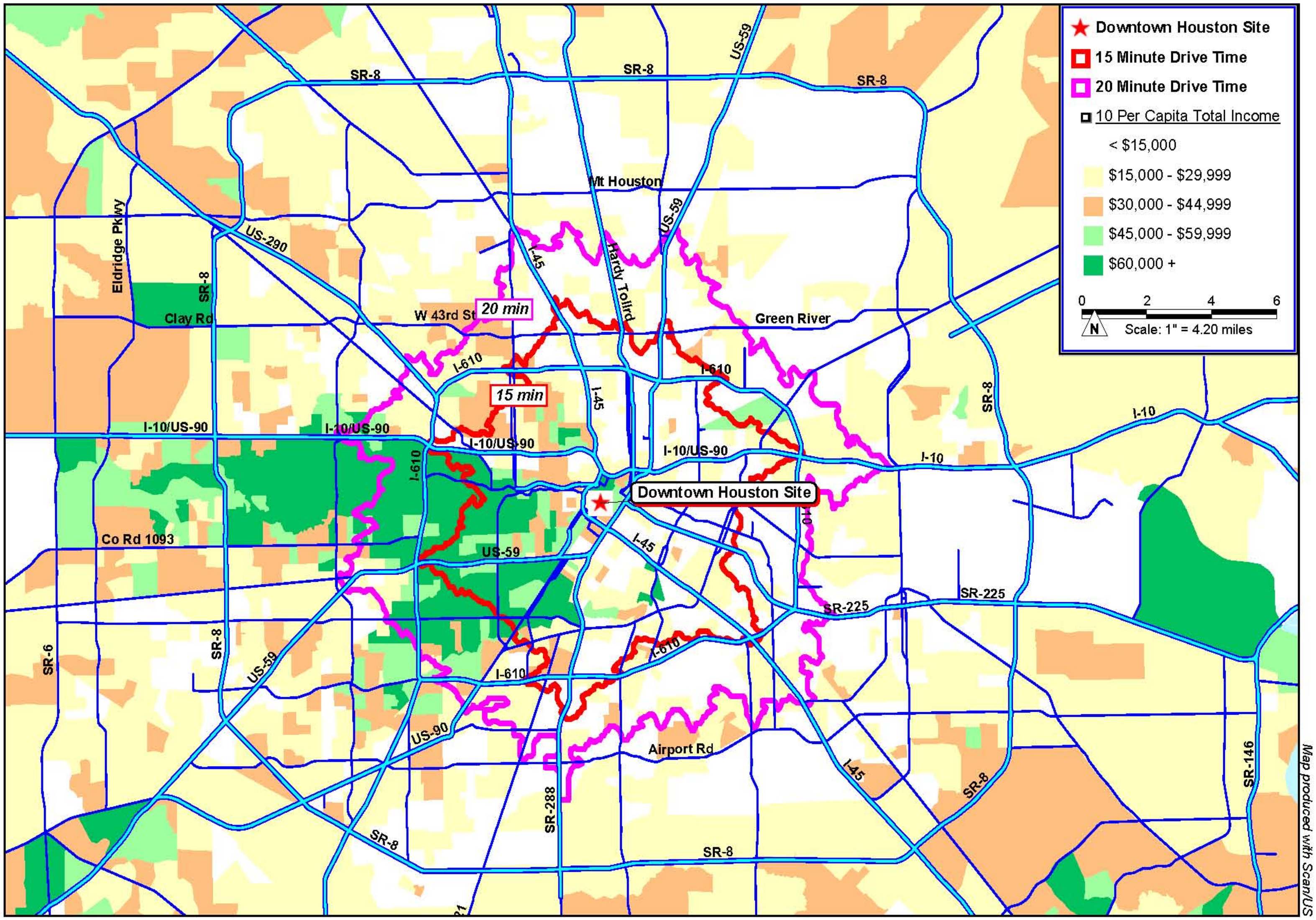
Solheim Research



29

PER CAPITA INCOME AND DRIVE TIME AREA

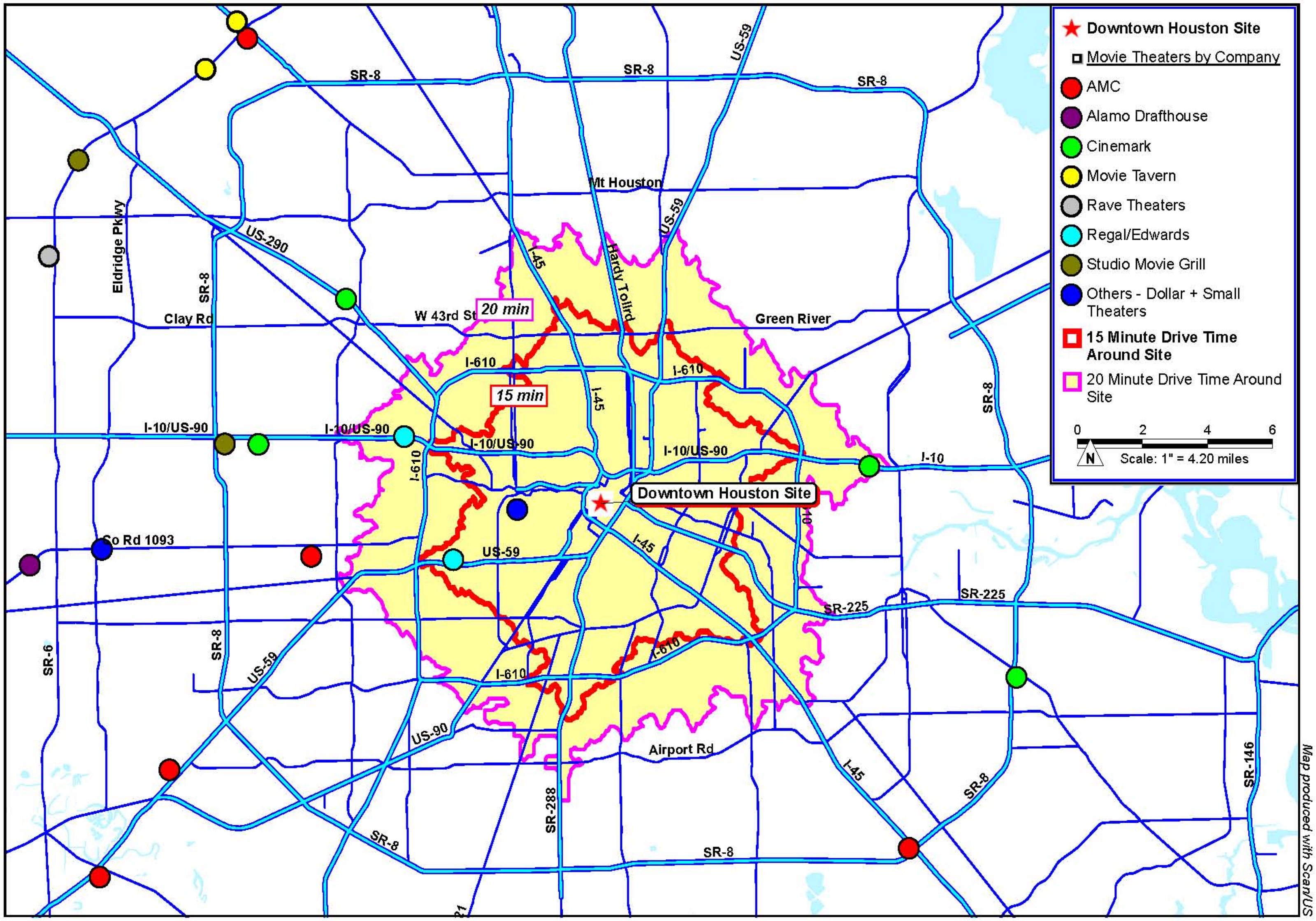
Solheim Research



30

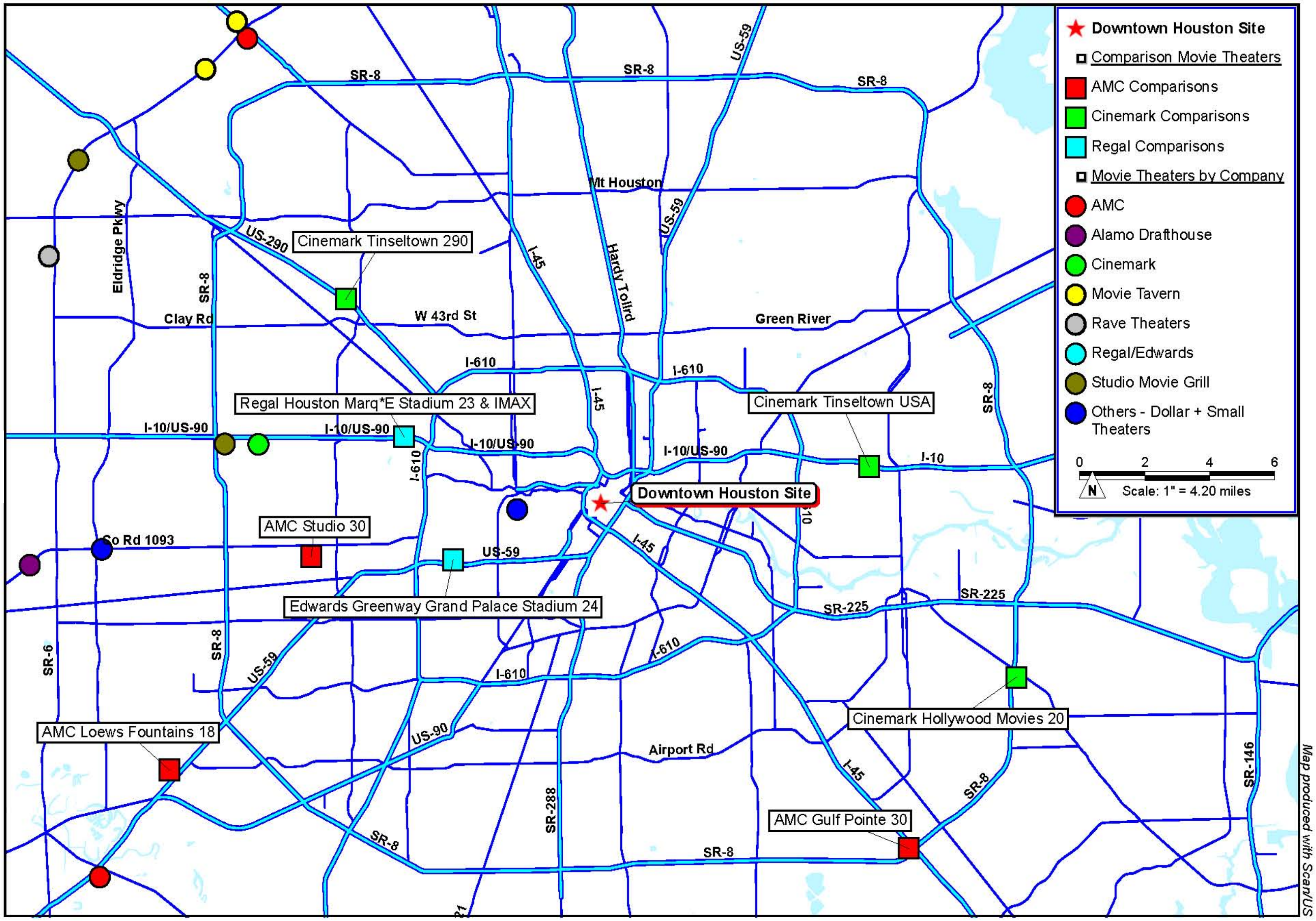
MOVIE THEATERS BY DRIVE TIME ZONE

Solheim Research



MOVIE THEATERS: KEY COMPARISONS TO DOWNTOWN HOUSTON

Solheim Research



32

AMC THEATERS: 15 MINUTE DRIVE TIME COMPARISONS

POPULATION, ETHNICITY, & HOUSING

	Population Within 15 Minute Drive Time			
	Downtown Houston Site	AMC Gulf Pointe 30	AMC Studio 30	AMC Loews Fountains 18
Population				
1990 Census	365,565	151,167	274,820	187,119
2000 Census	386,091	173,708	342,122	249,363
2010 Estimate	426,458	212,177	358,825	275,867
2015 Projection	441,066	228,645	373,677	289,459
% Change 1990-2000	0.5%	1.4%	2.2%	2.9%
% Change 2000-2010	1.0%	2.0%	0.5%	1.0%
% Change 2010-2015	0.7%	1.5%	0.8%	1.0%
Ethnicity 2010				
% Hispanic (Any Race)	54%	47%	41%	32%
Race 2010				
% White	70%	78%	75%	52%
% Black	24%	13%	14%	25%
% Native American	1%	1%	1%	1%
% Asian + Pacific Islander	4%	6%	9%	21%
% Other + two or more races	2%	2%	2%	2%
Total Population	100%	100%	100%	100%
Households				
2000 Census	142,192	60,361	150,359	85,024
2010 Estimate	158,938	73,359	160,167	89,767
% Change 2000-2010	1.1%	2.0%	0.6%	0.5%
Household Size				
2010 Persons per Household	2.5	2.9	2.2	3.1
% of Pop. In Group Quarters	6.1%	0.3%	0.9%	0.7%
Housing Profile 2010				
Total Housing Units	188,838	81,938	186,013	99,077
Owner Occupied	35%	54%	28%	46%
Renter Occupied	49%	35%	58%	45%
Vacant	16%	10%	14%	9%

Source: ScanUS 02/2011

AMC THEATERS: 15 MINUTE DRIVE TIME COMPARISONS

AGE, INCOME, AND EDUCATION

	Population Within 15 Minute Drive Time			
	Downtown Houston Site	AMC Gulf Pointe 30	AMC Studio 30	AMC Loews Fountains 18
Age 2010				
Median Age	33.9	33.5	34.8	33.7
% Age 0 - 9	15%	17%	15%	16%
% Age 10 - 19	13%	15%	11%	15%
% Age 20 - 24	8%	7%	8%	8%
% Age 25 - 44	30%	29%	32%	29%
% Age 45 - 64	24%	24%	23%	25%
% Age 65 +	10%	8%	10%	8%
Income 2010				
Per Capita Income	$29,760	$23,609	$41,521	$23,224
Average Household Income	$73,057	$67,567	$91,326	$69,777
Median Household Income	$49,024	$54,931	$63,328	$55,688
Income Distribution 2010				
% of HHs < $35,000	47.2%	32.8%	37.7%	36.9%
% of HHs $35,000 - $49,999	12.9%	15.3%	14.1%	15.1%
% of HHs $50,000 - $74,999	13.5%	21.4%	15.4%	16.8%
% of HHs $75,000 - $99,999	7.9%	13.3%	8.6%	10.9%
% of HHs $100,000 +	18.5%	17.2%	24.2%	20.3%
Number of Households by Income 2010				
HHs < $35,000	74,957	24,028	60,355	33,141
HHs $35,000 - $49,999	20,570	11,206	22,613	13,578
HHs $50,000 - $74,999	21,451	15,733	24,727	15,071
HHs $75,000 - $99,999	12,625	9,783	13,733	9,790
HHs $100,000 +	29,335	12,609	38,739	18,187
HHs $35,000 +	83,981	49,331	99,812	56,626
HHs $50,000 +	63,411	38,125	77,199	43,048
Education of Persons Age 25 + 2010				
% of Persons < HS Diploma	34.7%	21.8%	19.1%	18.6%
% HS Diploma or Equivalent	21.1%	28.3%	17.0%	22.1%
% Some College< 4 yr Degree	17.0%	27.8%	21.4%	26.0%
% Bachelors Degree	15.4%	15.3%	26.5%	21.5%
% Graduate/Prof. Degree	11.8%	6.7%	16.0%	11.8%

Source: ScanUS 02/2011

CINEMARK THEATERS: 15 MINUTE DRIVE TIME COMPARISONS

POPULATION, ETHNICITY, & HOUSING

	Population Within 15 Minute Drive Time			
	Downtown Houston Site	Cinemark Tinseltown 290	Cinemark Tinseltown USA	Cinemark Hollywood Movies 20
Population				
1990 Census	365,565	201,973	140,724	138,478
2000 Census	386,091	237,001	156,625	158,028
2010 Estimate	426,458	251,748	163,437	168,855
2015 Projection	441,066	264,166	165,643	168,874
% Change 1990-2000	0.5%	1.6%	1.1%	1.3%
% Change 2000-2010	1.0%	0.6%	0.4%	0.7%
% Change 2010-2015	0.7%	1.0%	0.3%	0.0%
Ethnicity 2010				
% Hispanic (Any Race)	54%	48%	58%	47%
Race 2010				
% White	70%	74%	67%	90%
% Black	24%	18%	27%	5%
% Native American	1%	1%	1%	1%
% Asian + Pacific Islander	4%	5%	3%	3%
% Other + two or more races	2%	2%	2%	2%
Total Population	100%	100%	100%	100%
Households				
2000 Census	142,192	85,634	48,099	52,780
2010 Estimate	158,938	90,958	50,404	56,718
% Change 2000-2010	1.1%	0.6%	0.5%	0.7%
Household Size				
2010 Persons per Household	2.5	2.7	3.2	3.0
% of Pop. In Group Quarters	6.1%	0.8%	1.1%	0.9%
Housing Profile 2010				
Total Housing Units	188,838	102,787	57,555	63,590
Owner Occupied	35%	47%	52%	57%
Renter Occupied	49%	41%	36%	32%
Vacant	16%	12%	12%	11%

Source: ScanUS 02/2011

CINEMARK THEATERS: 15 MINUTE DRIVE TIME COMPARISONS

AGE, INCOME, AND EDUCATION

	Population Within 15 Minute Drive Time			
	Downtown Houston Site	Cinemark Tinseltown 290	Cinemark Tinseltown USA	Cinemark Hollywood Movies 20
Age 2010				
Median Age	33.9	34.8	31.9	33.5
% Age 0 - 9	15%	16%	18%	17%
% Age 10 - 19	13%	14%	16%	16%
% Age 20 - 24	8%	7%	7%	7%
% Age 25 - 44	30%	28%	27%	27%
% Age 45 - 64	24%	24%	23%	24%
% Age 65 +	10%	10%	9%	9%
Income 2010				
Per Capita Income	$29,760	$24,576	$16,721	$22,468
Average Household Income	$73,057	$66,805	$52,772	$65,607
Median Household Income	$49,024	$50,087	$38,191	$51,661
Income Distribution 2010				
% of HHs < $35,000	47.2%	39.0%	47.6%	35.2%
% of HHs $35,000 - $49,999	12.9%	15.6%	16.9%	15.2%
% of HHs $50,000 - $74,999	13.5%	17.8%	18.3%	20.8%
% of HHs $75,000 - $99,999	7.9%	10.8%	9.0%	12.9%
% of HHs $100,000 +	18.5%	16.7%	8.2%	15.8%
Number of Households by Income 2010				
HHs < $35,000	74,957	35,499	23,979	19,954
HHs $35,000 - $49,999	20,570	14,191	8,500	8,649
HHs $50,000 - $74,999	21,451	16,230	9,230	11,818
HHs $75,000 - $99,999	12,625	9,813	4,545	7,326
HHs $100,000 +	29,335	15,225	4,150	8,971
HHs $35,000 +	83,981	55,459	26,425	36,764
HHs $50,000 +	63,411	41,268	17,925	28,115
Education of Persons Age 25 + 2010				
% of Persons < HS Diploma	34.7%	26.1%	38.1%	23.7%
% HS Diploma or Equivalent	21.1%	27.8%	30.1%	33.4%
% Some College< 4 yr Degree	17.0%	23.7%	21.2%	28.6%
% Bachelors Degree	15.4%	15.2%	7.2%	9.5%
% Graduate/Prof. Degree	11.8%	7.2%	3.3%	4.8%

Source: ScanUS 02/2011

REGAL THEATERS: 15 MINUTE DRIVE TIME COMPARISONS

POPULATION, ETHNICITY, & HOUSING

	Population Within 15 Minute Drive Time			
	Downtown Houston Site	Regal Houston Marq*E Stadium 23 & IMAX	Edwards Greenway Grand Palace Stadium 24	Regal Riviera Stadium 8 Knoxville
Population				
1990 Census	365,565	311,425	329,712	136,621
2000 Census	386,091	350,897	377,935	133,684
2010 Estimate	426,458	385,831	421,030	142,276
2015 Projection	441,066	403,383	448,093	152,254
% Change 1990-2000	0.5%	1.2%	1.4%	-0.2%
% Change 2000-2010	1.0%	1.0%	1.1%	0.6%
% Change 2010-2015	0.7%	0.9%	1.3%	1.4%
Ethnicity 2010				
% Hispanic (Any Race)	54%	46%	38%	3%
Race 2010				
% White	70%	85%	77%	76%
% Black	24%	9%	15%	20%
% Native American	1%	1%	1%	0%
% Asian + Pacific Islander	4%	4%	6%	2%
% Other + two or more races	2%	2%	1%	2%
Total Population	100%	100%	100%	100%
Households				
2000 Census	142,192	147,147	170,724	58,635
2010 Estimate	158,938	163,063	190,316	63,612
% Change 2000-2010	1.1%	1.0%	1.1%	0.8%
Household Size				
2010 Persons per Household	2.5	2.3	2.1	2.1
% of Pop. In Group Quarters	6.1%	2.8%	4.4%	6.6%
Housing Profile 2010				
Total Housing Units	188,838	190,758	225,673	71,642
Owner Occupied	35%	39%	31%	43%
Renter Occupied	49%	46%	53%	46%
Vacant	16%	15%	16%	11%

Source: ScanUS 02/2011

REGAL THEATERS: 15 MINUTE DRIVE TIME COMPARISONS

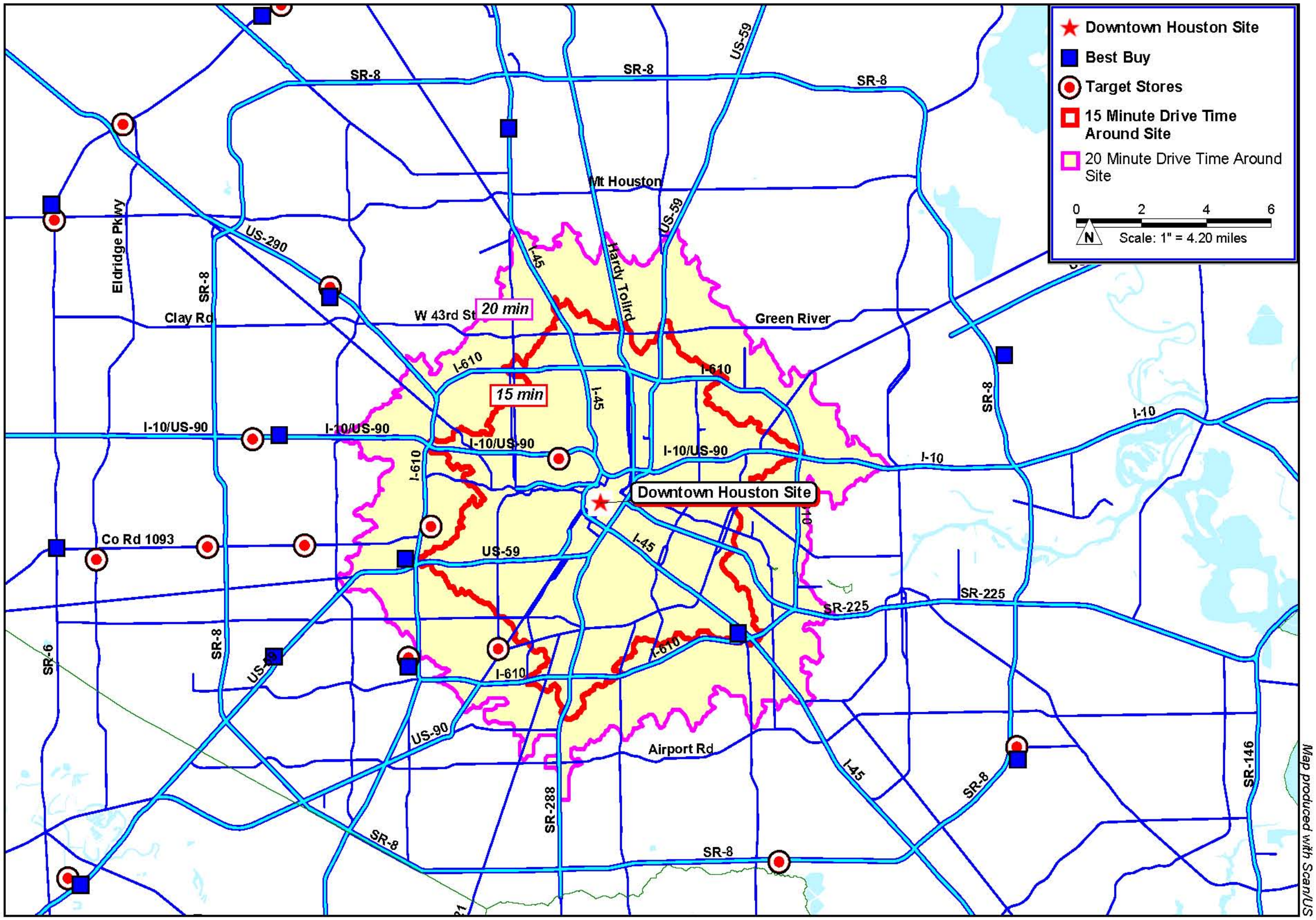
AGE, INCOME, AND EDUCATION

	Population Within 15 Minute Drive Time			
	Downtown Houston Site	Regal Houston Marq*E Stadium 23 & IMAX	Edwards Greenway Grand Palace Stadium 24	Regal Riviera Stadium 8 Knoxville
Age 2010				
Median Age	33.9	36.3	35.8	36.3
% Age 0 - 9	15%	14%	14%	12%
% Age 10 - 19	13%	12%	11%	13%
% Age 20 - 24	8%	7%	8%	12%
% Age 25 - 44	30%	30%	32%	26%
% Age 45 - 64	24%	25%	25%	23%
% Age 65 +	10%	11%	11%	15%
Income 2010				
Per Capita Income	$29,760	$43,873	$47,566	$20,824
Average Household Income	$73,057	$100,355	$101,257	$43,378
Median Household Income	$49,024	$69,908	$68,478	$30,326
Income Distribution 2010				
% of HHs < $35,000	47.2%	33.1%	35.5%	59.8%
% of HHs $35,000 - $49,999	12.9%	13.5%	12.5%	14.9%
% of HHs $50,000 - $74,999	13.5%	16.0%	14.3%	12.2%
% of HHs $75,000 - $99,999	7.9%	9.9%	9.1%	5.8%
% of HHs $100,000 +	18.5%	27.5%	28.6%	7.3%
Number of Households by Income 2010				
HHs < $35,000	74,957	53,974	67,476	38,013
HHs $35,000 - $49,999	20,570	21,939	23,870	9,466
HHs $50,000 - $74,999	21,451	26,083	27,282	7,775
HHs $75,000 - $99,999	12,625	16,154	17,268	3,713
HHs $100,000 +	29,335	44,913	54,420	4,645
HHs $35,000 +	83,981	109,089	122,840	25,599
HHs $50,000 +	63,411	87,150	98,970	16,133
Education of Persons Age 25 + 2010				
% of Persons < HS Diploma	34.7%	22.7%	18.8%	16.8%
% HS Diploma or Equivalent	21.1%	19.1%	15.7%	32.0%
% Some College< 4 yr Degree	17.0%	20.2%	19.5%	24.9%
% Bachelors Degree	15.4%	23.3%	25.9%	16.4%
% Graduate/Prof. Degree	11.8%	14.7%	20.1%	10.0%

Source: ScanUS 02/2011

TARGET AND BEST BUY BY DRIVE TIME ZONE

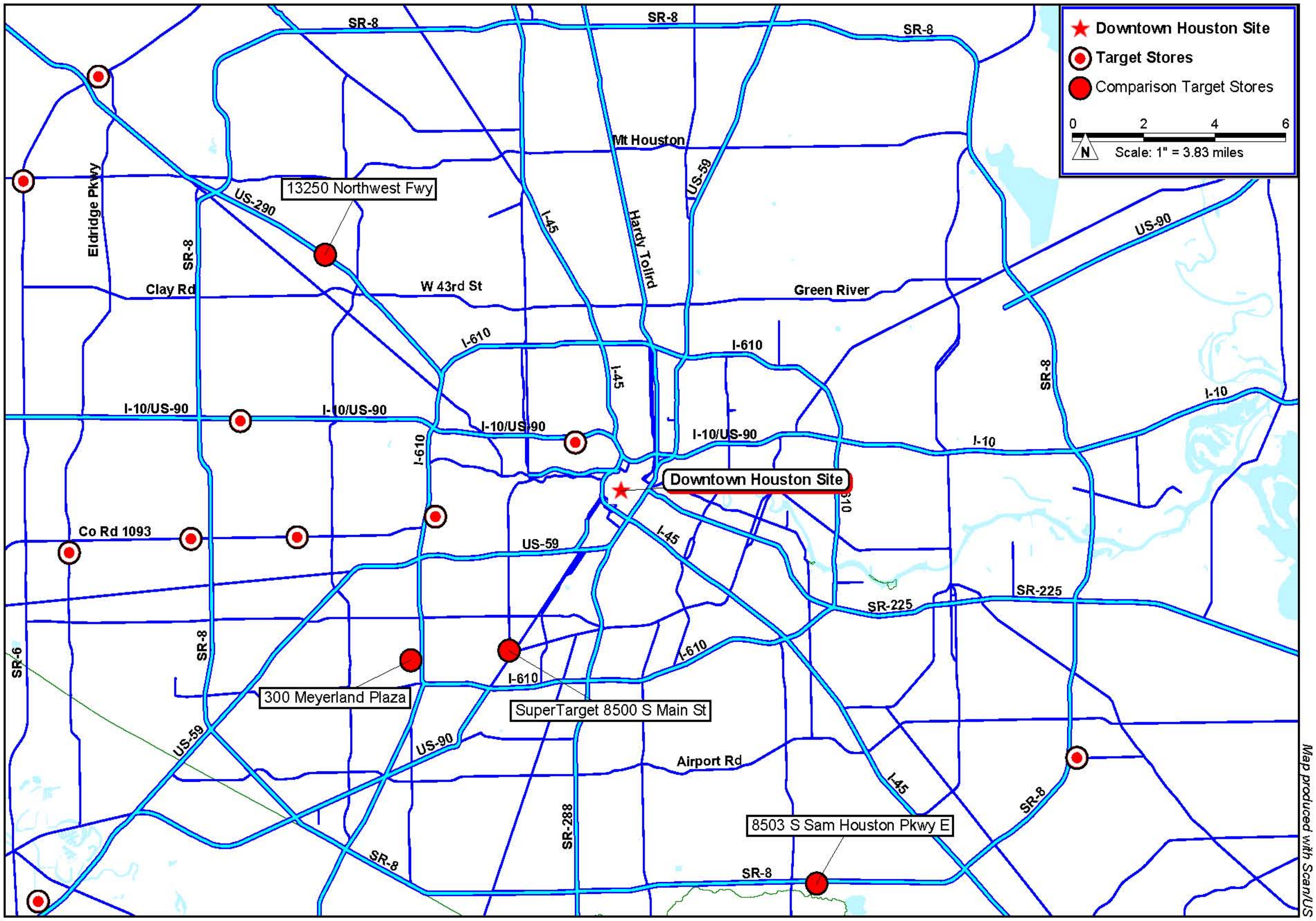
Solheim Research



36

TARGET COMPARISON STORES

Solheim Research



TARGET COMPARISONS: DOWNTOWN HOUSTON + SELECTED TARGET STORES
POPULATION, ETHNICITY, & HOUSING

Population Within 15 Minute Drive Time

	Downtown Houston Site	Houston NW 13250 Northwest Fwy	Meyerland Plaza Mall	SuperTarget South Central	Houston South 8503 S Sam Houston Pkwy E
Population					
1990 Census	365,565	186,119	269,460	220,898	100,547
2000 Census	386,091	224,400	322,618	240,606	116,448
2010 Estimate	426,458	237,971	350,577	261,449	146,818
2015 Projection	441,066	247,465	363,678	270,481	162,122
% Change 1990-2000	0.5%	1.9%	1.8%	0.9%	1.5%
% Change 2000-2010	1.0%	0.6%	0.8%	0.8%	2.3%
% Change 2010-2015	0.7%	0.8%	0.7%	0.7%	2.0%
Ethnicity 2010					
% Hispanic (Any Race)	54%	48%	38%	25%	43%
Race 2010					
% White	70%	74%	71%	68%	73%
% Black	24%	18%	20%	24%	17%
% Native American	1%	1%	1%	0%	1%
% Asian + Pacific Islander	4%	6%	7%	6%	8%
% Other + two or more races	2%	2%	2%	1%	2%
Total Population	100%	100%	100%	100%	100%
Households					
2000 Census	142,192	79,820	136,642	110,381	40,640
2010 Estimate	158,938	84,564	150,035	120,786	51,558
% Change 2000-2010	1.1%	0.6%	0.9%	0.9%	2.4%
Household Size					
2010 Persons per Household	2.5	2.8	2.3	2.1	2.8
% of Pop. In Group Quarters	6.1%	0.8%	1.2%	2.9%	0.5%
Housing Profile 2010					
Total Housing Units	188,838	95,106	172,886	140,650	57,212
Owner Occupied	35%	48%	35%	39%	54%
Renter Occupied	49%	41%	52%	47%	36%
Vacant	16%	11%	13%	14%	10%

Source: ScanUS 02/2011

TARGET COMPARISONS: DOWNTOWN HOUSTON + SELECTED TARGET STORES
AGE, INCOME, AND EDUCATION

Population Within 15 Minute Drive Time

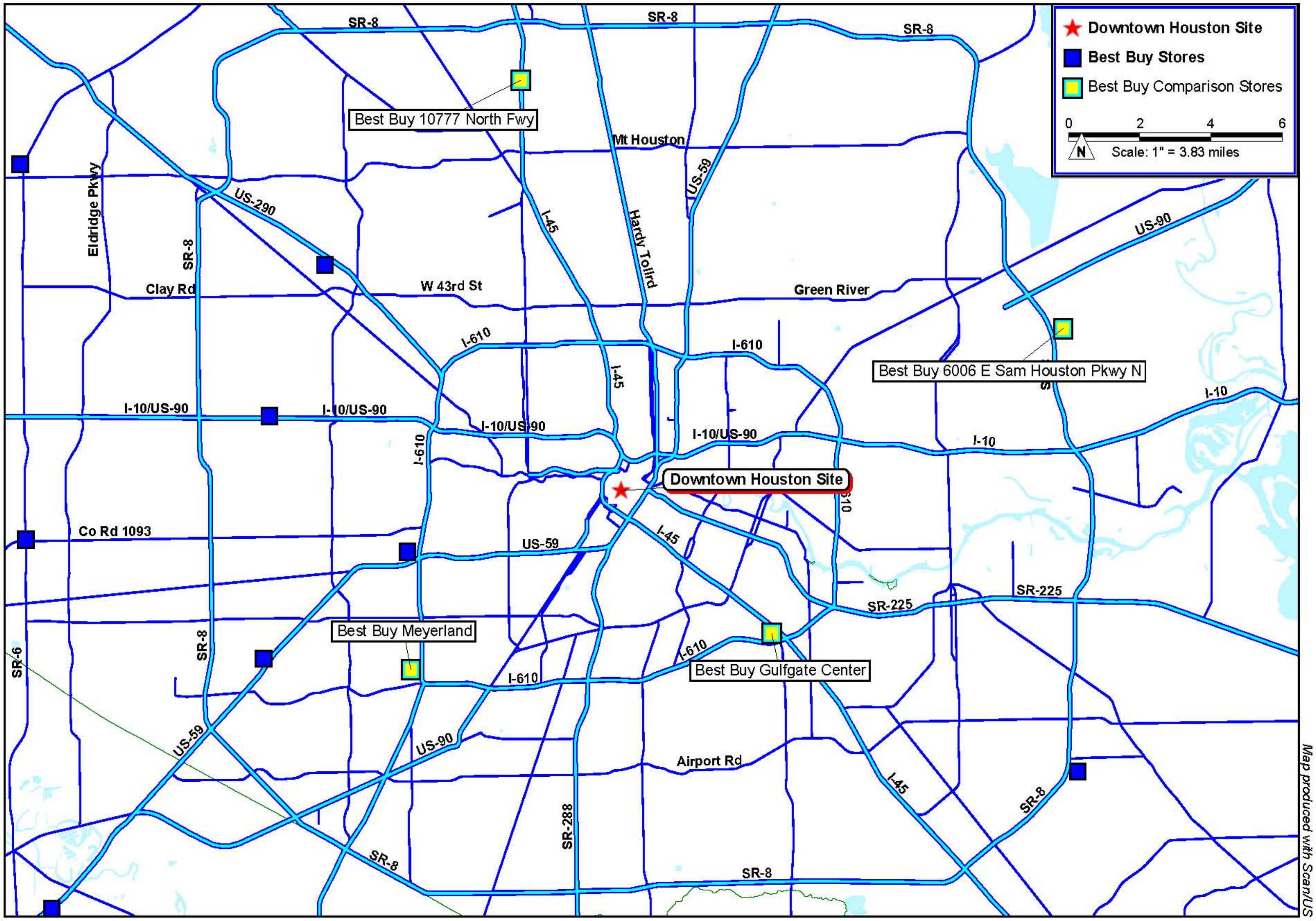
	Downtown Houston Site	Houston NW 13250 Northwest Fwy	Meyerland Plaza Mall	SuperTarget South Central	Houston South 8503 S Sam Houston Pkwy E
Age 2010					
Median Age	33.9	34.3	35.2	37.5	34.0
% Age 0 - 9	15%	17%	15%	13%	16%
% Age 10 - 19	13%	14%	12%	11%	15%
% Age 20 - 24	8%	7%	7%	7%	7%
% Age 25 - 44	30%	29%	31%	30%	28%
% Age 45 - 64	24%	24%	24%	26%	25%
% Age 65 +	10%	10%	11%	12%	9%
Income 2010					
Per Capita Income	$29,760	$22,880	$39,425	$49,346	$23,288
Average Household Income	$73,057	$63,223	$90,337	$104,172	$65,486
Median Household Income	$49,024	$48,935	$63,225	$71,898	$52,985
Income Distribution 2010					
% of HHs < $35,000	47.2%	38.7%	36.9%	33.5%	34.0%
% of HHs $35,000 - $49,999	12.9%	15.8%	13.5%	12.1%	15.6%
% of HHs $50,000 - $74,999	13.5%	18.3%	15.0%	14.1%	21.1%
% of HHs $75,000 - $99,999	7.9%	11.1%	9.5%	9.5%	12.8%
% of HHs $100,000 +	18.5%	16.2%	25.1%	30.8%	16.5%
Number of Households by Income 2010					
HHs < $35,000	74,957	32,698	55,403	40,495	17,533
HHs $35,000 - $49,999	20,570	13,324	20,271	14,578	8,049
HHs $50,000 - $74,999	21,451	15,471	22,569	17,084	10,891
HHs $75,000 - $99,999	12,625	9,347	14,200	11,464	6,581
HHs $100,000 +	29,335	13,724	37,592	37,165	8,504
HHs $35,000 +	83,981	51,866	94,632	80,291	34,025
HHs $50,000 +	63,411	38,542	74,361	65,713	25,976
HHs $75,000 +	41,960	23,071	51,792	48,629	15,085
Education of Persons Age 25 + 2010					
% of Persons < HS Diploma	34.7%	26.0%	19.0%	13.4%	21.7%
% HS Diploma or Equivalent	21.1%	28.2%	17.3%	16.5%	28.0%
% Some College< 4 yr Degree	17.0%	24.3%	20.2%	19.8%	28.8%
% Bachelors Degree	15.4%	14.9%	24.1%	26.2%	15.4%
% Graduate/Prof. Degree	11.8%	6.6%	19.4%	24.2%	6.1%

Source: ScanUS 02/2011

38

BEST BUY COMPARISON STORES

Solheim Research



BEST BUY COMPARISONS: DOWNTOWN HOUSTON + SELECTED BEST BUY STORES
POPULATION, ETHNICITY, & HOUSING

Population Within 15 Minute Drive Time

	Downtown Houston site	Meyerland Plaza Mall	Gulfgate Center	1077 North Freeway	6006 Sam Houston Pkwy. N
Population					
1990 Census	365,565	269,460	310,824	163,472	67,686
2000 Census	386,091	322,618	338,762	196,765	79,576
2010 Estimate	426,458	350,577	356,700	233,614	98,901
2015 Projection	441,066	363,678	355,612	241,148	115,782
% Change 1990-2000	0.5%	1.8%	0.9%	1.9%	1.6%
% Change 2000-2010	1.0%	0.8%	0.5%	1.7%	2.2%
% Change 2010-2015	0.7%	0.7%	-0.1%	0.6%	3.2%
Ethnicity 2010					
% Hispanic (Any Race)	54%	38%	63%	53%	45%
Race 2010					
% White	70%	71%	63%	63%	69%
% Black	24%	20%	29%	30%	25%
% Native American	1%	1%	1%	1%	1%
% Asian + Pacific Islander	4%	7%	4%	5%	4%
% Other + two or more races	2%	2%	3%	2%	2%
Total Population	100%	100%	100%	100%	100%
Households					
2000 Census	142,192	136,642	105,596	63,254	25,143
2010 Estimate	158,938	150,035	112,345	76,456	31,112
% Change 2000-2010	1.1%	0.9%	0.6%	1.9%	2.2%
Household Size					
2010 Persons per Household	2.5	2.3	3.1	3.0	3.2
% of Pop. In Group Quarters	6.1%	1.2%	3.8%	0.5%	0.1%
Housing Profile 2010					
Total Housing Units	188,838	172,886	129,450	88,757	35,010
Owner Occupied	35%	35%	42%	43%	60%
Renter Occupied	49%	52%	45%	43%	29%
Vacant	16%	13%	13%	14%	11%

Source: ScanUS 02/2011

BEST BUY COMPARISONS: DOWNTOWN HOUSTON + SELECTED BEST BUY STORES
AGE, INCOME, AND EDUCATION

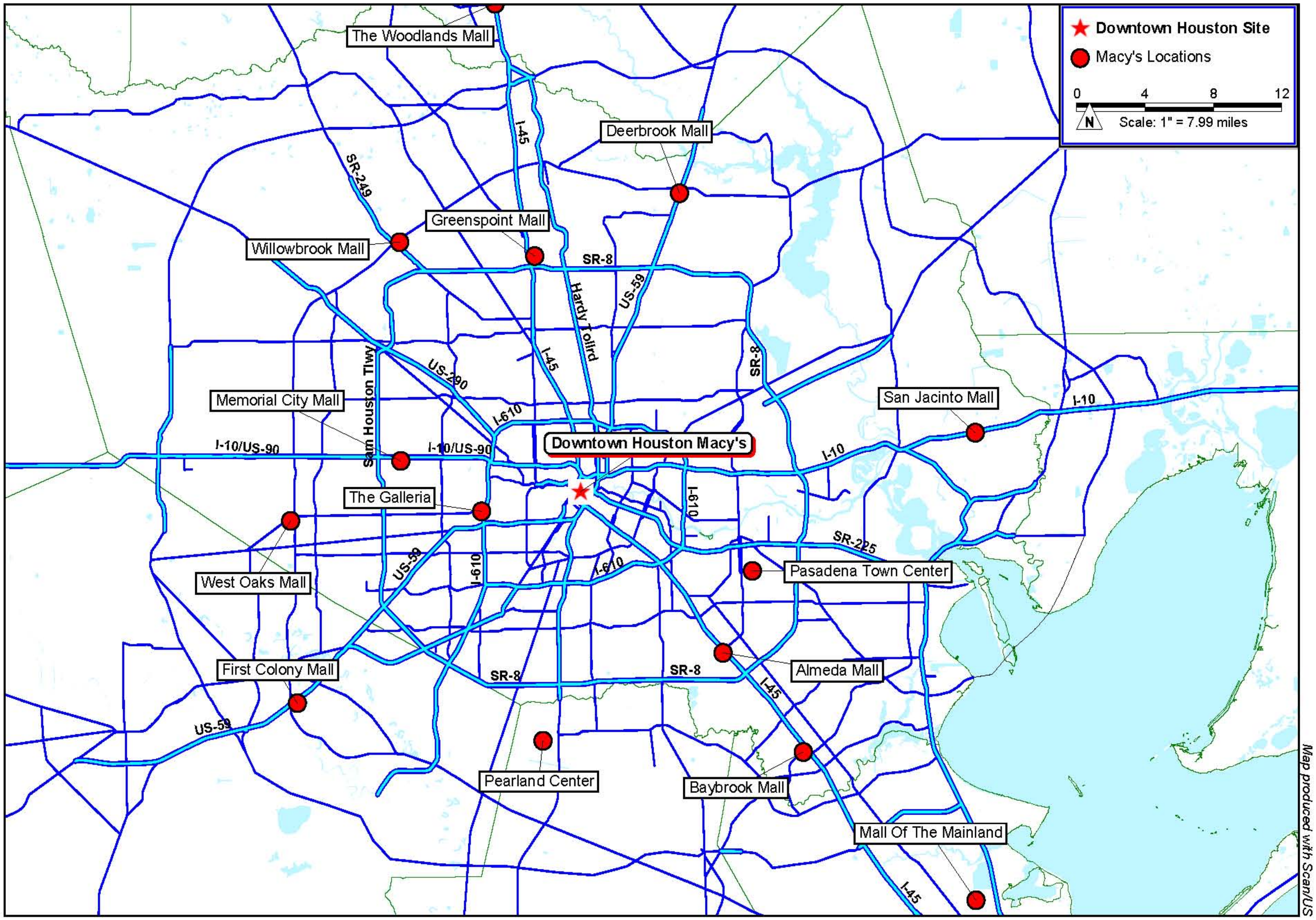
Population Within 15 Minute Drive Time

	Downtown Houston site	Meyerland Plaza Mall	Gulfgate Center	1077 North Freeway	6006 Sam Houston Pkwy. N
Age 2010					
Median Age	33.9	35.2	32.3	31.1	31.8
% Age 0 - 9	15%	15%	17%	18%	18%
% Age 10 - 19	13%	12%	15%	15%	17%
% Age 20 - 24	8%	7%	8%	8%	7%
% Age 25 - 44	30%	31%	27%	29%	28%
% Age 45 - 64	24%	24%	22%	22%	24%
% Age 65 +	10%	11%	10%	8%	7%
Income 2010					
Per Capita Income	$29,760	$39,425	$16,747	$16,703	$20,062
Average Household Income	$73,057	$90,337	$48,239	$50,442	$63,513
Median Household Income	$49,024	$63,225	$32,182	$37,588	$48,046
Income Distribution 2010					
% of HHs < $35,000	47.2%	36.9%	56.0%	48.9%	35.8%
% of HHs $35,000 - $49,999	12.9%	13.5%	15.8%	17.3%	17.2%
% of HHs $50,000 - $74,999	13.5%	15.0%	14.3%	17.9%	21.7%
% of HHs $75,000 - $99,999	7.9%	9.5%	6.5%	8.3%	13.2%
% of HHs $100,000 +	18.5%	25.1%	7.4%	7.6%	12.1%
Number of Households by Income 2010					
HHs < $35,000	74,957	55,403	62,909	37,390	11,145
HHs $35,000 - $49,999	20,570	20,271	17,726	13,238	5,344
HHs $50,000 - $74,999	21,451	22,569	16,028	13,709	6,757
HHs $75,000 - $99,999	12,625	14,200	7,352	6,322	4,094
HHs $100,000 +	29,335	37,592	8,330	5,797	3,772
HHs $35,000 +	83,981	94,632	49,436	39,066	19,967
HHs $50,000 +	63,411	74,361	31,710	25,828	14,623
HHs $75,000 +	41,960	51,792	15,682	12,119	7,866
Education of Persons Age 25 + 2010					
% of Persons < HS Diploma	34.7%	19.0%	41.6%	34.9%	26.7%
% HS Diploma or Equivalent	21.1%	17.3%	27.4%	29.8%	33.2%
% Some College< 4 yr Degree	17.0%	20.2%	17.8%	22.0%	26.9%
% Bachelors Degree	15.4%	24.1%	8.1%	9.2%	9.2%
% Graduate/Prof. Degree	11.8%	19.4%	5.2%	4.1%	4.0%

Source: ScanUS 02/2011

MACY'S DEPARTMENT STORES IN HOUSTON METRO AREA

Solheim Research



41

MACY'S COMPARISONS: DOWNTOWN HOUSTON + SELECTED MACY'S STORES
POPULATION, ETHNICITY, & HOUSING

15-Minute Drive Time Area Around Macy's Units

	Downtown Houston	Downtown Philadelphia	Downtown Miami	Downtown Cincinnati	US Totals
Population					
1990 Census	365,565	980,014	432,410	343,206	248,709,010
2000 Census	386,091	907,012	430,825	317,853	281,421,906
2010 Estimate	426,458	874,994	456,120	306,207	309,720,039
2015 Projection	441,066	871,822	482,374	306,267	323,290,763
% Change 1990-2000	0.5%	-0.8%	0.0%	-0.8%	1.2%
% Change 2000-2010	1.0%	-0.4%	0.6%	-0.4%	1.0%
% Change 2010-2015	0.7%	-0.1%	1.1%	0.0%	0.9%
Ethnicity 2010					
% Hispanic (Any Race)	54%	17%	67%	2%	16%
Race 2010					
% White	70%	38%	75%	66%	74%
% Black	24%	53%	23%	30%	12%
% Native American	1%	1%	0%	0%	1%
% Asian + Pacific Islander	4%	6%	1%	2%	4%
% Other + two or more races	2%	2%	1%	2%	8%
Total Population	100%	100%	100%	100%	100%
Households					
2000 Census	142,192	346,465	163,247	136,065	105,480,101
2010 Estimate	158,938	336,676	179,165	127,695	115,074,142
% Change 2000-2010	1.1%	-0.3%	0.9%	-0.6%	0.9%
Household Size					
2010 Persons per Household	2.5	2.5	2.5	2.3	2.6
% of Pop. In Group Quarters	6.1%	4.6%	2.9%	5.2%	2.7%
Housing Profile 2010					
Total Housing Units	188,838	410,938	212,101	154,622	130,843,849
Owner Occupied	35%	42%	33%	38%	59%
Renter Occupied	49%	40%	52%	44%	29%
Vacant	16%	18%	16%	17%	12%

Source: ScanUS 02/2011

MACY'S COMPARISONS: DOWNTOWN HOUSTON + SELECTED MACY'S STORES
AGE, INCOME, AND EDUCATION

15-Minute Drive Time Area Around Macy's Units

	Downtown Houston	Downtown Philadelphia	Downtown Miami	Downtown Cincinnati	US Totals
Age 2010					
Median Age	33.9	34.4	41.8	35.7	37.1
% Age 0 - 9	15%	15%	11%	13%	14%
% Age 10 - 19	13%	15%	11%	14%	13%
% Age 20 - 24	8%	9%	7%	10%	7%
% Age 25 - 44	30%	27%	26%	26%	27%
% Age 45 - 64	24%	23%	26%	25%	26%
% Age 65 +	10%	12%	19%	13%	14%
Income 2010					
Per Capita Income	$29,760	$18,491	$22,538	$24,509	$27,994
Average Household Income	$73,057	$46,006	$53,999	$55,487	$72,974
Median Household Income	$49,024	$32,434	$36,203	$38,154	$52,547
Income Distribution 2010					
% of HHs < $35,000	47.2%	57.0%	56.4%	52.3%	28.6%
% of HHs $35,000 - $49,999	12.9%	13.4%	12.4%	13.5%	19.6%
% of HHs $50,000 - $74,999	13.5%	13.9%	12.2%	13.5%	19.0%
% of HHs $75,000 - $99,999	7.9%	6.7%	7.0%	8.3%	12.6%
% of HHs $100,000 +	18.5%	9.1%	12.0%	12.5%	20.3%
Number of Households by Income 2010					
HHs < $35,000	74,957	191,906	101,053	66,747	32,880,960
HHs $35,000 - $49,999	20,570	45,012	22,286	17,224	22,523,680
HHs $50,000 - $74,999	21,451	46,634	21,777	17,185	21,814,240
HHs $75,000 - $99,999	12,625	22,635	12,497	10,603	14,503,063
HHs $100,000 +	29,335	30,489	21,552	15,936	23,352,199
HHs $35,000 +	83,981	144,770	78,112	60,948	82,193,182
HHs $50,000 +	63,411	99,758	55,826	43,724	59,669,502
HHs $75,000 +	41,960	53,124	34,049	26,539	37,855,262
Education of Persons Age 25 + 2010					
% of Persons < HS Diploma	34.7%	24.3%	29.9%	17.6%	14.6%
% HS Diploma or Equivalent	21.1%	35.2%	26.7%	29.7%	29.7%
% Some College< 4 yr Degree	17.0%	19.8%	18.2%	24.8%	27.5%
% Bachelors Degree	15.4%	11.4%	15.8%	16.9%	17.7%
% Graduate/Prof. Degree	11.8%	9.2%	9.4%	11.0%	10.3%

Source: ScanUS 02/2011

Full Build-Out