



**Request for Developer Qualifications**  
**1111 Main and 1010 Lamar, Houston, Texas**  
**Responses to Questions**  
**April 28, 2015**

909 Fannin,  
Suite 1650  
Houston, TX 77010  
TEL 713-752-0827

[downtowntirz.org](http://downtowntirz.org)

- What type of agreement has been signed between the Downtown Redevelopment Authority and the Seller, YPI 1010 Lamar, LLC?
  - The Memorandum of Understanding between the Authority and YPI 1010 Lamar, LLC is structured to support the direction for the site outlined in the RFQ. The Authority will administer a process to select one or more developers with whom to negotiate a purchase agreement for 1111 Main Street and lease agreement for 1010 Lamar with the property owner over a 180-day negotiating period. The Authority is not acting as a broker or agent for YPI. The authority is only facilitating the RFQ process. Any arrangement for the purchase and/or development of the property will be made solely between and among YPI and the other party/parties.
  
- How does the loss of major department stores, such as Downtown Houston's Macy's, reflect on the type of retail that is being scouted to populate the Shopping District?
  - To be clear, Macy's wanted to stay in Downtown Houston, but the new owner of their building had plans to build their corporate offices at that location and a retailer of that size did not fit into the project. In addition, the Macy's store was handicapped by a building that was too old and too large to compete well in today's market. Ironically, the loss of prior retail, including Macy's, creates a great opportunity to create something new, fresh and appealing to current consumers. Our focus is on national and regional retailers—past survey results have told us that customers want variety and quality products and brands. We don't feel that a department store is the only answer for Downtown Houston. We will be looking at key retailers that can “anchor” this center and others, offering a mix that fits today's lifestyle and consumer demands.
  
- How will a department store be successful this time around?
  - The intent is to bring viable merchants who are able to take advantage of Downtown Houston's current and growing market. Department stores and major retailers are only some of the options. Smaller, faster retail options with a mixed-use focus can be aggregated in the site with more sales productivity than might be achieved through a department store. Our market analysis shows us that we have a robust and

underserved market for retail. Demand comes from three primary sources—the strong residential population within three miles of Downtown; the conventioner/visitor/hotel guest; and the work force in Downtown Houston. The trade area includes 375,000 residents, 11.6 million annual visitors specific to downtown, and an employment base of 176,000 within walking distance. It is imperative that we create critical mass of a strategic mix of retailers that not only have weekday hours, but are open in the evenings and weekends. Layering other useful spaces on top of the retail spaces could also make the project stronger. Several other new developments will combine to create an environment conducive to this type of retail development. These include: 1) approximately \$25M in major improvements and renovations to Dallas St and Main St.; 2) the redevelopment of the GreenStreet mixed-use development including the construction of the Hotel Alessandra directly across from the project site; 3) the addition of over 5,500 new residential units in downtown; 4) the addition of over 2,400 rooms in seven new hotels downtown; 5) major events like the Final Four in 2016 and the Super Bowl in 2017; 6) major renovations to the nearby George R. Brown Convention Center; 7) the continued development of new bars and restaurants on Main St. and in the convention district. In addition, continued residential growth in the trade area of the site provides strong buying power.

- Major retailers are open to receiving incentives when moving into a new development space. Will any kind of incentives be addressed or considered when looking to fill the space?
  - At this point no specific incentives have been identified; however should the right project develop, those incentives may be an option. There are current programs that can be considered based on the development project scope, plans and any public sector participation. Incentives in previous economic development projects have included exemption or alternative reimbursement from property, sales, or hotel occupancy taxes generated by the project. Public incentives should be the last money in.
  
- Where is parking located for the current building's tenants at 1010 Lamar?
  - 1111 Main currently parks 100 percent of the parking for 1010 Lamar which is just under 500 cars. Since the concept is to demolish 1111 Main (Sakowitz parking garage), interim parking for current tenants will need to be provided and new parking for the tenants of 1010 Lamar will need to be built into the new development in addition to some public parking. Preliminary research has determined that there are multiple options for approximate interim parking.

- How many parking spaces will need to accompany the new development?
  - At least 100 public parking spaces will be needed to support retail as well as a new parking facility with at least 487 spaces, as needed by office tenants of 1010 Lamar. However, as one of the project's goals is to bring more people into the development in the evenings and on weekends, parking will adjust to cater to visitors at any time through a shared parking program.
  
- What is the bigger picture on parking?
  - Parking rates should reflect the market. Retail parking needs to be accessible, secure, and affordable. It should be priced to be competitive with parking rates for Houston's leading shopping centers and retail districts—essentially nominal cost or free with retail validation. Retail parking demand peaks are weekends, nights, and holidays--when office parking needs are at their lowest. The key economic driver for the project's parking will be the office tenants at 1010 Lamar and other nearby office buildings. The existing parking facilities at 1111 Main Street have a track record and usage/rate history that should be useful in predicting parking income for the new project. Public information on parking will also become more available during the coming months to market garage parking.
  
- How will this development bridge the gap between the current Downtown retail market and the consumer demographics being targeted?
  - With new residential units coming online in the near future, all of which are within walking distance or within reach of METRORail access, the Shopping District will cater to a much wider range of consumers. Gaining a sufficient critical mass of credible retailers downtown is essential. We believe that a new retail project of this size can provide national retailers with an opportunity to capitalize on the under-served downtown market and the improving demographics in the area. We believe the investments being made in the Convention District by the public sector and in hotel and residential properties by the private sector will be further enhanced by a strong, varied, pedestrian-oriented retail environment. We consider this block to be critical in establishing an anchor for the Shopping District and providing a catalyst for additional new retail development in the surrounding designated shopping area. The consumer demand is there, but we need to deliver the right product mix and a pleasant retail environment. This is one of a series of undertakings by the Downtown Redevelopment Authority and the Houston Downtown

Management District to bring about these goals as stated in the Mayor's retail task force report.

- As far as tax incentives, has a unit cap increase for the Downtown Living Initiative (DLI) been discussed?
  - Since the cap for the DLI has been reached, alternative public sector incentives may be available for this project, subject to approval by the City of Houston, the Downtown Redevelopment Authority Board, or other participating entity based on the development project scope, plans and any public sector participation.
- Has there been a public offering price set by the Seller, YPI 1010 Lamar, LLC for the property?
  - No, in accordance with submittal requirements, all submissions must include an offering price and approach to financing.
- Has there been a structural analysis of the 1111 Main?
  - Due to its age, 1111 Main may qualify for Landmark or Protected Landmark designation by the City of Houston. For more information on the City's Historic Preservation Ordinance, including links to the Houston Archeological and Historic Commission's application, please visit the City's Planning & Development Department's [website](#). However, while proposals to incorporate the structure in the redevelopment project may be submitted, the difficult task of saving the building while achieving the project's goals of high mixed-use density may not be possible.
- Has there been a market study for hotels in the area?
  - No, not for this specific development project.
- How many levels of below-grade parking currently exist at 1111 Main and what is the total number of spaces?
  - The garage has a single basement level with 84 spaces and the total number of spaces in the building is 487. Please reference the attached floor plans.
- Are there any diagrams or plans of 1010 Lamar's lower floors?
  - Please reference the attached floor plans.
- Points of clarification:
  - 1) Multiple developers will be allowed to team for the project.

- 2) The 1111 Main Street parcel is approximately 38,579 square feet (as correctly shown on the diagram on page 22 of the RFQ). A typo states the size of the parcel at 35,579 in several locations within the RFQ.