



DOWNTOWN REAL ESTATE UPDATE

MARCH 2010

KBR TO STAY IN DOWNTOWN, EXPAND

KBR had planned to consolidate most of its Houston employees in a new campus to be built near Katy. The plan was to continue to maintain a significant presence in downtown at about a one-third reduced level and to vacate its Clinton Drive facilities. Plans have since changed: KBR will increase its presence in KBR Tower and 500 Jefferson by 220,000 square feet to 1.2 million sf, not build a new campus, and will vacate its Clinton Drive facilities. Factors cited in the preference for downtown included overall cost; benefits of downtown's central location; transportation options available downtown for employees; the firm's 50% ownership in KBR Tower; and the firm's relationship with Brookfield. Articles: [Chronicle](#), [HBJ](#)

NRG/PAVILIONS TOWER

Build-out of office space begins in early April for NRG and its retail business, Reliant Energy, in Pavilions Tower. NRG leased 262,356 sf of office and even retail space in the building and will begin its move to the building through November of this year. Articles: [Chronicle](#), [HBJ](#)

NRG/1300 MAIN

NRG will make another major move within downtown, moving its personnel located in Total Plaza (1201 Louisiana) to 84,644 sf (floors 6-9) in 1300 Main (Travis Tower).

HESS TOWER

Trammell Crow's Hess Tower is well under way and will be completed this year, with Hess moving into the LEED Gold pre-certified building in May 2011. Hess currently occupies approximately 500,000 sf in Allen Center and Heritage Plaza, so when the firm moves to the 844,763 sf Hess Tower building, it will expand its downtown presence significantly.

MAINPLACE

Construction on Hines' 46-story [MainPlace](#) has reached the 40th floor and will be ready for occupancy in Feb 2011. KPMG will occupy the top four floors of this 960,000-square-foot building, which is LEED Silver pre-certified (with the goal of achieving Gold) Class A office building.



EMBASSY SUITES

[American Liberty](#) Hospitality's 262-room, 19-story Embassy Suites Hotel broke ground last May across from the Hilton Americas Hotel, and construction is well underway, with topping out due in June. Nick Massad, Jr., president and CEO of American Liberty, says the new hotel will open in March 2011 in time for the NCAA Final Four basketball tournament, which will be held in Houston. [Webcam](#)

HOUSTON PAVILIONS

Open! Lucky Strike Lanes, Yao Restaurant & Bar, Mia Bella, Andalusia Tapas Restaurant & Bar, Cork Wine Bar, Ill Forks, XXI Forever, BCBGMAXAZRIA, Books-A-Million, Clique Salon, Guadalajara del Centro, House of Blues & Foundation Room, McCormick & Schmick's Seafood Restaurant, Pete's Dueling Piano Bar, Unity National Bank, and Qatar Airways. Those NRG employees in Pavilions Tower and 1300 Main will have plenty of options for morning coffee, lunch, and after-hours dining and entertainment.

ONE PARK PLACE

Approaching 70% leased

Residents started moving into this 37-story, 346-unit high-rise luxury apartment building in March 2009, and the property is now almost 70% leased. The developer, The Finger Companies, is negotiating with a gourmet grocer for the bottom floor of the building, for which 20,000 square feet of space is available.

YMCA

The [Tellepsen Family YMCA](#) (the Pease/Travis/Jefferson/Milam block) will open later this year. The 120,000-sf building will include exercise rooms, a chapel, woman's wellness center, daycare center and more.

BALLET CENTER

The \$53 million [Houston Ballet Center for Dance](#) broke ground in July and will be complete in spring 2011. It will be a six-story, 115,000-sf facility which will include classrooms, offices, studios, dressing rooms, a black box theater and a dorm for 20 students. A skybridge will be placed catty-corner across the Preston and Smith intersection so dancers can prepare for performances in the Center and then use the skybridge to get directly to the Wortham's backstage. [Webcam](#)

EASIER JURY DUTY

Harris County is adding more green space to downtown, on a block until recently used as a parking lot. The \$13 million Jury Assembly Room and Transportation Plaza project will be completed in the first quarter of 2011, with a public park with green space and trees, walkways, and a pavilion through which the underground jury assembly room spaces can be accessed. Four 250-seat underground jury assembly rooms will serve criminal, civil, juvenile

and family courts. The block is bordered by Franklin, Caroline, Congress, and San Jacinto. More information and images: www.pspaec.com/index.php/government-civic/harris-county-jury-assembly-room.html

MARKET SQUARE PARK

Market Square Park is being treated to an overhaul, with construction currently underway. New park features will include planting/garden areas, a seating area and vendor kiosk for outdoor dining, a dog park, a new water feature, and improved drainage, irrigation, and landscaping. The park improvements are scheduled to be finished in August, and will bring more use and recreational programming to one of Houston's most historic parks. Here's an animation of what it will look like: http://www.mainstreetirz.com/images/Market_Square_Park_Animation.wmv

LIGHT RAIL ROUTES

We are frequently asked exactly where light rail will be added. Here is Metro's [latest map](#). It's a large file, but very useful.

GREEN

Downtown is making headway on the sustainability front, with 30 Energy Star buildings, four certified LEED-Commercial Interiors projects, six Gold certified LEED-Existing Building buildings (First City Tower, One Shell Plaza, Two Shell Plaza, Chase Tower, Bank of America Center, 1100 Louisiana), two LEED Silver (717 Texas and 919 Milam) and two LEED-Core & Shell pre-certified buildings under construction (Hess Tower and MainPlace). Additional buildings are expected to be certified later this year.

DATA ON THE PORTAL

Don't forget that the downtown information portal, under [Business Information](#) includes such information as downtown's largest employers; tunnel, hotel locations, residential and block maps; office market reports, and more.