



CCIM MARCH LUNCHEON - JONATHAN BRINDSEN, SPEAKER - THE MIDWAY COMPANIES

Jonathan Brinsden addressed the March luncheon and gave some insights on Midway's development philosophy and a glimpse into some of its recently completed and future projects. Midway is best known for City Centre, and many of the elements of this development are being carried forward into the company's new deals.

First, some of the Insights:

- We like to create remarkable places that enrich peoples' lives
- Sometimes our capital partners cringe, but we like to do projects where everybody wins, including our employees, our tenants, and their customers
- When considering a project, we always ask 'What's best for the community?'
- We look for the best real estate that 'is generational and has permanence of location', which means it will just get better over time and will appeal to future generations-the mix must be disciplined so that a stable income stream will be created for a long time into the future
- We like to do mixed-use projects with office, hotel, retail, and multi-family
- We rarely warehouse raw land for future development-if we do buy a site, we like for it to have income to carry itself until we are ready to redevelop it
- We have a \$2 billion portfolio which includes capital from many high net worth individuals
- Our team includes 130 employees
- "Every project is unique", i.e. one of a kind, NOT a 'commodity development'

Recent and future developments by Midway:

- Memorial Green-in partnership with Methodist Hospital on Memorial Drive, not far from Town & Country Village-91 high end townhouses and residential lots, with 75,000 SF of commercial fronting Memorial Drive-features a park-like "green" between the residential and commercial elements
- Kirby Grove-bordering Levy Park near Richmond and Kirby, three development parcels enhance the city park and in turn are enhanced by it-an office tower and 270 luxury apartments are among the elements here
- Green Street-existing development purchased about four years ago for re-concepting, this multiple block project includes the House of Blues, retail, office, and restaurants-NRG is moving out as an office tenant, which was welcomed by Midway so as to give them the ability to re-mix the tenants for greater vitality-five star 233 room Hotel Alessandra by the Valencia Group (Hotel Sorella in City Centre) has recently been completed

- The Jones on Main-originally the Gulf Building developed by the legendary Jesse Jones, this classic art deco building houses JP Morgan Chase, which occupies about 50% of the building-Midway is adding a large food court and is emphasizing the historic significance of the building instead of being shy about its age, and is driving rents from \$18 to \$25 in the process
- Century Square-across from Texas A&M on a one-of-a-kind site, this 25 acre development will include multi-family, Class A office, retail, and two full-service hotels. New projects also in College Station: The George, and Cavalry Court
- Buffalo Heights-Waugh at Washington, this 23 acre site will include the first H.E.B. 'urban prototype' grocery store and an office component and a 250 unit multi-family project
- East River-redeveloping the former KBR (Kellogg Brown & Root) site along one mile of Buffalo Bayou frontage will be done over an extended period of time, and will eventually be equivalent to 70 downtown city blocks-this is the largest undeveloped site remaining inside Loop 610, and is very close to downtown. The bayou here is wide and resembles a river, and there are in place numerous easements via the City and the Buffalo Bayou Partnership, which will enable a park-like ambiance along the bayou's banks. This development one day will resemble a small master-planned city within a city. By going slowly on this project, the dwindling undeveloped parcels should increase in value over time. This site was offered to Amazon.

Brinsden concluded his remarks by saying 'parks are the living room of a city' and that as Houston densifies they will be even more important. He said that Houston is exponentially different from most peoples' preconceptions of it, but that we have to do a better job of diversifying our economy and our employee base away from oil & gas. Brinsden pointed out that this is one of the reasons we may have lost Amazon.