



±4.643 Acres of Land

TEXAS MEDICAL CENTER AREA
HOUSTON, TX 77054

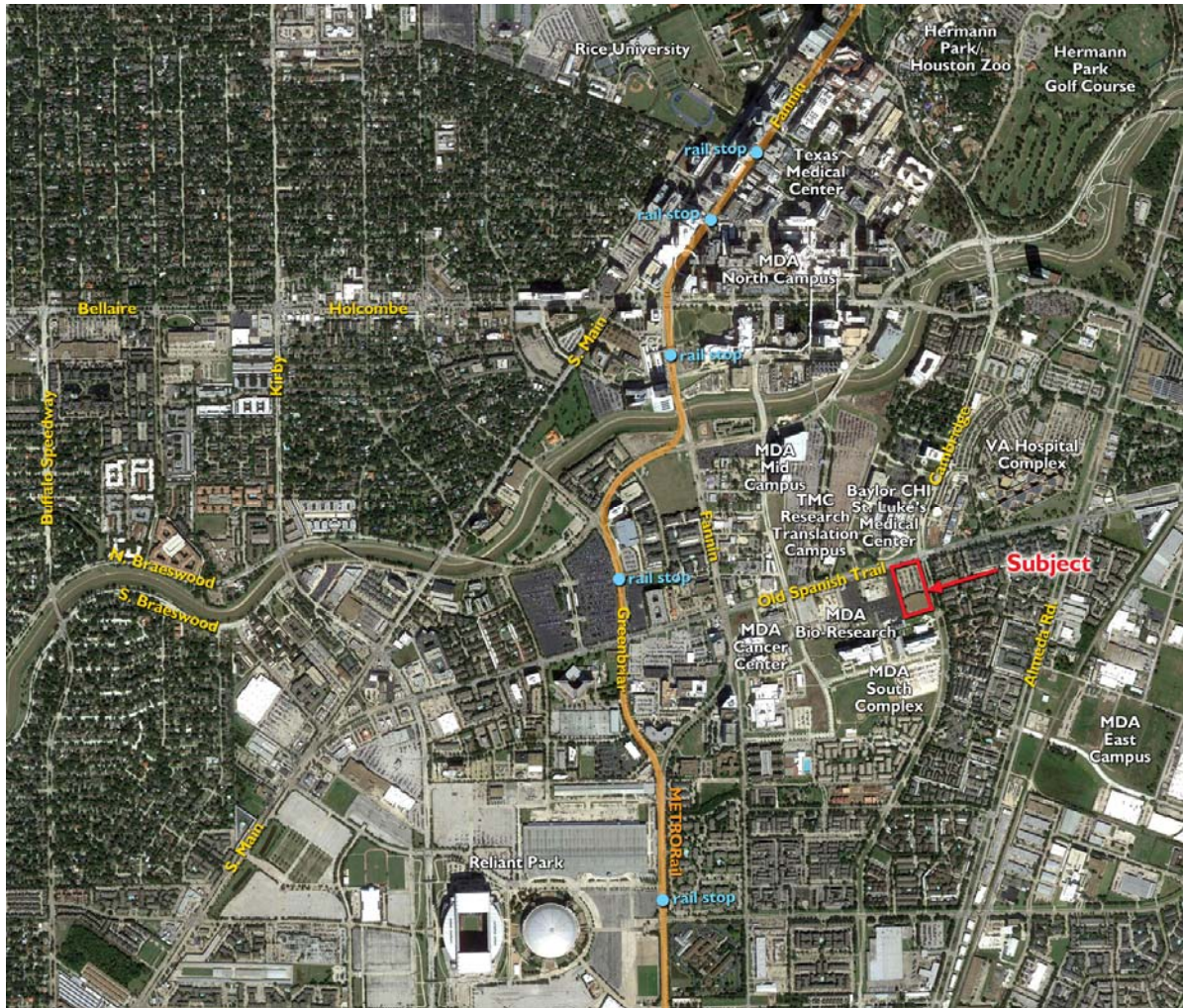


Property Overview

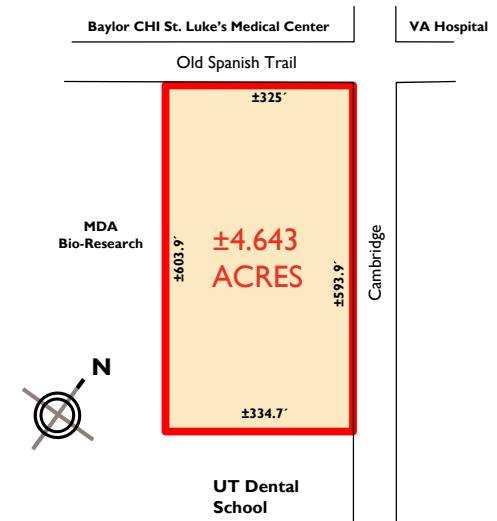


Property Overview

±4.643-Acre Site in the Area That Will Become the New Epicenter of the Texas Medical Center

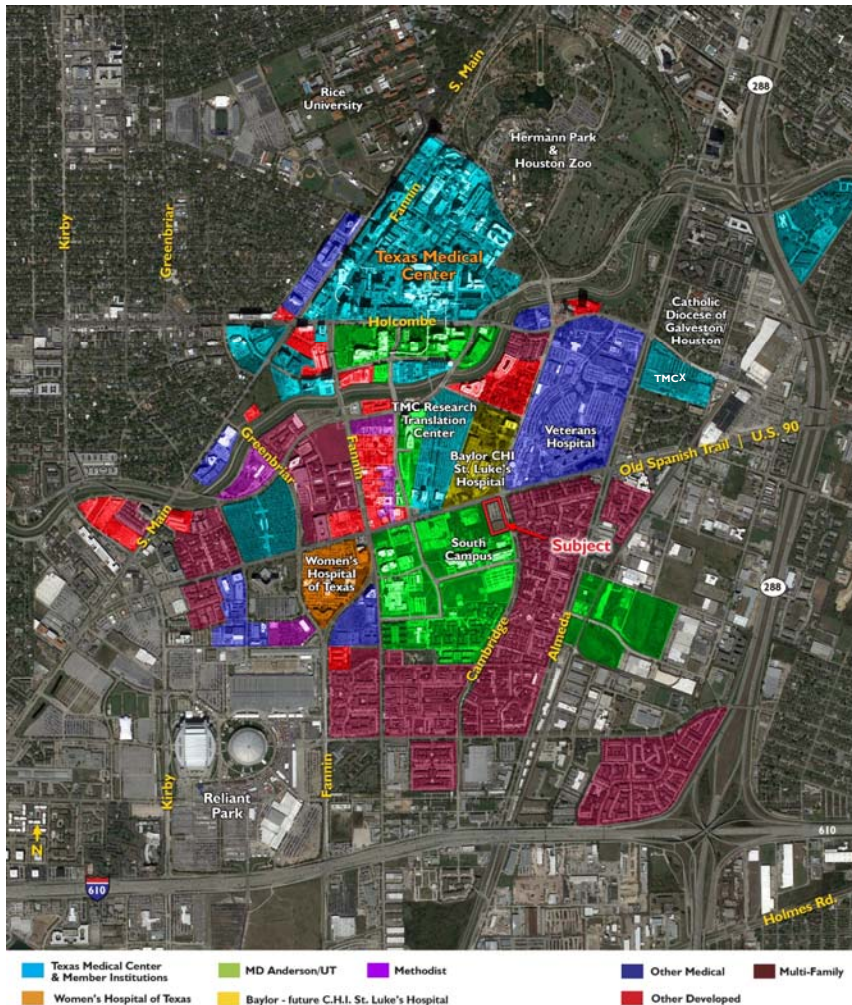


- Prime redevelopment opportunity located within the extended boundaries of the burgeoning Texas Medical Center (TMC)
- Robust TMC development south of Braes Bayou and along and south of Old Spanish Trail has made Old Spanish Trail the future "backbone" of the TMC
- Excellent access to all areas of the city via SH 288 less than one mile to the east
- Frontage: ±325 ft. on Old Spanish Trail, ±594 ft. on Cambridge
- Approximately 12 blocks from the METRORail line on Greenbriar
- Key Map: 533-J



Property Overview

How the Texas Medical Center is Changing & Growing



The world renowned Texas Medical Center was founded in 1945 and is now the largest medical complex in the world. It encompasses 1,345 acres; employs 106,000; accommodates 7.2 million visits per year and has over 7,000 patient beds.

There are 21 hospitals, 14 support organizations, 10 academic institutions, 8 academic/research institutions, 7 nursing programs, 3 public health organizations, 3 medical schools, 2 pharmacy schools and a dental school.

Yet, with all the Texas Medical Center has in place, it is expanding at a rapid clip.

- The site itself sits in the extreme northeast corner of the **University of Texas M.D. Anderson Cancer Center South Campus** (shown in green at left.)
- Even before the current wave of expansion, MD Anderson Cancer Center had already shifted its growth to south of the original TMC with the **Bio-Research Center**, located just south of the intersection of Fanning and Old Spanish Trail.
- Directly across Old Spanish Trail lies the site of the new \$1.1B **McNair Campus CHI Baylor St. Luke's Medical Center** (shown in yellow at left.) The new **Texas Heart Institute** will be located here. See page 8.
- One block west on Old Spanish Trail and immediately adjacent to the new McNair Campus will be the new 30-acre **TMC³ Research Translation Campus** (shown in turquoise at left), set to break ground soon. Comprising over 2.0 million sf when completed in 2020, TMC³ will include a conference center, hotel, and housing. It will be the new "city center" for the entire Texas Medical Center, as additional expansion is scheduled in the immediate area. See pages 9 & 10.

Other major expansion / renovation projects planned or under way in the Texas Medical Center include:

- Memorial Herman (\$650M)
- Houston Methodist (\$1B)
- Texas Children's (\$506M)
- Baylor CHI St. Luke's (\$1.1B)

Property Overview

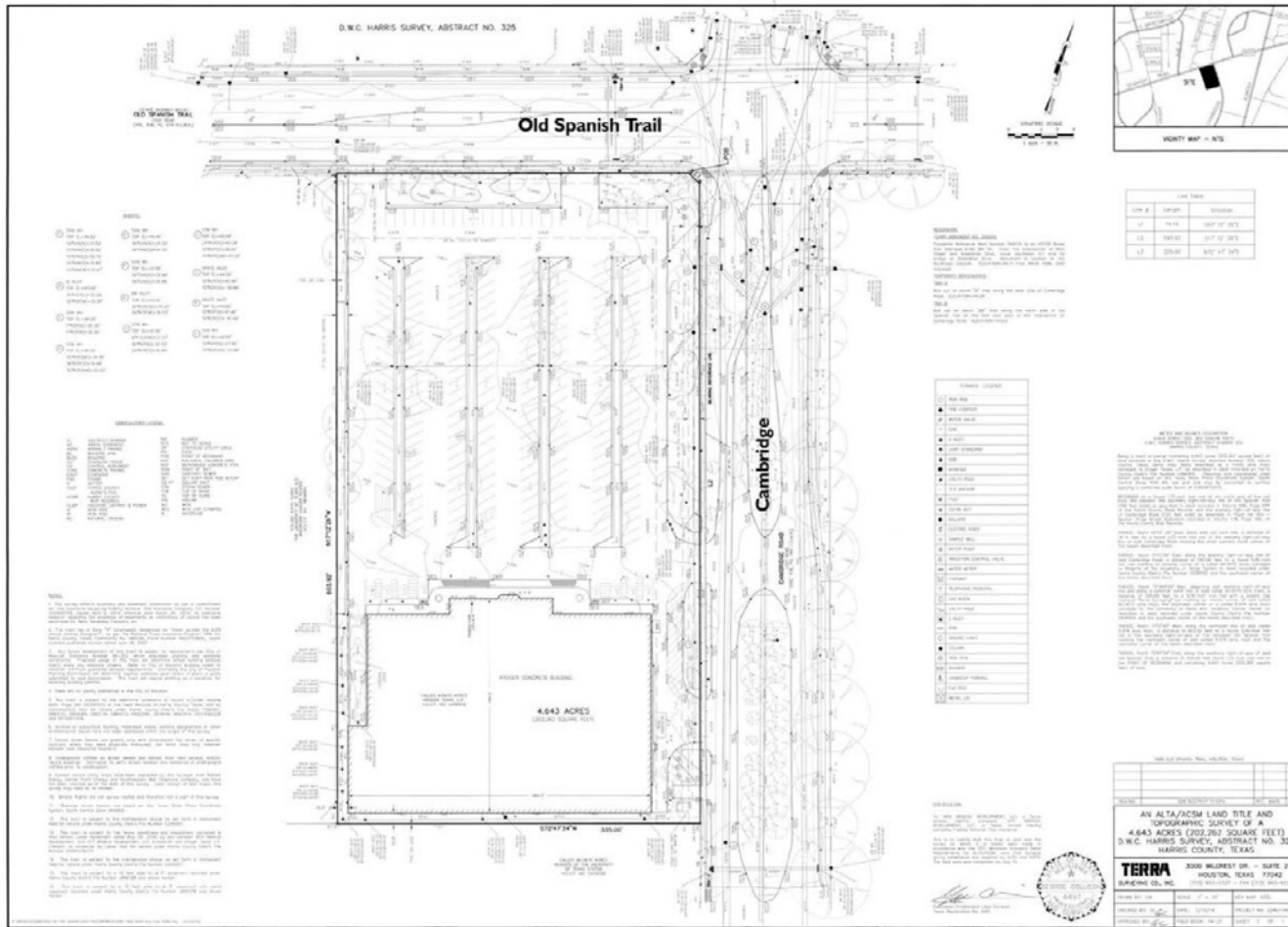
Detailed Texas Medical Center Identifier Map



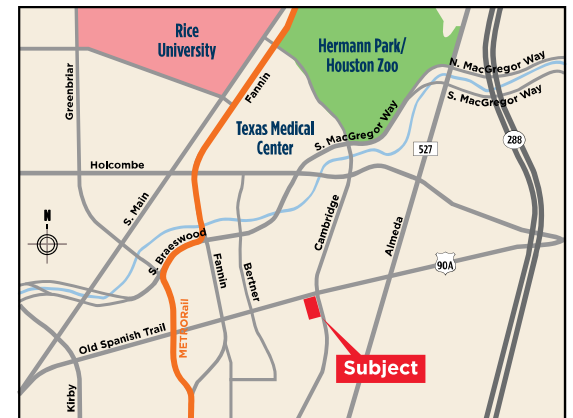
Map #	Property
1	Greenpark I & II Medical Professional Buildings
2	Texas Orthopedic Hospital
3	21.3-acre Shell site
4	Memorial Hermann Prevention & Recovery Center
5	National MS Society&Medical Professional center
6	Archstone Medical Center Apartments
7	Homestead Suites Hotel
8	Meridian Place Townhomes
9	7707 Fannin South Professional Buildings
10	Womens Hospital of Texas Institute for Religion & Health
11	Parking garage
12	Fannin Medical Professional Plaza
13	University General Hospital 7501 & 7505 Fannin
14	Smith Research Building
15	F. O'Neil "Neil" Conference & Education Center
16	MDA Proton Therapy Center
17	Texas Childrens Leopold Meyer Administration Building & Garage
18	Slosburg future apartments
19	Lexington Hotel
20	Retail – Deans & Fannin Shopping Center; Majors Books
21	New Fire Station
22	MDA Church Ministries Apartments
23	Harris County Institute for Forensic Sciences
24	University Housing - part of UT Health Science Center of Houston
25	Center for Advance BioMedical Imaging Research
26	Neuro Sciences Research Institute & BioMed Research
27	UT Dental School
28	Multi-family developments: • Greystar's Elan Medical Center multi-family • Millcreek's Future Premier at Medical Center • Single-Family development
29	Michael E. DeBakey Veterans Affairs Medical Center
30	Extended Stay Deluxe Hotel
31	MDACC Administration Building-u/c
32	Intracare Hospital – 7601 Fannin
33	4.643-acre Kroger site, on the market
34	City of Houston Records Center --2.68 acres of land with building of 309,800 sf – Future development site
35	Baylor C.H.I. St. Lukes Medical Center and future Texas Heart Institute
36	Dinerstein apartments under construction
37	Millennium Apartments, under construction
38	Future TMC Research Translation Center
39	South Main/North Braeswood - SOLD

Property Overview

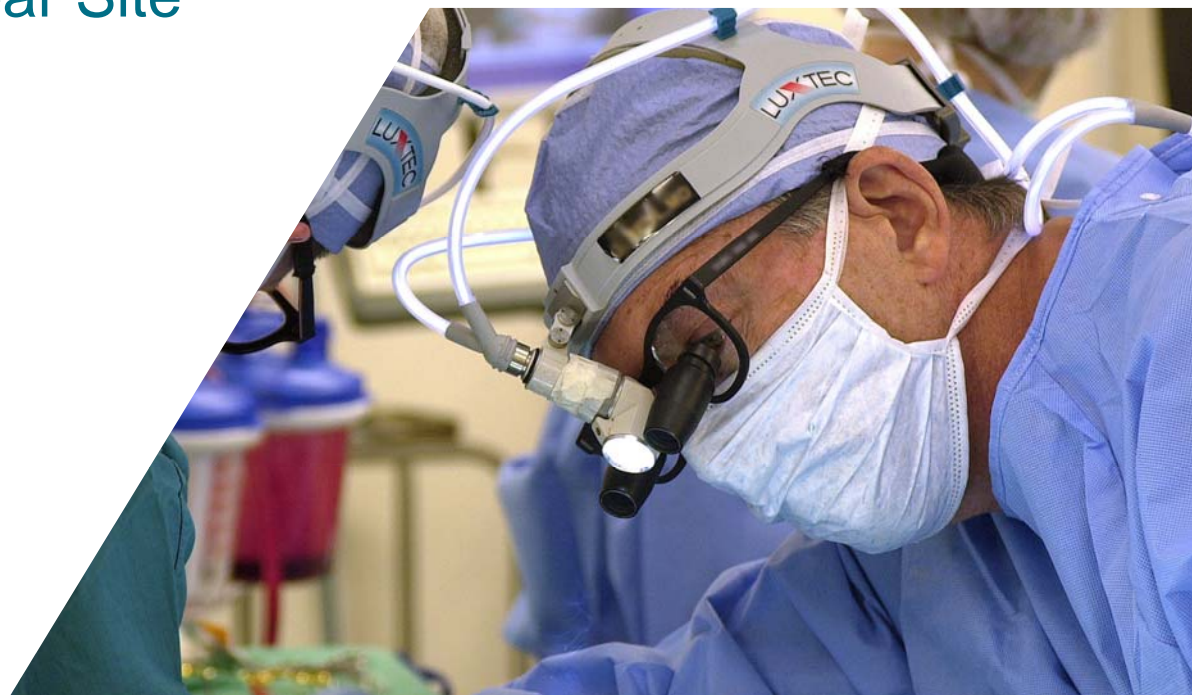
Site Survey & One Development Possibility



Architect's renderings of possible site development

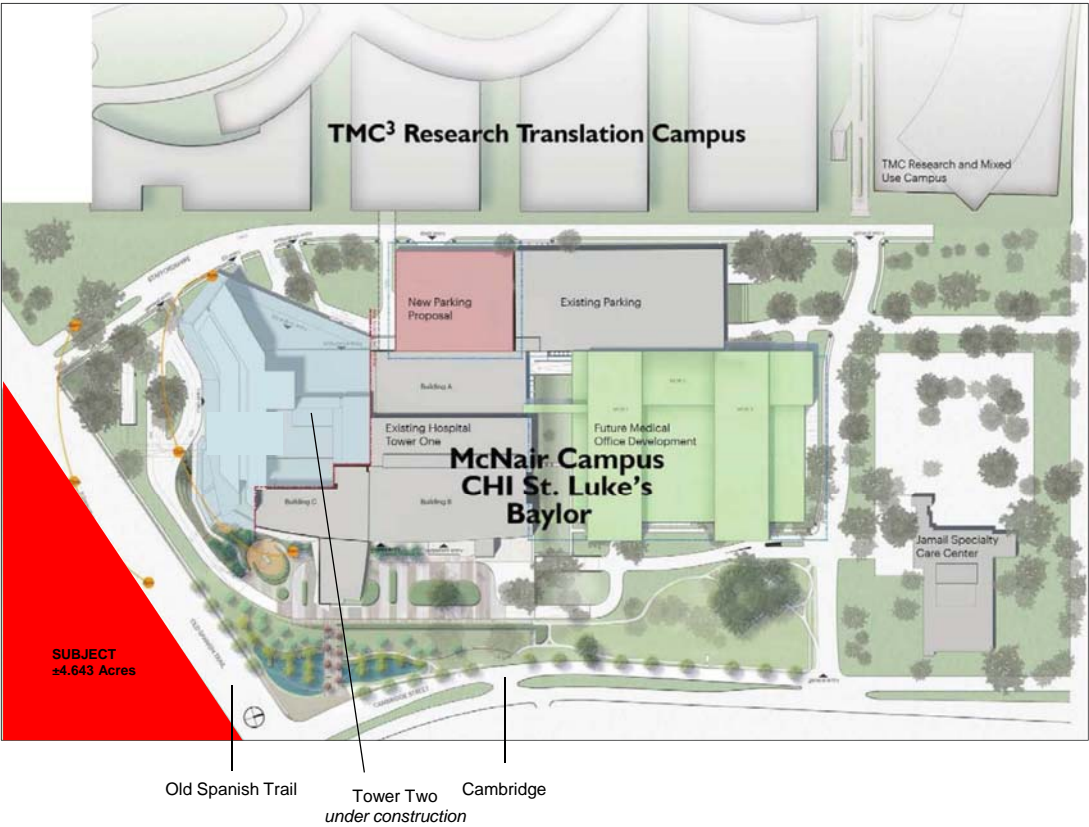


Future Development Near Site



Future Development Near Site

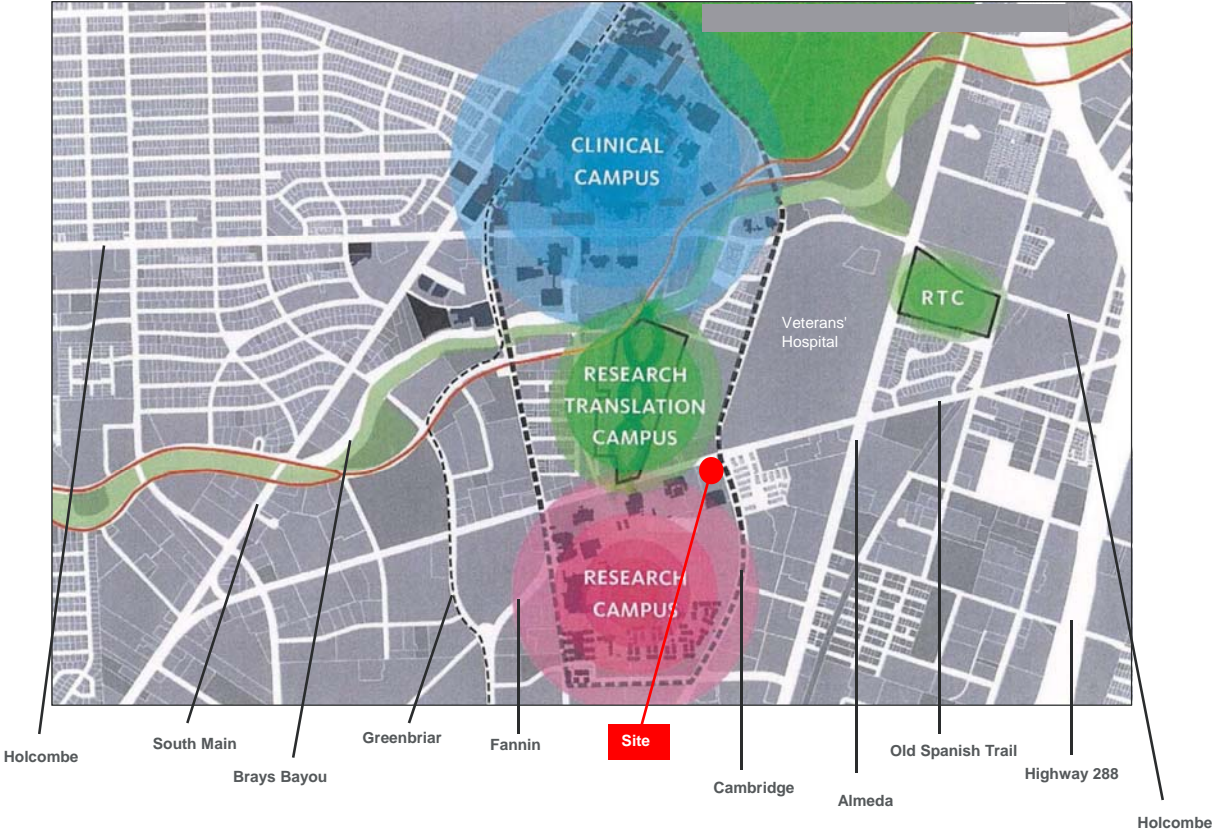
CHI Baylor St. Luke's McNair Campus



Architect's rendering of the CHI Baylor St. Luke's Tower Two (now under construction) & and the future Texas Heart Institute -- both located in the new McNair Campus. See light blue area on campus map at left.

Future Development Near Site

TMC³ Project

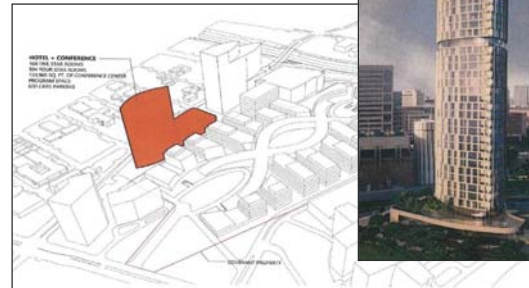


Future Development Near Site

TMC³ Project -- Research Translation Campus



▼ Hotel & Conference Center ►



Future Development Near Site

CHI Baylor St. Luke's

Baylor St. Luke's Unveils Design for First-of-Its-Kind Medical Campus

Convergence of Translational Research, World-Renowned Cardiovascular Care, and Leading-Edge Treatments Enhance Healthcare Delivery

Houston, TX (December 17, 2015) – [CHI St. Luke's Health-Baylor St. Luke's Medical Center](#) (Baylor St. Luke's) has unveiled the design for its \$1.1 billion medical campus featuring one of the country's top medical schools, a world-renowned cardiovascular research institute, and a nationally recognized hospital that cares for the most complex cases.

The 27.5-acre McNair Campus will become home to the collaboration between Baylor College of Medicine and Catholic Health Initiatives, and will also be the future site of the Texas Heart® Institute (THI). The campus will feature a \$916.8 million, 650-bed hospital built across two bed towers, a medical office building and ambulatory care complex, and new facilities for basic science and translational research. Expected completion of hospital construction is early 2019. All clinical services currently provided at the Texas Medical Center location of Baylor St. Luke's will be moved to the new campus.

"Physicians and scientists will work together on one integrated campus that creates a state-of-the-art infrastructure for advanced patient care, basic and translational science, and education. This establishes a unique and best-in-class environment unlike any other institution in the Texas Medical Center," said Wayne Keathley, President, Baylor St. Luke's.

New Standard of Academic & Medical Excellence

Guiding principles of this project include exceeding current healthcare industry standards, from scientific research and education to implementing innovative treatment and care.

"The relationship among Baylor College Medicine, Baylor St. Luke's, and Texas Heart® Institute represents an important collaboration in academic medicine with the opportunity of accelerating translational research to patient care," said Paul Klotman, MD, President, CEO, and Executive Dean of Baylor College of Medicine.

The care environment at the McNair Campus is designed around the human experience—modeled on evidence-based practices for the safety of patients, visitors, staff, and physicians. The hospital's operating room suites are influenced by Six Sigma and Lean principles, which follow a linear, logical, and efficient design. The patient can be moved directly from the waiting area to surgery and to a post-operative care unit to recover with their family members. The proximity of the pre- and post-operative care unit will allow surgeons and nurses to more effectively attend to all their patients.

In addition to the partnership between Baylor College of Medicine and Baylor St. Luke's, Texas Heart® Institute will also relocate to the McNair Campus to a dedicated heart hospital within the new facility.

"Texas Heart® Institute and Baylor St. Luke's have shared a unique relationship for more than 50 years that now will continue into the next era of medicine," said Denton A. Cooley, MD, THI Founder and President Emeritus. "With the move of Texas Heart Institute to the McNair Campus, we will continue our legacy of transforming the delivery of cardiovascular care through the creation of new technologies, medical devices, research, and education."

James Willerson, MD, Texas Heart® Institute President, Director of Cardiology Research, and Co-Director of the Cullen Cardiovascular Research Laboratories, added, "This campus will be a place where THI physicians and scientists can work directly with Baylor College of Medicine physicians and scientists to ultimately eliminate heart and vascular disease as major threats to human life and well-being in our country and abroad. It also provides the Texas Medical Center, the largest medical center in the world, with a heart hospital dedicated to that goal."

Latest Developments & Updates

Tower One: Existing Facility

- Earlier this year, a new state-of-the-art endoscopy suite and outpatient radiology services opened in the current McNair facility. The endoscopy suite features procedure rooms, which accommodate routine ambulatory procedures as well as endoscopic retrograde cholangiopancreatography and bronchoscopy.
- An ambulatory surgical suite (for procedures such as orthopedics, plastics, urology, and ENT) will be commissioned in March 2016.
- The first stage of surgical specialty inpatient beds will be completed by September 2016.

Tower Two: New Construction

- In mid-January, construction crews will begin utilities relocation and foundation preparation for the building of Tower 2, a 420-patient bed tower.
- Excavation for the 26-foot deep foundation for Tower 2 is scheduled to begin February 2016.
- Completion of the 650-bed replacement hospital, including Tower 2 and a Medical Office Building is slated for completion in early 2019.
- Situated on the border of TMC, the location of the McNair Campus is anticipated to become a significant corridor for future healthcare services. The Campus provides easy access from locations inside and outside the TMC as well as convenient, accessible parking for patients, visitors, and staff.

"The combined team from Catholic Health Initiatives, Baylor St. Luke's, Baylor College of Medicine, and Texas Heart® Institute shares a passion for making healthcare affordable and accessible while remaining at the forefront of medicine and research," said Michael H. Covert, FACHE, Chief Executive Officer, CHI St. Luke's Health. "This new hospital is a testament to our commitment of ushering in a new era of healthcare. Together, we are committed to building an exceptional, innovative model for healthcare delivery that will serve our communities for generations to come."

TMC Expansion Plans in the News



TMC Expansion Plans in the News

Texas Medical Center – In The News

12/17/15 – Expansion plans revealed for Baylor, CHI St. Luke's McNair campus

The Baylor College of Medicine and CHI St. Luke's Health plan to break ground on the next phase of their McNair Campus in early 2016. Once completed, the project is expected to have cost \$1.1 billion and will be more than 1.2 million square feet. The hospital will feature 650 beds altogether and will feature ambulatory services, operating rooms, laboratories and office space for clinicians. Source: BizNow

12/11/15 – The Texas Medical Center: Houston's Medical Mini-City

If random Americans were surveyed about what they thought was the nation's-and world's-largest medical center, they might have predictable answers. The answer lies in a lesser-known center that sits within a city of underrated economic importance: the Texas Medical Center.

This facility-really a city within a city-sits about 3 miles south of downtown Houston, carving out its own skyline. TMC is the world's largest life sciences destination, with 44 member institutions, 106,000 employees, and 7.2 million annual visitors, on a 1,345 acre campus.

Recently, I sat down with McKeon (Executive VP Bill McKeon) who was interested in showing me TMC's new "Innovation Institute: Startup Accelerator." On the eastern edge of campus, this facility provides space for private medical-based start-up companies to nurture their product, obtain financing, and look for markets to sell in.

McKeon says the Innovation Institute adds to a culture of cross-pollination that already exists throughout TMC. This new center will provide creative minds with bright, expansive office space to flesh out their aspiring businesses.

11/17/15 – Baylor-St. Luke's plans to move forward with new patient tower at McNair Campus

The organization is moving forward with the design and planning for a second tower, with more information to be released in December, according to CHI ST. Luke's spokeswoman Ty Morrison.

The hospital is expected to be 1.2 million square feet, including clinician space, office and 25 operating rooms. The current patient tower will have 250 beds when it is completed. The entire hospital will feature 550 beds when completed. The McNair campus will eventually become the replacement for the Baylor-St. Luke's Medical Center, which is located in TMC at 6720 Bertner. Source: HBJ

11/12/15 – Expects weigh in on how much UT paid for prime piece of land

The University of Texas System announced Nov. 5 that its board of regents approved the purchase of more than 300 acres in southwest Houston. That land could be the catalyst for future development in the region, experts say.

The land itself is close to other major organizations and facilities, such as the Texas Medical Center and NRG Park. Almost more importantly, though, are plans for a light-rail line that will extend to the campus, said Tom Dorsh. Source: *Houston Chronicle*

11/5/15 – UT System announces major Houston expansion, other 'quantum leaps' as part of strategic plan

The University of Texas System announced on Nov. 5 a comprehensive strategic plan full of 'quantum leaps', including a major expansion in Houston.

One day earlier, the systems board of regents approved the acquisition of more than 300 Acres off Buffalo Point, about 3.5 miles from the Texas Medical Center. "This will not be a University of Texas at Houston. Rather, it will be an 'intellectual hub' for UT – an opportunity for all our campuses to take advantage of the Houston professionals in the fields of medicine, Energy, engineering, business, aerospace, health care and the arts," (Chancellor William) McRaven said in prepared remarks to the board of regents on Nov. 5

11/5/15 – UT System plans to open a new campus in Houston

The University of Texas System plans to build a new campus on 300 acres in the southwestern part of Houston, an initiative its leaders say will drastically expand the system's presence in the state's biggest city.

It's not clear yet whether the land will be used for a branch campus for a particular school or as a hub for all the UT System's 14 academic and health institutions.

Chancellor Bill McRaven, who announced the plans at the Board of Regents meeting Thursday, said "all options are on the table" and he hopes to convene a task force next year to come up with ideas for the Houston land. Source: *The Texas Tribune*

9/17/15 - Texas Medical Center to move forward on new 30-acre development

Robert Robbins, CEO of the Texas Medical Center, at the second annual State of the Texas Medical Center luncheon said that the TMC plans to move forward with a conference center, hotel and housing project on a new campus name TMC³, locate just south of the current Texas Medical Center.

It plans to put out request for proposals in the coming months to get those projects started. Source: *Houston Business Journal*

9/16/15 - M. D. Anderson, others form new Houston cancer treatment company

"The University of Texas M.D. Anderson Cancer Center, Michigan-based Caymen Chemical Co., and the Fannin Innovation Studio have formed a new cancer treatment company that will be based here in Houston.

ACF Pharmaceuticals LLC, as it will be called, will focus on using molecule inhibitors to treat cancer. Essentially, the goal is to generate small molecules that can target proteins for the cancer's inflammatory pathway, which causes the cancer's growth and progression... "This model we use is just another way to bring early stage science and innovation forward to where it becomes big enough that a pharmaceutical company could look at it." Varadhachary said. Source: *Houston Business Journal*

7/22/15 -- Four Hospital Systems investing billions into Houston

Almost \$3.2B of healthcare development is underway or planned in Houston. Memorial Hermann is in the middle of the largest construction undertaking in its history. Its biggest project is the \$650M expansion/renovation of its TMC campus, which will deliver in 2019.

Houston Methodist is spending \$1B to expand and replace facilities between now and 2017. The biggest investment is a new \$540M hospital tower on the TMC campus.

TMC Expansion Plans in the News

Texas Medical Center – In The News

Texas Children's will be kicking off the \$506M expansion of its TMC campus later this year, with completion in 2018. A JV of Baylor and CHI St. Luke's has filed building permits for a \$65M expansion/renovation of its TMC campus and is eyeballing a late 2015 start. *Source: Bisnow*

6/3/15 – Agreement establishes official link between leading institutions in cardiovascular research, education and patient care

Baylor College of Medicine and Texas Heart Institute today announced a formal affiliation agreement that centers on cardiovascular research, education and patient care at the two institutions and at Baylor St. Luke's Medical Center, part of CHI St. Luke's Health.

The announcement made by Baylor President, CEO and Executive Dean Dr. Paul Klotman and Texas Heart Institute Board Chair David Grimes also outlines the goal of strengthening and expanding the collective cardiovascular programs.

Source: Baylor College of Medicine / Texas Heart Institute

2/24/15 –Health care construction booms in Houston

While turmoil in the energy sector has been cooling off most of the commercial real estate market, the health care industry shows no signs of slowing down, according to a recently released report by Colliers. Houston's rapid population growth has resulted in an increased demand for medical services, not only inside the Loop at the Texas Medical Center, but in the suburbs like The Woodlands, Sugar Land and Cypress.

Source: HBJ

11/19/14 – TMC outlines potential plans for new research campus

The Texas Medical Center has made plenty of headlines over the past year for its ambitious goals, incredible expansions and new leadership. But if you ask Dr. Robert Robbins, president and CEO of the TMC, it's just getting started.

Robbins discussed plans for a new research campus that lies south of the Texas Medical Center Campus today. The new campus will be located on the parking lot near the Baylor College of Medicine's new McNair campus along Old Spanish Trail.

Source: Houston Business Journal

6/27/14 – Dr. Marc Boom, president and CEO of Houston Methodist

Dr. Marc Boom, president and CEO of Houston Methodist, talks about what's next for the hospital system. Over the next three years, Houston Methodist will dedicate more than \$1 billion in expansions and renovations. *Source: Houston Business Journal*

6/25/14 - Baylor College of Medicine is First in Texas

Baylor College of Medicine, one of the country's top medical schools and research institutions, creates and applies science and discoveries to further the mission of excellence in education, research, healthcare and community service, both locally and globally.

Most recently Baylor entered into a joint venture with Catholic Health Initiatives, and now jointly owns CHI St. Luke's Health Baylor St. Luke's Medical Center. The joint venture will expand clinical operations and be home to a new, acute-care hospital on Baylor's McNair Campus. *Source: Baylor College Of Medicine*

4/17/14 - Memorial Hermann launches expansion of flagship hospital

A growing patient load and an expected drop in government health care funding for the poor, the elderly and the uninsured persuaded Memorial Hermann Health System to commit \$650 million to renovate and expand its flagship hospital in the Texas Medical Center beginning this summer, officials said Wednesday.

The project will add 1.3 million square feet in new space, increasing the physical size of the hospital by nearly 50 percent when it is completed in 2018.

The Memorial Hermann expansion and renovation is not the first large-scale project to be announced for the Texas Medical Center this year. Officials with Catholic Health Initiatives, the new owner of St. Luke's hospital, and Baylor College of Medicine announced in January they would jointly complete and operate a new hospital, replacing the existing St. Luke's hospital in the Medical Center.

David Koontz, senior vice president of CHI St. Luke's Health System, on Wednesday called the Memorial Hermann project a "positive development for the future growth of the Texas Medical Center, reinforcing its reputation and role as a leading site for world-class health care." *Source: Houston Chronicle*

3/5/14 - Texas Medical Center Advances New Vision

The second phase in the Texas Medical Center's strategic plan, designed to advance the medical center as the world's leader in life sciences, is currently under way.

Phase two will bring far greater definition with guidance provided by six TMC-Institute Strategy Design Teams. *Source: TMC News*

9/13/13 – Major changes coming to St. Luke's

Following its acquisition of St. Luke's Health System earlier this year, Catholic Health Initiatives has plans to improve the Houston systems facilities. St. Luke's flagship hospital in the Texas Medical Center is expected to be replaced, though plans are still in the review phase.

As part of the deal, CHI said it would contribute \$1 billion for future investment in the health System. In addition, CHI said it would commit more the \$1 billion to create a new Episcopal Health Foundation, which will focus on the unmet health needs of the area's underserved population. *Source: HBJ*



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