



**Pearland Economic Development Corporation  
Retail Analysis and Recruitment Plan Request for Proposals  
December 19, 2019**

**I. General Description of Project**

The Pearland Economic Development Corporation (PEDC) is issuing this Request for Proposals (RFP) to identify qualified consulting teams specializing in community retail analysis and retailer recruitment strategies for the preparation of an in-depth Retail Analysis and Recruitment Plan for the City of Pearland. PEDC seeks a consultant firm that has specific experience in the preparation and implementation of community-centric Retail Analysis, measuring the retail market and its sales, competition, leakage, gaps, and consumer preferences. It is expected that the selected consultant will prepare an original report detailing specific retail recruitment and relevant community development goals, strategies and implementation measures based on the analysis performed. PEDC desires the Retail Analysis to also contain a Recruitment Plan, outlining top priority projects, their timing, and anticipated cost and funding source of each Implementation Action. The selected consultant firm will be one that has demonstrated experience in preparing city-wide retail market analysis and recruitment plans. Land development knowledge and experience is a plus. This RFP was prepared to solicit responses from consulting firms that desire to be considered for this detail-oriented project.

**II. Background**

PEDC is a non-profit Type B Corporation under the Texas Development Corporation Act and is primarily funded by a half-cent sales tax in the City of Pearland. Established in 1995 by the voters of the city, PEDC is the lead economic development group for the City of Pearland, focusing on business attraction, retention and marketing, along with transportation, mobility and infrastructure and corridors and beautification. Following is a snapshot summary of information about the City. Additional information can be found on the [City's website](#), the [PEDC website](#), and the community's overall [20/20 Strategic Plan](#) website.

- A. **Geography:** The City is approximately 48 square miles in size serving an additional ETJ of 26 miles. The City is immediately south of Houston, approximately 20 minutes from downtown Houston, 40 minutes north of Galveston Island, and 30 minutes west of the tourist spots of NASA's Johnson Space Center and the Kemah Boardwalk.
- B. **Population:** The City of Pearland's most current population estimate, as of January 2019 is 127,500 residents, and represents a 34% increase from the 2010 Census. Pearland is the third most populous city in the 10-county region.
- C. **Build-out:** The city and its ETJ are expected to have a 225,000 build-out population with 81,818 residential units by 2042<sup>1</sup>. The current City limits will reach a build-out population in a range from 185,000 to 195,000 persons by 2030.

- D. **Demographics:** The City has an educated, affluent, diverse and fairly young citizenry. Fifty-two percent of the residents 25 years and older have obtained a bachelor's degree<sup>ii</sup>. According to the 2016 U.S. Census estimates, Pearland's median income is \$105,806, making it one of the highest income communities in the Houston region and over 75% higher than the national average. The average home sale price is approximately \$270,000 as of November 2019<sup>iii</sup>. See **Appendix A – Select Demographics and Economic Indicators** for more detailed information.
- E. **Labor Force and Economic Base:** Since 2005, Pearland's estimated labor force grew from just over 31,302 to 62,401 in 2018. The job growth that occurred in Pearland from 2005-2018 primarily occurred in sectors that follow population growth such as retail, food service, education, and health care<sup>iv</sup>. Overall retail occupancy in Pearland has topped 90% every year since 2007. See **Appendix A** for more detailed information.
- F. **Commercial Corridors:** The City is fortunate to have several major transportation corridors traversing the City where significant economic activity takes place. Pearland has strategic priorities focused on the following key corridors:
- i. **S.H. 288:** State Highway 288 is an existing 6-lane, median-separated highway traversing the City from the north to the south on the western side of Pearland. S.H. 288 is the primary transportation corridor connecting the Houston region to the Port of Freeport. Major beautification improvements are being carried out in tandem with TxDOT's road widening and toll lane development. Much of this activity is summarized in PEDC's [2018 Annual Report](#).
  - ii. **Broadway Street:** Broadway Street, a portion of F.M. 518, is currently a 5-lane roadway with some areas of median and turn lanes along a portion of its length. This roadway traverses the City from east to west and is currently the primary retail corridor in the City. TxDOT is currently conducting an environmental assessment of the road for widening to seven lanes with construction expected to begin in 2023 on the segment of road from S.H. 288 to Cullen Parkway. TxDOT is also designing for widening east of Cullen Parkway to S.H. 35; however, the eastern segment has not yet received funding.
  - iii. **Main Street:** Main Street, a portion of S.H. 35, traverses the City from north to south along the mid-eastern portion of the City. This roadway connects Beltway 8 in Houston down to S.H. 6 in Alvin, and continues further south along the coastline to Port Aransas. PEDC has invested significant resources in this corridor as part of the City's overall beautification strategy, the S.H. 35 Redevelopment Strategy, and the Pearland 20/20 strategy. PEDC has planted decorative trees, bushes and vines, improved intersections, developed community monuments, improved commercial roadways - developing areas for potential business park usage. Main Street is adjacent to the City's Old Townsite, the historic core of the City.
- G. **Planning Documents:** The City has a history of closely following adopted planning documents and references plan priorities in all project updates to the City Council and PEDC Board. The City and PEDC are in the process of updating Pearland's Strategic Plan, as well as implementing the [S.H. 35 Redevelopment Strategy](#) and the [Beautification Strategy: 288 Corridor Master Improvements Plan](#). A [Broadway Corridor Development Plan](#) for the City's major retail thoroughfare is currently under development.
- H. **Beautification:** The City and PEDC are committed to enhancing the look and feel of the community, investing significant resources into multiple projects across the City. Most major entryways have been constructed with Pearland monuments, landscaping and hardscaping. More improvements are planned over the next two to three years.

### III. Proposed Project Schedule

Activity	Anticipated Date
RFP issued:	Thursday, December 19, 2019
Deadline for Proposal submission:	Friday, January 31, 2020
Consultants Selected for in person or phone interviews:	Thursday, February 6, 2020
Interviews conducted:	February 11 – 14, 2020
Consultant agreement considered by Corporation:	February 27, 2020

### IV. Scope of Services

The Consultant's overall responsibility and scope of work is to prepare an original Retail Analysis and Recruitment Plan containing useful community data, actionable goals, reasonable objectives and implementation measures. The Consultant will also provide meeting facilitation services during the data gathering process as necessary. The Consultant shall provide professional services to support the following tasks:

1. **Review and analyze Pearland's existing overall retail market and its primary submarkets.**

Pearland has approximately four sub-areas within it that are very different from one another, with each having their own assets and challenges. They will require different strategies, and attract varying types of retailers. Identify their competitive position, sales tax revenue and other key retail data, such as retail square footage and revenue by square foot by category. Prepare key retail trends and forecasts, social factors, economic factors and financial indicators for inclusion into retail recruitment materials. The four submarkets are:

- a. **Broadway and S.H. 288 Submarket (including Pearland Town Center)** - Broadway and State Highway 288 is a regional shopping destination for the southern Houston metropolitan area. ([Google Aerial](#)) In the last 20 years the corridor has transformed from a rural area to the commercial center of our growing community, including over 2.3M square-feet of retail space, office buildings, two hospitals and high quality residential development. The anchor of the regional mall destination area is the "lifestyle center" Pearland Town Center at the southwest corner of the interchange. In addition, the other three corners of the interchange include: Academy, Hobby Lobby, JCPenney, Best Buy, Home Depot, Wal-Mart, Kohl's, Super Target, Sam's and Costco.

**Pearland Town Center** opened in 2008 and was developed, owned and is managed by CBL & Associates. The center provides retail, residential, office and hotel space within the 937,000 sq. ft. open-air location. Office space totals 50,000 square feet on the second floor above the retail shops. A 110-room, four-story Courtyard by Marriott hotel is located above the center's retail shops near Macy's. Retail tenants include anchor stores Macy's, Dillards, Barnes and Noble and Dick's Sporting Goods, along with other nationally-known retailers. For a complete store directory, visit <http://www.pearlandtowncenter.com/directory>. Pearland Town Center also includes multi-family residential space above the stores, a 25-acre lake and adjacent walking paths and parks.

- b. **Entertainment District at Lower Kirby at Beltway 8 and S.H. 288** - The Lower Kirby District is a 1,200-acre mixed-use development in northwest Pearland, fronting South Beltway 8 and State Highway 288. The master plan for the District includes urban residential, office, retail, technology/research campus and light manufacturing all linked by landscaped boulevards with walking trails and parks. At the southeast corner of the beltway and State Highway 288 is a site that is a 150,000 square foot Bass Pro Shops ([Google Aerial](#)) that the community is interested in better understanding the feasibility and possible tenant

mix for it to serve as an anchor for a mixed use entertainment district with a full service hotel and conference center.

- c. **Old Town area at Broadway and Main – From Rice Drier to Walnut** ([Google Aerial](#))  
The City and PEDC want to position key parcels for investment and explore what retailers might have an interest in investing in the area. Old Town needs a different niche as it is hard for it to compete with nearby Pearland Parkway and the strong retail area around S.H. 288. The S.H. 35 Redevelopment Strategy Catalysts 3 and 4 outlined goals to establish a destination with commercial venues unique to the area and its “gritty character” that provide an environment to incubate local businesses and grow Old Town’s dining and shopping offerings. Pearland is also working towards introducing pedestrian and streetscape improvements, balancing vehicular and non-vehicular movement, connecting existing and future centers of activity, and catalyzing property investment and reinvestment. Major retailers include Wal-Mart Supercenter, Office Depot, Ace Hardware, and Big Lots. The area also has a Holiday Inn Express and Best Western.
  - d. **Pearland Parkway and Broadway – Pearland Parkway from Barry Rose to Broadway** ([Google Aerial](#)) This submarket is the newest to develop, and it has a few large parcels of undeveloped land that would likely be a good fit for retail establishments, as it is near large concentrations of high-value residential developments, new housing developments on the eastern side of Barry Rose, and several multi-family housing units. City Hall and University of Houston Clear Lake Pearland Campus are also a few short minutes from this location. The City is currently adding and connecting major hike and bike trails and infrastructure to the area, and Barry Rose is on schedule for widening. Major retailers include Lowe’s, H-E-B, Academy, Palais Royal, Hobby Lobby, as well as a large variety of commercial strip restaurants, including Pokeworks, IHOP, Chick-fil-A, Pei Wei, Salata, and more.
2. **Identify appropriate and specific retailers that are viable long term and should be expanded or attracted in the market/submarkets** (target retail). Prepare material, maps and graphs showing where and how Pearland retail is underserving the community (gaps), causing potential consumers to leave the community to shop (leakage), and where they are going instead (competing markets, including online).
  3. **Define a reasonable amount of retail the City and its larger trade area can support** by types, given future market, build out and demographic trends, consumer behavior and expectations as well as competition. Estimate the potential sales volume/tax revenue by sub-area and overall.
  4. **Conduct meetings with PEDC staff, retailers, developers, retail center owners and key community leaders to identify and prioritize projects and goals.** In your proposal, please note the number of meetings included as part of the overall planning process.



5. **Preparation of a locally based Retail Analysis and Recruitment Plan** to sustain the City as a viable retail provider, optimizing revenues generated by retail businesses, while being cognizant of the high-quality lifestyle standards familiar to residents of the City. Develop strategies to promote Pearland to quality retailers, mitigate city revenue impacts of online shopping, and increase Pearland's retail activity and prominence in the region. Identify existing community assets that support retail development. Develop retail site selector-focused marketing and branding strategies catered to retailers missing in the Pearland market.
6. **Preparation of an action plan** including suggested activities, projects, benchmarks and developments to implement objectives and goals set forth in the plan.
  - a. **Value Add Services (if any)** that your firm may offer over a 12-month period in addition to recruitment analysis and planning such as, but not limited to, prospect marketing, ongoing lead development, prospect meeting setting, or full recruitment services. Proposals will not be scored on ancillary services listed as value add services in this section.

## V. Contact Person

Submittals and questions regarding this RFP may be directed to the following contact:

Pearland Economic Development Corporation  
Jess Byerly  
Development Manager  
3519 Liberty Drive, Suite 350  
Pearland, Texas 77581  
(281) 997-3006  
[jbyerly@pearlandedc.com](mailto:jbyerly@pearlandedc.com)

## VI. RFP Proposal Submittal Requirements

Consultants interested in providing these services must prepare and submit a Proposal that includes:

### A. *Cover Letter:*

The cover letter is to be signed by an officer of the firm authorized to execute a contract with PEDC.

### B. *Consultant Qualifications:*

This section shall describe the areas of expertise of current permanent staff and the scope of services that can be provided by the firm without the services of an outside consultant under the consultant's direction.

### C. *Key Personnel:*

Include a proposed project management structure. Identify the key contact for the project and all personnel who will be assigned to work on this project along with a description of their abilities, qualifications and experience. A meeting facilitator shall be included as part of the project team. Include resumes for all key individuals. There can be no change of key personnel once the proposal is submitted without the prior approval of PEDC.

D. *Subcontractors:*

Identify any portion of the scope of work that will be subcontracted. Include firm qualifications (brief) and key personnel, telephone number and contact person for all subcontractors. PEDC reserves the right to approve or reject all consultants or internal staff performing consulting services, proposed by the consultant during or after the consultant review and selection process.

E. *Project Workplan:*

A description of project understanding (brief), detailed work approach and methodology. The workplan should list specific tasks and any specific considerations, options or alternatives.

F. *Project Schedule:*

Propose a timeline for completion of the Retail Analysis and Recruitment Plan including start date, milestones and target completion date. Any assumptions regarding turnaround time for City or PEDC staff review should be clearly noted.

G. *Fee Information:*

Provide a detailed fee proposal by task for the services identified in the scope of services section IV of this RFP. Identify sub-tasks and the respective cost in your fee proposal as necessary. This section of your proposal shall include a professional fee schedule (hourly fee chart) for the consultant's personnel and the subcontractor's key personnel indentified above who would be working on this project. Hourly fees for additional or optional services that may be required shall also be included. Identify and itemize any reimbursable expenses for travel or other expenses associated with this project in your fee proposal.

Unless specified in the submittals, the professional fee schedule shall include any costs associated with complying with the Corporation's insurance requirements. Identify the fee that will be charged for additional public or Corporation meetings not identified in the scope of services provided here.

H. *References:*

A list of projects completed by the proposer under which services similar to those required by this RFP were performed shall be listed in your proposal. An emphasis should be placed on projects undertaken within the past three years and those projects undertaken for public agencies located in similar sized communities. Include a brief description of the project, dates the services were provided, and contact information of references familiar with the services provided. **The format below is preferred:**

Project Title:		Date of Service:
Client	Scope of Work	Deliverables
Name	<input type="checkbox"/>	<input type="checkbox"/>
Title	<input type="checkbox"/>	<input type="checkbox"/>
City of ...	<input type="checkbox"/>	<input type="checkbox"/>
PH:	<input type="checkbox"/>	<input type="checkbox"/>
EM:		

I. *Work Samples:*

Provide brief descriptions of two projects dealing with retail recruitment, redevelopment, analysis or similar topics prepared by or under the direction of your firm. Include in your description the techniques utilized in the analysis process and the outcome of the planning process.

J. *Interview:*

Proposers may be requested to be available for an interview with PEDC staff either via phone or in-person in Pearland as part of the Corporation's final selection process. The lead members of the consulting team will be expected to attend any interviews scheduled with PEDC.

K. *Deadline and Delivery:*

**Proposals are due on January 31, 2020 at 5:00 pm CST.** Interested parties must submit three (3) bound copies of their submittals that include all information in the format outlined in this RFP. In addition, an electronic copy of the statements of interest and qualifications saved in PDF format should also be provided on a flash drive. Hard copy submittals must be submitted in a sealed package/envelope labeled "Request for Proposals: Pearland Retail Analysis and Recruitment Plan". Telefaxed or electronic versions not accompanied by hard copies of the submittals will not be accepted.

Proposal submittals shall be delivered to the PEDC on or before:

Date: January 31, 2020

Time: 5:00 pm CST

To: Jess Byerly

Development Director

Pearland Economic Development Corporation

3519 Liberty Drive, Suite 350

Pearland, Texas 77581

Submittals should follow all instruction requirements listed in the documents. The PEDC assumes no responsibility for the delivery of mail or courier services and is not responsible for the failure of bids to be received by 5:00 pm CST on January 31, 2020. The receipt date and time are absolute. Failure to comply will automatically render any submission non-responsive. Submittals received after the deadline will not be accepted. It is neither the PEDC's responsibility nor practice to acknowledge receipt of any submittal as a result of the Request for Qualifications process. It is the responder's responsibility to assure that a submittal is received in a timely manner.

**VII. Review Process and Evaluation Factors**

PEDC will review all proposals to determine compliance with the requirements as specified in the RFP. Consultant selection will be based upon a qualitative review of the Proposals submitted. PEDC staff may request additional clarifying information from any or all consultants that submit a Proposal during the review process. PEDC staff will evaluate the responses to this RFP, may interview the top rated consultants, and will make a recommendation to the Corporation's Board of Directors on the selection of the consultant determined to be the most qualified for the project.

**Only proposals which, in the opinion of PEDC, meet the requirements of the RFP will be further evaluated.** Proposals that pass the preliminary review will be evaluated on how well the

proposal meets the needs of PEDC as described in the Firm's response to each requirement listed in the RFP. PEDC will review all written proposals that meet the minimum requirements and will select what it deems to be the top two to four proposals for further review. It is important that the responses be clear and complete so that PEDC can adequately understand all aspects of the proposals. After receipt of proposals, PEDC will use the following criteria in the selection process:

- Qualifications, key personnel and experience (20%)
- Fee Proposal (20%)
- Project work plan and schedule (20%)
- References and work samples (10%)
- Ability to meet requirements set forth in the RFP, as demonstrated by proposal response (30%)

### **VIII. Award of the Contract**

It is anticipated that the PEDC and the selected firm will enter into a professional services contract for the time period beginning in April 2020 through project completion. Award of the contract shall be made to the responsible offer or whose proposal is determined to be the best offer, taking into consideration the relative importance of price and other factors set forth in this request for proposals.

The contents of the proposal of the successful bidder will become, at our option, a contractual obligation if a contract ensues. Failure of the successful bidder to accept this obligation may result in cancellation of the award.

Proposals submitted are offers only and the decision to accept or reject is a function of quality, reliability, capability, reputation, and expertise of the proposing consultant. PEDC reserves the right to terminate the selection process at any time and to reject any or all proposals.

PEDC reserves the right to accept the Proposal that is, in its judgment, the best and most favorable to the interests of the PEDC; to reject the low price Proposal; to accept any item of any Proposal; to reject any and all Proposals; and to waive irregularities and informalities in any Proposal submitted or in the Request for Proposal process, provided; however, the waiver of any prior defect or informality shall not be considered a waiver of any future or similar defect or informality. Proposing consultant should not rely upon or anticipate such waivers in submitting their Proposal.

### **IX. Clarification of Proposal**

We reserve the right to obtain clarification of any point in a vendor's proposal or to obtain additional information necessary to properly evaluate a particular proposal.

### **Endnotes**

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<sup>i</sup> Pearland Comprehensive Plan (2015) <https://www.pearlandtx.gov/home/showdocument?id=8987>

<sup>ii</sup> PEDC Website (2019) <http://www.pearlandedc.com/Information-Center/Education.aspx>

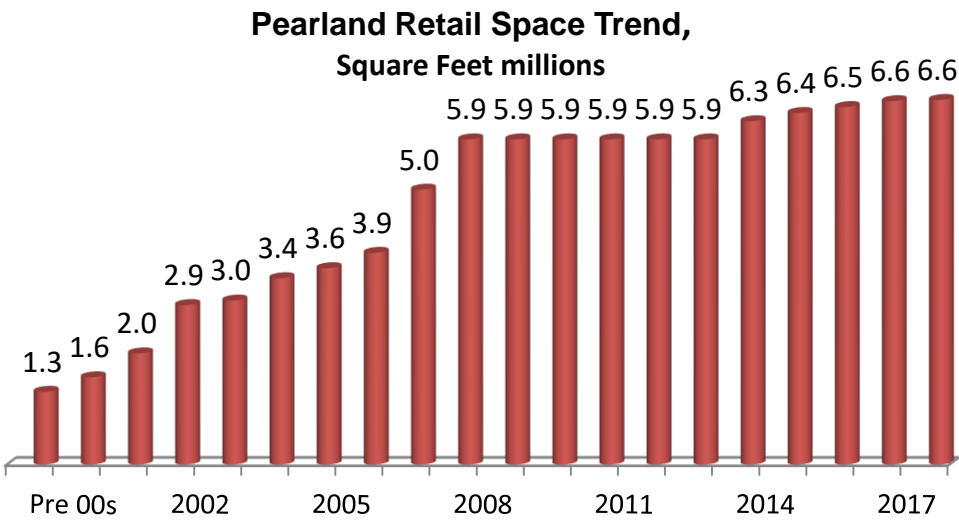
<sup>iii</sup> Redfin (July 2019). *Pearland Housing Market: House Prices and Trends* <https://www.redfin.com/city/Pearland/housing-market>

<sup>iv</sup> PEDC Website (2019) <http://www.pearlandedc.com/Information-Center/Workforce-Data.aspx>

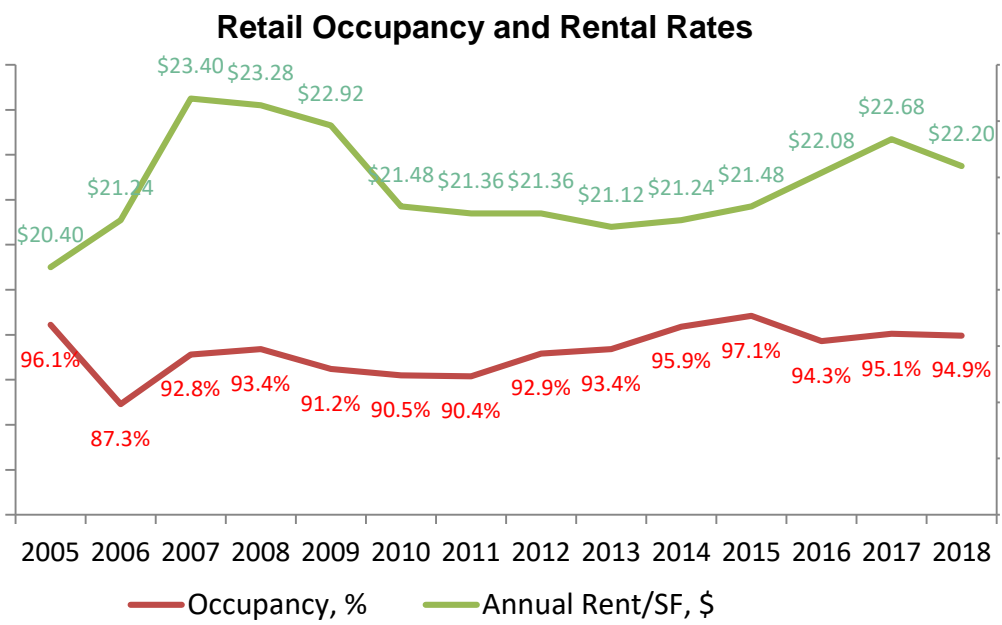


# Retail Development Trends

First class shopping can be found in the 6,641,643 square feet of retail space in Pearland (93 retail buildings).



Overall retail occupancy in Pearland has topped 90% every year since 2007. Rents have not totally recovered since the 2008 recession; however, they have increased steadily since.



Sources: Enriched Data

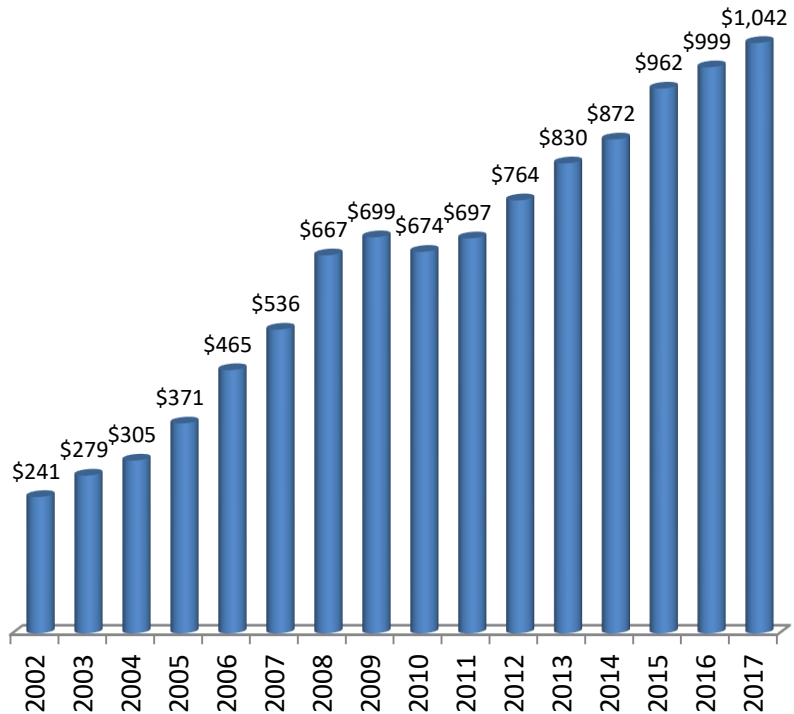


# Retail Sales Tax Trends

## Pearland Taxable Retail Sales Trend 2002 to 2017, in \$ millions

Pearland's taxable retail sales have increased considerably since 2002, though growth slipped in 2010 and 2011.

From 2010 to 2017, Pearland's annual taxable retail sales increased by more than \$368 million. That increase equates to an annual average compound growth rate of 6.4%.



## Pearland Retail Sales Trend – 2010 and 2018 in (\$ 000s)

	2010	2018	Change	% Change	CAGR
Motor Vehicle and Parts Dealers	\$49,430	\$106,930	\$57,500	116.33%	10.13%
Furniture and Home Furnishings Stores	\$26,103	\$56,147	\$30,044	115.10%	10.47%
Electronics and Appliance Stores	\$49,978	\$77,131	\$27,153	54.33%	5.57%
Building Material and Garden Equipment and Supplies Dealers	\$97,710	\$300,626	\$202,916	207.67%	15.07%
Food and Beverage Stores	\$246,758	\$425,899	\$179,141	72.60%	7.06%
Health and Personal Care Stores	\$78,323	\$159,782	\$81,459	104.00%	9.32%
Gasoline Stations	\$82,400	\$124,533	\$42,133	51.13%	5.30%
Clothing and Clothing Accessories Stores	\$67,086	\$107,675	\$40,589	60.50%	6.09%
Sporting Goods, Hobby, Book, and Music Stores	\$60,717	\$108,475	\$47,758	78.66%	7.52%
General Merchandise Stores	\$375,993	\$433,138	\$57,145	15.20%	1.78%
Miscellaneous Store Retailers	\$54,517	\$110,977	\$56,460	103.56%	9.29%
Nonstore Retailers	\$5,199	\$5,916	\$717	13.79%	1.63%
Food Services and Drinking Places	\$161,286	\$283,358	\$122,072	75.69%	7.30%

CAGR is compound annual growth rate over the period 2010 to 2018

Sources: Texas Comptroller; Estimates Claritas 2018



# Retail Sales Comparison

## Texas' 50 Largest City Retail Markets Ranked By Average Annual Retail Sales Growth Rate 2012-2017

Rank	City	Avg. Annual Growth	Rank	City	Avg. Annual Growth
1	League City	21.08%	26	San Angelo	4.26%
2	Temple	20.37%	27	Arlington	4.21%
3	McKinney	18.50%	28	Sherman	4.11%
4	San Marcos	16.40%	29	<b>Pearland</b>	4.10%
5	Frisco	15.33%	30	Tyler	3.94%
6	Plano	12.41%	31	College Station	3.92%
7	Carrollton	12.27%	32	Lubbock	2.84%
8	Missouri City	10.24%	33	Odessa	2.83%
9	Irving	9.28%	34	Midland	1.96%
10	Grand Prairie	9.02%	35	Hurst	1.73%
11	Katy	7.88%	36	McAllen	1.52%
12	Austin	7.49%	37	El Paso	1.29%
13	Grapevine	6.97%	38	Amarillo	1.13%
14	Georgetown	6.81%	39	Harlingen	1.03%
15	Mesquite	6.71%	40	Waco	0.46%
16	Baytown	6.64%	41	Dallas	0.34%
17	Denton	6.56%	42	Wichita Falls	-0.13%
18	Lewisville	6.36%	43	Brownsville	-0.30%
19	Pasadena	6.14%	44	Richardson	-0.69%
20	New Braunfels	5.64%	45	Killeen	-1.01%
21	Fort Worth	5.56%	46	Longview	-1.02%
22	Sugar Land	5.51%	47	San Antonio	-1.04%
23	Conroe	4.80%	48	Laredo	-1.75%
24	Abilene	4.72%	49	Houston	-2.09%
25	Round Rock	4.43%	50	Victoria	-2.39%

**Pearland ranked 29th in the state of Texas among the top 50 retail markets in average annual retail sales growth from 2012 through 2017, well in the top half of all large markets. Pearland increased retail sales over \$625 million from 2012 through 2017. Average annual retail sales growth for the entire state of Texas during this period was 1.0%.**

**Pearland is one of ten cities (League City, Missouri City, Katy, Baytown, Houston, Sugar Land, Baytown, Conroe and Pasadena) in the Houston MSA that are among the state's top 50 retail markets.**

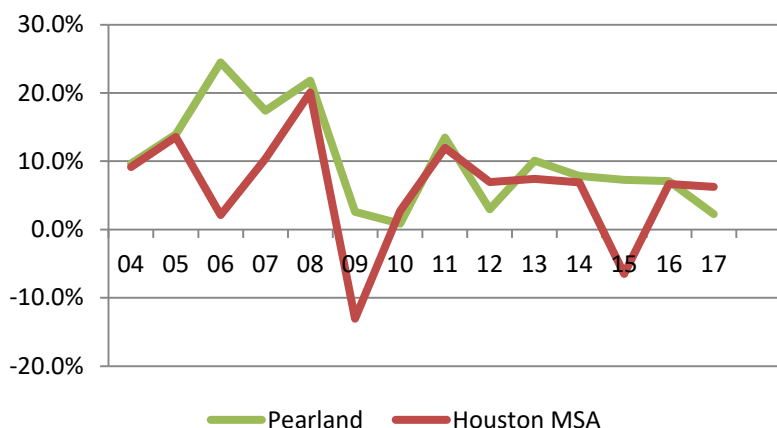


Sources: Texas Comptroller



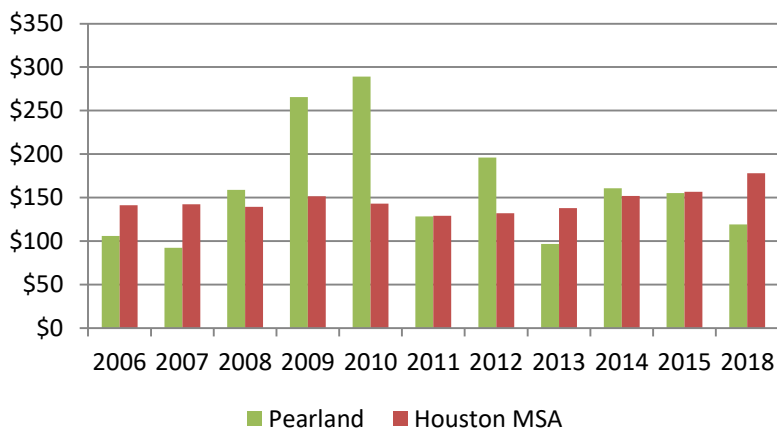
# Retail Comparisons

## Change in Retail Sales vs Prior Year



Pearland's gross retail sales have grown on a year-to-year basis in each of the past 10 years. This is a trend that is mirrored by the Houston area as a whole, with the exception of 2009. Pearland's retail sales changes have been slightly less volatile than the Houston MSA's.

## Average Retail Property Sales Price (per SF)



Due to a relatively small sample size, the average sales price per square foot of retail properties in Pearland has fluctuated significantly over the years. In 2018 retail property sales prices dropped overall but, sales of 16 separate transactions ranged from \$50 per SF to \$225 per SF.

## Historical Retail Starts

	Pearland	Houston MSA
Pre-1991	17	2,510
1991-1995	1	314
1996-2000	12	502
2001-2005	31	1,034
2006-2010	23	686
2011-Present	10	161

While roughly half of all retail starts in the Houston area came prior to 1991, only 20% of Pearland's starts did. A majority of Pearland retail starts have occurred since 2001.

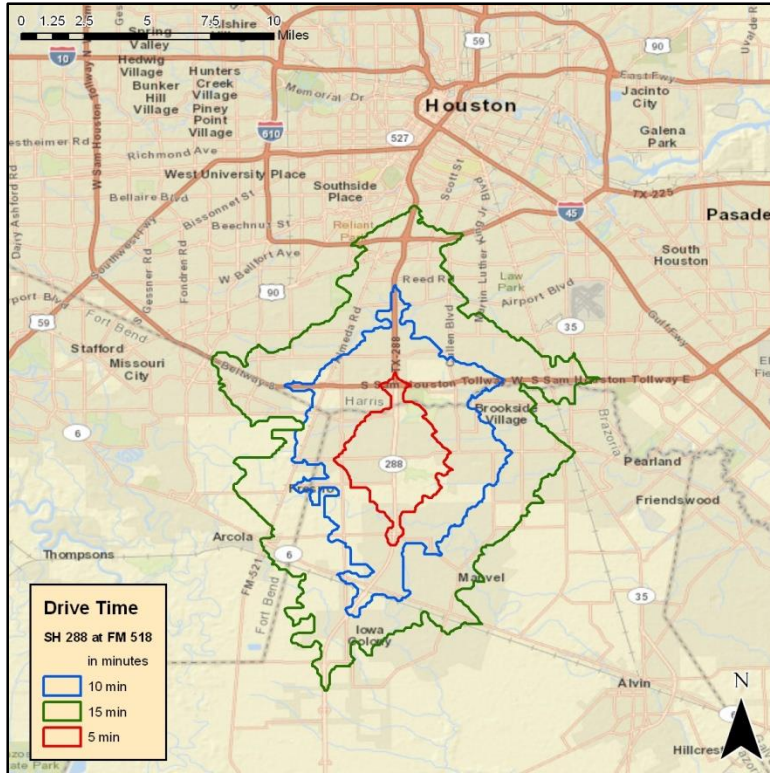


Sources: Texas Comptroller; CoStar Retail Sales Data, Enriched Data



# Retail District Drive Time Analysis

## SH 288 at FM 518 – Pearland Town Center



The Pearland Town Center contains the largest concentration of retail square footage in Pearland. In addition to Pearland Town Center, other shopping centers located at this intersection include: Silverlake Village, Crossing at 288, and the Shadow Creek Ranch Town Center. Improved roads in the area have significantly increased the site's drive time ranges. The 5 minute drive time area contains much of fast-growing eastern Pearland, the 10 and 15 minute drive times contain nearly all of it. Access to the site, provided by SH 288 and FM 518, is quite good. The Sam Houston Tollway and SH 6 are both within 10 minutes of the Town Center while Loop 610 and SH 35 are within 15 minutes.

	2010 Census						2018 Claritas					
	5 minute		10 minute		15 minute		5 minute		10 minute		15 minute	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
White	12,165	39.20%	25,063	32.60%	43,343	21.10%	16,128	21.10%	41,197	32.14%	89,843	27.00%
Black or African American	6,940	22.40%	22,989	29.90%	83,548	40.70%	10,707	40.68%	35,111	27.39%	100,969	30.35%
American Indian and Alaska Native	68	0.20%	160	0.20%	379	0.18%	145	0.18%	494	0.39%	1,392	0.42%
Asian	6,727	21.70%	11,860	15.40%	16,399	8.00%	9,653	7.99%	18,993	14.82%	24,884	7.48%
Native Hawaiian and Other Pacific Islander	5	0.00%	15	0.00%	42	0.00%	13	0.02%	38	0.03%	132	0.04%
Some Other Race	74	0.20%	178	0.20%	355	0.20%	1,342	0.17%	6,710	5.24%	28,527	8.57%
Two or More Races	731	2.40%	1,477	1.90%	2,627	1.30%	1,470	1.28%	3,641	2.84%	8,293	2.49%
Hispanic or Latino	4,301	13.90%	15,245	19.80%	58,677	28.60%	5,717	28.57%	21,991	17.16%	78,693	23.65%
<b>Total Population</b>	<b>31,011</b>		<b>76,987</b>		<b>205,370</b>		<b>45,175</b>		<b>128,175</b>		<b>332,733</b>	
Occupied Housing Units	10,739	94.2%	26,529	93.6%	69,214	91.7%	13,395	95.32%	35,496	94.87%	84,618	92.97%
<b>Total Housing Units</b>	<b>11,396</b>		<b>28,346</b>		<b>75,505</b>		<b>14,053</b>		<b>37,414</b>		<b>91,021</b>	

2018 Claritas	5 minute	10 minute	15 minute
Median HH Income	\$114,669	\$94,006	\$69,060
HH Consumer Buying Power	\$90,798	\$77,166	\$58,842
2010 Census	5 minute	10 minute	15 minute
Median HH Income	\$90,913	\$79,297	\$55,896
HH Consumer Buying Power	\$63,930	\$60,091	\$50,290



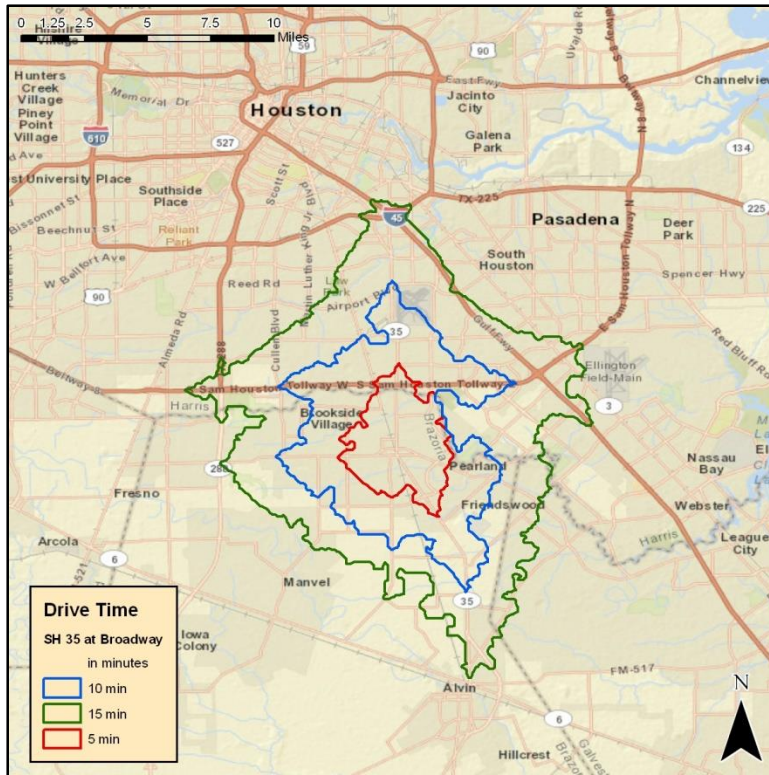
Sources: 2010 US Census and 2018 Nielsen/Claritas, PCensus for ArcView Drivetime Mapping





# Retail District Drive Time Analysis

## SH 35 at Broadway – Old Central Pearland



The retail district old central Pearland is centered on SH 35 and Broadway Street. This location contains a substantial established population within all drive time ranges, but contains less vacant land and fewer new subdivisions than the previous two retail sites. The 5 minute drive time range is the largest of the three retail district sites due to the well-established road grid, though it ranks second to the Town Center site in total population. Access to major freeways is more limited than previous sites, but still quite good. The Sam Houston Tollway is just inside of the 5 minute drive time range and well within the 10 minute range. Within 15 minutes are SH 288, Interstate 45, Loop 610, and Houston's Hobby Airport.

	2010 Census						2018 Claritas					
	5 minute		10 minute		15 minute		5 minute		10 minute		15 minute	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
White	14,519	52.80%	34,949	39.80%	81,447	29.50%	20,493	47.63%	62,467	54.83%	172,394	37.01%
Black or African American	2,852	10.40%	11,004	12.50%	51,030	18.50%	4,410	10.25%	14,931	13.10%	61,386	13.18%
American Indian and Alaska Native	90	0.30%	211	0.20%	539	0.20%	180	0.42%	551	0.48%	1,771	0.38%
Asian	1,575	5.70%	5,775	6.60%	19,378	7.00%	2,231	5.19%	7,700	6.76%	25,476	5.47%
Native Hawaiian and Other Pacific Islander	9	0.00%	30	0.00%	109	0.00%	26	0.06%	78	0.07%	223	0.05%
Some Other Race	42	0.20%	158	0.20%	471	0.20%	3,721	8.65%	13,880	12.18%	46,408	9.96%
Two or More Races	418	1.50%	1,108	1.30%	3,132	1.10%	1,164	2.71%	3,530	3.10%	10,642	2.28%
Hispanic or Latino	8,001	29.10%	34,586	39.40%	119,755	43.40%	10,800	25.10%	10,800	9.48%	147,501	31.67%
<b>Total Population</b>	<b>27,506</b>		<b>87,821</b>		<b>275,861</b>		<b>43,025</b>		<b>113,937</b>		<b>465,801</b>	
Occupied Housing Units	9,548	93.6%	28,481	93.9%	90,750	91.6%	10,977	94.3%	32,608	94.5%	102,752	92.3%
<b>Total Housing Units</b>	<b>10,196</b>		<b>30,327</b>		<b>99,082</b>		<b>11,643</b>		<b>34,494</b>		<b>111,368</b>	

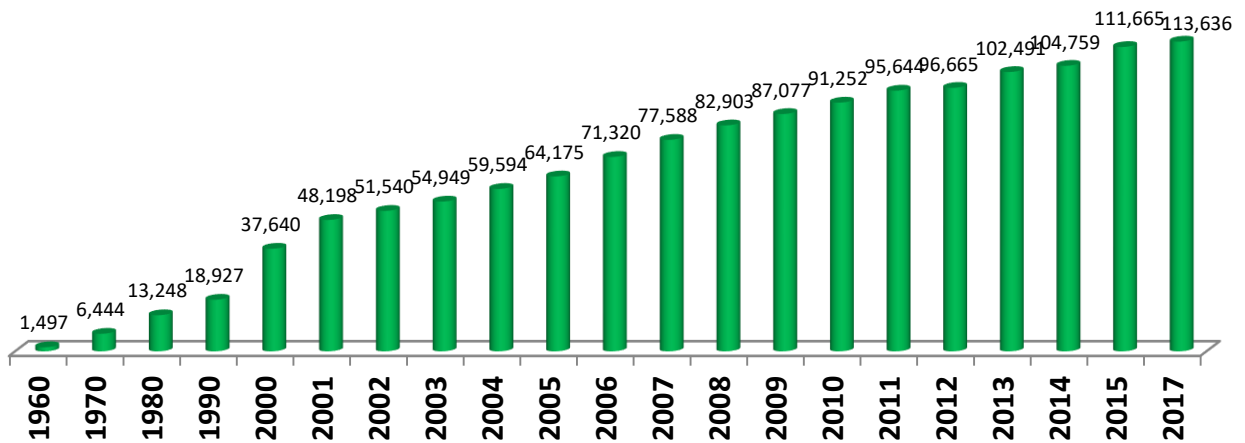
2018 Claritas	5 minute	10 minute	15 minute
Median HH Income	\$86,325	\$80,192	\$65,894
HH Consumer Buying Power	\$71,280	\$66,985	\$56,201
2010 Estimate	5 minute	10 minute	15 minute
Median HH Income	\$68,813	\$67,357	\$57,099
HH Consumer Buying Power	\$54,571	\$55,193	\$51,194

Sources: 2010 US Census and 2018 Nielsen/Claritas, PCensus for ArcView Drivetime Mapping



# Pearland Population has Grown Rapidly

## Pearland Historical Population



Pearland's population has grown rapidly since its incorporation, and especially since the year 2000. The 2010 US Census counted the city's population at 91,252, a 142.4% increase since the 2000 Census. The number of housing units also increased during this time, to 33,169, a 138.7% increase. As of 2017, Pearland's population is an estimated 113,636 an increase of 22,384 or 27.9% since 2010.

Pearland, TX	2000 Census		2010 Census		2015 Census ACS		2017 Census ACS		Change 2010-2017	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	% Change
White, not Hispanic	27,629	73.40%	44,522	48.80%	46,061	41.20%	50,872	44.77%	6,350	14.26%
Black or African American, not Hispanic	1,968	5.20%	14,709	16.10%	22,074	19.80%	19,948	17.55%	5,239	35.62%
American Indian/Alaska Native, not Hispanic	111	0.30%	255	0.30%	753	0.70%	240	0.21%	-15	-5.88%
Asian, not Hispanic	1,355	3.60%	11,206	12.30%	13,022	11.70%	15,225	13.40%	4,019	35.86%
Native Hawaiian/Pacific Islander, not Hispanic	14	0.00%	29	0.00%	0	0.00%	0	0.00%	-29	-100.00%
Some Other Race, not Hispanic	47	0.10%	194	0.20%	802	0.70%	274	0.24%	80	41.24%
Two or More Races, not Hispanic	409	1.10%	1,643	1.80%	2,493	2.20%	2,428	2.14%	785	47.78%
Hispanic or Latino	6,107	16.20%	18,694	20.50%	26,460	23.70%	24,649	21.69%	5,955	31.86%
<b>Total Population</b>	<b>37,640</b>		<b>91,252</b>		<b>111,665</b>		<b>113,636</b>		<b>22,384</b>	<b>24.53%</b>
Occupied Housing Units/Households	13,192	94.90%	31,222	94.10%	37,073	95.5%	39,928	95.30%	8,706	27.90%
<b>Total Housing Units</b>	<b>13,895</b>		<b>33,169</b>		<b>38,810</b>		<b>41,904</b>		<b>8,735</b>	<b>26.30%</b>



Sources: Population data from US Census for 2000 and 2010, American Community Survey Estimates for 2001-2009, 2011-2015, 2017



# Pearland is one of the fastest growing cities in the US

## Pearland compared to rapidly growing cities across the nation

	Pearland, TX	Baytown, TX	Cary, NC	Franklin, TN	Missouri City, TX	League City, TX	McKinney, TX	Olathe, KS	Plano, TX	Rancho Cucamonga, CA	Sugar Land, TX
2000 Population	37,640	65,181	96,147	46,521	52,136	46,978	54,647	92,705	224,037	127,047	63,035
2010 Population	91,252	71,802	135,234	62,487	67,358	83,560	131,117	125,87	225,841	165,269	78,817
2018 Population	121,141	83,021	160,139	79,368	79,057	103,974	178,565	138,65	0 294,896	179,339	89,667
Population % Growth '10-'18	32.8%	15.6%	18.4%	27.0%	17.4%	24.4%	36.2%	10.2%	13.5%	8.5%	13.8%
Avg. Annual Pop. Growth '00-'18	12.3%	1.5%	3.7%	3.9%	2.9%	6.7%	12.6%	2.8%	1.8%	2.3%	2.3%
2000 Housing Units	13,895	26,203	36,850	19,296	17,481	17,280	19,462	33,343	86,078	42,134	21,090
2010 Housing Units	33,169	28,998	55,303	25,586	23,374	32,119	47,915	46,851	103,672	56,618	27,727
2018 Housing Units	41,904	33,071	65,553	32,320	27,691	38,482	63,294	51,505	119,107	60,110	32,406
Housing Unit % Growth '10-'18	138.7%	10.7%	50.1%	32.6%	33.7%	85.9%	146.2%	40.5%	20.4%	34.4%	31.5%
Avg. Annual HU Growth '00-'18	11.2%	1.5%	4.3%	3.7%	3.2%	6.8%	12.5%	3.0%	2.1%	2.4%	3.0%

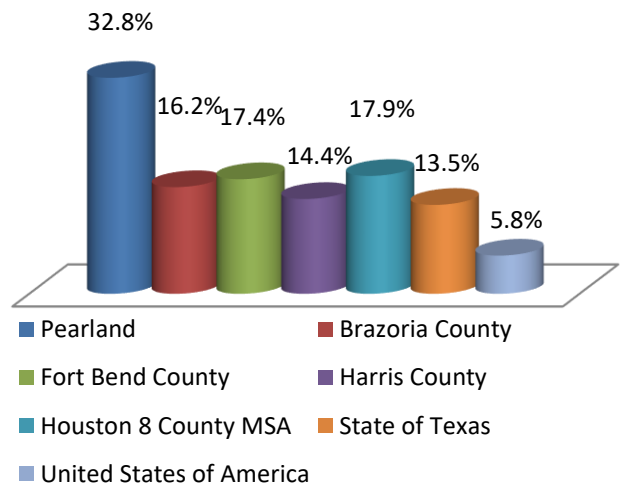
**Pearland's population and housing growth ranks second highest when compared with similarly sized cities located in other fast-growing metropolitan areas.**

## Pearland ranks well among the nation's fastest growing cities

Rank	Place	State	2010 Census	2017 Census ACS	% Change
1	Frisco	TX	117,089	177,286	51.4
2	South Jordan	UT	50,473	70,954	40.6
3	McKinney	TX	131,160	181,330	38.3
4	Cedar Park	TX	55,093	75,704	37.4
5	New Braunfels	TX	57,729	79,152	37.1
6	Buckeye	AZ	50,902	68,453	34.5
7	Meridian	ID	76,258	99,926	31
8	Irvine	CA	212,043	277,453	30.8
9	Conroe	TX	64,930	84,378	30
10	Fort Myers	FL	62,307	79,943	28.3
11	Mount Pleasant	SC	67,814	86,668	27.8
12	League City	TX	83,563	104,903	25.5
13	Franklin	TN	62,594	78,321	25.1
14	Murfreesboro	TN	109,140	136,372	25
15	<b>Pearland</b>	<b>TX</b>	<b>91,252</b>	<b>113,636</b>	<b>24.5</b>
16	Lake Elsinore	CA	53,418	66,411	24.3
17	Round Rock	TX	100,011	123,678	23.7
18	Bend	OR	76,639	94,520	23.3
19	Goodyear	AZ	65,223	79,858	22.4
20	Midland	TX	111,190	136,089	22.4

**Pearland ranked 15<sup>th</sup> in the nation in population growth percentage among cities that had 50,000 people or more in 2010.**

## Population Growth 2010-2018



**Pearland's population has grown at more than double the rate of Harris County, Brazoria County, the Houston MSA as a whole, and the entire State of Texas. The city has grown at over 5 times the rate of the United States.**

Sources: 2000 and 2010 US Census, 2017 American Community Survey Estimates. U.S. Census Bureau, Population Division, Estimates Claritas 2018.

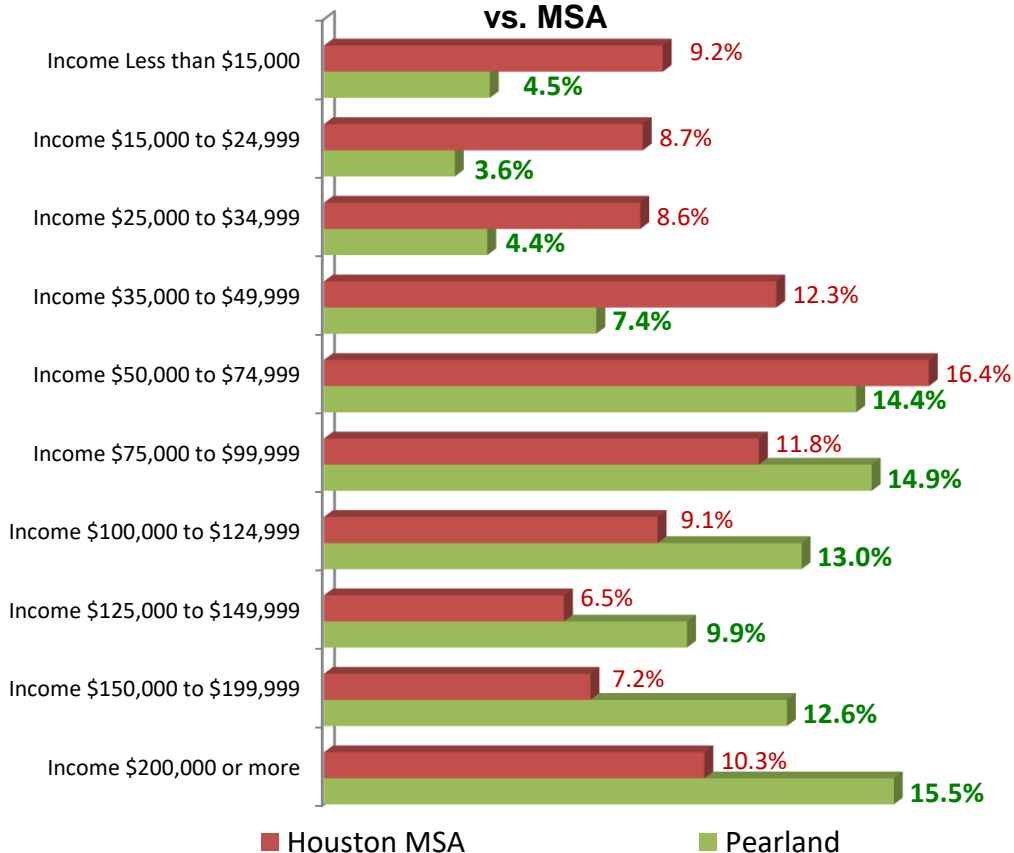




# Pearland Household Incomes Compare Favorably

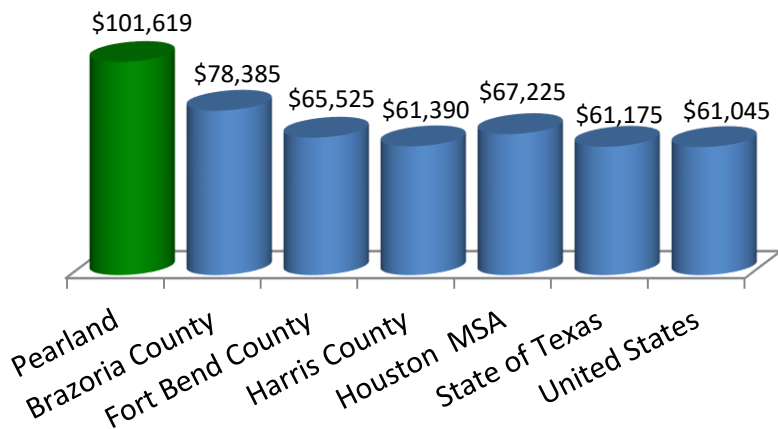
**Percentage of Households by Income Group, Pearland vs. MSA**

**Over 50% of Pearland households have incomes \$100,000 or more as compared with the Houston MSA percentage of 33%. Only 8% of the households in Pearland have incomes below \$25,000 while 17.9% of MSA households are below \$25,000.**



**Median HH Income 2018**

**Pearland's median household income is 66.5% higher than the national median.**

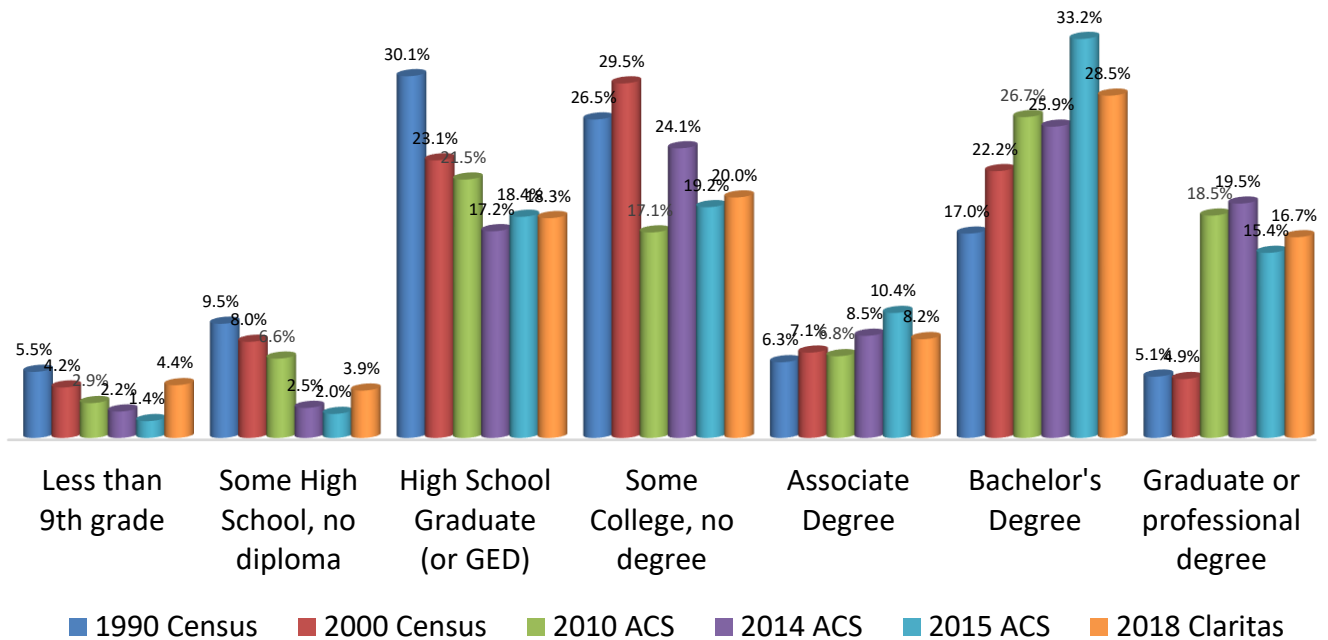


Source: 2018 Nielsen/Claritas Demographics



# Pearland adult residents are highly educated

## Historical Percentages of Residents by Educational Attainment



**Only 8.3% of Pearland residents do not have a high school diploma as compared to 13.0% for the U.S. as a whole.**

## Historical Pearland Educational Attainment Compared to U.S. 2018

**In 2018, over 45% of Pearland residents had college degrees (bachelor's degree or higher) and 16.7% have graduate or professional degrees.**

Population Age 25+	Pearland					US
	1990	2000	2010	2015	2018	2018
	11,826	24,023	61,193	73,433	71,072	%
Less than 9th grade	5.5%	4.2%	2.9%	1.4%	4.4%	5.6%
Some High School, no diploma	9.5%	8.0%	6.6%	2.0%	3.9%	7.4%
High School Graduate (or GED)	30.1%	23.1%	21.5%	18.4%	18.3%	27.6%
Some College, no degree	26.5%	29.5%	17.1%	19.2%	20.0%	20.9%
Associate Degree	6.3%	7.1%	6.8%	10.4%	8.2%	8.2%
Bachelor's Degree	17.0%	22.2%	26.7%	33.2%	28.5%	18.9%
Graduate or professional degree	5.1%	4.9%	18.5%	15.4%	16.7%	11.5%
Percent high school graduate or higher	85.0%	86.8%	90.5%	96.6%	91.7%	87.0%
Percent bachelor's degree or higher	22.1%	27.1%	45.1%	48.6%	45.2%	30.3%

Source: Census 1990 and 2000, American Community Survey 2010 and 2015 Estimates. 2018 estimates from Nielsen/Claritas Demographics.



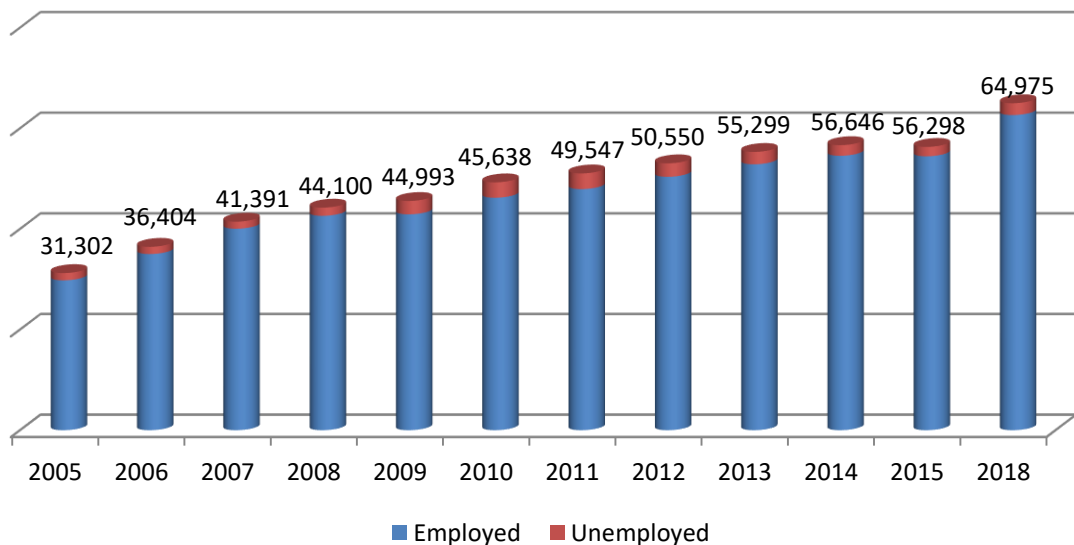
# Pearland's labor force is strong and growing

## Pearland Labor Force – 2015 to 2017

	2015 ACS		2017 ACS		Change	
	Count	Share	Count	Share	Count	% Change
Population 16 to 64	66,425		73,666		7,241	10.90%
In Labor Force	48,689	73.3%	61,270	71.8%	12,581	25.8%
Not in Labor Force	17,736	26.7%	12,396	28.2%	-5,340	-30.1%

**Pearland's labor force in the prime working age range of 16 to 64 has increased by 7,241 from 2015 to 2017. Notably, the share of the population age 16 and above participating in the labor force has increased by 25.8% and the working range not in the labor force has decreased by 30.1%.**

## Pearland Labor Force – Bureau of Labor Statistics



**The labor force has shown substantial growth just since 2005. Unemployment increased during the recession that began in 2009, but had recovered to pre-recession levels by 2013 and has been shrinking since. Between 2005 and 2018, Pearland added more than 33,000 to the labor force (an 107.6% increase). Labor force growth slowed slightly in 2015, but rebounded through 2018 with unemployment at just 2.6%.**



Sources: 2015 and 2017 American Community Survey, Bureau of Labor Statistics and Texas Workforce Commission, Claritas Estimates 2018



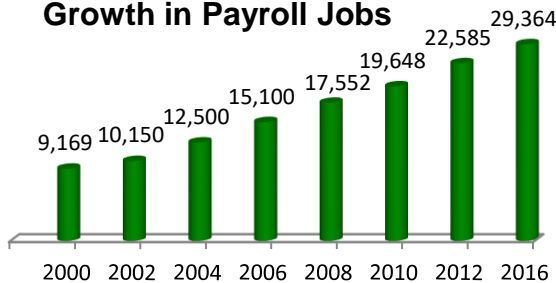
# Pearland job base is expanding rapidly

**Business continues to expand in Pearland – with employment increasing by 31% and payroll by 74% over the most recent 6 year period tracked.**

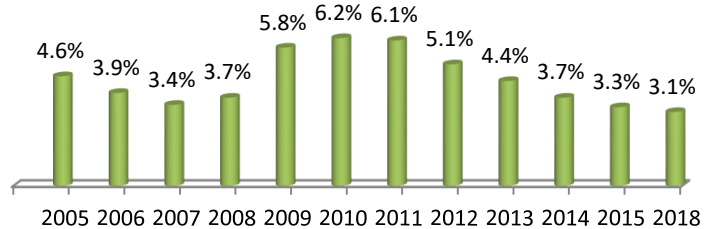
## Business Expansion Metrics\*

Measure↓ Year→	2000	2008	2010	2014	2016	Change 2010-2016
Establishments	746	1,575	1,751	2,070	2294	543
Jobs	8,869	17,552	19,648	26,479	29,364	9,716
Payroll, millions	\$230.70	\$502.70	\$543.60	\$861.41	\$945.66	\$402.06

## Growth in Payroll Jobs



## Historical Unemployment



**Pearland's job has continued to expand, even through regional and national recessions. The unemployment rate has tumbled since 2010. Pearland's unemployment rate has continued to be slightly better than the Houston MSA as a whole, while trending down 3.1% in 2018.**

Sector	2000	2008	2010	2013	2016	10-16 Change
Agriculture, Forestry, Fishing and Hunting	2	6	0	17	18	18
Mining, Quarrying, and Oil and Gas Extraction	253	188	185	137	116	-69
Utilities	2	0	2	3	2	0
Construction	989	1,379	1,175	1,465	1917	742
Manufacturing	847	1,364	1,410	1,530	1999	589
Wholesale Trade	727	742	500	569	630	130
Retail Trade	1,926	4,618	5,320	6,001	6925	1605
Transportation and Warehousing	273	443	300	417	268	-32
Information	35	132	160	146	177	17
Finance and Insurance	276	582	580	674	677	97
Real Estate and Rental and Leasing	186	329	315	506	374	59
Professional, Scientific, and Technical Services	330	623	840	1,020	1450	610
Management of Companies and Enterprises	82	79	90	84	148	58
Administrative and Support and Waste Management and Remediation Services	296	374	500	559	1561	1061
Educational Services	59	335	325	435	549	224
Health Care and Social Assistance	618	1,610	2,250	3,094	4148	1898
Arts, Entertainment, and Recreation	233	360	460	555	693	233
Accommodation and Food Services	1,039	3,212	4,150	4,947	6557	2407
Other Services (except Public Administration)	676	1,142	1,080	1,391	1665	585
Industries not classified	24	36	6	3	11	5

**Pearland sectors with the greatest growth are accommodation /food service health care and retail. Professional and other service job categories are also expanding.**

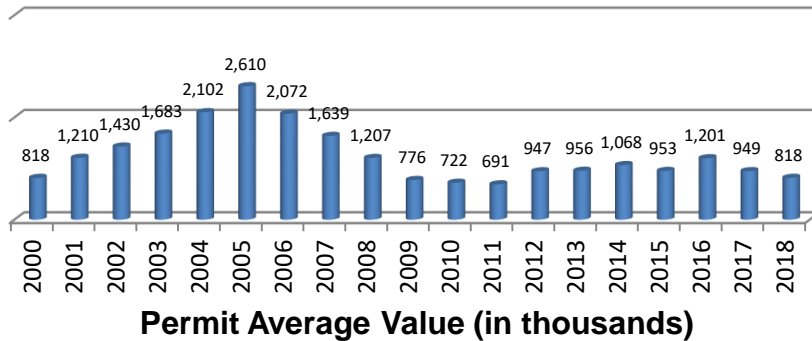
\*All jobs data are for Zip Codes 77581 and 77584 the core of Pearland (does not include the area of the Bass Pro Shop which is in zip 77047)

Source: US Bureau of the Census, County Business Patterns, Unemployment data from the Texas Workforce Commission



# Single Family Housing

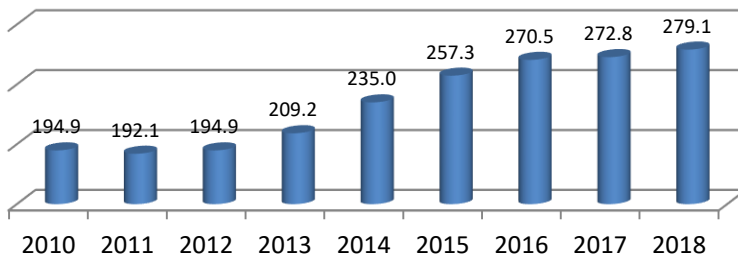
## Single Family Permits



Pearland saw single family home permit activity rise and fall dramatically over the past decade. Permits peaked at over 2,500 in 2005, though activity remains higher than it was at any point in the late 1990's. Permitting began to rebound in 2012 and saw an increase over the next four years. Permit values are roughly double what they were in the late 1990s.



Average home permit pricing increased to around \$200,000 in 2006 and remained stagnant until 2013. Prices have increased steadily since then, peaking in 2016.



The median home value in Pearland increased 7.92% between 2015 and 2018. In 2015, 19% of homes were valued under \$150,000. In 2018, 83.7% of homes were valued at that mark or higher.

## Pearland Owner-Occupied Home Values

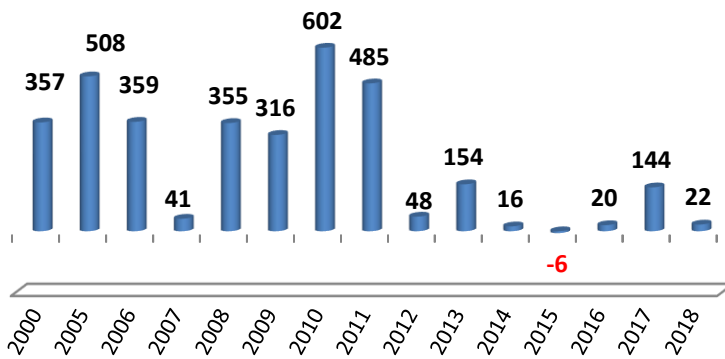
	2015		2018		Change	
	Count	Share	Count	Share	Count	% Change
Less than \$60,000	549	2.14%	3,343	10.37%	609	110.93%
\$60,000 to \$99,999	1,415	5.53%	7,913	24.54%	-1,150	-81.27%
\$100,000 to \$149,999	2,974	11.61%	12,057	37.39%	369	12.41%
\$150,000 to \$199,999	6,796	26.54%	6,306	19.56%	1,117	16.44%
\$200,000 to \$299,999	9,688	37.83%	671	2.08%	2,369	24.45%
\$300,000 to \$499,999	4,184	16.34%	33	0.10%	2,122	50.72%
\$500,000 to \$999,999	0	0.00%	1,158	3.60%	671	
\$1,000,000 or more	0	0.00%	265	0.82%	33	
Owner-Occupied Units	25,606		32,250		6,644	25.95%
Median Value	\$207,800		\$224,264		16,464	7.92%

Sources: Permit data provided the City of Pearland. Home value data provided by 2017 American Community Survey and Claritas estimates 2018. Sale Price Data from HAR/MLS 12/2018.



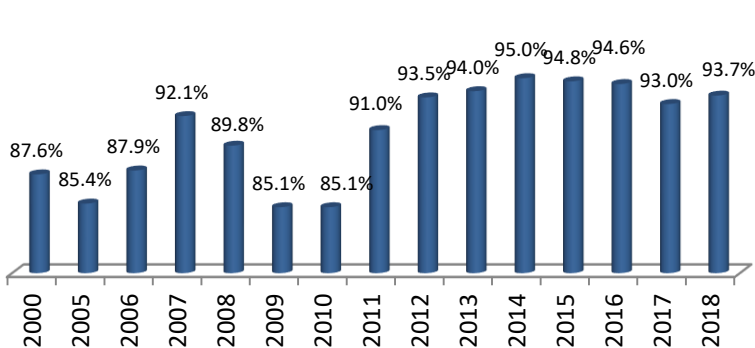
# Multi-family Trends

## Historical Absorption



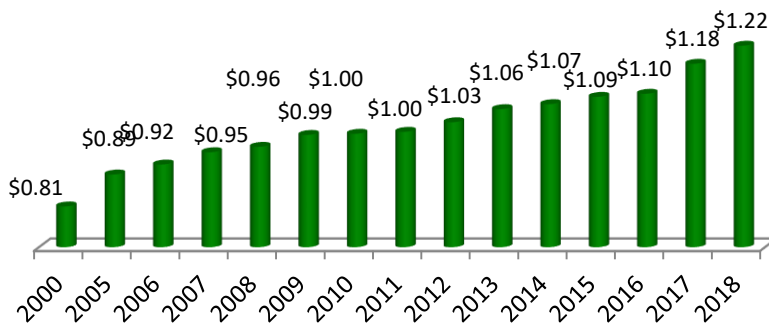
With the exception of 2015, multi-family unit absorption in Pearland has been positive since 2000. The abundance of new construction through 2011 was the driving factor behind the larger absorption numbers.

## Historical Occupancy



Multi-family occupancy in Pearland has fluctuated over the last decade, again, likely due to the abundance of new construction. Despite the fluctuations, occupancy has remained healthy during this time and has topped 90% every year since 2011.

## Historical Rent/SF



In contrast to occupancy, the rent per square foot has gradually increased since 2000, exceeding \$1.00 since 2012. Most of the new multi-family complexes in Pearland have been classified as Class A.

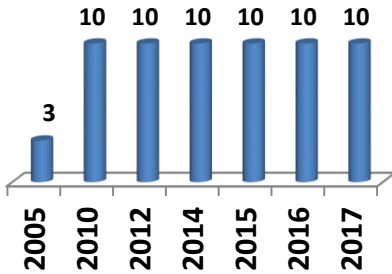


Source: Enriched Data



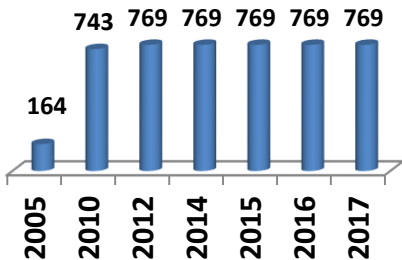
# Hotel Trends

## Hotels/Motels



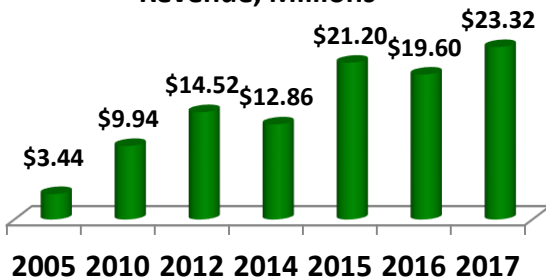
Pearland zip codes 77581 and 77584 contained only three market rate hotels or motels in 2005. This had increased to ten by 2010 and has held there since.

## Rooms



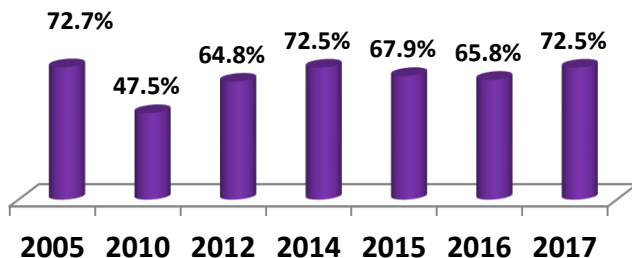
While no hotels have been constructed, Source Strategies reports that the number of rooms has remained steady at 769, a sizable increase over 2005's 164 rooms.

## Revenue, Millions



Room revenues increased by 81.3% between 2012 and 2017, with a dramatic increase since 2014.

## Occupancy



Hotel/motel occupancy saw a slight decrease from 2014 to 2016, then increased to 72.5% in 2017.

Revenue per Available Room, or RevPAR, increased 60.2% from 2012 to 2017.

## REVPAR



Source: Texas Hotel Performance Factbook, Annual, Source Strategies, Inc., San Antonio, Texas 2005, 2010, 2012, 2014 and 2015, 2016 & 2017.

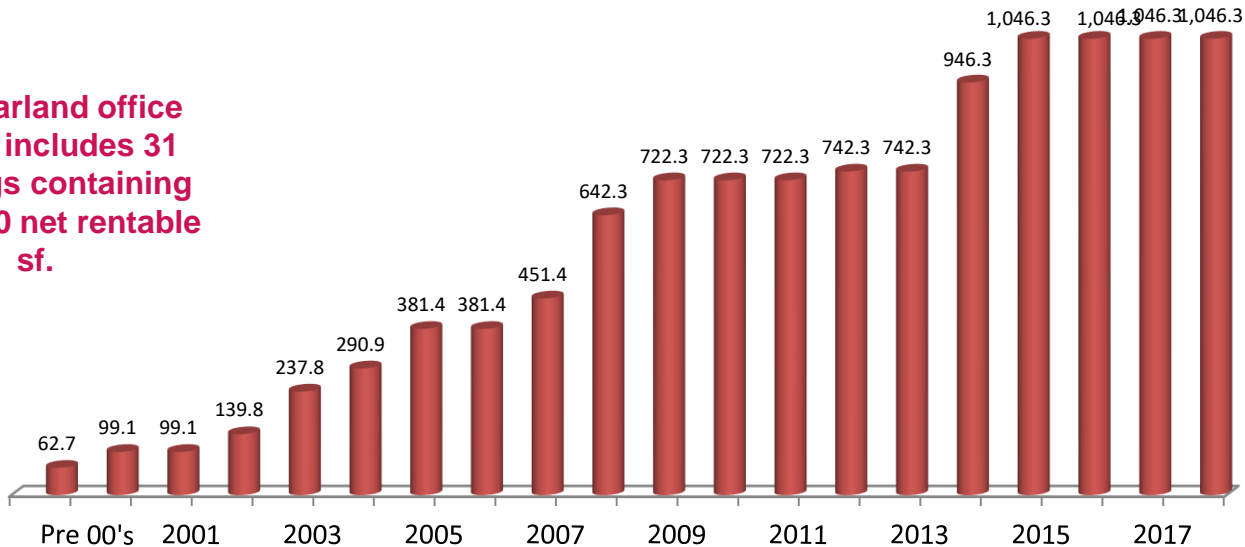




# Office Trends

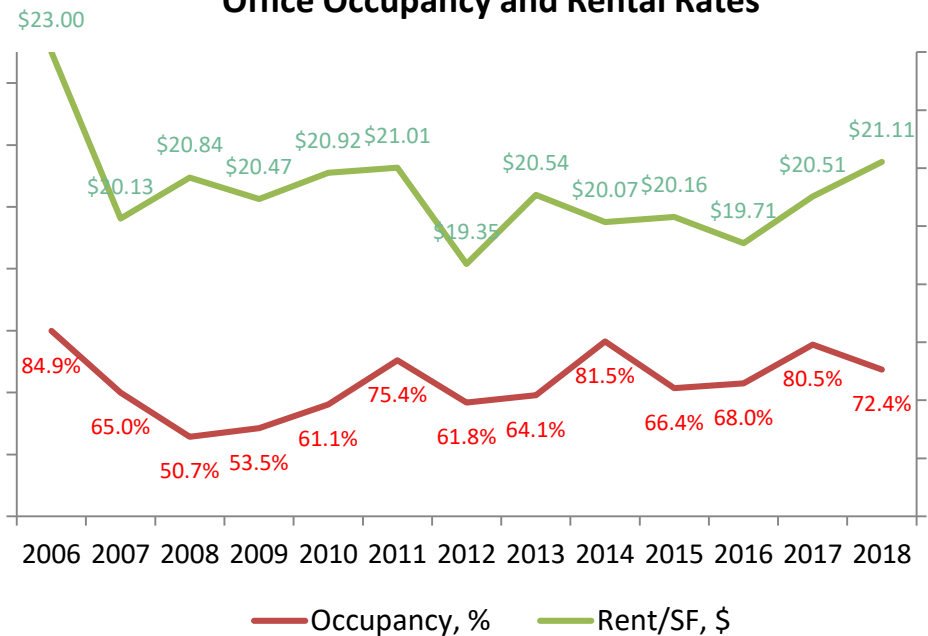
**Pearland Office Space Trend,  
Square Feet 1,000s**

The Pearland office market includes 31 buildings containing 1,046,300 net rentable sf.



**Office Occupancy and Rental Rates**

Occupancy declined significantly since 2005 as new spaces become available in the market. Current occupancy is 72.4%. Rents have increased since 2007 and are currently 72.4%.



Sources: Enriched Data







## Pearland Retail Developments

### Pearland Town Center

The Pearland Town Center is a 937,000 SF mixed use "lifestyle center" located on the southwest corner of State Highway 288 and 518 in Pearland. The Town Center includes retail, office and apartments. Managed by CBL & Associates, the center was completed in 2008. Major tenants include Macy's, Dillard's and Barnes & Noble.

### Shadow Creek Ranch Town Center

Located at SH 288 and FM 518, this 616,000 SF shopping center is managed by AmREIT and includes tenants such as HEB Plus, Academy, Burlington Coat Factory and Hobby Lobby.

### Silverlake Village Shopping Center

Located at SH 288 and FM518, this 750,000 SF shopping center includes tenants such as Super Target, Pier 1, Kohl's, Home Goods and Total Wine and More.

### Crossing @ 288

Located at SH 288 and FM518, this 500,000 SF shopping center includes tenants such as Bed Bath and Beyond, Best Buy, JC Penney and Old Navy.

### Center at Pearland Parkway

Stream Realty started construction on Phase I of this 274,000 square-foot retail shopping center on the 28-acre site next to the HEB on FM 518 and Pearland Parkway in 2014. Phase I was sold to Dunhill Partners in 2017. Stream Realty is currently developing the second phase of the center. Anchor tenants are TJ Maxx, Ross, Academy and Hobby Lobby. Other tenants include Palais Royal, Rack Room Shoes, Petco and Five Below.