

Historic Hotels!

XV: Houston's Rice Hotel

Built in 1913 and closed in 1977, the hotel was once the center of many of Houston's social and civic events. City officials believed that restoring the Rice would stimulate a rebirth of downtown, revive street life, restaurants and stores and lead to other residential projects. The Rice was expected to revitalize downtown area. An initial \$3 million was invested, with an additional \$30 million in construction, rehabilitation and improvements soon following..

The story of the redevelopment of the Rice is a good example of what can be achieved when private and municipal sources successfully work together. The Rice Hotel was purchased by the Houston Housing Finance Corp. (Michael Stevens, president) in 1997. The Randall Davis Co., Inc., was co-developer of the project, along with Columbus Realty, a Dallas real estate investment trust, which reached an agreement to participate in the redevelopment. The Houston Housing Finance Corp. continued to own the old hotel building with Columbus providing the capital to redevelop and -- under a long-term lease -- operate the Rice.

Construction was handled by Tribble & Stephens and architectural design is by Page Southerland Page. Thus, within just the last three years, the Rice Hotel was transformed into 317 loft-style apartments, which rent from \$600 to \$3,000 per month.

The Rice now features above-and below-ground parking, retail stores, a movie theater and a fitness center. Also included was a renovation of the hotel's original swimming pool, which was uncovered. The project covered 21,000 square feet of retail space and 319,000 square feet of residential space -- a total of 485,641 square feet.

Located at Main and Texas Avenue in downtown Houston, the Rice Hotel is now considered the crown jewel in the City of Houston's revitalization of downtown and the inner city.

Co-developer Davis, who with the city's support, got the project off the ground, developed the Hogg Palace Lofts and other earlier residential redevelopment projects in Houston. The project was completed in 1998.

Columbus has done a number of urban residential projects in the Dallas area, including loft apartments, live-above-the-shop home offices and town homes. After the Rice Hotel project, the company went on to invest more in multifamily developments in and around downtown Houston.

The involvement of Columbus in the Rice provided the Houston Housing Finance Corp. with a \$1 million capital infusion, which then enabled the finance corporation to redeploy its money into other city housing and revitalization projects.

