

The Rice Hotel

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When Texas was still an outpost for American civilization and Houston was a rowdy geographical gamble, Jesse H. Jones' Rice Hotel came along and showed the locals what class was all about.

DENNIS FITZGERALD, *Houston Chronicle*,
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Ladies' bridge meeting, Crystal Ballroom, Rice Hotel, shortly after opening.

Harris County Heritage Society

If sentiment were all that was needed to guarantee its preservation, Houston's Rice Hotel would be safe. But 15 years without maintenance have left what may be our most important landmark in ruinous condition. Many Houstonians, sentimentalists and pragmatists alike, wonder whether their city can live up to its own heritage.

At a time when cities were often judged by the quality of their hotels, the Rice was the best-known hotel in Texas, occupying the site of the first capitol of the Republic of Texas. When the Rice closed in 1975, *Smithsonian* published its colorful history, repeating many of the legends about wild and woolly Houston: cattlemen shooting up the hotel elevator, female rodeo stars riding horses into the lobby (and right up the stairs to the mezzanine powder room), Percy Foreman practicing law by telephone from a red leather chair in the Old Capitol Club.

The hotel's mystique is inextricably linked to the land on which it sits. There, on the northwest corner of the intersection of Main Street and Texas Avenue, stood the building that was the first capitol of the Republic of Texas. The Rice is only the third building to occupy the site.

When the first Congress of the Republic of Texas met in October 1836 in Columbia, Houston's founders, John K. and Augustus C. Allen, were ready with inducements sufficient to persuade the fledgling government to choose as the provisional capital the Allens' new town, shrewdly named for

the hero of San Jacinto. The nonexistent town of Houston won out over more than a dozen other contenders. The first capitol was built on the site in 1837. After 1839, when the seat of government was moved from Houston to Austin, the Allen brothers retained ownership of the capitol building, which continued to be used for public functions. In 1841 it was leased to become the Capitol Hotel. Since that time, except for a six-month period in 1842 when President Sam Houston temporarily moved the capital back to Houston, the site has been used exclusively for hotels.

The Allens' association with the old capitol ended in 1857 with sale of the property by Augustus Allen's widow, Charlotte M. Allen. In 1881 the original building was demolished to make way for the new Capitol Hotel, a five-story Victorian Renaissance structure with a frontage of 100 feet on Main Street and 150 feet on Texas Avenue. In 1886, William Marsh Rice, who had already built a fortune in Houston from lumber and land holdings, bought the property for unpaid taxes; in 1892 he added a five-story annex. Upon Rice's death in 1900, the property was bequeathed to the William Marsh Rice Institute, under whose ownership operation of the hotel, by then renamed the Rice, continued until 1911, when Jesse H. Jones purchased the building and leased the land. Jones demolished the hotel in 1912 and hired the St. Louis architectural firm of Mauran, Russell & Crowell to design a new 17-story structure, which opened as the new Rice Hotel in May 1913.

From the beginning the Rice was a landmark, one of Houston's first steel-framed highrise buildings. Ten thousand people turned up to tour the building on opening day.

Through the years, numerous modifications were made. In 1921, Houston architect Alfred C. Finn was hired to design alterations for Jesse Jones's penthouse apartment at the Rice. The 1925–26 addition of a west wing, also designed by Finn, increased the number of guest rooms and gave the hotel its distinctive E-shaped configuration. A temporary rooftop bunkhouse, added to accommodate expected overflow crowds attending the 1928 Democratic National Convention, later became part of the "Top Deck of the Rice," the city's most popular dance spot. The roof garden was closed in 1942 in response to the blackout imposed by World War II, but the hotel was further expanded after the war. In 1951, an 18th-floor steel, glass, and masonry addition, designed by the Houston architectural firm of Staub & Rather, was made to house the Petroleum Club, which occupied the space until the hotel closed two decades later.

Upon the death of Jesse Jones in 1956, ownership of the Rice passed to the Houston Endowment, Inc., the philanthropic foundation established by Jones and his wife, Mary Gibbs Jones. The hotel was again updated in 1958–59 with the addition of a five-story concrete and masonry annex that housed a motor lobby and a new grand ballroom. In 1971,

Houston Endowment donated the hotel to Rice University, which had owned the land upon which the building stood since the 1900 death of William Marsh Rice. For two years the hotel continued to operate profitably. In 1974, however, the city of Houston adopted a new fire code, which by some estimates could have required up to \$1.2 million in modifications to bring the building into compliance. In December 1974, Rice University announced that the hotel would be closed and demolished if a buyer could not be found.

Houstonians braced themselves for demolition, but in 1975 the Rittenhouse Capital Corporation of New York stepped in and purchased the Rice. After a major remodeling, the hotel reopened in April 1976 as the Rice-Rittenhouse. Financial difficulties plagued it, however, and within a year the hotel was operating under Chapter 11. Rittenhouse was dropped from its name, and the hotel again operated as the Rice Hotel for a few months. In August 1977, the Rice Hotel was finally closed.

A group of Houston investors operating as the Rice Preservation Corporation bought the hotel in September 1977 at a foreclosure auction for \$542,962. Early in 1978 the property was again sold, at a reported price of \$3 million, to Portfolio Management of Texas, Inc., which applied for listing in the National Register of Historic Places and announced plans to convert the Rice to residential apartments. In October 1978, then secretary of the U.S. Depart-



Top: Mauran, Russell & Crowell, architects, Rice Hotel, 1913. West wing addition by Alfred C. Finn, 1925–26.
Bottom: The original Rice Hotel building, formerly the Capitol Hotel (George Dickey, 1881), occupied the site of the first capitol of the Republic of Texas. (Houston Metropolitan Research Center, Houston Public Library)

ment of Housing and Urban Development Patricia Harris announced that the project had been approved for federal funding for rehabilitation plans and rent subsidy. Twenty percent of the 338 apartments were to be rented to low-income families, whose rent payments would be subsidized with federal funds. But Houston was not ready for subsidized housing in a historic downtown building. Apparently because of PMTI's failure to secure the local financial support needed to qualify for federal subsidy, the project never got off the ground.

In 1981, during Houston's last big real estate boom and before the beginning of the recession brought on by the decline in oil prices, the Rice Hotel was acquired for a reported \$7.75 million by Rovi Texas Corporation, part of RVW Fides, a large West German investment group that was also involved in the 2,615-acre, master-planned Grogan's Crossing, north of Houston. Shortly after the purchase, Rovi Texas announced plans to rehabilitate the Rice as a luxury hotel with the aid of \$9.6 million in federal funds, to be applied for through the city of Houston. The plan stalled in city council; in 1986, Rovi Texas relinquished ownership of the hotel to its bank. Since then, little has been reported about the Rice except for periodic confirmations of an asking price of \$15 million to \$17 million and occasional rumors about possible buyers.

In June 1992, an agent of the Frankfurt BFG-Bank AG inspected the building and was shocked at the condition of its failing

roof and the resulting deterioration. The bank immediately authorized its broker to contact all parties who had made offers in the past 18 months and inform them of a drastic reduction to less than 50 percent of the earlier asking price.

While reduction in the up-front cost of the building might seem to make rehabilitation more feasible, it also increases the likelihood that the property could be acquired for the site alone. High vacancy rates in central business district commercial properties and a relative abundance of open building space downtown would seem to reduce the likelihood of demolishing the Rice for new development, but that possibility has been mentioned. In July, Houston architect Gunther Koetter, a member of the board of directors of Metro, suggested tearing down the landmark hotel to build a bus and rail transit center at the corner of Main and Texas. Indeed, spokespersons for BFG-Bank AG, declining a request to clean and paint the hotel's street-level canopy as part of the city's preparations for the Republican National Convention, admitted that they are trying to sell the property, for demolition if necessary, and do not intend to invest further funds in the building.

Little has been mentioned in the context of this year's price reduction about the feasibility of redevelopment. A 1984 proposal provided an estimate for redevelopment of \$80 million, including acquisition and financing costs. The 1984 proposal included rehabilitation of the original 1913 wings of the building for use

Anyone who has tried to save a historic building from demolition or establish a historic district in Houston knows about uphill battles, lost causes, and burnout. Houston preservationists have learned the hard way: lacking local preservation ordinances, they have had to rely on state and local preservation tools that are not very effective when owners of historic properties start thinking about aluminum siding or demolition.

Local historical preservation should receive a big boost with the adoption of zoning. Houston's ordinance will include provisions for the establishment of historic landmark and historic district designations. Applications for these designations may be initiated by one of several city agencies or by property owners. Upon the recommendation of the Houston Archeological and Historical Commission (HAHC) and following reviews and public hearings at three levels, city council will decide whether or not to officially grant the designation. Once the designation has been granted, proposed alterations and demolitions of historic property must be reviewed by HAHC, which may approve the proposal, approve it with conditions, or disapprove.

The zoning mechanism for protecting a building or district is the establishment of "overlay districts," which include both landmark and historic districts. Either an "H" (historic district) or an "L" (landmark) designation may be combined with any base zoning district. Once adopted by city council, the more restrictive of the two combined zoning designations will apply.

The stated purpose of the historic overlay provisions in the zoning ordinance includes the promotion of preservation and protection of landmarks and historic districts and buildings of architectural or historical significance. Although they will not guarantee an end to the demolition of landmarks, they will allow consideration of issues of public versus private interests. The ordinance is expected to deter demolition, misuse, or neglect of these visible reminders of the city's heritage and to encourage the development of new projects that are tailored to the character of significant districts and neighborhoods. ■

as a 400-suite luxury hotel, the addition of six floors to the five-story 1958 annex, construction of a multistory atrium and elevator core between the annex and the 1928 west wing to create a 275,000-square-foot integrated office building on Travis, and restoration of the exteriors of the original and 1928 structures. A \$15 million tax credit for certified rehabilitation costs in the year placed in service would have resulted in a net investment of \$65 million, yielding a per-square-foot cost of approximately \$120, including the cost of installation of all-new building systems, from new fire stairs and elevators complying with the code to new heating, ventilating, and air-conditioning (HVAC) systems and sprinklers.

In the wake of Houston's building slump, construction costs have declined as competition among builders has increased. The acquisition cost would also be significantly lower than the 1984 cost. On the other hand, the 1986 tax reform act reduced and restricted tax credits for historical preservation, and the 1984 cost estimate would be further increased by other factors, including the recently enacted Americans With Disabilities Act.

The 1984 study was revealing in several respects. Although it concluded that the width of the building bays would not accommodate space-efficient double-access hallways, it disclosed no structural shortcomings that would preclude interior demolition and reconstruction in accordance with current codes. In fact, the building frame is steel and the walls

nonbearing. The designer shrugged off the limitations of the bay width and developed a scheme incorporating a high proportion of suites and junior suites, all with exterior views, and touted the single-access hallways as an amenity that permitted all hallways to be lit by natural light. This constraint would be less significant in the context of office space, which allows greater flexibility of layout, open space planning, and cheaper installation costs. Use of the structure for office space would also reduce plumbing requirements, a significant expense, and permit broader HVAC zones instead of individual room controls. Further, the Rice is adjacent to several segments of the tunnel system and thus has ready access to the network. Overall, costs of the project should be significantly less than the \$80 million anticipated by the 1984 study.

It seems unlikely, however, that a successful redevelopment scheme can be formulated without involvement from the public sector. Some have suggested use of the Rice as a city administration building, like the Houston Savings Building on Main. Another possible approach, similar to the model provided by Philadelphia's Hotel Atop the Bellvue, is a mixed-use project. With restaurants or retail space on two or three floors, residential and/or hotel use on others, perhaps with several other floors given over to office use, the numbers might be made to work.

Comprehensive planning, when we finally get around to it, may help prompt a vision to preserve the Rice Hotel. But we're running out of time. ■