

Houston Has Everything To Gain from Understanding Finance and How Developers Think. Risk It.

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AT THE CELEBRATION OF HIS 90TH BIRTHDAY, Gerald Hines said almost nothing. He sat in the center of the Hobby Center stage flanked by eight of the world's most accomplished living architects. Philip Johnson, though long deceased, told the

best stories through his partner, John Burgee.

Like the one about how the top of the model for a highrise Hines wanted to build was removable in case the prospective tenant, Pennzoil CEO J. Hugh Liedtke, didn't like its daring slant. Liedtke loved it. The building would stand out, he said, from all those boring "cigar boxes." The building was completed in 1977, and *New York Times* critic Ada Louise Huxtable called it the "building of the decade."

Commercial real estate speculation changed forever, not just in Houston, but in New York and the world over. Suddenly great architects were playing a leading role in an arena previously known for mediocre design and its twin brother, the bottom line.

Hines did chime in with a few interjections, like this one: "Architecture can reduce your risks."

This compact statement, like the man who made it, is powerful and odd. Isn't architecture about meaning, shelter, function, beauty? Understanding Pennzoil Place requires double vision — you must see both the aesthetics and the calculation of financial risks.

This special issue attempts to sustain that double vision as we unravel why Houston looks the way it does and how we can make it better. What are the financial underpinnings of mixed-use developments? Can the city incentivize the inclusion of workforce housing in developers' plans? What are the economics of maintaining our tree canopy? How do we pay for our transportation infrastructure? Can we reform the construction industry so workers are trained well, kept safe, and paid fairly? Will an innovative approach to financing building retrofits make the environmental choice a profitable one in both the short and the long term?

At times what you read here will be hard. Maybe even upsetting. We ask you to take the risk.

"It is, by any measure, a dramatic and beautiful and important building. It is also a highly profitable investment. It successfully marries the art of architecture and the business of investment construction — a union essential to the American economy and the urban environment."

ADA LOUIS HUXTABLE

"Houston's Towering Achievement"
February 22, 1976, *New York Times*