

## **EXECUTIVE SUMMARY**

**Re: Excellence in Public/Private Awards Application by City of Houston in Conjunction with Lehman Brothers regarding the Hilton Hotel Project.**

Since the 1980s various feasibility studies have indicated a need for a major hotel in downtown Houston. The City had responded by awarding a franchise and land to a major private development group. After several years, however, it became evident that the private sector alone would not be able to complete a project of the desired quality and magnitude.

Then Mayor Brown appointed former Mayor Lanier to form the City-sponsored not-for-profit Houston Convention Center Hotel Corporation (the "Corporation") empowered to bring about the development of a world class downtown hotel to complement the major new sports venues and to support the international energy corridor domiciled in downtown Houston.

The Corporation implemented a strategy of combining the best operators of the various private sector industries necessary to complete such a hotel in time to support the expansion of the Convention Center, the Super Bowl, the All Star Game and the general business needs of Houston commerce.

Hines was selected as developer, Hilton as operator, Gensler/ARQ as architect, Turner Construction for construction and Gilbane as construction asset manager to perform on an accelerated basis away from traditional procurement methods. First Southwest Company, Lehman Brothers and UBS combined to provide low cost AAA rated tax-exempt financing. The Corporation, as owner, coordinated the effort while maintaining the best interest of the City.

In summary, the City sponsored Hotel Corporation now owns the biggest and best hotel in the region. It is mortgage free and profitable and, most importantly, its serving the needs of the currently thriving downtown business and entertainment district. This result was only possible through the partnership of the City and its business and financial leaders.