



[GERALD D. HINES]
visits HIS COLLEGE]

A Conversation with Joe Mashburn
Transcribed by Allison Parrott

01	02	03	04
05	06	07	08
09	10	11	12
13	14	15	16

01 - 3100 RICHMOND	09 - 2929 RICHMOND
02 - HOUSTON GALLERIA	10 - J.P. MORGAN CHASE TOWER
03 - ONE SHELL PLAZA	11 - ONE SHELL PLAZA
04 - ONE SHELL PLAZA	12 - ONE SHELL PLAZA
05 - PENNZOIL PLACE	13 - HOUSTON GALLERIA
06 - MUTUAL INSURANCE	14 - 3015 RICHMOND
07 - HOUSTON GALLERIA	15 - PENNZOIL PLACE
08 - J.P. MORGAN CHASE TOWER	16 - 3101 RICHMOND

ON WEDNESDAY, JANUARY 21,
2009 THE LEGENDARY
DEVELOPER GERALD D. HINES
VISITED THE “INTRODUCTION
TO ARCHITECTURE AND
INDUSTRIAL DESIGN” CLASS
TAUGHT BY JOE MASHBURN,
ARCHITECTURE DEAN AT THE
UNIVERSITY OF HOUSTON.

JM: The gentleman sitting on this stool to my right is Mr. Gerald Hines, for whom, of course, our college is named.

The designer of this building, Philip Johnson, said that Mr. Hines was the most important client of architecture—patron of architecture—in the 20th century. He has changed the faces of cities all over the world. In this city, Hines buildings include Pennzoil Place, Williams Tower, and many, many others.

Mr. Hines, you began with a one-man office, founded in 1957, more than 50 years ago and grew it into one of the largest, most well-respected real estate investment, development and management firms in the world. How did you organize your company as you expanded?

GH: It was very difficult. For an entrepreneur who grew up as a mechanical engineer, the one thing I had was a sense of detail, and that was very difficult to delegate to someone else. But I finally let go a little bit, and I found out that some of the younger people were smarter than I was, so I gave them

more responsibility.

I started with a “single point of responsibility” model—giving to one person the total responsibility. Of course, for awhile, that person was me. We believe in that model and it exists to this day. Early on, we did some crazy things that no one should ever do. We started two major projects, One Shell and the Galleria, with a \$6 million real estate net worth with 50 percent equity. But I brought in some partners, and got some additional equity.

We have expanded geographically to Austin, Minneapolis, Cincinnati, San Francisco, New York, Boston, Canada, Brazil, Mexico, China, India, Russia, and elsewhere. But it is all based on a regional structure: there is one head, and then there are senior officers that handle the individual projects in a given region. The CEO of each division now runs a big company.

JM: Thinking about the enormous complexity of what you just described—operating with a whole array of architects and contractors, and contracting systems, all of that enormous diversity—what’s the common thread?

GH: Well, I want to improve the built environment with what we do. That’s a pretty big statement. But it is up to each of the regions to make their own decisions how they want to build a project, what architect to use. Sometimes we used a mini-competition, where we selected three architects and gave them about five thousand dollars apiece, to come back and give us their concept of how they would solve the problem that we have with the proposition



TOP: Gerald D. Hines (left) with Joe Mashburn.
 ABOVE: Interior, Gerald D. Hines College of Architecture.

we are making. That's worked very well. We did that in France for the EDF Tower. Harry Cobb won that one, and it became the building of the year in Paris. For an American, that's something. We used that same system on the Texas Commerce Tower [now the JPMorgan Chase Tower], which is the tallest building in Texas. I. M. Pei came up with a design. We liked it, and it made sense, so we built that design without going to another designer. So there are a lot of different

ways that we look at new projects.

JM: Tell me about the most important highlights of your firm's history?

GH: Well, in 1952 (that's before I started the firm), I was junior partner in an engineering company here called Texas Engineering, and my partner, who had been the Dean of Engineering at the University of New Mexico, was one of the first consulting engineers for the city of Houston. We'd design and sell equipment to the big high-rise buildings. But I was building small projects on the side, five years before I founded the firm—I built warehouses and so forth.

Those first buildings were pretty important. I had my first office at 4219 Richmond. I wanted to do a really good warehouse with Walter Rolfe, who hadn't done many warehouses. Mr. Rolfe had been the Dean of Architecture at the University of Texas, and he took me under his wing and explained how he was going to do this. He explained how the soffit was integral to his design. We built a very good 30,000-square-foot warehouse with 10,000 square feet of office; and it's still there. Later I went after the Houston Natural Gas Building and I had it, then they changed management, cancelled me, and gave it to Ken Schnitzer, who was going to build them a much bigger building downtown. Shell was a project I wasn't going to lose. I met Bruce Graham, a partner with SOM, at a golf resort on the Gulf. He was a heck of a salesman and a very good architect, talking to

me about doing a concrete building. So, with Fazlur Khan, one of the great structural engineers, we built the tallest concrete building in the world: One Shell. It's still the tallest lightweight concrete building in the world.

One of the reasons we got Shell was that we knew that they moved a third of their space every year, so we tried to come up with a system that would cut their churn costs. With their tight floor-to-floor mechanical systems (they were just wedged in there), the cost of the mechanical was huge when they made changes. So I said, "Instead of going 11 feet 3 inches floor-to-floor, we'll go 13 feet 4 inches." It gave me a huge space so that we could run oval or round duct work you could hang for a fraction of the price of changing other ductwork. So we had lowered the cost of future operations. That was our first energy-conscious building. What we didn't realize at the time was that with all that additional plenum space, when all the technology came in, we had a huge reservoir where we could run cables and keep our building updated. So there it is, almost 40 some years later, and the building is still modern.

JM: For those of you unfamiliar with One Shell Plaza, it is travertine-covered and has a sort of ripple-down façade.

GH: Bruce said, "Oh, Gerry, you can just paint the concrete." Well, I went with the travertine cladding.

JM: You can read the structure. Begin at the base, and as it goes up the building, the structure is expressed in the elastic concrete it is made from. It has a huge fluid foundation.

GH: And we almost lost the street. We had to go across the street, and the contractor had to keep the street from caving in on us. We've had some interesting construction problems through the years.

JM: You have worked with many important architects. We mentioned Philip Johnson. What are the challenges?

GH: Well, one I didn't mention was Gyo Obata, who designed The Galleria. Stanley Marcus, who wanted to use Obata for one of his stores, said I should talk to him, so I did and was impressed. Gyo said, "Gerry,

Early on, we did some *crazy things* that no one should ever do.



The skyline that Hines Developed. Left to right:

- 1 - J.P. Morgan Chase Tower (1982, I. M. Pei & Partners and 3D/International)
- 2 - 717 Texas (2003, Hellmuth Obata & Kassabaum)
- 3 - Pennzoil Place (1975, Johnson/Burgee Architects and S. I. Morris Associates)
- 4 - Bank of America Center (1983, Johnson/Burgee Architects and Kendall/Heaton Associates)

- 5 - One Shell Plaza (1971, Skidmore Owings & Merrill and Wilson, Morris, Crain & Anderson)
- 6 - 1100 Louisiana (1980, Skidmore Owings & Merrill and 3D/International)
- 7 - 1500 Louisiana (2002, Cesar Pelli & Associates and Kendall/Heaton Associates)

when you build a space as big as you're talking about, one thing that you have to think about is how do people know where they are inside it?" That's the reason that we have the skylight, so you know where you are in the space. That was interesting. And the other thing unique about The Galleria was that we had this basement space, and I was worried: basement space normally went for 20 to 25 percent of your main floor in rental, so how did we get that rental up? Gyo said, "What about ice skating?" I thought, okay, no one's put an ice skating rink inside of a mall. So I went and figured out what the operating costs would be in an open versus closed mall. It was small in relation to the number of square feet I had to lease, so I said let's just put it in the middle. So we did, and it generated rentals that were higher than our main floor tenants paid. A lot that you have to do as a developer is come up with ways to make the rental stronger.

JM: Robert A. M. Stern calls The Galleria one of the most innovative buildings of the 1970s and 1980s, and that's because it broke all the rules.

GH: It broke some of the rules, and almost broke me!

JM: No one thought that you could have three floors of retail or that people would use a parking garage like they use it today. All the rules were shattered with that project, and of course it has been successful ever since.

You mentioned some innovations in One Shell Plaza as well. You've been a forerunner in initiating movements that have had a historical impact on architecture and real estate, such as Park Lane with its famous architects—the "Starchitects." How did that happen?

GH: Building a good building means other people come to you. The president of Pennzoil came to us after Baker and Botts moved into One Shell and asked us to take a look at doing a building for them. Bruce Graham came up with a building that was more like the Sears building in Chicago, and I said, whoa, I just don't think Houston is ready for that kind of building—it's too stark. The developer is the conduit for the people of the city: he has to interpret their taste. The Brochsteins asked me to bring Philip Johnson and Burgee into it. We had rejected four of their initial designs for Post Oak Center, so I said, "I'm not going to go with someone that crazy." But since we *had* built that fifth design, I thought, well, I'll give him another try. I said to Philip, "What I really need is a second major tenant." He said, "Why not put a second building on the site?" I said, "No one's ever put two buildings on a 250 by 250-foot block." And he said, "Let me show you." He drew the NBC logo in plan: two trapezoids in counterpoint. He said, "You've got two buildings; go find another tenant," and we did. Philip did an excellent job: it cost less than the building that Bruce Graham had proposed, our parking was three times better because we had a shorter building (two 37-story buildings versus one 55-story one), and we still did a mullion system on 2-1/2 feet at an 8-inch depth. I like that because, as you look at it obliquely, you get a rhythm. If you did it on a 5-foot center, you wouldn't get that rhythm.

JM: When you're developing a building, do you think of that project as existing in the fabric of the city? Is each of your projects a sort of isolated exercise or more of an urban design?

GH: Well, I think you look at both. For a lot of the

buildings we built in New York, like 53rd At Third, we looked at how it sat in the framework of the buildings around it.

JM: That's the lipstick one.

GH: Because it curved, it sat within a nice setting created by the buildings on either side. Built over a train station, 450 Lexington fit within the context of the original building, which was a historic landmark: all four facades had to be preserved and integrated into the new building design. So I think we've done both. The EDF Tower in Paris, in La Défense, is a singular building crying for attention, and it gets it because there wasn't much of architectural repute on either side. That was interesting. We did Five Hundred Boylston, which was a Philip Johnson building, and then he went down to a seminar in Florida where he made the statement, "All architects are whores." That got back to the mayor of Boston, and he said, "Hines, you're not building phase two of your project with Johnson, are you?" So Bob Stern got that job. Today, his adjoining Two Twenty Two Berkeley fits with other classical red-brick, Boston buildings and also sits well with Johnson's original building.

JM: What is your advice to these students entering this market? One of our students asked, "Did you ever have thoughts about changing your major to something else during the rougher times of your student life?"

GH: Well, I went to school for a year before I turned 18, and then Uncle Sam took me into the army, first in the infantry and then into the Corps of Engineers as a young officer. When I came back in 1946, there wasn't much chance of changing my major at that point. As my father told me, "Gerry, engineers didn't get laid off during the Depression." His comment should be in each of your thoughts right now. We're going through one of the toughest downturns I've seen. In 1982 I was the chairman of the Dallas branch of the Federal Reserve Bank, and that was very, very tough. Inflation was so high, we had treasury bill rates of 15 percent and interest rates from the bank at 20 to 25 percent. It wiped out the real estate community. I don't know where we're going on this one, but some of us think it's going to be as bad as '82 and maybe '29. I don't think we're going to see much over a 10-percent unemployment rate, but it is going to be tough.

JM: If there's any real estate developer who will survive the downturn, it will certainly be Hines.

GH: Thank you. And you all should study hard! ☆

For a detailed overview of Hines see the recent: Paul Goldberger (et al.), Hines: A Legacy of Quality in the Built Environment (Bainbridge Island: Fenwick, 2007)