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**BAKER HOTEL**  
Mineral Wells, Texas

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photo by MATT HAWTHORNE

**T**owering over the city of Mineral Wells since 1929, these 14 stories have seen glamour and romance and lost luxury at their finest. In its heyday the Baker Hotel was one of the most alluring and attractive destination hot spots in the country. The "Grand Lady of Mineral Wells", as she was known, beckoned tourists to a city rich in natural mineral waters. She made her mark on a history booming with success and prosperity. Alas, changes in culture and demographics left her alone and lonely for the past 35 years.

Standing vacant on 2.2 acres at the northeast corner of Highway 180 and First Avenue she awaits restoration to her rightful splendor as the surrounding city develops.

In September of 2007, Governor Rick Perry approved a Tax Increment Reinvestment Zone (TIRZ) in support of restoration of the Baker Hotel. The project will bring to Mineral Wells a style of life the city has long awaited. Visitors will find a welcome escape from reality in this natural oasis, if only for a short while.

A plan is underway to refurbish the beautiful building, which will dramatically enhance the surrounding community. In an economy where unemployment is high the project will increase jobs. During the construction phase and subsequent operation of the hotel, new business will be welcomed and enjoyed by local residents, tourists, and business travelers alike.

Mineral Wells is enjoying a 76% increase in Gross Sales Tax Revenues from

2000 to 2007, and the rise continues. This economic growth trend is attractive to regional and national retailers considering Palo Pinto County for business development and opportunity. Restoration of the Baker Hotel will spur industry growth in Mineral Wells and bring much-needed financial capital to the community at large.

Redevelopment of any structure is a complex project. But the historical value of the Baker Hotel will be even more challenging. Four prominent companies will join in the financing, design, rebuilding and administration of the project. Collectively the panel is known as the Baker Hotel Development Partners (BHDP). Hunter Chase Capital Partners (HCCP), a Southlake-based full-service real estate and private equity firm, will raise and structure the capital for the project. LaCorsha Hospitality Group (LHG), an Austin-based hotel management and consulting company, will assist in renovating and operating the hotel once open. Jeff Trigger and his team at LHG have extensive experience in restoring, operating and managing some of the grandest hotels in Texas. The impressive list includes the Rosewood Mansion on Turtle Creek, the Adolphus and the Stoneleigh in Dallas, the St. Anthony Hotel in San Antonio and the Driskill Hotel in Austin. Thiel and Thiel (T&T), a full-service architectural and interior design firm based in Southlake, has an extensive background in hospitality, and will allot resources to the architectural concept, design and completion of the project. Finally, Hotel, Hospitality, Construction and Consulting (HHCC), an Austin-based general construction company, will spearhead the entire physical transformation to wipe away years of neglect and deterioration, and return the building to its original grandeur.

Individually, each company involved in the project has proven its success. By combining their knowledge and proficiency in the industry, this partnership is uniquely suited to this task. Wyatt Hendricks' early 1900's architectural masterpiece will once again be showcased.

In addition to the TIRZ tax funds, the project is eligible for 20% of Federal Rehabilitation Tax Credit because the

hotel is on the National Register of Historic Places. These funds would be used to restore the hotel's historical façade, making redevelopment exempt from the state sales tax on labor. Mineral Wells Industrial Foundation has executed an assignable purchase contract with the owner of the Baker Hotel at an initial price of \$2.2 million, illustrating the city's commitment to the project. Investors are eager to see the renovation begin.

The budget has been set at \$50 million and is supported by a variety of state and federal incentive programs. These include some \$8 million in TIF financing, \$10 million in New Market Tax Credits, \$4 million in Historic Structure Tax Credits, and potential for Section 108 HUD programs and a USDA loan guarantee. Such incentives will reduce real estate cost exposure by more than \$20 million. As a result, the Baker Hotel project becomes more and more viable and attractive to prospective investors. Hunter Chase is seeking \$6 to 8 million in remaining equity investment to initiate the project. PKF, an independent hospitality consultant, agrees to conduct a thorough feasibility analysis to determine the viability of the restoration project. The National Development Council is expected to coordinate the Section 108 HUD program and tax credit portion of the funding. Construction is to begin once financial backing is secured. The goal is to complete fund raising efforts by year end, and begin construction in the first quarter of 2011. Completion is expected in less than two years.

Plans include maintaining the historical integrity of the 14-story structure. As a destination hotel boasting 155 hotel rooms with requisite contemporary amenities, over 22,000 square feet of private meeting space for business travelers and corporate meetings, an exquisite full-service spa with indoor and outdoor mineral baths, and 10,000 square feet of ground level retail space it will rival the best of its competitors. Businesses going into the finished space will participate in the economic growth of Mineral Wells.

The redevelopment of the Baker Hotel will help reinvigorate the community of Mineral Wells.