

# LODGING



## Admirable Business

NBA legend *David Robinson* is partnering his lodging endeavors with his philanthropic efforts.

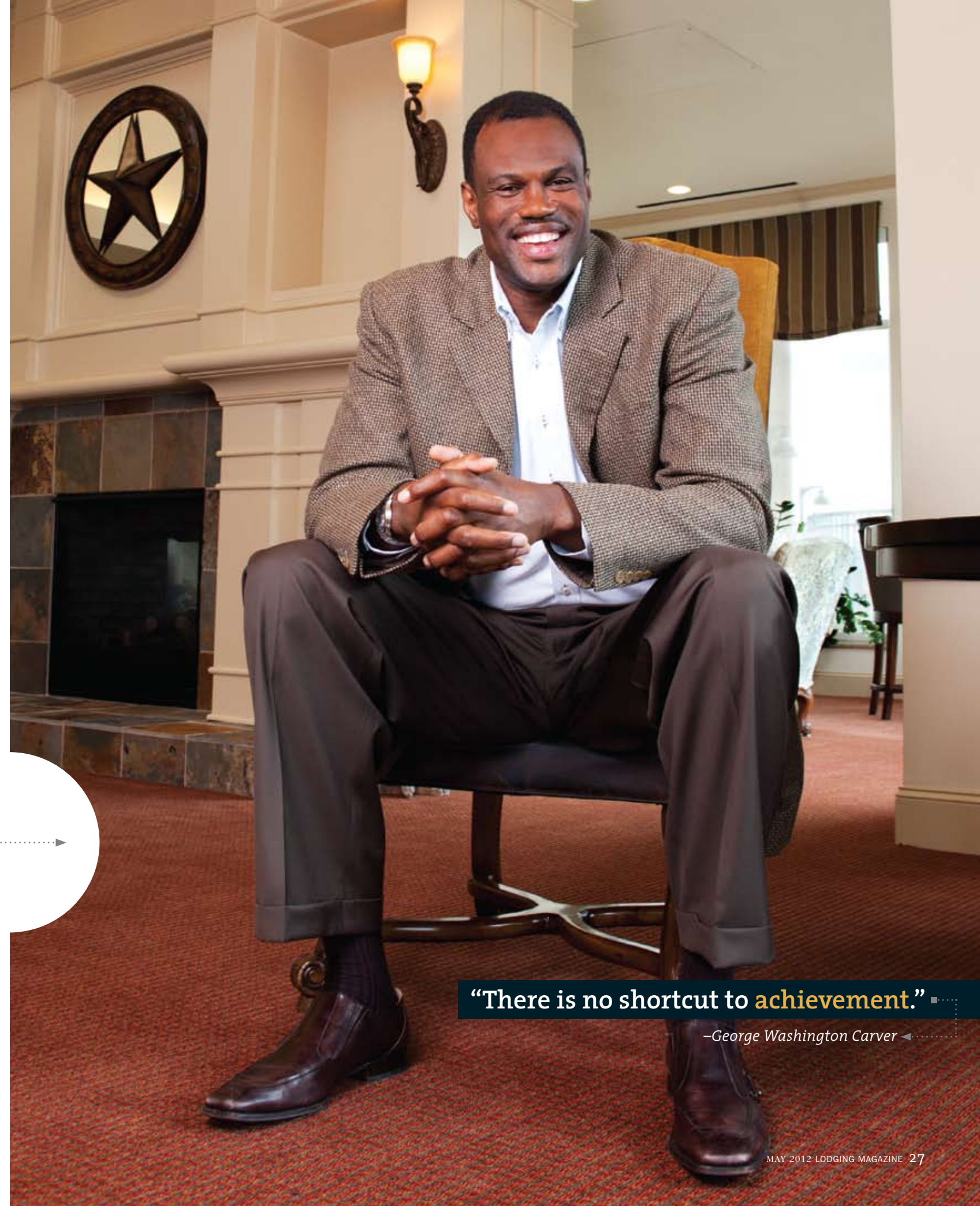
**David Robinson**  
Co-Founder,  
Admiral Capital Group

# Net Gains Net Rewards

by LEN VERMILLION

**NBA Hall of Famer David Robinson** entered the hotel business for its investment returns, and he's putting some of those profits back into the community.

**D**avid Robinson has worn many uniforms in his life. The NBA Hall of Famer wore the uniform of the San Antonio Spurs from 1989 until 2003. He's donned the red, white, and blue of USA basketball, playing on the first "Dream Team" in the Barcelona Olympics (he played in three Olympics and the FIBA World Championships). Before all of that, he wore the colors of the Naval Academy, becoming famous for a torrid NCAA Tournament in which he and his Midshipmen teammates captured the hearts of basketball fans and Americans with upset after upset. Lest anyone forget, he also wore the uniform of the U.S. Navy following graduation from Annapolis.



**"There is no shortcut to achievement."**

—George Washington Carver

The man who became known as “The Admiral” has also been many things, more than simply “just a basketball player” as he humbly described himself to *Lodging* one afternoon at the Hilton Garden Inn Houston-Energy Corridor, a hotel in which his Admiral Capital Real Estate Fund recently became owner. The man’s reputation as a humanitarian, philanthropist, engineering enthusiast, and champion of education stretches well beyond his exploits on the hardwood. In fact, the NBA named its Community Assist Award after Robinson.

What you might not realize, however, is that he is an aficionado of the work and wisdom of one of America’s great historical figures—George Washington Carver. He admires the scientist, botanist, and educator so much that he named his most cherished philanthropic effort after him. “We built a school in San Antonio 11 years ago—Carver Academy—and have spent a lot of time building the program up and raising money for the yearly expenses,” Robinson says.

A faith-based program, Carver Academy offers elementary-age children a challenging academic program featuring

small classes, leadership opportunities, and a nurturing family-like environment. Its mission is to prepare the children for success in the nation’s most competitive high schools. It welcomes children of all races, creeds, and financial status. The majority of the students come from low-income families, and attend the school on scholarship.

But running such a program takes money, hard work, and an ongoing commitment. As the quote on the previous page from George Washington Carver—which graces Carver Academy’s website—suggests, success for the program is incumbent upon walking a long, winding road with no shorter paths to the final outcome.

That’s where Robinson’s Admiral Capital Group, specifically the group’s Admiral Capital Real Estate Fund, comes into play. And, that’s where this story of hotel ownership, done with much more in mind than profits, begins.

#### STAR POWER AND FUNDS

“It was really born of a desire to partner business with my philanthropic efforts,” Robinson says.

For the last decade, Robinson has been working with Dan Bassichis on strategic planning for Carver Academy. The two met through Robinson’s best friend from the Naval Academy, who attended Duke University’s Business School with Bassichis.

“We needed a partner,” Robinson recalls. “Dan came

down to San Antonio to do strategic planning and think about how we were going to be sustainable at Carver Academy.”

While helping Robinson, Bassichis was building quite a career for himself in New York City, working at Goldman Sachs, where among his specialties was the hospitality business. About three years ago, Bassichis was ready to set out on his own to start a business, and they explored working together.

“I thought it would be a perfect partnership to get together to not just make a good business, but also do some things in the community,” Robinson says. “In addition to supporting education in San Antonio, we are committing to making an impact in every community where we invest.”

“What David usually doesn’t say is that he’s put in \$10 million of his own money to build the school and it costs about \$2.5 million a year to operate,” Bassichis says. “David retired in 2003, so after all those years it gets harder and harder to raise money.”

Knowing that star power doesn’t last forever, Robinson and Bassichis began looking at ways via for-profit investments and businesses to keep the funds rolling in for the foreseeable future. Although, you’d be hard-pressed to say that Robinson’s star has faded much at this point. Several surprised hotel guests at the Hilton Garden Inn Houston-Energy Corridor asked for

photos when he entered the hotel lobby for a meeting with Hilton executives one March morning.

“Magic Johnson is certainly a good role model. He’s on his third fund now,” Bassichis points out. Johnson has been well known since his retirement from basketball for investing in urban endeavors, including hotels, Starbucks franchises, and movie theaters, to help underserved, inner-city communities through his Canyon-Johnson Urban Fund, a portfolio that also includes the Washington Hilton.

“We wanted to combine my experience and relationships in real estate and hospitality with David’s reputation, his access, his relationships, to build a for-profit business,” Bassichis continues, “but if we took a portion of what we earned and sustained the work he’s doing and try to roll it out into other cities, we could have a pretty interesting business.”

Admiral Capital Group eventually formed a joint venture with USAA Real Estate Company (USAA) to launch Admiral Capital Real Estate Fund. USAA has committed \$50 million to the joint venture, alongside other third-party investors, and will provide extensive resources to support the fund’s investment strategy, including identifying asset acquisitions, due diligence, and asset management of the investments.

Although 10 percent of the profits from Admiral Capital Group and USAA are earmarked for community philanthropy, Bassichis and Robinson are quick to point out that the Fund is a for-profit business venture.



(left to right) Dan Bassichis, Nick Massad Jr., and David Robinson

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—Dan Bassichis, Co-Founder, Admiral Capital Group



Hilton Garden Inn Houston-Energy Corridor

## FINDING HOTELS

Often when industry members hear about a celebrity buying a hotel, the first thought is that another “trophy hotel” went off the market. “That’s because that’s where people in my position end up staying, so that’s what they feel they know,” Robinson says with a chuckle at the idea. “The opportunity really right now, if you’re interested in ROI, is in places like the Hilton Garden Inn. We’re going to go where the returns are.”

Robinson and Bassichis know their business well. “Dan was in the lodging and gaming side of Goldman Sachs,” Robinson points out. He thinks the select-service or focused-service sector, where you’ll find places such as Hilton Gar-

sweet spot right now where we’ve been finding a lot of really good deals.”

As a smaller fund, Robinson says they are not chasing the bigger deals that many larger funds are looking at. “We’re a little more diligent in looking, but it gives the opportunity to find more deals,” he says.

Bassichis says they have three office buildings and continue to look at them, as well as multifamily complexes, retail, and hotels. “We’re looking at the major asset classes within real estate, but specifically with hotels, I think, is where David adds the most value,” he says.

## FINDING THE RIGHT PARTNERS

When they finally entered the hotel space, they settled on the

“The key is having like-minded partners both in the community and the business. Nick has been an outstanding performer for many years. He’s just the right partner for us,” Robinson adds. “USAA is our main partner, and I’ve been around them for 25 years. I was a customer of USAA. I was on the bank board for 10 years. Now I’m working with the real estate department. Through and through, it’s honor, loyalty, integrity. USAA serves its members and they do it extremely well.

“With Hilton, I’m liking what I’m seeing. They are so focused on diversity, and making sure they are reaching out to all sectors of the community, making sure that ownership is represented by

generation of hotel owners, and affirms that diversity ownership is an important piece of Hilton’s business. “David Robinson has always been a leader on and off the court; people look up to him,” Fortier says. “And, now with hotel ownership among his many successes, we hope that other athletes and individuals looking to invest will follow in his footsteps and consider the hotel industry.”

Robinson likes the idea that with hotels, the business deals more with people. He admits he’s not an expert in the operations of a hotel. The operation of the Hilton Garden Inn Houston-Energy Corridor falls under the direction of Massad. “I like to come over and encourage people,” Rob-

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—David Robinson

den Inn, is the best performing sector at the moment.

When the pair looked at the hotel market a few years ago they saw a lot of promise, particularly in the select-service space. “When we first got into it the markets were soaring,” Robinson says. “As we’ve seen the world change a bit, now the opportunities are still there, they’re just different. There are a lot of distressed properties, a lot of over-leveraged properties. I think we are finding our niche for those opportunities.

“I think we’re under the radar. A lot of big groups are going out there and putting a whole lot of money to work,” he continues. “We’re in that

Hilton Garden Inn, originally developed by Nick Massad Jr. and American Liberty Hospital-ity. There were many reasons for the selection, not the least of which was their take on Hilton Worldwide as a branding company. “They care about the community, diversity ownership, diversity in their supply chain,” Bassichis says. “David has similar goals. We have similar goals as a company. Now we can go out and have a partnership together. If you go out and look at office buildings or apartment complexes or shopping centers, there are not the same opportunities where you have a company that cares so much about their brand and their customers.”

all sectors of the community,” he continues. “It’s a perfect partnership for us.”

The respect runs both ways. “We are always looking for avenues to diversify our ownership base. We have plenty of traditional investors within the industry and we are working to gain more African-American and Hispanic-American owners,” says Bill Fortier senior vice president of development, the Americas, for Hilton Worldwide. “With David Robinson’s star power, there is an opportunity to effect change.”

Fortier believes Robinson and other notable personalities with an influence in minority communities can inspire a new

Robinson says. And, an informal conversation with just about any employee working at the hotel reveals the staff respects him and his partners for their work. That’s not surprising given Robinson’s long-held reputation as an overall nice, giving, and unpretentious superstar athlete.

And one who is taking a different approach to hotel ownership to extend his properties’ reach beyond their own walls and out into the community. ■

*Read more from David Robinson and his thoughts on diversity ownership, partnering business with philanthropy, and his experiences with hotels during his playing days on LodgingMagazine.com.*