



Open **for** business

When the New Yorker Hotel embarked on a \$65 million renovation, it chose to stay open for the renovation. General manager Kevin Smith shares the secret of its success with Linda Seid Frembes

Finding a good hotel room in New York City used to be like tracking Bigfoot—you had heard of such a thing but had never really seen it. The accommodations in New York have come a long way now that the New Yorker Hotel has completed its \$65 million renovation project. The classic Art Deco-style 43-story structure built in 1929 has once again been transformed into a modern mixed-use building.

“We started talking about planning for the renovation in 2002. It’s counterintuitive to do renovations during

a downturn, but it makes sense because there’s always a block of rooms that are open,” says Kevin H. Smith, executive vice president and general manager of the New Yorker Hotel since 2003. Smith is a financial executive who has been on the board of directors of the hotel since 1994 and became managing director in 2000. “During a downturn, you’re not displacing any guests and losing revenue.”

Smith points out that many properties undergoing a renovation choose to close down completely to speed the process. Instead, the hotel remained fully



operational during the two-year renovation process. “We did it a few floors at a time. As a result, there were no layoffs and we generated revenue the entire time,” he says.

Currently, the New Yorker has completed renovating the hotel rooms. The building includes five floors of student dorms and eight floors of offices, with the top 21 floors for the hotel. Post-renovation, the hotel now has 912 keys. “We knocked down a number of walls to make small rooms bigger,” says Smith, who also notes that his property offers 25,000 square feet of meeting space and an 8,000-square-foot redecorated lobby that evokes the feel of the 1930s.

When the New Yorker Hotel was built in 1929, the property had 2,500 rooms and was the largest hotel in the city. Smith explains that it was early in I-beam construction, and the construction team put in more columns than necessary, resulting in more rooms. What hasn’t changed is the central location: advantageous proximity to Penn Station, Madison Square Garden, Macy’s department store and the Jacob Javits Convention Center, as well as a short walk to the subway. “Prior to the renovation, we’d been looking at the proposed development of Hudson Yards. There were many plans in place, but some

haven’t even started yet, such as the renovation of the Garden and the Javits Center. We didn’t want to be solely responsible for the development of the West Side, but now we’re leading the uplift of the neighborhood,” says Smith.

The key to the renovation was hiring a project management company with experience renovating hotels. The New Yorker worked with Phb Catalyst Group of New York City. “Staying open adds a new level of complexity. It was quite a management feat. In addition to our 500 employees, we also had 300 construction workers at the hotel. There are a total of 18 elevators, with 12 for passengers and six for service. It required a lot of coordination,” explains Smith.

About \$40 million of the budget was for rooms and public spaces, and guests will surely notice the new carpets, wallpaper, fixtures and furnishings. So far, the hotel has removed over 2,000 window air-conditioning units and decommissioned over 2,000 radiators. The hotel is realizing cost savings by installing a central chiller plant in the basement. Smith adds, “We’ll have payback in 10 years with a 20-year lifespan on the chiller. We also installed seven miles of copper piping to bring central HVAC to every room—all in all at a cost of an additional \$17 million.”

Instead of window units and radiators, each room has a quiet fan coil unit located in the closet or somewhere else in the room. The hotel also offers free WiFi Internet access with 44-megabyte bandwidth coming into the building. Each room also has a flat-panel high-definition LCD display. “The customer-centric renovations have to do with comfort and presentation,” says Smith. “The new HVAC allows us to change the look and feel of the rooms to a more modern presentation, while still keeping the sense of Art Deco.”

The remaining \$8 million of the \$65 million budget was not customer-centric but rather an investment in infrastructure, such as repairing the roof and repointing the façade. In fact, the entire front of the hotel on 8th Avenue has gotten a facelift, including new signage, stonework and a new marquee. Stonehill & Taylor served as the project architect, while M&T

Phb Catalyst Group

Catalyst Group is proud to have been associated with the renovation of the New Yorker Hotel. As construction managers, our involvement started from the beginning in assisting with the selection of the design team, program development, scope definition, budgeting, phased scheduling for the construction effort and coordination of the FF+E procurement and installation.

Bank provided the project financing.

To minimize the noise and disruption as much as possible, the renovation proceeded three floors at a time. "We found it was best to manage guest expectations at the desk while we were knocking down walls and core drilling through floors in the stairwell," says Smith. "We posted a schedule of when and where drilling would occur each day. We kept the guests informed because there is nothing worse than a negative surprise. People are very forgiving if you communicate the plans in advance."

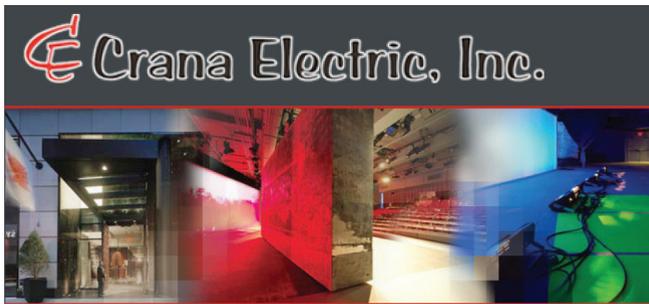
Smith also points out that, now that the renovation is complete, the New Yorker Hotel is in a good position with its newly remodeled property, despite a downturn in the economy. "We have a small loan-to-value ratio. We're a three-and-a-half- to four-star property that can price below the competition and still make money. Our rates are flexible, and we offer guests brand-

new rooms with modern amenities," says Smith, who uses his finance background to keep an eye on business management and at statistics like revenue per available room.

While the New Yorker may have a new face, its main goals remain the same: to be known for the best customer service in the city and to offer the best work environment for its employees. "We provide a good culture of service, so it will be naturally conveyed to guests," adds Smith.

Employee luncheons and employee-of-the-month recognitions are regular occurrences. Smith also hands out the General Manager Appreciation Pin whenever he hears that someone has gone above and beyond in helping a guest. Once an employee collects five silver pins, he or she can move up to one gold pin.

Smith concludes, "We've created a property that has no excuses. It now comes down to service." ■



Crana Electric, Inc.

Desire to Excel

Crana Electric, Inc. commend The New Yorker Hotel on its prestigious renovation.

We are proud to have partnered in this exceptionally successful endeavor.

Crana Electric, Inc.
600A East 132nd Street • Bronx, NY 10454
Tel: 718-401-7779 • Fax: 718-401-3833
www.cranaelectric.com



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phbcatalystgroup, inc.
440 Ninth Avenue, 18th Floor
New York, NY 10001
T 212.812.9370
F 212.812.9372
www.phbcatalyst.com



DANICA
GROUP, LLC

**10-01 37th Avenue
Long Island City, NY 11101**

**Phone: (718) 349-0200
Fax (718) 349-0259**

**Thomas Andreadakis
Member**