

Reduce, Reuse, Repurpose

Many hotel developers are breathing new life into historic properties instead of building from the ground up. Here's why.

BY CINDY KLINGER

When Richard Friedman of Carpenter & Company Inc. first thought about transforming an old jail into a luxury hotel, he wasn't sure it would be financially feasible. But something in his gut told him to forge ahead. It's a good thing he did, because Boston's former Charles Street Jail, now The Liberty Hotel, is a successful and stunning example of the power of adaptive reuse.

Listed on the National Register of Historic Places, the old jail contains the bulk of the hotel's public spaces, and most of the rooms are in a new tower. First built in 1851, the repurposed granite structure retains many vestiges of the building's former life: Wrought-iron bars in the restaurant CLINK remind diners of its punitive past, and Alibi, the first-floor bar,



(left) Historic rendering of Charles Street Jail; (right) The exterior of the Liberty Hotel

is lined with photos of former inmates. Even the jail's catwalks were left in place, though they now host fashion shows instead of prison guards.

"[A historic building] is an irreplaceable asset. You can't reproduce it. The jail was such an exciting project that I spent quite a bit of money and went through a whole series of developmental concepts before it was finally penciled out," Friedman says. "I always knew the jail was the Super Bowl of development."

Creating adaptive reuse hotels like The Liberty Hotel is a trend that is sweeping the hospitality industry. "Older and historic buildings are incredibly adaptable for uses other than what they were originally built for," says Adrian Scott Fine, director of the Center for State and Local Policy at the National Trust for Historic Preservation.

According to Mitchell Korbey, a land use attorney at Herrick, Feinstein, LLP, most zoning plans allow hotels to be located in commercial zones, but prohibit them in residential zones, which makes old ware-

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houses or other business buildings easy targets for adaptive reuse hotel projects. (The Liberty Hotel, for example, is located in a commercial area of the prominent Beacon Hill district of Boston.) He also notes that cities typically encourage hotel conversions because they support tourism.

Developers and owners are becoming increasingly aware of the advantages of working with historically significant properties, especially in high-barrier-to-entry markets, says Thierry Roch, executive director of Historic Hotels of America. Financial incentives, like local, state and federal tax credits, abatements, loans and grants, as well as environmental sustainability and a niche in the property's marketability, make them attractive projects.

Although the total cost of a project might be just as expensive as constructing a building from the ground up, historic preservation tax credits can reduce the development costs of adaptive reuse projects, making them more financially viable. In addition to restorations

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and renovations, potential dangers like asbestos must be addressed as well—all of which add costs. There are also interior code requirements, like putting operable windows in every guestroom. But the developer can sell the historic preservation and new market tax credits (often given to hotels opening in emerging neighborhoods or areas being gentrified) before the project is completed. Milwaukee's Iron Horse Hotel, built in a converted Berger Bedding Company warehouse, cost \$28 million, but developer Tim

Dixon of Dixon Development was able to bring the total down to \$19 million this way.

Another way to keep costs down in the long run is to preserve the architecture of a historic building. Dixon's project, a Harley-themed hotel located near the Harley-Davidson Museum, involved a total exterior restoration; the hotel also recycled some old wood flooring to create new benches and other accents. "I watched developer after developer disrespect [a] building and come up with a trendy look," Dixon says.

What does the future hold for the trend of historic buildings-turned-hotels? Here's a peek at a few adaptive-reuse hotels that have opened recently or will open soon.

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THE AMES HOTEL, which opened last month, is located in Boston's first skyscraper, the headquarters for the Ames family's agricultural tool company. The 114-room hotel has Richardsonian and Romanesque features and offers a glimpse into the building's history with an original staircase and lobby mosaic. www.ameshotel.com

THE CHATWAL NEW YORK, opening in spring 2010, will be a five-star hotel in Manhattan's theater district. The hotel is located in the former Stanford White building, which was originally a space for America's first professional theatrical society, the Lambs Club. The building, completed in 1905, embodies the Empire Art Deco design movement. www.thechatwalny.com

Lancaster, PA, will welcome the CORK FACTORY HOTEL, a luxury boutique property that was once the Armstrong cork factory, this March. The 75-room hotel will feature cork wallpaper in the lobby and public restrooms, old Armstrong Cork ads and artifacts, as well as a restaurant called Cork & Cap. www.corkfactoryhotel.com



“It looked good for 20 minutes, but after a couple of years, that building became outdated. I would rather respect a building that’s been around for 100 years and work within the context of that building and its neighborhood—the longevity of your investment is forever.”

Adaptive reuse hotels also have an edge when it comes to sustainability. According to Fine, statistics show that building construction consumes 40% of the energy and raw material used in the global economy each year. “Recently, we came out with a statement that the greenest building is a building that’s already here,” he says. It’s more eco-friendly to retrofit an existing building, making it more energy efficient, than to tear it down and build a “greener” one in its place. Building reuse preserves the energy it takes to manufacture and transport building materials, and also reduces the demand for new construction.

While being eco-friendly can make a property more marketable, Roch says that adaptive reuse hotels have an edge for other reasons. Ones that offer an over-the-top experience can attract those looking for a unique hotel. For example, those with a penchant for flying would jump at the chance to stay in a converted 1968 Sikorsky HH37 Sea King Pelican helicopter—complete with a bar and entertainment center—at Winvian, a resort in Litchfield Hills, CT, that’s comprised of 19 themed cottages.

And at the Craddock Terry Hotel, a former shoe factory in Lynchburg, VA, an array of shoes are sprinkled throughout the building, including individual wooden ones hanging on each of the 44 guestroom doors and red high-heel pumps that can be seen from the highway. “I think it’s a different concept... so the general public is kind of taken with it,” says Jackie Gorman, sales manager for Craddock Terry. “We’ve had world travelers say this is one of the best hotels they’ve ever stayed in, and I think it’s because it was something they weren’t expecting and it’s got a story to it.” ✂