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**CAN ANDRÉ BALAZS
BRING GOLD STANDARD
TO HOTEL MEATPACK?**

The Last Cool Building



BY CHRIS SHOTT

At a time when many New Yorkers are pinching pennies, hotelier André Balazs is decorating the floor with them.

“Oh, fabulous!” said Mr. Balazs, 51, lending his enthusiastic two cents on Jan. 23 to a sample layout of the shiny copper coins. “That’s exciting! I love it!”

Hundreds of the pennies will soon be embedded into the dark grayish grout floor of the yet unfinished, yet unnamed restaurant space located on the ground level of Mr. Balazs’ hugely hyped new hotel, the 337-room Standard New York, a towering 18-story monument of concrete and glass built on steel trusses above the elevated High Line Park at the corner of Washington and West 13th streets.

“A lot of these old steakhouses had sawdust on their floors, and we were looking for a similarly prosaic kind of material,” Mr. Balazs would later try to explain. “Then we were toying with this Standard being kind of the gold standard amongst the other Standards. It just got off on one riff after another.”

The decorative currency is just one of many unique touches at the modish new inn, which is now in the midst of its soft opening; floors 4 through 10 are currently open to overnight guests at discounted room rates, ranging from \$195 to \$350 nightly, but the rest of the place remains a construction site. A planned rooftop lounge, scenic 18th-floor bar and ground-level eatery and beer garden, among other amenities, are scheduled to open in May.

Next month, Mr. Balazs

will be outfitting the hotel’s elevators with an eye-catching new video installation by noted artist Marco Brambilla. “It’s sort of a journey from heaven to hell and vice versa as you go up and down the elevator,” Mr. Balazs said.

Completing the projected \$200 million hotel will mark a personal milestone for Uma Thurman’s ex, who had never before constructed an entire new hotel from scratch. The glamorous, celebrity hot spots for which Mr. Balazs is best known—including the Mercer in Soho, the Chateau Marmont in Los Angeles and the Raleigh in Miami—were all rehabs of existing historic buildings.

“It’s somewhat of a crowning achievement for him,” said Serge Becker, owner of La Esquina restaurant in Nolita and partner in the popular

Lower East Side cabaret theater the Box, and a longtime friend and former business associate of Mr. Balazs who helped design the Mercer’s interior.

And talk about timing! A few months later in obtaining the proper financing and—poof!—the looming economic crisis might have wiped out the entire project.

As it stands, Mr. Balazs’ hotel may very well be the last unapologetic salvo of New York’s recently departed boom, literally a monument to the muscular, ballsy dreaming that swept the cityscape at the 21st century’s dawn.

“He just got to finish before the whole thing collapsed,” Mr. Becker said. “It’s one of the last buildings that’s going to go up for quite a while in New York.”

“I’m very proud of it,” said Mr. Balazs, smartly dressed in a blue suit, as he strolled the open-air

It feels like 2007 in here! André Balazs' Standard hotel may just be the boom's last laugh—its floors are embedded with pennies! But can a gold Standard make it during the Great Bust?

Oh, André! Mr. Balazs on the Standard's 10th floor; the hotel straddles the High Line; and the view from the tub.



plaza outside the new hotel's rather understated entrance on the afternoon of Jan. 23. "I think it incorporates a lot of years of thinking about rooms and spaces and everything else.

"I'd like to think that it's a particularly successful interaction and insertion of a modern building in a very interesting, historic and rough-and-tumble neighborhood. I think that was the challenge, and I think it's working. I mean, just looking at this corner here, you're almost not even aware that there's a building up there."

This is Mr. Balazs' second attempt at establishing a New York flagship for his stylish Standard brand of mid-priced hotels, which also includes two Los Angeles outposts and another in Miami Beach.

His earlier plan to build at 210 Lafayette Street was derailed

in the aftermath of the 2001 World Trade Center attacks. "No bank was interested," Mr. Balazs said. "They just assumed that New York was dead to tourism and therefore there was no interest in financing a hotel." Both that site and a second planned hotel at 40 Mercer Street would instead become condominiums.

In 2004, Mr. Balazs shifted his gaze from trendy Soho to the emerging meatpacking district, purchasing the lot at 848 Washington Street from the Nebraska Meat Corp. for \$18 million. It was a site that other developers had shunned, considering the elevated CSX train tracks running smack through the middle of the property, which many viewed as an impediment to construction and thus hoped to demolish.

Mr. Balazs instead saw

opportunity. "The minute we saw the site, I was trying to figure out how to do it," he said. "It was clear that the only way to bring the building to an acceptable height would be to build over the High Line."

In fact, Mr. Balazs was so far out ahead of the effort to preserve and convert the elevated track into a public park that rules for adjacent development had yet to even be established. The hotel developer had to move forward quickly, he said, in order to avoid any strict new guidelines that might rein in his ambitious plan.

"Basically, all of the real practical issues that we faced were sort of dealt with by the city as the first time ever thinking about it," Mr. Balazs said. "How close can you be? How do you interact with it? The city maintenance of the

structural integrity of the High Line—these are all things that were literally being vetted as we raised the issue. No one had thought about them before. In fact, there wasn't really even a department responsible for responding to it. One of the benefits of having been there at that moment in time is the fact that I don't think anyone else will build over the High Line again unless the city makes a special exception."

"The High Line was actually reacting to us, as we moved forward," concurred Standard architect Todd Schliemann, whom Mr. Balazs selected for the complicated project based on his nonuniform sensibilities and technical prowess. "So, we had to negotiate very carefully and make sure we weren't going to disturb anything that the High Line was doing. ... It's kind

of like building a bridge from two sides and meeting in the middle, which was tricky. Once we got going in the middle floors it was much, much easier.

Mr. Schliemann worked closely with the developer on creating the distinctive look of the place. “André’s very sensitive, very hands-on,” Mr. Schliemann said. “He’s never built a new building before. But he understands space and materials. And he has a style. Actually, he has an anti-style, in a way. André doesn’t follow trends and he doesn’t expect people to follow his trend. He’s looking for something original.”

The pair took inspiration from the eclectic stylings of international architects Oscar Niemeyer and Eero Saarinen.

“It was a lot of fun to watch it go up because it intrigued so many people,” Mr. Schliemann said. “They didn’t know what was going on. That’s always fun, as an architect, since you know what it’s going to look like—and we never told anybody.”

Mr. Balazs is quick to point out the various attributes that make the hotel stand out. “It’s a very unusually thin building,” he said, peering at the side of the slender structure from across Washington Street. “Other than the United Nations building, there’s no other building this thin. And that’s a function of what’s inside. Mainly, it’s just hotel rooms on both sides of the corridor.”

While many modernist structures feature floor-to-ceiling windows, he pointed out, few are so clearly transparent. “Almost all buildings this size have typically a tinted green or blue or silverish glass,” he noted. “And this is a very special low-ion glass which makes it almost crystal clear. ... What that does is, it pushes you out onto the city, the separation between the inside and outside is minimized therefore making the inside seem more spacious.”

Not to mention voyeuristic. “About three weeks ago, I

was walking up Washington Street,” said the architect, Mr. Schliemann. “In one of the windows, the shades were pulled back. I could see the bed because the bed is very, very close to the glass. The bed was messed up, you know, it was just dueling white sheets. And the curtains were wide open. I noticed there was this little maid in the room. And, you know, André’s got the maids dressed up in little maid skirts that are very, very short and have some very nice stockings. So the maid gets between the bed and the glass and bends over—bends over!—then basically puts her behind right on the glass as she’s making the bed because she had to. And I thought, ‘Fabulous! There it is! That’s it!’

“It’s an experience to be able to look into this building. You can actually see inside it and see quite closely all the different lives of whomever chooses to leave their curtains open.”

He added, “I think the paparazzi are going to set up in the buildings just south of there. They probably bought some condominiums so they can have a permanent station.”

For all his obvious pride in the project’s artistry, Mr. Balazs seemed fully aware how lucky he was with the timing. “It’s unlikely that there will be anything quite as ambitious as this built in the next few years in New York,” he said, noting that several of his own subsequent projects have been thrust to the back burner amid the ongoing financial crisis. “There’s going to be a real serious hiatus. And I think when [the economy] comes back, it’s going to come back gradually and it’ll be much more conservative, if you will.”

The current economic situation also poses serious challenges to the new hotel’s sustainability.

Rival hotelier Fred Kleisner, CEO of New York-based Morgans Hotel Group, predicted that the new Standard would



be “an immediate aesthetic success.” But, he added, “it will have significant fiscal challenges.”

The once hot hotel market that dominated much of the Standard’s construction phase has cooled off considerably. “Demand has fallen,” noted Mr. Kleisner, whose own Delano hotel is a head-to-head competitor with the Raleigh in Miami and whose forthcoming 347-room Mondrian Soho, scheduled for completion in late 2009, will compete directly with the Mercer. (He further hinted at an unannounced new venture in the Standard’s own meatpacking backyard: “Look for an announcement one day this quarter.”)

“What has fallen significantly is the average daily rate potential across all segments throughout New York,” Mr. Kleisner said. “That’s going to be a slower recovery.”

Operating shortfalls that typically mark the first six months of a new hotel’s life cycle may now last for a full year or longer, he added.

“I’d rather be opening at the end of this year in the fourth quarter than in the first part of the year,” said Mr. Kleisner, who further questioned, given the Standard’s considerable price tag, whether Mr. Balazs would be able to maintain his commitment to lower-than-luxury rates. “If we can assume

\$200 million is the investment on 330-odd rooms, that’s a big number for a medium price point to make it work,” Mr. Kleisner said.

“There’s nothing to suggest that [the Standard] won’t be well executed,” he added. “André’s particularly good at getting things started with a big splash. Sustainability of service in the face of fiscal challenges is going to be a challenge for any company.”

Mr. Balazs, meanwhile, expressed nothing but confidence in his business model. “I think what the Standard is is exactly where the market should be right now,” he said. “I wouldn’t want to be opening a luxury hotel today because you’ll end up getting the same price as we’re getting here. So, I think we’re in exactly the right place in terms of the market positioning. It’s a great product, so I have no concerns about it, in terms of, you know, occupancy. And we’re doing well overall relative to the whole market. No question it’s going to be a challenge. Not so much for us but for the whole industry.”

Yet even Mr. Balazs isn’t sure what the future holds in terms of how much it’ll cost to get a room at the boom’s last great building.

“It’s too early to say because the market is changing,” he said, standing in a corner room overlooking the Hudson—the hotel’s biggest and most expensive, currently priced at the discounted opening rate of \$350 nightly. “The Standard is about an affordable price, which is a question of relativity to what the market is. There’s no question, if this was a room in the Four Seasons, it would be like \$1,200. But where you price it, vis-à-vis what the audience is, is sort of a function of where the market is. I think things are changing so fast right now that I would hesitate to say what it is when the hotel is fully open in July.”