

Geller aims for timeless over trendy at new Conrad Hotel

If you ask Laurence Geller about his new Conrad Hotel, he won't hesitate to tell you what it won't be: trendy.

Set to open in mid-September, the 289-room hotel just off North Michigan Avenue doesn't have "tables hanging off the ceiling and dramatic stuff that says 'What the heck's that?'" said Geller, a longtime Chicago hotelier known for his strong opinions.

"The whole thing is just understated elegance," said the 68-year-old Brit. "I wanted something literally that will stand the test of time and not become dated as so much of this stuff does."

The hotel, a retrofitted office tower, has female-friendly bathrooms—with big showers, lots of counter space and enclosed baths—big views of the city, an atrium on the 20th floor and a rooftop lounge.

"It isn't going to be a beer-and-Skittles crowd where everybody goes up, gets giant cocktails for \$17, doesn't eat anything and jams the elevators," Geller said.

Best known as the former CEO of Strategic Hotels & Resorts, Geller set out on his own after leaving the real estate investment trust in 2012. Since then, he has acquired two hotels—a 570-room Marriott in Washington, D.C., and the 188-room Waldorf Astoria in the Gold Coast—and

undertaken the Conrad project, at 101 E. Erie St.

In a recent interview, Geller discussed the Conrad, the Waldorf, the state of the downtown Chicago hotel market and his ambitious plan to bring a \$250 million aerial gondola ride over the Chicago River. Here are edited excerpts from that conversation:

CRAIN'S: What appealed to you about this property?

GELLER: I wanted to be as close to Michigan Avenue as possible. There was no way I was going to find land for a new hotel on Michigan Avenue was practical. In this office building, the lease with (advertising agency) FCB was coming to an end. We negotiated an off-market transaction, and it was the only way I knew I could get myself a building that could be luxury on Michigan Avenue that was financially competitive.

CRAIN'S: There are a lot of hotels in that neighborhood. What's the competitive advantage of the Conrad?

GELLER: A, it sits right on Michigan Avenue. The location on Erie—28,000 pedestrians walk past it in the summer. Secondly, because the bedrooms start at the eighth floor, your views all around the building are pretty well unlimited. And it's brand new and consumer research-designed against the modern traveler as against the old traditional baby boomer. It's a very, very elegant luxury hotel designed for people between 30 and 50 who are the high-end travelers today and making
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decisions. You check in on the 20th floor with a great atrium overlooking the city. Then the 19th floor is an entire meetings-level floor, so you've got over-the-city views from every meeting room and floor-to-ceiling windows.

CRAIN'S: Tell me a little bit about what you're doing at the Waldorf.

GELLER: We wanted to make it nationally iconic. We added 26 rooms—they're open now. We added 50 percent more meeting space—that's done. And then we're now starting on food and beverage. There will be an indoor and outdoor street level cafe/bar, a bar on the second floor and a fabulous signature restaurant on the third floor called Bardot. Then we are really revamping the courtyard. Without leaking too many things about it, there will be two cafes in the courtyard, great lighting, great landscaping and it will be a gated courtyard. It's something Chicago hasn't seen.

CRAIN'S: Talk a little bit about the downtown hotel market. It got off to slow start this year. What's your assessment of the market right now?

GELLER: I'm glad you asked that because I read so much nonsense, serious nonsense about the hotel market. The downtown hotel market got off to a slow start for a number of reasons. First of all, nationally the first part of the year was a bit slower. Secondly, McCormick Place and the city pretty well had some indigestion from having gaps in the convention calendar, whether it was Olympic malaise or whatever excuses, but we never filled it. The demand has generally been picking up during the year. As to supply, I chose north

of the river deliberately. I chose luxury deliberately. There isn't any luxury supply coming in. We've got a lot of limited-service product coming in. And I think that generally is a rate depressant on the whole market, including luxury. But I don't think it has much of an impact on the luxury market north of the river because the bulk of the supply is south, and the bulk is west.

CRAIN'S: In May, you proposed a bold idea: A \$250 million privately funded gondola ride over the Chicago River, among other things. What kind of a response have you gotten to that idea? What are the odds of this happening?

GELLER: It's been stunning to me. I thought it would be everybody laughing and poking fun at this. Given the thousands of naysayers that you'd normally get for a project, we haven't had one. We are looking now into much more specific financing comments and sponsorship deals. So I will say if the momentum continues, it would shock me if it didn't get done. If the political will isn't in the city, it won't get done, but we've seen no evidence of that.

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