

Nobody Asked Me, But... No. 41

A Landmark Hotel Is Saved; Hotel Developers Take Note; Heads in the Sand?; A Great New Source of Business; Boutique Hotel Bandwagon; Impertinent Questions; Quote of the Month

By Stanley Turkel, MHS, ISHC

1. A Landmark Hotel is Saved- The final Belleview Biltmore renovation plans proposed by the new owner, Legg Mason were unanimously approved (with some minor changes) by Bellaire town officials on May 20, 2008. The project will include replacing the Japanese pagoda-like entrance to more of its original Victorian look; a new East wing separate hotel will be three stories instead of four but extended by 30 feet wide; more meeting, convention and ballroom space; a new poolside café, a new spa and a new underground parking garage. Congratulations to Diane Hein and all the “Save-the-Biltmore” preservationists.

2. Hotel Developers Take Note- There is a section of a major United States city which has more than 1.5 million residents. According to the AAA 2008 tour book, there is only one hotel that is recommended. I’m talking about the borough of the Bronx in New York City (my hometown). It happens to be the borough of universities and parks. It is the home of Yankee Stadium, Fordham University, Manhattan College, the Bronx Zoo and the Bronx Botanical Gardens. The Bronx is home to three of New York City’s most elite private schools: Fieldston, Horace Mann and Riverdale Country; as well the Albert Einstein College of Medicine, a division of Yeshiva University. The lone hotel in the AAA guide is a clean and well appointed 45-room Howard Johnson Motor Lodge. By itself, the Bronx would be the fifth largest city in the United States.

3. Heads in the Sand? In a recent issue of Hotel Business magazine (June 7-20, 2008), large ads appear by the following major franchise companies soliciting new franchisees:

- Doubletree
- Embassy Suites Hotels
- Carlson Hotels Worldwide
- The Hilton Family
- La Quinta Inns & Suites
- Element by Westin

Not one of them mentions any of the issues that are of critical importance to all franchisees: guaranteed areas of protection, annual exit opportunities, termination and liquidated damages, amenity creep, flexible fee structure, choice of venue, etc.

Two other ads by smaller franchise companies also appear in this same issue of Hotel Business. They are:

- Guesthouse and Settle Inn
- Budgetel

These two franchise companies are franchisee-friendly and feature franchise agreements which provide guaranteed areas of protection, annual exit opportunities, flexible fee structures, a voice in brand amenities and other fair franchising arrangements.

QUESTION:

If hotel owners would sign franchise agreements only with those franchise companies who complied with AAHOA's 12 Points of Fair Franchising, how long would it take for the non-compliant companies to change their franchise agreement?

4. A Great New Source of Business- Starting on June 17, 2008, Chinese citizens are to be allowed to apply for United States-destined travel in groups. Within six months, travel agencies in nine Chinese cities will be able to organize local residents for group travel to the U.S. Are you ready?

5. Boutique Hotel Bandwagon: The boutique concept has taken the industry by storm. It seems that hotel companies are rushing new brands into the marketplace just as occupancies are softening. Is it proliferation or overkill?

Hotel Company

Starwood

Choice

Marriott/Schrager

New Brands

Aloft

Element by Westin

Cambria Suites

Ascend Collection

Edition

Hyatt	Hyatt Place
	Andaz
InterContinental	Indigo
Accor	Adagio
	Phoenix
	All Seasons
Personality Hotels	Union Square
	Kensington Park
	Vertigo
Grace Hotels	Monroe
Gansevoort Hotel Group	Gansevoort
Joie de Vivre	Domain
Noble House Hotels	Deca
Larkspur Hotels	Saint Claire
Pedro Castro	Attitude
Starwood Capital Group	1 Hotel & Residence
Tecton Hospitality	Desires
	Cassa
KOR Hotel Group	Viceroy
	Tides

6. Impertinent Questions in Search of Pertinent Answers

- Isn't it shortsighted and self-defeating for hotel companies to charge miscellaneous fees such as:
 - handling charges for overnight packages
 - use of the fitness center and/or swimming pool
 - internet access
 - daily resort fees

- Shouldn't CEO's receive bonus payments only when their companies surpass budgeted profit margins?

- Why can't hotels in the United States install the following amenities which are found in hotels all over the world:
 - A single button to lower the blackout shade and close the drapes
 - A switch by the bed to turn out all the room lights
 - An HVAC sensor that is activated by the electronic room key. This device reduces the guestroom air conditioning when the room is unoccupied. (This is not a new technology. I used an earlier version in my Sheraton Hotel in NE Philadelphia twenty five years ago.)

7. Quote of the Month

“Possibility’s slow-fuse is lit by the imagination.”

Emily Dickinson

Stanley Turkel, MHS, ISHC operates his hotel consulting office as a sole practitioner specializing in franchising issues, asset management and litigation support services. Turkel’s clients are hotel owners and franchisees, investors and lending institutions. Turkel serves on the Board of Advisors and lectures at the NYU Tisch Center for Hospitality, Tourism and Sports Management. He is a member of the prestigious International Society of Hospitality Consultants. His provocative articles on various hotels subjects have been published in the Cornell Quarterly, Lodging Hospitality, Hotel Interactive, Hotel Online, AAHOA Lodging Business, etc. If you need help in negotiating a franchise agreement or with a problem such as encroachment/impact, termination/liquidated damages or litigation support, call Stanley at 917-628-8549 or email stanturkel@aol.com.