

Showtime for DoubleTree downtown

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By [Don Spatz](#)

Visitors in suits and business attire recently scrambled among workers in hard hats and the last of the dust inside the DoubleTree by Hilton hotel in Reading.

The former, from several groups wanting to book the 209-room hotel at Seventh and Penn streets, were taking their first tours of the facility that got its occupancy permit earlier in the day.

The latter were scrambling to add the final touches after two years of construction.

Their choreography was organized but urgent, because it's showtime.

After much hype, the hotel that was seven years in planning and cost well over \$60 million to build and furnish opens in early December.

The grand opening for developers and contractors and investors is Dec. 14. But the soft opening - the first day anybody can come in and ask for a room that night or a table in the restaurant - is Dec. 8.

"It has \$3 million in bookings, and the hotel is not even open," retailer Albert R. Boscov, the lead developer, said last week.

Boscov's project has one purpose: Help revitalize the downtown.

He describes the hotel opening as just another step in the city's return, since no single step will change things dramatically.

"It's step by step," he said.

But Boscov said the DoubleTree, with the Hilton name and twice as much convention and exhibit space as its biggest rival, the Crowne Plaza Reading in Wyomissing, is a major city asset and adds to Reading's ability to attract more people, more tourists and more new businesses.

However, he added that the downtown itself needs to accommodate the hotel guests with more restaurants and more retail that appeals to hotel guests and potential out-of-town shoppers.

"All these things are together, we believe, a way that Reading can come back," he said.

What the DoubleTree plans to offer guests is an experience, said general manager Craig E. Poole, whom Boscov hired away from the Crowne Plaza a year ago.

Better experiences

"The greater the experience, the more they'll come back, and the more they'll pay," Poole said.

Part of that is in the hotel's opulence - stone and heavy wood finishes, carpets at more than \$200 a square yard with huge sunburst flower themes - and attention to detail such as installing electrical outlets in guest rooms 42 inches off the floor, so guests don't need to poke around behind tables and desks to find them.

Part of that is being across the street from the Santander Arena, making it a convenient place for guests and artists to either stay overnight or finish off the evening in the restaurant.

Part of that is Poole's plan to suggest many local restaurants or places to visit - the Reading Public Museum or the GoggleWorks Center for the Arts - with a shuttle bus to get them there.

"We can use these assets to make guests' experiences better," he said.

Part of that is hiring the right staff, Poole said. The hotel has 100 full-time employees and 50 part-timers, most of them from the city.

And, he and Boscov said, the DoubleTree will provide the opportunity for existing downtown businesses to thrive, and new businesses to come in.

Downtown impact

"First, it will help the restaurants," Boscov said. "The shops will follow."

Poole said existing downtown shop owners who see the hotel guests as a potential new customer base will be prepared and will prosper.

But those making money off low retail or paying employees under the table will end up selling out or being put out, he said.

"They'll figure out that they don't belong, and move to a different location," he said.

He said people running shoddy-looking shops still can win by freshening up the furnishings, and cleaning up their shops and the sidewalks in front.

And newcomers will want to buy in, in part because properties are so inexpensive.

"The little guy who's legit: he'll either change or get bought out," Poole said. "Businesses will move in if the city has a good hotel, some good retail and some restaurants."

12,000 nights booked

The DoubleTree staff has been booking groups rather than transient guests, which are individuals or families who book on their own.

Poole said it's already booked 12,000 room nights from various groups, among them 3,500 room nights over the next year for bus tours using the DoubleTree as a base to get to local venues or places such as the Sight & Sound Theatre near Lancaster. He expects transient bookings of more than 20,000 room nights this year.

The day the DoubleTree opens, he said, people all of a sudden will see what it has to offer and begin making plans.

"We have six weddings booked, and I don't think the first bride had been in yet," Poole said. "We'll probably do 20 to 25 weddings the first year, 50 to 80 weddings the second.

Our goal is 100. It's very realistic."

\$67 million spent

According to Poole, the cost of building and furnishing the DoubleTree was \$67 million, or \$3 million over budget.

However, Boscov said it wasn't that much, although he declined to provide a figure.

But both acknowledge the cost overruns - stemming in part from inflation in U.S. steel and other prices since the budget was created several years ago - were worth it and were covered by a low-interest loan from Boscov's Department Stores Inc.

"We are spending money to do it right, and it seems to be paying off," Boscov said.

Poole said if someone would have built the same hotel for half the money, it wouldn't have the same impact.

Hotel funding came from three sources: grants, local investors and loans.

Boscov declined to say how much local investors put in or the amount of the loans.

However, the DoubleTree got \$27 million in grants, he said.

"Former Govs. Ed Rendell and Tom Corbett, the federal Department of Housing and Urban Development, and anyone I could take my tin cup to, helped us," he said. The original plan figured the DoubleTree would either lose a little money or break even the first year. Boscov now expects the hotel to make a profit from the start. He and Poole noted several reasons for the change. While the costs came in higher than expected, the rates the hotel can get also are higher. Also, the hotel now projects a higher occupancy rate the first year, 63 percent, while the greater Reading hotel market averages 54 percent. And the hotel gets key tax benefits from the Keystone Opportunity Zone in which it's located.

Tax breaks

The zone abates most state and local taxes for firms within it, in this case until 2020.

"We have about a 12 percent advantage because of the KOZ for the first five years," Poole said. "So when the KOZ goes away we'll be in a position where we can make a profit without the KOZ."

After that, assuming the city tax rate stays at 17.689 mills and the \$60 million-plus hotel is assessed by the county at just \$20 million, it will pay total property taxes of about \$850,000 a year, or \$350,000 just to the city.

"I look forward to that," Poole said. "I hope we pay more taxes than that because we're making more than that."

'Don't plan to fail'

Boscov said he hasn't failed in any of his earlier projects, among them the GoggleWorks Center for the Arts, refurbishing 600 city homes, bringing in Reading Movies 11 and building the GoggleWorks Apartments.

"We don't plan to fail on this one either," he said.

"How can you do anything positive if you don't believe in yourself?" he asked. "We can make this happen."

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