



NYC hotel industry to rebound despite negativity - by Richard Xia

February 16, 2021 - New York City

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Contrary to negative headlines, a number of exciting new hotels are scheduled to open their doors and welcome visitors to New York City in the near future.

I am proud to be part of this group that includes such names as the Pendry Manhattan West Hotel in Midtown, NoMad Ritz Carlton at 1185 Broadway in Manhattan, and the soon-to-be completed Eastern Mirage in Flushing.

Recent news stories have focused more on loan defaults and property closings, with headlines such as “Lender Might Take Over Troubled Hilton Times Square,” and “What Happens To All of NYC’s Empty Hotels?” However, I believe it is important to set the record straight on the New York City hotel industry so travelers will feel welcome, and investors can act with confidence on future developments.

One example of the media’s current focus on negative news was a recent article that relied almost solely on an unverified complaint to allege a lack of progress on Eastern Emerald, a luxury hotel and convention center project in Corona, Queens. The article alleged that conditions are “not much better” than they were in 2019. However, a record search and visit to the location reveals a fully remediated and excavated site that is in preparation for the next phase of construction, after the New York City Board of Standards and Appeals approved the project in November 2020 to be a mixed-use building with a total of 350,178 s/f.

Citing court papers, the article also alleges, “By January 2019, work had hardly started on the project.” In actuality, several public utility lines had failed adjacent to the site, which created substantial damage to the support of excavation system that had already been installed. Following this incident, several forensic engineering experts were engaged to assess the damage and evaluate its potential causes. Based on their investigations, it appears that the soil underneath Northern Boulevard next to the site sustained severe undermining and subsidence as a result of a leaking DEP water main line, leading to a major sinkhole and collapse of the street.

Furthermore, as this location had served as a used car dealership and maintenance and automotive repair shop for more than 80 years, over a foot of petroleum-contaminated water at a depth of 50 ft. was discovered. As a result, the project entered the NYS Brownfield Remediation Program, and the developer and its affiliates personally completed the necessary remediation work—removing more than 88,000 tons of soil/fill—all in compliance with and based on NYS Department of Environmental Conservation standards.

Media publications may have a legal right to cite unverified court documents and sources in their articles, but I believe any alleged claims should be confirmed through additional research and corrected when found to be inaccurate, or as in this case totally unsubstantiated.

While the past year has been challenging for many hotel owners and developers in the city, it is important to look beyond the current pandemic and envision a time when visitors will return in large numbers.

With vaccinations in full swing and herd immunity anticipated in the near future, New York will once again become a leading travel destination for people from all over the world. It would be a refreshing change for certain media outlets to begin supporting the industry's recovery, or at least not get in its way.

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