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## Nightclub impresarios redo the inn

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*Bowery Bar founders join nightclub owners making transition to hoteliers*



Eric Goode and Sean MacPherson in the Bowery Hotel, which they opened last year.

By Amanda Baltazar

When Eric Goode and Sean MacPherson acquired the Riverview Hotel on Jane Street in Manhattan a few months ago, they were no doubt counting on their backgrounds in the hospitality industry to guide them.

The \$27 million purchase, which was finalized in January, is the third Manhattan hotel the two own, in addition to the Bowery and the Maritime.

The hotel portfolio, however, was built on earlier nightclub experience. The partners can count the Bowery Bar (now B Bar and Grill) in the East Village, the once-flamboyant Area in Tribeca (which closed in 1987) and Olives in the W Union Square as part of their mini-empire.

These building blocks paved the way for the cruise-ship-like Maritime Hotel, which they opened in 2003; the Bowery Hotel, which they opened in February 2007; and most recently the Riverview, which they just started restoring.

The two — who also run the Waverly Inn and the Park together — are members of the growing rank of high-profile nightclub or restaurant owners who have fashioned themselves into hoteliers. Rapper Jay-Z, who already runs a successful nightclub chain, is reportedly launching a five-star hotel. Robert DeNiro is following the success of his Tribeca Grill restaurant and his Nobu sushi empire by gearing up to open the Greenwich Hotel this spring. And Ian Schrager, who ran the famed Studio 54 and the Palladium, and was recently called the "godfather of boutique hotels" by the New York Observer, is now focused on a chain of hotels with Marriott International.

While the paths of all of those players have been well-documented, the question remains: How does a nightlife background prepare one for the hotel business?


Those who have made the jump said their experience making sure diners or clubgoers are satisfied has helped them build a strong service-oriented operation, perfect for dealing with hotel patrons.

In the case of Goode, 50, and MacPherson, 43, their background also helped with financing, convincing investors that they were a risk worth taking. Goode pointed out that it typically costs \$100 million or more to launch a new hotel.

The Riverview, a 211-room, 100-year-old hotel, is in a state of disrepair, and until now has been operating as a single

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room occupancy operation.

"It's really going to be a youth-oriented project, and it will be a much lower price-point because it's effectively a youth hostel," MacPherson said.

During a telephone interview with *The Real Deal*, he said he expected the renovation there to take about a year.

Unlike the Bowery Hotel, where the two put in the trendy Gemma restaurant, no new restaurant is planned at Riverview. The restaurant now in the hotel will continue to operate, MacPherson said.

Things have not been completely smooth sailing for Goode and MacPherson. According to the city, the Riverview was fined \$5,000 in January for failing to comply with a stop work order. MacPherson said the matter was a misunderstanding.

"Because it's an SRO [single room occupancy], you can't change the room configurations, but people didn't realize the rooms weren't being changed. It's all a 25-year saga, and we have nothing to do with it; it's a typical Kafkaesque situation we were dragged into," he said.

MacPherson said hotels are relatively simple compared to the restaurant world. He said, "It's all hospitality, all human, and catering to people's emotional side."

That has meant he and Goode have invested in features like a spa and a pool to add value for guests. It also means paying attention to detail, such as ensuring the light switches and electrical outlets are in the right places, MacPherson said. "Something both Eric and I have learned over the years, and believe in, is that you don't need to focus on the razzle-dazzle but on the nuts and bolts," he explained. "The only way to get them to return is to give them value on an emotional level."

Goode said that as the thrill of nightclubs wore off, the allure of a more stable, long-lasting hotel became appealing. "The nightclub experience was so ephemeral, and about being in constant flux, that it was like opening a play on Broadway, and we went into it very aware that we wouldn't do it forever," he said.

He said at the Bowery Hotel, they tried to build a place that is not just trendy, but also delivers a quality product. He said these days, he is "more interested in creating things that are really nice for me and my patrons."

"In nightclubs I was trying to be artistic and creative, and not making that last," Goode said.

Michael Overington, partner and president of development for the Ian Schrager Company, which has experience in both realms, said nightclubs are great training grounds for the hotel business because while they are only open for five or six hours, they are very service-intensive.

"Everything's got to run smoothly in high speed, fast-forward, and your guest has to have a complete experience and want to come back," he said.

Schrager himself was recently quoted by the New York Observer saying that he had the hotel landscape to himself for 10 to 15 years before other like-minded nightclub owners started making the move. But he said he didn't think a boldface name or "branding" alone was enough. He called it a "jumpstart in getting things going."

MacPherson said for him, the move from clubs to hotels was part of a natural evolution. "When I was younger," he said, "it was about the theater, but as I get older, I want to sustain a business over time."

"I just like the idea of continuing to grow," he added. "I don't think I'd want to continue to do any single thing, and there will probably be another evolution sometime."

Nonetheless, he said that he doesn't see the pair leaving the hotel world. He declined to reveal any details on upcoming projects, but the duo reportedly has another New York project in the works, as well as a possible new venue on the West Coast.

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