

New room at the inns

■ In a flurry of building, Island hoteliers are adding properties aimed at the lucrative corporate traveler

BY JAMIE HERZLICH
SPECIAL TO NEWSDAY

The Island's first La Quinta Inn is slated to open its doors in March in Bohemia.

A Hampton Inn will follow this spring at the former heliport site in Garden City.

And developers of a Courtyard by Marriott and a TownePlace Suites by Marriott are pushing for a December opening in East Farmingdale.

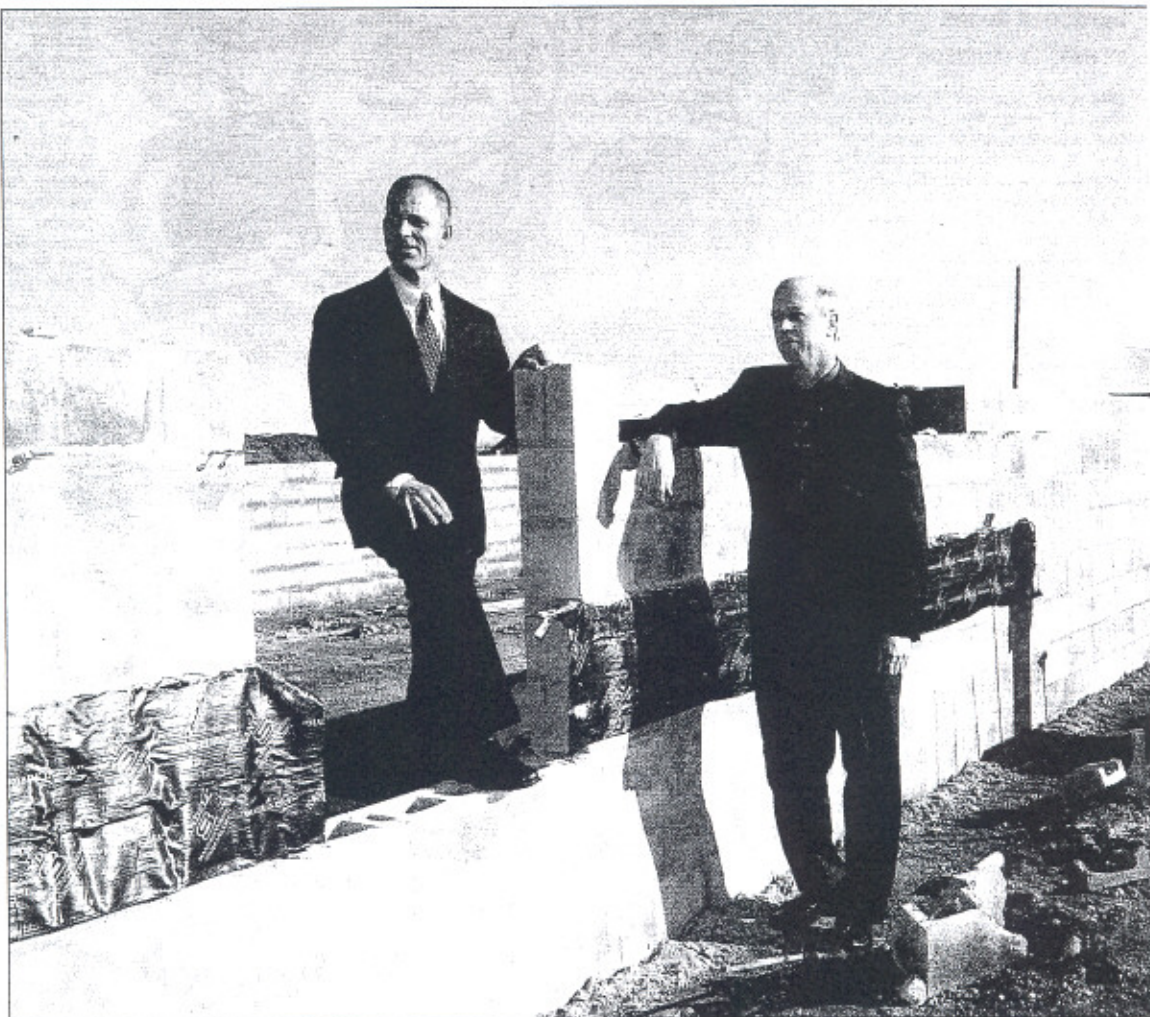
The four hotels will add 525 rooms to the local market this year — a significant boost from last year, when only 89 rooms came on line with the opening of the Holiday Inn Express in Riverhead, according to Island Publications, a Newsday subsidiary that tracks the local industry. It noted that at least eight more properties totaling 1,055 more rooms are tentatively scheduled to open in 2007 and 2008. (Island Publications conducts tourism market research and produces monthly visitors guides.)

An improving market

Regional tourism officials attribute the uptick in construction to an improving lodging market, particularly for business travelers. Healthier occupancies are making developers more optimistic about the future and, in turn, spurring growth, not only across the Island but throughout the nation, say tourism experts.

In fact, room starts — the number of hotel rooms under construction — are expected to jump nationwide from 77,100 in 2005 to 123,300 in 2006, according to PricewaterhouseCoopers' quarterly forecasts. The number peaked at 159,900 in 1998.

"We've seen . . . substantial



Republic Airport officials John Selden, left, and Michael J. Geiger stand at the site of a Marriott Courtyard hotel being built there

occupancy increases, which cause developers, lenders and others to have confidence that positive trends will continue," said Bjorn Hanson, global hospitality industry partner for PricewaterhouseCoopers in Manhattan.

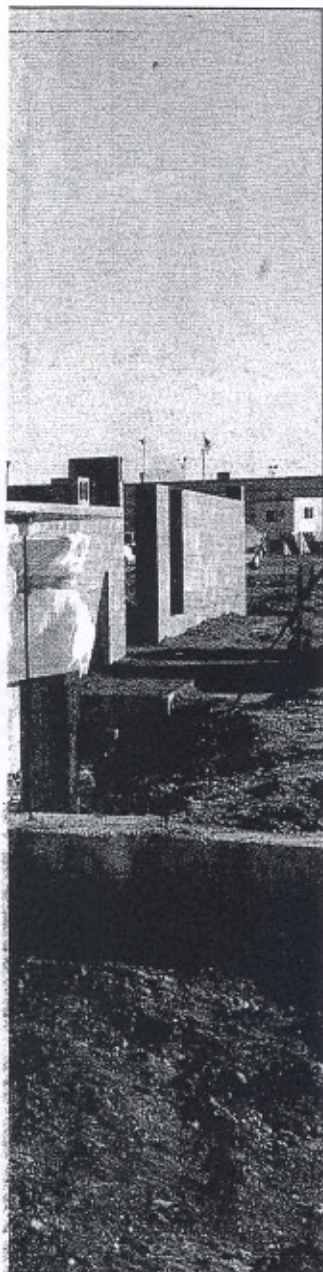
The occupancy rate nationwide is predicted to increase to 64.1 percent this year from 63 percent in 2005, according to Hanson. On Long Island, the rate last year through November (latest available figures) was 68.3 percent, compared to

67.8 percent for the same period in 2004, according to Hendersonville, Tenn.-based Smith Travel Research.

Still, some hoteliers are worried that the increase in inventory will offset improving occupancies.

"Obviously, more supply is going to hurt, because the occupancies are still not to 1999-2000 levels," says Mike Johnston, president of the Long Island Hotel and Lodging Association and general manager of the Long Island Marriott in Uniondale. In

for business



1999, Islandwide occupancies peaked at 79.3 percent, according to Island Publications.

"It's been dropping ever since," says Robert Lipper, editorial director of Island Publications, noting hotels that "are opening this year started last year in anticipation of an improving travel economy."

What's in the works

Proposed hotel projects on Long Island and their scheduled opening dates:

Hotel	Rooms	Location	Date
TownePlace Suites by Marriott	119	East Farmingdale	Dec. 2006
Courtyard by Marriott	131	East Farmingdale	Dec. 2006
La Quinta Inn	132	Bohemia	March 2006
Hampton Inn	143	Garden City	Spring 2006
Hilton Garden Inn	116	Riverhead	April 2007
TownePlace Suites	117	Farmingville	2007/2008
Not yet decided	120	Atlantis Marine World, Riverhead	late 2007/early 2008
Hampton Inn and Suites	126	Central Islip	Spring 2007
Homewood Suites by Hilton	128	Ronkonkoma	April 2007
boutique independent hotel	130	Riverside	late 2007/early 2008
Marriott Residence Inn	140	Riverhead	April 2008
Hilton Garden Inn	178	Melville	Spring 2007

SOURCE: DEVELOPERS, ISLAND PUBLICATIONS

The 289-room Holiday Inn Long Island-Islip Airport, in Ronkonkoma, saw some of that improvement, with occupancies rising to 64.1 percent last year from 57.9 percent in 2004, largely because its customer base grew with the addition of crews from Southwest Airlines. But general manager Joanne Sullivan is concerned about the 132-room La Quinta Inn due to open a few miles away in Bohemia.

Then there's competition

"It doesn't take five new hotels — it only takes one to hurt us," Sullivan said.

Manhattan-based Apple Core Hotels says it has high hopes for the La Quinta property on Aero Road, off Johnson Avenue.

"We saw the potential when we saw the expansion of Mac-

Arthur Airport," said Tek Singh, director of operations for Apple Core.

Also banking on airport-related activity, as well as area business growth, are the 131-room Courtyard by Marriott and adjacent 119-room TownePlace Suites, slated to open on Republic Airport-owned property by December, according to airport director Michael Geiger. Ground has been broken for Courtyard, which is typically aimed at the business traveler. Construction of TownPlace Suites — equipped with kitchens and intended for extended stays — is slated to start in the spring.

"These are the first Class A hotels in the Town of Babylon," says Supervisor Steve Bellone, adding he believes there is

See HOTELS on A32

New hotels aim for corporate clients

HOTELS from A30

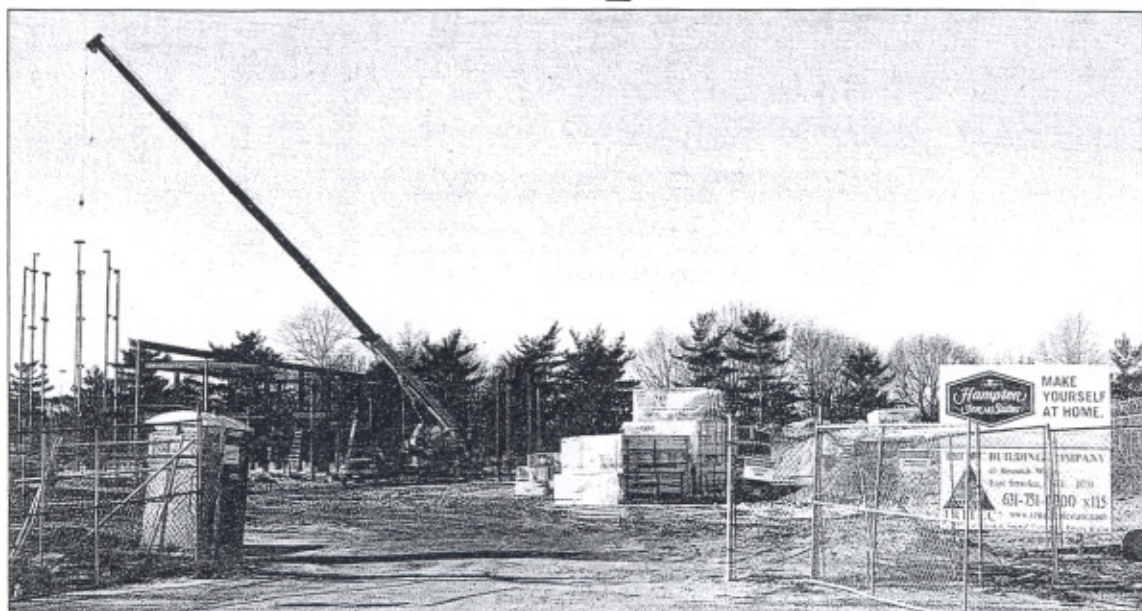
enough business to support the projects. They are being developed by John Tsunis and John Danzi, principals of Hauppauge-based Long Island Hotels, which also operates the Holiday Inn Express Stony Brook, Holiday Inn Express Hauppauge, Hampton Inn in Farmingville and Hampton Inn & Suites in Harrison, N.J.

Farther north on Route 110, Melville Hospitality LLC is planning to build a 178-room Hilton Garden Inn by spring 2007 on the 11.2-acre Melville site of its existing 147-room Homewood Suites, according to managing partner Paul Amoroso.

Enough to go around?

"We feel they [the Marriott hotels] are going to pull more from the South Shore market and we are going to pull more from the North Shore market," Amoroso said. Developers are being enticed by favorable long-term interest rates, he added.

Some hoteliers are also being enticed by economic incentives like those given to the Hampton Inn on North Avenue in Garden City, slated for a spring opening. The project will receive incentives including a mortgage recording tax exemption and sales tax exemption worth approximately \$500,000 over a 10-year period, according to Fred Parola, executive director of the Hemp-



Construction site of the new 143-room Hampton Inn in Garden City, which is going up at the old heliport site

stead Industrial Development Agency.

Despite such perks, these projects aren't for the faint of heart or those with shallow pockets, say veteran builders.

"Hotels are not easy to get," explains developer Lee Browning Sr., who along with his fami-

ly owns the 154-room Courtyard by Marriott in Ronkonkoma. "It is extremely difficult and extremely expensive to go through the approval process."

Browning plans to open a 128-room Homewood Suites behind his Courtyard by April 2007. He also is developing a

116-room Hilton Garden Inn and a 140-room Marriott Residence Inn on a seven-acre parcel across from Tanger Outlet Center in Riverhead. The Hilton will open in April 2007, the Marriott a year later. Both hotels face competition from a 120-room hotel slated for a late

2007-early 2008 opening at Atlantis Marine World in Riverhead.

"This is not a market for a newcomer," said Browning, who is also proposing a 150-room Courtyard by Marriott in Lynbrook. "You need capital and time and perseverance."

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