

## **South Jersey hotels were renovating as projects elsewhere idled in the recession**

By VINCENT JACKSON Staff Writer [pressofAtlanticCity.com](http://pressofAtlanticCity.com) /  
Tuesday, November 15, 2011 10:37 pm

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Hotels around the country have put off improvements in this weak economy; but in South Jersey, where the tourism industry is the lifeblood, hotels are spending money to renovate and remodel.

With 30 million people living within 300 miles of South Jersey, hotels in Atlantic, Cape May and Ocean counties have spent money keeping up appearances and adding new amenities to attract visitors, many of whom can get here on a tankful of gas.

The work appears to have paid off.

In Atlantic City, the number of occupied room nights at the Atlantic City casinos has grown from 4.8 million to 5.1 million from 2007 to 2010, show statistics compiled by the Casino Control Commission and the Division of Gaming Enforcement.

In Cape May County, where tourism is a more than \$5 billion-a-year industry, work on hotels ranged from major renovation projects, such as the \$1.5 million spent at Concord Suites in Avalon, to minor improvements, such as the installation of a new chef's table counter at the Caribbean Motel in Wildwood.

Changes taking place at South Jersey hotels and motels during the past three years run counter to a nationwide study by Bjorn Hanson, a New York University professor. Hanson did interviews with officials that included hotel and construction executives and found that the lodging industry was forecasting a 30 percent increase in spending for this year after decreases in 2009 and last year.

Howard Bacharach, executive director of the Atlantic City Hotel & Lodging Association, said casinos have worked through the recession to attract customers.

"New restaurants opening in the properties, we have certainly seen that in Atlantic City. That has continued. Borgata has changed the face of their restaurants. Harrah's has certainly changed the face of their restaurants. Caesars Atlantic City has changed theirs," Bacharach said about the years between 2008 and last year. "As far as in-house changes, as far as dining facilities at the properties, that we have never seen slow down."

Atlantic City's noncasino hotels have no requirement to report their number of occupied room nights, Bacharach said.

A lodging industry official said the leisure market didn't get hurt as badly as the business market when it came to hotel stays.

"The business travelers stopped traveling. Some people still went on vacation even though there was 10 percent unemployment," said Joe McInerney, president and CEO of the American Hotel & Lodging Association in Washington, D.C. "They might not have gone as far. They might not have gone as long, but they went on vacation."

And that has apparently kept hotel owners investing in their properties.

At the Concord Suites, the improvements were part of a multi-year project that started in 2008 and included renovations to the interior and exterior. This year, solar panels will be added to the roof at a cost of \$500,000, said Susan J. Cawley, the general manager.

During these tough times, the hotel felt it needed to make the changes to remain competitive and meet the changing tastes of travelers, Cawley said.

At the Pan American Hotel and the Port Royal Hotel, both on Ocean Avenue and the beach in Wildwood Crest, master plans dictated capital expenditures and not the recession, said Jack Morey, one of the partners of both properties.

Improvements have a direct impact on the business, Morey said.

Work that will enhance each hotel started at the end of October and is scheduled to be finished in the spring at both properties, Morey said. The Pan American will receive new artwork, and work will be done to some of the common spaces, for instance, a meeting room and hotel rooms. The Port Royal will have its maritime theme emphasized with new artwork, and several large hotel rooms will receive new furnishings, Morey said.

Between 2008 and 2010, Sheraton Atlantic City spent between \$150,000 and \$175,000 on upgrades. In December, Sheraton visitors will be treated to a new \$350,000 fitness center, said Carla Caulk, the Sheraton's director of sales and marketing.

A \$300,000 makeover is scheduled for the Sheraton Gallery located on the first floor, where there is a bar and a fish tank. More useable space will be created within the 5,000-square-foot area, so it can be rented for larger meetings and events, Caulk said.

The area also will be made over to reflect a new art-deco design.

The \$2 million conversion of The Flamingo in Atlantic City to the Quality Inn Flamingo started in the fall of last year and ended in May.

Everything has been upgraded at the year-round hotel from the windows to the doors to the hallways to the landscaping to the porte-cochere, said Dilip Gandhi, the property manager.

The work has paid off, Gandhi said.

Even properties that slowed down on funding improvements during the recession years now see enough daylight and feel enough optimism to push projects forward.

Tom Hughes, the Sea Shell Resort and Beach Club in Beach Haven owner, did spend money between 2008 and last year on such annual maintenance items as painting rooms and replacing air conditioners and outdoor furniture. Hughes wanted to renovate the rooms on his property in 2009, but he decided against it because of the recession.

Hughes went ahead with a complete redecoration and renovation of the rooms in his two-story, 53-room resort, beginning last year.

Contact Vincent Jackson:

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