

Bold-Face Hotel Buyer Has No Face



By CRAIG KARMIN

After months of speculation over which celebrity hotelier or bold-face-name developer might acquire the Hotel Chelsea, in Manhattan, the landmark property is under contract to be sold for more than \$80 million. But the buyer's name remains a mystery.

The winner emerged from a crowded field of interested parties, including property mogul Aby Rosen and pop singer Marc Anthony.

Widespread interest in who would purchase one of Manhattan's most storied hotels had the rumor mill working overtime. Newspapers, magazines and the blogosphere floated names like Ian Schrager, André Balazs and even Google Inc.

Douglas Harmon of Eastdil Secured, the broker on the deal, confirmed that there is a buyer but wouldn't reveal the identity.

While the new owner can boast of an iconic property, the aging lobby, retail and corridors are in need of upgrades that could cost more than \$20 million, hotel analysts say.

For that reason, a deep-pocketed, dark-horse bidder—whose name hasn't been bandied about—may still emerge as the winner.

Richard Born, a principal with BD Hotels, which briefly operated the Hotel Chelsea, confirmed he had made an offer: "It's an iconic property in a great location that can be developed into a phenomenal hotel."

Other possible bidders mentioned declined to comment or couldn't be reached to comment.

Hotel Chelsea, home to numerous artists, such as Dylan Thomas, and the setting of an Andy Warhol film, was put up for sale in October by its 15 shareholders.

Google was rumored to be interested in acquiring the hotel after some noted that the search company's \$1.9 billion office building at 111 Eighth Ave. was sold by Mr. Harmon, the same broker involved in the deal for the nearby Hotel Chelsea.

"There was a frenzy of interest for the hotel," says Mr. Harmon. "We even had people bidding through a surrogate like it was a high-end art auction."

Tenants in the 100 rental apartments have joined in the guessing game over who would claim the property. Some have worried that a new owner would convert the hotel into a boutique residence or even a condo.

David Bard, scion of the Bard family that had run the hotel for decades, popped up recently as a potential contender, cheered on by the hotel's long-term tenants. Their hopes dimmed this week after several blogs reported that developer David Edelstein was the winner.