

Hot-Shot Hoteliers

Bond Urban Habitat Introducing a New Look for the Gaslamp Quarter — and Beyond

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Edward Kaen (left) and Robert Watson, partners in Bond Urban Habitat, pause for a moment atop the roof of the historic Keating Building. In the year and a half since former W Hotel Group executive Robert Watson launched his own hospitality and real estate firm, he's compiled an impressive list of projects in two states and in Mexico and has come almost full circle to the W's parent company, Starwood Hotels.

Calling it a "brandless brand," Watson, 40, says you won't see the San Diego-based Bond Urban Habitat's name emblazoned on hotel towels or property signs. And until now, its endeavors — save for helping to open the posh 44-room Tower 23 hotel in Pacific Beach in 2005 — have been kept under wraps.

But Watson has been a bit too busy to publicize his activities. Since then he has teamed with an investment group that includes Edward Kaen to build and manage projects extending from the heart of the Gaslamp Quarter south to Baja California.

Having outgrown its La Jolla Village offices, the firm recently moved into the 100,000-square-foot Jewelers Exchange, a building that Kaen's family owns on Sixth Avenue in Downtown.

"We just got our phones installed today," said the 28-year-old Kaen.

Yet he and Watson, who travels frequently to Las Vegas in one of his roles as a development and operations consultant for a major hotel that is part of the \$10 billion MGM Mirage City Center, appear to communicate primarily by cell phone and BlackBerry.

At least that's how they conversed with architects and contractors during a tour of the Keating Hotel, a 38-room luxury boutique under construction in the historic Keating Building at Fifth Avenue and F Street. The Kaen family also owns the five-story property, which houses the famed Croce's Restaurant & Jazz Bar.

Bond, which is co-developing the project with the Kaens, will manage the property. The partners declined to name the sources of their equity financing or to cite the dollar amounts for property acquisitions and construction. But Watson said that the regional offices of international HFS, LP are providing construction and long-term debt financing.



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“The Keating Hotel is going to be something very intimate like the Mercer, Bryant Park and Soho House hotels in New York,” Kaen said.

Added Watson: “San Diego hasn’t seen a hotel like this yet. But Downtown is becoming more cosmopolitan all the time, and it’s ready for this type of product.” The nightly rate for rooms from 500 to 1,000 square feet is expected to range from \$300 to \$600.

Redefining Boutique

While the 259-room W San Diego and Kimpton’s 234-room Solamar are two “splendid” hotels that are considered boutiques, they’re actually too large to fit in that category, said Jamie Sigler, a partner in J Public Relations, which signed Bond as a client in mid-March.

“The term boutique has been used of late to describe hotels in the range of 500 or fewer rooms,” said Sigler. “But true boutiques typically have fewer than 100 rooms.”

Watson boasts, however, of recruiting several of his firm’s 17-member executive staff from the W, where they learned the “you-want-it-we-get-it” hospitality philosophy that the Keating will incorporate.

“We’re different from other boutiques in San Diego though,” Watson said. “We have a local face. We own the hotel and we’re right here.”

Bond’s real estate and hotel developments, including the Keating Hotel, will be under the ownership of various limited liability corporations. Watson said that he and Kaen would take equity positions in the LLCs.

Speaking of putting on a face, designs for the Keating’s interior and customized furniture are being executed by Pininfarina, the world-renowned Italian design firm behind such famous luxury brands as Ferrari and Maserati.

“The Keating will be something truly different,” Kaen said.

Construction, which includes a semi-private lounge and restaurant in the building’s basement, began in the fall. To date, it has exposed brick walls and redwood beams. The most challenging task, and one of the most time consuming, is seismic retrofitting, said Danny Vladic, a project manager with San Diego-based Landmark Hospitality Contracting Inc.

“This building was built in 1890, so tying a support system to the walls and the structure is difficult,” Vladic said. “As with any historic retrofit, it would have been easier and faster to build new.”

Expectations are that the Keating, which has passed the 50 percent completion stage, will open in the summer.

Meanwhile, Bond also plans to build eight additional luxury hotel suites of undetermined size, a private bar and a pool atop Downtown’s two-story Mercantile Building directly north of the Keating Building on Fifth Avenue. That project, which Watson said would come on line by the end of December, would be part of the Keating Hotel.

The Road To Ensenada

Earlier this month, Bond signed a deal to take over management of the 78-room Las Rocas resort in Rosarito Beach, renovate and upgrading it to luxury status and add two condominium towers with 25 units each. The partners declined to disclose the financial terms of that deal as well.

Determined that the Baja Peninsula and the Sea of Cortez are destined to be “the next Caribbean playground,” Watson said Bond has identified sites on which to develop hotels and homes in the Guadalupe Valley wine region near Ensenada and in Playas de Tijuana, a suburb of Tijuana.

“In the Guadalupe Valley, we envision a luxury boutique hotel with a residential component that would have a winery allotment,” Watson said — meaning homeowners would share in a vineyard’s acreage and could have their production bottled at the winery with labels bearing their name.

Back In The U.S.

Meanwhile, Watson said Bond’s expertise and experience has opened the doors to Aloft, which Starwood announced as a limited service W in September.

“We are currently working with Starwood on the development of an Aloft project in San Diego County and establishing ourselves as a preferred management company for the new brand,” Watson said. “It has the DNA of the W, and we expect to be a key player.”

Robert Sterling, sales and marketing director for the Grand Del Mar hotel and resort who worked with Watson while both were with the W, said he thought the Aloft brand would flourish on the local hospitality landscape.

“It has tremendous opportunity in Southern California and the San Diego County market,” he said. “This is going to be a really successful, limited-service brand that will capitalize on the substance and style of the W.”

“I don’t know Watson or Kaen, but I’d say that the Gaslamp Quarter is definitely the right choice for a high-end boutique hotel like the Soho House,” said Alan Reay, president of Costa Mesa-based Atlas Hospitality Group, one of Southern California’s largest hospitality brokers.

Possibly Bond’s most grandiose plan so far, however, is one that calls for razing a 25,000-square-foot warehouse that the Kaens own on Fifteenth and Island avenues to make way for a 39-story, Pininfarina-designed mixed use tower that will contain residential, retail and hospitality components.

“These are going to be large luxury three- and four-bedroom condo units with a minimum of 1,200 square feet,” Kaen said. “Most condos in Downtown aren’t that large.”

Watson said the project’s specifics depend on permit approvals in accordance with the city’s master plan for the area, which includes a corridor of redevelopment connecting Balboa Park to the North Embarcadero on San Diego Bay.