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New Haven hotel building boom gets a new entry with Pirelli building

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A view of the Pirelli building at the Ikea property Sargent Drive in New Haven in 2018. Photo: Christian Abraham / Hearst Connecticut Media file

New Haven's lodging industry boom is continuing, with Westport-based developer and architect Bruce Becker announcing Tuesday that, by this summer, he hopes to begin work on turning the famous Pirelli building on Sargent Drive into a boutique hotel.

Becker has purchased the nearly three-acre site and the former corporate headquarters that sits on the property for \$1.2 million from Ikea, according to records filed with the city clerk's office Friday. The Swedish furniture retailer bought the building and property in order to pave the way for its only Connecticut store, which opened in July 2004.



A view of the Pirrelli building at the Ikea property on Sargent Drive in New Haven in 2018. Photo: Christian Abraham / Hearst Connecticut Media file

Renovating the building into the hotel will be fast-tracked because Ikea had already obtained regulatory approval from the City Plan Commission in November 2018. Becker said because of that, all he needs is to obtain a building permit to begin the conversion process.

“The first phase of remediation and demolition should begin this summer and should be finished within a year to 18 months,” Becker said. Interior demolition of the lower two floors took place during Ikea’s ownership, he said. The first floor and the ninth floor penthouse level will be converted into 10,000 square feet of meeting and conference space.

Hotel construction in and around New Haven continues at a brisk pace, despite some economists projections that Connecticut is likely headed into a recession in the next 12 to 18 months.

New Haven saw two boutique hotels open in 2018, The Blake and Graduate. The Blake was new construction, while Graduate New Haven was a renovation of the former Duncan Hotel.

But Becker said he isn’t daunted by the competition. The New Haven area is “an underserved market” in terms of hotel rooms, he said.

“There’s a big need for more hotel rooms,” Becker said.

As well, a leading national economic development and site search consultant believes the region is somewhat “recession proof” because of its economic focus.

John Boyd, whose Princeton, N.J., company consults with some of the nation’s largest companies, said the role the health care sector and educational institutions — especially Yale University — plays in the area economy is why a developer like Becker is willing to take on the Pirelli building conversion.

“The proof is in the pudding when a private developer is willing to take on a conversion project of this magnitude with his own money,” Boyd said.

An example of that, he said, has occurred in Princeton, where he said the building that formerly housed the Gallup polling organization near that community’s Nassau Square is being converted into a boutique hotel by a division of Chicago-based A.J. Capital Partners. That’s the same company behind the renovation of the former Duncan Hotel in New Haven into The Graduate.

Boyd said building conversions are becoming increasingly popular.

“As the new decade progresses, you’re going to see more and more conversion projects of office buildings, warehouses, even vacant retail spaces,” he said.

Becker said that even though the idea of building an upscale hotel in the parking lot of an Ikea may seem off to some people, the site has a lot of things going for it.

“The location is the centerpiece,” he said. “It’s close to the train station, the highway and Wooster Square.”

Union Station, he said, is the nation’s 15th-busiest train station as measured by the levels of Amtrak ridership. And 140,000 vehicles pass by the Pirelli building daily on Interstate 95, according to Becker, based on Connecticut Department of Transportation data.

“I’m a big believer in transit-oriented development,” he said, citing his company’s development of the upscale 360 State Street apartment complex in the city.

The Ikea property was developed as a Planned Development District in 2002. A hotel reuse was among the potential conversions contained in the district.

The city is focusing in expanding development along Long Wharf Drive, which is located across Interstate 95 from the Pirelli building, and Becker said he hopes the hotel will benefit from that.

And even though it is considered a boutique hotel, Becker said the property will be affiliated with a well-known company in the lodging industry that he declined to identify.

The concrete tower was built in 1969, as a combination research and development space as well as an administrative headquarters for the Armstrong Rubber Co. The lower two floors in the 10-story building housed the R&D operations, with the remaining upper floors administrative offices.

The building was designed by Marcel Breuer, a modernist architect from the Bauhaus, a German art school that focused on marrying functional design with the principles of fine art. Prior to designing the Pirelli building, Breuer had just designed the Whitney Museum in Manhattan.