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Finally, NYC has a Knickerbocker champion

Palmer checks in to hotel

By STEVE CUOZZO

Having spent \$200 million to buy and restore the long-dormant Knickerbocker Hotel, owners FelCor Lodging Trust and property manager Highgate weren't about to skimp on food and wine.

The Knickerbocker, presiding over the Times Square corner of Broadway and West 42nd Street since 1906, has tapped famed modern-American chef Charlie Palmer to run its restaurants and bars. The partnership reflects the cut-no-corners demands of the city's super-heated, high-end lodging industry. The deal was first reported Wednesday on nypost.com.

FelCor bought what had long been a Class-B office building for \$115 million in 2011 and took out an \$85 million construction loan. This summer, it is to be reborn as a four-star inn for the first time in over 80 years.

Palmer owns Michelin-

starred Aureole in the Durst Organization's One Bryant Park across the street. He'll now also oversee the Knickerbocker's 120-seat fourth-floor café, a ground-floor grab-and-go spot, a private dining venue and a 7,550 square-foot indoor-outdoor rooftop lounge with room for 250 people.

The arrangement makes Palmer the kitchen king of West 42nd Street between Sixth Avenue and Broadway. Hotel guests wishing to eat off-site will be offered "priority access and preferential treatment" at Aureole.

The block's south side had long been an eyesore across from One Bryant Park and 4 Times Square. The Dursts sound delighted by recent changes, including the Hilton Garden Inn construction next door.

Durst Organization President Jody Durst said, "Charlie is an outstanding operator, and we will look forward to the reopening of

the Knickerbocker and its contribution to the neighborhood."

Palmer lends the Knickerbocker instant culinary credibility, crucial to its local image. Manhattan hotels are enjoying nationwide occupancy of more than 87 percent, but the Knickerbocker's 330 luxury rooms and suites must compete with thousands more coming on line.

"The Knickerbocker's ownership aims to establish it as one of the city's best hotels," Lodging Advisors analyst Sean Hennessey said. "Key to meeting that standard is to offer destination dining which has a reputation and allure beyond that of the hotel itself."

Palmer's company owns or operates 11 eateries and three hotels around the US. Known as a pioneer of "progressive American, cuisine" with a farm-to-table emphasis, the award-winning chef frequently appears on TV.

King of 42nd St.

Aureole owner Charlie Palmer (inset) will oversee all of the eating and drinking venues across the street at the Knickerbocker Hotel, which will reopen this summer.



"We didn't want just a celebrity chef," added Knickerbocker managing director Jeff David. "Charlie is a hotelier as well. He knows our business, and this is a passion project for him as well as for us."

David said it was too soon to talk about room rates, but

the Knickerbocker's competitive market "niche" would include the Langham on Fifth Avenue, the Ganley and the NoMad and the Surrey. "They're in our wheelhouse," he said.

In contrast to the Knickerbocker's landmarked, Beaux-Arts skin, the interior would

be "very contemporary but not hip," David said.

The Knickerbocker is expected to sign a contract with the famously tough New York Hotel & Motel Trades Council. It was unclear what role the union will have in the restaurants.

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Avon close to a deal

Avon Products is in advanced settlement talks to resolve criminal and civil probes into whether it paid bribes in China and other countries, according to a source, who added it could announce an agreement as early as Thursday, when it releases earnings.

Avon has spent more than \$300 million since 2008 on an internal investigation and compliance reviews amid two US probes.

Bloomberg

People editor drain drips on

By KEITH J. KELLY

People magazine has lost another top editor.

Deputy Editor Peter Castro, once rumored to be the running for the top job, announced Wednesday he is leaving the Time Inc. title after 26 years.

During his decades at Time Inc., Castro also served as the top editor of People en Espanol for 15 months before returning to People, where he would run the magazine whenever immediate boss Larry Hackett was absent.

Castro's exit is another sign of change at Time Inc.'s top-selling and most profitable magazine as Hackett

departed as managing editor in January after an eight-year run.

Hackett was replaced by former Entertainment Weekly Editor Jess Cagle.

Castro was dismayed and "furious" he was bypassed for the top job at People, sources speculated.

Castro had been a favorite of Martha Nelson, who rose from People editor to editor-in-chief of the corporation.

Nelson, though, was bounced by Time Inc. Chief Executive Joe Ripp as part of his plan to change the corporate structure. That move appeared to leave many of Nelson's former people endangered.

However, People's editorial staff was

relatively unscathed in last week's downsizing, which hit hard at the edit staff of other big weeklies, including Time and Sports Illustrated.

Overall, the layoffs will result in a headcount reduction of 500 people across the company in advance of its second quarter spinoff from Time Warner.

"The changes had nothing to do with it," Castro insisted. "I've been here a long time — 26 years — and I am ready for new adventures."

Castro said he had no immediate concrete plans.

A successor has yet to be named.

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Chair day

Federal Reserve Chair Janet Yellen's second day of testimony to lawmakers, scheduled for Thursday, was postponed because of East Coast weather fears. The Senate Banking Committee has yet to set a new date.

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JOHN CRUDELE
...is off today