

SF Gate

Hotels try a new color

Going green may be a good match for business

– David Armstrong, Chronicle Staff Writer

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It's increasingly good to go green in the hotel business, an industry long associated with constructing and renovating big buildings and using powerful chemicals for cleaning and maintenance rather than being environmentally friendly.

Both new and established hotels are beginning to go green in varying degrees, for various reasons. Hoteliers want to cut down on toxic hazards to staff and guests, save money on energy bills, cut back on pollution, or win points for sensitivity.

San Francisco's Orchard Garden Hotel, set to open in a newly constructed \$25 million building at 466 Bush St., has taken green consciousness further than most -- a move that could pay dividends in the environmentally conscious Bay Area. When the hotel opens this month, it will be one of only four operating hotels and resorts in the nation certified by the nonprofit U.S. Green Building Council and the only one in San Francisco.

The council, founded by green-friendly architects and engineers, has certified the Orchard Garden as LEED-compliant -- meaning it has been built with a minimum feasible use of toxic materials. (LEED is the council's trademarked term for "leadership in energy and environmental design.")

"It's just the right thing to do from a marketing perspective, but more importantly to create a healthy environment for our guests and our staff," says Stefan Muhle, general manager of the Orchard Garden and its 6-year-old sister, the Orchard Hotel, located up the street at 655 Bush St.

The Orchard Garden, Muhle says, will use a cardkey system already in widespread use in Asia and Europe that starts or stops power to a room when the guest enters or leaves. This allows the room to go dark when it's not occupied, cutting the use of electricity.

Muhle estimates the 86-room Orchard Garden will save "from 10 to 20 percent" on its electricity bill just by using the cardkey system, which cost \$35,000 to \$40,000 to install for the entire hotel. "We'll get return on our investment in the system in under two years," he predicts.

The Orchard Garden will also use old-school soap and water to wash bedclothes and employ citrus-based cleaning products to freshen carpets and drapes, Muhle said, rather than rely on chemical-dependent dry cleaning. Flush toilets in the new

hotel will be of the low-flow variety, and the hotel will be entirely tobacco-free starting opening day.

Muhle allows that many travelers choose to stay in hotels based on location and price. The Orchard Garden will be well positioned on both, with its location near the Grant Avenue Chinatown gate and a room rate of \$149 per night. That's below the Union Square area average of \$176 a night through August, as calculated by PKF Consulting.

Additionally, Muhle says going green can give the Orchard Garden a competitive edge, especially in environmentally minded San Francisco, where the hotel's green credentials will be aggressively marketed.

There's another, more tangible benefit, as well. Snaring LEED certification helps push a project through the permit-granting process, thanks to San Francisco city policies designed to promote environmentally sensitive buildings.

Like ambitious newcomers, long-established hotels are also turning to more environmentally sensitive policies.

San Francisco's Ritz-Carlton Hotel, ensconced in a stately 1909 Nob Hill building, installed a power system late last year that enables the hotel to generate some of its own electricity rather than rely on the Pacific Gas and Electric Co.'s grid. The Ritz-Carlton's director of engineering, Paul Savarino, said the new system -- called PureComfort 240 and made by Connecticut's UTC Power -- emits 90 percent less nitrogen oxide than the hotel's old system while generating 240 kilowatts of energy, about a quarter of the hotel's power supply.

"We have saved a considerable amount on electrical bills," Savarino said of the 336-room Ritz-Carlton. "We have cut our electricity bill by about \$12,000 a month. That's the icing on the cake."

Hotel industry analyst Thomas Callahan, head of PKF Consulting's San Francisco office, said the greening of hotels is becoming more common. But he qualified his remarks, saying thoroughly green hotels like the Orchard Garden are more likely to hold a specialized niche than blossom into a mass-market phenomenon.

"I see it as a growing trend, but one more based on the East and West coasts. I don't see the guy in Omaha doing this," Callahan said. "There's the attitude that green just makes good sense, but it is more costly; there's a debate about how much. It has to make business sense."

While going green shows signs of catching on, there is a belief among some hoteliers that using nontoxic fabrics and alternative fuel systems can displease guests who want to be pampered. That's especially true on the five-star level, where "environmentally correct" is associated with drab, scratchy fabrics, dull unscented soaps and damp used towels.

"I hate that thing where a hotel tells you, you can leave your used towels on the rack if you want to help them use less (polluting soap) by washing them," said Rocco Forte, a British entrepreneur who operates 14 luxury hotels in major European cities, among them Brown's Hotel in London and the Hotel Amigo in Brussels.

"I think they're doing it to save on laundry bills, not for ecological reasons," said Forte, owner and namesake of Rocco Forte Hotels, during a visit to San Francisco last week.

Forte, who doesn't have a U.S. hotel but draws 35 percent of his guests from this country, cited limits as to how much hotels can do to be ecologically sensitive.

"You can do certain things, like double-glazing, which retains heat and is energy-saving," he said. Doing that, Forte said, is common sense, especially in historic properties that would otherwise be far from green. But using environmental concerns as a reason to degrade the richness of fabrics or tone down elegant interior design doesn't work for him.

"In the luxury market, you don't want that to interfere," Forte said.

The Orchard Garden's Muhle acknowledges that going green is associated in many people's minds with lack of comfort but maintains that it doesn't have to be that way.

He also said the higher initial costs of going green can be recouped.

Muhle cites research by the Environmental Protection Agency showing that businesses can save about 50 cents per square foot by cutting energy use by 30 percent. That can represent a savings of \$50,000 or more in a five-year lease on 20,000 square feet, the EPA concluded, using nationwide data.

"This is not a fad, this is not a gimmick. This is here to stay," Muhle says.

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