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Hotel's Historic Site Tests Team

PERFORMANCE CONTRACTORS NAMED FIRM OF THE YEAR



Historic New Orleans Site Crafted Into Modern Hotel

Restoration tests construction crews working on the Jung Hotel redevelopment

BY LOUISE POIRIER

An entire city block in downtown New Orleans is being transformed into the Jung Hotel, a \$130-million project with a \$76-million construction tab. The redevelopment project will convert a nearly 100-year-old building on Canal Street into a 400,000-sq-ft, 18-story complex with both a hotel and an apartment complex.

The construction team has confronted historic preservation issues as well as stringent requirements stemming from tax credits and government funding.

Developer Joseph A. Jaeger Jr. envisioned the project, seeking to combine an upscale development with historic features while revitalizing a decaying portion of downtown. Jaeger's development company, MCC Real Estate, selected the team: contractor The McDonnell Group, electrical contractor AllStar Electric and design firms Williams Architects (exterior skin and parking garage), Trahan Architects (floors 2-18) and

Es skew+Dumez+Ripple (first floor).

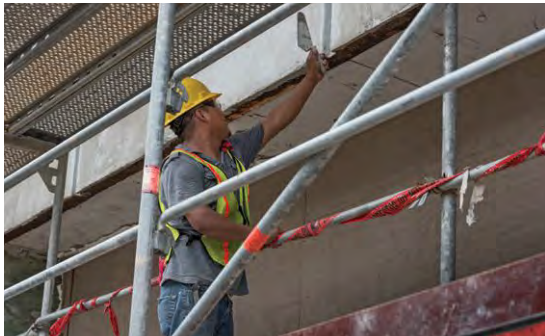
The plan includes 150 hotel rooms, 150 apartments, a 400-car parking garage as well as retail and meeting spaces.

STRICT TRACKING

Because of the nature of the existing building and its location, the project qualifies for historic tax credits on both the state and federal levels. "The developer received what's called an RTA, or restoration tax abatement, from the city of New Orleans. Whenever that's obtained in the private world, you have the same DBE [disadvantaged business enterprise] goals and policies as you do in a public forum," explains Allan McDonnell, president of The McDonnell Group. "So now we're in a private job with a 35% DBE goal."

McDonnell explains that under the RTA, a property is assessed before being developed. The determined tax amount is frozen for a minimum of five years, and

CANAL STREET VIEW Restoration of existing precast wall panels is underway on the future event center, while the new parking garage is to the right.



RESTORATION A view from Canal Street shows a worker restoring existing wall panels.



MASONRY A mason cuts materials for the 6th-floor corridors and parking garage vestibules.

“You’re talking about a now \$135-million overall development ... [that] has to be designed, constructed and opened in 24 months.”

—Allan McDonnell, President, The McDonnell Group

just meeting the program requirements can result in significant savings for the developer.

The project is also the first in New Orleans to qualify for EB-5 funding, a program set up by the federal government to help immigrants gain citizenship status through employment. But along with EB-5 funding comes stringent federal regulations that monitor costs down to the penny, making accurate record keeping vital.

Add to that a construction bridge loan for the historic tax credits, and the paperwork on the project has been “really insurmountable,” McDonnell says. “We have a staff of probably four full-time people just to handle all the regulatory requirements.”

Teams also are coordinating with the State Historic Preservation Office and the National Park Service to ensure that the project meets the requirements for federal and state level tax credits. In addition, the EB-5 funding prescribes a strict window of 24 months from the time the first dollar is spent until the project is placed into commission, McDonnell explains.

“You’re talking about a now \$135-million overall development, which from the time the developer pulls the trigger, has to be designed, constructed and opened in 24 months,” he says.

Construction crews began demolition immediately upon approval of a hazardous abatement certificate from the state of Louisiana, which takes 10-15 days, McDonnell adds.

HISTORIC TO MODERN

The Jung Hotel is a fast-track project being built in just 18 months and three phases: the interior tower (floors 3-18), common interior areas on the first two floors and the parking garage. Teams are utilizing a combination of design-build and design-assist to deliver the job.

Design is currently about two months behind work in the field, McDonnell says. Thus, teams are building based on mock-ups while the design catches up, he says. “The collaborative process and how we’re communicating what’s being built has been the biggest challenge, but it’s also been the biggest sense of accomplishment—that we’ve been able to get this far without design,” he says.

Project executive Jason Zuckerman, vice president

at The McDonnell Group, adds that because “several different firms were selected for their particular areas of expertise, maintaining a coordinated design effort while making sure we take advantage of the creative value and experience each firm brings to the table has been both challenging and very rewarding. The collaboration of the firms involved is truly going to enhance the final product.”

Daily communication among the entire team helps with mapping out next steps and ensures that the right information goes right down through the ranks to workers in the field who are actually installing the work without full design in hand, McDonnell says.

The interiors have been stripped down to the structural components, with installation of all new mechanical, electrical and plumbing systems, plus new elevators, which are required to meet current code requirements.

A major challenge emerged because the new building houses both a hotel and apartments.

“The most cost-effective thing to do is to stack all the vertical risers, the drains, vents, etc., so the unit layout with the bathrooms and kitchens was really critical,” McDonnell explains. “However, this building was constructed in about 1920, with additions as late as 1950. What happened is when they did the panned [slab] construction, they didn’t make sure that the intermediate beams were the same distance apart.”

That meant the contractor had to develop a methodology to “fish” the risers between beams. It became crucial to generate 3D images of every floor using PointCloud.

“Then we actually drilled pilot holes in each of the floors and fished our string line, if you will, from top to bottom to make certain where we had clearance,” McDonnell says. “The bathrooms and kitchens were kind of designed around those spaces where we could get vertical pipe up. That was a herculean effort.”

The team couldn’t avoid all of the beams, however, so to keep the schedule moving, when a beam impediment arose, the contractor and structural engineer worked out a way to “drill through the beam and use a series of carbon reinforcing to replace the strength of the area that was displaced,” McDonnell says.

Revit was also used to model the entire project, Zuckerman adds. “For a project that consists of multi-

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ple buildings with very unique conditions throughout, the upfront documentations done using PointCloud and actual field investigation to build an accurate model to work from was invaluable.”

Also, many existing features had to be left intact during the upgrades to stay in compliance with requirements for the historic tax credits.

“One of the things that allowed it to qualify for historic taxes was the skin—the brick and the windows. However, under new codes in this area, we have to meet the wind ratings and something that’s called high-missile impact, so basically that means all the windows from 65 ft down have to meet close to Miami-Dade requirements in case there’s a hurricane or a storm,” McDonnel says.

To meet that requirement, the contractor discovered a high-impact film that could be installed on the inside of existing windows so they could stay in place.

Existing brick also could not be modified or altered, so to mitigate moisture penetration, the contractor developed an exterior wall system with a permeable vapor barrier. It allows moisture out but not in, enabling the HVAC system to function optimally.

“It actually ended up holding the perimeter wall off the face of the exterior wall, so there’s actually an air

gap,” McDonnel says.

Construction has peaked at around 200 workers on site, but the project team anticipates incorporating a second shift in the near future to bring that total up to 300.

To date, The McDonnel Group’s teams have clocked about 2,000 man-hours a day for a total of 346,264 as of mid-July. The team anticipates reaching 750,000 man-hours upon project completion. Overall, the company has gone 2,485 consecutive days without an OSHA reportable incident as of July 19, and the job has a current EMR of 0.73.

The project also is inspiring additional work in the area, with more than \$700 million in new development underway within a two-block radius of the Jung Hotel—all of it generated since the redevelopment began in 2015, according to The McDonnel Group.

“This project will clearly become a destination point not just for hotel guests or apartment residents, but for the entire community with the restaurants and other amenities that the project will offer,” Zuckerman says. “It truly has become a major catalyst of change of the neighborhood fabric at that end of Canal Street.”

Work is on time and on budget, with construction just beyond the halfway point. Completion is scheduled for March 15. ■

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