

Jung Hotel plans emerge in WTC proposal

By: Robin Shannon, Managing Editor  February 27, 2015  0

The Jung Hotel, once known as the largest convention hotel in the South, is set for a massive redevelopment that could transform an entire block of upper Canal Street.

Developer, hotelier and property owner Joe Jaeger has submitted plans to the city for a rehabilitation of the 108-year-old hotel at 1500 Canal St. It includes apartment units, an extended-stay hotel, a parking garage and commercial space.

A detailed synopsis of the project was included as part of a proposal for redevelopment of the former World Trade Center. Jaeger, along with outgoing Xavier University President Norman Francis and real estate developers Darryl Berger and Roger Ogden, are among the five teams seeking to redevelop the 33-story building at the foot of Canal Street. The Jung project is separate from the group's plans for the former World Trade Center.



According to Orleans Parish sales records, Jaeger purchased the hotel in 2007 for an undisclosed amount through a company known as The Jung LLC. A group known as 1500 Canal St. Investors, which lists its business office in Dallas, had owned the building since 1992, when they bought it for \$25.5 million.

According to the proposal, Jaeger wants rehabilitate the entire 17-story, 550,000-square-foot building to include 175 multi-family apartment units, 145 hotel rooms and more than 50,000 square feet of commercial retail space. The building's entire mechanical, electrical and plumbing systems will be rebuilt.

The plan also includes two restaurants and bars, 4,780 square feet of meeting space, about 7,000 square feet of spa and fitness center space, and a new seven-story, 484-space, parking garage. The garage will require demolition of a newer portion of the building.

According to plans filed to the city, Williams Architects designed the project, which is valued at about \$130 million. The McDonnell Group is listed as the contractor. Jaeger is seeking a minimum of 35 percent participation in the project from local disadvantaged business enterprises.

The building is situated on a stretch of Canal Street that has seen an increase in investment activity over the past two years.

The project qualifies for federal and state historic redevelopment tax credits, but the proposal indicates that Jaeger will also be tapping into the federal EB-5 program, which grants visas to foreign investors who contribute capital to the project. Private equity is also part of the financing package.

The hotel's grand opening is anticipated by the end of 2016.

The Jung Hotel first opened in 1907 and was expanded in 1925 and again in the 1960s. In its prime, it included 1,200 rooms, a grand ballroom, an exhibit hall and a rooftop pool.

The building was flooded when the levee failed during Hurricane Katrina.

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