



LEFT: St. Elizabeth's, 1865 and 1883-4, is a distinctive Second Empire style Uptown landmark at 1314 Napoleon Avenue.

RIGHT: Elie Khoury on porch of St. Elizabeth's condos, his upscale conversion of the former children's home, later Anne Rice's headquarters.

Taking renovation from concept to design to construction

Elie Khoury: an eye for big picture and tiny detail

by Julie McCollam
contemporary photos by Julie McCollam

Developer Elie Khoury imagines people are asking if he's high on hallucinogenics in the wake of news that he bought the Krauss property, a notorious white elephant at the corner of Basin and Canal streets in downtown New Orleans.

Elie Khoury was about to complete an ambitious labor-of-love, the condominium conversion of Anne Rice's St. Elizabeth's Orphanage on the corner of Napoleon and Prytania Street Uptown. Moreover, the rapid sell-out of his next project, the 221-unit Regency at 1205 St. Charles Avenue in Central City proved that uncomplicated, non-historic properties could turn a quick profit. So why would he jump back into the fire of another daunting project such as Krauss?

"I like abuse," he jokes. "Actually, it's the challenge. It's taking on and successfully pulling off a difficult thing, a thing that maybe nobody else wanted to try."

EARLY VENTURES

Khoury, 43, is part of a resourceful and highly successful group of Lebanese émigrés noted for their entrepreneurial energy. He came to Baton Rouge in 1978 from Beirut to study petrochemical engineering at Louisiana State University. Living with his sister and her husband, he put himself through college working at Cuco's, the Mexican restaurant chain. As he rose in the Cuco cor-

porate structure, the company grew from two restaurants to 30 and spread to seven states. Eventually he became president of the corporation. His only regret about this valuable business experience is that he got too busy to earn a degree.

Part of Cuco's expansion involved acquiring, designing and adapting buildings, so branching into real estate in late 1995 wasn't a foreign concept. Projects on Prytania and Walnut streets were the first ventures into residential renovation for Khoury's new company, KFK Real Estate.

"In fact, we got our teeth kicked in," he recalls with a smile. "Getting hammered, that's how you learn to do it right."

TRANSFORMING A LEGEND

In September of 2003 Khoury bought St. Elizabeth's, the fabled Second Empire landmark known worldwide as the mother ship of Gothic novelist, Anne Rice. Even now Rice groupies in Goth gear gather outside the gates. For Khoury, buying the building was a black and white, win-win decision. The property's celebrity, location and architectural uniqueness made it a one-of-a-kind product. But the size and complexity of the building, its fine appointments and

its historic importance presented immense problems. There was the slate mansard roof with its intricate fish-scale pattern that had to be painstakingly repaired; there was lead abatement; there were crystal chandeliers to be preserved; there were marble mantels to be crated and reinstalled; and there was the Virgin gazing down from her niche high above the courtyard to be dealt with. Architectural elements had to be reproduced to match the building's grand scale. And, of course, the greatest challenge: to create 28 livable condominiums without violating the integrity of the building. To a large degree, architect Wayne Troyer has accomplished this feat. Some spaces work better than others, but all units benefit from the building's innate grace.

Five newly constructed "garden flats" stretch across the back of the 27,000 square foot property. Although they lack the vintage elegance of the main building, they are well planned and appropriate in scale and look. Compromises in these units are generous ones such as installing 11 instead of 14 foot ceilings.

The chapel, one of the glories of the main building, occupies the whole second floor wing along Prytania Street. As a potential residence, it is a tough sell, although the floor plan for the single residence is daring and livable. A two story structure built within the cavernous chapel space will house a master suite on the second floor and a bedroom and bath on the bottom floor. The living

space will flow around this core structure, preserving the magnificent stained glass windows and using the choir loft for a guest suite. At the altar end of the chapel, an expanse of more than 30 feet will serve as living/dining room and kitchen. It is hoped that the exoticism of the deconsecrated space might appeal to characters like Nicholas Cage or Trent Reznor of Nine Inch Nails, who have both sold their large New Orleans homes. Less glamorous types such as empty nesters, out-of-towners, singles, and others who just want to simplify their living situations have bought almost all the other units.

The building takes up a whole city block and the spacious U shaped courtyard is a great asset. It will accommodate parking, a terrace with a pool, a fitness room, and rear access to all the units. Any nuns looking down on all this material luxe, which includes marble, granite, Sub-zeros, pre-wired Internet and much more must be muttering extra Hail Marys.

EXTRACTING SUGAR FROM A LEMON

Khoury's next condominium venture, the nondescript 1950s Regency apartment tower on lower St. Charles Avenue, was bought in September of 2004. Even he was startled when the entire building sold out in three weeks. Although he did foresee the surge in demand for condominiums, he admits he never anticipated such a swift windfall as this.



Preserving the crystal chandeliers and architectural details of St. Elizabeth's has been a priority.



PHOTO BY SUSAN W. GANDOLFO

The Regency Apartment building conversion, 1205 St. Charles, is making a 60-70% return for investors. Two concert halls, both known as the Atheneum, stood on this site. Both venues burned down.

"We had six investors. They were guaranteed a 20 percent return on their money and they made 60-70 percent," he murmurs with a modest smile.

A DARING VISION

Khoury's third ongoing project, the Krauss complex, has neither celebrity like St. Elizabeth's nor location like the Regency. Yet most of the units sold almost immediately, and within weeks all had sold. The Krauss store in its heyday was a practical place where people could find things no one else carried, such as size 44 E bras and darned eggs. But gradually, starting in the 1970s, the atmosphere of the "Krauss end of Canal Street" began to change. Undermined by the troubled Iberville Project and increasingly seedy retail shops, it languished, while the River end of Canal Street flourished. Krauss closed in 1997 and now belongs to that vanished sepia world of *Confederacy of Dunces*.

After its demise Krauss evolved into

a venerable New Orleans icon, remembered with affection as the last place to use the seemingly magic pneumatic communication tubes.

Unfortunately, no one seemed to want to redevelop the 1903 vintage building when it became available, handsome though it is. In fact, it is exactly the kind of "lost-cause" project that appeals to the Don Quixote in Elie Khoury. It has many of the qualities that seem to draw him to projects: it is intimidating, no one else wants to take it on and it involves a particularly attractive historic building with symbolic resonance.

THE SMART WAY TO GO

Reconciling Krauss's liabilities with its assets will test Khoury's flair for making daring projects work. Those who have done business with him say that his low-key courtesy camouflages an astute, total recall business sense. Amiability has smoothed his way in the sometimes labyrinthine byways of the development game. In a business whose leaders tend

to model themselves on Donald Trump, Khoury is an anomaly. His style and attitude seem more those of a European humanist than a swashbuckling empire builder. Khoury himself feels that the European influence of Lebanon's occupation by France shaped his perspectives.

"And don't forget," he points out, "Lebanon was once Phoenicia. We have a very long history of business and trading."

He describes his approach as conciliation, not confrontation. In dealing with the Historic District Landmarks Commission he likes to sit down before any hard and fast decisions are made and review all aspects of a project with the Architectural Review Committee of the Commission.

"It's the smart way to go," Khoury says. "We talk up front. That way if I think they're being over-zealous or they disagree with something, we can work it out ahead of time, we compromise."

Elrhei Thibodeaux, director of the Historic District Landmarks Commission, wishes more of those who come before the Commission with projects took this approach. "He's a joy to work with," she says. "Elie understands about construction. He has done some fantastic projects, and they haven't been easy." That is why Thibodeaux believes he is a developer who can pull off the Krauss project.

Hugo Kahn, representing Krauss in the sale, agrees. "Elie sees the global picture," he says. "At the same time his management style is to be knowledgeable about the smallest detail. He'll know the size of a pipe that has to go into a hole in the floor."

TAKING IT FROM START TO FINISH

This holistic approach is characteristic of KFK Group, the new name of KFK Real Estate, which has 20 permanent employees. When subs are needed the company tends to use the same ones from job to job.

"KFK is one of the few outfits that take it from start to finish, from concept to design through construction," Khoury explains. "We do everything in house. We go in, look, make a preliminary estimate, and we make a decision. We don't like to play with people. Prices have a way of escalating when you do these historic properties. You have to have a company in place, people ready to go from one thing to the next with no waiting."

JOB SATISFACTION—THE MOST IMPORTANT THING

Somehow Khoury has managed to keep on the good side of the various and often opposing factions he has to deal with. Investors, clients, architects, colleagues, and officials all seem to find him fair and likeable.

As our interview winds down, his wide ranging mind and prolific imagination ramble over the fate of the Iberville and other housing projects, over the future of the riverfront, over why the lakefront is under-developed, over why his banker is calling him again, and coming full circle, over why he punishes himself with difficult, problem-fraught work.

"What else could I do that would give me so much satisfaction?" he asks. "These places have a life of their own."

We want to bring them back to productivity. I look at a [finished] building and remember how bad it once was. Now there are people living there happy. I love New Orleans...I don't want to live anywhere else. I like to live in my house in the CBD and go have a drink in Lafitte's Blacksmith Shop."

With a regretful sigh of pleasure (we're at the end of a very good lunch at Emeril's) Elie Khoury pats his mustache and heads back to the fray.



Khoury is transforming the 1903 Krauss building on Canal Street into condos. (photo courtesy HNOC 1979.325.1679)