

SignalViewpoints

Q&A with hotelier Terry Bichsel

SEEN FROM SEASIDE

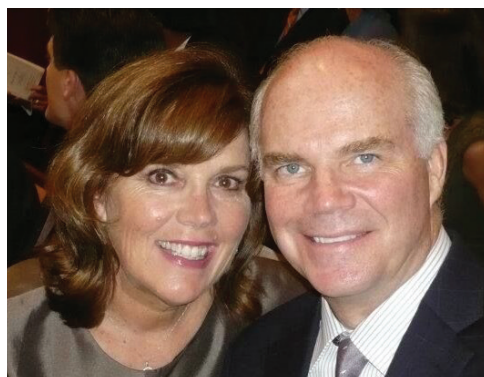
R.J. MARX



Terry Bichsel is a hospitality industry veteran with more than 40 years experience. In 2002, Bichsel purchased the 107-room Best Western Plus Resort Hotel. After acquiring the hotel in 2002, Bichsel developed a new construction 70-unit condominium hotel, The Rivertide Suites Hotel, also in Seaside. Bichsel served from 2014 to 2020 on the board of directors for Best Western International Inc. and as its chairman in 2017. He sold the Best Western Plus Resort Hotel in June.



Rivertide Suites Hotel in Seaside.



Debbie and Terry Bichsel

Q: Tell me about the sale. A: I was the second owner of the property, which opened in 1989. I bought it in 2002. After 20 years, going through two years of COVID and struggles with that, I'm not getting any younger. I'm 68. So I decided to put the hotel on the market. We had some conditions. We wanted to make sure all the staff were taken care of. Whoever bought the hotel would pre-employ all the staff at their same rate of pay, and the same level of benefits at the minimum and maintain their same positions. We went to market in the early part of the year, had a lot of tours, a lot of interest and ended up with 12 bids, which we whittled down to three. Then, we selected one of the three and that's who we wanted to work with.

Q: Who is the new buyer? A: The name of the buyer is Seaside Resort Hotel, LLC. Typically, hotels have multiple investors but the primary investor is a gentleman named Stuart Rolfe. It was a great, great fit. It was a win-win.

Q: Do you still have properties in Seaside?

A: Yes, I still have Riverside Suites. We started construction in 2006 and opened in 2007. That is a condominium hotel. There's 70 condominiums. We've sold 26 of the 70. My wife and I own the remaining 44.

Q: Do you rent them out? A: With any condominium, you have to have an association as required by the Oregon condominium act. So we have an association and all 70 units are members of the association. The association sponsors a rental program, and then my management company who runs the rental program. But it is voluntary. They could rent the unit out on their own, but since day one, we've had 100% participation in the association sponsored rental program.

Q: What is the range of purchase prices for the condo units?

A: Currently, they would be a low of about \$300,000 and a high of about \$550,000. They range in size from 500 square feet to 825 square feet.

Q: Do you find people using them on a long-term or short-term basis or both?

A: It behaves just like a hotel in the peak season. So our average length of stay, which is just about 2.2 nights during the summer, is fairly consistent with what you'd see in the hotel market. We do get more long term stays in the fall, winter and spring. It's kitty-corner from the convention center, so we enjoy a nice influx of business from the convention center.

Q: Is there a profile of the type of per-

son or family that they might want to purchase these? Who are they marketed to? A: It's all over the board. We've got lawyers and CPAs — mostly retirees. And you know, candidly, they buy because this is a high-income producing property. The only caveat is that the owners cannot live in their unit as a permanent residence. They can stay in their units as often as they like, but they can't live in their units. Not surprisingly, because of the high occupancy and the rental income, the average owner is only spending three to six nights a year in his or her unit.

Q: Let's talk about the Ocean View Resort. You became the second owner in 2002.

A: Of course this was post-9/11. The hotel industry took a nosedive and it was just devalued overnight. That's when I looked at the market and I looked at a lot of deals. I had some experience in Seaside many years ago, so I was familiar with the market. I got very comfortable with the situation there. I bought the property and the Best Western in September of 2002 and held it for nearly 20 years.

Q: Do you foresee it remaining a Best Western?

A: That's a great question. I think that the new ownership is going to evaluate that. I had a unique relationship with Best Western because I served on the board of directors for Best Western International for six years, from 2014 to 2020. So I had a pretty good inside glimpse at how the company operates, and their strengths and weaknesses. I was comfortable with Best Western, but I also recognized that you sometimes bump your head on the ceiling of any brand like that, a mid-to-upper, mid-market brand but not a luxury brand.

So if you want to take the property to the

next level, you would likely not keep it as a Best Western. That'll be a decision that they'll grapple with for the next year or so.

Q: Do you see yourself purchasing or getting involved with any more properties?

A: I'm keeping my options open.

Q: Do you think the Seaside market is strong?

A: I do. It's "steady Eddie." If you tracked Seaside over a 30- or 40-year period, even during recessions and down downturns in the economy, it stays pretty steady.

Q: Tell me about your background. It seems like you've been in hospitality for a while.

A: I started out as a cook in the kitchen in a Holiday Inn in Ellensburg, Washington, in 1974. And putting myself through college at Central Washington University. I was working for a major Holiday Inn franchisee based in Springfield, Missouri. I was able to progress rapidly and by the time I was 22, was a general manager of that same Holiday Inn.

When I was 30, I was running a company called John Q Hammons hotels.

I had a portfolio of 35 hotels in 17 states. In 1992, I was recruited by Aramark in Philadelphia. I was the president of their parks and resorts business for eight years. Then I moved to Philadelphia, and in 2000 I was recruited by Holland America cruise line in Seattle to run all of their land-based business worldwide.

Then 9/11 happened. I saw some leverage in the market and that's when I decided to go into business for myself.

That's when I bought the Best Western in Seaside. Later on, I joined the board for Best Western International. It is truly an international company. It's as big internationally as it is domestically. At one time, Best Western was the largest hotel company in the world in terms of sheer number of properties. I was on the board from 2014 until 2020, and I was the chairman in 2017.

Q: Had you had experience in Seaside when you came here and you vacation here?

A: When I lived in Portland in the early 1980s, I vacationed in Seaside. In fact, the site where the TrendWest facility was built was owned by John Q. Hammons, the company I worked for. Hammons eventually sold that property to TrendWest.

Q: Do you have a family?

A: I've been married for 43 years. I have three adult children and six grandkids.

Q: Where's your home base?

A: Right now I'm based in Gig Harbor, Washington. But we also keep a home at the Highlands in Gearhart.

Q: I remember you took a pretty prominent role during the pandemic in 2020 with some of the other hospitality people. What's your reflection — did the city handle that correctly?

A: I think the City Council did a very thoughtful job. They were desperately trying to balance the needs of the business community with the concerns of the local residents. And of course, it was all new to us. It was all new to everybody. We all had some fear. I have nothing but compliments for Jay Barber and the City Council team. I thought that they were fair and reasonable, they listened. I had nothing but compliments.

They were in a very difficult position. And I know that the decisions they made were not were not looked upon as the right decisions by some within the community. We were closed for two months basically. But from my perspective, they were very thoughtful.

Q: Have some of the COVID restrictions or impacts left a lasting impression on your business?

A: Yes, it has caused us to rethink a lot of our best practices and to change some things. And even today, we have not restored some of those services that we used to offer to guests. Candidly, I don't really care that much about it. We call it "stay-over service," where you go in and freshen up the room after every day and extended stays. Now we just do it on request. Guests like that. "They just don't need to come into my room. If I need towels, I'll ask you." We deliver them.

Q: Do you see vacation rental homes as a threat or a competitive or something that fills a need in Seaside?

A: The biggest concern I've got with existing homes that are converted into rentals is the effect on the housing market, and the fact that people don't have fewer options in terms of where they can live. That creates problems. I'm a capitalist, so I guess I can't begrudge someone for converting their home into a rental. But there has to be limits. And I think the City Council in the city has taken the right approach.

Q: As far as employees, do you have a difficult time recruiting?

A: Well, we don't have as difficult a time as others. We practice positive employee relations, encouragement and flexible work schedules. We're paying at the top of the market, and we offer incentives. Our employees are happy with us. So we've got a good relationship there, and that's part of doing business and being successful.

So we don't we don't have as big a problem.

Q: Is there anything else you wanted to talk about that I haven't mentioned?

A: Best Western and the Rivertide Suites are two of the most successful hotels in the market, and I give credit to the people for that performance. The management team and the staff work as a great team. They're like a family. That was the hardest part for me when I sold the Best Western. I felt like I was leaving a big chunk of my family there. Some of those employees have been with me for 17, 18 years, and started out just like I did. I started out in this industry as a cook in the kitchen.

Had people who started out as desk clerks or room attendants and later on, progressed into strong leadership positions. That was one of the most gratifying things to see them progress. That was the hard part of leaving.

LETTERS TO THE EDITOR

Permits issued illegally

Re: Clatsop County Commissioners Legal Briefing on short-term rentals: They have been told now by two expert land use attorneys point blank that: 1. The short-term rental permits issued anywhere in the unincorporated County other than Arch Cape were issued illegally. 2. The commissioners can let these permits expire and not renew them to come back into compliance 3. They have spent three years and wasted hundreds of thousands of your taxpayer dollars to avoid acknowledging their mistake in issuing these short-term rentals and in trying to cover it up by passing Ordinance 22-05. 4. They will continue to waste hundreds of thousands of your taxpayer dollars continuing to fight for the outside business interests who want short-term rentals versus what the residents, citizens and voters of the county clearly want and need. 5. The easy solution to immediately solve this problem once and for all is to: a. Repeal 22-05 at their next commissioner meeting b. Adopt the short-term rental ordinance proposed by their own Planning Commission (made up of local residents, voting citizens expressing needs of their own commu-

nicities) several months ago. Job done! Additionally: The county commissioners talk about the amount of tax dollars that come into their coffers from short-term rentals, but we don't hear how many of your tax dollars that have been spent in the past three years to come up with Ordinance 22-05 and policing the best practices proposed for short-term rentals, and basically ignoring the objecting voting citizens who live in communities with high percentages of short-term rentals. Joanne Cornelius Arch Cape

Fight against preventable disease

For 20 years, Americans have led the fight against preventable disease. In the wake of COVID, our support matters even more. The COVID-19 pandemic pushed global health systems to the breaking point and set back our fight against preventable diseases. For the first time in decades, 2020 saw dangerous declines in progress against HIV/AIDS, tuberculosis, and malaria as the pan-

demic jeopardized access to testing and treatments. Without bold action from world leaders, we could be on track to reach another concerning "first" — failing, for the first time since its inception, to fully replenish the Global Fund to Fight AIDS, Tuberculosis and Malaria, the most important resource we have in the fight to end these diseases. Our leadership plays a critical role in the Global Fund's continued growth and success. In 20 years, Americans' support for the Global Fund has helped save 14 million lives, creating healthier societies and better futures for people and families around the world. Oregon alone has helped save 142,005 lives, provide antiretroviral drugs to 74,462 people, treat 16,068 people for tuberculosis, and distribute 640,412 mosquito nets. Oregon's hard-won progress is now at risk. At its replenishment conference later this year, the Global Fund needs to raise \$18 billion to recover gains lost to the ongoing COVID pandemic. The U.S. has proposed a \$2 billion per year pledge. U.S. Sen. Jeff Merkley must finish the job and get the fight to end HIV/AIDS, tuberculosis, and malaria back on track. Michael Kalkofen Beaverton

PUBLIC MEETINGS

- TUESDAY, AUG. 30 Gearhart City Council, work session, 6:30 p.m., cityofgearhart.com. THURSDAY, SEPT. 1 Seaside Parks Advisory Committee, 6 p.m., 989 Broadway. TUESDAY, SEPT. 6 Seaside Community Center Commission, 10 a.m., Bob Chisholm Community Center, 1225 Avenue A. Seaside Library Board, 4:30 p.m., 1131 Broadway. Seaside Planning Commission, 6 p.m., 989 Broadway. WEDNESDAY, SEPT. 7 Seaside Improvement Commission, 6 p.m., 989 Broadway. Gearhart City Council, 7 p.m., www.cityofgearhart.com. THURSDAY, SEPT. 8 Seaside Convention Center Commission, 5 p.m., 415 First Ave., Seaside. MONDAY, SEPT. 12 Seaside City Council, 7 p.m., 989 Broadway. THURSDAY, SEPT. 15 Transportation Advisory Commission, 6 p.m., 989 Broadway.



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