

## **Furniture Retailers Share Their Stories - Part 6**

Tuesday, March 15, 2011 / by Janet Holt-Johnstone

### **CITY FURNITURE**

Entrepreneurs tend to create and/or attract "firsts". Kevin Koenig's vision took flight in the summer of 1971. With a brand new MBA from Florida Atlantic University, he worked in a small shop after graduation for a few weeks during his vacation in Provincetown, Massachusetts. By the time he travelled home to Fort Lauderdale, Kevin had saved \$1,500, enough to launch his first venture. And, oddly enough, considering his focus, the first modern version of waterbeds was invented in San Francisco and coincidentally patented in (guess!) 1971.

The waterbed was originally created to enhance medical therapies in Scotland in the mid 1800s, and it was a full 100 years before Kevin's forward thinking concept came on the scene. Mark Twain had described the benefits of waterbeds, "for invalids whose pains will not allow them to be on a less yielding substance", this from The New York Times. But as the waterbed came into its own, so did Kevin.

*Green features at City Furniture's new Boca Raton, Florida, showroom include: High-performing, low-emitting glass that lets in light without excess heat. Bike racks and preferred parking for low emitting and fuel efficient vehicles, a feature wall with cherry wood Hitchcock paneling made from reclaimed wood; shades that operate automatically to conserve energy, and recyclable Amtico flooring.*



He called his first 800 square foot store, "Waterbed City". Kevin hand cut and stained wooden mattress frames at night, and sold the completed product during daylight hours. He also felt a mission to educate his potential customers about the merits and benefits of his healthy lifestyle beds. He advertised judiciously, his product was high quality and his customer service exemplary. Waterbed City soon outgrew its original size and he expanded to a 1,400 square foot showroom with a broader range of product offerings. More showrooms soon followed when Kevin, his brother Keith, and friends Mike Lennon, Garry Ikola and Steve Wilder formed a partnership. The team added "a more complete bedroom experience" with dressers, mirrors and nightstands.

In 1990, they realized that waterbeds had reached a consumer plateau, and the group quickly introduced innerspring mattresses to their stores. "The company exploded" and, a few short years later, Waterbed City evolved into City Furniture, offering not just bedroom furniture but a full line of home furnishings including living and dining room, wall units, home theatre and ready-to-assemble pieces. City Furniture and Ashley Furniture Brands have been in partnership for more than 20 years, and they formalized their friendship in 2005 when City Furniture was selected to be the owner operator for Ashley HomeStores in South Florida.

Over the years City has opened eight Ashley HomeStores showrooms. Ashley has grown to be America's "number one" home furnishings retailer with over 400 showrooms. They consider City a key partner, and are committed to build upon the successful relationship.

The dream that became the new Boca Raton superstore began its long march to reality in 2004. "It took seven years to secure the prime location we wanted on Airport Road, and two more to bring it to fruition," said President Keith Koenig. "But it was worth the time. It's the only location in Boca Raton that efficiently draws from both east and west communities. We're 20 minutes away to well over one million people."

The 93,680 square foot superstore represents an investment of \$12-plus million. At the opening, Greater Boca Raton Chamber of Commerce CEO and President Troy McLellan said, "The Airport Authority finally got the right tenant!" Mayor Susan Whelchel, in conversation with Airport Authority Chairman Paul Carman, alluded to the length of time it had taken to "do the deal" and Carman joked about "getting a large check every month from their new tenant!" City Furniture's ground lease with the Boca Raton Airport Authority will help support local economic growth, with rent going to enhance airport operations.

The new superstore, built by Stiles Construction and designed by architectural firm Garcia Stromberg, takes its inspiration in part from the neighboring Boca Raton Airport. Rooflines are unique and memorable, a wing-like roof defining the Ashley Furniture HomeStore, and a dramatic vaulted roof over City Furniture, recalling the shape of historic airplane hangars.

"This opening is truly about sustainability – both economic and environmental," said Keith. "Our company's roots are in South Florida, and we're deeply committed to grow with and help sustain this region. We're pleased to have generated more than 200 construction jobs, and to be adding about 50 new retail jobs as we launch the store's operations." Overall the company employs more than 800.

And, "about sustainability. Innovative and 'green' from its rooftop solar tubes for (natural) daylight harvesting, to its (dramatic suspended) LED track lighting inside and out, 'building green' is a natural extension of our corporate values and sustainable practices. Going forward, we'll look to achieve LEED certification in every location where that's doable," Koenig said, noting that several new stores and renovations are on the boards for 2011 for the firm.

The building is one of just a handful of furniture stores nationwide that has been built to LEED standards, and the project team is seeking certification from the U.S. Green Building Council. The high-efficiency energy management system, heat-reducing features throughout and strategic use of natural light will conserve energy. Koenig believes the store should save about \$30,000 a year on electricity as a result of some of its eco-friendly features. "When it comes to return on investment, it's a slam dunk," he said. Distinctive interior décor has been achieved from reclaimed or recycled materials.

"Some of the visible design elements include a reclaimed cherry wall, slanted windows in the front of the structure with barely visible shades to protect the interior from the heat and light, and recyclable Shaw carpeting," wrote Marci Shatzman of The Boca Raton Forum who attended the opening. "The store also includes irrigation and landscaping systems that use 78 per cent less water and even the urinals are designed to use 42 per cent less water. The company recycles all its furniture packaging and is phasing in green cleaning products."

A statement in City's website, [www.cityfurniture.com](http://www.cityfurniture.com), under "Our City Family", defines Koenig's attitude towards existing and potential associates. "Our company was started with the vision of an entrepreneur and each one of our associates are asked to run the business as if it were their own. Collectively we work for the common good of City Furniture and the customers we serve, driving the growth of our business. When the business grows, we all grow and prosper with it – and that's a great thing."

"Continuous learning and advancement" is encouraged with City's Center for Excellence which is their "Corporate University". It "offers you professional development opportunities ranging from a comprehensive new hire orientation program to on the job training programs specific for your position, to leadership development programs and much more. Our training programs consist of a blended learning approach comprised of computer-based learning modules and on the job training activities. We even offer an extensive learning library where you can select books and audio tapes to help you improve your knowledge and your skills." Plus a "tuition reimbursement program" is also on board to help associates "earn your degree so that you can pursue other endeavors in the City Family". The sky's the limit!

Also a website feature, "Our Community", reviews some of the charities, schools and other non-profit organizations supported by City's team, and invites the browser to join them in "making a difference, giving back to the communities in which it does business". A few, Habitat for Humanity, Holy Cross Hospital, City of Hope, World Harvest Missions Haiti, United Way, University of Florida and many others.

At the grand opening, red balloons were to be seen on 70 items in a silent auction. Koenig announced that 100 per cent of the proceeds would go to Hospice by the Sea, and the Adams Center for Entrepreneurship at Florida Atlantic University. Keith's brother and business partner, Kevin Koenig, who died in 2001 at the age of 54, received care from the hospice and had a master's degree from FAU's business school.

It is not surprising that this high-spirited, lively corporate team felt moved to introduce fun to their showrooms. Customers are invited to enjoy fresh-baked cookies and hot coffee while strolling through their showrooms, and to bring their children to enjoy the experience. Interactive video games and the latest music videos are provided to keep them busy and entertained!