

Closing for renovations

By [Allan Parachini Special to The Garden Island](#) | Monday, January 13, 2020, 12:05 a.m.

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The open-air restaurant at the Princeville Resort features a reflecting pool and million-dollar views of Hanalei Bay.

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PRINCEVILLE — The Princeville Resort will shut down completely on May 1 “for many months” as it undergoes a major renovation, according to reservations staff members who were asked Sunday to explain why the hotel’s website was no longer accepting bookings for July.

The reservations personnel were apparently not aware that 1 Hotels, which will take over operation of the property, has refused to confirm whether

employees are being laid off or whether the hotel will close in part or completely.

A hotel operator who answered the resort's main phone number Sunday morning confirmed the statement of the reservation staff. "Yes, that's correct," the operator said when asked if a closure was planned. She said she had no information on how long the closure would be and that "it depends on how extensive the renovation is."

The hotel's website responded to a query about a reservation for a week arriving May 10 with this error message: "There was an issue retrieving hotel availability." The hotel is one of Kauai's largest employers.

The situation remained apparently confused. Despite the confirmations, a public relations firm retained by Starwood Hotels and Resorts, which bought what had been the St. Regis Princeville Resort in November 2018, refused on Friday to respond to questions on the hotel's current status, renovation plans or intended layoffs.

Meanwhile, the union that represents employees at the Princeville Resort has entered negotiations with hotel management over layoffs that have apparently already begun as the property prepares for possible closure and transitions to become what will be called 1 Hotel Hanalei Bay.

The negotiations were confirmed by the Kauai local of the International Longshore and Warehouse Union and by individual employees, one of whom said she and two family members employed at the hotel were told they would be laid off as early as this week. At its peak, the 251-room hotel claimed to employ 600 people.

Workers said over the weekend that they were enraged that management has, so far, withheld most details of the planned layoffs and conversion of the hotel into an ultra-luxury, so-called "wellness resort," as described more than a year ago after Starwood finalized its purchase.

An ILWU organizer said that hotel management had called a negotiating session that apparently began Friday morning at which the union hoped to

learn the magnitude and timing of the impending layoff, as well as whether the hotel will undergo a partial or complete shutdown as it makes the transition to its new name and mission. It was not clear how long the negotiations would take.

With reservations and telephone staff members confirming to members of the general public who called on Sunday that there would be a complete hotel closure effective May 1, the status of the negotiations appeared uncertain.

Issues in the negotiations are whether there will be a partial or complete closure of the hotel, whether employees will receive severance payments, whether “bumping” will occur in which more senior employees can displace junior ones as jobs are eliminated, and whether the process will occur in stages.

Employees said over the weekend that layoffs had been rumored for weeks and that many long-time workers had already left, either of their own accord or pushed out by management. Employees said some departments had been nearly eliminated and that acute staffing shortages had occurred throughout the hotel’s operations.

Saturday afternoon, only two valet parking attendants were on duty and there was only one server working in the bar, where there were more than 40 customers.

Starwood announced in November 2018 that it had completed purchase of the St. Regis property and the nearby Makai Golf Course. In a news release at the time, Starwood said it would invest more than \$100 million “to transform the property into what will surely be the 1 Hotel brand’s flagship resort.”

It was not clear whether the plan announced in 2018 was still the actual objective for Starwood. In its news release, the company said “the resort will feature a world-class wellness center, oversize fitness area with both indoor and outdoor programming and a diverse activity center to allow guests to discover their own individual balance between activity and relaxation.”

“There is no better location, nor more perfect microclimate, to create a wellness resort that will reinvigorate our guests and celebrate the intoxicating beauty of nature,” a news release at the time quoted Starwood CEO Barry Sternlicht as saying. Sternlicht said Starwood intended “to create what will surely be on the most incredible resort properties in the world.”

On Friday, however, the public relations firm that represents 1 Hotels declined to provide any information on the layoffs or Starwood’s future plans for the property. Elizabeth Traub, of EJ Media Group, said: “We are currently finalizing our plans for the property. I will be in touch as soon as I know more.”

Traub would not confirm that layoffs were either contemplated or had already been announced. Michael Meding, the Princeville Resort’s general manager, did not respond to an email inquiry. 1 Hotels currently operates two properties in New York City, one in Miami and one in West Hollywood in the Los Angeles area.

The hotel chain’s website includes the Princeville property in its “coming soon” section, saying: “1 Hotel Hanalei Bay is located on the Hawaiian Island of Kauai, overlooking Hanalei Bay. The hotel will feature 251 guest rooms and suites, more than 10 distinctive event spaces ranging from 350 to 17,000 square feet, and amenities including a pool, beach, five dining outlets and a spa.”

In October 2018, Sternlicht was quoted on a travel industry website as saying: “If it’s sustainable, that means it’s profitable; and if it’s profitable, other people will do it, too,” Sternlicht said. “There’s no reason not to do this; enough people care and large investors are beginning to pay attention. We are not cheap. We’re running huge premiums over the competitive sets. I keep telling our revenue people they have to find the right price point.”

The reported purchase price of the hotel was \$225 million. The hotel originally opened in 1986 as part of the Sheraton chain. It has changed hands several times over the years and underwent at least one previous complete shutdown for renovations.

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