

Luxury Camping At \$500 A Night On Kauai? A Glamping Resort Could Be Coming Soon

Three holes at the former Princeville Resort Woods golf course are being eyed by the developer for about 50 tent structures under a proposal quietly being discussed.

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PRINCEVILLE, Kauai — The Miami-based investment firm that is redeveloping the former Princeville Resort into a high-end health spa is floating the idea of building a 50-unit luxury camping resort on what is now a golf course in this affluent North Shore community.



The proposal, which the company has not announced publicly, is being discussed in small meetings between sales personnel and Princeville residents and at a Zoom meeting of the board of the Princeville at Hanalei Community Association Thursday

night.

But the situation has quickly disrupted the normal tranquility of Princeville as realization has spread that Starwood Capital Group is basing its proposal for a glamping resort on a 1972 document that says the golf course in question loses its dedicated purpose as open space in February 2026.

After that date, the provisions of the document — entitled “Dedication of Golf Course Property” — appear to remove all protections against development from about 290 acres currently occupied by two courses that make up the Princeville Makai Golf Club. The courses provide the bulk of open green space in most of Princeville, which includes nearly 800 individual properties.

Like most golf course communities, Princeville’s identity is rooted in the sense of openness the golf courses provide. Unlike most golf course communities, however, Princeville’s founding documents held ownership of the golf courses out of the hands or control of the community association.

In Princeville’s case, the community’s first developer, Colorado-based Eagle County Development Corp., decided to create a provision that kept the golf courses out of development for nearly 55 years, but with no protections after that. PHCA president Al Albergate and other residents said the one-page agreement had remained forgotten or unknown for the intervening decades.



Glamping Site

Princeville, HI August 16, 2022

HART HOWERTON

Clusters of luxury camping accommodations would take up primarily the first three holes of the course as it exists today, according to this concept drawing being shared at small community discussions.

Interviews with residents and Albergate indicate that the 2026 date has generally not been disclosed in title searches since it was signed on May 12, 1972.

At the time, the golf facility consisted of a single 27-hole layout. Later, the course was split into one 18-hole layout called the Princeville Makai Golf Club that operates as a high-end luxury course with greens fees of \$305 per round. It also includes a second, nine-hole layout known as the Woods Course that is not maintained to the same standards and is played mostly by locals who pay \$69 per round.

The Paperwork

Starwood Capital's lawyers apparently discovered the golf course dedication agreement when they were in the process of purchasing the hotel and property — which includes the golf courses — in 2018 from the Los Angeles County Employees Retirement Association for about \$250 million. LACERA had owned the complex since 2005.

Starwood is redeveloping the former Princeville Resort — which had several different names during the years LACERA owned it — as a luxury spa that will be marketed as 1 Hotel Hanalei. The Princeville Resort closed earlier in early 2020. Starwood said at the time it would reopen in November 2021.



Starwood Capital is redeveloping the former Princeville Resort including the property's two golf courses.

About two weeks ago, sales representatives of East West Partners, which is contracting with Starwood on the project, started contacting individual residents. The sales agents said Starwood is considering what the company in a statement called "a luxury camping accommodation" on the course's first three holes.

The resort would consist of 50 units — some as large as two or three bedrooms. The structures would be clustered in several locations on what are now greens and fairways. Concept drawings shown to residents depicted the camping structures within fewer than 100 yards of existing homes along Napookala Circle, a community-within-a-community in Princeville that is called the Sunset Drive Community Association.

SDCA president Debbie Goodwin said the drawings also depicted camping clusters near other nearby streets. "I'm not thrilled about it at all," Goodwin said. "Our worry is they're going to build these canvas buildings and what happens if it doesn't take off? Then what?"

Goodwin said she became suspicious of the proposal when the East West Partners sales personnel disclosed that the camping buildings would have footings and full baths and would be built in a way, she said, that "they're no longer

campsites.”

Residents who have sat through the sales pitch said the glamping resort would have rates at about \$500 per night, with a barbeque–fire pit combination in front of each unit. Units would have thatched roofs. The resort would be fenced, and Princeville residents would not be allowed to access it, one resident said. Valet services would transport guests to their units.

Joseph Celona, another Napookala Circle resident, said that community reaction to the proposal was “everybody on the Woods Course either doesn’t like it much or hates it completely.” Celona said he thinks deteriorating economics in the golf industry nationally are to blame.

“Today, if someone owns a golf course, they’re looking to repurpose the land,” he said. “When associations try to fight it, it tends not to end well.”

‘These Discussions Are Very Preliminary’

Albergate said the PHCA board soon realized that the glamping proposal may be related to the decades–old golf course dedication document.

As things stand in Princeville, the 290 acres the two golf

courses occupy are restricted under the terms of the 1972 agreement to "golf course and ancillary recreational uses" until Feb. 28, 2026. After that, all development restrictions are removed.

Albergate said the community association had been aware of the 2026 termination date and was in preliminary internal discussions about how to address the issue in the belief that Princeville had six more years to find a solution.

"We were aware of it," Albergate said. "There was some talk about forming a committee in the next couple of years. Then the hotel (and golf complex) was sold and we made it known to the new owners (Starwood) that we wondered what their plans are.

"About a week and a half ago, we got our answer."



Community leaders in Princeville were surprised to hear about the plans for a glamping resort in an area valued for its openness and natural beauty. This is the

third fairway, where luxury camping facilities would go in.

Albergate and several other Princeville residents said that as they tried to connect the dots in Starwood's plan, they realized that developing infrastructure for the glamping resort would entail construction of infrastructure that could eventually serve the needs of unrestricted new development starting in 2026.

"It's something we have a lot of questions about," Albergate said. "We're going to need to talk to an attorney."

Tom Mull, a lawyer who lives on Napookala Circle, said the Starwood proposal immediately raised concerns.

"When something doesn't make sense, it probably won't make dollars either," Mull said. "East West's attempt to publicize and promote their glamping project as enhancing the natural beauty of Princeville's open spaces in this manner is suspicious."

Mull said he fears Starwood's real objective is to use the glamping resort as a pretext to start developing the site sometime in 2021 because "the actual, eventual prize they eye is more likely a high-end vacation development that can be built in advance of the expiration of an existing use permit."

East West's sales personnel, according to several Princeville residents who have heard their presentation, have explained

that the 1972 agreement means that the glamping resort could be construed as an “ancillary recreational use” and be constructed immediately.

Starwood and East West deny any nefarious intent. Jason Cruce, a Starwood vice president based in Los Angeles, declined to respond directly to a series of questions posed by Civil Beat. However, in a statement, he said:

“In light of the COVID-19 pandemic’s effects on Kauai’s economy, particularly the visitor industry, Starwood Capital Group is looking at new ways that we can contribute positively to Kauai’s economy. To that end, one of the ideas that we are currently in very early stages of exploring, among others, is a luxury camping accommodation on the grounds of the Woods Course.

“At this time, we are talking with our neighbors to introduce our ideas and hear their thoughts. These discussions are very preliminary, and no final decisions have been made.”

Cruce did not respond to the follow-up question of how the development would have any immediate bearing on Kauai’s situation during COVID-19. Cruce specifically declined to comment on the nexus between the golf course dedication document and Starwood’s glamping resort plan.

Later, however, Tom Johnson, CEO of a New York City public

relations firm hired by Starwood, said the company “is aware of the 1972 land dedication and has no intention of circumventing that document.”

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