

# 'Glamping' plan has Princeville residents up in arms

By [Allan Parachini Special to The Garden Island](#) | Sunday, September 20, 2020, 12:05 a.m.



PRINCEVILLE — A proposal by the Miami investment firm redeveloping the former Princeville resort and adjoining Makai Golf Club has stirred new controversy by proposing a 50-unit luxury camping resort that would be built, to open in 2022, on three holes of one of the property's two golf courses.

The proposal, which has still not been announced publicly, was disclosed by media coverage in late August. It has drawn

vicious attacks from Princeville residents who, among other things, accuse Starwood Capital Group, the investment firm, with threatening local homeowners.

Eighty-seven Princeville residents joined a contentious, Thursday-afternoon Zoom meeting at which one resident, Lorrie Mull, branded the project as “unconscionable” and “incredibly problematic.”

Resident Mary Paterson contended that another resident, Mark Hall, who works for East West Partners, the firm developing the project for Starwood, had been “fed to the wolves,” and was being paid to advocate for the project even though building it in Princeville would be “a travesty.”

The new resort would offer glamping — short for “glamorous camping” — in luxury tents in a complex that would also have a restaurant, spa and commercial building. Nightly rates would be in the \$500-and-up range.

The resort would be built on just over 50 acres currently included in three of the nine holes of the Woods Course, a layout mostly used by budget-conscious local golfers. The course and a more upscale 18-hole layout make up the Makai Golf Club. The golf properties together occupy about 290 acres that has remained open space under terms of a three-paragraph document signed in 1972.

The document — technically called a dedication letter — guarantees that the golf course land is to remain open space until February 2026. At that point, however, the dedication expires, theoretically opening up a vast swath of Princeville to new development.

“The idea is to create a very-attractive-looking tent structure that will be well immersed into the landscape and really fit into the North Shore of Kaua’i,” said Hall. The glamping units would have an average of 460 square feet. While most of the units would have a single king-sized bed, others might be large enough for families to be guests.

The plan also includes a new, 80-to-100-seat restaurant, a very large “event tent,” as well as massage facilities and a “commercial building” whose exact purposes were not described.

East West said they plan to open the glamping resort in the first or second quarter of 2022. The “commercial space” is likely to take 12 months to build, and the glamping units six months. Residents objected that the schedule means that construction noise and other problems could begin sometime in 2021.

It remains unclear, however, how long it would take East West and Starwood to negotiate the county planning process. Aggressive resistance is expected. Al Albergate, president of

the Princeville Community Association, said it has retained counsel, and will disclose the association's position on the legality of the glamping project at another community meeting tentatively set for Saturday, Sept. 26. Several residents, including attorneys and non-attorneys, said protracted litigation is almost certain.

The 1972 document has remained little known until the last few weeks. Princeville residents have said they were never made aware of the expiration of the open-space guarantee when they purchased their homes. For a variety of technical legal reasons, the document does not appear to have been discovered in hundreds of title searches for Princeville homes over the last four decades.

Starwood Capital has said it can move forward immediately with construction of the glamping resort under terms of the 1972 letter, which permits the acreage to be used for golf or "ancillary recreational uses."

The document in question is a mere three paragraphs. It was originally executed by the Eagle County Development Corp., based in Colorado, the original developer of Princeville. In 1980, a one-paragraph amendment conveyed the development rights to the Princeville Corp.

As it stands, the 1972 letter applies to all land that makes up the total of 27 holes on two golf courses. On Thursday,

Starwood's representatives said the company is willing to execute a new determination letter permanently placing the 18-hole course that is the principle component of the Makai Golf Club into open-space status. However, the company has apparently not taken action to execute that new determination.

The Thursday meeting's participants included several residents who are either practicing or retired attorneys. They attacked Starwood's interpretation of the language an inaccurate use of the word "ancillary."

The arrangement is unusual among planned golf-course communities, land-use experts said, because the Princeville at Hanalei Community Association is powerless to prevent development on the golf course acreage after Feb. 28, 2026, even though dozens — if not hundreds — of nearby homes have been thought for decades to be golf-course properties permanently immune to development intrusion.

Residents complained that property values and neighborhood cohesion would be destroyed. Several said they have homes on the market and that showings have dried up entirely as word has gotten out about the possible resort development.

Because it would add 50 resort lodging units — even if they are tent-like structures — to the North Shore, it would amount to the new largest hotel project there in decades.

Will Little, an East West employee, countered that Starwood's lawyers believe the glamping resort falls squarely within the meaning of "ancillary uses." "We think we can create something that is absolutely spectacular," he said.

But it was clear as the meeting ended after about three contentious hours that litigation over what "ancillary" means and whether the glamping resort can be developed legally either before the 1972 determination letter expires or afterward. Years of litigation could stall the project indefinitely.

"Under your logic," Mull contended, "you could put a brothel out there and it would be 'ancillary.'"

Questions were also raised about Starwood's financial situation. In September, Starwood lost a battle to retain control over a portfolio of shopping-center properties after it defaulted on payments for \$1.6 billion in debt it took on to acquire the properties. Coverage of the default in The Wall Street Journal and other news outlets indicated that Starwood's credit had been compromised in the failure.

Little responded that the shopping-mall debacle involved a corporate component of Starwood that is not involved in the Princeville projects.

Starwood has declined to comment in most respects on the

project for several weeks. On Thursday, a public-relations firm that represents the company released a brief statement.

"With regards to the project, we continue to have conversations with our neighbors in Princeville. We are going forward with Princeville," said spokesman Tom Johnson.

"There is no effect at all" from shopping-mall-debt default. He said Starwood does not "have any additional comment beyond that at this time."

Several residents also said they interpreted comments from Jason Cruce, a Los Angeles-based Starwood vice president who joined the meeting, as threatening. Cruce made the remarks when he tried to address the issue of whether Princeville property values would drop if the glamping resort is developed and the sense of open space on much of the Woods Course is destroyed.

Cruce said bluntly: "We're trying to come up with a solution that is mutually beneficial to everyone as much as possible. I'm very much aware that everyone might not come out a winner."

The glamping units, said Cruce, Hall and Will Little, another East West executive, will be tent-like, with full bathrooms and possibly thatched roofs. They would not have kitchens, but each would have a barbeque fire pit in front for cooking. The pits would be fired by locally sourced firewood, which led

many residents to question whether the resort would be acceptable from either a fire-safety, air-pollution or noise perspective.

Starwood, contended resident Andy White, "is simply asking us who are homeowners to pay in our loss of value to supplement their development efforts — their profit margins. You're asking me, Jason, to literally give up my equity so that you can profit. I find that absolutely abhorrent."

Opponents of the glamping project contended that the resort is merely a "place holder" so Starwood can start developing the golf-course land without waiting for the 2026 expiration of the open-space-guarantee document. The Starwood and East West officials said the resort would require construction of substantial infrastructure, including foundations, walkways, electric lines, water service and sewers.

If the glamping resort is constructed but fails as a business venture, and the open-space guarantee ends in 2026, contended Tom Mull, another resident, Starwood would be, in effect, using the time between now and 2026 to start work on a development that would not otherwise be permitted to go into construction.

The nearby former Princeville Resort hotel is being redeveloped by Starwood to open sometime in 2022 as 1 Hotel Hanalei Bay, a luxury spa resort. It will retain the same

room count — 252 — as the former Princeville Resort, Starwood officials told the meeting on Thursday.

Hall said the glamping resort hopes to appeal, in particular, to millennials. “It is our role to create an environment in which people can enjoy the outside,” said Little. “There are people of all demographics who are looking to escape the hustle and bustle.”

Brad Cheatum, another resident, responded: “I don’t think you’re going to be able to control the noise levels,” he argued. “You say millennials. I know what they like to do at night and it’s not quiet. How are you going to compensate the owners of all the residences that surround it?”

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***Allan Parachini*** is a Kilauea resident, furniture-maker, journalist and retired public-relations executive who writes periodically for The Garden Island.