

# The Miami Herald

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## Royal Palm to get makeover

■ Renovations at the storied Royal Palm Hotel in Miami Beach are expected to be complete by late next year.

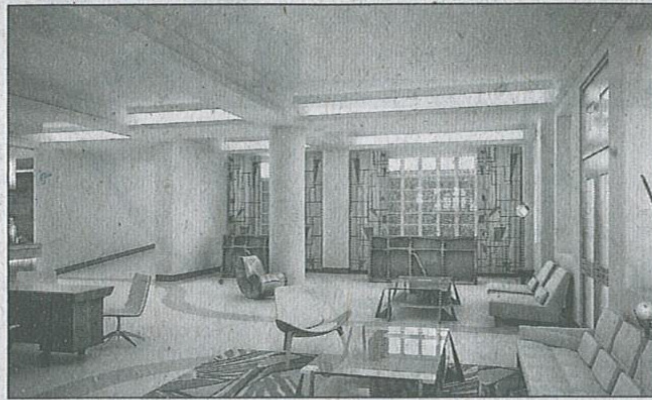
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Under new ownership, the Royal Palm Hotel is about to undergo major renovations — and a name change.

Private equity firm KSL Capital Partners bought the South Beach hotel for \$130 million from Sunstone Hotel Investors in a deal that closed last week. The hotel will become part of The James brand, which already includes locations in Chicago and New York.

Sunstone didn't hold on to the 409-room property for long: the California-based lodging real estate investment trust bought the Royal Palm through a foreclosure auction in August at a cost it said amounted to \$117 million.

Next up: \$42 million in renovations to guest rooms, public spaces and outdoor areas. When finished, the hotel at 1545 Collins Ave. will



ROTTET STUDIO

**NEW LOOK:** A rendering of the planned entrance lobby at the James Royal Palm hotel.

have 179 guest rooms, 211 studios and suites and a new spa and children's club. Renovations are expected to be finished in the fall of 2012.

"You won't even really recognize it except for the exterior itself," said the project's interior designer Lauren Rottet, founding principal of Rottet Studio. "From the street, it will just look like we've taken it and made it beautiful."

When the renovations are complete, the hotel will be re-launched as the James Royal Palm.

KSL Capital Partners managing director Eric Res-

nick said he expects the new branding and investment in upgrades to help the Royal Palm live up to its potential.

"We really feel that the Royal Palm is an A-plus location on South Beach but has never been an A-plus property," he said.

The hotel has a storied past. In the 1990s, developer R. Donahue Peebles won the deal to open the country's first majority black-owned hotel as part of Miami Beach's efforts to end a tourism boycott. The city helped finance the project, which turned into a teardown and reconstruction rather than

renovation of the historic hotel. The new Royal Palm opened in 2002.

Peebles sold most of the hotel in 2005 to investors Guy Mitchell and Robert Falor, who planned a condo-hotel conversion. The conversion plan flopped, as did several other of the duo's planned projects, and the property eventually went into foreclosure.

Resnick said the new owners don't have any trepidation.

"We've invested in lots of properties with long and storied histories and we think that's a great opportunity because a lot of people have heard of it, but they recognize that it is in need of repositioning," he said.

Brad Wilson, chief operating officer at Denihan Hospitality Group, which was brought in to manage the hotel in November, said the James hotels clients in Chicago and New York had been asking for an outpost in Miami.

"We have two hotels in the coldest places where people visit Miami," he said. "It's really where our guests want to go."