

SANTA BARBARA NEWS-PRESS



Chumash to buy Solvang's largest hotel

By Nora K. Wallace
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The Santa Ynez Band of Chumash Indians announced it is purchasing Solvang's largest hotel -- the Royal Scandinavian Inn.

The sale had been rumored in the Santa Ynez Valley for more than a week, but the tribe would not confirm the sale until Monday. It would not disclose the terms of the sale, but said escrow should close Jan. 5 on the site at 400 Alisal Road.

The sale was put to a vote of the tribal membership and was passed by a majority of the tribe, said Frances Snyder, tribal spokeswoman.

The Royal Scandinavian, built in 1984, currently has 80 employees and is owned by John E. King of King Ventures in San Luis Obispo. King Ventures is a real estate development company. The Chumash have been in negotiations for the hotel and property for about six months. The tribe said it plans to do a complete renovation on the 133-room hotel, to "provide the property with an entirely new identity -- from its architecture to its style of cuisine and service."

The Chumash would not discuss details of the planned eight-month renovation, but said that information would be available next month. Changing the hotel's name has not yet been discussed, Ms. Snyder said.

"We are excited about purchasing this hotel property," said Chumash Chairman Vincent Armenta, in a statement. "This transaction fits in well with our economic development plan to diversify our holdings."

Ms. Snyder said there are no plans to seek placing the site into a fee-to-trust status, a federal process which would incorporate the holding into tribal reservation land and make it exempt from sales tax and local design review.

The Chumash are already the valley's largest employer, with nearly 1,500 workers at its casino and resort hotel complex. Its 80,000-square-foot resort has 106 rooms, including 17 suites.

The tribe's resort hotel currently runs at occupancy rates of 85 percent to 95 percent, and 100 percent on weekends, Ms. Snyder said. The new hotel will provide some overflow for guests, she indicated.

"We plan to upgrade the Royal Scandinavian Inn to meet the high standards we have set with our four diamond-rated Chumash Casino Resort property," said David Brents, chief operating officer, in a statement.

The sale includes the Meadows Restaurant and Bar, billed by the hotel as "one of the finest in the Santa Ynez Valley." It currently features a Danish Smorgasbord on Thursdays through Saturdays.

The Royal Scandinavian includes about 4,000 square feet of meeting space for about 400 people, with a large parking lot to the rear of the property.

The hotel offers an array of package stays, including "Lucky Clogs Gambling," that features a \$50 gambling voucher at the Chumash Casino for between \$149 to \$209.

"I am excited about the future of the Royal Scandinavian Inn," said Linda Jackson, a city councilwoman and executive director of the Solvang Chamber of Commerce. "This purchase is happening at a good time for Solvang, when many renovations are taking place and general upgrades and enhancements are occurring."

Last week, the tribe disclosed the details of another real estate purchase in Buellton. The building, formerly Federico's Restaurant on McMurray Road, will become the new Chumash Employee Resource Center. It will house the Chumash training university and the tribe's human resources and accounting departments. It will also provide parking and bus pickup service for employees and casino visitors.

The tribe hopes to move in by the end of March.

The 15,000-square-foot building will include 12 enclosed offices, 45 open office work stations, two training rooms and a lunch room. Approximately 25 to 35 employees will work at the site, with one or two classes per week for 20 to 35 employees.