

"Not tragically hip": Goldberg wants Solage to be unimpeachable.

Make room for the inn crowd

Hotel group targets young, active

BY RYAN TATE
 San Francisco Business Times

Rob Goldberg left his CEO gig at the PlumpJack wine and restaurants group last month for a unique mission at a local resort company: selling casual hotel rooms at a price that is anything but laid back. If he can make that tricky proposition work, the former Hard Rock Cafe executive should be well on his way toward

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INN CROWD: Auberge launches Moana; \$500 rooms, mountain bike included

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building a \$130 million business in just four years, as Mill Valley's Auberge Resorts has asked. Auberge's brand-new spinoff, Moana, is already halfway there, but needs a series of edgy new hotels to close the gap.

The company's first ground-up effort will come in July, when Moana's 79-room Solage Hotel is set to open in Callistoga. Prices are around \$400 to \$700 per night, but that hasn't stopped the hotel from putting forward sweaty perks like mountain bikes and on-site cardio kickboxing.

The idea is to appeal to a younger, more active tourist than the pampered guests at Auberge's own small and pricey hotels. And Goldberg believes if he can get the locations right, the dollars will fall into place.

"It's important we get A-plus locations, and we're not going to bother with anything else," said Moana President Goldberg, who came onboard in March.

Logical choice

Goldberg seems a logical choice to launch what is clearly intended to be a young and hip brand — something that is shaping up to be a more rugged and expensive version of the Starwood's W Hotel or of one of Ian Schrager's properties.

He once ran a Los Angeles club, Vertigo, which Esquire magazine named one of the most exclusive in the country and which was later purchased by rock star Prince.

Fresh out of college, Goldberg helped open the first Hard Rock Cafe in the U.S. as assistant general manager in Los Angeles. He returned to the company after his Vertigo experiment and soon became corporate director of operations. He helped lead the opening of the Hard Rock hotel in Las Vegas, which embraced adult debauchery at a time when the conventional wisdom said Las Vegas was becoming a tame destination for families with children.

Hard Rock Cafe was later sold and went through a period that highlights the importance of "A-plus locations," diluting the brand with openings in places

like Gatlinburg, Tenn., St. Louis, Mo. and Sacramento.

At Moana, he is planning to open one hotel per year and grow the company to \$130 million in revenue by 2011. (That's five new hotels, including the Callistoga property.)

The company now makes about half that much from a stable of 20 restaurants it variously owns and manages, including 12 Piatti restaurants, two Paragons and one-off brands like the acclaimed Redd in Yountville.

Moana has just one hotel open now, the El Dorado in Sonoma. But with capital flowing freely in the hotel sector, the company clearly is making it a focus of future growth. It is in advanced negotiations for locations in Mammoth and Cabo San Lucas, Mexico.

The unique locations are how the company tries to justify its prices, along with excellent service. Auberge found a large portion of guests come just once in their entire lives.

Goldberg said even high-end hotels from the large chains tend to be places where the guest walks in and can "not figure out if I'm in Washington, D.C., or Maui." So he plans to give each Solage a unique look, stylish but "not tragically hip where you are just downright uncomfortable."

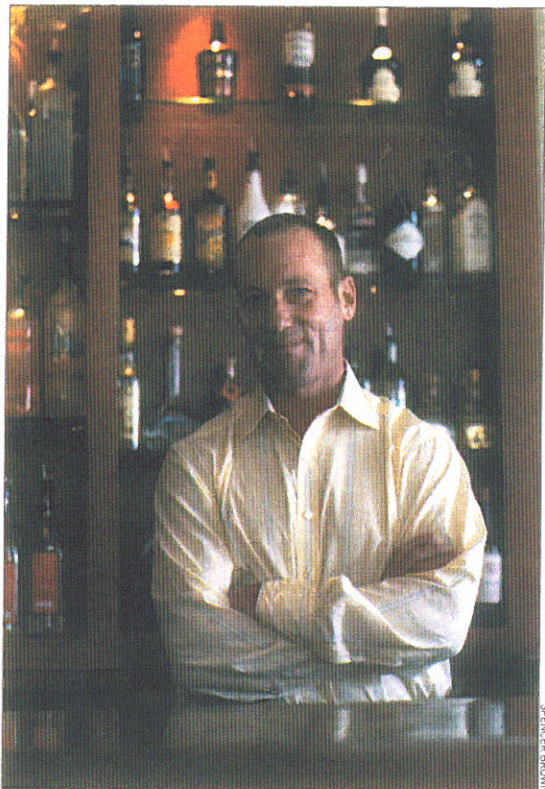
'There is a market'

Hotel investor Donald Wise of Napa thinks the concept will work, thanks both to Auberge's sterling track record and also due to demographic trends like increased travel among parents with young children.

"There is a market there," Wise said. "What you're talking about is an upscale version of where InterContinental Hotels is looking to place the (boutique brand) Indigo."

Wise points to a similar effort from West Paces Hotel Group as evidence the hip-but-rich small hotel sector is gaining steam. His only concern: rising construction costs that could cut into Solage's mostly new-build hotel plans.

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