

# FRONT DESK

NEWS, IDEAS, AND INSIGHTS

## SUCCESS STORY

### Expanding From Within

DOUG RIGONI AND COAST HOSPITALITY  
LEVERAGE THEIR REGIONAL KNOWLEDGE  
TO DRIVE GROWTH **BY OLIVIA RIZZO**

**WHEN DOUG RIGONI TOOK A JOB** as a banquet houseman the summer after he graduated high school, he didn't expect to use the experience as a stepping stone toward a long career in the hospitality industry. Now president and CEO of Coast Hospitality, Rigoni has turned his focus to expanding the management company's reach along the West Coast and in Hawaii.

Coast Hospitality began to take shape in the United States during the 1980s with the creation of WestCoast Hotels in Seattle. In 2003, that company became the U.S. franchisor of the Coast brand, joining its sister company of the same name in Canada. Coast's three branches—management, franchise, and ownership—allow the company to pursue different opportunities. "Hospitality is the main umbrella," Rigoni explains. "And we have really aimed to cover all facets of the hospitality business."

Rigoni's involvement with Coast Hospitality started in August of 1992 as food and beverage director of the River Place Hotel in Portland, Ore. "While I was working there, Coast picked up the management contract for that hotel," he recalls. Over the next 23 years, Rigoni climbed the Coast ladder, gaining experience in the company's various branches before becoming CEO in 2015.

Coast Hospitality's focus on the West Coast and Hawaii was born from the company's Seattle home, which, coupled with Rigoni's insider knowledge of the area, has allowed for significant growth. Most recently, Coast has focused specifically on expanding in Hawaii. They hired a new director of development who resides in Hawaii to assist in this process. Rigoni described Coast's aspira-

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—**DOUG RIGONI**  
PRESIDENT AND CEO,  
COAST HOSPITALITY



#### WITHIN REACH

Coast Hospitality President and CEO Doug Rigoni is determined to expand the company's portfolio along the West Coast and in Hawaii.

tions for the islands as "expanding from within," because the inspiration behind these moves was a property already in Coast's portfolio—the Waimea Plantation, a nontraditional hotel comprised of 61 cottages on the island of Kauai, at the foot of the Waimea Canyon. Coast began managing the property in July of 2014, before taking it over completely in 2015.

According to Rigoni, the cottages represent an emerging market in Hawaii, one that caters to a more discerning type of traveler. "Travelers are becoming more savvy and are seeking more authentic experiences. Especially in Hawaii, they might not necessarily be looking for that all-inclusive, stay-at-the-resort vacation. They want to interact with locals and really connect with the history of where they are staying," Rigoni says. And the cottages are steeped in history— →



**SEEDS OF SUCCESS**  
Coast's Waimea Plantation is a non-traditional hotel comprised of 61 cottages on the island of Kauai.

→ they used to house plantation workers back in the 1800s.

The property is surrounded by black sand walking beaches, where local fisherman can be seen casting their nets and bringing in local fish. At night, beach bonfires dot the shoreline. "Staying in one of the cottages can be very special for guests striving to have an authentic Hawaiian experience," Rigoni says.

Seeing the great success of the Waimea Plantation Cottages years has inspired Coast to model future Hawaiian prospects on the property. "It's one thing to provide a great experience, but a hotel also has to make money. There has to be a return on the investment and that's what we've been able to do at Waimea," Rigoni says.

Beyond Coast's future projects in Hawaii,

Rigoni is also eager for the company to continue expanding along the West Coast of the continental United States. "We have so many leads, there are people who need our services, everything from developers to hotel owners to a management company. And these services need to be focused on asset quality and profitability," Rigoni comments. The area itself also presents a number of strong opportunities, if you know where to look. "We like being a regional hotel company, and we like the West Coast. We know it backward and forward and it's a great place to be developing hospitality projects," he adds.

One of Coast's future projects includes a two-year, \$14 million renovation of The Benson in Portland, Ore., which was built in 1913 by local lumber magnate Simon Benson. The goal is to give the hotel a more contemporary European feel, while bringing it back to its historic roots. The cleaned-up look is being paired with local elements, including photography of the Portland area by a world-renowned Swedish photographer.

Additionally, Coast is working on a \$2 million refresh of the Coast Bellevue Hotel in Washington, which will include a new name and new technology, playing off the technology boom occurring in the surrounding area.

Coast plans to keep its expansion process as simple as possible. The company is focused on increasing name recognition with both new and old contacts and showing off results that currently exist in Coast Hospitality's portfolio, ultimately building and fostering strong relationships that will last for many years to come.

## GOOD ADVICE

**DOUG RIGONI**, PRESIDENT AND CEO OF COAST HOSPITALITY, OFFERS SOME REGION-SPECIFIC DEVELOPMENT TIPS.

- 1 THINK LOCAL.** "You need to know the market, which comes with knowing the locals and what that area has to offer. One of the things we like to do is partner with locals in different markets to get a better scope of the area."
- 2 FILL IN GAPS.** "Taking inventory is extremely important. You need to know what kind of properties already exist, and what kind of properties are missing from the area. Those are the gaps you want to fill."
- 3 KNOW WHAT'S DRIVING DEMAND.** "You have to know about the demand generators. If you look at Seattle, for example, there are a lot of companies attracting people to the Pacific Northwest for leisure purposes. Learn about what is driving guests to your area or region."

## THE COST OF OVERTIME

At the NYU Investment Conference last month, hospitality leaders discussed how the new overtime rule will affect the hotel industry.



"I think it will affect our business in a very major way and, for that matter, a lot of small businesses will be affected, too. Every employee making less than \$47,000 will be impacted, as well as the employers paying out."

**DAVID KONG**  
President and CEO,  
Best Western Hotels & Resorts



"We'll adapt, but it doesn't help the people who want to develop and grow. It really is going to restrict opportunities, because we are not going to be able to add those hours or overtime pay because of economics."

**GERRY CHASE**  
President and COO,  
New Castle Hotels & Resorts



"Consequences may include slower growth and more limited career paths for employees, because businesses won't be able to create as many opportunities and will have less flexibility on how many people they can hire. And the higher you raise the salary threshold, the less gap there is between people who are just starting out and people who have been with the company for a long time."

**ELIE MAALOUF**  
CEO, The Americas,  
InterContinental Hotels Group