

THE PANAMA HOTEL



BY KATHERINE ADAMS



The hotel floor plan, when viewed from above, has a distinct E shape. This unique configuration allowed every room to have at least one window.

When Galvestonians rang in the New Year in 1900, they were filled with the hope and optimism that would come naturally to a community booming with economic development, expanding in industry, and rising in its importance as one of America's most significant port cities. No one could foresee the horrors of the Great Storm that would lash Galveston within just nine short months of those happy celebrations. Despite the devastating losses suffered by each citizen, Galveston made a valiant comeback.

By the end of the first decade of the new century, life on the Island had improved and Galveston had begun to bustle again. In 1912, the railroads were still the lifeblood of Texas commerce and Galveston was the headquarters of the Gulf, Colorado, and Santa Fe lines until 1964.

As railroad commerce in Galveston slowly revived, the Union Passenger Train station west of 25th and Strand received a half-million dollar upgrade. Soon, it became clear that a hotel near the railroad depot would be of great benefit to the Island and to the businessmen who were traveling to or through the city.

The December 29, 1912 edition of the *Galveston Daily News* reported that the Panama Hotel would be Galveston's newest downtown hotel, located at 25th and Strand facing the Union Passenger Station. "I have great faith in Galveston and I believe the city will double its population within a few years," said J.W. Spangenberg, who had signed a ten-year lease for the hotel.

"In my hotel experience, I have found that good hotels are the forerunners of a city's growth and upbuilding (*sic*), other things being favorable to that end." Galvestonians watched with interest as the first European-style terminal hotel was constructed.

After several delays, the four-story Panama Hotel opened at last in early 1913 and was the logical place for businessmen to settle in after stepping off the train across the street. It was originally to be named the Terminal Hotel, but before the opening the name was changed to commemorate the concurrent opening of the Panama Canal.

Including furnishings, the hotel reportedly cost about \$125,000. It boasted 125 rooms which each had running hot and cold water, steam heat, and a telephone. Forty of the rooms featured attached bathrooms, an unusual luxury at the time, and the guests in the



remaining rooms shared communal bathrooms.

The exterior of the hotel was designed along the lines of Spanish architecture and boasted that with its cement walls, it was the only fireproof building on the Island. The ground floor was tiled, but the upper levels retained the concrete for flooring which was covered by rugs. The interior design of the hotel was described as "mission style."

According to the *Galveston Daily News*, the Panama Hotel also became a respectable and steady source of employment for locals. The hotel frequently posted want ads in the paper, going back as far as 1914. They needed clerks, elevator operators, housekeepers, maids, and the like to keep the hotel operational.

As the Panama gained recognition among local residents and traveling businessmen, other businesses with more opportunities for employment began to open in and around the hotel. A barbershop opened downstairs, and later a restaurant with an entrance facing 25th Street.

Local Allstate insurance agency owner and lifelong Galveston resident David O'Donohoe has special memories of visiting the barbershop at the Panama Hotel. "Back in the 1950s, crew cuts were very "in" for the cool guys in Galveston," he remembers.

"The barber in the Panama Hotel came up with a new hairstyle that all the boys thought was cool. The buzzed, flat top was the style then, so he would buzz the top of our heads, but leave the sides long and combed back. It was actually called the "Panama." You would go in and ask him to give you a "Panama" and that's what you'd get. All the young guys did it. I had it, too. It was quite a fad for awhile back then."



Left and right: The Panama Hotel boarded up before the renovation.
Below: The distinct "E" shape of the building is noticeable in this image of The Panama Hotel renovation in 2005.



The restaurant, called the Ship Ahoy, was owned by John Kriticos, whose family has owned restaurants in Galveston for generations. "The Ship Ahoy was a local diner only existed for a year or two in the early 1960s, but it was my brother John's first restaurant venture outside of the family restaurants," says Larry Kriticos, owner of Olympia Grill at 4908 Seawall and the Olympia Grill at Pier 21.

"John's wife at the time was Anita Martini, whose family owned several theaters in Galveston. The recipes that they used at the Ship Ahoy came from Anita's grandmother, who was Italian. The food was very popular."

He said that the Ship Ahoy was known as a wonderful local diner with the best spaghetti sauce ever. "No one could ever duplicate that spaghetti sauce," he remembered. "John called it 'Granny's sauce' - it was the most unique flavor and I've never had anything like it ever since."

In November of 1964, the *Galveston Daily News* reported that a fire broke out in the office of the Ship Ahoy and by the time the fire department arrived, the blaze was working through the ceiling in the dining room. Investigators said that in a very few more minutes, the fire could have spread to the Panama Hotel and destroyed

it, but the fire was contained to the restaurant.

After the fire, John did not reopen the Ship Ahoy. He took another job elsewhere and a bar opened in the location sometime afterwards.

By the 1970s, things changed for all railroads in America. Interstate highways had improved and transportation by jet increased significantly, causing commerce by railroad to decline sharply.

The Panama Hotel lost much of its clientele, as well as its luster. The hotel ceased operating, and fell into disrepair. It remained empty for years and was finally sold to Andrew Kaldis Development Interests, Inc., who converted the former hotel into lofts.

Although it was short-lived, the last century in Galveston began with great hope and confidence in the future. Today, business people rarely arrive in Galveston by train anymore, and the Ship Ahoy and the barbershop that once were a part of the hustle and bustle of the Panama Hotel are just memories.

But Galveston takes great pride in those memories, and the Panama Hotel was dedicated as a National Historic Landmark in August of 1979, a permanent reminder of a day when passage by train was the country's preferred mode of transportation and was the quickest way for businessmen to travel between Houston and Galveston—with a stay at the Panama Hotel in between.

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