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The 62-acre Hyatt Regency Waikoloa is reportedly losing \$40 million a year.

Big Isle hotel buy near

Hyatt. Waikoloa
price reported
under discussion

Advertiser Staff

WAIKOLOA — The sale of the Hyatt Regency Waikoloa to Hilton Hotels is nearing, according to industry sources, but not yet final.

The hotel, which was put up for sale late last year, cost an estimated \$350 million to build and furnish. The reported asking price was \$200 million. Yesterday, sources said that they had heard sales figures as low as \$42-\$100 million discussed.

If the hotel does sell for a price as low as this, it will drastically affect the hotel industry, a Honolulu real estate broker said. Such a sale price would represent a dramatic erosion of capital value, said Ron Gilligan, a hotel broker/consultant with R.F. Gilligan Realty.

The 62-acre Big Island resort is owned by HRW Limited Partnership. The partnership consists of the Fass Family of Forth Worth, Texas.; Hyatt Development Co.; TSA International Inc.; former Hawaii developer Christopher Hemmeter

Hyatt Waikoloa



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"Bobo" Lapenia said that he is seeking a meeting with Hilton's representatives to determine where the hotel employees stand. Hilton is reportedly talking about taking over the hotel around Nov. 1.

"They haven't informed us formally (of a sale)," Lapenia said, "I'm assuming the deal is still being finalized."

Sources said that the sale has been pushed by Mitsubishi Bank, a Japanese bank that led a consortium of financial institutions lending money to HRW. Mitsubishi has declined to talk about the hotel, saying it could not comment on client relationships.

In June, Forbes magazine reported that the hotel was losing \$40 million a year.

State Sen. Malama Solomon, who says the Hyatt operation is the largest employer in her senatorial district, is looking for stability there and says she hopes an arrangement for its future can be concluded soon.

The North Kohala Democrat said she understands the negotiations have been slowed by a desire from Hyatt officials to continue holding a portion of the sprawling Waikoloa resort by retaining the Ocean Tower.

This is because they want to have a Big Island property for Hyatt Club members, Solomon says she was told.

and others.

Hyatt and Hilton officials have repeatedly declined to comment on sales reports in recent weeks and continued to do so yesterday.

The ILWU, which represents about 700-800 hotel employees at the resort, was notified that Hilton was looking at the property some time ago but has not received any further word.

Local 142 President Eusebio