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Tower next to Ilikai still set to open, owner says

Pacific Business News (Honolulu) - by [Janis L. Magin](#) Pacific Business News

The **Yacht Harbor Tower**, neighbor of the troubled **Ilikai hotel**-condominium in Waikiki, is supposed to be in the midst of a multimillion-dollar renovation to turn it into a luxury hotel.

But the 360-room Yacht Harbor Tower, which closed more than two years ago, appears to be an empty shell. Residents of the Ilikai say they haven't seen workers on the site in months.

The building's California-based owner, M Waikiki LLC, an affiliate of eRealty Cos. of San Diego, says work is being done to design the new hotel and that it will be ready to open by the end of the year. The new hotel will employ more than 150 people, said eRealty Partner Ed Bushor.

"We're keeping a low profile," Bushor told PBN. "We're still planning to move forward and help the economy in Hawaii by opening up a hotel."

The building is connected to the Ilikai and was part of its complex until July 2006, when developer Brian Anderson bought the Ilikai for \$218 million and then sold the Yacht Harbor Tower to eRealty for more \$100 million.

The tower closed several months later, along with the Ilikai's ballroom and main swimming pool, for a renovation that was estimated to cost \$30 million.

Some 170 hotel workers lost their jobs and the building's commercial tenants, which included the Tanaka of Tokyo restaurant and a wedding chapel, were forced out after the sale. Crazy Shirts is the only remaining tenant, doing business in the street-level space at the corner of Ala Moana Boulevard and Hobron Lane.

Although the Ilikai and Anderson's Anekona companies are mired in financial troubles, the Yacht Harbor Tower project has secured its financing, Bushor said.

"We aren't in the category of other people in the state that are having problems," he said.

Bushor declined to say who would manage the hotel when it opens, but it was previously reported that it would be Marriott. A Marriott spokesman in September confirmed that there was an agreement between Marriott and eRealty Cos. without providing details. Ed Hubennette, vice president of North Asia, Hawaii and the Pacific for **Marriott International**, did not return calls seeking comment.

"We're processing design and working toward getting the hotel design to complete the design for a third-quarter deadline," Bushor said. "They are doing pre-construction activities to prepare for construction."

There was no sign of work being done at the building this week.

"There hasn't been any new construction activity for six months," said William Lawrence, who has lived at the Ilikai for more than 20 years. "Everything's just sitting there. They even have equipment sitting there."

White paper covers the sliding glass doors of most of the guest room lanais, although others were exposed to the elements. A construction fence around the ground floor along Hobron Lane has a sign posted announcing that it is a hard hat area, but the only hard hats in sight were lined up on a rack.

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up on a rack.

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The second floor pool area once shared with the Ilikai also is surrounded by a construction fence. Demolition work was started but only partially finished and the area is littered with debris.

The water in the pool, once the center of activity for hotel guests, is a deep emerald green.

Work on the Yacht Harbor Tower has dragged on since the first building permits for demolition were issued in November 2006.

The building appears to have undergone extensive demolition and some structural work since then.

Records with the city's Department of Planning and Permitting show no permits have been issued since Feb. 22, 2007. There have been no permit applications since last spring.

Bushor said the company is getting ready to choose a general contractor for the project.

"We're doing things in preparation of hard construction," he said. "I think we've abated any issues that are necessary to abate prior to construction."

Bushor also said the pool's color was temporary.

"If it does turn green it might be a one-day or two-day event," he said.

The Ilikai's apartment owners association has written to eRealty to complain, but has received no response, Lawrence said. Individual owners were answered with "nasty letters back," he said.

"It's ruined the whole complex, compared to what it was," he said. "Before Anekona came this was an active place. It used to be very active with the ballrooms, with all kinds of activities."

But Bushor said his company is working hard to reopen the hotel.

"It's like a duck in the water; you're working hard but everybody says you're doing nothing," he said.

In trying to get a liquor license for a restaurant to be built in the hotel, eRealty ran into the buzz saw of union opposition.

Its liquor license application was delayed in November after members of UNITE HERE! Local 5, which represents the 170 former employees of the Yacht Harbor Tower, circulated petitions and rallied neighbors to block the license.

The union said eRealty affiliate **Hawaii Hotel Services 2**, which applied for the license, failed to specifically describe its plans for the restaurant and tower.

Bushor declined to comment on the license application. The **Honolulu Liquor Commission** agreed to accept written testimony until this week, and a public hearing is scheduled for Feb. 5.

Bushor said eRealty has lined up a restaurant tenant for commercial space in the tower, but declined to provide details.

"We have restaurants, we have multiple tenants," Bushor said. "We're going to lease out the space."

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