

Sheraton Still Is Planning Royal Addition

Sheraton still is planning on building a 300-room addition to the Royal Hawaiian Hotel, Kenneth Newton, vice-president of real estate, said today.

The eight to 10-story structure would provide facilities on the first two floors for the Outrigger Canoe Club, he said.

"And we will offer facilities for the women (Ulu Niu Club) if they so desire."

Newton was optimistic about recent progress with Bishop Estate on an extension of the Royal lease.

"There are still honest differences of opinion," he said, "but it's a cordial relationship."

DEVELOPMENT

Regardless of whether the lease is extended, Newton said Sheraton plans to develop the Kalakaua Avenue frontage between the Snack Shop and McInerny's as a commercial area.

Also on the planning boards is a 500-room, 10 or 12-story hotel on the fee simple beach property on Kalia Road. The land is now used as an employees' parking lot.

Commenting on the possible sale of some of Sheraton's Matson property to which it will get clear title June 1, Newton said:

"Nothing is being offered for sale. There has been no decision."

However, he hedged when asked about the Seaside-Kalakaua corner, which Hialand Development Corporation said it had purchased and which Sheraton later denied.

Newton did clarify one point in the rumors surrounding the Hialand announcement.

NO RESTRICTION

"If we did sell, we would not sell with a deed restriction (against hotel construction)."

He said Sheraton is "too well aware of the need for more hotel rooms in Waikiki."

Sheraton's immediate concern is with the Bishop Estate lease, which expires in 1975.

Newton said current talks centered around 11 acres of the "hotel proper," omitting the shop area along Kalakaua Avenue.

This is a new twist, compared with earlier negotiations. In February, Sheraton was negotiating for the whole 16 acres, although two rates were considered—one for commercial area and one for hotel.