

THE BEACH TIMES: Friday, June 08, 2007
North Pacific Attracts Hotel Development

By [Ralph Nicholson](#)

Investors Lock On Million Dollar Hotel Deals

Guanacaste's northern Pacific coast could see as many as 20 high-end hotels and resorts in the next five years, according to plans by local and international investors.

Up to a dozen golf courses are either in place or on the drawing board.

The proposed hotels are a mix of all-inclusive resorts, five-star hotels by name brands, or smaller boutique hotels of between 70 and 100 rooms.

The Mandarin-Occidental, the Ritz-Carlton Hotel Company, the Canyon Ranch and Spa group, the Hilton Hotels Corporation, Hyatt Hotels and Resorts, Regent International Hotels, the Starwood Group's St. Regis Hotels, the Westin Hotels and Resorts, Rosewood Hotels and Resorts, Aman Resorts International and the JW Marriott are all vying for beachfront land.

"I'm enthusiastic because the projects that I know of in the area (Guanacaste) are not high density," the Minister of Tourism, Carlos Ricardo Benavides, said last week in response to questions.

"The country is not looking for a certain number of rooms," he added, "(but) we have to supply services in a sustainable manner. We must offer and foresee development."

Industry insiders are quick to point out as little as 30 per cent of the plans might come to fruition, but that would still mean thousands of extra hotel rooms along just 80 kilometers of coastline.

The El Salvador-based Grupo Poma conglomerate, has already broken ground on a five-star, 180-room, JW Marriott resort on the property known as Hacienda Pinilla, south of Tamarindo.

The US-based, Global Financial Group has also announced plans for a \$300 million 320-room Hyatt resort in Brasilito, and late last year two Minnesota developers announced they would build a \$120 million, 150-room Regent hotel on Guanacaste's Papagayo Peninsula. The Hyatt project will include a Greg Norman-designed, 18-hole golf course.

However, this week The Beach Times learned North American investors had signed a deal with the Mandarin Oriental Hotel Group to put a luxury hotel on Playa Manzanillo, on Guanacaste's northern coast.

The eight-hectare property (20 acres) has excellent views and some beachfront.

The Mandarin Oriental now operates, or has under development more than 9500 rooms in 20 countries.

Further, the huge, 840-hectare (about 2000 acres) concession known as Polo Turístico Golfo de Papagayo, is slated for a third hotel.

The concession, on the Papagayo Peninsula, already has the Four Seasons as well as the Allegro Papagayo Hotel, but under the master plan there will eventually be a total of seven hotels or resorts.

Manuel E. Ardón, the director of operations for Ecodesarrollo Papagayo, confirmed a local investor, Grupo Inmobiliaria Génesis S.A., had purchased a concession near Playa Pachote and would be building a third hotel in the area.

"We have a very specific master plan for the concession, defined by the government," Mr Ardón said, "and that includes up to seven hotels in total."

Mr Ardón said it was too early to disclose further details; however, Grupo Génesis has already announced

it is to build a 133-room St Regis Resort on the Central Pacific Coast.

The New York-based, Westin Hotels and Resorts, is to build a resort near Playa Panama, not far from the project known as Punto del Cacique. Cacique, 216 hectares (about 535 acres) just south of Playa Hermosa, was bought by Steve Case, Chairman of Exclusive Resorts and the Co-Founder of America Online, for a reported \$42 million late in 2005.

It is understood Mr Case's Revolution LLC will build a Miraval Life In Balance resort, based on a similar venture in Tucson, Arizona, as phase one of his project. A One and Only five-star hotel, (part of Kirzner International Ltd) would be part of a second phase. The property includes a semi-complete, 18-hole golf course.

Further south, the Baltimore, Maryland-based Union Box Company, is understood to have negotiated for a Ritz Carlton Hotel, probably with around 150 rooms, to be built on 405 hectares (1000 acres) in the Zapotal Valley. The project, which has beach access, would include a golf course. Larry Silverstein, Chief Executive Officer of Union Box, said a non-disclosure agreement would not allow him to confirm the deal; however he would say they are planning a villa-style hotel.

"It will not be a big box, but rather two stories with 100 to 150 rooms," he said.

"We are still working through the preliminary idea, but this is just one piece of a very large project," Mr Silverstein said. "For example we will only have the one large hotel, but want to do a couple of smaller boutique hotel. These would be much less of a full-service accommodation." Mr Silverstein said they expected to break ground late next year.

A 290-hectare (720 acres) property on Playa Pelicano, between Playas Conchal and Tamarindo, will be the site of a Canyon Ranch and Spa --- a group which began in 1979 with a health resort in the foothills of Tucson, Arizona.

The global financial giant, Lehman Brothers is reported to be behind the deal, which includes an 18-hole golf course designed by Gary Player.

But one of the most ambitious projects is that by the RIU Hotel Chain, a 53-year-old Spanish chain, which has bought 240 hectares (about 600 acres) fronting Matapalo in northern Guanacaste.

RIU paid an estimated \$26 million for the land. Sources close to the deal say the group will build three hotels, with a total of up to 2000 rooms. They want to begin building this year.

Work on a Rosewood Hotel, to be built upon a 60-hectare (150-acre) property on Playa Guachipelín, is imminent.

The deal has been on the table for more than seven years, but it is now understood to have been signed, for beachfront property owned by Roger Hall, of Hallmark Properties, a developer out of California.

Certainly, a master plan of the area, cost analyses, and construction schedules are ready and waiting for the 80-room hotel, which will include 12 deluxe suites and one presidential suite.

Reserva Conchal, is also close to a deal for a second hotel, which would join the 308-room, all-inclusive, Paradisus Playa Conchal resort already on the property, in Brasilito.

The group has been in discussions for some time with several hotel chains, believed to be US-based, who might want to operate the five-star, 220 to 260-room hotel. It could be operational within 30 months.

"Eventually there will be a total of two resort hotels and two boutique hotels," said Ana Saborío, Chief Executive Officer of Reserva Conchal.

"But to take a project from zero to fruition is like hell on earth," she cautioned. "It is very difficult. A lot of these plans you hear about will remain as dreams."