

PACIFIC BUSINESS NEWS

BlackSand Capital funds loan for Discovery Bay AOA acquisition



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BY STEPHANIE SALMONS
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BlackSand Capital has funded a loan that will allow the Association of Apartment Owners of Discovery Bay to own 94% of the beneficial interest in the trust that holds the land underlying the property, it was announced last month.

According to an announcement from BlackSand, a Hawaii-focused real estate private equity firm, the financing package was led

by BlackSand in conjunction with bank lenders American Savings Bank and Central Pacific Bank, while Terry Daly and Dan McLeod of Cushman & Wakefield served as financial advisers to the AOA.

The loan closed on Aug. 1. Terms of the transaction were not disclosed.

“The transaction, along with the necessary court actions, sets the stage for individual condo unit owners to purchase their portion of the leased fee from the AOA,” the

announcement read. “Savio Realty has been engaged by the AOA to sell the leased fee and plans to contact the Discovery Bay unit owners later this year.”

“Discovery Bay is a marquis property in Waikiki with a well-run operations team and strong Board of Directors,” B.J. Kobayashi, chairman and CEO of BlackSand Capital, said in a statement. “We are pleased to work with American Savings Bank and Central Pacific Bank to help the condo unit owners of Discovery Bay secure their homes and their futures.”

Located at 1778 Ala Moana Blvd., Discovery Bay is a two-tower, 42-story condominium property with 665 residential units and 43,013 square feet of commercial space, the announcement noted.

According to the announcement, the underlying land has been held in a trust since 1976. The AOA, under the leadership of President John Stewart, acquired approximately 63% of the beneficial interest in the trust between 2004 and 2007 and has worked to acquire the balance since then, the announcement said.

“BlackSand led the charge to assemble the financing that will change the lives of those of us who believe in the ongoing prosperity of Discovery Bay,” William Nichols, vice president of the AOA, said in a statement. “Our condo owners are now one huge step closer to fee simple ownership.”

BlackSand and its principals have overseen the investment of approximately \$5 billion in Hawaii properties, including investments in hotels, residential condominiums, workforce housing, and retail office and industrial buildings.