

ORACLE CEO ELLISON BUYS HAWAIIAN ISLAND, LOCALS EXPECT ECONOMY TURNAROUND



For flamboyant Oracle CEO Ellison, known for his showy and unconventional ways, buying an island in the middle of the Pacific is something is normal on shopping list that contains, yachts, private jets, swank mansions and prized beachfront property in Malibu, ostentatious things that others would be afraid to even dream about. Ellison built Oracle Corp. with \$1,200 in 1977 and today is the world's sixth richest billionaire. This week he signed a deal, purchasing 98 percent of Hawaii's Lanai Island's 141 square miles. The deal has aroused a lot of interest and apprehension amongst the island's 3,200 residents unsure of what the deal will bring in its wake. Phoenix Dupree, general manager of the Blue Ginger Cafe said, that for such a wealthy person to invest in the island "is a good thing for small business." "Now we have a better future," he added. Mike Wilson, who wrote the first biography of Ellison, said that he does not see Ellison being unduly concerned about how his flamboyant lifestyle will jibe with the laid-back, relaxed island's inhabitants who are struggling to come to grips with the loss of their pineapple farms to luxury development. State Senator J. Kalani English, a Democrat whose district includes Lanai, said that he had got a call from Ellison's personal representatives who told him that the billionaire was looking at Lanai as "much more than an asset." The reps. expressed sensitivity to the "culture and conservation stewardship of the island." What was heartening that they assured English that all union contracts would be honored. The land's current owner, billionaire David Murdock, through his company, Castle & Cooke Inc. sent letters to Lanai employees, informing them of the sale and also that they would be retained by the new owner and that all contracts were being transferred. The news has brought a lot of comfort and relief to the locals who wonder what is in store for the island and its tourism-driven economy. "I'm getting a nice feeling that they're coming into it with sensitivity," English said. "It's much more than just an investment." Rumors abounded around the island that the current owner billionaire David Murdock, was planning to shut down the islands two Four Season's resorts, if he could not find a buyer for this share of the island. The news created a lot of disconcert amongst the locals, 70 to 80 percent of whose employment comes from these two resorts. Phoenix Dupree said, "If that happened, half the businesses on the island would be done. We go as the hotels go." To outsiders it may seem that this acquisition is just another sign of an ostentatious buy by a maverick billionaire, in keeping with his lavishness and pomposity. But for the locals of Lanai, he is their new landlord. "And he will probably be the person we pay our water bill to. We have a new head honcho," said Dupree. The two Four Seasons luxury resorts are the landmarks that the quaint little island is renowned for, made even more famous for the fact that Bill Gates chose it as the location for his marriage in 1994. Dupree said that there was very little crime in Lanai and called the island, "a throwback in time." "We look out for each other and each other's families," he said. "If you walk through town, teenagers say hi to you. If you cheat on your partner, they're going to find out by the time you get home. It's that small. ... We all talk, because that's what we have to do every day." Murdock owned the island for almost quarter of a century but many of his actions were contentious and controversial. He shut down the traditional pineapple industry and proposed a wind farm. Even after the sale, he has reserved his right to build the wind farm. Murdock wanted to sell the property because he was reportedly losing \$10 million each year. The exact amount of the sale was not disclosed but the Maui Times reported that Murdock had been asking for a price between \$500 and \$600 million dollars. Happy that the island had changed hands Dupree said he understood why Murdock had to sell, "If Blue Ginger Cafe lost money every year for 25 years, I'd have to shut down, too," he said. "But I'm excited that Mr. Ellison is taking over and has a lot of financial resources. If he keeps the hotels and looks at other ways to diversify our economy -- whether that's bio fuels or another solar farm, a marine biology school or a community college -- then Lana'i will have better days ahead." Dupree said he's "not in a position to advise one of the wealthiest men in the world," but hoped that a man who could start Oracle with just \$1,200 and then turn it into a modern corporate miracle, would work similar magic and turnaround the local economy. His biographer Wilson however, struck a note of caution saying, "He's capable of anything," Wilson said. "Lanai may be in store for the grandest preservation effort Hawaii has ever seen. Or it may be in line for the most grotesque development effort it has ever seen."