

# Real Estate

## Local entrepreneur defies U.S. pressure, gears up to build hotels on forbidden land

*Helms-Burton has steered investors away from putting cash into Cuba but Vancouver's Walter Berukoff says he's done his homework*

By Derek McNaughton

**A** Vancouver mining entrepreneur is about to dig up some more earth with construction of the first of 4,200 rooms over 11 hotels — on the forbidden island of Cuba.

Running upstream to the negative investment current hyped by the U.S. and its *Helms-Burton* temper-tantrum Act, **Walter Berukoff** is possibly the only man in Vancouver investing in hotels on the outlawed land.

And these are not just any old palm huts. Berukoff, who owns **Miramar Mining Corp.** and **Northern Orion Explorations Ltd.** — Toronto Stock Exchange companies estimated to be worth about \$1 billion — is chipping in for half of a 10-year project valued at more than \$650 million.

"These are destination resorts on some of the most beautiful beaches in the world," said Berukoff.

The *Helms-Burton Act* "seems to have had [the reverse] effect on tourism," he said. "People are more attracted to the forbidden island because you can't go there."

Berukoff, who rarely talks to the press and keeps a low profile, has entered into the joint venture with **Grand Caribe** (described as a government corporation of Cuba), and his company, **Wilton Properties Ltd.**, to build the hotels on land not expropriated by the U.S. — the key to successful real estate investment in Cuba, he said.

The *Helms-Burton Act* has a provision that would permit U.S. citizens to sue in U.S. courts any foreign company that "profited from trafficking in confiscated property" in Cuba. The second provision calls for executives of such foreign companies to be excluded from the U.S., and some Canadian executives have been denied visas as a result of it.

Berukoff, however, said he spent three and a half years investigating properties in Cuba, and believes this investigative edge gives him the advantage over other tourism investors headed south.

"None of our properties are subject to a U.S. claim," he said, "so I'm not doing anything that arouses the Americans."

Berukoff is also known for having shared the aroma of a fine cigar with **Fidel Castro**, who has ruled the island for almost 40 years. When Castro stopped in Vancouver a few years ago, Ottawa diplomats were unwilling to greet him even though he was a visiting head of state. But Berukoff leased a fleet of limousines, cell phones, hotel rooms and security guards and then spent the day with Castro.

Cuba, Berukoff explained, has a solid infrastructure and is a large country with a diverse population. It has a rich culture, he adds, and remains largely unspoiled.

**Club Med** and **Super Club**, along with French and Spanish hotel chains, have also moved into Cuba, Berukoff said, adding: "The only ones not there are the Americans."

A Vancouver architectural firm has done work on the Cuban project, although Berukoff declined to name the firm. But he said other Vancouver firms and contractors will likely be involved in planning and building the hotels.

"We'll be starting to break ground in six to eight months," Berukoff said.