

New push for resort in

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Project includes full-service hotel, up to 2,000 homes

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HILO, Hawai'i — A partnership of Mainland and Hawai'i investors plans to restart the long-stalled Sea Mountain project at Punalu'u to develop a hotel and up to 2,000 homes on the Ka'u site over 10 years.

The project on 433 acres would also feature a cultural and marine center, low-rise single-family homes and a "village center" with light commercial uses.

The development between the

tiny towns of Nā'ālehu and Pāhala would include as many as 1,500 to 2,000 new single-family homes, apartments or condominiums, not including any affordable units the developer is required to provide, according to a notice filed with the state.

A project that large would become an imposing new hub of activity in a part of Ka'u that has had little large-scale outside investment since the last Big Island sugar plantation closed there in 1996.

Various proposals for the site have come and gone over the years, including a space port and a state prison, which ran into resistance from local residents. In

addition, a proposed ethanol production plant never materialized. That left many Ka'u residents with hard choices: They could commute for hours to reach jobs in employment centers in Hilo or Kona, or they could move out.

Bob Jacobson, the county councilman who represents the area, said some people will resist the project because they want to protect the environment and keep rural Ka'u as it is. Others will want the jobs the project would bring, he said.

How strong the opposition will be "depends on what they do," Jacobson said of the developers. Jacobson said he hopes there will be an opportunity for the county

Ka'u

to acquire the land under Punalu'u Beach Park, which the county now rents from the Sea Mountain owners.

"I think that's our next priority in term of acquisition of open space," he said.

The original Sea Mountain development started by C. Brewer & Co. in 1972 called for two hotels, but neither was built. The unfinished development was sold to Japanese investors for \$35 million in 1989, with the new owners planning one 100-room hotel, along with upgrades to the golf course.

Those plans also failed, and the investors sold the property in 1994 for \$3 million to SM Invest-

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Punalu'u

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ment Partners, a limited partnership formed by Robert Iwamoto and Clyde Kaneshiro.

Over the years some facilities that were finished, such as a restaurant, gift shop, cultural center and golf clubhouse fell into disrepair and were abandoned.

The existing 18-hole golf course, pro shop and 75-unit Colony One condominium complex are still operating, and the county leases land month-to-month from SM Investment for the Punalu'u Beach Park.

The new plan by Sea Mountain Five Partners calls for a "world-class" resort with a full-service hotel, and improvements to the existing 18-hole golf course to upgrade it to a championship course. The partnership, a combination of Hawai'i

and Mainland investors, has announced it will prepare an environmental impact statement for the project.

Homes in the project will be marketed to well-to-do buyers seeking second homes as well as local residents, according to the notice. The land closest to Hawai'i Belt Highway would be developed into larger "estate" lots with ocean views, and more homes would be developed around the golf course.

The project would require im-

provements to the existing wastewater treatment plant which is too small to accommodate a project of this size, and also a new water reservoir.

People or agencies wishing to be consulted about the project can contact Sea Mountain Five LLC, 433 North Camden Avenue, Suite 1070, Beverly Hills, CA 90210.

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