

# New push for resort in

*The Honolulu Advertiser 12/23/05 Friday CI*

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



The Honolulu Advertiser

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**HILO, Hawaii** — A partnership of Mainland and Hawaii 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'ū

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 Ave Suite 1070, Beverly Hills, CA 90210.

Reach Kevin Dayton at [kdayton@honoluluadvertiser.com](mailto:kdayton@honoluluadvertiser.com) or (808) 935-3916.



# Big Isle residents fear development will ruin the fragile Kau oceanfront



COURTESY OF JULIA HEAL

Guy Enriques, volleyball coach for Kanehameha School in Keau, grew up in Punaluu and would like to see the area preserved for future generations. He and his son Evan study marine life, fish with throw nets, surf, swim and take their boat out along the Kau coastline.

By Peter Serafin

Special to the Star-Bulletin

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**P**AHALA, Hawaii >> The Polynesians who discovered Hawaii landed first in Kau on the Big Island — a district larger than the entire island of Oahu.

Today, Kau's 80 miles of coastline between South Kona and Volcano remain essentially untouched.

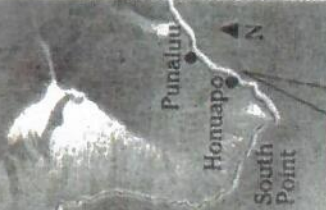
But in today's booming real estate market, large tracts of Kau, including environmentally fragile stretches of coastline that include fishponds, estuaries and marine nesting areas, are up for sale and, many say, ripe for development.

Families are now seeing oceanfront playgrounds they have used for generations being sold off to outsiders.

And that has become a major concern among residents who live along this southern stretch of the island. Many of them are banding together on several fronts to fight "irresponsible development," which they say will destroy both the ecological diversity and agricultural economy of the region.

"This is the last unspoiled coastline in Hawaii," said longtime

Please see Kau, A7



## Growing threat

*Residents of the Big Island's southern coastline fear a booming real estate market will destroy their way of life.*



## Kau: Beaches provide nesting grounds for sea turtles

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resident-turned-land-use activist John Replogle.

"Everything is up for sale here. If we want to preserve our rural character, we have to start planning now," he said.

Despite the long coast, only a single 5-mile section of shoreline is easily accessible without using four-wheel-drive vehicles or driving 12 miles to South Point.

These sites also contain ancient heiau and other culturally or environmentally significant features. Best known is the black-sand beach at Punaluu. Popular with residents and visitors alike, Punaluu is also an important nesting area for the endangered hawksbill and green sea turtles.

Kawa Beach is a longtime camping, surfing and fishing spot that is part of a 315-acre parcel sold several years ago.

Honuapo (Whittington Beach) was purchased by a California company for \$2.8 million after Kau Sugar shut down. The county still owns and maintains a small beach park with restroom facilities.

Federal and local elected officials are aiding the preservation efforts. Last summer, the Department of the Interior bought 116,000 acres of Kahuku Ranch adjacent to Hawaii Volcanoes National Park, increasing the park size by 60 percent. At the dedication ceremony on Sept. 2, U.S. Sen. Daniel Inouye announced that he and U.S. Rep. Ed Case are also trying to acquire the remaining Kahuku land makai of Highway 11. That 1,500-acre parcel includes the Sam Damon ranch house and other historic ranch buildings from the 1870s.

"We are in a race against time," said Inouye at the dedication. "As the urban sprawl continues to spread beyond Oahu and into our neighbor islands ... we must be very vigilant in setting aside that which must be protected."

Hawaii County Councilman Bob Jacobson, representing Puna, Kau and South Kona, wants the county to issue a bond to purchase coastal wetlands and park lands at Punaluu,



COURTESY OF JULIA NEAL

Kau resident Keola Hanoa weaves coconut fronds at Punaluu Black Sand Beach along the Big Island's southern coastline.

Kawa and Honuapo.

"These are precious resources that benefit the entire island," said Jacobson. He noted that in private hands these areas would not necessarily remain open to the public. One group is working to set up a Kau Land Trust to buy coastal areas on the market. Conservationist and former rancher Replogle calls the situation "an emergency." Local Realtor Mack McClelland cited the probable development of the coastline between Punaluu and Honuapo.

"We don't have a lot of time," he said. "I have people coming over here with cash you cannot believe."

One long-standing concern for residents is the possible sale of Sea Mountain at Punaluu — a 433-acre property that includes an 18-hole golf course, tennis courts and undeveloped land extending mauka of Highway 11, the southern route connecting Hilo and Kona.

The Sea Mountain sales Web site, operated by real estate firm Grub & Ellis, includes a "proposed resort master plan" calling for the construction of several new roads to reach dozens of single-family residential lots, areas zoned multifamily and "downtown" commercial/hotel districts just above the beach.

The Web site also states that "Hawaii County has a liberal zon-

ing code which allows you to develop each parcel in accordance with its designated zone plus other permitted uses listed under each corresponding zoning."

Portions of the golf course closest to the Punaluu beach park are zoned V-15 (resort-hotel) or RM-2 (multifamily residential). Residents fear that the fragile black-sand beach would not be able to survive such development.

The County of Hawaii leases land from Sea Mountain for its Punaluu campground, beach showers and picnic pavilions — a lease that the new owner could terminate with 60 days' notice. Brooks Borrer, managing director of Grub & Ellis' Kona office, did not return a call from the Star-Bulletin seeking comment.

But Sea Mountain is just one of many worries.

Residents fighting to preserve the agricultural base of the region failed to block a proposed housing project 1.5 miles above Pahala on former C. Brewer sugar cane land. Despite last-minute discussions on Nov. 12 with a 12-member delegation from Kau, Mayor Harry Kim signed a law that rezones 172 acres of land into 17 house lots of five to 12 acres.

"Ag is my bag," said local farmer and longshoreman Kyle Soares, who advocated leasing the land to farmers who will actually work it.