

# Sekitei <sup>8-9-89</sup> <sup>HSB</sup> completes Big Isle deal

□ Seamountain's new Japanese owner plans to build a hotel

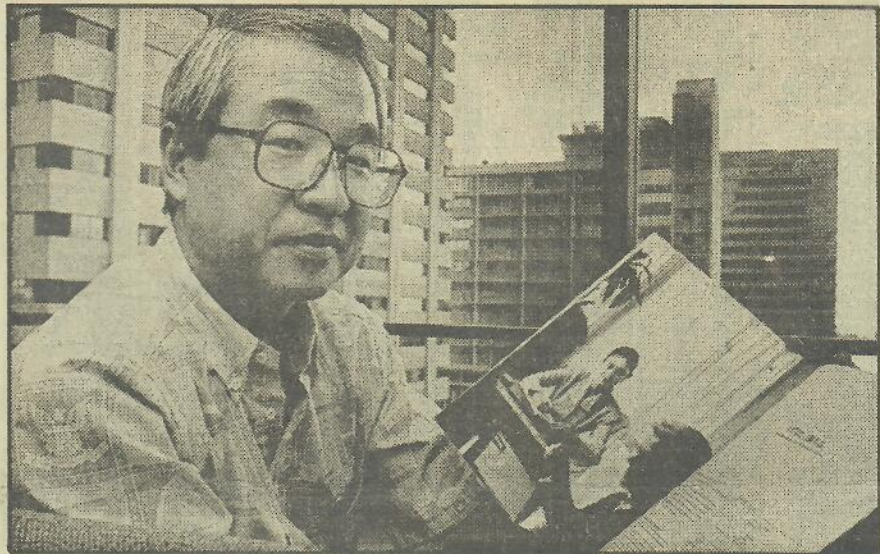
By Ken Andrade  
Star-Bulletin

Sekitei Kaihatsu Co., which yesterday completed its purchase of the Seamountain at Punalu'u Resort on the Big Island and is mulling a possible investment in the Hotel Hana-Maui, doesn't want to be seen as just another Japanese conglomerate jumping on the buy-a-Hawaii-resort bandwagon.

"We are not mere real estate investors who buy and sell real estate and make a profit margin," said Kunio Arai, director of overseas projects for Sekitei and president of its newly formed Punalu'u Development Inc. subsidiary. "We are a hotel operator."

Throughout its 95-year history, the company has concentrated on running relatively small luxury hotels, Arai said, especially the Japanese-style inns known as *ryokan*.

Until its May purchase of the 92-room Hotel Bel-Air in California — which became the company's 10th resort property — all of its hotels were in the Far East. It also has a golf club and 14 restaurants in Japan, plus a restaurant each in Seoul



By Dennis Oda, Star-Bulletin

Kunio Arai says Sekitei Kaihatsu is working on plans to build a hotel on its new property, the Seamountain at Punalu'u Resort, and to spruce up the golf course.

and San Francisco.

Arai was in Honolulu this week to help complete Sekitei's purchase of the 435-acre Seamountain property and to meet with Big Island officials and community leaders.

Neither Sekitei nor the seller, C. Brewer & Co., would disclose the price, but other sources have put it at about \$35 million.

Arai said Sekitei is still formulating detailed plans for Seamountain, but added that the company does intend to build some sort of hotel on the property "as soon as possible" and spruce up the existing golf course.

While no final design decisions have been made, he said, the hotel probably will be in the 100-room range, with expansion possible later.

The resort is zoned for a hotel of 350 to 500 rooms.

Sekitei's purchase did not extend to any of the resort condominium units that currently are the resort's only lodging facilities, nor will the company be involved in managing them, Arai said.

Sekitei's plans for the Hotel Hana-Maui — on which it has right of first refusal from the Maui resort's current owner, Rosewood Property Co. — are less certain.

"We're still negotiating," Arai said. "Nothing has been finalized yet."

Rosewood, which also sold Sekitei the Hotel Bel-Air, has indicated that it is interested in selling anything from a minority stake in the Valley Isle property to the entire resort, and Arai said that at present anything remains possible.