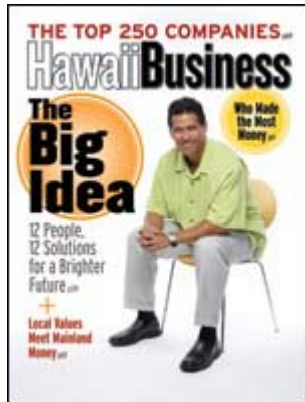


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The Line in the Sand

How Maui Land & Pine and its eco-icon David Cole became the target for community outrage

By [Scott Radway](#)

Eighth graders from Sacred Heart School in Lahaina nervously approach the podium in a suddenly cavernous Maui County Council chambers. A capacity crowd has gathered for the hearing on Maui Land & Pineapple Co. Inc.'s plan to develop about 100 acres above one of Maui's most spectacular natural wonders, Honolua Bay. One boy freezes in front of the microphone, his lips pressed together, his eyes blinking. A few students pair up for support; many fumble their words.

But there was no mistaking their emotional message: Maui Land & Pine's development plans for a golf course and 40 luxury homes in the area known as Lipoa Point would destroy one of Maui's cherished places for the benefit of rich people who don't live here.

With Save Honolua Coalition T-shirts pulled over their school clothes, the children ask simple questions.

Do you support Maui Land & Pine's vision of a sustainable economy?

- Yes, MLP is exactly the kind of company Maui needs.
- Yes, in principle, but I don't support everything they want to build.

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"Why can't [visitors] just go play golf on the other 15 golf courses on Maui?"

"Why are luxury homes being developed when affordable homes are needed?"

"How much can [Maui Land & Pine] really care for our community when they continue to push for development but do nothing for our infrastructure crisis?"

They make simple statements.

"It would break my heart to see this breathtaking beach torn apart."

This was not the first antidevelopment demonstration on Maui, an island that has arguably Hawaii's worst housing crisis and alarming infrastructure deficiencies. But the group gathered at the Council meeting in late April, county officials say, was far more diverse than the ones that are opposing development in other areas on Maui. The students started the barrage, but a wide array of people followed, from newcomers to kupuna, echoing their concerns.

The opposition spoke for hours.

Even more striking is that Maui Land & Pineapple (AMEX:MLP) and its CEO David Cole have been at the forefront of the discussions about how to build economic sustainability in the Islands and protect Hawaii's special way of life. Cole's talks about the triple bottom line – balancing community needs with environmental needs and the financial health of a company – have been received with ovations at business gatherings in Hawaii.

But now the future generation Cole was purporting to be protecting, was denouncing his plans, some with eyes welling.

What went wrong?

- No, MLP is too profit driven. But I do believe we need controlled growth to deal with Maui's infrastructure woes.
- No, I think Maui is already over developed. No more growth!!!

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An Insider's View

The most telling aspect of the May quarterly management meeting of Maui Land & Pine was not the earnest discussion about environmental stewardship and building holistic communities. Nor was it the fact that the company had invited Hawaii Business to observe the half-day meeting in a Kahili Golf Course meeting room outside Wailuku Town.

It was a minor notation tucked at the beginning of Cole's PowerPoint presentation to his team. Among a series of initiatives, Cole bulleted the company's C2C protocols. C2C, or cradle to cradle, refers to a practice of recycling everything in the company's waste stream. That's why Maui Land & Pine has been reusing nearly all building materials from the demolition of the Kapalua Bay Hotel to build the company's new offices. Cole's desk is made from an old hotel door.



David Cole
Maui Land &
Pine CEO

The company culture has been so altered since Cole took the reins in 2003 that C2C is referred to in shorthand, with no need for elaboration. Cole has even hired environmental guru William McDonough, author of "Cradle to Cradle," as a company consultant. That's not standard operating procedure for any company, let alone a publicly traded one.

Cole's presentation was followed by a spirited talk about how the company was redefining itself as an economically sustainable, environmentally conscious, socially responsible enterprise. The driving principle is that if the community thrives, so will the company.

Maui Land & Pine has three divisions, agriculture, resort and land development. The agriculture and resort divisions have not been profitable for many years, says CFO Rob Webber. Webber says for the past 10 years Maui Land & Pine has been selling off nonessential land to balance the books and to create funds to overhaul the agriculture and resort operations.

For agriculture, the company sees its future in fresh pineapple over canned as its competitors in South America and Southeast Asia can deliver canned pineapple to customers for less than it costs Maui Land & Pine to grow it. So the agriculture operations have been entirely revamped, culminating the closure of the cannery this year.

On the resort front, Maui Land & Pine is working to build properties that attract high-end tourists who spend more and have less impact on Maui. That, according to the company philosophy, includes reinvesting profits in environmental stewardship, maintaining ample open space, developing hiking trails and such projects as an organic pineapple farm abutting its resort properties to foster agricultural tourism. The basic tenet is that these initiatives ensure Maui remains a premier idyllic, tropical destination.

The company also sees an importance in developing holistic communities, particularly on the west side of Maui, where most of its land holdings are. That means building affordable homes and schools for employees to reduce traffic and improve their quality of life, allowing them to flourish and keeping the social fabric of Hawaii's famed aloha spirit intact.

With all that change, Maui Land & Pine – Maui's second-largest landowner behind Alexander & Baldwin – has quickly become the most aggressive developer on Maui. The most dramatic changes are in the company's visitor infrastructure in west Maui, where the company owns 23,000 acres. Millions of dollars are being spent overhauling the existing properties in Kapalua and adding new amenities. Cole could not put an exact price tag on all the improvements, but says he is sure no other company in Hawaii is making this kind of investment in building new tourism infrastructure. (The Ritz-Carlton, Kapalua, makeover alone is costing nearly \$100 million.) The Lipoa Point proposal, with its golf course, 40 luxury homes, surf park and coastal trail, was part of that master plan.

And inside the company meeting room that May morning, there is a lot of energy behind Maui Land & Pine's vision of sustainability. There, Cole proudly tells the crowd about a story that appeared two days earlier in The New York Times touting the company's push for sustainability, and in particular, its newest forward-thinking venture into renewable energy with a consortium of Hawaii landowners. It's one of many stories written on the company's sustainability efforts in the past few years, but this one ran in the nation's foremost newspaper.

Cole is beaming.



THE BEAST: Rush hour traffic leaving Lahaina at 5:30 p.m. on a Tuesday afternoon. Community members complain that the area continues to grow while little is being done to address the lack of adequate roads. photo: Scott Radway

The Fire Starter

Inside the cafeteria of King Kamehameha III School in Lahaina, Elle Cochran is talking about the same New York Times article, but she is definitely not beaming.

Cochran is president and one of the founders of the Save Honolua Coalition, the grassroots group spearheading the opposition to Maui Land & Pine's plans for Lipoa Point. The group formed in February, she says, after she started writing letters to the local newspapers opposing the proposal. Cochran says a lot of people were frustrated with overdevelopment on the west side, but didn't know what they could do about it individually.

Then came the Lipoa Point plans. It was too much to take. People came together, phone call by phone call and they discovered their collective voice had power: Maui Land & Pine has tabled its Lipoa Point proposal to allow for further community discussion. Now, the group meets once a week, with anywhere from 50 to 100 people gathering to discuss how to save Honolua Bay from future development proposals and further degradation.

But the group's overdevelopment fears extend past Lipoa Point to the company's larger plans for all of the west side, where traffic jams and unaffordable homes are the norm.

"We have to put our foot down somewhere," says Cochran.

At this particular Tuesday meeting, Cochran is telling the crowd about how Maui Land & Pine has again been featured in a glowing story about the company's sustainability initiatives, this time in The New York Times. The story doesn't discuss any community backlash.

"Right now, he is really pumping himself up, making himself look good to the rest of the world," she tells the crowd. "We have to start opening people's eyes to what they are doing here. It's David vs. Goliath. But because we are doing the right thing, we will prevail."

Maui for Sale

Maui Mayor Chairmaine Tavares says to understand the public frustration with the state of development on Maui, pull up next to a Kahului home at night and count the cars parked out front.

"Extended families are all living in one unit, sometimes 15, 16 people," Tavares says. The underlying frustration community members have with the Maui Land & Pine proposal is the same frustration driving antidevelopment movements all over Maui: Locals can't afford to live on Maui anymore. In the past, development on Maui has often favored off-shore investment over the local community, she says. "It was the Maui-for-sale mentality," she says.

All the Hawaiian Islands are experiencing the same trends, but Tavares believes the higher cost of living and housing is exacerbating the issue on Maui. "Maui Land & Pine or anybody else trying to do development is being lumped into the evil developer role, because of what has happened in the past. So they have to overcome quite a bit to convince the community that they are otherwise," she says.

The "no-growth" movement on Maui is at a fever pitch. So much so, that business advocates like Myles Kawakami, chairman of the Maui Chamber of Commerce and a small business owner, are concerned it could harm the economic health of the island. "I was on Maui in the 1950s, and most of the 60s, and everyone was under 18 or over

60. As soon as you turned 18, you either joined the Army or you went college and you never came back," Kawakami says. There were no jobs on Maui. But when tourism developed in the '70s and the '80s, he and others jumped at the chance to come back.

Kawakami says the Maui population that remembers those years is not anti-growth.

"You have the real people born and raised on Maui, not the recent arrivals, and you talk to those guys, and they'll grumble about traffic and noise and congestion, and you ask them whether they like it like this or would they rather have it like it was back in '55. One hundred percent would not want to go back."

Those same people are today watching another generation of Maui kids leave because they can't afford to stay. "We don't want unbridled growth, and have Maui turned into a Waikiki, but if you say no growth, I think we will turn Maui back to 1955," he says.



An aerial shot of Honolua Bay on Maui's west side from 2004. The shot shows Lipoa Point on the right, the area that Maui Land & Pine proposed building a golf course. The company also proposed 40 luxury homes for the area mauka. Community members protested building in one of Maui's more cherished natural wonders. photo: Ron Dahlquist

Tavares believes the answer is in growth as well, though controlled, balanced growth that addresses both the housing crisis, which only gets worse without new inventory,

and the infrastructure woes, which the county alone does not have the money to fix.

That's why the County Council passed a controversial workforce housing bill that requires 40 percent to 50 percent of any new housing development to be affordable for people who do not fall in the lowest income brackets. The homes must be affordable to people with 100 percent to 160 percent of the median income. Tavares was part of the Council then and wanted even more aggressive legislation.

"During the discussions, we had a lot of people outside of Maui say we were in 'La la Land' and construction would come to a complete halt," Tavares says. "This has not been the case."

Local Style

Maui is still very much a small town.

That's why it's important when someone like Jonathan Starr, a member of the County Planning Commission and an active participant in both the non-profit sector and political organizations, says he has never met Cole. "I have never seen him, though I see him a lot in the newspapers," says Starr. "Trust here comes from experience and personal contacts."

Other business leaders have quietly echoed the outspoken Starr's comments: Good old-fashioned talk story goes a long way; newspapers stories and public relations campaigns are not so effective. For many, the jury on Maui Land & Pine is still out.

Starr adds among opponents there is a perceived gap between Cole's talk of sustainability and community well being and the actual execution of their master plan. From the outside, people see stock prices doubling since Cole took over Maui Land & Pine while people are losing jobs with the cannery closing and hotel properties being renovated. They also see more homes for the rich and their quality of life deteriorating. He says, "In their hearts, they would like to do the right thing, but they are forced to answer to shareholders."

That's not to say a lot of people don't want the company to succeed. Tavares says Maui Land & Pine is exactly the kind of company the county is looking for in a developer. The company is designing holistic communities and building tourist infrastructure to attract lower-impact, higher-spending visitors, two initiatives the county is pushing. The company is also talking about progressive design elements to

protect the environment. The company even spearheaded a push to build the Lahaina Bypass, a road project that would help alleviate the woeful traffic conditions on the west side. "That's not typical," she says.

But Tavares says the most critical component in Maui today is community involvement. Companies can no longer design plans internally and then later ask for public input. "The switch now is that communities want to be involved upfront," Tavares says. "And it cannot be a select part of the community. It has to be a cross section of the leaders in the community and the meetings need to be open to the public."

"I think that is part of what some companies are having difficulty recognizing that that is how you do business today," Tavares says. "The process is longer, but it is sure shorter on the back end."

The Line in the Sand

Maui Land and Pine describes Lipoa Point as the Waterloo of the anti-development movement. But Cole also sees it as a golden opportunity. "We spent the first three years communicating principally inside our company," Cole says. "We think [Lipoa Point] is an issue that will help drive the community to another level of understanding" of the road to economic sustainability.

Cole says there is a disconnect between groups who support such things as agricultural and open space, but fight against such things as a runway lengthening or the Superferry, both of which will better allow farmers to compete and keep those lands from becoming into housing developments.

In the case of Honolua Bay, he says, it is a natural wonder that is being poorly managed and continually degraded. "Doing nothing is not an option," Cole says. The development project would give the company money to build park facilities at the bay and institute plans to better protect the bay from harmful runoff. "We have the same goals as the community," Cole says.

At the April County Council meeting where the students led the protest against the Lipoa Point

proposal and the company tabled its plans, Maui Land & Pine supported a Council resolution to set aside \$1 million of county funds to investigate buying the land. The company also plans to foster a wide discussion of what should be done with the land, Cole says. "I think we could have done a much better job communicating in advance of our [Lipoa Point] submission," Cole says. "We had talked to a number of groups, but frankly we didn't talk to enough, and widely enough, in a public way."

In the process, Cole says, the company plans to better state how its development plans will improve residents' quality of life, better protect the environment and provide some economic stability by infusing those dollars back into things like agriculture. Cole adds that even though Maui Land & Pine is a publicly-traded company, its chief stockholder is AOL founder Steve Case, a son of Hawaii, like Cole, and their shared company's vision is not short term profit.



photo: David Croxford

"It is incumbent on us to really demonstrate that local companies bring a lot more to the party than remote owners. Unfortunately we get lumped in with others," Cole says.

It's a tall order.

Unlike the middle school students, the community voice today is far from shaky. Says Cochran, "There is a groundswell of opposition on the west side, and it's coming hard and it's coming fast. This is just the beginning."

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