

INSIDE: LIVING WELL | THE MAUI REPORT

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POWER BROKERS: AGENTS OF CHANGE

BY DAVID K. CHOO

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BY DAVID K. CHGG
ART BY DEXTER DOI

POWER BROKERS: AGENTS OF CHANGE

They've got the position, they've got the power.
Can they save our Island world as we know it?



In the fourth edition of *Hawaii Business*' Power Issue, we decided to do something a little different. We know that "Power Brokers: Agents of Change" sounds like a summer blockbuster action movie, and thanks to illustrator Dexter Doi and art director Wes Funai, it looks like it, too. However, as we were mulling over the happenings of 2005, it struck us that there were a slew of significant developments in the state that could (in the right hands) alter the economic, political and physical landscape. So we decided to focus on six movers and shakers who this year put themselves or were put into positions to be great catalysts for change. With apologies to Dick Tracy and the rest of the comics world, we present our 2005 Power List.



HARRY KIM

Age: 65
Title: Mayor, Big Island
Nickname: Give 'em Hell Harry
Power Surge: Last July, the *Honolulu Star-Bulletin* reported that once-Republican Big Island Mayor Harry Kim was considering a run for governor, as a Democrat. The Kim candidacy has been on the

minds of some party insiders, especially after he ran for and won a second term as a nonpartisan in 2002, with 63 percent of the vote. However, it still came as a surprise that the easy-going, denim and plaid wearing Kim would ever leave Hilo for life in the big city.

Power Play: Kim's possible candidacy says more about the sorry state of Hawaii's Democratic Party than it does about the straight-talking, one-time head of Big Island Civil Defense. This is the second election in a row in which party officials have looked for a candidate from outside the meandering herd. Banker and uber power broker Walter Dods was nearly recruited to take on Lingle the last time. Who will the Democrats choose to run in 2010? Michelle Wie?

Personal Voltage: Kim's good ol' local boy persona combined with cut-the-crap delivery is a one-of-a-kind, potent mixture in Hawaii politics. He would arrive at the State Capitol with very little political baggage or debts to the Machine. Will the no-nonsense Kim whip an entrenched state Legislature into action, or will the city slickers teach a few hard lessons to the hayseed from Keaau? In either case, the big winners would be the public, which would likely see a political atmosphere where the status quo has very little status.



W. DAVID P. CAREY III

Age: 50
Title: President and Chief Executive Officer, Outrigger Enterprises Inc.
Nickname: The Beach (Walk) Boy
Power Surge: Outrigger enterprises, which introduced the Islands to the masses, began an

enormous Waikiki upgrade this spring. Outrigger's \$460-million extreme makeover of the 7.9-acre parcel bordered by Lewers Street and Saratoga Road will transform Waikiki's low-rent Hooterville into an upscale hotel and retail hub. The local hotel chain's effort, the largest development project in the history of Waikiki, razes nearly a dozen Truman and Eisenhower-era lodgings. Outrigger's budget Ohana brand will lose half of its inventory in the redevelopment, more than 1,800 rooms in eight hotels. But Ohana's loss is Outrigger's and the rest of Waikiki's gain. The Beach Walk area contained approximately one-tenth of Waikiki's room inventory. An elegant, new hotel neighborhood will significantly strengthen Outrigger's brand as well as brighten Waikiki's tarnished image as a first-class resort area.

Power Play: Waikiki is the most difficult area to build in the state. Not only do developers have to negotiate through a maze of landowners and their leases, but also a complex permitting process that can increase costs from between 30 percent to 50 percent. Carey and Co. weathered Sept. 11, a war and a bout of SARS and used their political connections and financial muscle to finally push through their 10-years-in-the-planning project. The Beach Walk took on a greater importance after the

THE STATUS QUOS

They're big, they're bold, they have the ability to stagnate

Russell Okata and the HGEA

Powerful unionized public workers are a fact of Island life that became more apparent last November when the Hawaii Government Employees Association (HGEA) and its executive director flexed their considerable political muscle. The 2004 election was billed as a litmus test of organized labor in general and the HGEA, the state's largest union, in particular. In 2002, their gubernatorial candidate Mazie Hirono was defeated by Linda Lingle. Was that election a call for sweeping change in state government or simply a contest of personalities?

Last election season, Okata and the HGEA put troops on the ground and flyers in the mail, helping defeat five Republican incumbents in the House. It was a reversal of Republican gains made in 2000, cutting off Governor Lingle's coat-tails somewhere around the knees.

The election results ensured a veto-

proof Democratic Legislature, which got busy last May, overturning 12 Lingle vetoes—tying a state record. The efficacy of the 2005 Legislature is a matter of debate. But the efficacy of HGEA is not.

General Growth Properties

The shopping center giant owns Ala Moana Center and Victoria Ward in Honolulu, Hilo's Prince Kuhio Mall and Lahaina's Whalers' Village. They also manage Kahalui's Queen Kaahumanu Center and Kaneohe's Windward Mall. GGP controls five of the state's top seven shopping centers, a position that any business would covet.

This is not to say that GGP has any nefarious plans up its designer sleeves. They don't. GGP has pumped millions of dollars into the renovation of Ala Moana Center, which looks great (if you're from Seattle). However, word on the real estate street is that Hawaii is perceived as GGP turf. If it's

retail and the General is interested, big-money investors go shopping elsewhere, which is never a good thing. Attention shoppers: Chilling Effect in aisle two.

Kamehameha Schools Bishop Estate

The \$6 billion trust is so big and has so much land that it is almost impossible to do business of a certain scale without running into it. Nothing wrong with that, except the organization reacts to political and business developments at the speed of government. Earlier this year, it was the Queen Liliuokalani Trust that led the charge to repeal Chapter 38, the 14-year-old lease-to-fee conversion law, not the resource-rich KSBE. The estate is also pulling up the rear in the development of Kakaako. The area wouldn't be known as the land of perpetual potential, if the trust had been able to pull the trigger on any one of its many redevelopment plans in decades past. In neo-Kakaako's latest incarnation, KSBE is shaping out to be a secondary player. Rumor has it that its holdings will be used largely as parking facilities.

-DKC

Queen's Health System scaled back the redevelopment of the International Market Place.

Personal Voltage: Whether the Beach Walk becomes Waikiki's bellwether project remains to be seen. The bottom line is that Carey is the first to jump into the redevelopment pool in a big way. His chutzpa sends a couple of important messages to two different audiences: For Mainland investors, it shows that big things can happen in risk- and change-adverse Hawaii. For Islanders, it's a shining example that bold ideas and big bucks can be locally grown.

conglomerate and educational institution do well, it must also do good. So far under Mailer's leadership, Kamehameha has continued to be a laggard in the Islands' fast-evolving business world. (See sidebar on page 26) She has also allied herself closely with the other powers that be. Mailer's acceptance of a place on First Hawaiian Bank's board of directors had many in the school's community scratching their heads. The school needs inspiration, not institutionalization. Can Mailer channel her inner Golda Meir and lead Kamehameha and the rest of Hawaii into the promised land?



DEE JAY MAILER

Age: 53
Title: CEO, Kamehameha Schools
Nickname: Golda Mailer
Power Surge: To many Native

Hawaiians, it was the most dramatic and egregious miscarriage of justice since the overthrow of the Hawaiian monarchy in 1893. Last August, the U.S. Ninth Circuit Court of Appeals struck down Kamehameha Schools' Hawaiians-only admission policy. By a 2-to-1 vote, the high court ruled in favor of an unidentified non-Hawaiian student who was turned down for admission in 2003, overturning a U.S. District court ruling that recognized the "special trust relationship existing between the federal government and Hawaiians." The ruling has galvanized the Kamehameha ohana, the Native Hawaiian community and non-native Islanders alike. Not since the effort to stop the bombing of Kahoolawe in the 1970s has a single issue become a rallying point for Native Hawaiian rights, hopes and dreams. It's a movement in search of a leader.

Power Play: Shortly after taking over in 2002, Mailer, a 1970 Kamehameha Schools graduate and healthcare administrator, was lionized by the media as a nurturing, healing presence, a perfect antidote to the scandal and political infighting that plagued the institution. But that was then and this is now. The school is under siege again and the ohana and the community at large are in dire need of someone who can focus the outrage, emotion and activism on a call to action (Akaka Bill anyone?).

Personal Voltage: Arguably, the job of CEO of Kamehameha Schools, the largest private organization and landowner in the state, is the most powerful and difficult one in the Islands. Kamehameha's CEO has multiple constituencies and mind-boggling responsibilities. Not only must the \$6 billion

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AGENTS OF CHANGE



STEVE CASE AND DAVID COLE

Ages: 47, 52
Titles: Shareholder;
Chairman, president and
chief executive officer,
Maui Land & Pine Co. Ltd.
Nickname:
The Sunshine Boys

Power Surge: The state's latest economic upturn, especially evident in the red-hot tourist industry and volcanic

housing boom, has fattened up the bottom lines of a wide spectrum of local businesses, but it's left many Island residents with slim pickings. Local wages can't keep pace with home prices that were first kick-started by massive amounts of Mainland cash. The problem is especially acute in the Islands' resort areas, where the local work forces can't afford to live anywhere near the exclusive enclaves where they are employed. Next stop, Jamaica! Late last year, Island-grown high-tech tycoon Steve Case thought globally and acted locally when he outlined his plans to build sustainable businesses. Specifically, Case wants to integrate Maui Land & Pine's vast, diverse resources, including everything from high-end hotels to high-yield agricultural lands. ML&P has set aside 300 West Maui acres to build affordable housing for some of the company's nearly 1,500 employees. The move will bring new meaning to the term "community wealth." Heading this effort is another local boy, CEO David Cole, who is a former AOL executive and has a background in organic farming.

Power Play: If Case and Cole can make Maui Land & Pine's grand experiment work, it could be a model for not only Hawaii's high-end resorts but for the state in general: high-end tourist areas built around sustainable villages, where leisure, business, culture and lifestyle come together.

Personal Voltage: Case's ill-fated merger of AOL and Time Warner made "convergence" a bad word. But the trail-blazing businessman, worth approximately \$825 million, according to *Forbes* magazine, is undaunted. He's mentioned on several occasions that Hawaii is the perfect laboratory for his experiment in social entrepreneurship, because big investments can produce big results in such a small state. Case in point is Steve's \$1 million investment in the Hawaii Superferry, the high-speed transport that will zip visitors and local residents to and from Oahu, Maui, Kauai and the Big Island. As their Kapalua experiment comes to fruition, look for further investments in other such symbiotic businesses.

MUFI HANNEMANN

Age: 51
Title: Mayor, City and County of Honolulu

Nickname: Mr. Fixit
Power Surge: It was inevitable and ironic that soon after Mayor Mufi Hannemann took office at the beginning of the year, Honolulu experienced an epidemic of sewage line breaks and spills — nearly a dozen in a little more than a month. It turns out that the previous Harris administration had been raiding the sewer fund and playing a budgetary shell game to build vanity projects and



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throw parties on the beach. During 10 years under Harris, Islanders were knee deep in crap and never realized it. In his first year in office, Hizoner Hannemann has quietly become

the pothole politician, tending to the city's long-overlooked core services. Some have accused him of building his new career on top of Harris' debt-ridden carcass. However, with a \$3 billion debt service bill and a crumbling infrastructure, Hannemann's Honolulu repair job is more about pragmatism than politics.

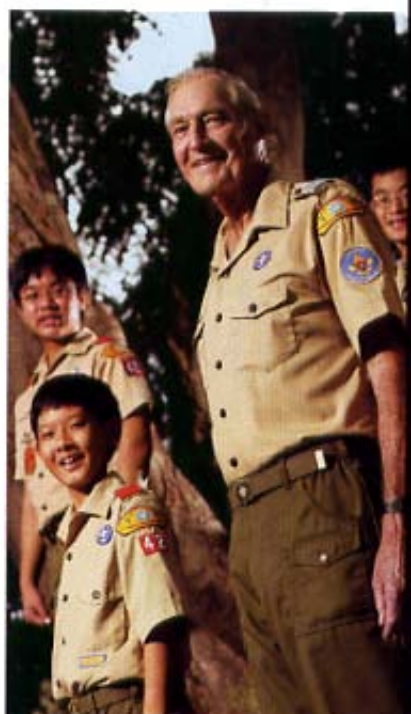
Power Play: It is also ironic that while he was dutifully fixing potholes, Hannemann was laying the foundation for the biggest public works project in the history of the city: a brand-new mass transit system, featuring fixed rail of some sort as its centerpiece. Long characterized as either the panacea to Honolulu's traffic woes, or a Pandora's box of fiscal doom, rail has been on the agenda since the Blaisdell administration. But mass transit never had a more persuasive advocate than Hannemann. The mayor rallied the troops to get excited about trains again. He flipped the Chamber of Commerce to his side, convinced powerful Rep. Neil Abercrombie to give Honolulu one more chance with the feds and steered enabling legislation through the State Capitol. He saved the bill from an 11th-hour veto by Gov. Linda Lingle and then worked the City Council to pass the resulting Bill 40, which would raise the general excise tax from 4 percent to 4.5 percent on Oahu to pay for the city's portion of the mass transit system.

Personal Voltage: Hannemann's quixotic tour through federal, state and county governments over his decades-long political career seems to be finally paying off. A special assistant to every U.S. president since Carter, head of the state Department of Business, Economic Development and Tourism as well as a Honolulu City Council member from 1994 to 2000, Hannemann knows how government and politics work, from inside and out. His campaign for mass transit is a good example. The mayor knew when to lead the charge and when to sit back and let others carry the torch. The result is that the legislation got through with political costs spread throughout state and city governments. But make no mistake, this baby belongs to Mufi.

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if you didn't know how old you are?"

- Satchel Paige



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Top photo:

Bill P., an active supporter of the Scouts for over 65 years, makes Arcadia his home base.

Bottom photo:

Edith K., Founder of Iolani Sportswear, and Gertrude O., Fashion Designer, help fellow Arcadians stay dressed to the nines.



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THE BIG SQUEEZE

Maui's push for high-end tourists has yielded, not only a desired visitor boom, but also escalating housing costs, workforce constraints and a throttled infrastructure. Does Maui Land & Pine have the fix?

By Scott Radway

Maui Land & Pine's David C. Cole at times can sound more like a preacher than a chief executive officer, though one who calls upon the Almighty Bar Chart, not the Good Book, to lead people to his promised land.

In the company compound in Kahului on a sunny, summer day, the bushy-goateed Cole is speaking of the future of Maui Land & Pine Co. Inc. (AMEX: MLP). His buzz words are holistic communities and sustainability and Cole is talking about core values, preserving cultural heritage, building affordable housing and setting aside land for schools.

Is that the business of one of the state's largest publicly traded companies? A company that was losing millions when Cole was brought on in 2003 to jumpstart operations?

"We're not missionaries," begins Cole, chairman, CEO and president of ML&P. "We are just playing to cards we were dealt, the best way we can."

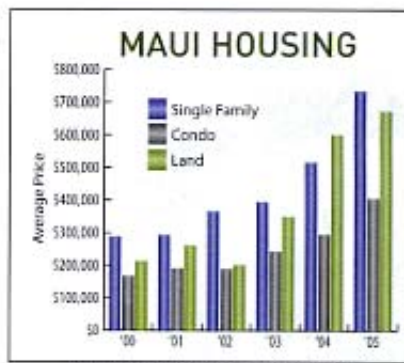
This is where the bar charts come in. What Cole and ML&P are facing is the same dilemma faced by every growing business on Maui. Property values have skyrocketed and low- to even middle-income workers often can't

afford to buy a decent home.

The median sales price for a single-family home on Maui in June 2001, was \$289,500, according to the Realtors Association of Maui. In June 2005, the median price was \$735,000. That's a staggering increase of 154 percent in five years.

Then consider that the unemployment rate on Maui this year has hovered in the extremely low 2 percent range.

The economy on Maui is booming, but in its wake have come skyrocketing housing costs and workforce scarcity, a double whammy due in part to the Maui's effectiveness in drawing high-end tourists, some of whom end up buying a second home and arguably pricing locals out of the market more than on any other Hawaiian island.



SOURCE: REALTORS ASSOCIATION OF MAUI

THE PROMISED LAND: A conceptual drawing of houses Maui Land & Pine plans as part of a nearly 900-home project in affluent West Maui. More than 50 percent are expected to qualify as affordable housing, which means high-quality two- and three-bedroom homes, likely ranging from \$190,000 to \$300,000.

ILLUSTRATION: MAUI LAND & PINE



In repeated interviews about the state of the economy, Maui leaders beamed about the general good health across the sectors, particularly in the high-tech. However, Maui continues to face a strained infrastructure, and leaders all say the No. 1 and No. 2 concerns about economic growth

THE (HOUSING) INFERNO: Pictured above was the least expensive home for sale in West Maui in August 2005. The asking price for the 4-bedroom home: \$625,000. The alternative for most who work in West Maui is a long commute across island. For those, the cheapest house in Wailuku is pictured below. This modest 2-bedroom home cost \$325,000 in August 2005.

on the Valley Isle and its neighbor islands are escalating housing costs and a dwindling workforce pool as locals leave and potential newcomers are discouraged by the price of land.

No sector is unscathed. Jeanne Skog, executive director of the Maui Economic

Development Board, says she recently asked a high-tech company official how she could help him market, a primary function of the board. "He said, 'You get me the workforce. I can get the work,'" recalls Skog.

To grow, Maui businesses need to think about how to attract people to work, even in decent paying, middle

management positions.

"We are bidding on scarce resources," Cole says.

That's how land-rich M&P got into the business of building affordable housing and developing schools. "We want to become the employer of choice," Cole says. "That means understanding what is important to people in their prime earning and child-bearing years. That is unquestionably No. 1, having quality housing. No. 2, it is having educational opportunities for their children."

Rippling underneath the surface of the housing and workforce concerns are also concerns about the fading of the community character itself. If locals can't afford to live here, what happens to the aloha?

Cole is not the only one talking about what needs to be done, in a sense, to recover from these economic good times.

HEY, BIG SPENDER; IT'S A BOOM

One of the first things Terryl Vencl, executive director of the Maui Visitors Bureau, points out is that it has been



more than a decade since Maui has added a resort hotel, not since the Ritz-Carlton, Kapalua, was built in 1992. Several years back, Maui decided the best avenue to grow tourism was not to attract more numbers, but bigger spenders. The industry term is high-end tourism.

At the same time, Maui has, more than other counties, put financial resources into targeting visitors and building its brand name. Typically, she says, county bureaus run on a set allocation from the state Transient Accommodation Tax alone. But Maui County funnels some of its county funding from the TAT to the bureau as well.

That means Maui has more money for such things as targeting the avid traveler, who understands the uniqueness of a destination and will pay extra for it; and markets such as the romance market, which spends more than any other niche market. That also means Maui has funds to develop travel agents who understand Maui and sell it to the "cream of the crop," Venel says.

Maui's marketing strategies have paid off.

This year, Maui appears fully recovered from the blows of 9-11 and SARS and is experiencing a 2.5 percent increase in visitors through June, building on a half percent increase in 2004 and a 2.7 percent increase in 2003. Those visitors set the occupancy rate for hotels at 81.8 percent for January through June 2005. Maui's average daily room rates for 2005 are the highest in the Islands at \$208. In comparison, Oahu has a \$133 daily room rate this year.

Barring a few unforeseen events, those numbers, which are largely driven by domestic tourism, should persist. And the tourist industry strength is also propelling and

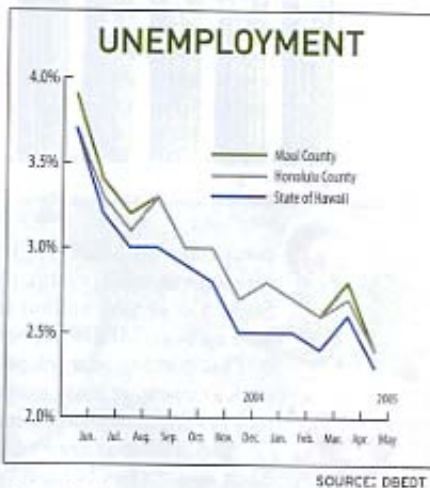
should continue to propel blazing construction and real estate industries.

One statistical measure of construction industry health is the estimated value of private construction permits. Tracking that number from 2001, the value drops from \$313,000 to \$274,000 in 2002; then it jumps up to \$469,000 in 2003 and \$449,000 in 2004. The industry is largely being driven by residential building, demonstrated by the vast majority of new permits issued in that category.

The escalating prices of real estate have not decreased the volume of sales, so the overall health of the market remains good.

However, according to First Hawaiian Bank's 2005 report *Maui County: Flourishing Again in 2004*, construction and real estate are not the only sectors doing well; the service sectors – professional, business and medical – are strong.

High tech in Maui is also becoming an economic highlight. In the long view, from 1982 to the present, high tech has gone from employing 150 people to 1,300. A graph MEDB uses to illustrate how far high tech has come compares the revenue from high tech to large



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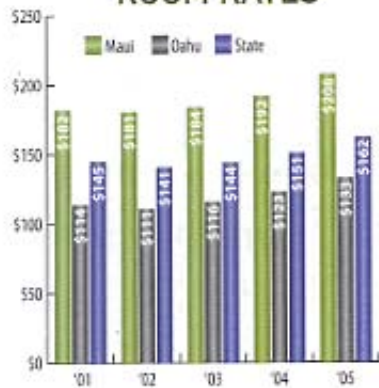
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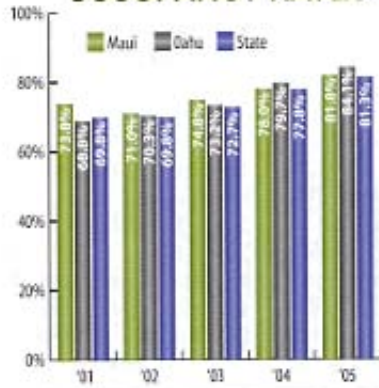
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TWO MBA DEGREES

ROOM RATES



OCCUPANCY RATES



SOURCE: DBEDT, SMITH TRAVEL RESEARCH, HOSPITALITY ADVISORS L.L.C.

companies on Maui. High tech created \$140 million in revenues in 2004, compared to Hawaii Commercial & Sugar Co. at \$113 million and Wailea/Makena Resorts at \$181 million, MEDB reports.

This coming year, plans to expand the high-tech park as a new, 35,000-square-foot building are out for bid and Boeing is expanding its facilities atop Haleakala.

"And after 9-11 none of our companies were affected," Skog says. "They behaved as we had hoped."

THE TAB FOR SUCCESS

The sun rising over Haleakala Crater, as it awakens the volcanic red swirls and spears the clouds at 12,000 feet, is a rare, spiritual event. Problem is, some visitors are watching

it from their idling cars.

"We can't have visitors waiting a half-hour for parking stalls," says Maui Mayor Alan Arakawa.

The boom in tourism has introduced unwanted issues for both visitors and residents. Much has been written about infrastructure issues, in particular transportation and water woes for Maui.

The increasing number of cruise-ship visits, the conversion of homes into illegal rentals, and the timeshare trend have also created new issues for Maui to manage. The issue of carrying capacity, though – best illustrated by the Maui signature experience of

the Haleakala sunrise now touched by traffic concerns – has brought the issue to new heights, literally and figuratively.

Arakawa has created a committee to research the full impact of cruise ships on Maui. Those issues range from the direct impact on traffic at visitor sites to financial considerations, because it is unclear whether cruise ships are contributing their fair share of tax dollars to Maui to deal with their impact. A report is expected out this fall.

The mayor is also studying the economic impact of a market trend of converting hotel rooms to timeshare. It is unknown how that change in visitor profile will impact Maui's push to get fewer visitors who spend more. Maui has already instituted a property tax on timeshares to address infrastructure impacts.

A big issue for businesses on Maui, says Maui Chamber of Commerce president Stacie Thorlakson, is illegal rentals. On the wave of tourism strength, Maui has seen a conversion of homes into rentals units, primarily by out-of-state investors, Thorlakson says. Unlike hotels, which pay a tax to support managing visitor impact, these rentals are under the radar.

"One of our major issues is regulating vacation rentals," says Thorlakson. "Our members want to put a tax on folks who own such rentals as unpermitted bed and breakfasts. They want an even playing field."

But Thorlakson, too, says the No. 1 issue for Maui businesses is still affordable housing, with workforce concerns in tow.

For his part, the first-term mayor says he has aggressively worked since his election to solve the affordable housing dilemma. Arakawa has worked with developers to add components to their projects that he believes will meet the demand for affordable housing before the end of 2007. Arakawa says 4,000 units will be built in the next five years that fall in the affordable-housing category.

John Stephens, president of the Realtors Association of Maui, says the mayor's initiative for affordable housing is a positive development. However, he worries about new trends such as the potential arrival of Chinese investors. While the housing market might eventually cool on the Mainland,

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it might not on Maui, he says.

"The question is whether there is another thing looming out there," Stephens says. "And whether we can keep up. We need to build more houses. We need land reform. It is very difficult to tell [local] people, they cannot afford a home."

THE LONG VIEW

Hawaii tourism was founded on the advent of cheap oil and fast airplanes. Seemingly overnight, Hawaii became a major tourist attraction. In a mad scurry to respond to the demand, hotels were built, on the beach, side by side,

"Instead of a beach experience, it almost became an urban experience," says Cole. "A lot of resort areas that came alive on cheap oil and fast airplanes ended up feeling that way. Whether it was Acapulco, Rio De Janeiro, Miami Beach or Waikiki. I think that has about played itself out."

Cole believes Maui's future and the future of Hawaii as a state lie way up-market. "If you are looking for sand and rum-based drinks, they are a better value elsewhere," Cole says.

Other places can offer beautiful vistas. But only Hawaii has the aloha. ML&P's plan for the recently acquired Kapalua Bay Resort is to target culturally sensitive tourists who are looking for a unique experience and are willing to pay for it. Something that builds upon Maui's work over the last several years, but ML&P is taking it to another level.

"If you want to know what the Kapalua customer of the future looks like, it is somebody who shops in Whole Foods [a retailer of natural and organic foods], on the West Coast. That is our customer. He is wearing a Patagonia shirt and reading *Coastal Living* magazine, and he is not price sensitive," Cole says. "We want to be ruthlessly discriminating."

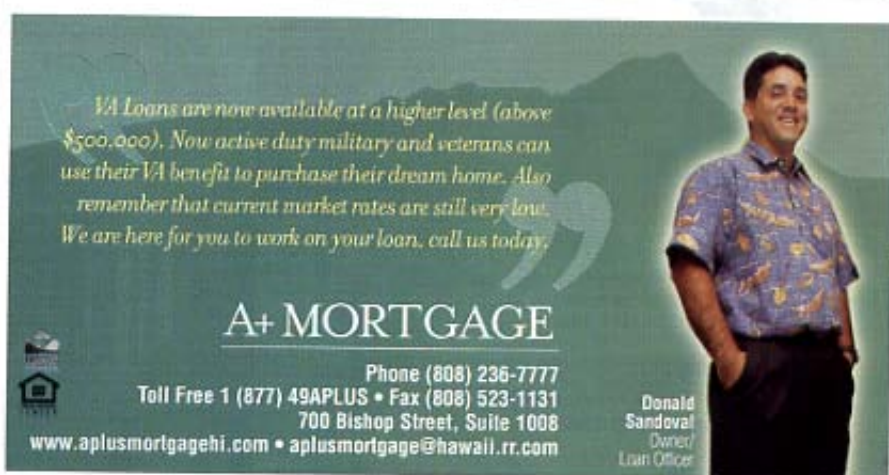
MVB executive director Vencl agrees, and says campaigns to develop more cultural tourism and agriculture tourism are geared toward that kind of traveler. The philosophy in Maui today is to maintain market share when it comes to visitors, not expand, she says. The business sector in Maui also seems keenly aware of issues of sustainability. "Balance," says the Chamber of Commerce's Thorlakson. "That is the word everyone is looking for right now."

In ML&P's case, the company is investing land and big dollars into creating balance. On 312 acres of ML&P land north of Lahaina, the Pulelehua project is a master-planned community with 882 homes, of which more than 50 percent will be affordable under federal guidelines. That means 450 quality two- and three-bedroom homes ranging in price from \$190,000 to \$300,000 in one of the most expensive areas on the island. Employees

would get preference in these fee simple offerings. The market homes should range from \$300,000 to \$700,000.

The project is expected to cost about \$75 million in infrastructure improvements and \$350 million in vertical construction. The first homes are expected by 2008 and the last in 2012. The housing will also be close to the resort to cut down on cross-island traffic. Thirteen acres are also designated for a school.

On the tourism side, ML&P is spending \$85 million to upgrade the resort and move upmarket with a new spa, a beach club, a golf course, a mountain activity center and nature trails.



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MAUI REPORT: THE BIG SQUEEZE

ML&P agriculture operations are moving upscale, too. ML&P is transitioning from the pineapple commodity market to the specialty market, where customers are willing to pay more for a superior product. In fact, the same customer that might buy the company's fresh fruit, might also visit its resort, Cole says. The idea is the same. It may cost more to do business, but people will pay more if the product is special.

That's why cultural preservation is good for the tourism business, too, he says. Cole is a kamaaina and admits it gives him great personal pleasure to work for the betterment of Hawaii as a whole. In fact, that is largely why he took the job and returned to the Islands. But Hawaii's culture is also what makes its tourism special - and marketable. "Without the local culture we lose our distinctiveness. It's very different from being a missionary," Cole says. "As a business, we want to make money.

"There are a lot of places where the hospitality model has failed through exploitation and greed and short-sightedness."

- David C. Cole, Maui Land & Pine

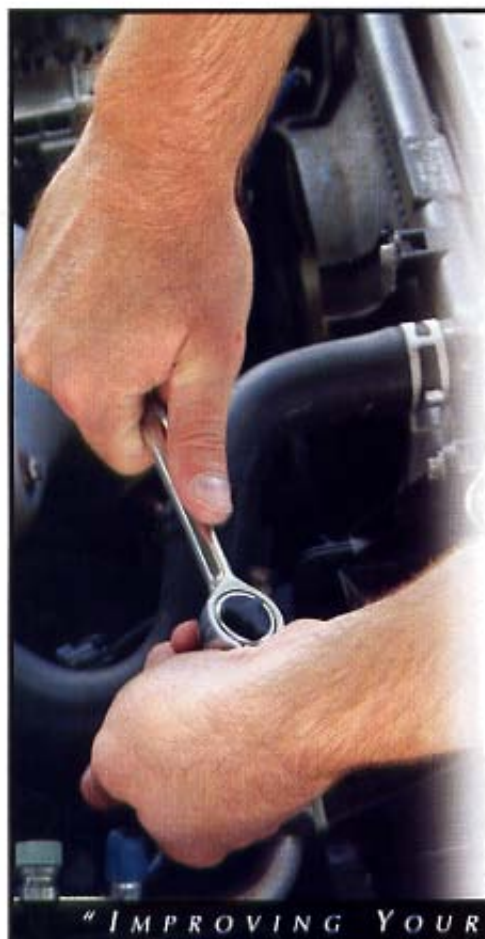
"At some point, you move from a rural, authentic Hawaiian vacation experience into something that is closer to fighting through the traffic jams of Los Angeles. Or coping with the societal disturbances that come from a concentration of wealth, where you feel threatened by those that are the have-nots. That doesn't suit anyone. Go to Haiti, and you sense that. There are a lot of places where the hospitality model has failed through exploitation and greed and short-sightedness."

Cole says it's time to take the long view of progress in the Islands, and plan for decades of success, in large part by business investing in the people, in Hawaii.

But will his stockholders understand that thinking?

"[Maui Land & Pine] stock is no stock for an impatient investor," Cole says. (It doesn't hurt that ML&P's largest shareholder is Cole's friend and business partner, Steve Case.) "I don't want them. My shareholders understand this, my colleagues understand this, my family understands this. It is time to get down to core values."

Can he get an amen?



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