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Business

\$5 billion Ko Olina expansion would link to Kapolei

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Jeff Stone, center, master developer of Ko Olina Resort, spoke Wednesday with Maui Mayor Alan Arakawa, left, and Kauai Mayor Bernard Carvalho at the Hawaii Business Magazine Top 250 luncheon at the Waikiki Beach Marriott. In a keynote address, Stone spoke about new plans for a Ko Olina expansion.

Ko Olina Resort & Marina is envisioned to almost double in size and connect directly with the City of Kapolei as part of an estimated \$5 billion expansion for the West Oahu vacation destination.

Jeff Stone, Ko Olina's master developer, shared the vision with a local business gathering Wednesday and said the intended expansion being driven by a Chinese company will add up to 2,500 largely resort homes around a second golf course on 514 acres known as Kapolei West.

"Kapolei West will be annexed most likely with Ko Olina," he said. "The idea is it all marries."

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the late Herbert Horita.*

A site plan Stone shared at a meeting in Waikiki honoring 250 of Hawaii's biggest companies showed the resort's main road, Aliinui Drive, continuing into the adjacent Kapolei West site and through to Kapolei Commons anchored by Target on the edge of downtown Kapolei.

Currently, there is just one point for driving into and out of Ko Olina. The map also shows potential additional road connections to Farrington Highway and Campbell Industrial Park through Kapolei West.

If developed as envisioned, Kapolei West would be connected with the 642-acre resort and realize what had been an option for Ko Olina's original developer, the late Herbert Horita.

Stone, who with investment partners acquired Ko Olina and its one hotel along with a golf course and a single residential subdivision in 1990, shared his vision for the next stage of development at the luncheon sponsored by First Hawaiian Bank, Matson Inc.

and Accuity LLP in association with Hawaii Business Magazine. He elaborated on the Kapolei West integration in an interview afterward.

The founder and CEO of The Resort Group described how Ko Olina is on the verge of its biggest expansion since he added a boat marina, a couple of residential subdivisions, a Marriott timeshare and Aulani, a Disney hotel and timeshare. Stone also recently converted the Ihilani hotel to a Four Seasons in a \$500 million acquisition and renovation deal.

The Chinese company spurring the next growth phase at Ko Olina is China Oceanwide Holdings Ltd., a conglomerate engaged in real estate, finance and investing that adopted an overseas real estate development strategy last year.

Last month, China Oceanwide bought the Kapolei West site for \$103 million from local landowner James Campbell Co.

Earlier this year, China Oceanwide paid \$280 million for a beachfront Ko Olina site on which the company plans to build a hotel under the Atlantis Resorts brand, and \$200 million for a nearby beachfront site for another hotel.

Stone said the two hotels could add 3,000 more rooms to Oahu's hotel inventory and partially offset what he said has been a loss of nearly 7,000 hotel rooms between 2000 and 2015 that has made it harder for record numbers of tourists to visit Hawaii.

"This could really, really be a game-changer for Hawaii," he said.

Stone estimated that the Atlantis hotel with a walk-through aquarium will cost \$2 billion, and that the second China Oceanwide hotel will cost \$1 billion.

He also projected that developing the Kapolei West site, which will include 30 percent workforce housing, would cost \$2 billion, making China Oceanwide's total investment about \$5 billion.

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