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Larry Ellison Bought an Island in Hawaii. Now What?

By JON MOOALLEM SEPT. 23, 2014

Henry Jolicoeur is a retired French Canadian hypnotherapist and a glass-products importer who enjoys making very low-budget documentary films. In the summer of 2012, Jolicoeur read that Larry Ellison, a founder of the Silicon Valley giant Oracle and the fifth-richest man in the world, had bought 97 percent of the Hawaiian island of Lanai — not a 97 percent stake in some kind of company, but 97 percent of the physical place. Jolicoeur was curious, so he booked a flight and packed his camera.

Jolicoeur knew a little about Lanai, having lived in Hawaii in the '90s. It is among the smallest and least trafficked of Hawaiian islands — a quiet, spectacular place where Cook Island pine trees vault up everywhere, like spires or giant peacock feathers — and can feel like a charming wormhole to an earlier era. There is only one town, Lanai City, where virtually all of the island's 3,200 residents live. Ellison now owned a third of all their houses and apartments; the island's two Four Seasons-run hotels; the central commons at the heart of Lanai City, called Dole Park, and all the buildings around it; the town swimming pool; the community center; the theater; a grocery store; two golf courses; a wastewater treatment plant; the water company; and a cemetery. In a single sweeping real estate deal, reported to cost \$300 million, he had acquired 87,000 of the island's 90,000 acres. And he would subsequently buy an airline that connects Lanai to Honolulu as well. On all of Lanai, I heard of only a handful of businesses — the gas station, the rental-car company, two banks, a credit union and a cafe called Coffee Works — that are neither owned by Ellison nor pay him rent.

Jolicoeur spent about three weeks strolling around the island, asking locals to

hold his ungainly, foam-sheathed microphone and tell the camera how they felt about the big acquisition. Everyone seemed to feel very, very good. “I want to thank Mr. Ellison,” one fishing-boat captain says. “He’s got a vision, and he’s taking care of us over here on Lanai.” A pack of landscapers, shown assiduously raking dirt, say things like: “Thank you for work, Mr. Ellison! Thank you very much!” The owner of a salon: “I just want to take this time to thank Mr. Ellison for the unbelievable, incredible takeover of Lanai.” Inside the island’s Catholic church, a priest in a purple robe, surrounded by children, says: “Heavenly father. . . . We ask for your blessings for Mr. Ellison, particularly, and those who work with him, that all the good plans and intentions that he has for Lanai be fruitful.” Elsewhere, a woman shouts a little breathlessly: “Mr. Ellison! Thank you for being here! We love you! I’ve never met you before and really would like to, and I can imagine that you will do awesome wonders for this place!”

Jolicoeur is still working on his film but has posted some footage on YouTube in the meantime. From time to time, he makes an appearance himself, pontificating about the bewildering new relationship between Ellison and everyone else. Introducing one segment, Jolicoeur announces, “The great philosopher Plato said, 2,500 years ago, that rulers of man must be philosophers.” A title card reads, “ORACLE = A person who delivers authoritative, wise or highly regarded and influential pronouncements.”

Ninety seven percent of Lanai may be a lot of Lanai, but it’s a tiny part of Ellison’s overall empire. Ellison, who stepped down as C.E.O. of Oracle on Sept. 18, is estimated to be worth \$46 billion. He made an estimated \$78.4 million last year, or about \$38,000 an hour. He owns a tremendous amount of stuff — cars, boats, real estate, Japanese antiquities, the BNP Paribas Open tennis tournament, an America’s Cup sailing team, one of Bono’s guitars — and has a reputation for intensity and excess. Recently, The Wall Street Journal reported that when Ellison has played basketball on the courts on his yachts, he has positioned “someone in a powerboat following the yacht to retrieve balls that go overboard.” One biographer called him “a modern-day Genghis Khan.”

At a public meeting on Lanai last year, an Ellison representative explained that his boss wasn’t drawn to the island by the potential for profits but by the potential for a great accomplishment — the satisfaction one day of having made the place work. For Ellison, it seemed, Lanai was less like an investment than like

a classic car, up on blocks in the middle of the Pacific, that he had become obsessed with restoring. He wants to transform it into a premier tourist destination and what he has called “the first economically viable, 100 percent green community”: an innovative, self-sufficient dreamscape of renewable energy, electric cars and sustainable agriculture.

Ellison has explained that Lanai feels to him like “this really cool 21st-century engineering project” — and so far, his approach, which seems steeped in the ethos of Silicon Valley, has boiled down to rooting out the many inefficiencies of daily life on Lanai and replacing them with a single, elegantly designed system. It’s the sort of sweeping challenge that engineering types get giddy over: a full-scale model. Of course, there are actual people living inside Ellison’s engineering project — a community being hit by an unimaginable wave of wealth. But unlike all the more familiar versions of that story, Lanai isn’t being remade by some vague socioeconomic energy you can only gesture at with words like “techies” or “hipsters” or “Wall Street” but by one guy, whose name everyone knows, in a room somewhere, whiteboarding out the whole project.

Jolicoeur seemed to understand the precariousness that power imbalance created: the staggering responsibility, the incomprehensible control. At one point, standing on a beach, he announces theatrically to the camera, “The Bible says, ‘Where there is no vision, people perish.’ ” Eventually he visits the island’s animal-rescue center, where a young employee explains that because there are no natural predators on Lanai, the feral-cat population just explodes. Right now, she tells him, the shelter is housing 380 cats.

From behind the camera, Jolicoeur hollers: “So basically, these are 380 cats of Mr. Ellison’s?”

“They’re his cats!” the woman says, laughing and laughing.

Next we see a half-dozen cats, occupying different areas of a multitiered bungalow-style dollhouse for cats, licking themselves and lapping water and napping. More cats appear as Jolicoeur enters the shot, holding his long microphone, extending his free hand to stroke whichever cat looks most cooperative. His eyes are bright. He looks thrilled with his wonderful discovery: He has reached an unanticipated edge of the island’s new reality.

Clasping an animal with a meaty palm, he turns back to the camera and says, “Mr. Ellison, do you know that you have, now, 380 cats?”

For thousands of years, Lanai was ruled by the god of nightmares. No humans lived there until, according to Hawaiian legend, a teenage chief from Maui was banished to the island for bad behavior. The chief killed the nightmare god and routed his army of spirits. Then he lit a fire. People on Maui, eight miles to the east, saw the fire. It was a signal — an all-clear. They got in their canoes and came over.

Hawaiians lived happily on Lanai for about 800 years. Then the Mormons started arriving, eventually led in 1861 by Walter Murray Gibson, who, in retrospect, may have been only a megalomaniac con man masquerading as a Mormon. An article published by the Hawaiian Historical Society in 1960 describes Gibson as “ambitious and romantic and interested in ruling a tropical government.” Gibson spent his early years tramping through Southeast Asia, stoking a native revolt against the Dutch in the hope of commandeering one. He converted to Mormonism only one year before showing up on Lanai. After building a Mormon colony in the island’s interior, Gibson began buying land on Lanai until he controlled nearly the entire island. He paid for the land with the church’s money but put the titles in his own name. When the Mormons figured this out, they excommunicated him.

Gibson retained the land, though. By the time he died in 1888, it had passed to his daughter, then through a few other owners as a single holding. None of them could figure out what to do with Lanai. They tried ranching sheep. They tried sugar cane. One crop that grew well was pineapples, and this caught the attention of James Drummond Dole, a Harvard Business School grad with a fledgling pineapple company on Oahu.

In 1922, Dole paid \$1.1 million for the land Gibson and his successors had accumulated. Just like that, The New York Times reported, “an entire island, Lanai, has been taken over by a pineapple company.” Dole plowed the interior into fields, built a harbor and roads and laid out an idyllic town near the center of Lanai — a grid of plantation-style cottages, with Dole Park in the middle — to house his mostly Japanese and Filipino workers. By 1930, Lanai City had 3,000 residents, nearly all of them Dole employees, and the island was exporting 65,000 tons of pineapples a year. The company sent landscaping crews to weed and mow workers’ lawns. It ran an athletics program and built a golf course. Life on Lanai was good; Dole insisted it should be. His motto was: “Have happy workers, grow

better pineapples.”

For 70 years, Lanai was among the world’s largest pineapple plantations. Then in 1992, the island harvested its last crop. Overseas production had driven down prices, and Lanai was left behind. By that point, the island had changed hands two more times. It was now controlled by the California billionaire David Murdock, who acquired the company Castle & Cooke, which took over Dole Foods’ holdings on Lanai in the ’60s. Murdock was a somewhat imperial presence on Lanai. He referred to residents as his “children.”

As the pineapple era wound down, Murdock pivoted Lanai’s economy toward tourism. He built two resorts — the first developments on the island besides Lanai City and still the only major ones — and eventually contracted the Four Seasons to run them. Pineapple pickers were retrained as hotel staff and landscapers. Lanai was still a company town; the company just did something different now.

The transition did not go well. Murdock had to steadily infuse the island with money — as much as \$20 million or \$30 million a year, he’d later report. By the mid-2000s, he started cutting back. He laid off large numbers of workers and began abandoning some of his quasi-governmental responsibilities as the island’s majority landowner. Buildings fell into disrepair. The Chamber of Commerce disbanded. As one resident put it, “Economically, there was real potential that we might dry up and blow away.”

Eventually, Murdock proposed a way forward: He would build an array of 45-story wind turbines on 20 square miles of the island and sell the electricity they produced to Oahu. The idea was controversial. It would be a mammoth development on an insistent small-scale island. Lanai had been settled by disparate immigrants who had to figure out how to get along, and that history, locals told me, keeps people from dwelling on divisions and differences. (“That’s what makes the place so special,” one woman explained. “We still have aloha together.”) But the long fight over what the locals called Big Wind was brutal and divisive. Family members stopped talking to one another. There were protests in the street. Many people who supported the wind turbines saw the protesters as reckless idealists; they were handcuffing the man the community relied on and driving the island into the ground. Murdock seemed to feel the same way. By the summer of 2011, he confessed to the editor of the island’s newspaper that Lanai had been “the poorest financial investment I’ve made in my entire life.” He had

only so many options. One was to “close it all down and leave.” Instead, he put Lanai up for sale.

The island rippled with anxiety. People worried that Murdock might sell off parts of Lanai to multiple owners, tossing the community into some uncharted, joint-custody arrangement. Or that he’d sell to a big resort developer who would shatter the character of the place. “Oh, my God, he could sell to a Russian oligarch,” one woman remembered thinking. Another said, “We were praying it wasn’t some sheikh!” It wasn’t some sheikh. It was Larry Ellison.

It was easy to be hopeful, and the civil war over Big Wind had left people scarred and exhausted with fighting. Now Ellison wanted to revive the island, and he had the money to fund his dreams until they came true. But was he a utopian businessman like Dole? Or a slippery autocrat like Gibson? Was he the nightmare god — or the renegade chief who finally came to vanquish him?

One morning, nearly two years later, at the Blue Ginger Cafe, I asked Pat Reilly, a 74-year-old regular with a thin white mustache and oversize glasses who has lived on Lanai for more than 30 years, how he felt when he heard that Ellison bought the island. Reilly reached over his coffee mug and drew a big, slow question mark in the air, then jabbed his index finger at me to dot the question mark, hard.

“And it’s still that way,” he said.

Like a lot of omnipotent forces, Ellison has remained mostly invisible. He has visited Lanai many times — locals told me they can tell he’s on the island when they see his yacht hitched in the harbor — but he seems determined to keep a formal distance from the community, shielding himself behind the executive team of Pulama Lanai, the management company he set up to oversee the island’s transformation. Although Pulama holds frequent public meetings on Lanai, Ellison has declined to attend any or to address residents directly. Several residents told me that they’d resorted to reading biographies of Ellison to learn more about the man — books that have somewhat disquieting titles like “Everyone Else Must Fail” and “The Difference Between God and Larry Ellison,” the punch line being: “God doesn’t think he’s Larry Ellison.”

Ellison’s vision for the island was first delivered, by proxy, early last year, at a meeting of the island’s Community Plan Advisory Committee. These meetings were part of a county-government process to update the island’s comprehensive

planning document, which dictates everything from zoning and land use to cultural preservation. Butch Gima, a Lanai native and social worker who was chairman of the committee, told me that Ellison's takeover put them in a tricky position. On one hand, it allowed for greater ambition. ("A new world has opened up," one member told the committee.) But it also felt strange to chart a course for an island that someone else had taken control of. Even the committee's economic research and growth projections might now be obsolete, depending on what Ellison wanted to do. And so they invited Pulama's new chief operating officer, Kurt Matsumoto, to brief them.

Matsumoto was hired to oversee operations on Lanai a couple of months earlier. He had a background in running large resorts, but he was also a "Lanai Boy," as people kept putting it to me — he grew up on the island. "He doesn't come off as being real slick," Gima told me. (As kids, Gima and Matsumoto were in Boy Scouts together.) His appointment was encouraging; the relationship between the island and its new owner had been brought down to a more human scale.

Matsumoto appeared before the committee in mid-January — a middle-management Moses coming down the mountain with an important PowerPoint. He prefaced his presentation by explaining that Ellison didn't have any firm plans yet, only "intentions." Then he put up his first slide.

That night, and in other meetings, Matsumoto unveiled a startlingly ambitious vision for the island. He explained that Ellison aimed to build a third resort, this time on the uninhabited southwestern coast, as well as a complex of private estates — maybe 50 of them, each five or more acres. Ellison intended to expand Lanai's airport, adding a bigger runway to accommodate direct flights from the mainland for the first time. The limiting factor on Lanai has always been water, but Ellison would build a state-of-the-art desalination plant to produce more fresh water. Ellison would expand Lanai City; build an "energy park," where electricity produced with solar panels or photosynthesizing algae would be fed into a new smart grid; and bring commercial agriculture back to the island, in fields outfitted with sensors to control fertilization and irrigation, so that Lanai could begin to feed itself and even export products, rather than depend on weekly food barges from Oahu. Eventually Matsumoto would tell *The Wall Street Journal* that Ellison hoped to see the island's population double to about 6,000. Elsewhere, there was talk of organic wineries and flower farms and an innovative aquaponics-

and-hydroponics operation that would raise fish and fruits and vegetables in a sustainable symphony of positive feedback loops. Better health care. A bowling alley. An institute for the study of sustainability. A 22-acre film studio. A top-flight, residential tennis academy for competitive youth.

Matsumoto's tone at that first meeting was low-key, humble and inclusive. He used words like "respect" and "empower," "sharing" and "investing." Then, eventually, he hit his last slide: "Mahalo" — Hawaiian for "Thank you" — and was done.

"It was hard to formulate any thought-out questions," Gima recalled about the presentation. "I think people just went, 'Whoa.'"

By the time I visited Lanai last March, there was almost too much happening for one person to keep track of. Pulama had gone to work around the island on long-deferred maintenance, renovations and full-bore beautification. They'd painted the shops around Dole Park, ripped out old hedges and thinned or chopped down trees to air out the ambience. Herds of construction workers moved around Lanai in fluorescent green or orange shirts, then gathered outside Richard's Market at quitting time for drinks and snacks. "He is renewing, refreshing, rejuvenating every part of the island," said a woman named Mimi Evangelista. "I feel blessed, blessed beyond my wildest dreams."

After several years of terrible unemployment, people on Lanai were back to work. Within four months of Ellison's purchase, unemployment shot down to 1.2 percent. There were new faces everywhere, new luxury cars on the road and lines of new Mercedes vans and Nissan Leafs parked in the company's lot near the center of town. Pulama had started a summer program for kids and another program to help high-school students pursue college scholarships, screened "Frozen" in the park and held an "animal-care day" so people could get their cats dewormed free. They'd opened a Nobu restaurant at one hotel. I saw posters advertising free water-aerobics classes at the new community pool. There were ukulele lessons and Pilates. A month earlier, at an Oracle event in Las Vegas to unveil the company's new cloud software, someone asked Ellison about Lanai, and he pointed out that "for the first time, Lanai has a football field where the high school can have home games." He also noted, "We're empowering the locals to start their own businesses," whether it's "in agriculture or a juice bar in Lanai City."

The juice bar occupies a cabana-like building at one corner of Dole Park and is owned and operated by Tammy Ringbauer, an effusive woman with bright flowers tattooed up her right arm. Ringbauer is deep into juicing — I never saw anyone juice a turmeric root before — and charges 12 bucks for a large.

Ringbauer told me she moved to Lanai from Maui just weeks before the change in ownership, and this storefront caught her eye immediately. It was the only vacant commercial space in Lanai City, though she had heard that, for some reason, Pulama Lanai kept rejecting entrepreneurs who wanted to lease it. (Pulama says that it did not turn down any previous applicants.)

When I asked Ringbauer why the company finally gave the lease to her, she hesitated. “I don’t want to say anything wrong,” she said. “Because of the changes that are happening, there’s sort of a model we’re trying to move in the direction of. And I think certain businesses may not fit into that model.” She thought her vision was aligned with Pulama’s: She was using locally grown, organic produce and compostable to-go cups. “I’m explaining the benefits of juicing, I’m educating,” she said. Later, I heard that Ellison himself had come in for a juice a couple of times, sitting on a stool and sipping away like a regular person.

I couldn’t find any other small businesses that had started up on Lanai since Ellison’s purchase. But there were stories about entrepreneurs, like the owners of the island’s wood shop, who had approached Pulama for leases or partnerships only to be offered a job with the company instead — which was good but allowed Pulama to preserve its hold on the economy. Ringbauer had no complaints. “If we all work together,” she said, “we’re going to thrive.” The wooden sign hanging behind her register read: “No whining. No complaining. No frowning. Only hugs, smiles and warm feelings are allowed. Thank you.”

Despite my many phone calls and emails to Pulama Lanai’s office, requesting interviews with its senior staff members, the company basically wanted nothing to do with me. A couple of walk-in visits to the office, and to the standoffish man named Roger who worked the reception desk there, also got me nowhere. (One time, trying to at least make small talk with Roger before he turned me away, I said, “It’s beautiful, what you’ve done here,” by which I meant the renovated office lobby, with its marble floors and Pier 1-esque furnishings and the carved, hardwood box where locals drop their rent checks. “Yes, it is,” Roger replied, barely looking up from his computer.) Eventually a public-relations

contractor based in Honolulu told me that “the company is still in the planning phase” and would not be participating in this article.

Another obstacle: Roughly half of the adults on the island are employed by Pulama Lanai or its hotels, and nearly everyone else, it seems, has a sister or uncle who is — or else relies on the company indirectly for a livelihood or lives in a house that Pulama Lanai owns. Lots of people told me that they were instructed not to talk to reporters or that they just didn’t want to risk upsetting the company. One young man delivered a long, seemingly rehearsed preamble, insisting that he absolutely had to remain anonymous and that any opinions he expressed were his alone and did not reflect the views of either Pulama Lanai or his employer, which did business with Pulama and which I also shouldn’t name. I expected something inflammatory, but his opinion was this: “There’s a lot of complainers — some people aren’t happy — but they don’t realize how much they have. It’s just awesome!”

Well, yes and no. As it turns out, my perception of Pulama Lanai — as a vast, mostly incommunicative force — was pretty close to that of many residents I was meeting. They didn’t necessarily understand how that force operated either, but they saw its handiwork everywhere. And some of it didn’t feel awesome at all.

For starters, Pulama had inadvertently intensified a housing shortage on Lanai. There was so much work that contractors had to be shuttled in daily or weekly from other islands or relocated. A few off-island construction companies bought up housing in Lanai City in anticipation of winning contracts from Pulama, and the island’s independent landlords found they could demand higher rents from the remaining workers. Though the company was busily fixing up cottages to rent out, many displaced locals wound up on Pulama’s indeterminably long waiting list for housing, which they believed Pulama employees were bypassing. The process didn’t feel transparent or fair, and Pulama was resisting calls for a town-hall meeting about the issue. (Later, I attended one of the company’s informational meetings about renovations at the Four Seasons — “We’re adding two new teppanyaki stations,” a Pulama representative explained — and watched residents try to derail its narrow agenda. “It’s something you folks never even anticipated!” one older man said. He was leaning on his walker, raising his voice. “You took all the housing! It all went poof!”)

By now, there was growing awareness that Pulama’s rhetoric of openness and

collaboration didn't always match its actions. Some people wondered whether the company was hiding its real agenda behind a veneer of egalitarianism and good manners. As a schoolteacher named Karen de Brum put it: "At the end of the day, Mr. Ellison can and will do what he wants. He asks for input, but that's like me asking for input on what to do with my backyard. I *own* my backyard."

A 27-year-old Lanai native named Zane de la Cruz told me that he was "starting to think that communication is actually worse" than under the previous owner, "because there's a false sense of good communication." He elaborated: "They give out a lot worthless information. They give you buzzwords." At one meeting, a Pulama executive, Arlan Chun, was asked how much residents would pay for water from the new desalination plant and how Ellison expected to recoup his costs. Chun suggested that Ellison wasn't concerned with costs. "The mandate we have is to move the island forward," he said.

De la Cruz told me: "Well, yeah, that's a fun and fancy thing to say, but someone is going to need to pay for this. And if Larry Ellison decides, five years from now, that he doesn't want to play this game anymore, we'll be paying for it then." John Ornellas, chairman of the island's planning commission, said he was struggling to get a straight answer about what would happen if Ellison dies. ("He does do a lot adventurous things," Ornellas noted; for example, there's a rumor — the truth of which remains murky — that Ellison once flew a fighter jet under the Golden Gate Bridge.) And Diana Shaw, who directs the Lanai Community Health Center, one of two medical providers on the island, said that Pulama ignored her requests for an introductory meeting for months. "They kept talking publicly about the health care system and how they were going to improve it and enhance it and change it," Shaw said. "But nobody came and talked to us. We are the health care system — at least 50 percent of it." Finally Pulama reps sat down with her. The meeting didn't go well. Shaw described one executive as "the master of spin."

At a small gathering one night, over pizza and beer, a retired school principal, Pierce Myers, explained it to me this way: "The hope is real. The potential is fantastic." And yet lots of residents can't help seeing everything Ellison does through a scrim of "suspicion and uncertainty." He went on: "This place was developed on the backs of humble people; people who cared for each other. When you live on an island, you can't afford to make enemies. A compassion grows from that. Now it feels like everything's being driven from outside by some force that is

not part of that tradition.”

Eventually the man sitting next to Myers spoke up. “Any changes are going to be uncomfortable, but the changes are happening so fast,” he said quietly. His name was Anthony Kaauamo Pacheco. He is 29 and was born on Lanai but left to study filmmaking on Oahu. Two years ago, he came back to the island. He wanted to inspire would-be filmmakers there to tell their own stories; he even imagined drawing Hollywood productions to Lanai. But there wasn’t an obvious way to start. For the last two years, he’d been teaching film at the school, unpaid.

That afternoon, as a critical exercise, Pacheco had shown his students a promotional video produced by Love Lanai, a new branding campaign that Pulama was using to pitch the island to affluent tourists. Love Lanai is the brainchild of a Southern Californian “approachable luxury” brand consultant named Audrey Cavenecia. (Cavenecia has previously worked as a personal “life redesigner” and developed a reality show for E!, “The Apology Concierge,” which curates “high-end apologies” — like for wealthy people who cheat on their wives.) The video showed swirling aerial footage of the island’s beaches and cliffs, a man on a windy ridge getting down on one knee to propose and a woman on horseback rising from her saddle slightly, feeling free. It had been posted to YouTube with the caption: “For Love Lanai, compassionate luxury is more than just a phrase, it’s an action of purpose,” which doesn’t really make sense.

In an interview that Pacheco found online and showed to his students, Cavenecia explained that she created Love Lanai to tell the stories of everyday Lanaians as their lives, under Ellison, improved. It was the kind of work Pacheco had come home to encourage. But for a branding consultant to tell those stories, as promotional material for high-end tourists, felt a little exploitative. “I’m not a spectacle,” he said.

He seemed to be having trouble sorting out his feelings — deciding whether his skepticism was warranted or just reflexive. Most of the island was private property when Pacheco was growing up too, but Murdock left a smaller footprint, tending to focus mainly on his hotels. “It never felt like I was trespassing,” Pacheco said. Now it did. He said he wasn’t sure he wanted to live on Lanai anymore.

Then, two weeks later, in the middle of April, Pacheco’s situation improved. Pulama Lanai funded his teaching position as part of its commitment to improve education. He had a way to support his family now and resources to start the

idealistic work he'd come back to Lanai to do. He'd also signed a nondisclosure agreement with the company and couldn't talk to me anymore.

Different people told different stories, but for a local named Gail Allen, the first sign that things had started to go wrong this summer came when Pulama Lanai inexplicably abandoned its renovation of the golf course behind her house, and the weeds and thistles grew waist-high and thick as a broom head, and the fish in the ponds died, and their bodies were left to knock around the algae-clouded edges of the water, floating on their sides.

The course, which is attached to the smaller of the two Four Seasons hotels and abuts Allen's neighborhood on the hillside above Lanai City, had been slated for renovation at the beginning of the year. Pulama ripped out the turf and irrigation systems, but little else happened after that. Finally in May, the Jack Nicklaus design-company employee who had been relocated with his family to Lanai to oversee the redesign was abruptly sent home. He told neighbors that the golf-course renovation had been put off until 2015 or 2016. By then, mosquitoes were breeding on the course. The ponds' stench blew through peoples' homes. "It smells like a sewer up here," Allen told me in early July when I called for an update.

Allen owns a gift shop in town and looks a little like Meryl Streep when she smiles. When we met on her patio back in March, she was adamantly optimistic; she went on and on, telling me "I feel like I'm living in a utopia!" and claiming to have inside information that Ellison was outfitting Lanai with 4G cellular service. "Not even Honolulu has 4G!" she said. (Actually it does.) Now she was distraught. It wasn't just the golf course; there were other signs of Pulama Lanai's incompetence, or maybe just its insensitivity — it was tough to tell which. "I don't think Mr. Ellison's trying to hurt people," she told me on the phone, "but I don't think he realizes what a delicate little ecosystem the economy is here. We were so zealous: 'Oh, my God, he's coming to save our island!' It just feels like everything's in limbo now. All of a sudden, there's a fear factor: 'What are we going to do if this thing falls apart?'"

I flew back to Lanai a few days later. A lot had gone subtly sideways since my first visit, as the company transitioned from the easy work of sprucing up the island to rolling out its reimagined version. A central problem seemed to be that Pulama underestimated the difficulties that came with building on Lanai, where

materials and labor have to be brought in. In May, with work on the island consuming more and more resources, Philip Simon — an accountant, and president of another of Ellison’s companies, Lawrence Investments — was called in to consult with Pulama executives. At public meetings, Pulama was now explaining that it had given up on the second airport runway and was also downshifting the \$27 million makeover of the existing Four Seasons at Manele Bay too: The company would renovate only half the resort this year and was scrambling to finish in time for a large booking in October. (Around town, the event was rumored to be a giant party for Ellison’s daughter, Megan.) There were now 360 contractors on the job, many of them living at the hotel and in half of the other Four Seasons as well. Just before I arrived, Ellison bought the small Hotel Lanai at the top of Dole Park — the last hotel on the island — and was filling it with workers every Monday through Friday, too. Ornellas, head of the Lanai Planning Commission, told me that lately the gist of his conversations with company executives was: “The infrastructure can’t support their lofty goals.”

On such a small island, every adjustment Pulama made to its plans had repercussions, and the strain of disenfranchisement I encountered in the spring was spreading, as more stories of the company’s apparent carelessness or undependability surfaced. Late last year, for example, Pulama told the owners of Trilogy Excursions — a large family-owned business based in Maui that, among other things, runs diving tours for hotel guests on Lanai and whose employees hand out a free turkey and a bag of rice to every family on the island at Thanksgiving — that in October, the Four Seasons would begin running its own dive operation. Then this spring, Pulama recanted; they were delaying that plan. This was good news for Trilogy, except that several of its employees, presuming they’d be out of work, had already taken other jobs, and the company was now short-staffed.

It’s possible that, internally, Ellison’s management team had reasonable explanations for what was being experienced as aloofness and disarray. But down here, on Lanai, locals worried that the inscrutable engineer remaking their island was either turning away from his creation or — worse — incapable of manning all those knobs and switches as competently as they’d believed. People’s lives were entangled in each decision; all the instability was upsetting their sense of the future.

“Pretty soon, it’s not going to be the Lanaian way of living here anymore,” Mike Lopez, Trilogy’s director of operations, told me one afternoon. “Everybody feels that now.” Then, all of a sudden, he shot out: “See, this guy here!” and gestured across the street, to a willowy man with a gray beard, in a ball cap and sunglasses, standing at the edge of Dole Park. It was a new face that Lopez kept noticing around, always alone. “I don’t know if they put people in to observe the atmosphere or what,” he said.

I turned around. The man, who’d paused next to a garbage can, quickly walked away. I’m not really equipped to judge whether a stranger on Lanai looks sinister or not. But neither was Lopez anymore, and that was the point.

The week I returned, those feelings of suspicion on Lanai were coming to a head over what has been the most volatile political issue on the island for generations: water.

The planned desalination plant, already in its first phase of construction near the Four Seasons at Manele Bay, was a linchpin in Ellison’s vision; by converting up to 10 million gallons of salinated groundwater into fresh water a day, it would make more development and population growth possible. Earlier this year, the company went to the Lanai Planning Commission for a 30-year special-use permit to operate the plant. (The commission, made up of nine residents, is the one body of truly local government on Lanai. Everything else on the island gets decided by the county government, on Maui, or the state, in Honolulu. And it’s worth noting that while Ellison has declined to meet with Lanai residents, he hosted Alan Arakawa — the mayor of Maui County, which includes Lanai — for lunch on his yacht and held two big-ticket fund-raisers for Gov. Neil Abercrombie before Abercrombie lost his primary in August.) But after months of hearings, the Planning Commission rejected Pulama’s request and decided to issue a permit for 15 years instead. The move may sound insignificant, but as Robin Kaye, a longtime resident, who helped lead the resistance to Murdock’s wind farm, pointed out, “This is the first time in two years, in a formal way, that any part of the community has said no to something Pulama has asked.” And it provoked the first instance of outright intransigence the community had seen from Pulama. During one of the final meetings about the plant in June, Kurt Matsumoto kept issuing the same ultimatum: Without a guarantee of 30 years of operation, he said, the company probably wouldn’t build the plant. It just wouldn’t be worth the investment. “It’s

not a threat,” Matsumoto explained, adding later: “But we’re not here to negotiate that tonight.”

When I ran into Pat Reilly, the gentleman I met at the Blue Ginger Cafe in the spring, he broke down the altercation for me. It was starting to feel as if Matsumoto and his team saw the local political process as an annoyance, he said. They weren’t acting like elected officials, building public support for their agenda; they were acting like they owned the place — because they did. “The local people want a say,” Reilly explained. “And this was their chance. It was a display of power. Psychologically, it makes all kinds of sense to me.”

By now, the standoff was taking on an ugly feel. Many residents felt the commission had acted impetuously, handcuffing Ellison the same way activists sabotaged Murdock’s wind-farm proposal — even if, in this case, the commission wasn’t actually opposed to the plant and had, in fact, given the project a green light. The commission, meanwhile, had just received a stern letter from Pulama’s attorney on Maui, laying out a complicated argument attacking a separate restriction written into the permit. (The restriction stipulated that, once the plant was up and running, the hotel and surrounding homes could only draw water from the island’s main aquifer in emergencies, and only then for human consumption.)

One afternoon, I was waiting out a rain shower in one of Pulama’s Four Seasons, enjoying a very expensive ginger ale and some free popcorn, when I overheard a woman venting to the bartender about the commission’s audacity and underhandedness. “This is a lot of money they’re playing with!” she said. She grumbled about one former commissioner in particular, whom she saw as a ringleader, and huffed, “What was she thinking?” She went on and got louder, until she’d finally talked herself out.

Thirty minutes later, I walked into a public meeting that Pulama was holding at the old union hall in town and saw the owner of a luxury home near the resort — a very large man in a polo shirt — standing over Pat Reilly, pointing and shouting: “Talk some sense into those people! They want to shut off our water!” I also saw the woman from the bar, smiling and offering people pastries and bottled water: it was Lynn McCrory, Pulama’s senior vice president of government affairs.

On Sept. 12, Pulama suddenly stopped construction at the desalination plant. It was unclear when — or even if — it would restart. “Sounds like the baby couldn’t get his way,” Ornellas, the head of the Planning Commission, told me. “It’s sad it

had to come to this.”

Before I’d ever been to Lanai, I watched a public-television interview online with a man named Kepa Maly, who was an authority on the island’s cultural history, and an unlikely one. He wasn’t Hawaiian but a white man in a faded aloha shirt, with large, wire-frame glasses and a soft, breathy voice. Even on the Internet, everything about him felt welcoming and also a little square. He reminded me of a children’s folk singer from the ’70s.

Maly was born on Oahu, he explained to the interviewer. As a child, he felt disconnected and lost, and eventually he was taken in by the Kaopuikis, one of Lanai’s oldest families. Mr. and Mrs. Kaopuiki were born in the 1890s, 30 years before James Dole planted his first pineapple on Lanai, and they raised Maly the way they raised their 14 other children: speaking Hawaiian and steeped in the island’s history and traditions. Maly was enthralled, and ever since he has dedicated his life to perpetuating traditional Hawaiian culture. He was now executive director of the Lanai Culture and Heritage Center, a nonprofit museum at the top of Dole Park. Kepa was the name the Kaopuikis gave him. It means “to embrace.”

I called Maly, but never heard back. So one afternoon in March, I knocked on the door of the small blue house where I was told he worked. I’d just started to introduce myself when the openness on his face collapsed into what seemed like embarrassment. He knew who I was, he said. “I guess it was rude not to call you back. But I have to be cautious.” The thing was, he’d taken a job at Pulama Lanai. He wanted to talk with me, but I needed to clear it with the company first. After some phone calls, and another fruitless face-off with the impregnable Roger, the company surprised me: I would be allowed to interview Maly the next day.

“My experience with the previous owner was a challenging one,” he explained when we reconvened. But all that difficulty went away when Ellison arrived. “It was really awesome!” he said. Last year, Pulama hired him as its senior vice president of culture and historic preservation. He has 10 employees now. A crew was out that afternoon clearing the area around the religious center of ancient Lanai, and they’d soon be restoring ancient fish ponds and taro fields. It was the sort of stewardship he’d continually asked the island’s previous ownership to support. “Now, all the things we were talking about, but really struggling on, we are out in the field doing,” he said.

Maly had not yet met Ellison, but he believed that Ellison understood that investing in the preservation of Lanai's culture and history is, at the very least, good business. Today's tourists, especially wealthy ones, value more than beaches and mai tais. "It's place-based now. People want 'authentic.' People want real experiences," he said.

I'd heard the same explanation that morning from Tom Roelens, the manager of the Four Seasons at Manele Bay. Roelens led me through a newly renovated room, noting all the local touches, like the wall panel illustrating the story of the demigod Maui and the canoe paddle over the toilet. ("It's just a stunning room product," Roelens beamed. "It truly reflects Hawaii.") Often, he said, resorts insulate guests from the community. But on Lanai, the owner of the resort wasn't in competition with the surroundings; he owned most of those, too. "Lanai is this entire experience," Roelens said. And the people of Lanai are part of that experience, as well. Nearly a quarter of the island works at the two hotels, he explained, and the company believes improving residents' quality of life will "truly translate to the guest experience." Ellison had once articulated this philosophy himself: "We think, If we do a good job taking care of the locals, the locals will do a good job taking care of our visitors."

It sounded like the same Silicon Valley philosophy that spawned all the epicurean cafeterias, yoga classes and nap pods on tech-company campuses — amenities designed to keep engineers happy and maximize their productivity. But now, in his office, Kepa Maly reminded me that it was a much older model too, and one that Lanai had fared pretty well under. "It's just like Dole said," he said. "Have happy workers, grow better pineapples."

I asked Maly if he had doubts about going to work for Pulama. Yes, initially, he said. "And I have to tell you, sometimes I question my ability to be a good assessor of people's integrity." But he pressed company executives, and they assured him that they were committed to protecting the island's cultural resources. "I have to believe that," he told me. "*We* have to." He explained that, when he was a newcomer to Lanai, people could have viewed him with the same mistrust some felt toward Ellison. Instead, they welcomed him. "I was blessed that some of the oldest families on Lanai took aloha for me, and taught me their language and shared their histories. It gave me my whole life," Maly said. "I realize that we can always be cynical, and question motives," he added. "But it's also just a

junk way to live.”

He wanted to show me something: There are three words printed on Pulama’s business cards: “Preservation. Progress. Sustainability.” His work — preservation — is one of those words. “It’s the *first* one,” he noted. He said it with conviction, as if he were lucky enough to live in some unspoiled world where the slogan on a corporation’s business cards reflected its genuine values. Maybe he still did. But maybe he didn’t anymore.

Correction: September 24, 2014

An earlier version of this article misspelled part of the name of a tennis tournament. It is the BNP Paribas Open, not BPN Paribas.

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