

# Who Controls Paradise?

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CRUISING along the swerving, mountainous roads of Mexico's western coast, past trees and vines, blue lagoons and scattered wildflowers, Goffredo Marcaccini stops his [Jeep](#) and thrusts his head out the window. "Ahhh," he croons, inhaling the morning air. "The smell of the earth! Nice, like the scent of a woman!"

His reverie is short-lived. Farther along, he encounters roadside debris, including a bright blue [Pepsi](#) can. "Modern man," he says, wincing, "is the cancer of the earth. We are only here to destroy."

Mr. Marcaccini is a self-described romantic, a naturalist who waxes poetic about mangroves, giant sea turtles and the beauty of parakeets. He is also an heir to the late British corporate raider James Goldsmith, who once lorded over this richly virginal expanse of nature as though it were his own empire.

Since Mr. Goldsmith's death in 1997, Mr. Marcaccini and his wife, Alix, the daughter of Mr. Goldsmith, have managed the late patriarch's most prized asset: Cuixmala, a 2,000-acre private estate with several villas on the Pacific that at various times housed Mr. Goldsmith's three families, mistresses and high-powered visitors including [Richard Nixon](#), [Henry Kissinger](#) and Ronald and [Nancy Reagan](#).

These days, though, there's trouble brewing on Cuixmala, which is nestled inside the 32,473-acre Chamela-Cuixmala Biosphere Reserve, a rolling expanse of federally protected coastal land.

In an effort to expand tourism beyond destinations like Cancún and Puerto Vallarta, Mexican officials recently authorized the development of two resorts in the area. The most controversial project, called Marina Careyes — also referred to as Careyitos — is backed by Roberto Hernández, the powerful Mexican banker and developer who sold his financial services firm to [Citigroup](#) six years

ago for \$12.5 billion. Mr. Hernández's minority partners are Gian Franco Brignone and his son Giorgio, Italian real estate magnates who relocated to Mexico and built a series of sumptuous properties in the state of Jalisco that made it a magnet for the super-rich.

The result is a pitched battle over land rights between Mr. Goldsmith's heirs and two of the country's most powerful families — a clash that sheds light on the fault lines between traditional luxury resort developers who favor golf courses, swimming pools and spas, and a newer breed of conservationist-entrepreneurs who champion eco-resorts where guests hike and canoe for recreation. The standoff smacks of a blood feud with roots going back decades to early land squabbles involving the Goldsmiths and the Brignones.

Political analysts in Mexico say the rift is also one of the first tests of President [Felipe Calderón](#)'s commitment to the environment. Elected last November, Mr. Calderón has earned some kudos from environmental groups for recently enacting a wildlife protection law, which prohibits activities that may damage Mexico's coastal mangroves. At the same time, analysts say he is certain to face pressure from Mexico's powerful tourism industry, which generates billions of dollars in revenue for the country but has also caused once-scenic coastlines to become clogged with megaresorts.

"We still need time to see how committed he is," said Cecilia Navarro, a spokeswoman for [Greenpeace](#) Mexico, an environmental advocacy group. "He needs to keep firm, because we know that a businessman like Mr. Hernández has a lot of power."

However the conflict at Cuixmala plays out, all of the parties involved are well aware of the influence they have — or don't have — on the outcome. "Daddy would have had so much leverage in this," Alix Goldsmith says. "He would have had prominent people in politics, environmental groups, scientists, artists signing a petition to the Mexican president asking for the law to be followed. But that's why we have to be careful; here in Mexico, compared to a guy like Roberto Hernández, we're nothing. Nobody knows Goffredo Marcaccini or Alix Goldsmith."

Mr. Marcaccini's assessment is more cynical. "This is the classic case of a civil society up against a manipulating government," he asserts. "Anyone who tries to speak out here in Mexico is crushed like a mosquito."

Mr. Hernández's partners say that they are ecologically sensitive developers and that the first family of Cuixmala simply doesn't want outsiders to encroach on its private enclave. Others, too, have said that Mr. Marcaccini and Ms. Goldsmith might be concerned about something other than their mangroves.

"The ecological policies in Mexico are being manipulated by private family interests," said Octavio González Reyes, a columnist who covers tourism for the area's newspaper, El Occidental, in Guadalajara. "This fight is all about economic interests, not the environment. What the Goldsmiths are interested in protecting is their own private emporium."

ITS name inspired by the small former port town of Chamela and the powerful Cuixmala River snaking through the region, the Chamela-Cuixmala Biosphere Reserve is one of the most studied tropical dry forests in the world. During the transition from the dry to the rainy season, its lowland forest morphs from a muted gray to a lush green, and it attracts scientists who study its special flora and fauna. With the exception of federally owned lagoons and coasts, land within the reserve is mostly in private hands.

Members of the Brignone family own about 2,500 acres, but the reserve's most influential owner has been the Cuixmala Ecological Foundation, which Mr. Goldsmith created in 1988 to preserve the area surrounding his estate. Mr. Goldsmith's family owns about 25,000 acres in and around the reserve, Mr. Marcaccini said.

Marina Careyes would be about one mile from the biosphere, a location that Mr. Marcaccini, Ms. Goldsmith and their allies say raises the risk of destroying the fragile ecosystem that supports the area's tropical dry forest. The resort's opponents also say that it would violate governmental restrictions protecting the area's environment.

Mr. Marcaccini spreads his accusations more broadly, contending that officials in former President Vicente Fox's administration clandestinely authorized development in the waning days of his administration to avoid public scrutiny. Such approvals typify the culture of corruption and political patronage plaguing Mexico's government and businesses, Mr. Marcaccini says, and he contends that Marina Careyes is another example of the problem.

Mauricio Limón Aguirre, a deputy director at Semarnat, the environmental regulatory arm of the Mexican government, says the approval process for Marina Careyes was fair and transparent. "In order for us to know whether these allegations are true or not, they have to prove that the authorizations were made illegally," says Mr. Aguirre, whose staff also reviewed the development plans during the Fox administration. "Otherwise we presume that the act of authority is legal."

The developers of Marina Careyes have argued that their plans are modest. They say the 215-room hotel, 40 villas and nearly 200 homes will have a minor impact on the environment. They also say the project will bring jobs to an area sorely in need of them. For their part, the Brignones say that they are only minority partners in the Marina Careyes project and that they have more significant holdings elsewhere. But they say they will support only environmentally responsible resort development.

"Nowadays, when you talk about marinas and golf courses, you look like a monster," Giorgio Brignone says. "But in order to keep this country alive, we need to create tourism."

José Bosoms, the son-in-law of Mr. Hernández, and general manager of the proposed resort, agrees: "This is an area of Mexico that still has a future. What we plan to build is not like in Cancún, which is full of high-density projects — we are doing something extremely conservative in development."

IN Roberto Hernández, the Brignones have one of Mexico's wealthiest and most influential businessmen as a partner. After becoming a dominant figure in Mexico's securities markets in the

1980s, Mr. Hernández, now 65, became a leading bidder for state-owned banks that Mexico was privatizing.

In 1991, he and a group of fellow investors bought a controlling stake in Banamex, the country's biggest bank. Ten years later, **Citigroup** bought the Banacci financial group, a holding company that controlled Banamex, for \$12.5 billion. Mexican financial analysts said at the time that Mr. Hernández and his family owned at least half of Banacci's shares.

Marina Careyes is among several resorts that Mr. Hernández has helped to develop. In the mid-1990s, Banamex became an investor in a highflying tourism company, Situr, which opened a chain of glitzy hotels, beach resorts, time shares, marinas and golf courses throughout Latin America and the Caribbean that later encountered financial troubles. Among its properties was one in Puerto Vallarta: the 549-acre Marina Vallarta resort, which has a marina flanked by international hotels.

Mr. Hernández declined to be interviewed, but his firm says that Marina Careyes is a minor development for him. His officials say it will be just a small, boutique hotel, aimed at upscale travelers, that will have a marina for boats, beach clubs and infrastructure for roads and water, drainage and sewage systems.

Still, in recent weeks, a nonprofit environmental organization that Mr. Marcaccini leads, Consejo Para la Defensa de la Costa del Pacífico, has started an aggressive grass-roots campaign against the resort. The group, founded by the Goldsmith family in 1993, says the resort will spoil an area that it says is home to 1,200 species of plants, 270 species of birds and a rich variety of mammals, reptiles and amphibians.

“You cut one ring in the chain and the whole thing goes,” Mr. Marcaccini says. “You don't have to be a rocket scientist to understand this.”

Cuixmala, which is on a rolling landscape of forested cliffs three hours south of Puerto Vallarta, its pastel-hued villas overlooking the white beaches and high surf of the Pacific, was built to impress. It

took Mr. Goldsmith several years to amass enough land to create his paradise, which includes La Loma, his blue-and-gold domed retreat inspired by a maharaja's palace, as well as the estate's other villas and casitas that family and friends used.

Manned by armed security guards and employing a staff of 250 workers that cook, clean, and tend to an organic farm that produces meals for the estate, Cuixmala functions with medieval pomp and efficiency. A few years ago, the Goldsmiths began renting some of Cuixmala's villas for \$9,000 to \$15,000 a night. [Bill Gates](#), Madonna, [Mick Jagger](#) and other luminaries have vacationed there, Mr. Marcaccini says.

While gazing at palm trees and brush where zebras, gazelles and wild boars roam, Alix Goldsmith recalls an earlier time when there were no power lines and sewage systems around her home and when recreation meant polo matches, horseback riding and partying by bonfires with other families along the beach.

"It wasn't about technology back then, or Prada handbags and high heels, and that's what was so great about this area," says Mrs. Goldsmith, 43, the daughter of Mr. Goldsmith's second wife, Ginette Lery. "Daddy used to drive 45 minutes to make his business calls. The first time I heard a ringing telephone here, I was terrified."

DURING the 1970s, Mr. Goldsmith was among a group of European business moguls and royalty who followed the lead of the well-connected Italian developer Gian Franco Brignone and began vacationing along the secluded beaches of Careyes. Nearly a decade earlier, Mr. Brignone, along with a group of Mexican and European partners, bought several thousand acres. In 1972, he sold a tract of land to Club Med, and later built a small luxury hotel and several lavish homes that would become a tropical backdrop for Christie Brinkley photo shoots and [Calvin Klein](#) advertisements.

Among Mr. Brignone's most famous properties was Mi Ojo, which, according to the book about the history of the area, "The Magic of Careyes," published by the Brignone family's foundation, boasted "huge guano-palm palapas without walls or windows, supported by

guayabillo wood columns and trunks of the tallest trees in the jungle.”

“The main bedroom is shaped like a ship’s prow,” the book says. “The house also features a 70-meter swinging bridge that crosses high above the ocean to the summit of a rocky island surrounded by cliffs, teeming with plant life and with a palm-tree temple in the middle.”

The book also says that “Careyes was then what it remains today, a place inhabited by famous people (representing 42 different nationalities) and dominated by a patriarch.”

Among those patriarchs — and one with whom Mr. Brignone would eventually clash — was Mr. Goldsmith, who built a fortune acquiring and breaking up companies and gained a reputation as a buccaneer. By the 1980s, he was using his wealth to help pioneer what became known as greenmailing — the practice of accumulating large stakes in troubled companies and selling the stock back to the company at a premium, a strategy practiced by other notable raiders of the day. Mr. Goldsmith’s controversial raid of the [Goodyear Tire and Rubber Company](#) in 1986 spawned Congressional hearings about hostile takeovers. Mr. Goldsmith later ventured into British politics and made an unsuccessful bid for a seat in the House of Commons; he died in 1997.

His sybaritic side is most evident in Careyes, which not only became the bully pulpit for his work as a conservationist during the twilight of his career, but also was the backdrop of a colorful private life. Through marriages and affairs, he had eight children in families living in his British, French and Mexican homes. “When you marry your lover, a new vacancy is immediately created,” he liked to say.

Mr. Marcaccini says that his father-in-law “was a larger-than-life character,” adding: “Even after his marriage ended, he would still keep the woman around him. His feeling was: ‘Even though you are my ex, you are still the mother of my children.’”

Mr. Goldsmith’s first wife, the daughter of a Bolivian tin magnate, died when she was seven months pregnant. Doctors managed to save

the Goldsmiths' baby, Isabel, before her mother died. Isabel's inheritances from her grandfather included Las Alamandas, a stretch of land north of Careyes. Later, Mr. Goldsmith built Cuixmala nearby.

"My father-in-law had a clear idea of what he wanted, which was to find a place with clean water, clear air and good soil to build a house for his family and friends," Mr. Marcaccini says. "Then he realized the importance of the area ecologically and he started to buy more and more land for conservation purposes."

Although Mr. Goldsmith and Mr. Brignone were once friends, the two began feuding shortly after Mr. Goldsmith built Cuixmala. The rift started in the late 1980s, when Mr. Brignone began building an elaborate home along the beach with three towers of alternating heights that flanked a fan-shaped swimming pool and a living room. Mr. Goldsmith lived on the same beach and complained that the towers blocked his sight line.

"Our house was like five miles away," Giorgio Brignone recalls. "When your house faces every direction, of course you're going to see something in your view."

According to both families, the patriarchs did not speak for several years, and relations between their families became strained. The situation worsened in 1992, when Mr. Goldsmith became a vocal proponent of environmental issues. Some questioned whether this was a matter of convenience, offering him a way to ensure the privacy and exclusivity of his Mexican estate; others say his brother, a conservationist who publishes an environmental magazine, prompted Mr. Goldsmith's conversion.

Whatever the reason, Mr. Goldsmith won government approval in the mid-1990s to designate the majority of the Chamela-Cuixmala Biosphere as protected land, a move that prevented further development near his estate.

As part of the pact, Mr. Goldsmith created the Cuixmala Ecological Foundation, a nonprofit group, which, along with the National Autonomous University of Mexico, promotes conservation of

tropical ecosystems on the Jalisco coast. As the original developers of the area and friends of the Goldsmiths, the Brignones viewed the move as a betrayal because it froze any further development of lands inside the reserve.

“The process of the creation of the Reserve Chamela-Cuixmala was very painful for the Costa Careyes original and actual developers as it affected large parts of our assets — very valuable coastal land — with no compensation or recognition,” Giorgio Brignone says. “But we do recognize that having a natural reserve in its vicinity is a very important part of Careyes’s future, and we value that just as we always have.”

Mr. Brignone’s view of the dispute with opponents is less forgiving. “The common feeling is that there are more urgent matters to defend around the existing coastal developments of Mexico and in the area where no positive presence has been felt in more than 16 years when the last resort was developed,” he says. “This area needs to evolve.”

IN a high-rise in Mexico City, officials at Semarnat, the Mexican environmental regulatory agency, unfurl a large map of the Jalisco coast and spread it across a desk. Mr. Aguirre, the agency official, places a finger on the proposed site of Marina Careyes.

“As you can see, this project is not inside the area of the biosphere reserve, which is a very important point,” he says. “There is more than a mile between the reserve and the project.”

Mr. Aguirre said that despite protests by Mr. Marcaccini, Ms. Goldsmith and other opponents of the Hernández project, the proposed development meets regulatory standards. Under the law, tourism is allowed within the reserve in what is known as the transition area (where the Goldsmith estate is located), but not in the reserve’s so-called nucleus zone.

“We as Semarnat cannot evaluate whether this is good for Mexico, or for the economy of Mexico, but only whether this project will disrupt the environment in an acceptable way,” Mr. Aguirre says.

If Marina Careyes opens its doors, it will be the latest addition to one of Mexico's most lucrative industries. According to the country's department of tourism, Mexico hauled in more than \$12 billion last year from 21 million visitors.

Part of the problem, says Georgio Brignone, is that few of those dollars flowed into the secluded and sparsely populated Chamela-Cuixmala region.

"Not one single village has a paved road, potable water or treatment plant," he says. "This kind of stand-still situation cannot be justified anymore."

But some conservationists contend that Jalisco coast could attract low-impact, environmentally friendly tourism by building so-called eco-resorts like the Ecolodge in Costa Rica. The Ecolodge is situated in a 1,000-acre private nature reserve in a lowland tropical rain forest; guests sleep in bungalows, and recreation — centered around the rain forest and the nearby ocean — includes hiking, bird watching and kayaking.

Similar lodges, increasingly popular among families, can be found in Panama, Ecuador, Chile and Peru, said Héctor Ceballos-Lascuráin, an eco-tourism consultant and environmental architect in Mexico City.

"Foreign tourists are spending \$250 to \$300 per night at these places, and they are located in or on the border of protected areas," he says. "But Mexico is promoting the same mass beach tourism. These public servants here don't understand what eco-tourism is about. I have given up on talking to them."

Mr. Marcaccini says he believes that the Hernández project will allow other resorts to be built near the biosphere reserve, tipping the ecological balance there. He notes that in 1992, the developers succeeded in building the El Tamarindo Golf Resort, a swank oceanside facility 40 minutes south of the reserve with a 2,000-acre golf course and several villas with private swimming pools and Jacuzzis.

Indeed, Semarnat recently authorized a group of other developers to build another golf resort, La Tambora, just north of the Hernández project. La Tambora will spread across 1,684 acres and will feature an 18-hole golf course and clubhouse, a 100-room boutique hotel, three beach clubs, a wedding facility, a new airplane hangar, a helicopter pad and horse stables.

Mr. Marcaccini has the same withering view of La Tambora that he has of Marina Careyes: “It will be like a vampire sucking up all the resources.” And he says he believes that Marina Careyes is opening a door to development run amok in the biosphere. “This world will become one giant garbage can one day,” he says.

Ms. Goldsmith, sitting by her pool, slices into a mound of fresh mozzarella cheese from her estate’s organic farm, and opines on La Tambora and Marina Careyes.

“It’s greed, greed and more greed,” she says. “This, at a time when everybody knows what’s going in the world with [climate change](#) and how important it is to keep the trees. I mean, what’s more important to us, the environment or some stupid golf?”