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*Destinations***Trying to Be the New St. Barts***Celebrities overtake backpackers on the Dominican Republic's north coast*By **MARTIN EDLUND**

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SAMANA, Dominican Republic -- The Dominican Republic's Samana Peninsula is dominated by electric-blue waters and bleached white beaches. It's also showing signs of rapid development: Swathes of freshly dug earth mark new resort and marina sites.



Gran Bahia Principe Samana


For many travelers, a vacation in the Dominican Republic involves a stay at one of the sprawling resorts at Punta Cana, on the east coast. But as the country tries to expand its tourism economy, the focus is now on the north coast.

Just a few years ago, adventurous travelers returned with stories of windswept backpacker huts and beaches there too polluted for swimming. Now, celebrities such as Brad Pitt have been spotted looking at properties for sale. Designer villas with private beaches and putting greens are being rented out for \$2,500 a night. Next month, a new airport will open for charter flights and private jets.

The speed of change in the north underscores how rapidly backpacker havens are now being discovered, and then transformed by developers into luxury resorts. It also highlights tourism's effect on the divide between rich and poor in the Caribbean. It's particularly stark here in the Dominican Republic, which borders Haiti, the Western Hemisphere's poorest country.

But at a time when the region is undergoing a big expansion of luxury

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• **How to Get There:** The airport at Puerto Plata, on the west end of the north coast, receives international commercial flights. Another international airport will open in Samana next month. By car, major north coast towns are accessible along Highway 10 -- but be prepared for a bumpy ride.

• **Where to Stay:** Dozens of high-end options have sprouted up all along the north coast in the past few years. The five-star Casa Colonial has white décor and spa services; rates are \$265 to \$790 a night (Web:

www.casacolonialhotel.com¹).

Larger groups might consider one of the expansive villas rented by the week from around \$15,000 by companies like North Coast Management (Web:

www.northcoastmanagement.com²).

In the southeast, one of the first upscale resorts is Casa de Campo; from \$200 a night (Web:

www.casadecampo.com.do³)

• **What to Do:** There are plenty of options for nature lovers, such as wind- and kite-surfing at Cabarete, hikes into the hillsides and some of the best golf in the Caribbean at Playa Grande golf course, where 10 of the 18 holes trace the oceanside cliffs. Humpback whales migrate to Samana Bay for breeding season each year, from January to March.

--Martin Edlund



Sea Horse Ranch resort

resorts, from Grand Cayman to Turks and Caicos, tourism experts are asking whether the pace of new building is ultimately sustainable.

More than 3.69 million tourists visited the Dominican Republic last year, with four million visitors estimated this year. Along the north coast, developments are springing up to capture some of the influx. In the town of Puerto Plata, \$30 million was spent cleaning beaches polluted by sewage and dredging up fresh white sand. Down the coast in Cabarete -- an area that's long attracted laid-back kite-surfers, due to the high-speed winds off the ocean -- hip restaurants line the main strip near new luxury condominiums. Further down on the Samana Peninsula, the first of four five-star resorts operated by Spanish hotel company Bahia Principe open next month, complete with heliports and beachside villas.

President Leonel Fernandez has been courting Hollywood, even having stars like Robert De Niro over to the presidential palace for lunch. Ten feature films have been shot in the country in the last few years, says Eddie Martinez, Minister for Economic Trade and Development for the Dominican Republic, including "The Good Shepherd" (starring Mr. De Niro, Angelina Jolie and Matt Damon) and "The Lost City" (featuring Andy Garcia, Dustin Hoffman and Bill Murray). Next month, Puerto Plata will host its second annual Dominican International Film Festival, which will draw actors like Vin Diesel.



One of the best examples of the changing face of the north coast is Casa Colonial, a five-star boutique hotel near Puerto Plata. Attendants in safari hats welcome guests, who pay anywhere from \$260 to \$1,000 a night for the penthouse where Donatella Versace stayed soon after it opened in 2004. A floor-to-ceiling mirror, moved in for her visit, still stands in the room.

It was a challenge convincing travelers that there was a quality boutique hotel in the Dominican Republic, says Roberto Cavoli, who has worked in the local hotel business for more than 15 years and operates Casa Colonial with his wife, Sarah Garcia, an architect who also designed the hotel. To help establish a market, the property got five-star certification from the Small Luxury

Hotels of the World brand. Now, the area is going the right way, Ms. Garcia says: "High-end bohemian."

Around six years ago, developers started buying cheap land in the north and building villas. "In the last three years, there must be close to two dozen scattered between Puerto Plata and Cabrera," says Jason Matthews, who manages 10 properties through North Coast Management, a villa rental company with offices in the Dominican Republic and the U.S. For \$20,000 a week Mr. Matthews rents out his own property, Castellamonte, a 15,000-square-foot Spanish-style villa with eight bedrooms, hand-painted murals on the ceilings and a putting green.

Soon, villas in the area will be joined by the Bahia Principe all-inclusive five-star resorts. The north coast tried this approach once before, building all-inclusive resorts with loans from the Dominican Central Bank in the



Villa Castellamonte

1970s. But many were cheaply made, say locals. The new ones will include plenty of luxury perks. The Bahia Principe resort at Cayo Levantado, a tiny, picturesque island where Bacardi filmed its commercials, will have a heliport and beach villas with private, open-air Jacuzzis looking out to the sea.

More change is expected around Samana when 75 cruise ships, including Royal Caribbean and Norwegian Cruise Line, are expected to dock this season, up from 45 last season.

This is putting pressure on some locals to keep pace with the market or sell out to someone who will. When Windsurf Resort owner Gordon Gannon bought the hotel in Cabarete in 1992, its 36 rooms had no telephones, air conditioning, or television. Since then, he's spent more than \$1 million on upgrades. There are now 60 rooms, with 120 more in the works, crammed with modern amenities. "What used to be luxury items are now standard," he says.

There are risks to targeting such an upscale market. Affluent travelers "think that they have all the answers themselves, so trying to convince them on new product, a new destination, is a challenge," says Gary Sain, Chief Marketing Officer and Partner of YPB&R, a travel marketing firm that recently published a study of travelers with household incomes above \$200,000.



Diane Cook & Len Jenshel

Occidental Gran Bahia

The north coast is still far from reaching critical mass with travelers. When Bill Supan, a building contractor from Longview, Texas, told friends he was planning a trip to the Dominican Republic, they were wary. "Our friends asked 'where is that? Are they fighting there?' " says Mr. Supan.

On a recent eight-day trip with his wife, Mr. Supan mingled with the locals, driving to little coastal towns and shopping. "It is not a destination that is on the tip of everybody's tongue like a St. Thomas might be," he says. "I can't wait to get back home and start showing pictures."

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