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Choosing a future waterfront

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A state agency today is scheduled to pick a top contender among four private developers competing to invest more than \$600 million in retail, residential, entertainment and public facilities on 36.5 acres of state-owned land along the Kewalo waterfront.

Details of the competing proposals won't be made public by the agency until after its directors announce their selection at a 2:30 p.m. public meeting at the state Hawai'i Community Development Authority office at 677 Ala Moana.

The redevelopment is intended to benefit local residents, providing a mix of housing and about 500,000 square feet of public and commercial space as well as 250,000 square feet of entertainment and retail space.

The competing developers are an affiliate of Honolulu-based Alexander & Baldwin Inc., a partnership involving Texas-based Hunt Building Corp. called Kewalo Nui Partners, local firm Stanford Carr Development and the Chicago-based owner of Ala Moana and Victoria Ward shopping centers.

The four were finalists among as many as 15 respondents to a request for proposals issued by the state in January.

The agency plans to select a top contender with which to negotiate a detailed development agreement. If no agreement can be reached, the state could negotiate with runners-up in the order they are ranked.

Some community members have objected to the agency's selection process, in which the public was given no opportunity to comment on the competing proposals.

"This process excludes the public," said Bev Harbin, a representative of the Kaka'ako Improvement Association who said she complained to the agency about the secret process to no avail. "I'm going to ... (take) issue with that."

Agency executive director Daniel Dinell said the development authority initially planned to have developer finalists present their proposals at a public meeting before today's selection. But a deputy attorney general advised the agency that that would violate state procurement law for sealed bids.

Dinell said the concern was that one developer could appropriate ideas from a competing proposal and generate claims that the competitive process was unfair.

Similar closed-door selections have been made to pick the state Capitol architect and a developer to improve state land around Aloha Tower.

The late 1980s Aloha Tower redevelopment initiative, which led to Aloha Tower Marketplace, was criticized for its lack of public input prior to the state picking one of several competing private developer plans. But the state Office of Information Practices upheld the process, which also withstood a legal challenge by one of the competing team members.

In the late 1990s, however, the Hawai'i Community Development Authority publicly disclosed competing proposals during an attempt to redevelop some of the same property along the Kewalo waterfront. But the resulting planned project, which included a 130-foot-high ferris wheel surrounded by retail shops and restaurants, was later rejected by the agency.

To help address the lack of public input this time, the agency appointed Kakaako Improvement Association president Jay Kadowaki and area neighborhood board chairman John Breinich to evaluate public elements of the competing proposals as part of an architectural review committee that oversees 10 percent of total evaluation criteria.

The agency will base its selection on how well proposals meet other criteria, including consistency with the state's vision to transform the mostly industrial area into an urban village gathering place (25 percent of criteria value), revenue produced for the state (25 percent), economic viability (15 percent), development timetable (10 percent) and qualifications (15 percent).

After the selection, public input will be sought by the agency to help it shape details of the developer's proposal and decide whether to execute the plan.

At this time, the agency and developer also will negotiate terms, such as how much the state would receive in lease rent and land sale proceeds, as well as the amount of moderate-priced housing required.

Under agency rules, a developer building higher than 45 feet is required to either make 20 percent of residential units affordable for moderate-income households or give the agency an equivalent in cash to build below-market housing in Kaka'ako.

The agency and the top-ranked developer are expected to take up to six months to negotiate a development agreement.

The state has approved spending up to \$250,000 on outside legal consulting to help it acquire the best terms for the public.

If an agreement can be reached with the first developer, construction could begin as early as fall 2006.

Seeking 'Dynamic urban' Center

Hawai'i Community Development Authority's goal for the Kaka'ako waterfront:

"To create a gathering place ... a world-class development that is an active and attractive, people-oriented place that helps fulfill Hawai'i's needs for public recreation, entertainment and amenities, and serves as a vibrant centerpiece for a dynamic urban community ... the development should preserve and enhance the natural tropical environment and Hawaiian lifestyle, as well as public access to and enjoyment of the ocean and shoreline."

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