Background Briefing Materials: Waikiki Master Planning Charrette

Harrison Price Company

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Background Briefing Materials
Waikiki Master Planning Charrette
November 2nd and 3rd, 1989
Honolulu, Hawaii

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WAIKIKI FACTS
Source: Waikiki Tomorrow

Economic Background

- Current annual visitor expenditures in Waikiki, including hotel room rentals, are estimated at $3.8 billion, or about 45% of all visitor expenditures in the state.
- Excise taxes on these expenditures are about $160 million, or 16% of all excise taxes collected in the state. These figures exclude resident expenditures in Waikiki, which are also significant.
- Waikiki's 32,743 visitor rooms generated about $45 million in hotel room taxes in FY 1989, representing 95% of those collected on Oahu, and about 60% of those collected statewide.
- Personal income taxes paid by those employed in or by Waikiki-related businesses are estimated at about $75 million.
- Thus, excluding corporate income taxes, license, permits, liquor and tobacco purchases in Waikiki and income taxes from those indirectly employed by Waikiki, the district is estimated to produce about $280 million in state tax revenues in 1989.
- Commercial and residential properties in Waikiki are estimated to generate about $43 million in property taxes in 1989, or 14% of Oahu's total property tax collection.
- The estimated amount of City expenditures that supported the needs of Waikiki-based visitors was about $66 million in FY 1989.

Population

- Waikiki is home to about 30,000 Hawaii residents, or 3.6% of Oahu's and 2.8% of the state's population.
- On an average day it houses 60,000 or more visitors.
- This small area is a place of employment for about 30,000 people. Many others, such as bus drivers and tour hosts, work outside of Waikiki but their jobs are directly generated by Waikiki.
- In total, over 100,000 persons are in Waikiki on any given day. This represents about 8% of Oahu's visitor and resident population, and 11% of the state's.
Retail Information

- Over 440 restaurants, 350 entertainment places, five movie houses and over 1,000 retail shops at eight shopping centers comprise Waikiki's retail makeup. These figures do not include Ala Moana Center or the many independent shops fronting Kalakaua and Kuhio Avenues.
- There are more than 1,000 business in Waikiki.

Living Units

- Visitors (Hotels/condos) 32,600
- Residential 14,500

Land Area

<table>
<thead>
<tr>
<th></th>
<th>Acres</th>
<th>% Land</th>
<th>Far*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>184</td>
<td>30%</td>
<td>0.0</td>
</tr>
<tr>
<td>Resort Commercial</td>
<td>50</td>
<td>8%</td>
<td>1.7</td>
</tr>
<tr>
<td>Resort Hotel/Apartment</td>
<td>289</td>
<td>47%</td>
<td>1.6</td>
</tr>
<tr>
<td>Public</td>
<td>95</td>
<td>15%</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>618</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

*Far = Floor Area Ratio. This is the ratio made by dividing the total area of all floors in a building by the land area under the building.

Waikiki's Size

Waikiki is about one square-mile in area, representing 0.2% of Oahu, and 0.02% of the state's land area.

Waikiki Beach is 1.4 miles long.

Transportation

- Accessibility to Waikiki:
  Waikiki is bounded by the ocean, the Ala Wai Canal, and Kapiolani park.
  Access is a four points: Ala Moana, Kalakaua, McCully, Kapahulu.
  Of these access points, only two lead to the freeway.
- 60,000 vehicles and 40,000 pedestrians use the east-west avenues (Kalakaua, Kuhio, Ala Wai) during a 24-hour period.
3,600 people crossed Kailulani at Kalakaua during a single hour in 1980.

Recreation

Waikiki is home to the Ala Wai Golf Course, Paki Playground, Honolulu Zoo, Kapiolani Park, Kapiolani Flower Garden, Waikiki Shell, Tennis Courts, Archery Range, the Aquarium and the Bandstand.

Social and Cultural Facts

- Waikiki is the largest residential neighborhood on Oahu.
- Waikiki has an older population with special health care and leisure needs.
- 19% of the population is Hawaii-born, 41% arrived during the past five years.
- In 1980, the median family income was $20,785 (12% below the Oahu median). More than 10% of Waikiki families fell below the poverty level as compared to 7.5% island-wide.
- Average sales values of condominiums have risen from about $80,000 in 1985 to $200,000 in 1989.
- A 1988 Waikiki resident survey found "big Waikiki" problems to be: traffic (76%), cost of housing (71%), cost of food/clothing (54%), crime (43%), and too-rapid growth (42%).
- Nearly 50% of Waikiki residents surveyed said they were afraid to walk some streets at night.
- There are 10 to 12 police beat officers in Waikiki on a 24-hour basis. By comparison, social workers estimate there are up to 40 street prostitutes per night in Waikiki.
- Waikiki social facilities include: community meeting space at Ft. De Russy, a police substation, Waikiki Community Center ad adjacent Waikiki Health Center, and Jefferson Elementary School.
- Drug use/dealing is a growing problem among visitor industry employees.
- More canoe clubs are in this one square mile than are in any other part of the island.
- It is also the home of the Honolulu Marathon.
Average annual hotel worker's salary is nearly $17,000; 38% of hotel jobs also have additional income from tips. Retail worker annual salary is $12,000.

Scores of "Waikiki" songs have been written; and miles of Waikiki footage have been filmed.
WAIKIKI PLANNING AND ZONING

- General Plan • Objectives and Policies City & County of Honolulu
- Article 2. Primary Urban Center
- The Waikiki Special District
Objective B - To maintain the viability of Oahu's visitor industry.

Policy 1

Provide for the long-term viability of Waikiki as Oahu's primary resort area by giving the area priority in visitor industry related public expenditures.

Policy 2

Provide for a high quality and safe environment for visitors and residents in Waikiki.

Policy 3

Encourage private participation in improvements to facilities in Waikiki.

Policy 4

Prohibit major increased in permitted development densities in Waikiki.

Policy 5

Prohibit further growth in the permitted number of hotel and resort condominium units in Waikiki.
ARTICLE 2. PRIMARY URBAN CENTER CENTER

PART 1

DEVELOPMENT PLAN

SPECIAL PROVISIONS FOR THE PRIMARY URBAN CENTER

(2) Waikiki

Waikiki is the area generally bounded by the Ala Wai Canal, Kapahulu Avenue, and the shoreline. It contains major concentrations of resort, commercial and apartment uses. The intent of the following statements is to enhance the attractiveness and quality of Hawaii's primary tourist destination area and its residential areas.

(A) In general, resort and related commercial activities shall be concentrated in the areas makai of Kuhio Avenue and Ala Moana Boulevard. Apartments intended for Honolulu's residents who prefer a higher density urban living environment shall be located mauka of Kuhio Avenue and in the Hobron Lane area. Commercial Emphasis Mixed Use development may be permitted along the mauka side of Kuhio Avenue between Kauiulani Avenue and Kuamoo Street, the mauka side of Ala Moana Boulevard, the mauka side of Kalakaua Avenue between Kuamoo Street and Ala Wai Canal, the makai side of Kalakaua Avenue between Ala Moana Boulevard and Ala Wai Canal, the Diamond Head side of Ena Road, and on McCully Street between the Ala Wai Canal and Kalakaua Avenue.

(B) Resort facilities shall be developed to support a destination area of about 30,000 visitor units.

(C) Any additional high-density development shall be discouraged.

(D) The general height limits for the area shall be as provided in the Waikiki Special Design District.

(E) Existing views of the mountains, ocean, and Diamond Head from streets, pedestrian corridors and major public places shall be preserved through more stringent development controls in terms of height, bulk, siting, and setback. Such views shall be enhanced by appropriate landscaping requirements for private developments along view corridors and the appropriate landscaping of related streets.

(F) Landscaping along mauka-makai roadways that provide visual access to the mountains and the sea from Waikiki shall be selected and situated to minimize the visual dominance of the paved surfaces and to maintain existing mauka and makai views along these roadways.
(G) The present open space nature and character of dominant physical features along the perimeter of this area shall be preserved and enhanced. These features directly contribute to the present attractiveness and quality of the area as well as to the surrounding communities. They include the Ala Wai Canal, Ala Wai Field, Ala Wai Golf Course, Kapiolani Park, Honolulu Zoo, Ala Wai Yacht Harbor, and the views of Diamond Head and the ocean.

All public and private developments or improvements shall be designed to preserve and enhance the visual and physical access to these features.

(H) The open space character of Fort DeRussy shall be preserved.

(I) Where possible, a series of mini-parks shall be developed as rest areas for shoppers and other pedestrians, and as tot lots for resident children. These small open spaces should be integrated into the pedestrian corridor system.

(J) Public pedestrian access to the shoreline shall be increased in number, size, and attractiveness.

(K) The pedestrian traffic network within the area shall be substantially improved to recognize the unique visitor destination area requirements. Special consideration shall be given to pedestrian safety, comfort, and enjoyment since walking constitutes a major activity for the visitor, within this area.

(6) Kakaako

Kakaako is the area generally bounded by South Street, King Street, and Piikoi Street. It includes the entire Kewalo Peninsula makai of the Ala Moana Boulevard.

Kakaako includes the entire Kewalo Peninsula makai of Ala Moana Boulevard from Pier 2 on the west to the Kewalo Basin-Ala Moana Park boundary on the east, and the area mauka of Ala Moana Boulevard bounded by Punchbowl Street, Pohukaina Street, South Street, King Street, Ward Avenue, Kapiolani Boulevard, and Piikoi Street.
The purpose of the following principles and controls is to permit the redevelopment of this area for mixed uses within an attractive setting and to preserve mauka-makai views and views of Punchbowl from within Kakaako as well as from areas beyond its boundaries.

(A) Commercial Emphasis Mixed Use shall be the predominant form of development in Kakaako, with limited areas also set aside for Commercial-Industrial Emphasis Mixed Use in the central portion and for marine industrial use at the ewa end of Kewalo Peninsula.

(B) The makai portion of Kewalo Peninsula shall be developed into a regional park.

(C) The general height limits for the area shall be as provided in the Kakaako Special Design District. For areas outside of the Special Design District boundaries, general height limits shall be as follows:

(i) 60 feet for the area occupied by Neal Blaisdell Center, McKinley High School and Kapiolani Community College.

(ii) 150 feet for the Medium Density Apartment area between Pensacola and Piikoi Streets.

(iii) 250 feet for the Commercial area between Pensacola and Piikoi Streets.

(D) A special pedestrian corridor system shall be provided for safe and pleasant access to major activity centers adjacent to this area, enhancing the compatibility of the mixed uses in the area.

The system shall also include a pedestrian walkway along the shoreline from the mouth of Honolulu Harbor into Ala Moana Park.

(E) In addition to the above, special height, design and use controls may be applied where necessary to ensure the preservation of important views, landmarks and historic structures, and the compatibility of the permitted mixture of uses within the area.
(7) Nimitz/Ala Moana Corridor

This vehicular corridor includes Nimitz Highway and Ala Moana Boulevard from the Honolulu International Airport to Kalakaua Avenue in Waikiki. The corridor deserves special consideration because of its function as the major ingress and egress route of visitors and as a major thoroughfare for residents.

(A) The preservation and enhancement of views from this corridor shall be the major determinants of development controls along this corridor.

(B) Appropriate measures to enhance the attractiveness of this corridor and the public and private responsibilities to implement and maintain such improvements shall be adopted.

(8) Ala Moana

Ala Moana is the area generally bounded by Piikoi Street, Kapiolani Boulevard, Makiki Drainage Ditch, Ala Wai Canal and Ala Moana Boulevard.

(A) Commercial Emphasis Mixed Use development shall be permitted in all portions of this area except for the Medium-Density Apartment designated lands.

(B) Hotels and convention facilities shall be permitted as principal uses as part of a commercial emphasis mixed use development in the area bounded by Kapiolani Boulevard, Kalakaua Avenue, the Ala Wai Canal, the medium-density apartment designated area, Atkinson Drive, and Mahukona Street.

(C) General height limits for this area shall be as follows:

(i) 100 feet for the block occupied by the Ala Moana Shopping Center.

(ii) 150 feet for the Medium Density Apartment area between Atkinson Drive and the Ala Wai Canal.

(iii) 250 feet for the area generally bounded by Kapiolani Boulevard, Mahukona Street, Kona Street, and Piikoi Street.

(iv) 350 feet for the commercially designated area makai of Kapiolani Boulevard and Diamond Head of Kaheka Street and Mahukona Street, except as otherwise provided in subparagraph (C)(v) herein.
(v) Within the commercially designated area generally bounded by Kapiolani Boulevard, Atkinson Drive, the medium-density apartment designated area, the Ala Wai Canal, and Kalakaua Avenue, the height limit may be increased to no more than an additional 150 feet by the Council, provided that the master plan for the development of this area include a trade or convention center as that term is defined in Chapter 21A, ROH, and provided further that a Plan Review Use application for the site is approved by Council resolution.

(D) In addition to the above, special height, design and use controls may be applied where necessary to ensure the preservation of important views, landmarks and historic structures, and the compatibility of the permitted mixture of uses within the area.

(12) Diamond Head

Diamond Head is the area generally bounded by Kapahulu Avenue, Mooheau Avenue, Maunaloa Avenue, Kilauea Avenue, and Elepaio Street. It also includes the Ala Wai Golf Course.

The purpose of the following principles and controls is to preserve and protect Diamond Head as a scenic resource and to enhance the historic, cultural, and scenic qualities of the surrounding areas.

(A) The natural appearance and public views of Diamond Head, especially as seen from heavily traveled and highly developed areas, shall be identified and protected.

(B) Cultural and historic sites shall be preserved and enhanced.

(C) The general height limits for the area shall be as provided in the Diamond Head Historic, Cultural and Scenic District.

(D) In addition to the above, special height, design, and use controls may be applied where necessary to ensure the preservation of important views, landmarks, and historic structures, and the compatibility of uses within the area.
7.80 The Waikiki Special District.

The purpose of the Waikiki District is:

A. To guide the development of Waikiki with due consideration to optimum community benefits.

B. To promote health, safety, social and economic well-being for the community as a whole.

C. To protect, by means of proper planning and control, the value of private and public investment within the District and its surrounding communities.

D. To encourage developments that would improve and complement the public facilities and utilities in Waikiki and the physical and visual aspects of the urban environment in the area.

E. To ensure that future developments would alleviate traffic and utility problems and would prevent detrimental impact on the existing development.

F. To provide for utilities and off-site improvements, either publicly or privately in advance of new development.

G. To provide for the efficient and safe movement of people and goods.

H. To bring about a desirable level of urban design compatible with the climate and the character of Hawaii within the District.

I. To provide a means to control apartment, commercial and hotel density in Waikiki.

J. To provide greater access to public beach areas.

K. To encourage the development of a variety of land uses which are compatible with and will enhance the unique character of the district.

L. To provide additional, properly distributed open spaces and vistas.

7.80-1 Description of Waikiki Special District.

The District is identified on Exhibit 13.

7.80-2 Land Use Control System.

Within the District there are four types of Zoning Precincts, the boundaries of which are indicated on Exhibit 13.
7.80-3 General Requirements.

The following requirements shall be applied in all precincts within the District:

A. Uses and Activities Permitted in Yards.

No business activity of any kind, including advertising, promotion, solicitation, merchandising or distribution of commercial handbills, or structures or any other use or activity, except newspaper sales and distribution, shall be located or carried out within any required yard, street or building setback area except those areas occupied by enclosed nonconforming buildings.

B. Circulation Plan.

1. All developments within the District shall comply with the guidelines prescribed on the Circulation Plan marked Exhibit 14.

2. Curb cuts for driveway openings and sight distances at all intersections shall comply with the Traffic Code and the Design Standards of the Department of Transportation Services unless modified by the City Council.

C. Urban Design Guidelines.

1. All structures within the District shall conform to the guidelines specified on the Urban Design Controls marked Exhibit 15.

2. Yard Requirements:

   a. An average front yard of 30 feet shall be provided, measured from the existing right-of-way on Kapahulu Avenue, Kalakaua Avenue, Ala Moana and Ala Wai Boulevard, and measured from the street setback line for Kuhio Avenue, as shown on adopted street right-of-way maps, except for zoning lots less than 65 feet in depth (see paragraph b. below) and for Apartment Precinct zoning lots less than 4,000 square feet in area (see Section 7.80-4.B.1.). The front yard may vary between 20 feet and 30 feet, provided that (1) at least 50 percent of the lot frontage shall have no less than a 30-foot front yard and (2) the undulation of setback
line shall result in a design acceptable by the Director (see Figure 16).

**Figure 16**

**FOOTPRINT:** A ≤ B  
**FRONTAGE:** W(A) ≤ W(B)

---

**30' FRONT YARD - WAIKIKI**

Unless otherwise permitted by this Section, a minimum front yard of 20 feet shall be provided along all other streets, measured from the street setback line as shown on adopted street right-of-way maps.

b. When the depth of a zoning lot is less than 65 feet, the Director may make exception to the yard requirements subject to design review and based on the lot configuration and the effect of the proposal on surrounding properties.
3. Within the District, it may be necessary to provide additional yard area and spacing between buildings to insure:
   a. Provision of light and air;
   b. Protection of significant views as seen from major buildings; and
   c. Orientation of buildings according to the urban design guidelines.

4. Landscape treatment in the form of street furniture, trees and other off-site treatment, as deemed appropriate by the Director, and on-site landscaping with irrigation system of yard areas and other grounds within the project shall be provided and maintained. In addition, the use of planters on buildings at various elevations, including rooftop parking, is encouraged and may be required where appropriate. All rooftop mechanical appurtenances, stairwells and elevator enclosures, ventilators and air conditioning equipment shall be screened by architectural and/or landscape treatments.

5. Automobile service stations and car rental establishments shall comply with the following requirements:
   a. A minimum side and rear yard of 5 feet shall be required with a solid fence or wall at least 6 feet in height on the property line with the required yard substantially landscaped with planting and maintained.
   b. The station shall be illuminated so that no unshielded, unreflected or undiffused light source is visible from any public area or private property immediately adjacent to the station.
   c. All areas not landscaped shall be provided with an all-weather surface.
   d. No water produced by activities on the zoning lot shall be permitted to fall upon or drain across public streets or sidewalks.

6. Screening in the form of landscape treatment shall be required to prevent undesirable vistas or sight lines.
7. Utility installations shall be designed and installed in an aesthetic manner so as to hide or screen wires and equipment completely from view, including views from above.

8. When a proposed development contains mixed uses, the sum of ratios of the floor area of each use divided by the maximum permitted floor area for that use on the lot shall not exceed one, as indicated below.

<table>
<thead>
<tr>
<th>Proposed Floor Area Devoted to Use A</th>
<th>Proposed Floor Area Devoted to Use B</th>
<th>Proposed Floor Area Devoted to Use &quot;N&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum floor area permitted by the Waikiki District if only Use A is developed on the lot.</td>
<td>Maximum floor area permitted by the Waikiki District if only Use B is developed on the lot.</td>
<td>Maximum floor area permitted by the Waikiki District if only Use N is developed on the lot.</td>
</tr>
</tbody>
</table>

D. Minimum Lot Width Requirement. 
The minimum lot width for all precincts is 45 feet.

E. Nonconformity.
1. In case of total voluntary destruction, a nonconforming use or structure may be replaced by a new structure containing either (1) up to the same floor area of the structure prior to its destruction, with the same use, or (2) up to the permitted floor area limit of the precinct for similar uses, whichever is less. In any event, the new structure shall comply with the height and yard requirements of the Urban Design Controls (Exhibit 15) and other applicable regulations of this Section.

2. In case of the accidental destruction of a nonconforming structure devoted to a conforming use which contains multi-family dwelling units, it may be restored to its original condition in accordance with subsections 3.120-8.1.a., b. and c.
F. Landscaping.

1. Any tree 6 inches or greater in trunk diameter shall not be removed or destroyed except as follows:
   a. The tree is not visible from any street, park or other public viewing area.
   b. Appropriate development of the site cannot be achieved without removal of the tree.
   c. The tree is a hazard to the public safety or welfare.
   d. The tree is dead, diseased or otherwise irretrievably damaged.
   e. The applicant can demonstrate the tree is unnecessary due to overcrowding of vegetation.

2. Any tree removed which is visible from any street, park or other public viewing area shall be replaced by an approved tree of minimum 2 inches caliper or by alternative approved landscaping material, unless the replacement results in overcrowded vegetation.

3. Where possible, trees proposed for removal shall be relocated to another area of the project site.

G. Height Regulations.

1. The Director may exempt the following architectural features from the height regulations of the Special District, provided they are erected only to such height as is necessary to accomplish the purpose for which they serve, but in no case exceeding 12 feet above the maximum height limit. These building elements may be exempted only if the Director finds they do not obstruct any significant views which are to be preserved, protected and enhanced and are consistent with the intent and objectives of the Waikiki Special District.
   a. Necessary mechanical appurtenances of the building on which they are erected, provided they are screened from view.
   b. Necessary utilitarian features, including stairwell enclosures, ventilators and skylights.
   c. Decorative or recreational features, including roof-top gardens, planter boxes, flagpoles, parapet walls or
ornamental cornices.

2. Except for flagpoles and smokestacks, all items listed in Section 3.60-C. shall also be exempt from the height provisions of this subsection.

7.80-4 Apartment Precinct.
A. Permitted Uses.
   1. Art galleries and museums.
   2. Boarding facilities.
   3. Day-care facilities.
   4. Detached dwellings.
   5. Group Living Facilities.
   6. Meeting facilities, provided that commercial activities as a principal activity within the meeting facility shall not be allowed.
   7. Multi-family dwellings.
   8. Public uses and structures.
   9. Recreational facilities, outdoor.
   10. Schools: elementary, intermediate and high.
   11. Uses and structures customarily and clearly incidental and subordinate to permitted uses and structures, including parking garages and recreational facilities provided for residents of apartment structures.
   12. Utility installations, Type A.

B. Yard Requirements.
   1. Front yards for zoning lots of less than 4,000 square feet and less than 3,500 square feet shall have a minimum depth of 20 feet and 10 feet, respectively. Front yards of larger lots shall comply with the requirements of Subsection 7.80-3.C.2. of this Section. Side and rear yards shall be at least 10 feet, provided that all of the front yard and the nearest 5 feet of the side and rear yards to lot lines shall be landscaped.

   2. In addition to the yard regulations stated above, for any portion of a structure above 40 feet in height, additional front, side and rear height setbacks equal to one foot for
each 10 feet in height, or fraction thereof, shall be provided. This additional setback shall be a continuous vertical plane from the top of the structure to the height of 40 feet above existing grade (see Figure 17).

**Figure 17**

*APARTMENT AND RESORT HOTEL PRECINCTS: FRONT, SIDE, AND REAR YARDS*

*RESORT COMMERCIAL PRECINCT: FRONT YARD, UNLESS ADJOINING APARTMENT PRECINCT*

**ADDITIONAL HEIGHT SETBACK – WAIKIKI**
C. Density.

1. The determination of the permissible Floor Area Ratio (FAR) in the Apartment Precinct for dwelling use shall be found by the application of the following formula, according to zoning lot size:

<table>
<thead>
<tr>
<th>Zoning Lot Area in Square Feet</th>
<th>Formula to Find FAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 7,500</td>
<td>((\text{lot area}) \times 0.00009 + 0.08)</td>
</tr>
<tr>
<td>Greater than or equal to 7,500 but less than 70,000</td>
<td>((\text{lot area}) \times 0.00009 + 0.85)</td>
</tr>
<tr>
<td>Greater than or equal to 70,000</td>
<td>FAR equals 1.50</td>
</tr>
</tbody>
</table>

In computing the permissible floor area, the FAR may be applied to the zoning lot area plus one-half the abutting right-of-way area of any public street or alley.

2. No parcel within an Apartment Precinct shall be subdivided into lots of less than 10,000 square feet. Consolidation of lots regardless of size, in conformity with the subdivision regulations, is permitted.

3. Maximum FAR of other permitted uses within an Apartment Precinct shall be 1.0.

D. Open Space Requirements.

A minimum of 50 percent of the zoning lot shall be devoted to open space for all developments within an Apartment Precinct.

7.80-5 Resort Hotel Precinct.

A. Permitted Uses.

1. Art galleries and museums.
2. Car rental establishments, excluding repair facilities.
3. Commercial parking lots and garages.
4. Day-care facilities.
5. Hotels.
7. Meeting facilities.
8. Other uses and structures: Uses and structures customarily associated with and clearly incidental and subordinate to permitted uses and structures.
10. Recreational facilities, outdoor.
11. Retail establishments, provided there is no outdoor storage or display of merchandise, financial institutions, office buildings for visitor industry-oriented activities, including eating establishments, theaters, indoor amusement and recreation facilities, excluding amusement arcades.
12. Time sharing.
13. Transient vacation rentals.
14. Utility installations, Type A.

B. Yard Requirements.
1. Front yards shall comply with the requirements established in Subsection 7.80-3.C. Additionally, all front yards shall be maintained in landscaping.
2. Where a Resort Hotel Precinct abuts an Apartment Precinct or an apartment use, the abutting side and/or rear yard shall be at least 10 feet, provided that the nearest 5 feet of such yards to the lot line shall be maintained in landscaping.
3. In addition to Subsections B.1. and B.2. above, for any portion of a structure above 40 feet in height, additional front, side and rear height setbacks equal to one foot for each 10 feet in height, or fraction thereof, shall be provided. This additional setback shall be a continuous vertical plane from the top of the structure to the height of 40 feet above existing grade (see Figure 17).

C. Density.
1. The determination of the permissible Floor Area Ratio (FAR)
in the Resort Hotel Precinct shall be found by the application of the following formulae:

**Zoning Lot Area**

**in Square Feet**

**Formula to Find FAR**

Less than 10,000  
(\( \text{lot area} \times (0.00013) + 0.03 \))

Greater than or equal to 10,000 but less than 30,000  
(\( \text{lot area} \times (0.00003) + 1.05 \))

Greater than or equal to 30,000 but less than or equal to 90,000  
(\( \text{lot area} \times (0.000014) + 1.54 \))

Greater than 90,000  
FAR equals 2.8

In computing the permissible floor area, the FAR may be applied to the zoning lot area plus one-half the abutting right-of-way area of any public street or alley.

2. No parcel within a Resort Hotel Precinct shall be subdivided into lots of less than 10,000 square feet. Consolidation of lots regardless of size, in conformity with the subdivision regulations, is permitted.

3. Maximum floor area for commercial development projects within a Resort Hotel Precinct shall be in accordance with the FAR prescribed for commercial resort uses under Subsection 7.80-6.C.

4. Except for uses permitted for hotel and commercial development use above, the maximum floor area of other permitted uses within a Resort Hotel Precinct shall not exceed 60 percent of the FAR stipulated for hotel use, stated above.

D. **Open Space Requirements.**

A minimum of 50 percent of the zoning lot shall be devoted to open space for all developments within a Resort Hotel Precinct.

7.80-6 **Resort Commercial Precinct.**

A. **Permitted Uses.**
1. Amusement and recreation facilities, indoor.
2. Art galleries and museums.
3. Automobile service stations and car rental establishments, excluding repair facilities.
4. Bars, taverns and nightclubs.
5. Cabarets, dance halls.
6. Commercial parking lots and garages.
7. Day-care facilities.
8. Eating establishments.
10. Marina accessories.
11. Medical clinics.
12. Meeting facilities.
15. Public uses and structures.
16. Recreation facilities, outdoor.
17. Retail establishments, including the incidental manufacturing of goods for sale only as retail on the premises; retail sales and display rooms, but storage of new or used vehicles, building materials, or any scrap or salvage operations or storage or display of any scrap, salvage or second-hand building materials or automobile parts shall not be permitted.
18. Theaters.
19. Uses and structures customarily accessory and clearly incidental and subordinate to principal uses and structures, but amusement arcades shall not be permitted.
20. Utility installations, Type A.

B. Yard Requirements.

Front yards shall comply with the setback limits established in Subsection 7.80-3.C. and Exhibit 15.

Within a Resort Commercial Precinct, the following shall constitute yard and open space requirements:

1. Where a resort commercial use adjoins an Apartment Precinct
without an intervening street, alley or permanent open space over 25 feet in width, a side yard or rear yard equal to that required for the apartment use. Subsection 7.80-4.B., shall be provided.

2. Except as required in Subsection 1 above, no rear or side yard shall be required.

3. Within a Resort Commercial Precinct, at least 50 percent of the front yard shall be landscaped.

C. Density.

1. The FAR of all buildings and structures situated on a lot shall not exceed 1.75. However, in addition to such maximum, 5 square feet of floor area may be added for each square foot of open space devoted to pedestrian use and landscape area at ground level, exclusive of the front 20 feet of the required yards, and 3 square feet of floor area may be added for each square foot of arcade area. However, in no event shall the total FAR exceed 2.50.

2. For the purpose of subdivision, the lot area for resort commercial uses shall not be less than 5,000 square feet.

7.80-7 Public Precinct.

A. Permitted Uses.

1. Public uses and structures, including accessory activities operated by private lessees under supervision of a public agency.

2. All structures within the Public Precinct shall comply with the guidelines established by the Urban Design Controls marked Exhibit 15.

B. The FAR, height and yard requirements for structures shall be approved by the Director.

C. Signs shall be approved by the Director and shall not exceed a total of 24 square feet in area.
<table>
<thead>
<tr>
<th>ACTIVITY/USE</th>
<th>REQUIRED PERMIT</th>
<th>SPECIAL CONDITIONS</th>
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<td>TREE REMOVAL OVER 6&quot; IN DIAMETER</td>
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<td>FENCES AND WALLS</td>
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<td>STREETSCAPE IMPROVEMENTS, INCLUDING STREET FURNITURE, LIGHT FIXTURES, SIDEWALK PAVING, BUS SHELTERS AND OTHER ELEMENTS In PUBLIC RIGHTS-OF-WAY</td>
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<td>MAJOR ABOVE-GRADE INFRASTRUCTURE* IMPROVEMENTS NOT COVERED ELSEWHERE, INCLUDING NEW ROADWAYS, ROAD WIDENINGS, NEW SUBSTATIONS, NEW PARKS, AND SIGNIFICANT IMPROVEMENTS TO EXISTING PARKS</td>
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<tr>
<td>MINOR ABOVE-GRADE INFRASTRUCTURE* IMPROVEMENTS NOT COVERED ELSEWHERE; ALL BELOW-GRADE INFRASTRUCTURE IMPROVEMENTS; AND ALL EMERGENCY AND ROUTINE REPAIR AND MAINTENANCE WORK</td>
<td>M</td>
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<tr>
<td>NEW BUILDINGS, NOT COVERED ABOVE</td>
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* Note: "Infrastructure" includes roadways, sewer, water, electrical, gas, cable tv, telephone, drainage, and recreational facilities

LEGEND:  
m = Minor  
M = Major  
E = Exempt  
N/A = Not Applicable
BACKGROUND DATA

- Waikiki Master Planning
- Robert Lamb Hart Letter - June 20, 1989
- Planning For The Future Waikiki
- Robert Lamb Hart Letter - September 26, 1989
WAIKIKI MASTER PLANNING

I. Introduction

When visitors think of Hawaii, they think first of Waikiki. When residents think of the Hawaiian economy, they think first of tourism, with Waikiki as the central focus. Waikiki has evolved over the years, and despite its success, has not really grown in a coordinated, harmonious pattern. The renovations and improvements have been sporadic without an underlying theme or concept bringing them together.

Hawaii is now considering a Convention Center at the International Market Place, the "heart of Waikiki". Before undertaking such a development, isn't it important to ask how it fits in to an overall plan for Waikiki? As part of the evolution of the Convention Center, do we not need to determine what that overall plan for Waikiki should be? Future improvements can then be built around this concept with renovations which make sense to Waikiki as a whole.

We need to assemble a panel of experts to identify and formulate a concept for the Waikiki of the future. The mission and philosophy created by this team can then evolve into a conceptual plan to be taken by design professionals one step further toward a detailed Master Plan for Waikiki.

This memorandum is intended to provide a process by which we can achieve the Master Plan and also address the history, problems and issues faced by us in formulating such a plan. As will be seen later in this memorandum, time is of the essence in moving forward towards creating a new and better Waikiki.

II. Overview of the Master Plan Process

Because of the timing constraints and the political sensitivities to be addressed later, it is critical that the process under which we move forward be well-conceived and be able to proceed at a rapid pace. The major steps to the process, each of which will be addressed subsequently in further detail, are:

A. Development and Refinement of a Mission Statement and Philosophy for Waikiki
B. Development of a Conceptual Master Plan
C. Design of the detailed Master Plan
D. Phased implementation of the development and construction of the improvements
To develop a plan as ambitious as that envisioned above will require planners and other consultants with vision, creativity and experience. Steps A and B above will require a time commitment in early October from up to six consultants to meet in Hawaii for a few days. These meetings will be a storyboarding session designed to first define the Mission Statement, and then using the mission to outline a conceptual plan for Waikiki.

III. Mission Statement and Philosophy for Waikiki

During 1988 over six million tourists visited Hawaii, spending nearly eight billion dollars during their stay in our islands. Nearly 80% of these visitors came to Oahu, most of whom stayed in Waikiki. When the impact of each dollar spent by our visitors is extrapolated over the rest of the Hawaii business economy, the importance of tourism and Waikiki in particular is even more magnified. Maintaining Waikiki as a premier attraction to our visitors is a key to the health of Hawaii's tourist industry and economy as a whole.

Within the Mission Statement would be found answers to the basic questions:

- Why is Waikiki so important to the State and its people?
- What should Waikiki mean to us?
- Is it a long term concern?
- If it's so important, what should we do to preserve and enhance its value?
- What are the consequences of failing to take the actions called for in the Mission Statement?
- Is there a need to move quickly in implementing these actions?

IV. The Conceptual Master Plan

Once the storyboarding group has refined the Mission Statement, the group will work towards the creation of an outline for a Conceptual Master Plan sufficient to define the parameters of the new Waikiki. This session should address a multitude of issues, some of which are:

- Infrastructure issues - sewer, water, power, parking and traffic, public transit, access, etc
- Construction building requirements - heights, densities, setbacks, view planes, etc
- Types of facilities - condos, trade center, convention center, offices, parking, retail, etc
Beach improvements - should small, non-commercial islands be built on the reefs fronting Waikiki? How can the beach erosion be slowed? Should existing beaches be widened? etc.

View channels - are they necessary? Are they possible?

Existing buildings - what areas should be preserved?

People groups - what community groups and organizations must be considered? What are their needs?, etc.

Intangible items - what could make Waikiki distinctively Hawaii?, what feeling and impression should be created?, what is needed to make Waikiki a place for the local residents to enjoy and want to experience?, etc.

V. The Master Plan Document

Once a Conceptual Master Plan with a set of minimum requirements has been created, a Control Committee, comprised of people from both the public and private sectors and separate and distinct from the conceptual plan team, will request proposals from up to ten leading design consortiums to prepare the actual Master Plan document. These groups will be asked to use their creativity and ingenuity to incorporate more than the minimum requirements of the conceptual plan. We envision that the design teams, motivated by the magnitude of the project, will make presentations with sufficient graphics, models, etc. to capture the essence of their Waikiki. The Control Committee can then select the design team that has best captured the Master Plan's requirements in the most creative manner.

With the Master Plan in place, questions such as where a Convention Center might be located and what it should consist of will answer themselves by measuring against the Master Plan requirements.

VI. Development and Construction

Whereas the planning and design stage of the Master Plan may be considered the stage requiring the most imagination, innovation and ingenuity, the problems faced by the Control Committee in implementing the actual development and construction phase will probably also require creativity to accomplish an orderly renovation, one that is in keeping with market conditions. The phasing of improvements must be carefully structured to keep Waikiki open while the construction proceeds.
VII. Convention Center Timing Constraints and Legislation Rules & Regulations

A. Timing Issues and Political Realities

Historically the idea of a convention center has been discussed and kicked around for many years. Now that the process is finally going ahead, there are those who will be impatient to get on with the job.

Several key time constraints will be forthcoming in late 1989 and early 1990, requiring our Master Plan concept to move forward quickly:

- The Convention Center Authority has publicly stated (see attached article) that it wants to call for developer proposals in the next few months and select a developer after about six months in the spring of 1989. We would therefore need to have done enough planning to provide meaningful input into the decision making process.

- The Governor is up for reelection in 1990 and will need to have a clear and supportable position on the convention center early in the year.

- The Legislature will reconvene in January 1990 and will need to have answers to the convention center issue in order to make informed decisions.

B. Convention Center Authority Legislation and proposed Rules of Practice and Procedure

1. Convention Center Legislation (Act 96, as amended)

This legislation (originally passed in 1988 and subsequently amended in the 1989 Legislature), established a Convention Center District, height and use specifications, and set forth the powers of the Convention Center Authority.

The District is on 5.2 acres, entirely contained within QEF's 18.5 acres of land underlying the International Market Place, Kuhio Mall, and the Coral Reef Hotel. - 22 ¾
The Legislation provides for a 400 foot height limit for all buildings, up to 450,000 sf of commercial/retail, no less than 625,000 sf of exhibition/meeting area, no less than 2,000 parking stalls, and condominium/hotel units not to exceed 2 million sf in one of four configurations:

a) 2000-2500 hotel units & 450-550 condo units
b) at least 2800 hotel units & no condo units
c) at least 1200 condo units & no hotel units
d) 800-1200 hotel units & 800-950 condo units

The powers granted to the Authority include contracting for design planning, condemnation, and the right to enter into a development agreement with a private developer. The Authority must also provide for the relocation of existing merchants.

2. Proposed Convention Center Development Rules

This document is one chapter within the proposed administrative rules and regulations to be followed by the Authority. The key topics discussed within these development rules are the sequence of events to include a publicly advertised Request for Proposal process, and written Notices of Intent to Submit a Proposal from the developers showing financial and background information along with demonstration that it holds a "property interest" in the lands within the Convention Center District.

The Authority will then undertake a screening and qualification process prior to the submittal of detailed proposals. Upon selection of a proposal, the Authority and the developer must execute a development agreement within two months. Once the agreement has been reached, the development plan will undergo a public hearing process before final approval and commencement of construction.

Upon completion of the facilities, the developer will have to dedicate a "marketable real property interest in the convention center facility" at no cost to the State of Hawaii. The developer will be required to operate the facility for two years following dedication and then turn it over to the Authority.
C. Owners of "Property Interests" within the Convention Center District

Although the final definition of "property interest" has yet to be defined, the parties with existing rights within the District are:

1. The Queen Emma Foundation - fee owner and master ground lessor of all the 5.2 acres of land within the District.
2. WDC Ventures (Trousdale) - master ground lessee on all three parcels and ground sublessor on two of the parcels.
3. Andre Tatibouet and Herbert Horita - ground sublessees on two of the parcels.

VIII. Concluding Thoughts

In light of the importance of Waikiki to the people of Hawaii, any major changes to the area should be well conceived. The proposed Convention Center is obviously a major change which could impact Waikiki in both positive and negative ways. If the Convention Center development were a part of a coordinated master plan, there a much greater chance of the Center blending with the rest of Waikiki, thereby maximizing benefits created by the development.

As indicated by the timing constraints mentioned earlier, the planning effort needs to get underway immediately in order to get a conceptual plan document into the hands of the decision makers.
June 20, 1989

Mr. K. Tim Yee
President and CEO
The Queen Emma Foundation
222 South Vineyard Street, Suite 401
Honolulu, Hawaii 96813

Dear Tim:

It was a pleasure to see you again and to hear more about your ideas for the long range future of Waikiki. As we agreed, I am writing to give you my thoughts on how you could put together a master plan for its evolution over the next 20 years — and guide the development in a way that would genuinely benefit the people of Hawaii.

The opportunity is exciting to talk about and very tough to realize. As we discussed in San Francisco, I think you will have the best chance of success working along the lines outlined below.

1. FIRST, SOME GENERAL IDEAS

1.1 Waikiki as a "community asset". You and I tend to think in terms of the development business, but I think we agree that a new Waikiki Master Plan should be approached in broader terms. While our proposals may tend to be construction-related, they should ultimately be aimed at:

- economic or "industrial" development — continuing the attraction of Waikiki as the key to the health of Hawaii's international tourist industry — and Hawaii's future prosperity;

- community development — making Waikiki once again a place where local people want to go, a place that can again enhance life in Honolulu; this includes dealing with other adjoining areas that make Waikiki work: you mentioned, for example, expanding the crowded parks into the Diamond Head crater; opening up the waterfront, and improving the route from the airport.

In other words, the Plan has to make good business sense, and it has to benefit a wide range of residents, too.
1.2 Comprehensive and balanced. A new Master Plan should be comprehensive both in terms of "people" and "environment".

- The Plan has to recognize and deal with the interests of all kinds of people who have a stake in Waikiki — large and small landowners and businesses, as well as residents and tourists.

- It has to focus on the comprehensive "tourist experience" — and the residents' total experience — covering transportation, accommodations, attractions, recreation, neighborhoods, and the overall atmosphere of the place.

- It has to deal with current negative images and also the reasons behind them; like other heavily used resorts, Waikiki is becoming worn-out; it needs a complete rejuvenation — maybe all popular resorts do every 20 or 30 years.

In other words, there has to be really broad perspective and balanced end-results, with a fair distribution of costs and benefits. As you pointed out, this is the only way to build and sustain political support.

1.3 Workable. The plan has to work "technically", and I think the tough problems are going to be big ones:

- transportation — moving people into and around Waikiki in large numbers — in cars, transit and on foot — the whole system;

- construction — keeping Waikiki "in business" while major changes are taking place;

- practical economics — generating enough large scale re-development to pay for the improvements, while maintaining small scale opportunities for local people;

- the overall "feel" of the place — re-establishing what is best about Hawaii in terms of climate, natural beauty, and the underlying aloha spirit.

1.4 Realistic. Ultimately, in order to be practical, I think a plan is going to have to be bold. To be realistic, everyone is going to have to think big and long term. Probably the most successful plan of this type ever prepared was the Chicago Plan of the early 1900's, the one that created that spectacular lakefront. There were two reasons for its success. It was bold and the author is still quoted by planners: "Make no little plans, they have no magic to stir men's blood..." Equally important, it was supported by a subtle but strong "public information" effort. (More on that later.)
2. **THE PLAN DOCUMENTS**

2.1 **Subject matter.** The Master Plan should cover a complete "vision" of what Waikiki could be in the future. Here is one way to look at it:

- **The "visitors city"** — the facilities and services needed for a strong visitor industry — and the interconnections between them all. Specifically:
  - the right mix and quality of accommodations
  - the best quality attractions, recreation and entertainment
  - the beach and the tropical island environment
  - the convention center
  - the mix of restaurants, shops, and markets
  - the arts and cultural events
  - ample levels of security, maintenance and public services.

- **The "residents city"** — specifically:
  - the facilities and services needed to protect and/or expand valuable existing neighborhoods in Waikiki;
  - other alternative housing opportunities for people who may be negatively impacted by Waikiki's present and continuing development;
  - reasons to go to Waikiki: a quality of environment and services that could enhance the way-of-life for a wide range of people, including parks, civic events, celebrations, markets, and better visitor-attractions.

- **Transportation** — the whole system, both as an interlocking network of streets, parking, transit and pedestrian ways, and also as a "tourist experience". Included should be:
  - bringing tourists from the Airport to Waikiki;
  - taking cars and buses to and from Lunalillo Freeway and the Island's principal highways;
  - transit to and from the Island's principal destinations and within Waikiki itself, particularly places like the new Convention Center;
  - parking that works.

- **The pedestrian environment** — re-establishing an authentic atmosphere. As you suggested, consideration should be given to:
  - depressing Kalakaua and Kuhio Avenues;
  - below-grade parking;
  - multi-level pedestrian ways;
  - restoring generous landscaping and the park-like setting as a theme for Waikiki

- **New ideas** — such as the Diamond Head Park, the downtown waterfront or maybe a new Waikiki waterfront: could the Ala Wai Canal be developed along the lines of the San Antonio River?
2.2 The format. It seems to me that this Master Plan should be different from typical City Plans, which are necessarily very general; different from zoning, which is too rigid; and also different from the typical developers' plans which are much too specific when you are looking ahead 20 or 30 years. I would combine two ideas that have been widely used and tested, but rarely put together for this purpose.

- Design concepts for public projects. These would be very preliminary plans for the basic facilities and infrastructure that would be built year-by-year. Some of these could be very large projects — such as depression of a major street — and we should work out the basic design concepts that demonstrate in a preliminary way, of course, that (1) the project is technically feasible; (2) the project is a functional, interrelated part of a whole land use, activity, and circulation system; (3) the disruption caused by construction can be mitigated — business can continue more or less as usual; (4) probable magnitude of costs and likely methods of financing are reasonable and achievable.

- A new "Waikiki Code" for private development. This would be a set of regulations for the new or renovated hotels, restaurants, shops, and residential projects. This Code would be far less detailed than Building Codes, of course, and more flexible than zoning, but it should be equally mandatory; further it should be more detailed and comprehensive than typical design guidelines or architectural review processes — which rarely work well. Specifically the "Code" would say: when you build in Waikiki you must build in a way that fits into the "vision" of 2010. Here are a few examples:

  - Parking and traffic. If the Master Plan includes depressed roadways, the Code would require new projects to provide for below-grade connections including service truck entrances and underground parking.

  - Transit. If the Master Plan calls for a transit system to be built on a separate right-of-way, the Code would require all new construction or renovation to include provisions for the rights-of-way, the "stations", and/or the pedestrian connections that complete the system. (This has been done in San Francisco and New York for subways.)

  - Open spaces. Where the Master Plan calls for parks or public amenities, the Code would require each new construction project to include the related adjacent elements of the public open space system. (Again this idea is included in several zoning ordinances now.)

  - Disruption. The Code could require all Waikiki landowners to cooperate in temporary arrangements during major construction.

  - Relocations. It could also set up "exactions" for helping to relocate people and businesses displaced by new development.
The specifics of the Code would be designed to achieve two results: first to assure that the new investments — public and private — all worked together to create a convenient, functional, and "Hawaiian" place; and second, to assure that those who would benefit the most from the new improvements, would each pay their fair share.

2.3 Implementation. An integral part of the "vision" in the Master Plan should be practical, financially sound and politically sound methods for making it a reality. That means:

- plans for financing public sector improvements, based on the bonding capacity of City and State governments and proven public financing vehicles; we have to demonstrate we have been fiscally responsible;

- plans for financing private improvements based on realistic visitor-industry business concepts; there has to be some sophisticated thinking about the future of international tourism;

- plans not only for the big businesses, but also for the people often dislocated by new development — residents and small businesses — and creation of comparable opportunities in Waikiki or nearby; the overall "vision" has to end up fair and balanced;

- drafts of politically acceptable legislation, as needed, to adopt and enforce the implementation of the Master Plan.

3. PUTTING THE PLAN TOGETHER

The effectiveness of any Master Plan depends as much on the way the Plan is put together as it does on all the good ideas in the documents. That means we should design the planning team and the planning process just as thoughtfully as the Plan itself.

3.1 The planning process. The "Plan" that will be actually carried out in Waikiki over the next 20 years is the Plan that is actually in the minds of the key decision-makers — both in politics and in business. That means our plan has to "belong" to them. The key to making that happen is in the way we set up flows of information and our own decision-making process. Specifically:

- we will want to generate widespread public support through sophisticated use of public relations and the media; we discussed some ideas along these lines in San Francisco;

- we will want to incorporate the favorite ideas or "causes" of key political leaders;
- we will want to "involve" the critical businessmen and public officials — and their architects and engineers — who will actually be carrying out the plan in their day-to-day decisions;

- the opposition will have to be sought-out and "neutralized";

- the technical basis for the Plan must be essentially sound, even though we are looking 20 years ahead;

- the financial analysis must be rigorous and sophisticated enough to be acceptable to bankers and their friends.

This means a lot of people and organizations should be involved. As you know, that can consume a lot of time, but it could also save time. We could go to the AIA and Engineering Societies as well as to Government agencies to analyze all of the multitude of development proposals that have been advanced over the past few years. I don't think there will be any shortage of information or ideas. Our job will be to sort out what works together and makes sense.

In any case, you know how to involve the Governor and his top advisors; and we have both had a variety of experience in dealing with controversy and approvals. Together I think we could set up a process that would get results.

3.2 The planning team. I think you and I could also select and manage a planning team that would not only have the right perspective, but also, equally important, be persuasive.

- First, neither of us has any other private "agenda" nor personal political or business motives. We are both in a position where we could concentrate on what's best for Waikiki, Honolulu and Hawaii.

- We both have some historical perspective, having made plans for, and seen Waikiki and Hawaii develop over several decades — you more than I.

- Together we could find the best "smart people" in each field to advise us, and we both have enough experience to know how to involve the local professional community and to take full advantage of a wide range of talented specialists.

- We both have studied the experience of many other cities; and we have looked at large scale development from the resort developers' side as well as the public side. (For example, after several years working for Walt Disney World, we followed that up with a Central City plan for Orlando.)

- We both have worked with high density downtown development, parking, transit and crowds.
Mr. K. Tim yee  
June 20, 1989  
Page 7

Both you and I have worked with some of the most creative developers in the country (Henry Kaiser, the Walt Disney organization) as well as some of the great, successful resort places — as you may know, we also have projects going in places like Pebble Beach and Dorado Beach, Puerto Rico.

We both have experience with planning-in-public — with a whole community looking over our shoulder — I've done that here in New York and Dave Howerton on a couple of controversial projects in California.

The identification of specific team members will depend, of course, on how you want to organize the planning process, on how much planning money can be spent, and how much "volunteer" work could be recruited.

In any case, if you would like to pursue any of these ideas further, Dave or I would be glad to go into more detail. As you see, we would really like to be part of the team; this is just the kind of assignment we like.

Best regards,

[Signature]

Robert L. Hart

RLH:fb
Tim - we started sketching some of your ideas

Bob
PLANNING FOR THE FUTURE WAIKIKI

By: Adam Krivatsy

Your paper dated September 8, 1989 [Paper] raises a valid question: Would it not be prudent to consider the future of the Waikiki community as a whole before building a major convention center complex there? Certainly a project of such importance and magnitude should not be built without first examining the following issues:

1. How can the Convention Center accomplish the most good for the community -- and the Hawaii economy, and

2. How can planned project be built so as to cause the least degree of disturbance to and within the established business community.

One may assume that, before the decision was made to locate the Center on the International Marketplace site, these issues were discussed thoroughly. If not, they should be addressed.

The Paper rightly suggests that, before a new convention center is built, "an overall plan" for Waikiki is in order. Of course, some may say that Waikiki does have such an overall plan, as part of the Honolulu General Plan which is regularly updated in the City and County's General Plan Update process. So, then, why prepare a new plan for Waikiki?

Another compelling reason is suggested by the Paper: For years Waikiki has been identified with Hawaii and especially with tourism in Hawaii. As host to 80 percent of all visitors to the Islands, Waikiki is a motor and a major contributor to the State's economy and to the welfare of its people.

Waikiki deserves attention: It deserves more attention than "just another" complex community on the Island of Oahu. It deserves the attention due to the proverbial goose that lays the golden egg! From the economic and touristic points-of-view, Waikiki must be treated as an important "place of business." Here "business" is hospitality and related services.
Tourism is a competitive business. Visitors are fickle, and they will spend their vacation dollars for the "best" vacation experience they can find. If such experience is found elsewhere at competitive prices, visitors will not return to Waikiki.

This rationale leads to the following conclusions:

1. Waikiki must remain competitive with other major destination resorts in the Pacific Basin, and therefore,

2. Waikiki deserves special attention and special care.

How can Waikiki remain competitive as a destination resort, as it also functions as home to many Honolulu residents and businesses and as host to many members of the U.S. armed forces?

One answer to this question is clear: The resort component of Waikiki must be treated as a major destination resort in the Pacific.

This premise imposes a major responsibility on the people who make daily decisions about the uses of land and development in Waikiki. These decision-makers must assure that Waikiki is not handicapped as a visitor destination, but rather enhanced, by its multiple functions within the Honolulu community. Possible frictions between and among residents, military personnel, and other non-tourist communities must be identified and resolved. In addition, all complementary values represented by these non-tourist communities must be applied consciously to enrich the visitor's vacation experience and to enhance Waikiki's position as a leading visitor destination.

This leads to the conclusion that, regardless of the proposed Convention Center, Waikiki must be planned and upgraded constantly as a resort environment. This planning process cannot be left to the periodic General Plan Update process, nor can it be replaced by more extensive promotion. Waikiki’s resort component must be managed like any other destination resort competing for visitor dollars!
The first step in this process is to take a closer look at the resort component of Waikiki within the context of a multi-functional, residential, business, and military community. The Paper suggests that this closer look begin with a charrette, followed by more detailed and targeted planning.

The question arises: What are the objectives of the Waikiki Improvement Association’s Waikiki Tomorrow program? Assuming that it is a broad-based program, it could answer all the questions related to the future of Waikiki. It could eliminate the need for the charrette and the further planning suggested by the Paper.

The planning program promoted by The Queen Emma Foundation must be conducted in such a way that broad public recognition is assured. Otherwise, the resulting plans will have no validity. Perhaps the results of Waikiki Tomorrow could be incorporated into the charrette and subsequent planning, thus providing valuable input (rather than being regarded as a "competing" planning process).

II. The Planning Process

The Paper recognizes the need to move forward rapidly with the planning process, as the political calendar dictates the pace. The idea of developing a clear and concise "mission statement" at an early date is valid and quite do-able. The critical issue will be, not what the statement says, but how much weight will it carry within the Honolulu community?

The Island community has had its fill of "experts" with both positive and negative results. Nonetheless, impartial expertise will be required, and some of that expertise may be drawn from the Mainland. In order to be both credible and effective, the panel of experts must be invited and recognized by local business leaders and elected officials. Without such recognition, it is likely that The Queen Emma Foundation would be left with good ideas compiled in just another report.

The Mission Statement must have a constituency within Waikiki and the City. The question is: How do you develop the desired constituency?
III. Mission Statement and Philosophy for Waikiki

The Paper presents a compelling argument for retaining Waikiki as a "premier attraction" to visitors. All six questions listed in the Paper are very important. However, the Mission Statement must address these additional questions of vital importance:

- How can Waikiki remain the "flagship" of tourism in Hawaii?
- What must be done to enhance the appeal of Waikiki as a destination resort community?
- What should be the (optimal) limits of the resort community in Waikiki?
- How can Waikiki retain and strengthen its appeal to visitors, despite the fact that it no longer reflects the romantic image conjured by travel advertising?
- What should be Waikiki’s special appeal, its mark of identity, in promoting itself as a visitor destination?
- How could the Waikiki resort community benefit from its close association with the residential, business, and military communities?
- What must be the functional (rather than physical) criteria that are to be respected in planning for Waikiki as a multi-prong Island community?
- What should be the first steps in marking progress toward a Waikiki that is indeed planned as a competitive visitor destination?

It will not be easy to answer all these questions. The initial charrette will attempt to establish guidelines and to set the height of the hurdles necessary for success. Charrette participants must set their sights high: Their combined vision must be inspiring and yet achievable within Hawaii’s economic and political climate. Charrette participants should be selected on the basis of their expertise and their sensitivity to these realities.
Essential to this work will be an "advance kit" for participants which must contain basic information such as:

- Aerial photos and maps of Waikiki, including land use, development intensity, land ownership, and age of structures;
- Statistical information related to the visitor, residential, business, and military components of the community;
- List, description, and location of planned development projects;
- Public policy statements and elements of the Honolulu General Plan, as applicable to Waikiki;
- Applicable excerpts from the City County Zoning Ordinance;
- A statistical summary of the resort components within Waikiki, including accommodations, food and beverage services, recreational, cultural, and retail services serving the visitor market;
- A brief summary of the latest improvement programs implemented in Waikiki; and
- A list of problems that may adversely affect visitation to Waikiki.

The latter statements could be supplied by the Waikiki Improvement Association. Other information may be obtained from the City Staff and the Hawaii Visitors Bureau.

It would be advisable to invite a representative of the City Planning and the Waikiki business community to participate in the charrette as "resource persons."

IV. The Conceptual Master Plan

The idea of creating a Conceptual Master Plan is excellent. Such a plan will bring to the community -- and its elected officials -- a fresh look at
Waikiki, the old flagship that has not received much more than a few coats of paint in recent decades.

The Issue Paper on the Physical Environment by the Waikiki Improvement Association and a review of recent "beautification programs" for Kalakaua and Kuhio Avenues suggest that most public efforts have sought to improve the flow of through traffic and Waikiki's physical environment.

Little has been done about the functional aspects of Waikiki. People seem to be concerned about what the place looks like and not about how it works. Of course, it is easier to repave a sidewalk than to restructure land uses at street level, and it is easier to widen a roadway than to create public places of festive quality.

The charrette team would create an outline for a Conceptual Master Plan for Waikiki and, in the process, pay equal attention to both urban design and functional aspects of the place. In addition to the eight key issues listed in the Paper, the charrette team must focus on the functional and environmental features that will make Waikiki a leading resort communities in the 21st Century:

- A better arrival experience;
- A better sense of being on Waikiki Beach (even in the mauka parts of Waikiki);
- A clear and effortless access to the beach, parks, and other public open spaces;
- More "capacity" on the beach itself;
- A resolution of the deliveries and service traffic in the resort environment;
- A better sense of hierarchy between places of certain interest and character;
- A more effective separation of the paved, "urban" environment from the informal and barefoot "resort" environment;
A more conscious effort to create places of special interest;

An exciting night life precinct;

A truly great shopping precinct;

More extensive waterfront dining;

Introduction of water in the mauka environments (as fountains and water play in the urban areas, as ponds and streams in the parks);

Waterfront promenade and plaza(s); and

More emphasis on the idea that Waikiki is an "island," a special place and destination within Honolulu.

The outline for a visionary and inspiring Conceptual Plan for Waikiki should not be afraid to include ideas that may have been considered "impractical" or "too expensive" in the past. Waikiki must be thought of again as if it could be conceived anew, as if it would be built again, from the ground up, to be competitive for the next 50 years, and in response to the expectations of a less privileged and more diverse and numerous vacationing public.

To plan for such a place in Waikiki will require much more attention to logistics, to the effortless movement of people and goods, and to creating an environment that is more resistant to the "erosion" that large numbers of visitors impose on a place.

After so many years as a visitor destination, we may very well say that much of Waikiki has amortized the investment it represents. Any future investment in rehabilitating and rebuilding Waikiki should be done in concert to assure success and maximum return on investment for the next 50 years. This can be achieved only with a bold approach, a bold vision, and a carefully orchestrated series of public and private actions.

The carefully-chosen charrette team could establish practical guidelines for such a concept and a related course of action.
V-VI. Master Plan Document, Development, and Construction

Once a future vision for Waikiki has been articulated by the charrette team, the most important step will be to secure broad public support for the concept. Without such support, the vision will remain just another idea, unrealized and unimplemented. It will be essential to assure that the plan is as popular, as indisputable, as "Hawaiian" as motherhood and... coconut cream pie.

Before any effort is made to prepare a Master Plan, the concept of a "New Waikiki" must be sold to the public. Then the plan will be the issue that politicians must support if they are to maintain the support of their electorate.

Such a broad degree of public support can be achieved if the charrette team defines the list of "public benefits" associated with their recommended concept, and if a carefully conceived public campaign familiarizes the press, elected officials, their professional staffs, and the many public interest groups with those benefits.

In this "campaign," the Neighbor Islands should not be forgotten: They have much at stake, and they should understand how a better Waikiki will increase, rather than threaten their respective investments in tourism. Waikiki must be seen as the beacon for tourism to the Hawaiian Islands, not as competition to Neighbor Island destinations. Waikiki will not be able to replace the lure of the "romantic" Neighbor Islands, which still have less asphalt and fewer sidewalk vendors.

While it is prudent to think about the steps that will lead to a formal document, it is perhaps too early to speculate about the process at this time. Public agencies, including State and/or City County planning agencies and authorities, must get involved in the process, in order to amend their current plans and ordinances and to establish necessary vehicles for implementation.

Most likely, an environmental impact process will be needed, and that alone will involve a host of studies.
and bureaucratic steps. Perhaps the most effective way of avoiding all the delays -- and frustrations -- associated with such a process would be to define an "area of priority" or a "pilot project." This pilot project could serve as a cornerstone for the new Waikiki, which would be expedited as just another development project within the government permit process. Of course, the program for this landmark project must be thought through carefully both from the thematic and urban planning points-of-view.

VII. Convention Center

The Paper presents valuable information about the political issues and the calendar associated with the planned Convention Center(s). The critical question is: How receptive are any of the proponents of the two (competing?) centers to new ideas developed by The Queen Emma Foundation at this time?

A charrette involving valuable time and associated expenses should take place only if there is a willing audience in Honolulu, interested in receiving the team’s recommendations.

VIII. Concluding Thoughts

The conclusions presented in the Paper are valid and warrant strong support. In addition to the two concluding paragraphs, the point can be made that, as the State grows more dependent upon tourism, Hawaii must pay more attention to Waikiki as a major component of its economy. The recent Conference on the Future of Waikiki sponsored by the Waikiki Improvement Association is evidence that business leaders are recognizing the need for a "new look" for Waikiki. The Queen Emma Foundation’s approach seems to be timely and should build upon the momentum generated by the Association.

Thank you for the opportunity to present these thoughts.

AK:ab

9/18/89
September 26, 1989

Mr. Tim K. Yee
President and CEO
The Queen Emma Foundation
222 South Vineyard Street - Suite 401
Honolulu, Hawaii 96813

Dear Tim:

After reading your "Waikiki Master Planning" memorandum and the other material you gave me in San Francisco, I have a couple of comments to add to our conversation there.

The "Conceptual Master Plan". The effectiveness of these planning sessions will depend, of course, on the people you select, but also on the preparation. In this regard:

- The Waikiki Improvement Association meetings and conclusions are likely to be an excellent "introduction" for all of us. They will have uncovered all of the issues and probably have started the process of creating a mission statement and a Conceptual Plan. We can learn a great deal from their "reports". Could we have them before the planning sessions as "homework"?

- In addition, as you know, it is essential for the conceptual planners/consultants to have a sophisticated technical briefing: (a) what are the physical conditions (subsurface, at the beach, etc.,) that will constrain development; (b) what are the conclusions of the most current studies of traffic, parking, transit, and other infrastructure; and (c) what other plans are in the works for big public or private projects that could affect Waikiki. One of the top civil engineering firms in Honolulu could probably provide this kind of information — someone who does not have a vested interest in a specific project.

The "Master Plan Document". As I understand it, your idea is that developers will compete for the right to develop the Convention Center "package" by including a Master Plan for Waikiki, as well as for the Convention Center itself. I think that will work. On the one hand the project and its possible spin-offs are big enough; on the other, this arrangement avoids giving anyone a monopolistic position in Waikiki. The selection of the competing developers is critical to the success of your idea and perhaps we should include criteria in our conceptual planning sessions.
Mr. Tim K. Yee  
September 26, 1989  
Page 2

Development and Construction. As you know, there is no "plan" if there is no means of carrying it out. In this case, the Plan will be implemented through a combination of new legislation, City capital investment, State capital investment and private projects. There are very few examples in this country of a successful coordination of all of those elements or carrying out a large scale, long term plan. The "Control Committee" is going to have to have extraordinary power. It will probably need:

- the power of an independent "Authority" set up jointly by the City and the State
- a small but sophisticated technical staff
- a small but steady funding source (to pay for staff) which should, in a few years, be independent of the legislatures
- some continuing form of accountability to the public.

The Port Authority of New York and New Jersey is a possible model; the recent Rapid Transit Districts (like BART) and New York's "UDC" are other models. In any case, an essential part of the whole effort will be the design of the entity that can, in fact, implement a Plan. Maybe someone who is an expert in this area should be involved in the Conceptual Planning.

I look forward to hearing about your progress.

Best regards,

Robert L. Hart

RLH:fb
WAIKIKI CONVENTION CENTER

- Convention Center - Do We Need One?
- Article: Center Raises a Host of Issues
- Meetings and Conventions: 1982 to 1987
- Meetings and Conventions, By Islands 1986 & 1987
- Oahu Meeting Space
- Waikiki Convention Center Authority
- Article: Queen Emma Foundation Ringing in New Priorities
- Article: Center: Idea Whom Time May Yet Come
- Article: Just One Center, Please
- Article: Center Come Up Short on Parking
- Article: San Francisco Executive Like Market Place Site
- Article: City Says Marketplace Convention Center a 'Monster'
convention center

Do we need one?

Your recent article on the struggle between two convention center proposals was timely and informative. However, it did not raise what we think is the fundamental question, which is not where a center should be built, or who should build it, but whether it should be built at all.

The Aloha Motors site's developer, First Development Inc., has submitted an application to the city which estimates that by 1987 the center would attract 34 events a year, with an average attendance of 5,200 and an annual total of 210,000.

"It is assumed," the application states, "that many of these people would otherwise be using smaller existing banquet and meeting facilities in the area." Ten of the events are projected to be local.

The developer further estimates that "the maximum volume event (10,000 or possibly 12,000 attendees) will likely occur only five to 10 times a year. The typical day should have considerably lower volumes."

The whole justification for building a convention center, however, has from the beginning been the alleged inability of Honolulu's existing facilities to accommodate "mega-conventions," those with 15,000, 20,000, or more in attendance. Since these are few and far between, the developer wisely decided not even to try to take care of them.

The question then arises whether the proposed center is needed at all. Existing facilities regularly accommodate averaged-sized and smaller events, and national trends show conventions and trade shows getting smaller. Even if as many as half the projected annual 250,000 attendees comprised a net addition to those who would come to Honolulu anyway, they would constitute an "increase of only 2 percent by 1987 over present tourist volumes. This is far less than the normal annual growth of 7 percent in visitors being achieved now."

Since the actual proposed convention center constitutes less than 20 percent of the entire complex, the question arises whether the developer's objective is not primarily to be allowed to build offices, shops, a hotel and 800 luxury condominium units, with the convention center only an incidental and possibly unneeded trade-off for this profitable privilege.

ARLENE KIM ELLIS
President
League of Women Voters, Honolulu
Center raises a host of issues

The convention center tossup

Which site is better — the former Aloha Motors lot or the International Market Place? Here are reasons for and against, according to foes and supporters:

Aloha Motors

The pros:
- Center removed from Waikiki congestion
- Much-needed center provided
- Tourism economy diversified
- Private developer would build center without taxpayer funds
- Kapilolani Boulevard revitalized
- Lot is vacant

The cons:
- Parking inadequate
- Traffic congestion worsened
- Zoning rules violated
- Center too small given lot size
- Too far from Waikiki hotels
- Area's residential character ruined

International Market Place

The pros:
- Hotels and shops nearby
- Much-needed center provided
- Tourism economy diversified
- Private developer would build center without taxpayer funds
- State has say in how center will be built and run

The cons:
- Parking inadequate
- Traffic congestion worsened
- Exemptions from standard zoning rules allowed
- Center too big given lot size
- State funds will be used to operate center after two years of private ownership

Some critics say it will mean a permanent change in the lifestyle of all Hawaii

Second in a series

By Lucy Young

Imagine 11 Grosvenor Centers packed onto the 5.2-acre space of the International Market Place, Kuhio Mall and Coral Reef Hotel.

Now picture the density of the downtown business district duplicated at the 10-acre, old Aloha Motors site at Kalakaua Avenue and Kapilolani Boulevard.

That's how two convention centers proposals would stack up if two development teams get their land-use exemptions and build to the hilt.

"The life in Hawaii will change,"warned Arlene Kim Ellis, League of Women Voters president. "We will be sacrificing the environmental aspect, our actual lifestyle. That's an awful lot to sacrifice."

But advocates say a convention complex is long overdue and that it is essential to help diversify Hawaii's tourism industry.

"This is such an incredible investment opportunity for the state that it just doesn't make sense not to do it,"said Thomas Mitrano, Hawaii Convention Park Council president.

The state has picked the Market Place for its publicly owned center while the city is encouraging a privately developed center at the old Aloha Motors site. Decision-makers say it's too early to say whether one — or both — of the proposals will make it through the political mill and in what form.

Still, many already see problems with both: Inadequate parking, increased traffic congestion and the danger of spot zoning.

Moreover, Market Place critics call the project too monstrous for its 5.2-acre parcel while advocates like its nearness to hotels and shops. There are also questions about taxpayer dollars needed to operate the center, lawsuits against the Market Place operator and relocation of strong-willed vendors.

Critics of the old Aloha Motors project say the walk to other hotels is too long, but supporters like that it is out of crowded Waikiki. Residents worry that the facility will destroy the residential See CENTER, Page A-4
CENTER: It is raising a host of issues

Continued from Page A-1

character of nearby areas and that traffic at the dangerous Kapiloli-Kalakaua intersection will worsen. Many, however, say they are impressed by First Development's openness in dealing with the community.

Market Place proponents tout the five minute-walk proximity to 10,000 hotel rooms - which promises to create pedestrian traffic and, as a result, shopping revenue.

Still, with only 1,000 on-site and 1,000 off-site parking stalls for the entire complex, "this could lead to serious parking problems for the entire complex and for the adjacent neighborhood," says a subcommittee of the Chamber of Commerce of Hawaii.

The chamber supports a world-class convention center in or next to Waikiki. But its critical eye also sees "an alarming deficiency," with First Development Inc.'s plan for the old Aloha Motors site, which promises 3,000 parking spaces.

Mollinlii resident Lyn Angellilo Clark says the neighborhood has many condos, too many cars and "just a terrible shortage" of parking.

First Development says it will pay for widening of Kapiloli and Kalakaua - which meet at the state's most dangerous intersection - as well as Atkinson and Kalakai drives. Skeptics say that's not enough and that a bridge across the Ala Wai canal is inevitable.

The Market Place studies, meanwhile, are on hold while the new state authority charged with overseeing the project sets up internal rules. But Waikiki residents are anxious to see how traffic plans will accommodate heavy trucks and other vehicles.

"As an economic catalyst, a convention center must have room for expansion and cannot be inhibited by enormous traffic problems as currently exists in Waikiki," said George Neroutsos, Waikiki Neighborhood Board chairman.

Both developers seek land use exceptions which would allow them to park more development within existing restrictive lots. Ellis and others call such spot-zoning exemptions "dangerous.

"There are many questions that should be answered before we proceed forward on either project," she said. The league is not convinced that Hawaii needs a mega-convention center, and Ellis warned that "we're putting the cart before the horse.

"Our zoning laws have been in place for a long, long time," she said. "At this stage, for us to move it around, is not the best planning."

A 1968 state law naming the Market Place site also set liberal zoning limits and allows this project, if needed, to bypass city rules which protect views and guard against overdevelopment in Waikiki.

"The (new) permitted density in the Market Place is 3 million square feet of structure," said Don Clegg, city chief planning officer. "That's 11 Grovezor Towers in a five-acre parcel, and I think that's obscene.

But Robert Fishman, state convention center authority chairman, said: "It's patently unfair and unwarranted to assume that in the face of the authority's powers to set aside certain county regulations . . . that it will act in an unsophisticated and immature manner. That is not true.

Beyond the planning policies, Ellis also fears the Market Place cost and burden on infrastructure, once it becomes a state responsibility two years after it is built by a private developer.

"Who's going to pay for the streets, sewage and water, additional police protection?" she said. "Not only will the taxpayers be subsidizing the project in the long run, their children will be paying for this.

Mitro man said taxpayers might bear the cost, too. Ellis and others call it an "excellent magnet and cornerstone" to revitalize the Kapiloli corridor.

"Those kinds of things are a real plus," he said of the activities which would include hotels, condos and office/retail space. "The Kapiloli corridor is dedicated to development."


"Some landowners will benefit, certainly, but the average person in the three-story walk-up is going to be hurt, and the community generally will be hurt," he said. "It's either financially increase the cost or make it impossible altogether so people who live in leasehold condos will be hurt, renters will be hurt.

"It's a tremendous decision," resident Clark said. "You're not just looking at the site, but also at the shopping, commercial, retail blocks that are bound to come along with it. We're very concerned about the character of the neighborhood."

That residential character should definitely be preserved," said Ginny Tanji, Citizens Convention Center Council president. "It's for those of us who still want to live in the city but don't want to live in high-rises. I think we need those residential plains - we can't urbanize all our streets.

Noting that the lot's current zoning already allows business development; attorney Alan Goda said First Development is committed to building there and that change is imminent. Property values will rise regardless of whether a convention center is included in the development, he said.

"Unfortunately, there's been a number of speculative sales, and I don't like that," Clegg said. "I've seen it happen along the Kapiloli corridor where the value of properties has doubled without a nickel being put into the property, and that concerns me."

"But you don't solve that problem by saying 'don't build.'"

And though some argue that a convention center out of Waikiki will spill problems outward, Clegg said the city will hold the line against hotels.

"Definitely, no hotels," Clegg said of Kapiloli growth. "We don't want to see any more hotels outside Waikiki, not along Kapiloli or Ala Moana Boulevard."

Tomorrow: Slated for success or doomed to fail?
### MEETINGS AND CONVENTIONS: 1982 TO 1987

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NA Not available.
Source: Hawaii Visitors Bureau, Meetings and Conventions Department.

### MEETINGS AND CONVENTIONS, BY ISLANDS: 1986 AND 1987

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1/ Because some meetings took place on more than one island, detail does not add to indicated totals.
Source: Hawaii Visitors Bureau, Meetings and Conventions Department.
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WAIIKIKI CONVENTION CENTER AUTHORITY

PROPOSED RULES AND REGULATIONS

I. Convention Center Legislation (Act 96, as amended)

A. Background

House Bill 3396, H.D. 1, S.D. 1, C.D. 1, creating Act 96, passed the State of Hawaii Legislature in 1988 and is codified in Chapter 206X of the Hawaii Revised Statutes. This has been subsequently amended by Senate Bill 1715, S.D. 2, and by House Bill 1549, H.D. 1, S.D. 2, C.D. 1 during the 1989 Legislature.

B. Major Components of the Legislation

1. The "Convention Center District" ("District") shall be known as the International Market Place, including the International Market Place Arcade, Kuhio Mall and the Coral Reef Hotel.

2. Specifications

a. Height: 400 feet maximum for all buildings

b. Condominium and Hotel Dwelling Units:

There are four alternatives:

(i) Hotel: No more than 2,500, but no more than 2,000 units. Condominium: No more than 550, but no less than 500 units.

(ii) Hotel: No less than 2,800 units. Condominium: No units.

(iii) Hotel: No units. Condominium: No more than 1,200 units.

(iv) Hotel: No more than 1,200, but no less than 800 units. Condominium: No more than 950, but no less than 800 units. The minimum numbers of hotel and condominium units above can be decreased by agreement. The aggregate floor area of the condominium and hotel dwelling units cannot exceed 2,000,000 square feet.

c. Commercial, Retail and Office: The aggregate leasable floor area cannot exceed 450,000 sq. ft.

d. Exhibition Halls, Meeting Room and Plenary Session Hall: The aggregate square footage cannot be less than 625,000 square feet.
e. Parking Spaces: The total number of stalls cannot be less than 2,000, of which 50% must be within the District.

3. Authority’s Powers
   a. To review and approve plans for development within the District.
   b. To cause a private developer to prepare plans, specifications, and designs for development within the District.
   c. The Authority may condemn property within the District—this power could be challenged in Court.
   d. The Authority will enter into a development agreement with a private developer holding a "property interest" in the lands within the District. This was not defined in the Legislation.

4. Dedication of the facility to the State of Hawaii
   Presumably upon completion, the developer will dedicate, at no cost to the State, a marketable real property interest in the facility. What is a "marketable real property interest"?

5. Relocation of Existing Merchants
   a. Establishes a task force to assist in relocation
   b. Requires the developer to contribute $5,000,000 to help defray the cost of relocation
   c. Allows for existing merchants to opt for receiving a settlement payment in lieu of permanent or temporary relocation

II. Proposed Rules and Regulations ("Rules")
   A. Overview
      The Rules govern the functioning of the Authority. As such it is divided into four sections:
         a. Practice and Procedure of the Authority
         b. Convention Center Development Plan Rules
         c. Relocation Task Force Rules
         d. Convention Center District Rules
B. **Practice and Procedure of the Authority**

1. **Submitting and Amending Proposals**

   The rules contemplate that amendments will be effective upon receipt. This means that amendments submitted after the deadline will be considered untimely.

2. **Public Access to Records**

   The rules contemplate that any information maintained by the Authority will be open to public inspection.

C. **Convention Center Development Plan Rules**

1. **Sequence of Events**

   a. **Request for Proposals**

      o Published in the daily newspapers
      o It must delineate the Convention Center District
      o Must contain criteria for evaluating and selecting a convention center development plan
      o Must describe the materials which must be submitted

   b. Potential developers must submit a written Notice of Intention to Submit a Proposal.

   c. The Authority may hold a "briefing" to discuss the objectives to be satisfied by the plan.

   d. Among other things, the proposals must be submitted with any "security" that the Authority may require. What does "security" mean? Is it evidence of the availability of financing?

      o The proposals must be submitted within a "definite and prescribed period of time."
      o It must comply with other rules, e.g., format, timelines. The Authority may reject untimely proposals.

   e. After selecting a proposal, the Authority will enter into a preliminary agreement with the proposed developer.
This gives the developer the exclusive right to negotiate with the Authority for the development agreement.

The preliminary agreement is not assignable.

f. Once the preliminary agreement is executed, the Authority will schedule a public hearing on the proposal and plan.

g. After public hearing, the Authority must take any one of the following actions which it deems appropriate:

- Execute a development agreement and give final approval
- Continue negotiations
- Disqualify the developer and repeat the process of selection, or repeat the process from the request for proposals step

h. If "satisfactory progress" is not being made to obtaining a preliminary agreement, a plan, or a development agreement, the Authority may take any one of the following actions:

- The Authority may use its condemnation powers
- Disqualify the selected developer and repeat the process from any of the remaining proposals
- Disqualify the developer and begin the process from the Request for Proposal step.

i. The developer must dedicate a "marketable real property interest in the convention center facility" at no cost to the State of Hawaii. "Marketable real property interest" is not defined.

j. The developer must manage, operate, and maintain the facility for two years following dedication, and turn over management to the Authority after the two year period.

2. Required Information in the Proposal
   Among others, the following is required:

   a. Private developer information

   b. Documentation of developer's "property interest," and a demonstration that its property interest "will allow the private developer to commence, carry out, and complete all development within the convention center district . . ." Section 15-107-12(d)(1).
Does this expand upon the broad definition of property interest?

3. Selection Criteria

The proposals will be evaluated and reviewed using the following four criteria categories, none of which is favored over the other. Each category contains detailed criteria.

a. Private Developer Organization
b. Private Developer Status
c. Private Developer Qualifications
d. Merits of Proposal, which include:
   o Feasibility of the developer’s pro forma
   o Quality and feasibility of integrated development of land outside the District
   o Quality of the developer’s relocation plan
Queen Emma Foundation ringing in new priorities

By Sandra S. Oshiro
Advertiser Business Writer

The Queen Emma Foundation owns what may be the three hottest properties in Waikiki, but it has no public recognition that mentioning its name can elicit shrugs from even the most knowledgeable.

That's going to change, according to its president, K. Tim Yee.

The foundation — land manager for Queen's Health Systems, parent company of The Queen's Medical Center and seven other medical-related subsidiaries — is embarking on a "new era," a program to great income from its valuable properties.

Although it will mean higher rents from lessees — some may say excessively high — Yee said the funds generated will go toward fulfilling the foundation's vision of improved and expanded medical services in Hawaii and the Pacific.

The foundation, less known and poorer than the giant Bishop and Campbell estates, controls 13,000 acres willed to Queen's hospital by Queen Emma, wife of Kamehameha IV.

Unprotected and saddled with debt, the foundation's lands are vulnerable to a high default rate among Hawaiians from Western diseases, the king and queen in 1855 raised money for a hospital that today is The Queen's Medical Center.

By charter, the beneficiaries of the queen's lands are the people of Hawaii. Until now, income from the properties has been marginal. Many leases were established 10 to 20 years ago at leases that

K. Tim Yee
An effort to maximize income
were proper at the time, Yee said, but which are drastically under market values today.

With leases coming due in the next 10 to 20 years, and development moving space in Waikiki, the foundation's new chairman, lawyer Robert Osoro, wants to "proceed with haste" to increase income from the queen's properties, said Yee, recently promoted to his post.

Values have hit dizzying heights in Waikiki, where the foundation controls 13.5 acres. The most important of these is the land under the International Market Place, which the state has designated for a convention center.

Talks have already begun between the foundation and three leaseholders who hope to develop a convention center on the marketplace parcel and two adjoining foundation properties occupied by the Kuhio Mall and Coral Reef Hotel.

Yee said the lease under the mall expires 2045, but there is a rent reopener in 1995. Rent is based on a formula that amounts to the fair market value of the property multiplied by the price rate at the time minus 0.5 percent.

In establishing fair market value, rents are renegotiated, appraisers probably will point to the sale of nearby St. Augustine Church at Ohua and Kalakaua avenues. The $50,000-square-foot church property sold for $45 million, or $1,000 at square foot.

Therefore, the marketplace property now amounts to 20 cents per square foot or $187,000 a year, Yee said. Compare that to the $5 to $10 per square foot that Yee said is charged by WDC Venture, operator of the marketplace.

Youu said he could not comment. WDC Venture, he said, could not comment on the market value, which the state property is being sold by the marketplace vendors, who say their rents are too high.

Yee said that he could not comment on the market value, which the state property is being sold by the marketplace vendors, who say their rents are too high.

Another Waikiki property owned by the foundation includes land occupied by several Outrigger hotels and the Mira-Mar Hotel.

Other foundation holdings include Halawa Valley land underlying the Cross Pointe residential project, Castle Park, Bougainville Industrial Park, Stadium Mall and the Halawa Business Park.

Yee said that while the foundation would consider selling its land, there remains a deep attachment to it because it is a legacy from Queen Emma.

In all of its dealings, he said, the foundation plans to act in a straightforward manner consistent with its desire to increase returns to the foundation.

"That doesn't mean people won't be unhappy. But we do have an obligation to do the best we can for the foundation. And we don't apologize for that," he said.

The foundation turns over its income to the Queen's Health Systems, which recently named businessman Kenneth Brown as its chairman. Malcolm MacNaughton, former Castle & Cooke chief executive, held the chairmanships of both the Queen's Health Systems and the foundation before his retirement.
Visitor center: Idea whose time may come

The storm continues over a convention center that could become a white elephant

First in a series

By Lucy Young
Star-Bulletin

The controversial, sometimes emotional convention center issue is evolving into a modern-day parable of the blind men and the elephant.

Like each man who “saw” a different beast in his mind’s eye, those close to the issue are drawing wildly disparate conclusions of what they see.

To Hawaii’s hotel and visitor groups, the center is a long-caged animal that seems to be waiting to stalk new tourism territories.

To the two developers on standby, it’s a necessary financial drain that will later turn nearby activities such as hotels, condos and retail into a cash cow.

To nearby residents, it’s a development germ that threatens to plague and ruin the community.

To many government officials and legislators, it’s also a political tug-of-war.

And finally, to some, it’s an elephant all right — a white elephant.

Amid growing curiosity and confusion, two sites and development teams are trying to sell a “free” convention center to Hawaii.

Some say the state-backed International Market Place complex and the city-encouraged project for the old Aloha Motors site are locked in a race, with survival going to the swiftest.

But differences in facility size, expansion capability and management concepts prompt Thomas Mitrano, Hawaii Convention Park Council president, to say, “You’re really talking apples and oranges.”

For openers, the Market Place plan offers 210,000 square feet of exhibition space over two levels, the size of four Neil Blaisdell exhibition halls. That’s nearly double the 120,000 square foot, one-level exhibition area proposed by First Development Inc. for the old Aloha Motors site.

“They’re not really two peas in a pod,” Mitrano said. “In fact, from this point of view, you’ve got two very different proposals. The Market Place one — on paper — looks more like it’s trying to attack the market. The Aloha Motors one looks more like it’s trying to work on its own internal cash flow.”

Hawaii needs a center the size of the Market Place facility if it wants flexibility to attract the bigger conventions now eluding the state, he said.

See CENTER, Page A-6
CENTER: Idea whose time may yet come

A private developer will build the Market Place center, and the city will own and operate it two years later. First Development wants to keep it flexible.

"We're a long-term, not short-time, developer," said Alina Goda, First Development attorney.

"To want to know that the convention center really functioned the way we intended it, and is used the way Mr. (Vance) Earl wants it used as a first-class center. The best way to do that is to extend it and pursue it ourselves."

So the president of Deloitte
duly appointed by the city, Herbert Storfer and Andre Trosnail.

The Market Place site, meanwhile, is under a long-term lease with the now-defunct Queen Emma Foundation, and lease terms will be renegotiated for the about $20 million in bonds from 1988 and 2004, and are held by First Development.

First Development will not disclose the lease terms.

And while they are willing to cooperate with the developer as much as possible, the trustees have a fiduciary duty to get a fair deal for the foundation.

In a deal to big money: A Japanese firm, Kohnke Kohnke, plans to buy the nearby Church for a whopping $75 million, and lease the building to the foundation.

That sale depends on approval by the board of trustees.

Both convention projects must be for the benefit of the public, and if the foundation is satisfied with the deal, it will move forward.

The site is near the downtown Center and is zoned for hotel use. The church's $25 million price tag is expected to be attributed to the market.

"To believe that this convention center will come free to the taxpayer, you've got to see it very short-sighted," said Alina Goda. No, not.

Arthurville

President, League of Women Voters

These drawings show the proposed convention centers at the International Market Place site, left, and at the Alone Motor's site.

The former are now underway.
Just one center, please

Although no one wants to call it a race, something very like a competition is heating up over who will build a major convention center for Honolulu, and where.

After so many years of contention on a center site — and with some holdouts still unconvinced one is needed — it's ironic that Waikiki is now in "danger" of having two.

That won't happen in the foreseeable future, of course, for business reasons. But, as we've noted, Hawaii stands to benefit from competition between private interests who want to build a center.

So far, the state government and its convention center authority are committed to the 5.2-acre International Market Place site. Its chief virtue is being a 5-minute walk from 10,000 hotel rooms. But its location in the crowded heart of Waikiki is also a detraction.

The city government has backed the 10-acre former Aloha Motors site on Kalakaua Avenue across the Ala Wai from Waikiki proper. It's said to be 10 minutes on foot from 5,000 hotel rooms, which in the conventional wisdom makes it less inviting to convention-goers.

While the state's convention center authority is still getting organized after three meetings, the Japanese developer of the already vacant Aloha Motors site is on the "fast track" toward needed city permits to allow construction to start next year.

Neither location is "perfect," but the Aloha Motors site is looking better and better.

With more space it could hold a distinctive structure at the gateway to Waikiki. It too raises the specter of traffic tie-ups, but the developer is prepared to commit land to expanding Kalakaua and Kapiolani, which should help.

If the Aloha Motors site is the one, a modern "people-mover" connecting Kapiolani Park to Ala Moana Center with a stop at the convention center would not only help solve the center's transportation problems, it could free Waikiki of much bus and car traffic.

Governor Waihee remains committed to the state Legislature's choice of the Market Place site, as he must at this stage. He's also said the state might step aside if the city has a workable plan. That's the ticket for a good outcome.
Centers come up short on parking

By Andy Yamaguchi
Advertiser Government Bureau

Neither of the two Honolulu convention center proposals has nearly enough parking spaces, the Chamber of Commerce of Hawaii says.

The state requires only 2,000 stalls at its proposed center at the International Market Place in Waikiki, but a minimum of 3,448 should be provided, the Chamber's Clifford Hanssen said.

The city-backed complex at the old Aloha Motors site is planned for only 3,000 parking spaces, but should have at least 6,320, Hanssen added.

Hanssen, an architect and head of the Chamber's convention center subcommittee, made his remarks yesterday at a City Council symposium on the competing convention center proposals.

Little new light was shed on the oft-discussed proposals.

As before, prospective developers of both sites said they are willing to build a "world-class" center at no direct cost to taxpayers, in exchange for permission to include a hotel/condo/retail complex that would exceed height and density limits.

Both developers expressed determination to pursue their projects regardless of what the other does. Both are awaiting government approval.

At the Market Place, Hanssen calculated that 3,448 stalls would be required under a city Waikiki Special District requirement of one stall per 800 square feet of floor space.

Only 2,000 stalls "could lead to serious parking problems for the entire complex and for the adjacent neighborhood," Hanssen said in written testimony.

Market Place center architect David Stringer said 2,000 stalls is the minimum required by the state's convention center law, and the developer would seek additional parking near the 5.2-acre site.

At the Aloha Motors site, city regulations require one parking stall per 400 square feet, or a total of 6,320, Hanssen said. He called the planned 3,000 stalls "an alarming deficiency."

Alan Goda, attorney for prospective developer First Development Inc., said, "We feel it (3,000) is adequate" but would "continue to look for more parking, possibly at the Veterans of Foreign Wars building across Kalakaua Avenue."
San Francisco executive likes Market Place site

By Russ Lynch
Star-Bulletin

The International Market Place is the better location of the two choices for a new convention center, because of its proximity to hotels, according to the head of the San Francisco Convention and Visitors Bureau.

"Every time you put someone in a bus, the meter runs" and costs and inconveniences mount, John A. Marks said in the keynote speech yesterday to the annual meeting of the Hawaii Visitors Bureau.

If a choice has to be made, his personal opinion is that "it would have to be the Waikiki site, simply because of its hotel rooms." Marks told the more than 1,300 people attending the luncheon meeting at the Sheraton-Waikiki Hotel.

But, he said, that "doesn't mean that if the Aloha Motors site becomes the only site it wouldn't work." That, too, is a great location for a convention center, he said.

He praised convention business as a lucrative part of the visitor industry and said that conventions provide a steady fill-in when any one tourist market, such as the Japanese, slips for any reason.

"The yen can go up, it can go down" and that can directly affect the willingness of Japanese to travel, he said.

Booking conventions along the way creates "a very strong insulation against dramatic fluctuations in any one economy."

Marks also said that there should be no criticism of the fact that state money is going into a convention center that seems to benefit only one location, Waikiki.

In fact, conventioners and their spouses make side trips to other places and spend freely when they do, so the neighbor islands would benefit.

Maui Mayor Hannibal Tavares said after the meeting that he thoroughly agrees with that argument and believes that Maui would benefit from an Oahu convention center.

Yesterday's meeting was also told that the Waikiki Beach Operators Association has ceased to be an independent promotional body and has joined the HVB as its new Oahu chapter.

A. Maurice Myers, president of Aloha Airlines, was elected HVB chairman.
City says Marketplace convention center a ‘monster’

By Kevin Dayton

Honolulu Managing Director Jeremy Harris yesterday attacked the state’s proposal for a convention center at the Intercontinental Marketplace, saying it would be “a monster.”


“The state is permitting developers to have more than five times the floor space normally allowed under city zoning for that site. That means there could be 3.1 million square feet of space built on 5.2 acres,” Mayor Frank Fasi’s administration is pushing its own convention center plan, which calls for the center to be built on the old Aloha Motors site at the intersection of Kalakaua Avenue and Kapiolani Boulevard.

Harris, representing Fasi as the city’s top executive while the mayor is overseas, said the city has done its part to improve Waikiki — which he described as “the engine that runs Oahu’s economy.”

But Harris said raised concern about the state and federal attack on Waikiki’s remaining open space.

“We are shocked that the Army, which helped save Fort DeRussy from a convention park, plans to build an above-ground hotel and multi-story parking complex on the site.

“Waikiki needs a green public park — covering the whole of DeRussy mauka of Kalia Road,” Harris said.

Harris compared the relationship between the state and tourists to that of “a grandparent — you can enjoy the children without having to work, and when they make a mess, you hand them back to their parents,” meaning the counties.

Harris repeated the city’s often-stated demand for a larger share of the revenue from the state’s hotel-room tax.

Harris asked the conference delegates to help the city obtain the hotel-room taxes collected on Oahu, and turned to Gov. John Waihee, who attended the conference, to directly suggest that he turn the revenues over to the counties.

“Don’t worry, you’ll still have plenty left over,” he told Waihee.

Harris cited past and planned city projects benefiting Waikiki, but he said the city is having problems finding money for additional work.

Harris said tourists cost the city about $53 million a year, but the money they pump into the economy “gushes into the state treasury, and trickles into our offices.”

Waihee did not directly respond to Harris’ remarks when he spoke after the city managing director.

Waihee said a convention center remains important for Waikiki and that one would serve to stimulate and revive the area. But he also noted it was one of many pressing issues facing the popular tourist destination.
WAIKIKI TOMORROW: A CONFERENCE ON THE FUTURE
SPONSORED BY WAIKIKI IMPROVEMENT ASSOCIATION

- Waikiki Tomorrow:
  - A Conference on the Future
  - Physical Environment Task Force
  - Social and Cultural Task Force
  - Economic Trends Task Force
  - Transportation Task Force
WAIIKIKI TOMORROW: A Conference on the Future

OVERVIEW

Waikiki is a critical part of Hawaii's visitor industry and the State's economic base. In 1987, Waikiki, the State of Hawaii's major resort destination area, generated more than $3.6 billion of visitor expenditures. This was over half of the State-wide total. Waikiki also has approximately 33,000 hotel and condominium units or 89 percent of Oahu's 1989 total visitor accommodations. Besides being a major tourist destination, Waikiki is also home to over 30,000 residents -- making it the most densely populated area per square mile in Hawaii. All of these residents share with government and business the increasing concerns about Waikiki's future.

The Waikiki Improvement Association (WIA), a non-profit organization of businesses, residents, visitor industry and community organizations established to improve the physical environment of Waikiki has long recognized the need to develop a vision of Waikiki's future development and to assist in the coordination of these activities at all levels of government. In its long-term desire to give a reality to this vision, the WIA sought and the 1989 State legislature approved an appropriation to assist in the organization and convening of a Waikiki planning conference to be held on October 12, 1989. A formal report of its findings and recommendations will be submitted to the 1990 State Legislature.

GOALS

The goals for the conference are:

* To develop a comprehensive vision for the future of Waikiki;
* To develop recommendations for Waikiki to bring that vision to reality.

MISSION STATEMENT

Recognizing the importance of defining a shared vision of Waikiki's future, the planning conference will seek to have participation from all interested parties to formulate that vision. Areas to be discussed are: Waikiki's Physical Environment; Transportation Concerns; Social and Cultural Issues; and, Economic Trends.
REPORT
of the
Physical Environment
Task Force
October 12, 1989

Chair: Donald W.Y. Goo, AIA
Wimberly Allison Tong & Goo

Co-Chair: Charles Ehrhorn, AIA, APA
The Estate of James Campbell

Writer: Eugene P. Dashiell, AICP
Planning Services
Executive Summary

Waikiki’s physical environment reflects a cap on hotel and housing unit densities caused by planning constraints intended to preserve the environment and residential character of the district. Private landowners of large parcels have tended to improve their properties while those with small parcels appear to defer improvements or maintenance because of zoning controls. The effect seems to be deterioration of smaller properties. At the same time, residential living is costly and unsuited to most families. Traffic congestion and related noise and air pollution are near intolerable levels. The pressure of the State’s economic growth and increasing reliance on tourism implies that Waikiki needs attention as an economic resource.

Waikiki’s daily population averages over 130,000 (27,000 residents, 38,000 employees, 71,600 tourists) and there are an additional but unknown number of persons from metropolitan Honolulu. Waikiki comprises 618 acres [roads (184 acres); resort Hotel (178 acres); apartments (111 acres); public (95 acres); resort commercial (50 acres)] allocated to 5 zoning precincts. It has about 32,600 visitor, and 14,500 residential, units. Buildings occupy a total of 24.7 million square feet. Approximate Floor Area Ratios are 1.6 for the combined Resort Hotel & Apartment precincts and 1.7 for the Resort Commercial precinct. Waikiki has 1.4 miles of beach between Ala Wai Harbor and Kapahulu Avenue.

The major issues are as follows.

1. Beach Improvements and Ocean Recreation
2. Management
3. Ala Moana Gateway/Ala Wai Harbor; Canal Clean-up/Fort DeRussy/Ala Wai Promenade
4. Open Space/Incentives; Land-Based Recreation, Sports, Maintenance and Upkeep
5. Infrastructure
6. Regulatory
7. Historical Perspective
8. Residents

Floor Area Ratios and Planning Data

In response to the existing density controls via the City’s Land Use Ordinance and its special district designation, Waikiki has reached an equilibrium comprised of roughly stable numbers of vehicles, street areas, hotel rooms, visitors and residents. The equilibrium is caused by physical barriers to further outward expansion (the ocean, parks, the canal), the existing special district regulations (building heights, setbacks, open space and parking), transportation problems (the
sheer number of vehicles, congestion, noise, and air pollution), and policies (maintenance of a residential community or population limits based on an estimate of overall carrying capacity). If all small lots were consolidated, perhaps only another 800 units could be added to Waikiki under existing rules. The Department of General Planning made a survey of floor areas for housing units and commercial shops in the district in 1982. The following graph and table show estimated floor area ratios (FAR = building floor area/lot area) based on total dwelling units as of 1985. The FARs shown here do not include street area so they are slightly higher than the true FARs.
Population and housing stock data are based on two sources, the U.S. Census and Hawaii Visitors Bureau estimates. The table and chart shown below uses the best available numbers, but as is the case with FAR, above, the data should be looked at for trends, and not relied upon for major decisions.

### Waikiki: Estimates of Population, Units and Density

#### Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Residents</th>
<th>Visitors</th>
<th>Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>11,075</td>
<td>7,717</td>
<td>4,167</td>
<td>22,959</td>
</tr>
<tr>
<td>1970</td>
<td>13,124</td>
<td>21,926</td>
<td>11,840</td>
<td>46,890</td>
</tr>
<tr>
<td>1980</td>
<td>17,364</td>
<td>46,500</td>
<td>25,110</td>
<td>88,994</td>
</tr>
<tr>
<td>1990</td>
<td>27,000</td>
<td>71,000</td>
<td>38,000</td>
<td>136,000</td>
</tr>
</tbody>
</table>

#### Number of Units

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitor Units</th>
<th>Res. Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>4,539</td>
<td>6,257</td>
<td>10,796</td>
</tr>
<tr>
<td>1970</td>
<td>12,896</td>
<td>7,415</td>
<td>20,312</td>
</tr>
<tr>
<td>1980</td>
<td>27,500</td>
<td>9,800</td>
<td>37,300</td>
</tr>
<tr>
<td>1990</td>
<td>32,600</td>
<td>14,500</td>
<td>47,100</td>
</tr>
</tbody>
</table>

#### Density

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitors per Unit</th>
<th>Residents per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>1970</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>1980</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>1990</td>
<td>2.2</td>
<td>1.9</td>
</tr>
</tbody>
</table>

---

*Physical Environment*  
Page 3
Theme

Waikiki is a special resort place which deserves clearly defined guidelines to maintain its physical environment and enhance its quality of life for resident and visitor alike.

Vision

A comprehensive plan to improve the attractiveness of the area for visitors and residents should:

- Preserve and create green open space, views, landmarks, amenities, and other features identified by the Task Force on Physical Environment and described in this issue paper.
- Provide a connection between Waikiki and the downtown area as an integral part of a great city, linking the waterfront from Waikiki to Honolulu Harbor, integrating Waikiki with downtown and Kakaako.
- Support development, as appropriate, of new industries and attractions, for example, Jack Lewin's spa and training concept and a peace and studies center on the Aloha spirit of the islands.
- Capitalize on major opportunities to improve the area as much of Waikiki will be torn down and rebuilt over the coming decades.
- Provide a means for landowners, government, residents, design professionals, and visitors industry representatives to work together over time to implement long range goals.
- Assure a strong residential component.
- Improve the existing open spaces and make them more accessible.
- Provide improved signage including themes for historic and cultural values.
- Encourage public and private partnerships such as the maintenance teams.
- Be managed like the unique place it is.
- Receive the funds needed to realize this vision.
RATINGS FOR OAHU VERSUS NEIGHBOR ISLAND HOTELS, 1984-1987

(RATINGS ARE BASED ON A 5 POINT SCALE WITH 5 = EXCELLENT AND 1 = POOR)

☐ OAHU HOTELS  ☐ NEIGHBOR ISLAND HOTELS

WHETHER TRAVEL AGENT INFLUENCED THE CHOICE OF HAWAII OVER OTHER DESTINATIONS, 1984-1987

[Bar chart showing the percentage of travel agents influenced by travel agents with data for 1984: 96.8%, 1985: 96%, 1986: 96.4%, 1987: 96.2%]
<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>HIGHEST RATING</th>
<th>LOWEST RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaches</td>
<td>Maui</td>
<td>Hilo</td>
</tr>
<tr>
<td></td>
<td>(4.5)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Car Rental</td>
<td>Maui, Hilo, Kona</td>
<td>Oahu</td>
</tr>
<tr>
<td></td>
<td>(3.7)</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Cultural Activities</td>
<td>Oahu, Hilo</td>
<td>Kauai</td>
</tr>
<tr>
<td></td>
<td>(4.2)</td>
<td>(4.0)</td>
</tr>
<tr>
<td>Dinner Cruises</td>
<td>Kona</td>
<td>Oahu</td>
</tr>
<tr>
<td></td>
<td>(4.3)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Fishing</td>
<td>Hilo, Kona</td>
<td>Oahu</td>
</tr>
<tr>
<td></td>
<td>(4.2)</td>
<td>(4.0)</td>
</tr>
<tr>
<td>Golf</td>
<td>Kona, Maui</td>
<td>Oahu, Hilo</td>
</tr>
<tr>
<td></td>
<td>(4.5)</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Luaus</td>
<td>Kona</td>
<td>Oahu</td>
</tr>
<tr>
<td></td>
<td>(4.1)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Shops/Stores</td>
<td>Maui</td>
<td>Hilo</td>
</tr>
<tr>
<td></td>
<td>(4.0)</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Night Clubs</td>
<td>Maui, Oahu</td>
<td>Hilo, Kauai</td>
</tr>
<tr>
<td></td>
<td>(3.9)</td>
<td>(3.5)</td>
</tr>
<tr>
<td>Restaurants</td>
<td>Maui</td>
<td>Hilo</td>
</tr>
<tr>
<td></td>
<td>(4.2)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Sightseeing Tours</td>
<td>Maui, Kauai</td>
<td>Oahu</td>
</tr>
<tr>
<td></td>
<td>(4.3)</td>
<td>(4.2)</td>
</tr>
<tr>
<td>Taxis</td>
<td>Kauai, Kona, Maui</td>
<td>Oahu</td>
</tr>
<tr>
<td></td>
<td>(3.8)</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Tennis</td>
<td>Kona, Maui</td>
<td>Oahu</td>
</tr>
<tr>
<td></td>
<td>(4.1)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Tourist Information</td>
<td>Oahu</td>
<td>Kauai</td>
</tr>
<tr>
<td></td>
<td>(4.2)</td>
<td>(4.0)</td>
</tr>
<tr>
<td>Water Sports</td>
<td>Maui</td>
<td>Hilo</td>
</tr>
<tr>
<td></td>
<td>(4.5)</td>
<td>(3.9)</td>
</tr>
</tbody>
</table>

The ratings were allowed only if the visitor participated in the activity or used the service. The ratings, thus, could be misleading if the island received only a few responses, but were rated either very high or low.

In general, beaches, golfing, and water sports received the highest overall ratings of all categories.

Car rentals received the lowest averages overall, followed by taxis and nightclubs.
NUMBER OF VISITOR ARRIVALS AT PACIFIC AREA TRAVEL DESTINATIONS, 1977 – 1987

TABLE 1A
VISITOR ARRIVALS TO EACH PATA REGION, 1977 – 1987

<table>
<thead>
<tr>
<th>PATA REGION</th>
<th>1977 Visitor Arrivals*</th>
<th>Percent of Total</th>
<th>1987 Visitor Arrivals</th>
<th>Percent of Total</th>
<th>Annual Growth Rate (%) 1977 – 1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia</td>
<td>5,382,332</td>
<td>31.8</td>
<td>11,200,672</td>
<td>33.8</td>
<td>7.6%</td>
</tr>
<tr>
<td>South Asia</td>
<td>1,189,248</td>
<td>7.0</td>
<td>2,133,538</td>
<td>6.4</td>
<td>6.0%</td>
</tr>
<tr>
<td>South East Asia</td>
<td>5,203,196</td>
<td>30.7</td>
<td>10,152,281</td>
<td>30.6</td>
<td>6.9%</td>
</tr>
<tr>
<td>Australia/New Zealand</td>
<td>952,775</td>
<td>5.6</td>
<td>2,629,216</td>
<td>7.9</td>
<td>10.7%</td>
</tr>
<tr>
<td>South &amp; Central Pacific</td>
<td>762,417</td>
<td>4.5</td>
<td>1,248,031</td>
<td>3.8</td>
<td>5.1%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>3,435,000</td>
<td>20.4</td>
<td>5,800,000</td>
<td>17.5</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>16,924,968</td>
<td><strong>100.0</strong></td>
<td>33,163,738</td>
<td><strong>100.0</strong></td>
<td><strong>7.0%</strong></td>
</tr>
</tbody>
</table>

* Source: 1977 Annual Statistical Report
** Excluding Canada

VISITOR ARRIVALS IN EACH PATA REGION

1977

- East Asia: 5,382,332 (31.8%)
- South Africa: 1,189,248 (7.0%)
- South East Asia: 5,203,196 (30.7%)
- Hawaii: 3,435,000 (20.4%)
- Australia/New Zealand: 952,775 (5.6%)
- South & Central Pacific: 762,417 (4.5%)

1987

- East Asia: 11,200,672 (33.8%)
- South Africa: 2,133,538 (6.4%)
- South East Asia: 10,152,281 (30.6%)
- Hawaii: 5,800,000 (17.5%)
- Australia/New Zealand: 2,629,216 (7.9%)
- South & Central Pacific: 1,248,031 (3.8%)
- Other: 5,800,000 (17.5%)
### VISITORS EXPENDITURES (US DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>TOTAL (THOUSAND)</th>
<th>AVERAGE EXPENDITURE PER VISITOR</th>
<th>AVERAGE DAILY EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EAST ASIA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China, Rep. Of</td>
<td>1,333,000</td>
<td>1,619,000</td>
<td>827</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2,290,155</td>
<td>3,184,249</td>
<td>592</td>
</tr>
<tr>
<td>Japan</td>
<td>1,463,000</td>
<td>—</td>
<td>2,023</td>
</tr>
<tr>
<td>Korea</td>
<td>1,547,502</td>
<td>2,299,156</td>
<td>—</td>
</tr>
<tr>
<td><strong>SOUTH ASIA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bangladesh</td>
<td>16,525</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>India</td>
<td>1,390,000</td>
<td>1,455,000</td>
<td>—</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>79,300</td>
<td>82,042</td>
<td>345</td>
</tr>
<tr>
<td><strong>SOUTH EAST ASIA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>1,641,646</td>
<td>1,314,000</td>
<td>344</td>
</tr>
<tr>
<td>Thailand</td>
<td>—</td>
<td>1,947,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>AUSTRALIAN NEW ZEALAND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>679,144</td>
<td>—</td>
<td>1,002</td>
</tr>
<tr>
<td><strong>SOUTH CENTRAL PACIFIC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guam</td>
<td>306,539</td>
<td>—</td>
<td>771</td>
</tr>
<tr>
<td>Northern Marianas</td>
<td>138,000</td>
<td>147,998</td>
<td>855</td>
</tr>
<tr>
<td>Tahiti</td>
<td>145,800</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Tonga</td>
<td>9,018</td>
<td>10,547</td>
<td>458</td>
</tr>
<tr>
<td>Hawaii</td>
<td>5,500,000</td>
<td>6,600,000</td>
<td>981</td>
</tr>
</tbody>
</table>

### METHODS OR SOURCES USED IN ESTIMATING VISITOR EXPENDITURES

**Sample Survey/Bank Report**

Bangladesh, China, Rep. of, Guam, Hong Kong, Japan, New Zealand, Northern Marianas, Singapore, Sri Lanka, Tahiti, Thailand, Tonga

Sri Lanka’s total visitor expenditure figures are obtained from monthly returns by hoteliers, travel agents, tourist shops, gem corporations and commercial banks.

Taiwan conducts personal interviews among foreign visitors and overseas Chinese spending less than 24 hours or no more than 60 days in Taiwan, and travel agencies dealing with package tours.

### Exchange Rates

U.S. $1.00 equivalent in local currency in:

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>3.100</td>
<td>—</td>
</tr>
<tr>
<td>China, Rep. of</td>
<td>NT$37</td>
<td>NT$32</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>HK$7.80</td>
<td>HK$7.80</td>
</tr>
<tr>
<td>India</td>
<td>—</td>
<td>13 Rs</td>
</tr>
<tr>
<td>Japan</td>
<td>861.40 yen</td>
<td>—</td>
</tr>
<tr>
<td>Korea</td>
<td>861.40 won</td>
<td>792.30 won</td>
</tr>
<tr>
<td>New Zealand</td>
<td>NZ$1.95</td>
<td>—</td>
</tr>
<tr>
<td>Singapore</td>
<td>S$2.1774</td>
<td>S$2.1060</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>Rs27.74</td>
<td>Rs29.44</td>
</tr>
<tr>
<td>Thailand</td>
<td>—</td>
<td>25.6936Sh</td>
</tr>
<tr>
<td>Tonga</td>
<td>T$1.322</td>
<td>T$1.38</td>
</tr>
</tbody>
</table>
### AVERAGE HOTEL OCCUPANCY RATE 1986, 1987

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th></th>
<th>1987</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NUMBER OF ROOMS (AS OF 31 DEC.)</td>
<td>OCCUPANCY RATE(%)</td>
<td>NUMBER OF ROOMS (AS OF 31 DEC.)</td>
<td>OCCUPANCY RATE(%)</td>
</tr>
<tr>
<td><strong>EAST ASIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China, Rep. of</td>
<td>21,255</td>
<td>62</td>
<td>19,907</td>
<td>70</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>20,230</td>
<td>85</td>
<td>21,022</td>
<td>90</td>
</tr>
<tr>
<td>Korea</td>
<td>24,560</td>
<td>53</td>
<td>28,627</td>
<td>64</td>
</tr>
<tr>
<td>Macau (a)</td>
<td>2,739</td>
<td>64</td>
<td>2,623</td>
<td>75</td>
</tr>
<tr>
<td><strong>SOUTH ASIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>30,200</td>
<td></td>
<td>9,695</td>
<td>32</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>9,677</td>
<td>39</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SOUTH EAST ASIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>15,584 (b)</td>
<td>60</td>
<td>23,431</td>
<td>69</td>
</tr>
<tr>
<td>Singapore</td>
<td>22,080</td>
<td>65</td>
<td>124,139 (c)</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>116,997 (c)</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AUSTRALIA/NEW ZEALAND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>21,538 (d)</td>
<td>59</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SOUTH/CENTRAL PACIFIC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiji</td>
<td>4,200</td>
<td>61</td>
<td>1,375</td>
<td>70</td>
</tr>
<tr>
<td>Guam</td>
<td>3,018</td>
<td>86</td>
<td>425</td>
<td>61</td>
</tr>
<tr>
<td>New Caledonia</td>
<td>1,573</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Marianas</td>
<td>1,417</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonga</td>
<td>445</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hawaii</td>
<td>61,316</td>
<td>82</td>
<td>69,012</td>
<td>81</td>
</tr>
</tbody>
</table>

(a) Deluxe and first class and Pousada de Sao Tiago
(b) 1-5 star hotel in the Philippines
(c) All types of accommodation in all of Thailand
(d) Liquor licensed hotels for year ended March 1986
WAIKIKI RETAIL MARKET

- Hawaii Information
- Grubb & Ellis Information - Retail Market
- Major Retail Center, for Oahu: 1972 To 1982
- Characteristics of Major Shopping Center: 1985
- Retail Trade for Counties and Urban Places: 1982
- Royal Hawaiian Shopping Center
- Kalakaua Avenue Retail - Other
- International Marketplace Retail Information As Of March 20, 1989
- Off Kalakaua Retail Spaces
<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>1987</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shopping centers:</td>
<td>117</td>
<td>123</td>
<td>129</td>
</tr>
<tr>
<td>Total leasable retail area (sq. ft.):</td>
<td>12.3 mil.</td>
<td>12.7 mil.</td>
<td>13.3 mil.</td>
</tr>
<tr>
<td>Retail sales in shopping centers:</td>
<td>$2.0 bil.</td>
<td>$2.2 bil.</td>
<td>$2.4 bil.</td>
</tr>
<tr>
<td>Percent of total nonautomotive retail sales:</td>
<td>39%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>Number of adults shopping in centers monthly:</td>
<td>740,000</td>
<td>740,000</td>
<td>750,000</td>
</tr>
<tr>
<td>State sales tax revenues from shopping centers:</td>
<td>$82 mil.</td>
<td>$88 mil.</td>
<td>$94 mil.</td>
</tr>
<tr>
<td>Employment in shopping centers:</td>
<td>33,000</td>
<td>34,000</td>
<td>37,000</td>
</tr>
<tr>
<td>Percent of total nonagricultural employment:</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>New center construction starts:</td>
<td>None</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>New center GLA (sq. ft.):</td>
<td>None</td>
<td>0.1 mil.</td>
<td>0.2 mil.</td>
</tr>
<tr>
<td>Construction contract value:</td>
<td>None</td>
<td>$2 mil.</td>
<td>$15 mil.</td>
</tr>
<tr>
<td>Construction employment:</td>
<td>None</td>
<td>None</td>
<td>300</td>
</tr>
</tbody>
</table>
RETAIL MARKET

Closely paralleling the office and industrial market sectors, Honolulu’s retail market continues to exhibit low vacancy factors in all shopping center categories statewide with new development activity concentrated in smaller centers below the regional level. These patterns will continue in 1989 with no new regional shopping centers likely to be developed anywhere in the state in the foreseeable future.

Year-end 1988 survey results show average vacancy at or below 6% in all Oahu Super Regional, Regional, Community, Neighborhood and Strip Centers with the Specialty center category edging only slightly higher at 6.5%. Although significant development activity was planned for the Neighbor Islands in 1988, much of it was delayed or cancelled. On Maui in Kihei, for example, inadequate sewage systems and unclear zoning requirements stalled some developments. In contrast to 1988, however, which saw commencement or completion of less than 527,000 square feet of new shopping center space in all categories combined, 1989 will see the commencement of more than 694,000 square feet of new development and 273,000 square feet added on to existing complexes statewide.

Ala Moana Center continues to be the focal point of Oahu’s shopping center industry with annual sales more than doubling the national Super Regional category average of $180 per square foot. Having completed its “Phase III” renovation in 1985/86, Ala Moana undertook in 1988 its two-year “Phase IV” program to both reconfigure and add nearly 130,000 square feet of space to the 30-year old mall known as the largest open air shopping center in the world. Both Pearlridge Center and Kahala Mall continue to refine and upgrade their tenant mix, having added quality food service and multi-screen theater complexes to complement their overall renovations. The Windward Mall fulfilled its promise as the dominant center on Windward Oahu with vacancy at less than 6%.

With the opening of Costco Center in 1988, Oahu was successfully introduced to its first “big box” discount retailer, a 110,000 square foot store reporting strong first-year sales. Nearly half of the 18,000 square foot support service center was leased as of the end of 1988. The 90,000 square foot Restaurant Row also opened in 1988 with Studebaker’s “non-stop hop” theme setting national volume records for the eight store chain. All available space is anticipated to be open and operating by mid-1989.

In the Neighborhood and Community Center categories, Oahu’s 95,000 square foot Waipahu Town Center will be completed in 1989. In addition, the long-planned 200,000 square foot Hawaii Kai Towne Center will commence, as will the 210,000 square foot “Pearl Plantation” project to be built on the site of the present Castle Park amusement complex by Halawa Associates. With the full lease-up of Pearl Kai Center Phase I in 1988, Phase II will commence in 1989 and add 34,000 square feet to the existing complex.

Waikiki’s visitor-oriented shopping garnered the benefits of an increasing number of Japanese visitors, with such operations as Louis Vuitton and Chanel generating sales reportedly in excess of $20,000 per square foot per annum.

Neighbor Island activity includes the commencement of construction of a 150,000 square foot visitor oriented shopping complex in Lahaina, Maui, the commencement of the 70,000 square foot Keaouhu Shopping Village Phase II, and the 75,000 square foot Waimea Center on the Big Island. Sale of the Big Island’s Prince Kuhio Plaza regional shopping center to Sears subsidiary Homart took place, and the 21,000 square foot Waterfront Row was completed as a Kailua-Kona restaurant-anchored specialty center in 1988. Plans are also underway for the addition of a combined Phase II and III to the existing 87,000 square foot Lanihau Center. Extensive renovations are planned for existing retail buildings in central Lihue as well.

As predicted, 1988 rental rates showed average increases of 12-15%.

Included in this study are the following categories of retail centers:

- SUPER REGIONAL
  Minimum of 3 department stores 100,000 square feet each. Average size: 1,000,000 plus sq. ft.

- REGIONAL
  Minimum of 1-2 department stores. 100,000 square feet each. Average size 300,000-800,000 sq. ft.

- COMMUNITY
  Full service center, junior department or variety anchor. Average size: 85,000-230,000 sq. ft.

- NEIGHBORHOOD
  Daily living “convenience” needs often anchored by a supermarket and superdrug. Average size: 32,000-115,000 sq. ft.
STRIP
No anchor tenants, daily convenience needs. Average size: 10,000-30,000 sq. ft.

SPECIALTY
Restaurant and/or expanded-concept retail anchored with specialized narrow spectrum "boutique" retail.

1988 MARKET REVIEW
- Honolulu/Oahu has an estimated 9,612,000 square feet of shopping centers in the categories described.
- In 1988, Honolulu/Oahu vacancy rates in these categories were:
  - Super Regionals 0.2%
  - Regionals 3.4%
  - Community 4.2%
  - Neighborhood 3.3%
  - Strip 5.7%
  - Specialty 6.5%
- The Neighbor Islands have the following square footages combining the categories described:
  - Maui 1,327,000
  - Kauai 820,000
  - Hawaii 1,306,000
- In 1988, combined Neighbor Island (Kauai, Maui, Hawaii) vacancy rates in the categories described were:
  - Regionals 4.0%
  - Community 1.7%
  - Neighborhood 4.4%
  - Strip 2.7%
  - Specialty 11.7%
- New construction completed in 1988 in the categories described totaled 527,000 square feet on Oahu, Maui, Kauai and Hawaii combined.

1989 OUTLOOK
(Rentals quoted on per square foot per month "net" basis: Rentals pertain to non-anchor tenant space.)
- Retail square footage will increase by 241,000 aggregate square feet in Honolulu/Oahu in 1989.
- Retail space will increase on Maui, Kauai, and Hawaii as follows in 1989:
  - Maui 185,000 square feet
  - Kauai 190,000 square feet
  - Hawaii 176,700 square feet
- The highest percentage of new retail space completed in 1989 will occur in specialty centers accounting for 381,000 square feet or 34% of the total new inventory.

HONOLULU RETAIL CENTER DISTRIBUTION
(NUMBER OF CENTERS)

- (2) 9.5% REGIONAL
- (28) 8.3% STRIP
- (30) 25.8% NEIGHBORHOOD

SUPER REGIONAL 28.1% (2)
SPECIALITY 11.9% (12)
COMMUNITY 16.3% (8)
COMMENTS
- Retailers reported strong sales at year end 1988 with sales increases running approximately double the 5-6% increases over 1987 reported by major Mainland retailers. Resort retail targeted toward the Japanese visitor continues to achieve astounding sales volumes.

HONOLULU RETAIL CENTERS

G.L.A. □ vs VACANCY ■

<table>
<thead>
<tr>
<th>Sq. ft. in Thousands</th>
<th>3000</th>
<th>2500</th>
<th>2000</th>
<th>1500</th>
<th>1000</th>
<th>500</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Strip Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Super Regional Centers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Plans are expected to be announced or finalized in 1989 for several major mixed-use projects combining residential or hotel units, office/commercial space and significant retail locations will include a site in Kaka’ako, the former Aloha Motors site, and the Waikiki Triangle site.

- 1989 opportunities for expansion-minded retailers will continue to be found in the buy-out of existing local chains, locations in smaller shopping complexes and in new Neighbor Island projects. By the early 1990s, opportunities will expand to include sites in major mixed-use projects.

- Although Hawaii has yet to see its first deep-discount multi-tenant "power center" concept following Mainland trends, the 1988 opening and strong sales of Costco indicate a receptivity for "no-frills" brand name retailing. A power center concept could make its appearance on Oahu in the early 1990s as several developers are currently exploring site opportunities for this use.

- Retail in the new "super-resorts" is no longer looked upon as an ancillary convenience but rather as a large scale commitment geared toward encouraging guests to remain on the hotel premises.

HONOLULU RETAIL SHOPPING MALLS MARKET OVERVIEW (SQ. FT. IN THOUSANDS)

<table>
<thead>
<tr>
<th>Mall Classification</th>
<th>Number of Centers</th>
<th>Gross Leasable Area</th>
<th>Vacant</th>
<th>%</th>
<th>New Const. 1989</th>
<th>New Const. 1988</th>
<th>Rental Rates per sq. ft/month</th>
<th>Common Area Maint.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood Centers</td>
<td>30</td>
<td>2,483</td>
<td>82</td>
<td>3.3%</td>
<td>46</td>
<td>16</td>
<td>$1.27</td>
<td>$0.29</td>
</tr>
<tr>
<td>Strip Centers</td>
<td>26</td>
<td>800</td>
<td>46</td>
<td>5.7%</td>
<td>195</td>
<td>23</td>
<td>$1.42</td>
<td>$0.32</td>
</tr>
<tr>
<td>Speciality Centers</td>
<td>12</td>
<td>1,146</td>
<td>74</td>
<td>6.5%</td>
<td>0</td>
<td>0</td>
<td>$2.00</td>
<td>$0.82</td>
</tr>
<tr>
<td>Community Centers</td>
<td>7</td>
<td>1,570</td>
<td>66</td>
<td>4.2%</td>
<td>0</td>
<td>329</td>
<td>$1.25</td>
<td>$0.35</td>
</tr>
<tr>
<td>Regional Centers</td>
<td>2</td>
<td>913</td>
<td>31</td>
<td>3.4%</td>
<td>0</td>
<td>0</td>
<td>$1.55</td>
<td>$0.68</td>
</tr>
<tr>
<td>Super Regional Centers</td>
<td>2</td>
<td>2,700</td>
<td>5</td>
<td>0.2%</td>
<td>0</td>
<td>0</td>
<td>$3.09</td>
<td>$0.51</td>
</tr>
<tr>
<td>Total</td>
<td>79</td>
<td>9,612</td>
<td>304</td>
<td>3.2%</td>
<td>241</td>
<td>368</td>
<td>$1.27</td>
<td>$0.49</td>
</tr>
</tbody>
</table>

* Vacancy rates computed on a weighted average basis discounting the highest and lowest figures in each category.
### Major Retail Centers, for Oahu: 1972 to 1982

[These tabulations were discontinued after 1982]

<table>
<thead>
<tr>
<th>Geographic area</th>
<th>Number of retail establishments</th>
<th>Retail sales ($1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oahu total 1/</td>
<td>4,235</td>
<td>5,262</td>
</tr>
<tr>
<td>Honolulu CBD: 2/</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972 definition</td>
<td>353</td>
<td>415</td>
</tr>
<tr>
<td>1977 definition</td>
<td>(NA)</td>
<td>485</td>
</tr>
<tr>
<td>Ala Moana Center</td>
<td>224</td>
<td>187</td>
</tr>
<tr>
<td>Waikiki 3/</td>
<td>597</td>
<td>646</td>
</tr>
<tr>
<td>Kahala Mall</td>
<td>60</td>
<td>55</td>
</tr>
<tr>
<td>Pearlridge Center</td>
<td>52</td>
<td>102</td>
</tr>
</tbody>
</table>

* Excludes establishments without payroll (Kahala Mall, 1; Pearlridge Center, 3).

NA Not available.

1/ Includes establishments not in major retail centers.

2/ The Honolulu Central Business District was redefined in 1977 to include the area bounded by Nuuanu Stream, School Street, Queen Emma Street, Beretania Street, Richards Street, Halekamwilua Street, and Honolulu Harbor. Before 1977, the CBD as defined excluded that part between Beretania Street and School Street. For comparable statistics back to 1948, see UHPP Statistical Memorandum 80-7 (July 31, 1980).

3/ Waikiki is defined as the area bounded by the Ala Wai Canal, Kapahulu Avenue, and the Pacific Ocean.

Source: Hawaii State Department of Planning and Economic Development, Retail Trade in Downtown Honolulu, 1948-1977 (Statistical Memorandum 80-7, July 31, 1980). U.S. Bureau of the Census, 1972 Census of Retail Trade, Major Retail Centers, Hawaii, RC72-C-12 (November 1974), table 1; 1977 Census of Retail Trade, Major Retail Centers, Hawaii, RC77-C-12 (February 1980), table 1; 1982 Census of Retail Trade, Major Retail Centers, Hawaii, RC82-C-12 (October 1984), table 1.
CHARACTERISTICS OF MAJOR SHOPPING CENTERS: 1985

[Includes all centers on Oahu with more than 200,000 square feet of building area and all centers on other islands with more than 100,000 square feet of building area]

<table>
<thead>
<tr>
<th>Island and name of center</th>
<th>Location</th>
<th>Year opened</th>
<th>Site area (acres)</th>
<th>Gross leasable area (1,000 square feet)</th>
<th>Parking spaces</th>
<th>Number of stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oahu:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ala Moana Center</td>
<td>Honolulu</td>
<td>1959</td>
<td>50</td>
<td>1,500</td>
<td>7,800</td>
<td>155</td>
</tr>
<tr>
<td>Kahala Mall</td>
<td>Honolulu</td>
<td>1970</td>
<td>22</td>
<td>370</td>
<td>1,425</td>
<td>60</td>
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<tr>
<td>Pearl City S.C.</td>
<td>Pearl City</td>
<td>1965</td>
<td>15</td>
<td>249</td>
<td>871</td>
<td>60</td>
</tr>
<tr>
<td>Pearlridge Center</td>
<td>Aiea</td>
<td>1972</td>
<td>54</td>
<td>1,200</td>
<td>4,915</td>
<td>150</td>
</tr>
<tr>
<td>Royal Hawaiian S.C.</td>
<td>Honolulu</td>
<td>1981</td>
<td>6</td>
<td>280</td>
<td>600</td>
<td>(NA)</td>
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<tr>
<td>Waikiki Shopping Plaza</td>
<td>Honolulu</td>
<td>1977</td>
<td>1</td>
<td>300</td>
<td>300</td>
<td>50</td>
</tr>
<tr>
<td>Windward City S.C.</td>
<td>Kaneohe</td>
<td>1959</td>
<td>15</td>
<td>210</td>
<td>(NA)</td>
<td>40</td>
</tr>
<tr>
<td>Windward Mall</td>
<td>Kaneohe</td>
<td>1982</td>
<td>32</td>
<td>550</td>
<td>2,300</td>
<td>98</td>
</tr>
<tr>
<td>Hawaii:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaiko'o Mall S.C.</td>
<td>Hilo</td>
<td>1970</td>
<td>14</td>
<td>220</td>
<td>950</td>
<td>33</td>
</tr>
<tr>
<td>Maui:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaahumanu Center</td>
<td>Kahului</td>
<td>1973</td>
<td>25</td>
<td>300</td>
<td>1,400</td>
<td>50</td>
</tr>
<tr>
<td>Kahului S. C.</td>
<td>Kahului</td>
<td>1951</td>
<td>17</td>
<td>104</td>
<td>1,000</td>
<td>30</td>
</tr>
<tr>
<td>Maui Mall</td>
<td>Kahului</td>
<td>1971</td>
<td>25</td>
<td>182</td>
<td>1,400</td>
<td>38</td>
</tr>
<tr>
<td>Kauai:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kukui Grove Center</td>
<td>Lihue</td>
<td>1982</td>
<td>35</td>
<td>311</td>
<td>1,590</td>
<td>52</td>
</tr>
<tr>
<td>Lihue S. C.</td>
<td>Lihue</td>
<td>1966</td>
<td>9</td>
<td>142</td>
<td>551</td>
<td>24</td>
</tr>
</tbody>
</table>

NA Not available.

<table>
<thead>
<tr>
<th>Geographic area</th>
<th>All establishments</th>
<th>Establishments with payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Sales ($1,000)</td>
</tr>
<tr>
<td>Hawaii County</td>
<td>1,039</td>
<td>492,154</td>
</tr>
<tr>
<td>Hilo</td>
<td>445</td>
<td>289,856</td>
</tr>
<tr>
<td>Kailua</td>
<td>216</td>
<td>103,003</td>
</tr>
<tr>
<td>Balance of county</td>
<td>378</td>
<td>103,295</td>
</tr>
<tr>
<td>Honolulu County</td>
<td>6,347</td>
<td>3,962,598</td>
</tr>
<tr>
<td>Aiea</td>
<td>16</td>
<td>(D)</td>
</tr>
<tr>
<td>Ewa</td>
<td>274</td>
<td>254,358</td>
</tr>
<tr>
<td>Ewa Beach</td>
<td>6</td>
<td>(D)</td>
</tr>
<tr>
<td>Halawa</td>
<td>45</td>
<td>10,100</td>
</tr>
<tr>
<td>Kea</td>
<td>13</td>
<td>5,304</td>
</tr>
<tr>
<td>Heia</td>
<td>10</td>
<td>341</td>
</tr>
<tr>
<td>Hickam Housing</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Honolulu</td>
<td>4,595</td>
<td>2,859,473</td>
</tr>
<tr>
<td>Iroquois Point</td>
<td>5</td>
<td>(D)</td>
</tr>
<tr>
<td>Kahalu</td>
<td>244</td>
<td>152,715</td>
</tr>
<tr>
<td>Kailua</td>
<td>220</td>
<td>182,230</td>
</tr>
<tr>
<td>Kaua</td>
<td>13</td>
<td>1,738</td>
</tr>
<tr>
<td>Maie</td>
<td>7</td>
<td>2,783</td>
</tr>
<tr>
<td>Makaha</td>
<td>10</td>
<td>3,702</td>
</tr>
<tr>
<td>Makawilo City</td>
<td>15</td>
<td>2,599</td>
</tr>
<tr>
<td>Maunawili</td>
<td>19</td>
<td>1,643</td>
</tr>
<tr>
<td>Mililani Town</td>
<td>59</td>
<td>23,226</td>
</tr>
<tr>
<td>Mokapu</td>
<td>1</td>
<td>(D)</td>
</tr>
<tr>
<td>Nanakuli</td>
<td>16</td>
<td>10,567</td>
</tr>
<tr>
<td>Pearl City</td>
<td>186</td>
<td>122,823</td>
</tr>
<tr>
<td>Schofield Barracks</td>
<td>3</td>
<td>1,430</td>
</tr>
<tr>
<td>Wahiawa</td>
<td>140</td>
<td>55,200</td>
</tr>
<tr>
<td>Waialua</td>
<td>14</td>
<td>4,717</td>
</tr>
<tr>
<td>Waianae</td>
<td>56</td>
<td>41,490</td>
</tr>
<tr>
<td>Waianalo</td>
<td>33</td>
<td>14,349</td>
</tr>
<tr>
<td>Waihau Beach</td>
<td>1</td>
<td>(D)</td>
</tr>
<tr>
<td>Waipahu</td>
<td>196</td>
<td>133,233</td>
</tr>
<tr>
<td>Waipio Acres</td>
<td>4</td>
<td>331</td>
</tr>
<tr>
<td>Balance of county</td>
<td>146</td>
<td>57,318</td>
</tr>
</tbody>
</table>

(D) Withheld to avoid disclosing data for individual companies.

ROYAL HAWAIIAN SHOPPING CENTER

I. BACKGROUND

While the International Marketplace is still considered to be the heart of Waikiki, the Royal Hawaiian Shopping Center has taken over the role of the "in" place to shop and experience Waikiki. The Royal Hawaiian like all of Kalakaua Avenue is now servicing a completely different clientele then the rest of Waikiki. This clientele is primarily wealthy young Japan nationals. These Japanese nationals are looking for a particular experience, one of elegance and style. Their purchases reflect this as shown in the items they acquire. The purchases must have high value and be recognized designer or high quality fashion items; i.e. Chanel clothes and perfume, Polo/Ralph Lauren clothes, Louis Vuitton luggage, Cartier jewelry, etc.

The leases in this center, which have been referenced in this study were executed in 1980 (unless otherwise noted) and are now in the 9th year of a ten (10) year term. These rents do not indicate the actual minimum market rent for the Royal Hawaiian or Kalakaua Avenue. Most ground floor spaces will be coming up for renegotiation in 1990 and 1991. No new rents and premiums and other lease requirements have been set as yet by the landlord.

II. MINIMUM RENTS AND PERCENTAGE RENT RATES

A. Ground Floor

Minimum rents for the ground floor are between $10.00 to $12.00 per square foot per month vs. 8% to 12% of the gross sales.

B. Second Floor

Second floor minimum rent is now between $3.00 to $4.00 per square foot.

C. Third Floor

Third floor is at $1.50 per square foot.
D. Fourth Floor

Fourth floor is at a percentage rent deal or $1.00 per square foot whichever is greater.

III. PREMIUMS

There is not much experience with premiums in this shopping center since the shops have not turned over very much; however, it is quite evident and indicated by the General Manager, Mr. Dick Wong, that if leases were entered into today, significant premiums would be involved in the transaction. A past example of this is the “Watumulls” shop which is a 700 square foot ground floor shop on the Ewa side of the Center sold in November, 1988 for approximately $950,000.00 cash or $1,357.14 per square foot. This shop was purchased by a Japan Japanese concern which negotiated with the landlord for an extension of the lease for five years with an option at then market rent of another five years. A percentage of the premium was given by the seller for the extension of the lease.

IV. GROSS SALES/ACTUAL RENTS

A. Eye Catcher

This retailer of designer wear sunglasses has two shops on the ground floor of 300 square feet and 500 square feet, respectively and sales were estimated at $1200.00 per square foot annually per shop. Minimum rent is $10.00 vs. 10% of gross sales. Actual and effective rent at 10% is $12.00 per square foot per month.

B. Island Tan

This retailer of Aloe suntanning and beauty products has two shops on the ground floor of 350 square feet and 500 square feet, respectively and sales were estimated at $1,500.00 per square foot annually per shop. Minimum rent is $10.00 vs. 10% of gross sales. Actual and effective rent at 10% is $12.50 per square foot per month.

C. MacDonald’s Restaurant

This fast food franchise has 2,000 square feet on the ground floor and 4,000 square feet on the second floor.
Exhibit A
Page 3

Gross sales per square foot on an annual basis is $1,000.00 and $250.00, respectively. Ground floor rent would equal $10.00 per square foot per month.

D. ABC Discount

This convenience store had gross sales of approximately $2,200,000.00 in 1988 or per square foot of $1,222.00 annually. Minimum rent is $5.00 per square foot vs. 9% of gross sales. The store space is approximately 1800 square feet and actual and effective rent is $9.17 per square foot per month.

E. Crazy Shirts

This specialty concept shop, the Royal Hawaiian Yacht Club, had sales of $1,500,000.00 in 1988 on approximately 600 square feet or $2,500.00 per square foot in annual gross sales. Minimum rent is $10.00 per square foot per month versus 10% of gross sales. Actual and effective rent is $20.83 per square foot per month.

F. Surfsports

This retailer of surfing sports wear and accessories on the ground floor and had gross sales of $1,300,000.00 in 1988 on approximately 600 square feet or $2,166.00 per square foot. Minimum rent is $10.00 per square foot vs. 10% of gross sales. Actual and effective rent is $18.06 per square foot per month.
V. HIGH VOLUME SHOPS

The following stores had the highest gross sales in the Royal Hawaiian Shopping Center in 1988.

A. Chanel

Sales were estimated at $15,000,000.00 in 1988 when the store was approximately 1000 square feet or $15,000.00 annual sales per square foot. Minimum rent is $8.00 per square foot versus 10% of gross sales which means the total rent for 1988 at 10% was $1,500,000.00 or $125.00 per square foot per month. A second shop of approximately 2800 square feet opened in October, 1988. The total square footage of both shops is approximately 3800 square feet. Gross sales are projected for 1989 at approximately $24,000,000.00 for both shops.

B. Louis Vuitton

Sales in 1988 were approximately at $20,000,000.00 on 1000 square feet of shop space or $20,000.00 per square foot in annual gross sales. Minimum rent is $8.00 per square foot versus 10% of gross sales. Accordingly, the total rent in 1988 was $2,000,000.00 or $167.00 per square foot per month. Gross sales for 1989 are projected to be $25,000,000.00.

C. Cartier

Sales in 1988 were approximately at $7,000,000.00 on 400 square feet of shop space or $17,500.00 per square foot in annual gross sales. Minimum rent is $8.00 per square foot versus 10% of gross sales. The total rent for 1988 was $700,000.00 or $145.00 per square foot per month. Gross sales for 1989 are projected to be $8,000,000.00.

D. Yokoyama Okadaya

Sales in 1988 were approximately $26,000,000 on 2,000 square feet of shop space or $13,000.00 per square foot in annual gross sales. Minimum rent is $8.00 per square foot versus 10% of gross sales. The total rent for 1988 was $2,600,000.00 or $108.33 per square foot per month. Gross sales for 1989 are projected to be approximately $30,000,000.00.
KALAKAUA AVENUE RETAIL - OTHER

A. THE KALAKAUA CENTER (formerly the Mistsukoshi Bldg.)

These leases are being presented negotiated. According to the landlord, Mr. Phil Russell of Graham, Muruta, Russell, development managers of the center, minimum rents for the ground floor with Kalakaua frontage are between $10.00 to $15.00 per square foot per month vs. 10% to 12% of the gross sales based on the actual direct location and frontage. Common Area Maintenance is estimated at 75¢ per square foot per month. Premium charged for this frontage is at $100.00 per square foot. Off Kalakaua, please see Exhibit D:

B. KALAKAUA AVENUE/ROYAL HAWAIIAN AVENUE

"Marina's" formally Center Art Galleries - the lease which is for 15 years was purchased for $2,300,000.00 cash in September, 1988. It is a 1500 square foot shop at a minimum rent of $12.00 per square foot per month versus 12% of gross sales. With the premium factored in, the effective rent for this space is approximately $20.00 per square foot and this is without percentage rent.

C. KALAKAUA AVENUE/LEWERS - (Gump Building)

Crazy Shirts has leased 1000 square feet of ground floor space. Lease term is ten (10) years and is at a minimum rent of $15.00 per square foot per month versus 10% of gross sales. There was no premium charged for the space and the Landlord is projecting annual gross sales per square foot will be approximately $2,000.00. At this volume the actual and effective rent would be over $16.00 per square foot per month.

D. THE MACNUTTERY

A Japan-Japanese restaurant has been leased for this 4000 square foot for the ground floor of two story restaurant space. Second floor of 2800
square feet will be used for corporate offices and was not used as a factor in the minimum rent. They paid a $1,700,000.00 premium to extend the lease for a total of twenty-one (21) years. Minimum rent is currently at $3.00 per square foot and with the premium added in, the effective rent is approximately $4.70 per square foot per month which is high for a restaurant and is not inclusive of percentage rent. Minimum rent steps up at an annual rate of 7% per year for the entire 21 year lease term.

**E. OUTRIGGER WAIKIKI - KALAKAU A**

Minimum rents for the ground floor with Kalakaua frontage are between $10.00 to $15.00 (gross, as it is inclusive of CAM, RPT, A/C, and electrical. These additional fees are estimated at a total of $1.00 per square foot per month) per square foot per month vs. 12% of gross sales for retail, 10% for food, and 15% for liquor. Effective rent with percentage is approximately $15.00 to $20.00 per square foot per month. Interior spaces in the Kalakaua frontage hotel are between $4.00 to $6.00 per square foot per month. These spaces need to be refurbish and redone to attract more of the crowd that is frequenting the International Marketplace, Royal Hawaiian Shopping Center, and other Kalakaua Avenue retail areas. With this in mind, the Outrigger Hotel Management Company intends to renovate this hotel in 1990-1991. At that time new five (5) year leases will be granted and payment of premiums required. Outrigger expects premiums to be between $100,000.00 to $350,000.00 for Kalakaua frontage depending on the size and location. Interior space premiums will be between $75,000.00 to $100,000.00.

**F. HYATT REGENCY**

Minimum rents for the ground floor with Kalakaua Avenue frontage are between $10.00 to $15.00 per square foot per month vs. 10% to 15% of the gross sales depending on size, location, and retail use. Off Kalakaua frontage minimum rent is $10.00 per square foot per month vs. 10% to 15%.

Gucci which has a twenty (20) year lease which was written in 1976 with reopensers every five years for minimum rent is currently at a minimum rent of $10.00 per square foot per month vs. 10% of the gross sales. Gross sales for 1988 were approximately $12,500,000.00 on 1800 square feet of retail space or $6,944.00 per square foot in annual sales.
At 10% the actual and effective rent would be $58.00 per square foot per month.

G. MOANA HOTEL

According to Ms. Edna Wong, Real Estate Leasing Manager of the Sheraton Corporation, new leases for this hotel were executed within the last twelve month period. Minimum rents for Kalakaua Avenue frontage are between $10.00 to $12.50 per square foot per month vs. 12% to 15% of the gross sales. Off Kalakaua frontage is from $5.00 to $10.00 per square foot per month vs. 12% to 15% of the gross sales. No common area maintenance is charged; however, utilities are separately metered. These leases are only for five (5) years with no options. There were no premiums taken for any of the retail spaces as it is not a policy of the Sheraton Hotel Corporation. New tenants signed reflect the Hotel's policy to try to attract the wealthy young Japan-Japanese nationals clientele; among the tenants are Alfred Dunhill, Tiffany's, and Allon.

H. PRINCESS KAIULANI

This is another Sheraton managed hotel and the minimum and percentage rents are the same as the Moana Hotel. No premiums have been taken and no leases are due to expire for the next few years.
I. FOSTER TOWERS

PAST AND CURRENT RENTS AND PREMIUMS FOR KALAKAUA AVENUE FRONTAGE

<table>
<thead>
<tr>
<th>SPACE #1</th>
<th>SPACE #2</th>
<th>SPACE #3</th>
<th>SPACE #4</th>
</tr>
</thead>
<tbody>
<tr>
<td>SQUARE FOOTAGE:</td>
<td>SQUARE FOOTAGE:</td>
<td>SQUARE FOOTAGE:</td>
<td>SQUARE FOOTAGE:</td>
</tr>
<tr>
<td>2000 sq.ft.</td>
<td>1900 sq.ft.</td>
<td>706 sq.ft.</td>
<td>940 sq.ft.</td>
</tr>
</tbody>
</table>

TERM OF LEASE:
ALL ARE TEN (10) YEARS LEASES WHICH WERE MASTER LEASED BEGINNING OCTOBER 1, 1988.

MINIMUM AND PERCENTAGE RENT:
FIRST FIVE (5) YEARS
$14.00 psf. $14.00 psf. $14.00 psf. $14.00 psf.
All percentage rent is at fifteen (15%) percent of gross sales per month.
SECOND FIVE (5) YEARS
$17.00 psf. $17.00 psf. $17.00 psf. $17.00 psf.
Percentage rent to be renegotiated at fair market value.

PREMIUM:
$350,000.00 $380,000.00 $141,200.00 $640,000.00

Currently Space #1 is back on the market at same rental rates and asking premium is $1,500,000.00.

Space #4 original premium of $640,000.00 in October, 1988 was split up as follows; $290,000.00 down at closing, $120,000.00 on October 1, 1988 and balance of $230,000.00 due on October 1, 1989. This space was recently resold in May, 1989 with same rental rates for $1,200,000.00 or $1,276.60 psf.

Space #6 FURUSATO RESTAURANT
5000 psf.
Ten (10) years at $10.00 psf vs. 15% of gross sales for first five (5) years. Premium was $1,000,000.00 at execution at lease and second $1,000,000.00 at second five (5) years.
INTERNATIONAL MARKETPLACE
RETAIL INFORMATION AS OF MARCH 20, 1989

International Marketplace has been considered the premier shopping area throughout Waikiki since 1959 when it first opened. Average annual visitor count in the Marketplace is 6,000,000. The marketplace has been always unique to Waikiki and Honolulu in their concept of using carts as their primary shopping experience. This has worked well for the landlord’s management as it has provided effective rents on a per square foot basis of a much greater yield with less cost to the management in terms of owners’ cost for tenant improvements and operational management as the average cart requires only approximately 25 square feet of retail space and one person to operate the retail.

I. CARTS (133 TOTAL NUMBER)

A. Rents

1. Front carts are at minimum rent of $5000.00 or $200 per square foot per month vs. 15% of gross sales. Examples of gross sales income: Pearl carts (2) very front area have average gross sales of between $90,000 to $150,000.00 per month depending on the time of the year. Total of five (5) carts in front which are pearls; other 14k jewelry.

2. Middle Carts are at $3,000.00 to $4,000.00 or $120.00 to $160.00 per square foot per month in minimum rent vs. 15% of gross sales.

3. Back Carts are at $1,000.00 to $1,500.00 or $40.00 or $60.00 per square foot per month in minimum rent vs. 15% of gross sales.

B. Premiums (as of January 1, 1988)

Premiums— the International Marketplace receives approximately 30% of purchase price of shop or cart space when tenants sell. In addition, if International Marketplace management terminates or fails to extend tenant new lease then the International Marketplace will receive 100% of premiums. This income is used in the Marketplace income stream and is categorize as additional income for the particular shop space. Typical preminums for various carts and locations are for the Front are: $50,000-$100,000, Middle $20,000-$30,000, and Back $5,000-$10,000.
II. SHOPS (42 ground floor and 18 second floor)

A. Rents

Front spaces for ground floor which is not on Kalakaua Avenue are at $8.00 per square foot. Examples of this is Capricorn. Middle spaces are at $4.50 ground floor, second floor are at $4.00 per square foot. Premiums are the same as carts and included and used as additional income for the Marketplace.

B. Gross Sales

1. Beachcomber/Waikiki Trader-Premium of $6,200,000.00 paid to the Hemmeter Corporation. Minimum rent of $30,000.00 for approximately 6,000 square feet ($5.00 per square foot) paid monthly to the Marketplace. Sales for January, 1989 were $509,000.00. Trader owners estimate an average gross sales of $400,000.00 per month vs. 8%. (Average annual sales per square foot is $960.00).

2. Crazy Shirts- Original premium was $1,900,000.00 for this shop located right on Kalakaua Avenue in the Schnack Building in approximately 865 square feet. Gross sales in 1988 were $5,000,000.00 or an average of $13,700.00 per day which comes to approximately $5,780 annual sales per square foot. Minimum rent of $10.50 vs. 12%. Total effective rent for this space was approximately $57.80 per square foot in 1988.

III. FOOD COURT

After one full year in operation (September, 1988), all tenants of the Food Court have been in percentage rent. Actual sales figures were not available.

A. Premiums for this food court area averaged between $15,000.00 to $40,000.00 depending on location for an average of 300 square feet for restaurant space.

B. Minimum rent $5.00 per square feet vs. 12% of gross sales.
C. Common Area Maintenance fees are approximately $2.00 per square foot in addition to the other fees for the Marketplace.

D. Advertising is 2% per month

IV. FEES FOR THE MARKETPLACE

Common Area Maintenance is approximately 69¢ and 7¢ for Real Property Taxes per square foot for a total of 76¢ per square foot per month.
OFF KALAKAUA RETAIL SPACES

A. KUHIO AVENUE

Waikiki Trade Center

Ruby Bigona was lease in July, 1987 at 1600 square feet. Minimum rent is at $4.00 per square foot versus 10%. CAM is at $1.29 per square foot per month. Lease term is four (4) years with a five (5) year option. Premium is $200,000.00 for the lease.

B. BEACHWALK

The Kalakaua Center (formerly the Mitsukoshi Bldg.)

Minimum rent is at $8.00 per square foot vs. 8% to 12% of the gross sales. Common Area Maintenance is estimated at 75¢ per square foot per month. Premiers are set at $50.00 per square foot for a one time charge for a five year lease. Leases are for five (5) years and can be negotiated with a five (5) option. Should option period be negotiated a premium for the additional term may include a premium. Currently this is all subject to negotiation.

C. LEWERS

Outrigger Edgewater

Minimum rents for Lewers frontage is between $4.00 to $7.00 gross per square foot per month versus 12% of gross sales. Interior hotel spaces minimum rent is at 50¢ to 2.00 per square foot per month. Outrigger Corporation will be charging premiums as reimbursement in 1990 to 1991 for a major renovation and facelift of the hotel. They will give five (5) year leases for the retail spaces and premiums will be between $25,000.00 to $75,000.00 depending on size of shop and location.

D. ROYAL HAWAIIAN HOTEL

This hotel is also part of the Sheraton Hotel Corporation managed hotels
and minimum rents are between $5.00 to $8.00 per square foot per month vs 12% to 15% of gross sales. No common area maintenance is charged; however, utilities are separately metered. No premiums are charged for the retail shop spaces and leases are for a five (5) year term.

E. SHERATON WAIKIKI

As this is also a Sheraton Hotel managed property all terms and conditions for leases are the same as the Royal Hawaiian Hotel.
WAIKIKI OFFICE MARKET

- Grubb & Ellis - Office Market
- Building Vacancy Rates for Competitive Office Space and Retail Space, for Honolulu, by Location: 1985 to 1988
OFFICE MARKET

The "landlord's market" predicted in 1988 began to materialize in the Honolulu office sector, and promises to continue until new Downtown and adjacent developments are completed and on-line. Rental rates, which remained fairly stable in 1987, reflected the anticipated 1988 increases with top rates in the Downtown area exceeding our forecast of $2.50 per square foot per month, full service gross. And, although availability of space in the new City Financial Tower may keep a lid on significant rental rate increases and commensurate reductions in tenant lease incentives in early 1989, the lack of available space in the central business district core by mid-year could force 1989 rates upward by 10% to 15% to $2.75 - $2.80 by the year's end.

A combination of several market dynamics sometimes running contrary to surface perceptions will affect office activity, rental rates and absorption levels in the central business district in 1989. For example, space availability in the new 180,000 square foot City Financial Tower saw significant leasing activity at the end of 1988, leading to an early 1989 lease-up prediction. Because the majority of tenants in this new project will move from other Downtown buildings rather than from outside the market area, it might be assumed that a like amount of space will be vacated for speculative re-leasing. However, due to the current high occupancy levels in the majority of Class "A" buildings since 1987, much of the space to be vacated has been precommitted to tenants in adjacent, or nearby spaces requiring expansion area, resulting in little "open market" availability in 1989.

Additionally, although new Kapiolani Corridor developments might seem to offer relief from rental and space pressure in the Downtown area in 1989, the majority of tenants relocating to these new projects will come from buildings outside of the Downtown area rather than from the central business district. However, this pattern should begin to change in the early to mid-1990's as Kapiolani Boulevard continues to develop a "Wilshire Corridor" profile, becoming an even more clear alternative to the congested Downtown area. Thus, upward pressure on Downtown area rents and parking costs will continue from mid-1989 until relief is provided by new projects coming on line in the late 1990/early 1991 time frame.

In 1989, construction will commence on the 487,000 square foot "Pan Pacific Plaza" project located on the former downtown Kress Building site and slated for completion in late 1990. The 408,000 square foot office portion of Waterfront Plaza achieved 83% lease-up in 1988, and should be fully committed by early 1989. Its proximity to Downtown did help the project to attract tenants from the central business district core, but its early 1989 lease-up will only enhance the position of Downtown landlords in the remaining months of the year.

As of the end of 1988, plans for the "Pacific Nations Center" (Block 'J') mixed-use office, commercial and residential project remain highly speculative as does the development of the former King Theatre site. The Hawaii National Bank Building, now under construction, will bring 95,000 square feet of office space into the market in 1989, but remains out of the central business district core. Other downtown office development activity includes the renovation of the former Armed Forces YMCA Building for the Hemmeter Corporation headquarters and the commencement of the 174,000 square foot adjacent office building slated for state government employees. However, the limited parking provided for tenants of both Hemmeter buildings will add more pressure to the area's already troubled parking situation, relieved only by the possible redevelopment of the existing Alakea Street public parking facility.

As the Kaka'ako area begins to assume the skyline of its redevelopment future, significant office building development is either underway or planned along the Kapiolani Corridor. Approximately 390,000 square feet of new office space will come on line in 1989, representing an increase of over 35% in the corridor's total high rise space. The 140,000 square foot Commerce Tower at the corner of Keeauomoku Street and Kapiolani Boulevard will be completed in 1989, and Pacific Park Plaza at the corner of Kapiolani Boulevard and Cooke Street will add 250,000 square feet of leasable space available for tenant occupancy in the 16-story high-rise building in April of 1989.
HonVest will commence its planned 112,500 square foot tower along the Corridor in 1989 and preliminary plans call for mixed-use office, commercial, residential development of the Waikiki Triangle to begin construction in late 1989/early 1990. Plans for development of the former Aloha Motors site include 250,000 square feet of commercial/office space in addition to approximately 200,000 square feet of retail space, an 800-room hotel, two condominium towers and a major convention facility. No major office building construction is planned for the King Corridor in 1989 although vacancy stands at less than 3%.

Iwilei offers a potential alternative to Kaka‘ako on the Ewa side of Downtown but the area remains a jumble of older outdated uses. However, recent conversion of a multi-level warehouse building to a 160,000 square foot office/commercial space by Oceanic Properties together with tentative development plans for land owned by both Pacific Resources and Unocal, may dramatically change the Iwilei skyline and occupant profile as early as the mid-1990s.

In Waikiki, the 150,000 square foot “Kalakaua Center” conversion of the former Rainbow Promenade shopping complex will help to relieve the tight market in that area when it reaches completion in 1989.

In East Oahu, Bedford Properties will augment its highly successful 47,000 square foot Hawaii Kai Corporate Plaza with the addition of 45,000 square feet of new garden office space to be completed in early 1990.

No significant construction will begin on the Windward side in 1989 where leasing activity in this relatively low demand market remains flat.

Late 1989 will see the commencement of construction of an approximately 50,000 square foot office building in the Kapolei area by Campbell Estate with approximately one-half of its space to be available for lease. This development represents the Ewa Plain’s first top quality office building, and will be the forerunner of the Estate’s long-planned master development of the Ewa Plain area.
For the purpose of this study, we will divide Honolulu’s office marketplace into these geographical areas:

- **ALA MOANA** – Buildings fronting Ala Moana Boulevard between Waikiki and Downtown
- **DOWNTOWN** – The core of Downtown Honolulu bounded by Richards/Mililani Streets, Beretania Street, Nuuanu Avenue and Ala Moana Boulevard/Nimitz Highway
- **KAPIOLANI CORRIDOR** – Buildings fronting Kapiolani Boulevard from South Street to Waikiki

### HONOLULU OFFICE DISTRIBUTION (VACANCY IN)

<table>
<thead>
<tr>
<th>Area</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>King Corridor</td>
<td>7.5% (2.7%)</td>
</tr>
<tr>
<td>Kapiolani</td>
<td>11.6% (1.4%)</td>
</tr>
<tr>
<td>Ala Moana</td>
<td>7.8% (7.0%)</td>
</tr>
<tr>
<td>Downtown</td>
<td>48.8% (4.5%)</td>
</tr>
<tr>
<td>Kaka’ako</td>
<td>3.9% (7.4%)</td>
</tr>
<tr>
<td>Waikiki</td>
<td>5.5% (0.2%)</td>
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<tr>
<td>Airport</td>
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</tr>
<tr>
<td>Windward</td>
<td>3.0% (19.0%)</td>
</tr>
<tr>
<td>Leeward</td>
<td>2.8% (4.4%)</td>
</tr>
<tr>
<td>East Oahu</td>
<td>1.8% (1.6%)</td>
</tr>
</tbody>
</table>

### OFFICE MARKET OVERVIEW (SQ. FT. IN THOUSANDS)

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<th></th>
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<td></td>
<td>Low</td>
</tr>
<tr>
<td>Downtown</td>
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<td>42</td>
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<tr>
<td>Windward</td>
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<td>Total</td>
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<td>450</td>
<td>4.7%</td>
<td>815</td>
<td>227</td>
<td>$1.04</td>
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*The Gentry Pacific and Nimitz Business Center in the airport area reflect a hybrid category, because, of the 708,000 total square feet, 25% or 165,000 square feet are not clearly office, but mixed usage including commercial and retail.*
KING CORRIDOR—Buildings fronting South King Street from Alapai Street to University Avenue

WAIKIKI—Waikiki District bounded by McCully Street/Ala Moana Boulevard, Ala Wai Boulevard, Kapahulu Avenue, Waikiki beaches

AIRPORT—Approximately three mile radius around the airport.

WINDWARD—The Kaneohe and Kailua areas

LEEWARD—The Alea and Pearl City areas

EAST OAHU—From Kaimuki to Hawaii Kai

KAKA‘AKO—The Kaka‘ako Community Development District bounded by King Street/Piikoi Street/Ala Moana Boulevard and Punchbowl Street (excepting office properties with King Street, Kapiolani Boulevard and Ala Moana Boulevard addresses which will be considered under the respective corridors described)

1988 REVIEW
(December 1988 figures unless otherwise indicated; Non owner-occupant buildings 15,000 square feet and above; Rates are quoted on a per square foot per month full service basis; Buildings under construction but not completed in 1988 not included.)

- There were 9,596,000 square feet of existing office space in the City and County of Honolulu in 1988.
- Vacancy in the Downtown area was 4.5%
- The lowest vacancy factor was 0.2% in the Waikiki area.
- The highest vacancy factor was 19.0% on the Windward side.
- No major new construction on Oahu reached completion in 1988 although City Financial Tower in the Downtown area and Pacific Park Plaza in the Kapiolani area reached final construction stages.

1989 OUTLOOK
- New construction will yield 275,000 square feet of leasable space in the Downtown area in 1989.
- Although vacancy will rise in both the Downtown area and along the Kapiolani corridor in early to mid-1989 due to new construction coming on line, vacancy in both areas will drop again to late 1988 levels by the end of 1989 due to 1988 leasing activity and rapid 1989 absorption of uncommitted space.
- New construction to be completed in 1989 by area will be as follows:

<table>
<thead>
<tr>
<th>Area</th>
<th>Quantity</th>
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</thead>
<tbody>
<tr>
<td>Ala Moana</td>
<td>0</td>
</tr>
<tr>
<td>Downtown</td>
<td>275,000</td>
</tr>
<tr>
<td>Kapiolani Corridor</td>
<td>390,000</td>
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<td>King Corridor</td>
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<tr>
<td>Airport</td>
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<td>Waikiki</td>
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<td>East Oahu</td>
<td>0</td>
</tr>
<tr>
<td>Kaka‘ako</td>
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- Central Business District class "A" lease rates for premium space will reach at least $2.75 per square foot per month full service by the end of 1989; with unreserved parking rates likely to reach $125 per month.
BUILDING VACANCY RATES FOR COMPETITIVE OFFICE SPACE AND RETAIL SPACE, FOR HONOLULU, BY LOCATION: 1985 TO 1988

[Rates are percent of space reported vacant in survey]

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NA Not available.

WAIKIKI TRAFFIC

- Traffic Project and Studies
- Issues Concerning Traffic in Waikiki

Note: See Waikiki Tomorrow Transportation Task Force.
Traffic Projects And Studies

The following is a summary of Waikiki traffic projects and studies per review of plans and discussions with DPW and DOTS.

Three major projects have affected modern day Waikiki transportation.

1. Making many Waikiki streets one way in the early 1970's.

2. Kuhio Avenue widening which was done in phases, was completed in 1987. Property was condemned for the widening. Improvements consisted of widening Kuhio Avenue and infrastructure replacement/relocation. Drainage improvements, sidewalks, curbs and gutters, wheelchair ramps were installed. Much of the road is now concrete.

   The project has made traffic move more smoothly, by defining the roads, turn storage lanes, and pedestrian sidewalks. It is more a functional improvement rather than a beautification effort.

3. The Kalakaua Avenue Safety and Beautification project was completed in 1988. Improvements consisted of sidewalk widening in places, sidewalk tiles, new signalized lights, landscaping with irrigation, wheelchair ramps, new street lights, and newspaper racks. Safety and beautification were the emphasis in this project.

The next transportation project that probably have an impact on Waikiki is the proposed HART system whose fate will probably be decided in 1990. Exact location and length of the route and stations are still subject to change.

We are not aware of any major transportation studies or plans currently being performed. The most recent Waikiki transportation study was performed by Helber, Hastert and Kimura in 198_. (in progress)
ISSUES CONCERNING TRAFFIC IN WAIKIKI

• Waikiki ranks among the most densely populated districts in the United States.

• Due to the high density of the area and the heavy flow of tourists and residential traffic in and out of Waikiki traffic congestion is often a serious problem.

• The primary reasons behind the problem of traffic congestion include, but are not limited to, the growing number of tourists vacationing in Waikiki, the problem of large tour buses traveling on inadequate access roads through residential neighborhoods adjacent to the area, and the absence of a direct-access route between Waikiki and the H-1 Freeway.

• The proposed convention center in Waikiki would compound the traffic problem in the area and the surrounding neighborhoods of McCully, Ala Moana and Kapahulu.

• "The most appropriate alternative to alleviate the Waikiki traffic congestion problem among these access routes appears to be a direct-access route linking Waikiki to the H-1 Freeway, the principal transportation corridor serving the Honolulu area."
BUILDING PERMITS AND CONSTRUCTION HAWAII

- Commercial and Industrial Construction In Hawaii Hotel Building Permits
  - Hotel Room Inventory In Hawaii
  - Hotel Building Permits By County
  - Manufacturing Construction
  - Office Construction
  - Stores & Mercantile Buildings
  - Transportation & Utility Buildings
- City Drafts New Rules On Excavations
## Hotel Room Inventory in Hawaii

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### HOTEL BUILDING PERMITS BY COUNTY

#### CITY AND COUNTY OF HONOLULU

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#### COUNTY OF HAWAII

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City drafts new rules on excavations

The Council may curb digging below Oahu's water table

By Jeana Marples

City attorneys are working on a plan to tighten the Building Department's policy on digging below water tables to avoid problems similar to the one in Waikiki where excavation at the Duty Free construction site has resulted in splitting and cracking of other buildings in the area.

Councilman Neil Abercrombie yesterday said the attorneys are helping him draft a resolution to prevent future construction problems in Waikiki and other areas with similar underground water conditions.

A pipe break earlier this week in a building at 2211 Ala Wai Blvd. was the latest damage traced to "dewatering" at the Duty Free construction site on Lewers Street.

Meanwhile, a team from Pacific Construction Co. Ltd., general contractor for the project, has been repairing damage reported by condominiumists and businesses near the site.

"The resolution you should see shortly is asking the city Building Department to review and change its policy for excavating in Waikiki and in any other areas when there is a question of digging below the water table," said Abercrombie, who represents the Waikiki area.

"I still think Pacific Construction is doing a terrific job trying to repair all the damage," he said. "Obviously, nobody expected this would happen, and we're trying to see that it doesn't happen again."

Pacific Construction spokeswoman Trudie China yesterday said the company did not receive a complaint from the management of the Ala Wai apartment building, but crews were sent to investigate when the company heard about the break, which left residents without water for hours.

"Apparently the pipe that broke had been leaking for some time," China said. "This is not to say that it is not due to the dewatering — because we think it is. But the pipe was leaking and it just finally broke."

China said that since the foundation at the Duty Free site was poured last week, pumping of water has been cut in half and there have been no new settlements reported.

The pumping is necessary before laying the foundation because of the swampy underground soil quality in the area. Pacific Construction's troubles started last month when its 35-foot-deep excavations sucked millions of gallons of water a day from the swampy underground, and settling caused sidewalks to split, cracks in nearby buildings and swimming pools, and other damage in the area.

The Duty Free project team consists of owner Kinkai Properties, soil consultant Dames & Moore and contractor Pacific Construction.

"There's no indication of continuing settlement," China said. "We have a team that's out there, and all they do is make repairs."

China said there is no date set for completing permanent repairs and there is no cost estimate for those repairs.
EXAMPLES OF OTHER RELEVANT DEVELOPMENT PROJECTS

• Improvement District Transforms Kakaako's Aging Infrastructure
• Kakaako: The Mixed Use Community Emerges
• Kakaako's Desperate Parking Problem: HCDA'S Revised Plan Praised
• Ko Olina Resort/Residential Community
IMPROVEMENT DISTRICT TRANSFORMS KAKAAKO’S AGING INFRASTRUCTURE
by Cleighton Goo, Chief Engineer

Redesigned or widened streets with new curbs, gutters and pavement. Improved, expanded utilities such as drainage, sewer and water systems. The undergrounding of telephone, electric and cable television lines. These transformations were largely completed in the Ewa (west) portion of the Kakaako District during the 1987-88 Fiscal Year. By July 1988, only a stretch of Queen Street — from South Street to Cooke Street — had yet to be topped off with final paving, and sidewalk and curbing work.

I feel very proud and fulfilled to have worked on such an important project as ID-1. True, more than two years of construction did require much sacrifice and cooperation by many, especially the area’s businesses. It wasn’t particularly easy for them, but today, I think that those who withstood the disruptions have a special appreciation of the value and benefits of the revamped and improved infrastructure system.

Many of the improvements are underground and not readily visible to the eye, but the people who live and work in the area can probably feel the change. Streets are safer, more conducive to traffic and pedestrian flow. There are more fire hydrants and sidewalks, better signage and curbs where once there were none. Flooded streets, under normal rainfall conditions, will no longer hamper daily activities. And the functioning of utilities has been drastically bettered.

Construction on the HCDA’s Improvement District 1 (ID-1) Project began in April 1986. The ID-1 Project area was generally bounded by Punchbowl, King, Cooke, Queen, South, and Auahi Streets and Ala Moana. For this $35.2 million project, a myriad of improvements were made to bring Kakaako’s ailing infrastructure system up to current City and County standards. In addition to making the area safer and more attractive, the improvements will facilitate future development, whereas in the past, Kakaako’s landowners have often found it difficult and costly to develop their properties because of the inadequate streets and utilities.

Three contractors — Hawaiian Dredging & Construction Company, E.E. Black, Ltd. and Okada Trucking Co., Ltd. — performed the infrastructure improvements simultaneously over the 2-year construction period. The intent was to get the job done as quickly as possible and to minimize the unavoidable disruptions and inconveniences for businesses.

Unfortunately, many businesses suffered some degree of business loss, due to the fact that many customers naturally tended to avoid the project area. During the months of construction, for example, major drainage and sewer mains were installed within an existing business area, where traffic flow and existing utility services needed to be maintained. In rare instances, where there was little or no flexibility in construction, some traffic lanes or streets were occasionally partially blocked.

HCDA’s top priority in ID-1, as in any future project, is to ensure that the merchants’ welfare is protected to the greatest extent possible. To accomplish this, communication between the public and the HCDA was extremely vital. Except where unavoidable, the HCDA and its contractors at all times maintained a minimum of one lane of traffic open, and insured that pedestrian walkways and driveways were accessible. Night and weekend construction work was also used on some critical traffic flow areas, but because of the high cost of such overtime work, the HCDA had to be very selective in its usage.
Businesses in the ID-1 area, as well as the general public, were extremely cooperative and patient during the construction period. When problems came up, merchants promptly contacted the HCDA or the contractors performing the work. The HCDA dealt with individual problems expeditiously and to the satisfaction of all parties concerned.

Acknowledging the hardships faced by businesses in the construction area, we saw the necessity of having a staff person out on the street on a regular basis, to deal — on a personal and individual basis — with problems and concerns. Our monthly newsletter, THE KAKAAKO CONNECTION, regularly featured construction information and advisories, as well as feature stories on individual ID-1 businesses and merchants, to give the entrepreneurs a boost and to remind the public that, amid the construction, the merchants were open for business and in need of the public’s support.

THE SECOND TIME AROUND

With the end in sight for ID-1, the mechanism for our second improvement district project, ID-2, was already in gear. Located immediately Diamond Head (east) of ID-1, ID-2 will basically employ the same types of construction activities and improvements used in the former project, with a similar goal of an improved and enhanced system of roadways and utilities. The ID-2 project area is generally bounded by Keawe, Pohukaina, Cooke and Ilalo Streets. Major drainage facilities will also be installed extending beyond Ala Moana Boulevard along Cooke, Coral and Ilalo Streets to the ocean.

Although construction on ID-2 did not begin until October 1988, we began engineering and planning work for it in 1986. During the early months of 1987, the HCDA engineering staff developed a detailed work program for ID-2 and began implementation activities. A $27 million CIP appropriation by the 1987 State Legislature provided the impetus for construction to begin. The HCDA completed its preliminary ID-2 assessment report in November 1987 after meeting with affected property owners and recorded lessees. We met with them in small groups to inform them of the proposed improvements, the methods used to allocate the cost of improvements, the individual property assessment amounts, and the proposed payment plans.

Strong community support for the proposed ID-2 was voiced at public hearings held by the HCDA in January and June of 1988. Although there were a few objections to the project, many testified that ID-2 will benefit those in and around the Kakaako District and that construction should be undertaken in an expeditious manner. Kakaako developer Colin de Silva, President of Business Investment, Ltd., claimed that the ID-2 project would attract owners, residents and business people to Kakaako. de Silva, whose Royal Capitol Plaza project was located in ID-1, said that ID-2 would specifically benefit the property owners of the project area. Mike Au, representing The Kakaako Venture, another developer whose projects are located in both the first and second improvement districts, also urged the approval of the ID-2, stating, "Look at the results of ID-1. The neighborhood is nothing short of fantastic. Traffic flows beautifully through the area. With the new drainage system, recent rains were no problem. The proposed (ID-2) improvements will bring an even greater part of Kakaako into a successful kind of form and function."

With favorable public support and the funds in hand, the Authority officially adopted the final assessment rules and amounts, and authorized the final award of construction contracts for ID-2 in June 1988. In August 1988, the HCDA also approved the sale of $5,275,000 of ID-2 assessment bonds to provide financing for property owners assessed for improvements. Property owners in the ID-2 area will make semiannual payments at an interest rate of 8½ percent over a period of 20 years. (Under the HCDA’s Improvement District Program, property owners benefitting from improvements are assessed for their fair portion of the improvement costs. To ease this financial burden, property owners are allowed to pay their assessments in installments over 20 years.)

Although construction of the first improvement district is over and the results speak for themselves, the "hard" work on ID-2 is just beginning. We will maintain our commitment to service and help the businesses in the project area. The HCDA will use "night" or "off-hours" work when practical, and at the close of Fiscal Year 1987-88, we were finalizing plans to develop a temporary parking lot in the project area to help offset some of the parking spaces that will be lost during the ID-2 construction.

As in ID-1, construction over the next two years will be trying and complex. It will require sacrifices and cooperation by the area’s landowners, merchants, visitors, and the HCDA. Unfortunately, nothing in life comes free. All of us — especially Kakaako’s ID-1 businesses — went through some hard times, and the same will be true of ID-2. But the prospects are great. If we can work as a team again — and I’m confident that we can — and listen to and help each other, we can accomplish our second improvement district quickly and with the least amount of disruption possible.
I've been a planner with the Hawaii Community Development Authority since its early days, when the Kakaako Plan was being formulated. The Plan that emerged grew out of some very specific goals or direction provided by the 1976 State Legislature. The result is a document that encourages a mixed-use community, one where people can live, work, shop and play.

It is this type of multi-use community that has been emerging in Kakaako over the past five years. Though many people refer to the up-and-coming Kakaako as the “new Downtown Honolulu”, we at the HCDA feel the District will be much more than an extension of the downtown. True, over the next 30 years there will be a big increase in office and commercial space in Kakaako, as much as 14 million square feet. However, this increase will come — often within the same development or structure — in combination with more residential and light industrial space. That’s the idea behind the mixed-use concept. By virtue of its location and the types of land uses allowed in Kakaako, the District will become the “hot spot” of Honolulu.

The public perception and acceptance of Kakaako as an important, revitalized urban center is peaking. Donald Bremner, President of the Kakaako Improvement Association, Inc., publicly cheers that Kakaako is emerging into an urban center and that its central location makes it attractive for residential and commercial use. In a recent business publication, Bruce Stark, developer of the Waterfront Plaza and Towers project in Kakaako, stated, “. . . Kakaako is the most central part of the Honolulu urban area. Its infrastructure is first class and it will be the only part of Honolulu that will have a consistent look.” Mike McCormack, noted real estate executive, who is the exclusive sales agent for a major proposed Kakaako residential project, said he thinks that Bruce Stark’s project at the waterfront and his residential development at the other end of the District will be the “two anchor tenants of Kakaako and everything else will fill in in between”.

Indeed, as developers’ expectations in Kakaako are high, one look at different sectors of Kakaako today convinces that the major mixed-use developments are viable and being constructed. Also, while these larger developments are being erected in segments or phases, smaller scaled renovation projects abound in Kakaako.
During the Fiscal Year 1987-88, the HCDA issued approximately 150 Mixed-Use Permits (for smaller developments or building renovations). Although no new large-scale Planned Development Permits were issued in 1987-88, we at the HCDA feel that the 150 Mixed-Use Permits issued represent a strong vote of confidence in Kakaako. Many landowners and businesses are going through the process of renovating and improving their Kakaako real estate and this is looked upon as good for the District, the fact that they want to be part of the new Kakaako.

A GROWING CITY

Bruce Stark's $280 million WATERFRONT PLAZA and TOWERS became part of Kakaako's cityscape during the 1987-88 Fiscal Year. WATERFRONT PLAZA, the commercial/office complex, was completed and partially occupied in 1988. This massive project, including seven garden office and retail low-rise buildings, is located Diamond Head of the Federal Building on the former Honolulu Iron Works site. The complex has approximately 90,000 square feet of commercial and retail space, 420,000 square feet of office space and a $1,150-stall parking structure. Four acres of landscaped open space and a public park fronting Ala Moana are part of this project. The centerpiece of WATERFRONT PLAZA is called "Restaurant Row", a gathering of restaurants, boutiques and specialty shops.

In 1988, we also saw the start of construction on Stark's residential phase called WATERFRONT TOWERS. Located across the WATERFRONT PLAZA on South Street, this prime located residential project will give rise to 306 condominiums in two building towers. Completion is slated for early 1990.

Another project undergoing construction in 1987-88 was TDC Hawaii Inc.'s PACIFIC PARK PLAZA, an attractive commercial complex on the corner of Kapioi Boulevard and Cooke Street, adjacent to the recently built ROYAL CAPITOL PLAZA — the first HCDA-approved residential development to be built in Kakaako. The $42 million PACIFIC PARK PLAZA includes a total of 262,000 square feet of office and retail space in a 16-story office tower and a two-story low-rise building. A 600-stall parking garage is also being constructed for this complex, which is scheduled to be completed in early 1989.

The rumor mills have been buzzing for quite some time that another massive $500 million Planned Development project will finally get off the ground on the Diamond Head quadrant of Kakaako. By the close of the 1987-88 Fiscal Year, the Nauru Phosphate Royalties Development (Honolulu) Inc. had stated its intent to start construction on the 404 PIKOI STREET Project by early 1989. To be located on 17 acres of land directly across the street from the Ala Moana Shopping Center, this development will include three high-rise towers and several townhouse-type structures to be built in phases over 10 years. Approximately 2,630,000 square feet of floor area will be divided among residential, commercial and industrial uses and 1,759 residential condominiums are planned. The developer is required to provide 352 reserved or middle-income housing units for this project.

Ground breaking is expected to take place in early 1989 on the first phase — a $100 million tower fronting Ala Moana. This project — called Nauru Tower — will feature 304 one- and two-bedroom units and a low-rise parking structure with 600 stalls. About 27,000 square feet of commercial/retail space will be located on the lower floors.

The aforementioned projects, we feel, will make Kakaako a more desirable place for developers to build and for the public to live, work and play. Because of these predictions, which are already bearing truth, the HCDA envisions that over the next 30 years, Kakaako will house about 50,000 residents in 20,000 new residential units. Based on the Kakaako Plan's mixed-use zoning, we also project that the District will be the workspace for over 65,000 persons.

THE ADDED ALLURE OF THE KAKAAKO WATERFRONT

At the HCDA, we're also very excited about the prospects that the Honolulu Waterfront could bring to the Kakaako District. The 1987 State Legislature expanded the Kakaako District boundaries to include the stretch of Honolulu Waterfront from Kewalo Basin to the Aloha Tower boundary. During the 1987-88 Fiscal Year, the HCDA and the Office of State Planning (OSP) embarked on a concerted planning effort for the Honolulu Waterfront. (Since the OSP is tasked with developing an overall master plan for the entire stretch of waterfront from the Ala Wai Yacht Harbor to the Airport, the combined planning drive is logical as the HCDA will have to formulate specific land use, zoning and development guidelines for Kakaako's waterfront areas.)
Because any revitalization of the Honolulu Waterfront will affect the lives and livelihoods of many, it was decided early on to get representatives from all of these interests involved with the planning from the beginning. In September 1987, Governor John Waihee held a reception at Washington Place to officially launch the beginning of the coordinated master planning for the Honolulu Waterfront. The event was the administration's first step in rallying support and community consensus as to how the waterfront can best be revitalized. Over 250 persons were invited to attend and participate, including State, Federal and county officials; as well as representatives of the maritime and tourism industries; business, community, and environmental groups; and those in the financial, design, development and real estate professions.

Community participation in the waterfront planning task continues to play a large role. Over the ensuing three months following the kickoff, these representatives participated in a series of workshops held by the HCDA and the OSP to gather and explore the community's diverse ideas on waterfront development. It was here that the Hawaii Society of the American Institute of Architects, together with the American Society of Landscape Architects and the American Planning Association, volunteered their expertise and services in the planning effort. Representatives of these professional groups attended the workshops to hear firsthand the input and suggestions of the participants.

Following the workshops, the design professionals employed a design technique known as a "charrette" to develop waterfront concepts. A charrette is an intensive brainstorming session where a variety of concepts is evaluated over a very short period of time. During the marathon weekend of November 13-15, 1987, the design professionals formed three teams to apply their expertise toward the development of various design concepts for the waterfront. Each design team focused on a different design emphasis or theme to ensure that their results encompassed a broad spectrum of development alternatives. During the charrette weekend, preliminary concepts were presented to the public at a large meeting to gain their comments and insights. With the community's input, the design teams further reworked and refined their concepts. The completed design concepts (in the form of a published report) were then presented to the Governor, the State Legislature, and ultimately, to the HCDA and OSP for further study.

Reception to the idea of revitalizing the Honolulu Waterfront and to the charrette waterfront report was generally favorable at the 1988 State Legislature, and lawmakers appropriated $2.5 million to the OSP to fund the completion of a master plan for the Honolulu Waterfront. Since that time, the HCDA has been working closely with the OSP on the task of readying a master plan for presentation to the 1989 State Legislature. Consultants were retained to perform the needed detailed technical studies and analyses and to work on various alternate development scenarios.

Again, the emphasis is on soliciting the greatest amount of public input and participation. Throughout the process a series of "focus group" workshops were held to receive the comments of a diverse range of interest groups. The enthusiastic public response and interaction will surely aid the OSP and the HCDA as we forge ahead in planning for a revitalized waterfront which we can all be proud of.
KAKAAKO'S DESPERATE PARKING PROBLEM:
HCDA'S REVISED PLAN PRAISED
by Harold Edwards, Development Director

What is not disputed is the fact that Kakaako has a serious parking situation. However, two years ago, when the HCDA was seeking funding to build its first public parking garage, a group of Kakaako business people rallied against the HCDA proceeding with its plan, demanding that no business be displaced to provide a parking facility.

I am very happy to report that since that time, we, at the HCDA, have worked closely with the business community, and after holding many meetings and several public hearings, we have adopted a revised parking plan which has garnered the support of Kakaako's businesses.

LOOKING BACK

In July 1987, the HCDA held a public hearing on its parking plan adopted in 1981. The general consensus of those testifying was that Kakaako does have a parking problem and is in need of adequate parking facilities. Speakers insisted, however, that public garages not be built on their properties and should be sited elsewhere, preferably on government-owned land. Very few of the 20 testifiers actually spoke against the need to tackle the inadequate parking situation, but most clearly stated that businesses should not be dislocated to build the facilities.

HCDA Executive Director Rex Johnson responded, "We have always felt that parking has got to be for the small businesses, that it has to help them out. If it doesn't help them out, then it's the wrong thing to do."

The HCDA's actions following the hearing proved Johnson's statement. For several months, the HCDA arranged one-to-one group meetings with lessees and landowners who would have been affected by the original parking plan, to discuss alternative parking schemes and to get their reaction and comments. From these meetings, a revised plan was developed which had broad support among the businesses attending the meetings. The Authority also retained a consultant to assess the technical aspects of the proposed revisions and the analysis concluded that the revised plan would meet the Kakaako District's parking objectives. The revised parking plan addressed many of the issues raised at the June 1987 public hearing. The concept of the public parking garage, which incorporates a public park on top of the structure, remained the same as was the number of proposed garages. The revisions included the addition and deletion of several parking sites, and changes to the shape and configurations of others.

In May and June, 1988, the HCDA held public hearings on the revised parking plan. The new plan drew generally favorable support and most of the testifiers urged that the revised parking plan be adopted as it would help to alleviate Kakaako's parking shortages while causing minimal business displacement.

"The new parking garage plan is widely acceptable by the majority of small businesses in Kakaako," said Charles Wong, owner of Wong's Auto Shop. "By approving the new public parking garage plan, you will be keeping in step with Governor (John) Waihe'e's master plan of helping small businesses." Sam Slom, President and Executive Director of Small Business Hawaii, said, "As we urged, . . . through cooperative efforts of small businesses and the HCDA, a proposal could be found and alternatives developed that would satisfy the demand for parking without destroying existing businesses in Kakaako."
Ko Olina Resort/Residential Community

Ko Olina is a master-planned 1,000-acre destination resort/residential community being developed by West Beach Estates. The site is located just north of the Barbers Point Harbor, and south of Farrington Highway and Kahe Point. Phases: a 620-acre first phase which is under development and a 350-acre second phase. First phase development plans call for a total of 5,200 housing units of which 3,700 units will be apartment/condominium units, primarily consisting of hotel rooms grouped around man-made lagoons are also planned within the first phase.

Amenities under construction include: a 500-slip marina sharing the Barbers Point Harbor entrance, a championship 18-hole resort golf course, four newly created sandy beaches, a Hawaiian cultural center, two shopping centers, one of which is planned to be a specialty center similar to San Francisco's Fisherman's Wharf, and a number of dinner house restaurants. Second phase development plans call for two 18-hole golf courses, and a local-serving commercial center (Environmental Communications, Inc. 1983).

Current Project Status. Ground breaking for the first phase took place on December 2, 1986. Land and infrastructure development costing over $100 million began in early 1987 and will be complete in September 1989. The Estate of James Campbell has conveyed the entire first phase (620-acres) in by the Estate, subject to an agreement with West Beach Estates to acquire it, and is under lease to the Oahu Sugar Company.
EXAMPLES OF ORGANIZATION STRUCTURE

- Hawaii Community Development Authority
- High Technology Development Corporation
- Aloha Tower Development Corporation
- Fort Lauderdale Beach Redevelopment Area U.L.I.
- Center City--Inner Harbor Development, Inc.
- Charles Center-Inner Harbor Management, Inc.
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

SUMMARY

I. General Organizational Information

The Hawaii Community Development Authority ("HCDA") was created in 1976 by the State Legislature. It is a public corporation and falls under the Department of Business and Economic Development ("DBED") for administrative purposes. HCDA is required to report annually to the Legislature and the Governor.

HCDA is comprised of 11 voting members; 4 of which are State officials (Comptroller, Directors of Finance, Social Services & Housing, and DBED). The remaining 7 members are appointed by the Governor with 3 being selected from persons nominated by the Council of the County in which a district is designated. The HCDA staff is headed by an Executive Director appointed by the Authority.

II. The Mandate and Goals of the HCDA

HCDA's mandate is to develop the "community development districts" ("CDD") that the Legislature designates. The designated districts are those urban areas which are blighted, underdeveloped, or otherwise in need of renewal. The redevelopment must meet the State's need for housing, commercial and industrial businesses, parks, schools, and open spaces.

Thus far, the Legislature has designated only the Kakaako district as a "CDD". It consists of over 450 acres of land in downtown Honolulu. The district includes the area bounded by King Street to Ala Moana Boulevard; Ala Moana Boulevard, inclusive, from Piikoi Street to its intersection with the Ewa boundary of Ala Moana Park; from its intersection with Ala Moana to the shoreline; the shoreline from its intersection with the property line representing the Ewa boundary to the property line between Pier 2 and Pier 4; the property line between Pier 2 and Pier 4 from its intersection with the shoreline to Ala Moana Boulevard; Ala Moana Boulevard from its intersection between lands identified by Pier 2 and Pier 4 to Punchbowl Street; Punchbowl Street to its intersection with King Street including the area of waterfront from Kewalo Basin to the Aloha Tower boundary.
III. Powers of the Organization

To accomplish its goals the HCDA may: acquire and otherwise assemble parcels of land, by contract or condemnation; enter into agreements to build moderate income housing; facilitate construction of public improvements to complement and make private development possible; and adopt rules which will supersede any inconsistent health, safety, building, planning, land use, or zoning ordinance or rule.

IV. Current Status

The Kakaako Plan became effective in February 1982. In 1988, HCDA completed its ID-1 infrastructure project, which consisted of infrastructure improvements in the area bounded by Punchbowl, King, Cooke, Queen, South, and Auahi Streets and Ala Moana Boulevard. It also completed the sale of $5,275,000 of assessment bonds to provide financing for property owners' assessment payments (8 1/2% over 20 years). It also adopted the revised parking plan providing for 7 public garages. At the present time, various private residential and commercial projects have been completed or are under construction in the development district.

V. Future Plans Include

HCDA plans to ultimately quadruple the current floor space in the district; complete its ID-2 infrastructure project to improve the streets and utility systems in the area bounded by Keawe, Pohukaina, Cooke, and Ilalo Streets; further aid private landowners in developing their parcels; provide relocation assistance for displaced business; and complete its waterfront development plan.
HIGH TECHNOLOGY DEVELOPMENT CORPORATION

SUMMARY

I. General Organizational Information

The High Technology Development Corporation ("HTDC"), a public corporation, was established in 1983 pursuant to Chapter 206M of the Hawaii Revised Statutes. For administrative purposes, it is "placed" within the Department of Business and Economic Development ("DBED").

The HTDC is governed by a board of directors which is comprised of nine (9) voting members, two (2) ex-officio members which are the directors of the DBED and the Department of Budget and Finance, one (1) of which is a member of the faculty of the College of Engineering of the University of Hawaii, and the remaining seven (7) of which are appointed by the Governor and who serve without compensation. A chief executive officer is appointed by the Board.

II. Mandate and Goals of the Organization

The HTDC's mission is to encourage the growth of high technology industries in Hawaii which include astronomy, alternate energy, tropical agriculture, space exploration and development, electronics design and assembly, software development, marine and earth technology, telecommunications, bio-technology, and aquaculture.

III. Powers of the Organization

To accomplish its goals, the HTDC is empowered to: prepare development plans for and develop industrial parks; own, lease (for 65 or fewer years), clear, improve, and rehabilitate real or personal property and to assign, exchange, transfer, convey, sublease, or encumber any project by way of easements; construct, rehabilitate, or otherwise improve any project and to designate any qualified person as its agent to act with respect to that project; to provide infrastructure for industrial parks and services in connection therewith; to issue bonds to finance the cost of a project with the consent of the State Legislature; to enter joint development agreement with qualified county development entities for qualified projects; and adopt rules with respect to health safety, land use and zoning which will supercede any inconsistent land use or zoning ordinance.
IV. Current Status

The HTDC has published its "Statewide Strategy for High Technology Growth", which recommends improvements in education and research, business climate and capital availability.

Since 1984, it has organized and conducted an annual Governor's symposium on high technology.

In 1986, HTDC completed a feasibility study which determined that the 40,000 circuit fiber optic undersea cable between California and Hawaii will allow Hawaii to establish itself as the hub for telecommunications traffic between the mainland and Pacific rim countries.

In 1987, HTDC completed development of the infrastructure of the 547-acre Hawaii Ocean Science and Technology (HOST) Park in Kailua-Kona. The park will accommodate commercial mariculture operations, marine micro-biology, ocean engineering, and the development of sophisticated sensing devices for ocean use.
ALOHA TOWER DEVELOPMENT CORPORATION

SUMMARY

I. General Organizational Information

The Aloha Tower Development Corporation ("ATDC") is a public corporation which was established in 1981 pursuant to Chapter 206J of the Hawaii Revised Statutes by the Hawaii State Legislature. For administrative purposes it is placed under the Department of Business and Economic Development.

Its Board is comprised of seven (7) voting members, four (4) ex-officio members, which are the Directors of the DBED, Department of Transportation, the Chairperson of the Board of Land and Natural Resources, and the Mayor of the City and County of Honolulu. The remaining three (3) members are appointed by the Governor and serve without compensation. The board appoints a Chief Executive Officer.

II. Mandate and Goals of the ATDC

The mandate and goals of the ATDC are to develop the Aloha Tower complex, which is comprised of the area makai of Nimitz Highway surrounding the Aloha Tower, including Irwin Park and Piers 8 through 11.

III. Powers of the Organization

In accomplishing its goals, the ATDC is empowered to: prepare a development plan for the complex; own, lease (for a term of 65 or fewer years), improve, convey, encumber or otherwise deal with real or personal property; develop and construct infrastructure and other improvements; and adopt rules relating to land use, health, safety and welfare which will supersede any inconsistent use or zoning ordinance.

IV. Current Status

Late in 1988, the ATDC settled its litigation with the Honolulu Waterfront Limited Partnership, which delayed its progress.

In December 1988, the ATDC adopted a new set of rules of practice and procedure, which outline its development objective and concept.

V. Future Plans

The ATDC will: select the development proposal for the complex; select the developer for the project; integrate the project into the Honolulu Waterfront Plan; expand Irwin Park; and create a feasible parking plan.
What public and private resources are needed to implement the program?

The city administration and its various departments already have sufficient responsibilities and should not be expected to administer a new program without additional assistance and guidance. While the city commission can create the required mechanism, it currently lacks a clear consensus to do so. Although specific consultants could be employed to facilitate the redevelopment process, the panel recommends that the city rely on a public/private sector team to render assistance. This public/private group can be expected to discharge its obligations pro bono and should include areawide staff officials of public agencies as well as various private sector professionals who can assist the redevelopment authority staff.

What public policy changes and private actions are needed?

The city should adopt a specific program to implement the proposed redevelopment program. The mechanism for implementing the program should be put in place immediately as the private sector attempts to assemble the property. Specifically, the city, through its creation of a beach redevelopment authority, should undertake the following:

- Complete the requirements necessary to designate the area as blighted.
- Create a community redevelopment plan that specifies the densities permitted within the Las Olas By The Sea assemblage. The panel strongly recommends that the comprehensive plan include a flexible zoning ordinance that sets forth allowable densities and provides some limited amount of trade-off from one use to another, depending upon the market forces at the time development occurs.
What is a suitable timetable?
Time is of the essence.
Rapid progress will help maintain enthusiasm and develop momentum. The pace of the schedule should be as fast as review procedures and legal requirements permit. The panel believes the following schedule will provide a realistic timetable for input, review, and final decision making at each step of the development process:
- Undertake private sector land assembly—six months.
- Create beach redevelopment authority—six months (note: this program can run concurrently with the private sector effort).
- Process DRI—12 to 18 months.
- Issue Request for Proposal (RFP)—three months.
- Review proposal and select primary developer—three months.
- Negotiate redevelopment agreement with developer—six months.
- Exercise powers under quick take provisions of eminent domain—six months.
- Prepare site before selected developer begins construction—12 months.
- Begin construction.

The panel believes this to be an achievable, realistic target. If rigidly honored, the schedule will result in the redevelopment of the property within the near term.

What is a reasonable work program over the next 18 months?
The panel advises the city to assume an aggressive posture in dealing with the parking lot in terms of the deed from the state. The approximately 650 spaces in the existing city parking lot and the additional parking spaces required by the development must not derogate the use and enjoyment of the site. For that reason, the panel urges that the city immediately commence negotiations with the state to settle the various questions surrounding the parking lot. The panel suggests that the city carefully document the lot’s current use and create a program of use for the parking lot that ties in with the site development plan and reflects public needs. At the same time, the state should amend the deed to allow for proposed uses.
When should the city use eminent domain?

The panel recommends that the city immediately secure its rights in taking property under eminent domain. The panel feels that such a taking should be used only as a last resort but is nevertheless a valid tool in property acquisition. As mentioned above, the panel feels that the city should prepare an RFP, select a developer, and execute a development agreement before exercising its powers under eminent domain. Only then should the city move forward to acquire those parcels necessary to complete the assembly.

What factors should guide the city's choice of a developer?

The panel believes that the development of the redevelopment area is a particularly complicated undertaking. While the developer selection process should be as broad as possible, the beach redevelopment authority should establish minimum financial and experience qualifications for potential developers. Until the intensity of uses has been determined and the theme of the development agreement determined, the city should not finalize the criteria for selecting a developer.

What are the alternatives to private assembly?

As stated earlier, the panel feels the alternative to private assembly is a city taking of property under Fort Lauderdale's rights of eminent domain.

What timing is advisable for a community redevelopment plan?

The panel believes that the community redevelopment plan should be created within six months of the appointment of a beach redevelopment authority.

Who has responsibility for ongoing funding?

The city should fund the beach redevelopment authority and charge it with developing a financing program to carry the agency through the approximate four- to five-year process required to put the property into a developable state for a developer.

CONCLUSIONS

Commitment of both city officials and the community are the cornerstone of any plan to support the redevelopment of the Las Olas By The Sea property. Current community leaders and the city administrators have indeed given a high priority to this area and, with the Las Olas By The Sea Assembly Limited Partnership, are providing necessary momentum to develop a new community action plan. To implement this plan, though, the Fort Lauderdale Beach redevelopment area must remain a high priority for both present and future leaders in the immediate community as well as for the city of Fort Lauderdale.

Public facilities, access to the beachfront, and a meaningful redevelopment program are the key to revitalizing the entire beachfront area. The natural beauty of the beaches is an asset that few American cities possess. If the city takes advantage of this potential, it will catalyze the process of beachfront renewal which, in turn, will enhance the city of Fort Lauderdale and complement the downtown revitalization already underway.
an increase of $25 million per year in tax revenue; and 31 national/international awards for architectural excellence. Today, Baltimore's Inner Harbor is a model of waterfront development for the world and attracts over 23 million visitors, who spent $800 million last year.

In 1979, Market Center Development Corporation was created to bring about a similar transformation of the heart of the pre-war downtown shopping district, located two blocks west of Charles Center. Within the 225-acre area known as Market Center, the corporation has stabilized and upgraded Howard Street and has attracted thousands of people through improved access and parking, new housing and office development, and other amenities. More than $5.7 million in public and private investment has helped refurbish and expand the historic Lexington Market, open the Lexington Market Metro Station, and construct a major office and retail complex at Howard and Lexington Streets.

The goal of Center City-Inner Harbor Development, Inc., is to use the springboard of past development success to make Baltimore the most exciting city in the country for living, working, shopping, dining, and entertainment.

Major objectives will include strengthening downtown's role as the economic and cultural center of the State and creating new residential and retail activities that will make downtown lively 24 hours a day. In this way, Baltimore will reinforce the public's understanding that downtown has something for everyone: resident, worker, and visitor alike.
CHARLES CENTER-INNER HARBOR MANAGEMENT, INC.

FACT SHEET

Charles Center - Inner Harbor Management, Inc., is a private non-profit corporation formed in 1965 to provide management for the City's downtown redevelopment projects.

On September 1, 1965, a contract was executed between this corporation and the Mayor and City Council, providing for the corporation to manage the planning and execution of the Charles Center and Inner Harbor projects, under the direction of the City's Urban Renewal and Housing Commission - now replaced by the Commissioner of the Department of Housing and Community Development.

The City government - acting through the Mayor - establishes the policies under which the corporation conducts its activities, which include the coordination of City development activities in the project areas, supervising the planning of the projects and the design of public improvements; marketing development sites; and negotiating agreements with public and private developers.

The corporation's contractual arrangement with the City enables it to conduct confidential negotiations with developers who are interested in buying or leasing City-owned property in the Charles Center and Inner Harbor renewal areas, and to negotiate joint public-private ventures between the City and private developers, when required for the implementation of a project.

Unlike a City agency, which has a permanent function and therefore a permanent existence, Charles Center-Inner Harbor Management, Inc., provides a specialized service to the City on a year-to-year basis. The City has advanced a revolving fund, from which the corporation pays its expenses (salaries, rent, supplies, travel, etc.) and which is reimbursed by the City on a monthly basis.

Currently, the cost to the City of managing the downtown projects is less than 1% of the private investment involved. The contractual agreement has been continued under the administration of seven different Mayors, including Mayor Kurt L. Schmoke, who took office in December, 1987.

For additional information, call or write:

Albert M. Copp, President
Charles Center-Inner Harbor Management, Inc.
1444 World Trade Center
Baltimore, Maryland 21202
(301) 837-0862
Summary of Progress

Charles Center- Inner Harbor Redevelopment Program

1. Buildings which represent a total of $2 billion in new private, public, and institutional investment are either completed, under construction, or committed in the Charles Center and Inner Harbor projects, plus $200,000,000 in site assembly and development costs.

2. There are plans representing $300,000,000 of additional investment. Making a total projected investment of $2.5 billion.

3. In all, 90 major new buildings have been constructed or recycled in downtown Baltimore in the last 27 years - 70 of them in the downtown renewal projects.

4. The City has received approximately $140,000,000 in Federal grant funds for the Charles Center and Inner Harbor projects, plus two $20,000,000 Federal buildings.

5. The real estate tax revenues of the City have increased by almost $25,000,000 a year, and will show an increase estimated at $30,000,000 to $35,000,000 when the projects are completed.

6. More than 30,000 permanent new jobs have been created.

7. The number of visitors to the Inner Harbor alone last year was 7 million. They spent more than $800,000,000.

8. The Charles Center and Inner Harbor projects have won 31 national or international awards for excellence in design and execution (see list attached).

9. More than one thousand existing properties have been acquired, and 750 businesses have been relocated - more than 90% of them in the City - without undue hardship.

10. Baltimore's downtown redevelopment program has become world famous. In 1988 alone, the management office was visited by, or gave talks to 3,000 Baltimoreans and visitors from other states and foreign countries.

11. The Charles Center- Inner Harbor program has been placed before the voters sixteen times during the last 31 years in the form of bond issue referenda. Each time, the voters have endorsed the program by a substantial margin.
National Awards Presented to the Charles Center and Inner Harbor Projects

1964  U.S. Department of Housing and Urban Development: Award of Merit for Urban Renewal Design (Charles Center Plan)

1964  U.S. Department of Housing and Urban Development: First Honor Award for Urban Renewal Design (One Charles Center)

1968  American Institute of Architects: Citation for Excellence in Community Architecture

1968  U.S. Department of Housing and Urban Development: Merit Award for Design Excellence (Inner Harbor Redevelopment Plan)

1970  U.S. Department of Housing and Urban Development: Honor Award for Project Design (Two Charles Center)

1972  American Institute of Planners: Meritorious Program Award (MetroCenter)

1973  Progressive Architecture Citation for Design Excellence: (Urban design plan, Inner Harbor Project I)

1974  U.S. Department of Housing and Urban Development: Honor Award for Management Approach to Design (Charles Center–Inner Harbor Management, Inc.)

1975  Environment Monthly: 1975 Quality of Life Award for Downtown Revitalization

1976  American Society of Landscape Architects: Merit Award (Otterbein Homestead Area)

1976  American Revolution Bicentennial Administration: Certification of Participation in Horizons on Display (Charles Center–Inner Harbor Projects)

1977  American Society of Landscape Architects: Merit Award (South Shore Park and Playing Fields, Inner Harbor)

1978  Associated Landscape Contractors of America: Environmental Improvement Grant Award (South Shore Park and Playing Fields, Inner Harbor)
National Awards Presented to the Charles Center and Inner Harbor Projects

1978  National Trust for Historic Preservation: Special Award to Baltimore City (the Pride of Baltimore, the Inner Harbor Project, the Homesteading Program and City Hall)

1978  Downtown Research and Development Center: First Award for Central Business District Revitalization (Inner Harbor Shoreline Development)

1979  Progressive Architecture: Citation for Design Excellence (Cambridge Seven Associates, Aquarium)

1979  International Downtown Executives Association: Achievement Award (Inner Harbor Shoreline Development)

1979  American Association of Nurserymen, Inc.: Landscape Award (Inner Harbor Shoreline Development)

1980  Concrete Reinforcing Steel Institute: Design Award (Convention Center)

1980  Urban Land Institute: Award for Excellence (Charles Center Project)

1981  American Society of Landscape Architects: Honor Award (Harborplace Public Improvements)

1982  National Association of Home Builders: Award of Merit (Harbor Walk)

1984  National Council for Urban Economic Development: Special Award (Harborplace)

1984  American Institute of Architects: Honor Award (Inner Harbor Development)

1986  Downtown Research and Development Center: Award of Merit (Charles Plaza)

1986  Urban Land Institute: Special Award for Excellence (Inner Harbor Shoreline Development)

1986  Partners for Livable Places, Award to Baltimore City as one of America's most livable places.

1987  National League of Cities, citation of Baltimore as most innovative city in economic development. (Downtown + Inner Harbor Development)
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<td>1988</td>
<td>Waterfront Center: Honor Award (Inner Harbor Shoreline Development)</td>
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WAIKIKI PLANNING AND ZONING

- General Plan • Objectives and Policies City & County of Honolulu
- Article 2. Primary Urban Center
- The Waikiki Special District
Objective B - To maintain the viability of Oahu’s visitor industry.

Policy 1

Provide for the long-term viability of Waikiki as Oahu’s primary resort area by giving the area priority in visitor industry related public expenditures.

Policy 2

Provide for a high quality and safe environment for visitors and residents in Waikiki.

Policy 3

Encourage private participation in improvements to facilities in Waikiki.

Policy 4

Prohibit major increased in permitted development densities in Waikiki.

Policy 5

Prohibit further growth in the permitted number of hotel and resort condominium units in Waikiki.
ARTICLE 2. PRIMARY URBAN CENTER CENTER

PART 1

DEVELOPMENT PLAN

SPECIAL PROVISIONS FOR THE PRIMARY URBAN CENTER

(2) Waikiki

Waikiki is the area generally bounded by the Ala Wai Canal, Kapahulu Avenue, and the shoreline. It contains major concentrations of resort, commercial and apartment uses. The intent of the following statements is to enhance the attractiveness and quality of Hawaii’s primary tourist destination area and its residential areas.

(A) In general, resort and related commercial activities shall be concentrated in the areas makai of Kuhio Avenue and Ala Moana Boulevard. Apartments intended for Honolulu’s residents who prefer a higher density urban living environment shall be located mauka of Kuhio Avenue and in the Hobron Lane area. Commercial Emphasis Mixed Use development may be permitted along the mauka side of Kuhio Avenue between Kailulani Avenue and Kuamoo Street, the mauka side of Ala Moana Boulevard, the mauka side of Kalakaua Avenue between Kuamoo Street and Ala Wai Canal, the makai side of Kalakaua Avenue between Ala Moana Boulevard and Ala Wai Canal, the Diamond Head side of Ena Road, and on McCully Street between the Ala Wai Canal and Kalakaua Avenue.

(B) Resort facilities shall be developed to support a destination area of about 30,000 visitor units.

(C) Any additional high-density development shall be discouraged.

(D) The general height limits for the area shall be as provided in the Waikiki Special Design District.

(E) Existing views of the mountains, ocean, and Diamond Head from streets, pedestrian corridors and major public places shall be preserved through more stringent development controls in terms of height, bulk, siting, and setback. Such views shall be enhanced by appropriate landscaping requirements for private developments along view corridors and the appropriate landscaping of related streets.

(F) Landscaping along mauka-makai roadways that provide visual access to the mountains and the sea from Waikiki shall be selected and situated to minimize the visual dominance of the paved surfaces and to maintain existing mauka and makai views along these roadways.
(G) The present open space nature and character of dominant physical features along the perimeter of this area shall be preserved and enhanced. These features directly contribute to the present attractiveness and quality of the area as well as to the surrounding communities. They include the Ala Wai Canal, Ala Wai Field, Ala Wai Golf Course, Kapiolani Park, Honolulu Zoo, Ala Wai Yacht Harbor, and the views of Diamond Head and the ocean.

All public and private developments or improvements shall be designed to preserve and enhance the visual and physical access to these features.

(H) The open space character of Fort DeRussy shall be preserved.

(I) Where possible, a series of mini-parks shall be developed as rest areas for shoppers and other pedestrians, and as tot lots for resident children. These small open spaces should be integrated into the pedestrian corridor system.

(J) Public pedestrian access to the shoreline shall be increased in number, size, and attractiveness.

(K) The pedestrian traffic network within the area shall be substantially improved to recognize the unique visitor destination area requirements. Special consideration shall be given to pedestrian safety, comfort, and enjoyment since walking constitutes a major activity for the visitor, within this area.

(K) Kakaako

Kakaako is the area generally bounded by South Street, King Street, and Piikoi Street. It includes the entire Kewalo Peninsula makai of the Ala Moana Boulevard.

Kakaako includes the entire Kewalo Peninsula makai of Ala Moana Boulevard from Pier 2 on the west to the Kewalo Basin-Ala Moana Park boundary on the east, and the area mauka of Ala Moana Boulevard bounded by Punchbowl Street, Pohukaina Street, South Street, King Street, Ward Avenue, Kapiolani Boulevard, and Piikoi Street.
The purpose of the following principles and controls is to permit the redevelopment of this area for mixed uses within an attractive setting and to preserve mauka-makai views and views of Punchbowl from within Kakaako as well as from areas beyond its boundaries.

(A) Commercial Emphasis Mixed Use shall be the predominant form of development in Kakaako, with limited areas also set aside for Commercial-Industrial Emphasis Mixed Use in the central portion and for marine industrial use at the ewa end of Kewalo Peninsula.

(B) The makai portion of Kewalo Peninsula shall be developed into a regional park.

(C) The general height limits for the area shall be as provided in the Kakaako Special Design District. For areas outside of the Special Design District boundaries, general height limits shall be as follows:

(i) 60 feet for the area occupied by Neal Blaisdell Center, McKinley High School and Kapiolani Community College.

(ii) 150 feet for the Medium Density Apartment area between Pensacola and Piikoi Streets.

(iii) 250 feet for the Commercial area between Pensacola and Piikoi Streets.

(D) A special pedestrian corridor system shall be provided for safe and pleasant access to major activity centers adjacent to this area, enhancing the compatibility of the mixed uses in the area.

The system shall also include a pedestrian walkway along the shoreline from the mouth of Honolulu Harbor into Ala Moana Park.

(E) In addition to the above, special height, design and use controls may be applied where necessary to ensure the preservation of important views, landmarks and historic structures, and the compatibility of the permitted mixture of uses within the area.
(7) Nimitz/Ala Moana Corridor

This vehicular corridor includes Nimitz Highway and Ala Moana Boulevard from the Honolulu International Airport to Kalakaua Avenue in Waikiki. The corridor deserves special consideration because of its function as the major ingress and egress route of visitors and as a major thoroughfare for residents.

(A) The preservation and enhancement of views from this corridor shall be the major determinants of development controls along this corridor.

(B) Appropriate measures to enhance the attractiveness of this corridor and the public and private responsibilities to implement and maintain such improvements shall be adopted.

(8) Ala Moana

Ala Moana is the area generally bounded by Piikoi Street, Kapiolani Boulevard, Makiki Drainage Ditch, Ala Wai Canal and Ala Moana Boulevard.

(A) Commercial Emphasis Mixed Use development shall be permitted in all portions of this area except for the Medium-Density Apartment designated lands.

(B) Hotels and convention facilities shall be permitted as principal uses as part of a commercial emphasis mixed use development in the area bounded by Kapiolani Boulevard, Kalakaua Avenue, the Ala Wai Canal, the medium-density apartment designated area, Atkinson Drive, and Mahukona Street.

(C) General height limits for this area shall be as follows:

(i) 100 feet for the block occupied by the Ala Moana Shopping Center.

(ii) 150 feet for the Medium Density Apartment area between Atkinson Drive and the Ala Wai Canal.

(iii) 250 feet for the area generally bounded by Kapiolani Boulevard, Mahukona Street, Kona Street, and Piikoi Street.

(iv) 350 feet for the commercially designated area makai of Kapiolani Boulevard and Diamond Head of Kaheka Street and Mahukona Street, except as otherwise provided in subparagraph (C)(v) herein.
(v) Within the commercially designated area generally bounded by Kapiolani Boulevard, Atkinson Drive, the medium-density apartment designated area, the Ala Wai Canal, and Kalakaua Avenue, the height limit may be increased to no more than an additional 150 feet by the Council, provided that the master plan for the development of this area include a trade or convention center as that term is defined in Chapter 21A, ROH, and provided further that a Plan Review Use application for the site is approved by Council resolution.

(D) In addition to the above, special height, design and use controls may be applied where necessary to ensure the preservation of important views, landmarks and historic structures, and the compatibility of the permitted mixture of uses within the area.

(12) Diamond Head

Diamond Head is the area generally bounded by Kapahulu Avenue, Mooheau Avenue, Maunaloa Avenue, Kilauea Avenue, and Elepaio Street. It also includes the Ala Wai Golf Course.

The purpose of the following principles and controls is to preserve and protect Diamond Head as a scenic resource and to enhance the historic, cultural, and scenic qualities of the surrounding areas.

(A) The natural appearance and public views of Diamond Head, especially as seen from heavily traveled and highly developed areas, shall be identified and protected.

(B) Cultural and historic sites shall be preserved and enhanced.

(C) The general height limits for the area shall be as provided in the Diamond Head Historic, Cultural and Scenic District.

(D) In addition to the above, special height, design, and use controls may be applied where necessary to ensure the preservation of important views, landmarks, and historic structures, and the compatibility of uses within the area.
7.80 The Waikiki Special District.

The purpose of the Waikiki District is:

A. To guide the development of Waikiki with due consideration to optimum community benefits.

B. To promote health, safety, social and economic well-being for the community as a whole.

C. To protect, by means of proper planning and control, the value of private and public investment within the District and its surrounding communities.

D. To encourage developments that would improve and complement the public facilities and utilities in Waikiki and the physical and visual aspects of the urban environment in the area.

E. To ensure that future developments would alleviate traffic and utility problems and would prevent detrimental impact on the existing development.

F. To provide for utilities and off-site improvements, either publicly or privately in advance of new development.

G. To provide for the efficient and safe movement of people and goods.

H. To bring about a desirable level of urban design compatible with the climate and the character of Hawaii within the District.

I. To provide a means to control apartment, commercial and hotel density in Waikiki.

J. To provide greater access to public beach areas.

K. To encourage the development of a variety of land uses which are compatible with and will enhance the unique character of the district.

L. To provide additional, properly distributed open spaces and vistas.

7.80-1 Description of Waikiki Special District.

The District is identified on Exhibit 13.

7.80-2 Land Use Control System.

Within the District there are four types of Zoning Precincts, the boundaries of which are indicated on Exhibit 13.
TOURISM

- Visitors & Visitor Expenditures: 1927-1988
- Seasonality of Visits To Hawaii 1988
- Summary of Visitor Units
- Percent of Hotel Units Occupied, by Geographics Areas: Annual Averages, 1980 to 1987
- 1988 Oahu Expenditures Versus Neighbor Island Expenditures
- 1986, 1987 and 1988 Expenditures Per Visitor Per Day By Arrival Month
- 1988 Expenditures Per Visitor Per Day By First-Time or Repeat Visitor
- 1988 Expenditures Per Visitor Per Day By Length Of Stay
- Ratings For Oahu Versus Neighbor Islands Hotels, 1984
- Whether Travel Agent Influenced The Choice of Hawaii Over Other Destination, 1984-1987
- Number of Visitor Arrival At Pacific Area Travel Destination, 1977-1987
- Visitor Arrival In Each Pata Region
- Visitor Expenditures
- Average Hotel Occupancy Rate 1986, 1987
## Seasonality of Visits to Hawaii
### 1988

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Source: Hawaii Visitors Bureau Basic Data Survey and Carriers and Harrison Price Company.
## SUMMARY OF VISITOR UNITS

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### WAIKIKI SUMMARY

| 1-HOTEL                    | 26580         | 81.2             | 67                   |
| 2-CONDO                    | 5194          | 15.9             | 48                   |
| 3-APT-HOTEL                | 729           | 2.2              | 15                   |
| 4-COTTAGE                  | 240           | 0.7              | 1                    |
| TOTAL                      | 32743         | 100.0            | 131                  |

### HONOLULU-DOWNTOWN SUMMARY

| 1-HOTEL                    | 75            | 100.0            | 3                    |
| 2-CONDO                    | 0             | 0.0              | 0                    |
| 3-APT-HOTEL                | 0             | 0.0              | 0                    |
| 4-COTTAGE                  | 0             | 0.0              | 0                    |
| TOTAL                      | 75            | 100.0            | 3                    |

### ALA MOANA SUMMARY

| 1-HOTEL                    | 1536          | 100.0            | 3                    |
| 2-CONDO                    | 0             | 0.0              | 0                    |
| 3-APT-HOTEL                | 0             | 0.0              | 0                    |
| 4-COTTAGE                  | 0             | 0.0              | 0                    |
| TOTAL                      | 1536          | 100.0            | 2                    |

### AIRPORT SUMMARY

| 1-HOTEL                    | 694           | 100.0            | 3                    |
| 2-CONDO                    | 0             | 0.0              | 0                    |
| 3-APT-HOTEL                | 0             | 0.0              | 0                    |
| 4-COTTAGE                  | 0             | 0.0              | 0                    |
| TOTAL                      | 694           | 100.0            | 3                    |
### WINDWARD OAHU SUMMARY

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### LEeward OAHU SUMMARY

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### OAHU PLANNED PROJECTS

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PERCENT OF HOTEL UNITS OCCUPIED, BY GEOGRAPHIC AREAS:  
ANNUAL AVERAGES, 1980 TO 1987  

[Includes resort condominium units. Coverage prior to 1986  
excluded several major hotel chains]

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Problems/Issues and Solutions/Strategies

Issue 1: Beach Improvements and Ocean Recreation

Waikiki has 1.4 miles of beach between Ala Wai Harbor and Kapahulu Avenue. Waikiki's beach, surf and ocean are some of the greatest physical attractions in any resort area. Most of Waikiki's beaches are man-made beginning in the 1920's when the Ala Wai Canal was dredged and the original stream mouths to the ocean through Waikiki were diverted. Most of the groins, seawalls, dredging, and sand replenishment were constructed prior to the availability of modern computer and physical modeling and in the absence of adequate data on waves and currents affecting the shoreline. The result is a patchwork of physical structures along the shore. While some of these are fairly successful at retaining sand or preventing further erosion, others are not. Some structures are hazardous, such as the seawall at Kuhio Beach where people walk and play on the top of a wall from which waves can easily knock them off.

Portions of the beach are eroded with no sand in front of seawalls. Lateral passage along the beach is hindered by narrow and hazardous walkways in some cases. Public access to the beach is poorly marked or hampered by lack of public parking, restrooms and shaded areas. The City's improvements at Kuhio Beach have improved swimming, beach width, backshore shade and public access. Extensive portions of the Waikiki Beach are not truly available to the public because of poor access, problems with parking and physical changes in the beach over time.

In some cases there is a tangle of property ownership questions related to the shoreline and beachfront. These issues have persisted without reconciliation and may actually have prevented beach stabilization and sand replenishment projects. Some property owners claim rights out into what is now water area but which had been beach in earlier times. They do so because of the erosion of the shoreline over the years where the vegetation line has moved steadily landward and because of agreements made in the 1920's between government and landowners. They do not give up these claims because if the beach were to accrete sand and grow seaward, they theoretically could gain valuable shoreline frontage permitting a shift in their shoreline setbacks to seaward. By this, they would obtain valuable space for new structures landward of the new shoreline setback boundary.

It is difficult to obtain suitable sand for beach replenishment. The Army at Fort DeRussy has performed periodic sand replenishment of that beach with limited success. They have retained a beach and a somewhat stable shoreline, but because of the uneven size and texture of the sand replenishment material (crushed coral), the beach is not as attractive as one made up of natural sand. Sand sources are severely limited and by state law, other beaches cannot be mined for sand. Offshore sand deposits exist in the Waikiki area, but their grain size may be smaller than is desirable.

The surf is a dominant theme in Waikiki. Preservation of the surf is a paramount concern which has affected proposed beach improvements in the past. Ocean recreation derives from the surf perhaps more than any other physical feature of Waikiki Beach.
Strategies:

- There is an urgent need to restore portions of sand beach between the Waikiki Aquarium and Fort DeRussy. The 15th State Legislature has appropriated $1 million to the DOT Harbors Division for this project.

- We urge the State and abutting landowners to resolve issues relating to littoral rights and access by June 30, 1990.

- Improve the beach area by widening the beach as appropriate to continue an arc of sand, by providing a beachfront promenade, and providing landscaped accessways at regular intervals.

- Provide and maintain more open air shower areas; pleasant convenient public toilet and changing facilities; and sheltered places to sit and view the beach.

- We urge the State Department of Transportation to develop and implement a strategy for using the State appropriation to improve the beach as soon as possible to avoid the lapse of funding next year. Initiate engineering studies by December 31, 1989.

- We urge the community to identify and establish priority areas for phased construction of beach improvements.

- The State project area should be extended to the heliport and address the entire beach area.

- Waikiki Beach is actually famous because of the surf which is currently threatened because the sand placed by man on the beach is washing out and settling on the coral reefs, slowly killing them. Once the coral dies, the surf will be gone. The State should preserve, restore, and enhance present reef sites and study the possibility of additional reef sites for non-consumptive activity.

- The Waikiki Aquarium is a major asset to the community. It should remain in its present site. Additional funds are needed to enhance the Aquarium, as requested in the 1987 Master Plan.

Issue 2: Management

Because of the extremely high density of the population, the volume of visitation and the special needs which have evolved in Waikiki, there are management needs on a District (Waikiki Special District) level which the State or the City are not now meeting. Such needs include a more uniform maintenance and upkeep of along sidewalks, a more stringent policing of landowners for better maintenance, a tightening up of control on vacation rentals and sales, a review of property tax rates, control of vehicular access and possibly other matters. The goal is to make Waikiki more efficiently administered. A distinction should be drawn between the two poles of day-to-day management and normal city operations. It appears to be day-to-day management which is the problem, not normal city administrative functions such as public

Physical Environment
works, zoning, transportation planning, life guarding and such. In this sense, Waikiki has very unique needs, unlike anyplace else in the state.

Strategies:

- Consider the use of master maintenance contracts for maintenance and upkeep.
- Consider establishing and regulating vehicles and deliveries within the District to decrease the congestion of delivery vehicles at present.
- Encourage agreement and cooperation between government, landowners, planners and architects to develop methods for improved upkeep, maintenance and management.
- Make Waikiki more available to pedestrians.
- Encourage high quality street vendors, street musicians, and performance groups, open restaurants and shopping.

Issue 3: Ala Moana Gateway/Ala Wai Harbor; Canal Clean-up/Fort DeRussy/Ala Wai Promenade

As visitors enter Waikiki from the Airport via Nimitz Highway and Ala Moana Boulevard, they pass the beauty of Ala Moana Park. Could the landscaping be enhanced on the other side of the street, along Ala Moana Shopping Center, and also along the remainder of the ride into Waikiki? A significant opportunity is the proposed improvement to Fort DeRussy.

Ala Wai Harbor has 663 berths and 39 other mooring spaces. There is a waiting list of about 1,100 for a berth. Other harbors on Oahu have vacancies, but the Ala Wai is popular. Expansions of berthing areas proposed in the past have not been approved because they would have adversely affected surfers. Ala Wai has also been suggested as a site for a water taxi to the Airport or to Waikiki.

The U.S. Army proposes to construct a second hotel adjacent to the Hale Koa with 396 rooms and two parking structures (1,400 and 1,200 stalls). The hotel would be built at the site of the existing Turner Hall. The parking structures would be built over the existing paved parking lots. Construction is planned to begin in 1991. The estimated cost today is $80.0 million. A draft Environmental Impact Statement is nearing completion for the project. The Army also maintains sand at the DeRussy Beach on a periodic maintenance basis. Design and landscaping of the parking structures for the new hotel will affect the Ala Moana Gateway.

The Ala Wai Canal was originally envisioned as a clean and more useful body of water. It was to have had tide gates at the Kapahulu end to allow seawater to enter the canal for improved flushing. At this time, the Canal serves as an urban drainage sump for the runoff from the urban areas between the canal and the Koolaus. The canal has gradually filled with silt and debris. Fishermen are warned not to eat crabs or fish from the canal and swimming is not advisable.
The Ala Wai Boulevard north (mauka) of Kalakaua Avenue has become uncomfortable for pedestrians due to the speeding traffic, congestion, noise and exhaust fumes. The Canal side of the boulevard is narrow and not well shaded for pedestrians. The sidewalk on the Ocean side of the boulevard is narrow and crowded by buildings. The canal is an element of a legendary vista. It is a desirable open space providing beauty and tranquility inspite of Boulevard traffic. The canal has filled over time and does not meet the needs of recreation users as it might. It appears too shallow, has poor circulation, and debris is not caught at the mouths of Manoa- Palolo and Makiki Streams. The debris trap at the Ala Wai Harbor end of the canal is not fully effective. Better circulation is required.

Strategies:

- Improve and extend the Ala Wai Canal as part of an inland waterway transit system connecting Waikiki with Honolulu Harbor through Kewalo and Kakaako to Keehi Lagoon.
- Provide an improved connection to the Airport along Nimitz Highway so that it is landscaped and beautified.
- Use the Ala Wai as a transportation corridor for non-motorized vessels.
- Consider opening up an ocean connection at the Diamond Head end of the canal recognizing the engineering difficulties this may pose.
- Sculpt and enhance the banks of the Ala Wai Canal, add height, width, planting, rest and view points.
- Clean up the canal and the yacht harbor by using siltation basins, improved flushing, natural drainage outlets, and education programs for residents of Manoa and others who may be contributing to the trash problem.
- Provide a promenade along both banks of the canal and an improved canoe club facility.
- Improve the peripheral areas around the Ala Wai Yacht Harbor with landscaping and extend public assess and use as an asset for the area.
- The Ala Wai Canal vista has not achieved its potential -- it is not clean or beautiful enough. Planning for Waikiki should consider the mauka side as an integral part of the Canal.
- Fixtures and other structures stand in the way of use of the Ala Wai promenade; removing these barriers will improve the quality of use of already existing open spaces.
- A bridge over the Ala Wai whether for vehicular or pedestrian traffic is controversial.
- There should be increased landscaping, a sidewalk through Fort DeRussy, a catchment basin at Palolo drainage canal and Manoa stream and a pedestrian bridge connecting Ala Moana Park with the Ala Wai Promenade.
o The trash compactor at the Ala Moana gateway should be removed.

o The helicopter landing pad near the Ala Wai Yacht Harbor should be relocated outside urban Waikiki in accordance with the policy statement adopted by the Waikiki Improvement Association.

Issue 4: Open Space/Incentives; Land-Based Recreation, Sports, Maintenance and Upkeep

Open space and landscaping seem inadequate within Waikiki. Although Waikiki is surrounded by open space (ocean, mountains, Ala Wai Canal and Golf Course, Fort DeRussy, Ala Moana Park, Kapiolani Park) within Waikiki there are only four small city parks which comprise a total of about 30,000 square feet or about one tenth of one percent of Waikiki's 618 acres.

Planning goals for Waikiki are intended to foster a sense of openness and beauty, but the net effect of the built environment is a shortage of internal open space. In some cases, landscaping could substitute for open space and sidewalk widenings and building setbacks have helped.

Major external open spaces are Kapiolani Park, the Ala Wai Canal and Golf Course and the views across them of the mountains and the beach at Waikiki. Fort DeRussy and Jefferson Elementary School may offer opportunities for open space, although these are still at the periphery of Waikiki. The area most at risk of loss appears to be Fort DeRussy. There appear to be small-scale opportunities to provide for landscaping on corners and isolated slivers of land such as medial strips, bus stops, and private yards.

To some extent, the International Market Place has provided a kind of open space in Waikiki although in recent years it has become more densely leased to shops. Replacement of the Market Place with a Convention Center may be an opportunity to build in open space at ground level, perhaps following the lead of the Royal Hawaiian Shopping Center across Kalakaua Avenue.

Recreation is intense throughout Waikiki by visitors and Honolulu residents as well. There are several areas which might be considered for improvements which could be coupled with open space needs as well. Waikiki hosts many sports: Jogging, soccer, softball, golf, cycling, and others. Some of these take up large land areas, most are uses which center on the parks and open spaces available there.

Strategies:

o Develop amenities, walkways, plazas, shopping, activities and planting at upper levels of the built environment, especially along Kuhio Avenue and longitudinal corridors.

o Widen sidewalks, especially along Kuhio Avenue, reduce lanes at most through streets and consider closing selected smaller streets to create pedestrian malls.

o Provide attractive planted pedestrian paths through blocks and to beach, Ala Wai, Ala Moana, and Kapiolani Park.
Protect and improve green areas surrounding Waikiki and provide improved access between Waikiki and these areas including the golf course, playing fields, and the park mauka of the Ala Wai.

Maintain Kapiolani Park and keep it as open space while improving the quality of its facilities.

Provide new facilities such as a hula halau, a Hawaiian cultural center, an open air theater, a landmark facility for canoe clubs.

Any convention center should give open space and outdoor activity opportunities to the area and its design and construction should consider impacts on residents, the community, and the environment.

Remove city trucks and maintenance storage areas near the parks as they take up valuable open space.

Lobby to maintain Fort DeRussy for open space use.

Develop and maintain pedestrian and bicycle access over the Ala Wai Canal.

Establish and use density transfer provisions to secure additional open space.

Increase landscaping on major streets such Ala Wai, Kalakaua, Kuhio. Establish distinctive landscape themes by street or location.

Establish and maintain a promenade along the Ala Wai Canal.

Develop and maintain a green belt link from Waikiki to Ala Moana Park and the waterfront.

Keep Jefferson School property in open space use if it becomes available.

Develop an internally linked system of public and private open spaces.

Mass transit proposals must consider open space needs in Waikiki.

Maintain current Land Use Ordinance setback requirements.

Amend the Land Use Ordinance to permit commercial mixed use along Kuhio so that front setbacks become accessible.

Adopt policy statements encouraging consolidation of small properties to create greater opportunity for meaningful setbacks.

Amend laws to require a specific percentage of the room tax be earmarked for Waikiki beautification and landscaping.

Expand participation in adopt-a-park program to involve more area businesses.
Establish landscaping beautification awards program similar to Campbell Industrial Park.

Use improvement districts to establish and maintain a Waikiki area landscaping program.

Issue 5: Infrastructure

Many improvements have been made to infrastructure (roads and sidewalks, water supply, sanitary sewers, storm drains, electrical service, telecommunications, gas) in recent years. In general, Waikiki does not have serious infrastructure problems at present although the majority of Waikiki is in a flood hazard zone due to tsunami risks. One major problem related to transportation as well, are streets, roads, parking and vehicular traffic — they are approximately adequate for today’s needs. If there is to be a significant increase in population in Waikiki, the sanitary sewer system would require substantial up-sizing and replacement in the main transmission lines.

The water system would also require up-sizing and replacement of main transmission lines. It is possible that a major increase in water requirements in Waikiki would compete with similar needs on Oahu. In this context, limits on per capita water consumption in visitor units could be sought by the Board of Water Supply. This should not imply that there are insufficient supplies of water for major growth, but that innovative technology will probably be required in future years on Oahu to optimize per capita water consumption in relation to supplies. Storm drainage has been greatly improved in recent years. This is not likely to be a major issue in the future. There is a nagging problem with debris in the Ala Wai Canal which is transported by incoming streams. There is a debris trap at the mouth of the Ala Wai but it is not as effective as it should be. Ideally, debris should be caught at the incoming stream mouths as well. Electrical service and telecommunications have kept pace with requirements in Waikiki and, given adequate lead time, can provide services for substantial growth. At some locations, there is still a need to place these services underground.

Strategies:

Reduce traffic and on-street parking in Waikiki, reduce road widths to favor pedestrians, reduce available parking in the area, and provide alternative methods of getting into and out of Waikiki.

Provide a quiet, efficient, local transit loop within Waikiki and connect Waikiki with Manoa, Kakaako, and the downtown area with efficient transit and green corridors.

Issue 6: Regulatory

The key regulation affecting Waikiki’s physical environment is the Waikiki Special Design District (WSDD) which is part of the Land Use Ordinance. The WSDD has evolved as a means of implementing the plans agreed to over the years for Waikiki which culminated in the Waikiki 2000 Plan. The effect of the WSDD has been to create a sort of frozen situation or equilibrium. In one sense, the present Waikiki is a planned community in that it reflects an effort to maintain a sense of place for residents, a flavor of the tropical environment, preservation of the shoreline and surf, and preservation of...
view planes for persons outside of Waikiki looking across it towards the ocean from the urban areas surrounding it. In this sense the WSDD has succeeded — it has held the line against development pressures.

Strategies:

- Modify regulatory controls to promote good design and support a unified master plan for the area.
- Encourage a varied skyline rather than blocky shaped structures that wall-off views.
- Encourage a diverse streetfront with pockets of open space and plants occurring at intervals at the interior parts of lots.
- Provide incentives for creative use and greening of required open space and setbacks.

Issue 7: Historical Perspective

History in Waikiki is an integral part of the romance of tourism there. Movies, songs, promotions have all created a mass concept of Waikiki which has been internalized by visitors from around the world. There are historic physical features, open space, buildings and events which can still be experienced in Waikiki, but the visitor must go to great lengths to search these out. Historic and cultural themes have been used in other visitor destination areas to enhance the experience. Such things as historic building markers, self-guided historic and cultural walks, museums, publications. Many of these elements are present in a small way in Waikiki and some property owners have gone to great extent to restore historic buildings. The Waikiki Special Design District reflects history in its efforts at maintaining views of historic features.

Strategy:

- Preserve and improve historic structures for public use.

Issue 8: Residents

There are over 25,000 residents in Waikiki, less than the number of employees there. Some of the residents work in Waikiki, and the statistics to show the exact amount of these persons are apparently not available. The residential environment appears to be evolving towards more costly units (which would seem to rule out many tourism workers or young families), or towards dilapidated structures (which appear to cater to short-term transient single tenants). Because of the apparent transition in the District away from family living, there no longer appears to be a need for schools and other public facilities which support families. Instead, there may be a need for facilities to assist older residents. Hotel management wants a residential community because they feel that the community provides a better climate for visitors.
Strategies:

- Protect and encourage residential uses of Waikiki as the mix of residents and tourists is highly desirable.
- Continue residential area zoning controls or provide for a proportion of residential mixed use area zoning.

Key Past Recommendations

1981

**Waikiki 2000 - A proposal to revitalize Waikiki.**
This is the definitive conceptual plan in effect in Waikiki. The goal of this plan was to return Waikiki to a more pedestrian-oriented place by providing malls and walkways, reducing traffic congestion, upgrading infrastructure, and generally beautifying Waikiki. Many of the goals have been achieved through a variety of improvement projects, especially those related to much-needed infrastructure upgrades. Needs not yet met, but scheduled, relate to further reduction of traffic congestion, increased beautification, park improvements, and an improved environment for pedestrians. The planned improvements, when completed in the 1990's will probably not have kept pace with the growth and change now projected in Waikiki, especially with a planning timeframe of 2005.

1960's

**Waikiki Beach Restoration, U. S. Army Corps of Engineers.** The goal of this plan was to provide a basis for the construction of a wider and more stable beach along Waikiki. Planning included recommendations to demolish the Natatorium and widen Waikiki and Kuhio Beaches. The goal of this plan is still appropriate today, widen and stabilize the beach at Waikiki. However, the methods and conclusions of the early planning could benefit from a coastal engineering review using modern computer modeling techniques. There are possibly some structural solutions which, along with sand replenishment, could improve the beach without harming it, which was a widespread concern earlier.
REPORT of the
Social and Cultural
Task Force
October 12, 1989

Chair: Dr. Richard Kelley
       Outrigger Hotels Hawaii

Co-Chairs: Dr. Joyce Tsunoda
           Chancellor for Community College
           Max Sword, Assistant to the CEO
           Outrigger Hotels Hawaii

Writer: John Knox
       Community Resources, Inc.
INTRODUCTION

Waikiki's streets and beaches are shared by

- Six million tourists (over 60,000 every day);
- Over 30,000 visitor industry employees; and
- A complex residential community of 25,000-30,000 people.

In many ways, Waikiki's visitors are the State's visitors -- half the State's visitor units are in Waikiki, and Waikiki is typically the first stop for visitors who go on to other destinations in Hawaii.

However, Waikiki's visitor mix is changing -- the proportion of Mainland U.S. residents will go down as the number of European, Japanese, and other Asian visitors increases in the next few years. Some forecasters believe 50% of Waikiki visitors will be Japanese within a few years.

Waikiki employees are perhaps more likely than those anywhere else in Hawaii to be at work evenings and weekends, as well as regular daytime hours. There are no recent surveys of the Waikiki workforce in general. However, a 1987 statewide survey of unionized hotels indicates visitor industry workers are proud of their jobs, fairly satisfied with their pay, but are not sure they have good chances for advancement (Table 1, end of paper).

Various sources suggest that visitor industry jobs in general (and perhaps Waikiki jobs in particular) are being taken by increasing numbers of immigrants.

Census data (Table 3) show Waikiki residents differ from Oahu's overall population in a variety of ways. They are more likely to be Caucasian, older, more educated, born outside Hawaii, and to have moved here recently. Particularly when part-time residents ("snowbirds") are taken into account, the income gaps between various types of Waikiki residents are striking. The population includes the very wealthy and the very poor, as well as retirees who are trying to live on fixed incomes in the face of rapidly escalating housing costs (Figure 1, end of paper).

Statewide surveys indicate Waikiki residents are among the most likely to complain about problems of congestion, traffic, crime, and pollution. However, many Waikiki residents are going through transitional phases in life. While 33% feel they will
likely move out of Waikiki soon, this is usually due to personal factors rather than dissatisfaction with Waikiki (Table 2).

Thus, Waikiki is socially in a state of constant change. But the quality and direction of that change is crucial, because Waikiki serves as Hawaii's gateway for tens of thousands of new visitors, new workers, and new residents.
SOCIAL AND CULTURAL ISSUES

Issue #1. Historical/Cultural Character of Waikiki

Background:

Hawaii residents want to feel that tourism enhances, not threatens, the unique aspects of Waikiki and Hawaii. And tourism experts from around the world consistently warn that the long-term security of our major industry lies in marketing something unique to Hawaii, rather than a sun-drenched fantasy which could be re-created in any tropical setting.

As our visitor mix becomes more international and our physical environment more high-rise, how much should we look to Hawaiian and Hawaiian history for a unique "sense of place"?

Waikiki contains several historic sites, but these are largely unknown to residents and visitors. Graceful hotels and marketplaces with a nostalgic theme give visitors some sense of Waikiki's past, but Kamehameha I's landing site and royal residences such as Aina nau are not well marked. No co-ordinated historic trail or marker system for Waikiki has been created.

Is this important to visitors? It is difficult to say, because there is a need for improved survey data on what visitors most value about Waikiki in particular. HVB questions have been about Hawaii or Oahu in general. Mainlanders have valued Hawaii more highly for "outdoor fun" than for "discovering our heritage." Japanese visitors have also emphasized Hawaii's natural beauty, rather than our people or history.

- Police officers report the most common visitor complaint about Waikiki involves "absence of real Hawaiian.

- Yet, museums and other commercial efforts based on Hawaiian history have failed or done poorly.

Proposed Strategies:

(1) Request Kapiolani Community College's Interpret Hawaii Program to compile an inventory of Waikiki's existing historic/cultural resources, and arrange for its dissemination to hotel activity desks and tour organizers.

(2) Ask the Legislature to fund a planning effort by the Waikiki Oahu Visitors Assn. and/or the Waikiki Improvement Assn. to increase the level of visible Hawaiian and/or unique Hawaiian ambience in Waikiki. The effort should focus on
events or physical characteristics which are commonly visible and accessible, free of charge, to both residents and visitors:

- Public amenities like markers, monuments, fountains, etc.
- Promotion and coordination of walking tours.
- Incentives or requirements for physical design of buildings incorporating features of Hawaiian culture.
- Other festivals or celebrations featuring native Hawaiian history or culture -- e.g., Aloha Week Ho'olaulea.

(3) Though the principle focus should be on Hawaiian culture, the planning effort should also examine ways to increase the Waikiki visibility of Hawaii's multi-cultural background:

- Regular events combining education, entertainment, and culture -- along the lines of the Smithsonian's recent Hawaii exhibition in Washington D.C. Each event can feature a different island culture.
- Occasional free street entertainment featuring Hawaii culture dance, song, or other performance art.
- Zoning or tax incentives for commercial activities with a strong multi-cultural theme (museums, small theme parks, restaurants featuring authentic local cuisine, etc.).

(4) Waikiki's multi-national visitor mix should be treated as an asset in marketing. Request the State DBED and HVB to consider the feasibility of marketing themes which emphasize multi-cultural backgrounds of both residents and visitors.

(5) Through the Waikiki Improvement Assn., encourage Waikiki businesses to minimize use of foreign-language advertising signs. Look for discreet alternatives, such as national flags or logos, to indicate what languages are spoken.

(6) Request the City Department of Transportation Services to use international symbols for Waikiki traffic and directional signs.

(7) Request the Hawaii Visitors Bureau to gather, analyze, and disseminate data on reasons that visitors are attracted to specific Hawaii resort areas -- including Waikiki.
Issue #2: Improving Resident-Visitor Interaction in Waikiki

Background:

As already noted, available evidence suggests that visitors are more concerned about Hawaii's "sun and surf" than its people. Yet visitors are usually delighted when they do meet residents. And the flip side is a powerful concern: resident unfriendliness can seriously harm tourism.

Recent State surveys suggest that residents generally like visitors as people. They become unhappy with them primarily if (1) they feel visitors are "taking over" from residents, or getting preferred treatment; (2) tourists interfere with daily life (primarily through traffic congestion); or (3) more rarely, visitors fail to show respect and courtesy.

Many Hawaii residents complain that they dislike Waikiki because it is too "touristy." But Waikiki is still Oahu's top recreational resource -- both for outdoor activities (beach, Kapiolani park) and for restaurants, movies, and nightlife.

There is reason to think that the greater resident concern over Waikiki involves lack of access to these valued resources. Many of the barriers have to do with parking, transportation, or cost. However, some are psychological: A feeling that Waikiki is "just for tourists -- we're not welcome anymore."

Proposed Strategies:

(1) The Waikiki Oahu Visitors Assn. (WOVA) is asked to encourage Waikiki events which appeal to Hawaii residents as well as visitors. Some of the cultural events suggested under Issue #1 might do this, but other approaches include:

- Events focusing on the beach or ocean -- e.g., canoe races or the planned Hawaii Maritime Center's Waikiki Jubilee.

- Anything which just seems like fun -- e.g., the Waikiki Improvement Association's "Block Party."

(2) Encourage WOVA regularly to tell Hawaii residents as well as out-of-state people about relevant attractions and amenities in Waikiki.

(3) Waikiki residents are themselves a major asset, since many are energetic retirees who would volunteer some of their time for programs involving visitor contact -- e.g., walking
tours, information booths, the USO Center at Ft. DeRussy, etc. See Issue #4, Strategy #1 for a proposal which would include this potential in a wider study of Waikiki retirees' needs and contributions.

Issue #3: The Role of Waikiki Residents

Background:

Life in Waikiki grows more costly every year. Many residents are concerned they will soon be forced out of Waikiki by rising prices and the growth of the visitor industry.

Longtime residents tend to be older adults, and many are on fixed incomes. For renters, rising housing costs are a problem, while condominium owners are concerned that the conversion of rental units to visitor use could change their buildings and nearby areas substantially.

Politically, there is sometimes a feeling that Waikiki is a visitor destination and "shouldn't" be treated as a residential area. Also, few Hawaii-born or Waikiki-born residents are left in the area; most residents are Mainland-born. Some have been here for decades, but political decision makers still tend to see Waikiki residents as newcomers and outsiders. This tendency will grow if more foreigners become full- or part-time residents.

Occasionally, residents and the visitor industry have different interests. The basic difference between residents and the industry is that residents are more cautious about change, while hotels and landowners are more willing to invest in private or public improvements which will upgrade Waikiki's visitor market and its land values.

Otherwise, residents and the industry have many common interests -- e.g., basic public services, public safety, etc. However, there is a need for more political cooperation between resident and industry organizations than has occurred to date.

Proposed Strategies:

(1) All major Waikiki resident and business groups are urged to form a "Coalition of Waikiki Organizations." This would be a forum for communication on topics where there are differences, and a unified lobbying group on topics where there is consensus. The Waikiki Improvement Association and the Waikiki Neighborhood Board are requested to take the lead in organizing the coalition.
(2) The Conference is committed to the principle that residents must remain a part of Waikiki. It would oppose any changes in the land use system which would threaten Waikiki's residential character.

Issue #4: Health and Aging Concerns

Background:

The Waikiki Health Center reports that Waikiki is generally a very healthy community. There is a growing concern about AIDS within the underclass (prostitutes and IV drug users), and about 20% of the homeless have some mental confusion -- the same or a little less than the proportion estimated for homeless elsewhere.

However, both the Health Center and the Waikiki Community Center suggest that the elderly are a particular focus of concern. Both the resident and visitor populations in Waikiki have high proportions of older people.

Some of the concerns are medical: disease, frailty, etc. But there is also the problem of social isolation for older residents who have no family network here and may become "shut-ins" when they become sick or frail. And elderly residents are particularly likely to be living on fixed incomes: hence, particularly likely to be affected by rising taxes or rents. Small apartment buildings appropriate for co-operative living by the elderly are on the market, but agencies have difficulty in helping people acquire or adapt them.

Some concerns are physical: Efforts at Waikiki renovation and beautification need to be planned with the needs of an aging population (for access ramps, shade, and benches in open areas) in mind.

On the other hand, Waikiki's retired population (including part-time residents) constitutes an asset which is not always well utilized by society. Still-vigorous retirees could work in part-time Waikiki jobs if they were more aware of them, and/or could volunteer their time to worthy projects if some communication network could be put in place.

Proposed Strategies:

(1) Ask the Legislature to fund the Governor's Executive Office on Aging in a careful study of the elderly (full-time residents, part-time residents, and visitors) in Waikiki and other resort areas.
The study should address both special needs/problems (e.g., medical, social isolation) and also their full human resource potential to society (volunteerism, part-time labor force).

A product of the study should be an action plan for better integrating resident volunteers in resort areas with visitor industry needs (including information services for visitors) and with civic projects in the wider community. This component should be worked out in consultation with the Waikiki Community Center and Health Center.

(2) Encourage nonprofit and government housing agencies to acquire, or help older residents to acquire, small apartment buildings in or near Waikiki which are appropriate for cooperative living by the elderly.

Issue #5: Crime, Prostitution, and Drug Use

Background:

High-density urban resort areas naturally attract crime, but crime is severely detrimental to both the visitor industry and resident quality of life. Waikiki has one of the highest crime rates in the state. A recent survey found that nearly 50% of Waikiki residents were afraid to walk in certain nearby areas at night -- the highest percentage in the state.

There are just 12 police beat officers in Waikiki during any one shift. Waikiki has only a police sub-station -- the daily roll call is held at the Pawaa Street Station now. In 1991 it will be even further from Waikiki, at the new Alapai Street station downtown. The City and County has looked for a police station site in Waikiki, without success.

Waikiki police discourage both youth gang activity and prostitution by "proactive" policies -- i.e., relentless prosecution of even the most minor infractions by such people. They report success to date in minimizing gang activity, but frustration in the effort to keep prostitutes off the street.

Social workers estimate there are up to 100 prostitutes on Waikiki streets during peak season weekend or holiday evenings, plus 10-15 transsexuals. About two-thirds are imported from the Mainland (generally on a rotating basis), and about half of these are adolescent runaways who were recruited in large Mainland cities. Many are involved in thefts from customers, and
virtually all are involved in drug use of some variety. (NOTE: The foregoing omits consideration of prostitutes associated with escort services: less is known about them. The 1989 Yellow Pages lists 30 Oahu escort services, though some are believed to be overlapping companies and to use the same set of prostitutes.)

Street prostitutes are run by a dozen or more pimps, who reportedly are heavily involved in drugs and make about $10,000 per month per girl to support their habits. Most of these men appear to have come from Mainland urban ghetto areas.

Both hotel managers and union officials report that drug use and drug dealing have been growing problems among employees. They believe drug dealing has to some extent moved off the streets and into hotels, restaurants, and taxi cabs, where it is harder for police to detect without specific complaints. Waikiki police received more than a dozen complaints of hotel worker drug dealing during the summer of 1989. In the current labor shortage, employers hesitate to fire workers for "minor" drug infractions.

Crack, other types of cocaine, crystal meth, and LSD are increasingly common in Waikiki. There are anecdotal reports that young Asian (as well as Mainland) visitors are buying drugs.

Proposed Strategies:

(1) The Conference urges the City and County of Honolulu to establish a full-scale police station in Waikiki as a top priority. More street police are also needed.

(2) The Conference encourages Waikiki police to continue the "proactive" policy for street gangs and prostitutes, and to expand this policy to pimps.

(3) Police and/or the Legislature are requested to study laws and programs of other cities (e.g., Las Vegas) where street prostitution has been successfully controlled, with an eye to tighter laws/programs for Honolulu.

(4) The Alternative Dispute Resolution arm of the judiciary is requested to convene a gathering of local judges to see if some more uniform approach to sanctions against prostitutes will be acceptable, if properly carried out.

(5) Prevention and counseling should be the main response to employee drug problems, but these will work only if employers also get tough with chronic drug abusers. The Conference urges both management and labor unions to accept the need for
drug testing of workers in key safety positions (e.g., cooks, engineers, drivers, etc.).

**Issue #6: Worker Self-Esteem and Knowledge of Hawaiian**

**Background:**

It is important that tourism workers exhibit pride in both themselves and Hawaii. This is important both for the quality of the visitor product and the quality of our own lives.

In some cases, the previously discussed drug problem may reflect low worker self-esteem (particularly among less educated employees) and/or cultural conflicts with managers or visitors.

Drug issues to the side, the current labor shortage is providing more tourism employment opportunities for "marginal" or "disadvantaged" residents. But such workers are not always picking up the basic skills and work habits needed to keep their jobs when the economy turns down again.

Recently, some employers have become more open to innovative approaches to recruitment, hiring, and retention. The Po'okela program (organized by Dr. George Kanahele through the Waiaha Foundation) has been successful in reducing turnover, lowering absenteeism, and reducing grievances at the Kaanapali Beach Hotel for the past two years.

The program integrates Hawaiian values in the workplace, for both workers and management. State matching funds are available to implement such programs in other hotels.

Additionally, the UH Community Colleges have been working with various properties, such as the Embassy Suites on Maui, to develop training programs aimed at employees and with disadvantaged people, focus on self-esteem.

**Proposed Strategies:**

1. Request the Hawaii Hotel Association to work with the State Department of Labor and Industrial Relations (DLIR) to increase employer awareness of resources and approaches such as the Po'okela program.

2. Ask DLIR and the UH Community Colleges to develop State-funded counseling programs to help marginal tourism workers consolidate their gains by firming up work habits and developing basic skills.
(3) DLIR is requested to evaluate whether training in Hawaiian constitutes a "basic skill" for the visitor industry, which would qualify for State and Federal training funds.

Issue #7: Labor Supply

Background:

Unemployment rates below 3% on Oahu indicate, in effect, full employment. All industries have a problem finding and keeping employees. Importation of new workers will be difficult due to national demographics and high local housing cost.

Neighbor Island resort areas are already heavily affected by the labor shortage, and Waikiki/Oahu will soon join them. The service industry jobcount on Oahu is expected to grow three times as rapidly as the population (to reach a total of 146,700 service jobs in 2010).

Negative Hawaii resident stereotypes about tourism jobs could particularly affect Waikiki. Surveys show residents (including visitor industry workers themselves) believe most tourism jobs offer poor pay, poor work hours, and little chance for advancement.

The truth of these perceptions is bitterly debated. Many statistics indicate that tourism workers, on average, do receive relatively low pay. However, these statistics ignore substantial tip and commission income earned by many visitor industry workers.

The University of Hawaii, through Travel Industry Management (TIM) program and the Community Colleges, has been involved with education and training of the labor force. TIM has trained many island-born managers. The Community Colleges have been involved in pre-service training, in-service upgrade training for existing employees, and pioneering programs on worker attitudes such as the one created jointly with the Hawaii Visitors Bureau, "The Island Way." There have also been a number of programs aimed at improving the skills of mid-managers.

The Community Colleges (particularly Kapiolani Community College) offer a wide variety of training programs for visitor industry workers, including short-term and customized training for those already in the workforce. These training programs need to expand into efforts on worker attitude development and promoting the Aloha Spirit in the workplace.
Proposed Strategies:

(1) The Hawaii Hotel Association is urged to expand its "Adopt A School" program, possibly to schools with younger students, in order to assure exposure of visitor industry job opportunities and career ladders.

(2) The State Tourism Training Council in DLIR should work closely with the Waikiki Oahu Visitors Assn. to bring together existing training services (such as those at Kapiolani and Honolulu Community Colleges) for pre-service and in-service training of the labor force.

Areas to be considered are worker attitudes, promoting Aloha Spirit in the workplace, and practically-oriented communication skills with foreign workers.

(3) The Conference urges Hawaii's top managers and chief executive officers -- both within and outside the visitor industry -- to create a blue-ribbon task force to address the issue of labor supply.

(4) The University of Hawaii's TIM School and Community Colleges should offer Japanese and other foreign languages, along with appropriate courses on English language and cultural orientation for the immigrant labor force.

Issue #8: Need for Family Support Programs

Background:

In focus groups for the 1989 State Child Care Needs Assessment, employers reported that hotel workers' productivity is often impaired by lack of child care (especially infant/toddler or sick child care) and, increasingly, lack of elder care resources for aging parents of workers.

Service industries require substantial evening and weekend work, which can interfere with caring for dependent family members. The State's 1988 Tourism Impact Management Survey found that 66% of self-described "visitor industry" workers (and 70% of workers living in Waikiki) usually worked evenings and/or weekends.

The Waikiki Community Center has a longstanding day care program and is now beginning infant/toddler care. Waikiki hotels have grown increasingly interested in supporting child care. However, workers with infants and toddlers, and workers with evening or weekend hours, tend to want family-based care for their
children; others are more interested in preschool situations. This suggests the value of cafeteria benefits plans -- except that many family home care programs are "underground" and dispense with record-keeping and receipts needed for such plans.

Proposed Strategies:

(1) The Governor's Office of Children and Youth and the Executive Office on Aging are asked to focus studies and programs on Waikiki and the visitor industry in general.

(2) The Waikiki Community Center is willing to make its facilities available to an independent operator willing to provide evening or weekend child care. The Waikiki Improvement Assn. and Hawaii Hotel Assn. are asked to inform Local 5 and all member of the Council of Hawaii Hotels, to determine if these organization or any of their members are willing to follow up.

(3) The DLIR's Commission on Employment and Human Resources is requested to prepare a manual, oriented to the visitor industry in particular, on various options to increase family support (including employee benefit packages).
### TABLE 1: HAWAII TOURISM WORKER ATTITUDES TOWARD THEIR JOBS

<table>
<thead>
<tr>
<th></th>
<th>Agree/Yes</th>
<th>Disagree/Don’t Know</th>
<th>No Opinion/Don’t Know</th>
<th>No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Satisfaction, Pride</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I like my job.</td>
<td>88%</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Most employees at my hotel don’t like their jobs.</td>
<td>17%</td>
<td>51%</td>
<td>29%</td>
<td>3%</td>
</tr>
<tr>
<td>I am proud to work in the hotel business.</td>
<td>97%</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Most employees of this hotel have a sense of pride about their work.</td>
<td>71%</td>
<td>16%</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Attitudes toward Pay</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am paid fairly for the work that I do.</td>
<td>57%</td>
<td>34%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>If I get tired of working in the hotel industry, I could easily find a job elsewhere in Hawaii that pays as well.</td>
<td>28%</td>
<td>50%</td>
<td>18%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Local vs In-Migrant Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not enough people are promoted up through the ranks in my hotel.</td>
<td>46%</td>
<td>30%</td>
<td>20%</td>
<td>3%</td>
</tr>
<tr>
<td>Supervisors who are not from Hawaii don’t understand the needs of employees who are.</td>
<td>55%</td>
<td>27%</td>
<td>15%</td>
<td>3%</td>
</tr>
<tr>
<td>More people from Hawaii should be advanced into higher managerial positions in my hotel.</td>
<td>65%</td>
<td>14%</td>
<td>17%</td>
<td>3%</td>
</tr>
</tbody>
</table>

(base: 5,267 statewide hotel employees)

<table>
<thead>
<tr>
<th>Waikiki Area (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likelihood of living in the same area next five years</td>
</tr>
<tr>
<td>very likely</td>
</tr>
<tr>
<td>somewhat likely</td>
</tr>
<tr>
<td>somewhat unlikely</td>
</tr>
<tr>
<td>very unlikely</td>
</tr>
<tr>
<td>don't know/refused</td>
</tr>
<tr>
<td>Base:</td>
</tr>
<tr>
<td>Moving because of the neighborhood or personal changes*</td>
</tr>
<tr>
<td>problems in neighborhood</td>
</tr>
<tr>
<td>changes-personal life</td>
</tr>
<tr>
<td>some of both</td>
</tr>
<tr>
<td>don't know/refused</td>
</tr>
<tr>
<td>Base:</td>
</tr>
</tbody>
</table>

NOTE: * Asked of persons who answered "very unlikely" or somewhat "unlikely" to the previous question.

### TABLE 3: TOTAL POPULATION AND DEMOGRAPHIC BREAKDOWNS -- CITY AND COUNTY OF HONOLULU AND STUDY AREA, 1970 AND 1980

<table>
<thead>
<tr>
<th></th>
<th>CITY AND COUNTY OF HONOLULU</th>
<th>WAIKIKI NEIGHBORHOOD BOARD AREA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL POPULATION</strong></td>
<td>630,528</td>
<td>762,565</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Ethnicity</strong></th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
<th><strong>N/A</strong></th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Caucasian</td>
<td>41.2%</td>
<td>33.1%</td>
<td>N/A</td>
<td>64.4%</td>
<td></td>
</tr>
<tr>
<td>Japanese</td>
<td>26.8%</td>
<td>24.9%</td>
<td>N/A</td>
<td>9.4%</td>
<td></td>
</tr>
<tr>
<td>Chinese</td>
<td>7.7%</td>
<td>6.9%</td>
<td>N/A</td>
<td>5.8%</td>
<td></td>
</tr>
<tr>
<td>Filipino</td>
<td>10.4%</td>
<td>12.8%</td>
<td>N/A</td>
<td>1.9%</td>
<td></td>
</tr>
<tr>
<td>Hawaiian</td>
<td>8.5%</td>
<td>10.5%</td>
<td>N/A</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>5.5%</td>
<td>11.8%</td>
<td>N/A</td>
<td>11.1%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Age</strong></th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 yr.</td>
<td>9.3%</td>
<td>7.9%</td>
<td>4.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>5 to 17 yr.</td>
<td>26.2%</td>
<td>20.2%</td>
<td>7.5%</td>
<td>7.3%</td>
</tr>
<tr>
<td>18 to 64 yr.</td>
<td>59.5%</td>
<td>64.6%</td>
<td>77.6%</td>
<td>73.0%</td>
</tr>
<tr>
<td>65 or more yr.</td>
<td>5.0%</td>
<td>7.3%</td>
<td>10.4%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Median age (yrs.)</td>
<td>24.6</td>
<td>28.1</td>
<td>N/A</td>
<td>19.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Place of Birth</strong>*</th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
<th><strong>N/A</strong></th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawaii</td>
<td>56.1%</td>
<td>55.1%</td>
<td>N/A</td>
<td>19.1%</td>
<td></td>
</tr>
<tr>
<td>Other U.S.**</td>
<td>NC</td>
<td>30.1%</td>
<td>N/A</td>
<td>58.4%</td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>NC</td>
<td>14.8%</td>
<td>N/A</td>
<td>22.4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Residence 5 Yrs. Before</strong>*</th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
<th><strong>N/A</strong></th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(people aged 5 or more)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Same house</td>
<td>42.5%</td>
<td>48.2%</td>
<td>17.6%</td>
<td>27.7%</td>
<td></td>
</tr>
<tr>
<td>Same county</td>
<td>23.9%</td>
<td>25.5%</td>
<td>N/A</td>
<td>29.9%</td>
<td></td>
</tr>
<tr>
<td>Other county</td>
<td>1.2%</td>
<td>1.3%</td>
<td>N/A</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Other state</td>
<td>20.9%</td>
<td>18.4%</td>
<td>N/A</td>
<td>31.1%</td>
<td></td>
</tr>
<tr>
<td>Other country</td>
<td>11.5%</td>
<td>6.6%</td>
<td>5.5%</td>
<td>10.0%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Education</strong></th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
<th><strong>1970</strong></th>
<th><strong>1980</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(people aged 25 or more)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than H.S.</td>
<td>20.8%</td>
<td>14.4%</td>
<td>9.4%</td>
<td>7.2%</td>
</tr>
<tr>
<td>H.S. graduate only</td>
<td>37.5%</td>
<td>35.5%</td>
<td>35.5%</td>
<td>33.7%</td>
</tr>
<tr>
<td>Some post H.S.</td>
<td>12.9%</td>
<td>18.3%</td>
<td>21.9%</td>
<td>22.3%</td>
</tr>
<tr>
<td>College, 4+ yr.</td>
<td>15.5%</td>
<td>21.7%</td>
<td>20.2%</td>
<td>28.0%</td>
</tr>
</tbody>
</table>

**NOTES:**
* Figures based on 15 percent sample; numbers hence represent estimates.
** Includes persons born in U.S. territories, or born abroad or at sea to U.S. parents.
"NC": 1970 categories not comparable to 1980 ones.
"N/A": Not Available.

**SOURCES:**
REPORT of the Economic Trends Task Force
October 12, 1989

Chair: Lawrence M. Johnson
Bank of Hawaii

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Hemmeter Corporation
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Bank of Hawaii

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BACKGROUND

Hawaii's economy has been led by the tourism industry since the 1970's, with Waikiki as the industry's major component. From its one square mile of reclaimed land (0.02% of the state), Waikiki is responsible for approximately:

- $3.8 billion in visitor expenditures, 45% of the state total.
- 16% of the gross excise taxes collected in the state.
- 60% of the hotel room taxes collected statewide.
- 14% of the County's real property tax collections.

This economic importance derives from Waikiki's 48% share of the state's visitor rooms, and its higher than average occupancy rates and nearly $90 average room rate. Waikiki's economy is also supported by its estimated 440 restaurants, 350 bars and nightclubs and 1,000 shops.

Waikiki's success has attracted vital capital to the state from the U.S. mainland, Canada, Japan and other foreign countries. Waikiki has typically been the vehicle by which such investors become familiar with our state, and the location in which they make their initial investments. Many of these investors have subsequently branched out to other islands and other types of investments in Hawaii.

Waikiki is the site of an estimated 30,000 jobs for Oahu residents, most of whom do not live in Waikiki. In addition, Waikiki directly and indirectly supports many thousands of other jobs throughout the state, including jobs in tourism as well as many that do not appear to be directly tourism-dependent. Income taxes paid by these individuals is estimated to exceed $75 million.

Finally, Waikiki is a place of residence. It is a primary home for more than 25,000 persons, representing about 3% of Oahu's population. Many others make Waikiki a seasonal home, contributing further export revenues to the state's economy through their expenditures in Hawaii.
dealing with these issues. Wal-Mart's future economic success, and proposals strategies for
increasing the competitiveness of Wal-Mart's force members felt to be of particular concern to
the remainder of this paper. Identifies ten issues that economic

whereas, but competition for these tourists becomes stricter daily.

From Japan and other Pacific Asian countries are expected to remain

west of Hawaii. Visitors are estimated to come from Japan and other locations

from that country. Thus, in 1988 near 40% of Wal-Mart's

tourists have been encouraged in exploration of destinations and tourism experiences.

Japanese yen and changes in Japanese public policies have

visitors to Wal-Mart, but in recent years the rate of the
tourism from the western U.S. have represented the majority of

overseas visitors. This has increased the number of

major market segments. Travelers have targeted at Hawaii's

teens such as golf courses, tennis resorts, and tennis complexes. Passengers

certifices, health spas, and other amenities, that Wal-Mart would be

expected to have in the future. Other times, however, those stays at those

Kauai, 2,500 on Hawaii Island, 50 on Lanai, and more on Molokai.

and Kauai's resorts on Maui, 2,000 on Molokai and Kauai's

planned developments included over 6,000 hotel rooms at one

several years. Only about 500 will be located in Hawaii. Other

over the next 15 years. Resort operators also have much

planned developments are expected to attract

accommodations and nearly half of those stays are

whereas Wal-Mart is now accounting for about 90% of the

The market and economic environment in which Wal-Mart and hence

ECONOMIC OUTLOOK
ISSUE 1: Of the basic economic resources -- land, labor, capital and materials -- labor may be the most significant for the visitor industry over the next 10 years. What actions are required to ensure Waikiki has access to the necessary labor resources to remain successful?

Background

Statewide unemployment was estimated at 2.4% in July 1989, and Oahu’s was even lower, at 2.1%. The labor market is anticipated to remain tight through 2000, because:

- New supplies of labor may lessen: As the “baby boom” ages, the majority of our workforce will be in its 40’s and 50’s; yet entry-level positions in the visitor industry have traditionally appealed to the young.

- Demands for labor may increase: New technologies may reduce labor demands in certain types of work, but the trend to upscale properties is associated with higher labor requirements.

- Competition for labor may increase: Assuming further diversification of the local economy, and development of Ko Olina and Kualoa resorts, Oahu workers will have more employment options closer to home. Many local residents have tended to view visitor industry jobs as low-paying and low status.

Potential new sources of labor for Waikiki could come from:

- First-time labor market entrants. However, the supply of these predominantly young workers will be less than in prior years, as discussed above.

- Retirees, women and others who have previously left the labor force, but who may be attracted back.

- Military dependents who often do not participate in the labor market, due to their short lengths of stay in Hawaii, larger families and perceived hiring discrimination.

- In-migrants to Oahu, from the U.S. mainland, U.S. territories, or foreign countries. However, in-migration is also constrained by Hawaii’s high housing costs.

Proposed Strategies

1. Expand and increase public support for travel industry-related programs at the University of Hawaii and in the Community College system, with new emphasis on personnel management and recruitment.
Neither within nor outside of Warlick's
both within and outside of Warlick's
5. Provide affordable housing for Winterthur industry employees.
   promises for Winterthur employees.
4. Sponsor job fairs representing multiple Warlick employers.
   only about 60% of earnings for the average employee.
   conducted in 1999, and found that direct wages represent
   salaries, bonuses, and benefits. The last such survey was
   of earnings throughout the industry, including wages,
   a study
3. Address public perceptions of low pay by conducting a study
   - Student Internships.
   - Warlick House visits to hospitals and other places of employment in
   - Hosting of elementary school children in Warlick House.
   - Warlick Business Sponsorship of community events.
   - Seminars in college and graduate school programs.
   - Media campaigns.
   - Warlick and secondary schools.

   Visitor Industry Education Council programs in the primary
   Visit Industry Education Council programs in the primary
   Warlick
   - Visitor Industry Education Council programs in the primary
   Visitor Industry Education Council programs in the primary
   Promote Community Awareness of Opportunities in the Visitor
   Promote Community Awareness of Opportunities in the Visitor
   
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**ISSUE 2:** Besides competing for labor, the industry will have to provide training for new types of workers as well as for changing job skill requirements. At the same time, workers’ expectations may be rising. What steps may be necessary to cope with these qualitative changes?

**Background**

The composition of the visitor industry labor market is changing. Attracting new sources of labor such as retirees and second career workers, young mothers and military dependents to the labor force will require different facilities and programs than now provided. Segments of the visitor industry have enjoyed low job turnover, but with the myriad of potential opportunities available in the future, this situation may also change.

In addition, the changing face of Waikiki itself, with more foreign visitors and upscale facilities, requires that workers have different skills than in the past.

**Proposed Strategies**

In addition to the strategies proposed under issue #1:

1. Support facilities and programs that cater to retirees, young or single parents and part-time/temporary workers:
   - Child care facilities.
   - Flexible work hours and/or job sharing programs.
   - Ride sharing and commuting programs.

2. Target Waikiki residents, organizations such as the American Association of Retired Persons (AARP), military dependents, school teachers during summer months, and students.

3. Employ Waikiki and other residents who are multi-lingual as linguistic or intercultural information resources, trouble shooters for foreign visitors, and foreign language/culture instructors for Waikiki employees.

4. Increase support of on-job and community extension programs to retrain workers in the industry, and to train persons who have previously worked in other industries.

5. Study the relationship of visitor industry earnings to the market orientation of facilities, such as in high-end vs. mid-market hotels.

6. Ensure that compensation and advancement opportunities in the industry remain highly competitive; develop a forum to keep employees informed of their benefits.

7. Encourage and support foreign language study in Hawaii’s primary and secondary schools.
ISSUE 3: Given the changing composition of Hawaii’s visitor markets and new competition from other destination areas, how should the Waikiki of the future be envisioned, and how can it ensure that it remains competitive?

Background

For more than 20 years, Waikiki has enjoyed a reputation as one of the world’s premiere exotic beach destinations. Waikiki is still the major visitor gateway to Hawaii, and a typical stop for first-time visitors to the state. Thus its success is of importance to the entire state. However, in recent years, many visitors have been attracted instead to the lower-density, master-planned golf and beach resorts of the neighbor islands. With the planned developments at Kualoa and Ko Olina resorts, Waikiki will also be competing with such areas on Oahu.

In addition, Hawaii as a whole is challenged by sophisticated developments and highly aggressive marketing efforts by other destinations such as Palm Springs and Laguna Niguel, California; Cancun and the Gulf Coast of Mexico; the Caribbean; the Gold Coast of Australia; Phuket and Pattya, Thailand; Bali, Indonesia; and Guam.

Due to Hawaii’s growing dependence on eastbound markets, we are particularly vulnerable to competition from the other Pacific and Asian resort areas. Travel times to these developing areas from Asian points of origin are less and vacation expenses may be less due to lower land and labor costs.

Proposed Strategies

1. Re-evaluate Waikiki’s market niche, both within the state and internationally. A key step would be an in-depth study of perceptions, motivations and expectations of potential visitors to Waikiki in both the west coast and Japan.

2. Campaign to inform state residents as well as operators of other Hawaii destinations about Waikiki’s:
   - Importance to the state.
   - Historical significance.
   - World reputation.

3. Emphasize Waikiki’s value in terms of quality products and service, rather than attempting to compete on cost, through marketing efforts and job training programs.

4. Ensure that Waikiki continues to serve a full-spectrum of visitors, rather than over-focusing on high end markets.
6. Consider protection of certain types of establishments, such as neighborhood grocery stores, which serve vital needs of residents and visitors.

- Knudt Beach and the Waikiki seawall
- Preserve and restore historic and institutional
- Traditions and contemporaries, exhibitions of Hawaiian dance

- Encourage programs such as the Aloha Week Parade, and

- Protect and promote marketing campaigns.

- Continue to emphasize Waikiki's value as well as its attraction.

- Conduct and publish an on-going survey of the full range of Waikiki accommodations and facilities in Waikiki.

Proposed Strategies

- Could stimulate strong negative publicity for Waikiki.
- Could encourage strong negative publicity or „negative word-of-mouth” by high-mileage, repeat visitors. Waikiki's image may also affect the availability of accommodations in Waikiki and elsewhere in the state.

- Compete with existing destinations in Asia and Mexico.

- In the Southwest California and Arizona, for eastbound markets, westbound vacation packages to Mexico, the Caribbean, and Hawaii.

- Lower cost and time of traveling to Hawaii.

- Given that we have little or no competition on the island for the short-distance traveler, we have little to worry about the competition from the mainland.

- The high prices for goods and services in Hawaii, as well as the publicity due to the old-fashioned "high prices," but this could backfire if visitors perceive Hawaii to be too high for our visitors.

- Although there is a misconception of our price background.

- Marketing among potential visitors.
ISSUE 5: Waikiki, like the rest of Hawaii, is increasingly dependent on eastbound visitors, particularly those from Japan. How secure is this market segment, and what special planning is required to protect Waikiki?

Background

Hawaii has benefited from rapid growth of its eastbound visitor market, due largely to Japan's rising disposable incomes, support of international travel, and the strong value of the yen relative to the U.S. dollar. However, the sensitivity of the eastbound market to eventual downturns in the Japanese economy is as yet untested. In addition, Japan's support of longer vacations may encourage overflight of Hawaii, and travel to destinations that are further away.

We have even less understanding of other foreign markets, including Asian countries such as Taiwan, South Korea and Hong Kong, as well as European countries.

Proposed Strategies

1. Expand market research on the eastbound market to Hawaii, such as through:

   - Routine collection of visitor statistics from a large sample of Japanese and other eastbound visitors in Hawaii.
   - Focus group studies conducted in Japan with potential travelers and tour wholesalers.
   - Surveys of image, needs, desires and expectations of potential Japanese and other foreign visitors.

2. Increase funding to market Waikiki in Hawaii's emerging foreign markets, including those of Asia, Europe, Australia and New Zealand. Waikiki already has much of the urban infrastructure that appeals to such visitors; reinforcement of its cultural attractions may be necessary.

3. Identify trends in public and private policy in Japan and other Asian countries and evaluate the impacts of these trends on travel to Hawaii.

4. Further study destinations that compete with Waikiki for foreign visitors, including neighbor island resorts as well as destinations outside of Hawaii.

5. Provide incentives to airlines to continue serving Honolulu, despite potentially higher revenue indicators on other routes and/or the technical ability to overfly Honolulu.

6. Promote travel packages of Waikiki with other visitor destinations that appeal to eastbound travelers.
ISSUE 6: It is increasingly costly to successfully operate a business in Waikiki. How is this likely to affect the viability of Waikiki as a whole, and how might the business environment be protected?

Background

Over the last few years, land-values and property taxes in Waikiki have escalated dramatically, as have the costs of sewer and water services, land, labor, required amenities, and other costs of doing business.

As a result, whereas in the past 60% to 65% hotel occupancies were considered breakeven, some Waikiki hoteliers now find they ought to achieve much higher occupancies in order to breakeven. Retail and commercial establishments have also been affected, and many now face prohibitive rents.

Proposed Strategies

1. Permit higher building heights in selective cases, in exchange for quality open space or other public benefits.

2. Consider protection of necessary retail establishments, as noted in Issue #4.

3. Identify and publicize the relative contributions of Waikiki to State and County government revenues, in terms of property, room, income, gross excise, liquor and fuel and other taxes.
ISSUE 7: To the lay person, it appears Waikiki is always under construction, and yet the roads, parking and other infrastructure are never adequate to accommodate the volume of visitors and residents who use the area. How can we anticipate and finance these and other infrastructure needs to ensure that we are prepared to support a growing and still-attractive Waikiki?

Background

Like other areas of the state, Waikiki is in need of road and transportation, utility, and other capital improvements. However, Waikiki’s infrastructural needs may be considered of unique importance since this small area directly and indirectly supports a significant share of the economy and labor market of the state.

The State has significant new funds, due in part to the hotel room tax, much of which is collected in Waikiki. The City and County has jurisdiction over Waikiki, but lesser funds; moreover, new sources of County revenues are likely to accumulate more gradually than for the State, since they are principally based on rising property values and assessments.

At the same time, the disruptive costs of construction need to be weighed against the need for any infrastructural improvement.

Proposed Strategies

1. Review the infrastructure needs and cost/benefits for Waikiki, in an independent study sponsored by both the City and State. The study should:
   - Identify current and anticipated future capital projects.
   - Estimate direct, indirect and induced costs.
   - Propose a forum to evaluate the public benefits and costs.
   - Develop a plan for funding appropriate improvements that considers both City and State responsibilities.

2. Establish a schedule and means for updating and reviewing the infrastructure needs assessment on an on-going basis.

3. Conduct public informational campaigns regarding the importance of Waikiki to the City and State as a whole.

4. Consider policies that encourage slower and/or higher quality growth in Waikiki.

5. Dedicate a portion of the hotel room tax to visitor industry infrastructural improvements.
ISSUE 8: Future developments in and near Waikiki include large-scale convention meeting and exhibition facilities intended to diversify the visitor industry, attract higher spending visitors, broaden the tax base, and create quality jobs.

Background

Convention center planning for Hawaii has been enacted into law by the State of Hawaii. The acknowledged importance of this potential resource has State and County government agencies planning ways to provide such facilities in the Waikiki area.

The impacts of the construction and operations of such facilities will be borne by constituents in and out of Waikiki, including residents, employees, businesses and visitors. The facilities could have tremendous effects on area traffic, access and egress to Waikiki, infrastructure loads, fiscal costs and benefits, construction disruption and other considerations. There is also a need to better understand the impacts of the operations of such facilities on non-hotel segments of the visitor industry, both within and outside of Waikiki.

It is therefore critical that there be thorough consideration of the public and private concerns involved, and that approaches to mitigating anticipated disruptions be evaluated, aired and planned. There have already been several forums of discussion regarding the convention center, however there is a responsibility to further identify, evaluate and address the challenges and opportunities related to it.

Finally, in view of other convention centers in west coast locations such as San Francisco, San Diego and Seattle, identification of the appropriate market niche(s) for the Hawaii-based facilities is increasingly important.

Proposed Strategies

1. Create a forum of all of Waikiki’s constituents, in which representatives work directly with government agencies, developers and consultants to gather data, identify controversial issues, and work out mutually satisfactory solutions. The intent of this forum should be to maximize public benefits while mitigating potential disruptions or costs associated with the construction and operations of the convention facilities.

2. Apply a particularly Hawaiian perspective to development of the new meeting facilities, one that proclaims a sensitivity to the styles, history and beauty of Hawaii.

3. Identify and evaluate appropriate convention and trade show market niche(s) for Hawaii; enhance public understanding of the potential uses of the convention facilities.
ISSUE 9: How can we encourage the redevelopment of those areas in Waikiki that are run-down or no longer functional?

Background

Much of Waikiki is undergoing a major face-lift and renaissance. Yet other areas are deteriorating, with little prospect of redevelopment or renovation. In some cases this is due to small parcel sizes which preclude economically feasible new development; in others it may be attributable to design and zoning ordinances, where some provisions of the City and County’s Waikiki Special Design District (WSDD) are less appropriate today than when initially implemented in 1976.

At the same time, there is a desire to retain the flavor of old Waikiki and its neighborhoods, as noted in issue #4.

Proposed Strategies

1. Review the WSDD in light of new building technologies, design theories, and Waikiki’s changing market mix. Classify the types of areas and inventory their special needs, considering special treatment of classes of property such as:
   - Kalakaua frontage properties.
   - Residential neighborhoods.
   - Ala Wai Boulevard frontage properties.
   - Zones of major vehicular thoroughfares.

2. Provide a "one-stop" source of information for developers and landowners on the provisions of the Waikiki Special Design District and other City planning policies.

3. Consider new policies and/or enact enabling legislation for:
   - Density or height variances for quality open space.
   - Transfer of development or density rights; sales of air space rights to adjoining properties.
   - Land readjustment, facilitating the private assembly of small land parcels. This technique has discouraged "holdouts," by permitting original owners to retain title rather than forcing sales to a government or other entity.
   - Smaller setbacks on the makai side of Ala Wai Boulevard, in light of open space along the mauka side.
   - As appropriate, remove barriers to the redevelopment of parcels that currently include non-conforming uses.

4. Define the meaning of the "moratorium" on new Waikiki units, and/or lift it in favor of regulation of open space, environmental improvements, density and FAR standards.
ISSUE 10: Waikiki is a residential as well as a visitor district. What steps will be necessary to ensure its viability as a residential community, and what is the responsibility of government in this respect?

Background

Waikiki has a significant and politically active full-time resident population, with about 25,000 residents and 10,000 registered voters in the last elections. Waikiki is also a second home and temporary home for persons of all levels of affluence.

This resident base contributes to the safety, attractive character and stability of Waikiki. However, many full-time residents live on fixed incomes and others are finding that their incomes are not rising as fast as property taxes and the other expenses of living in Waikiki. In addition, many multifamily condominium residences are located on leasehold land, for which lease terms are approaching. Finally, visitor and residential uses of condominiums are increasingly competitive, with visitor uses able to bear substantially higher costs. Thus, some long-term renters and unit owners are being forced out of the district.

Given the dramatic rises in Waikiki condominium unit and land prices, this trend is expected to continue, and Waikiki could become more of an affluent second and/or vacation home community for non-state residents, at the expense of its primary resident base.

Proposed Strategies

1. Involve Waikiki community groups in the planning and management of Waikiki, on volunteer and paid bases.

2. Encourage the voluntary lease to fee conversion of residential developments within Waikiki.

3. Consider property tax relief for long-term residents of the district.

4. Formulate State and County government policy positions regarding the desirability of maintaining a primary resident base in Waikiki, and effective means of enforcing such policies.
REPORT
of the
Transportation
Task Force
October 12, 1989
Chair: Ronald M. Letterman
Cove Enterprises, Inc.
Co-Chair: Herbert C. Cornuelle
The Estate of James Campbell
Writer: Michael P. Hamnett
Social Science Research Institute
TRANSPORTATION FUTURES FOR WAIKIKI

I. CHOICE OF A TRANSPORTATION FUTURE

TRANSPORTATION GOALS:

- The transportation system for Waikiki should contribute to the attainment of defined social and economic goals

- Waikiki's transportation system should enhance Waikiki as
  - a visitor destination
  - a place to live
  - a place to work
  - an entertainment and recreation center

- Waikiki's transportation system should efficiently move people and goods to their destinations and minimize time and financial costs and frustration

- Transportation systems should add to rather than detract from the aesthetics of Waikiki—transportation systems should enhance
  - open, clean, relaxed, informal, quality, safe, fun, serene, and beautiful atmosphere of Waikiki
  - as a preeminent resort and make it an international visitor show place

- Transportation development in Waikiki should maximize use of natural resources of Waikiki:
  - the beauty of Waikiki beach
  - Ala Wai Canal area as open space and the canal itself as a water way
  - tropical plants and other green space
  - clean air and nice weather
ASSUMPTIONS:

Congestion in Waikiki will increase unless changes in transportation systems are made to accommodate growth.

There is a general consensus on transportation goals for Waikiki--REDUCE VEHICLE CONGESTION AND ENHANCE PEDESTRIAN EXPERIENCE--but there is a need to develop broad-based support for improvements in transportation for Waikiki.

Any change in transportation systems for Waikiki is going to involve trade offs--There are many interest groups that will be affected by changes in transportation for Waikiki and the costs and benefits of improvements will not be evenly distributed.

Waikiki is a part of and the rest of the State and and transportation improvements must be integrated with improvements in transportation for the City and County of Honolulu.

II. TRANSPORTATION OPTIONS
A. IMPROVE VEHICLE FLOW
   o Improve signal light synchronization throughout Waikiki (in progress--to be completed by June 1990)
   o Improve intersections that cause bottle necks
   o Improve signage and public directional information for residents and visitors
     -Land mark signs to facilitate location of hotels and other destinations from Ala Wai
     -Sidewalk maps for pedestrians
     -Make location maps available to residents
   o Reduce congestion caused by service vehicles
     -Enforce existing restrictions on delivery vehicles and add needed police if necessary
     -Enforce existing restrictions on private vehicle use of delivery areas
     -Evaluate the need for further restrictions
o Examine options for improvements on pick-up and drop-off options for buses

o Further restrict on-street parking areas and hours
  - Only allow on-street parking on cross streets and residential areas
  - Reduce on-street parking along Ala Wai
  - Provide or encourage the development of off-street parking
  - Provide parking bays along Kapuhulu and shift business and residential parking to parking bays (under evaluation and development)

o Develop additional access route across Ala Wai Canal
  - In conjunction with periphery parking
  - Consider H-1 access

B. ENHANCE PEDESTRIAN EXPERIENCE

o Develop Ala Wai promenade
  - Widen existing sidewalk
  - Further landscape Canal area
  - Provide foot bridge across Ala Wai Canal

o Eliminate obstructions along Kuhio Avenue and cross streets
  - Change sidewalk furniture
  - Further restrict use of sidewalk by vendors

o Beautify Kuhio Avenue and Cross-streets and make improvements consistent with Kalakaua
  - Improve lighting, signage, side walks, and cross walks

o Preserve and enhance Waikiki Beach as a place to walk and enjoy the beach

o Develop Kapiolani Park promenade

o Develop Ala Moana promenade
o Increase access to Waikiki Beach from streets
o Improve pedestrian crossings
  -more diagonal crossings
  -other improvements

C. REDUCE THE NUMBER OF VEHICLES

o Develop peripheral parking for Honolulu residents and people who work in Waikiki
  -Possibly sites include Ala Wai Golf Course, Honolulu Zoo, Aloha Motors, Fort Derussy--may require relocation of some existing facilities
  -Over canal (McCully/Kalakaua)

o Encourage Workers not to drive to work in Waikiki
  -Some hotel workers have on site parking as employment benefit--consider alternatives
  -Provide functional and attractive parking alternative

o Develop incentives for the development of people movers within Waikiki and between Waikiki and Ala Moana Center
  -Short term
    * Wikiwiki bus type system
    * Waikiki trolley
  -Longer term
    * Water taxi
      -to Ala Moana Beach Park
      -to Ward Warehouse
      -to Fisherman's Wharf
    * Unscheduled jitney or small buses on set routes
    * New rapid transit system through or with spur to Waikiki
o Provide attractive alternatives to the use of individual automobiles in and out of Waikiki and within Waikiki

- Analyze how visitors and residents travel and why they choose transportation alternatives they do and gear transportation development to meet needs and enhance visitor experience

o Provide attractive and more efficient transportation links between Honolulu Airport and Waikiki

- Ferry--currently being developed with stops at Barbers Point and down town with possible links to Hawaii Kai, Honolulu Airport, and Waikiki
- Super shuttle
- Shared vans or jitneys

o Evaluate options for Waikiki in terms of overall rapid transit plan for Honolulu

D. Evaluate other options

o Limit pickup dropoff for large tour buses

- Some hotel have off-street lanes for buses

o Provide incentives for bus/hotels to beautify street front (consider tax abatement)

o Evaluate traffic implication of convention center

- Consider Neal Blaisdell Center for all local needs
- Use new convention center as tourist industry site
- Develop plan to minimize traffic congestion from construction and maximize opportunities

  * Evaluate traffic flow options and street detours
  * Consider underground utilities and street repairs
  * Consider implications of convention center at International Market Place and Aloha Motors to minimize disruption
o Develop consensus for rapid transit for Honolulu and Waikiki
   - Aesthetic pros/cons of alternatives
   - Evaluate trunk link options to city/state system
   - Identify where routes and stations should go

III. PROBLEM:
1. Most people agree on the transportation problem facing Waikiki: CONGESTION
2. Options for addressing the problem have been identified: REDUCE THE NUMBER OF VEHICLES, IMPROVE VEHICLE FLOW, AND IMPROVE WAIKIKI FOR PEDESTRIANS
3. An effective method for agreeing on solutions has NOT been found

IV. OPTIONS:
1. BUILD A REAL CONSENSUS FOR A PREFERRED FUTURE FOR WAIKIKI through the WAIKIKI TOMORROW effort
2. Use the WAIKIKI TOMORROW effort to develop a commitment from the interest groups concerned to participate in and abide by the outcome of a process to DEFINE A DESIRED TRANSPORTATION FUTURE FOR WAIKIKI
3. Identify future opportunities for building a consensus on a preferred future for Waikiki

V. CONSIDERATIONS
1. The City and County of Honolulu, the Waikiki Improvement Association, the Waikiki Neighborhood Board and other groups have found it very difficult to make changes in Waikiki
2. A number of improvements are currently being evaluated and/or planned--many of these improvements have been considered for years and have failed to achieve sufficient support for development until now
3. Because of the number of groups and individuals with interests in the future of Waikiki, some degree of consensus is going to be required
4. A consensus on the future of Waikiki is going require time to build--consensus building requires participation and participation takes time
APPENDIX ONE

TRANSPORTATION CONCERNS

A. GROWTH AND CONGESTION

Concern over transportation in Waikiki has increased as Waikiki and the island of Oahu have grown.

Growth can be measured in a number of ways

- Oahu's population has increased from 353 thousand in 1950 to over 830 thousand in 1987
- Waikiki's resident population increased from 11,075 in 1960 to 23,152 in 1985
- The average number of visitors resident in Waikiki increased from 7,714 in 1960 to 56,080 in 1985
- Oahu's visitor population is expected increase from 82,000 in 1990 to 105,000 in 2005
- The number of people traveling to work in Waikiki in 1980 was 30,011 with an additional 9,593 residents employed in Waikiki
- Tourist arrival in the State grew from about 3.9 million in 1978 to 6.3 million in 1987
- Visitor arrivals are expected to reach over 10.1 million by 2005
- Registered motor vehicles on Oahu increased from 424,892 in 1977 to 571,738 in 1987
- Buses on Oahu totaled 3,332 in 1987
- Commuters traveling in private cars to work on Oahu increased from 128,615 in 1960 to 282,479 in 1980
- Hotel rooms in the State increased from 40,001 in 1978 to 47,892 in 1988
- Hotel rooms in Waikiki totaled 26,911 in 1988 and condominiums to rental use totaled 6,750
B. CURRENT TRANSPORTATION SITUATION IN WAIKIKI

- Between the mid-1970s and 1986 there was relatively little change in the number of vehicles entering and leaving Waikiki on a given day.

- In 1968 there were approximately 100,000 inbound and outbound vehicles (at Ala Wai) over a 24 hour period; by 1984 this grew to about 130,000.

- Inbound traffic down Kalakaua at Ala Wai increased 20% between 1971 and 1984; peak hour traffic decreased by 10% over the same period.

- In 1985 peak-hour volumes on Kalakaua between 1,596 vehicles per hour at Kapuhulu to 2,491 vehicles per hour at Seaside.

- In 1980 between 300 and 1,500 people per hour crossed Lewers Street on the mauka side of Kalakaua; during the same period, 360 to 3,600 crossed Kailulani at Kalakaua.

- Mid-afternoon pedestrian counts on the mauka side of Kalakaua between Lewers and Kailulani were in the range of 1,800 to 2,400 people per hour.

- Completion of the Kuhio Avenue widening project in 1985 resulted in little change in vehicle volume over 24 hour periods but a slight increase in diamond head bound traffic on Kuhio at peak hours.

- The Kalakaua Avenue Safety and Beautification Project is now complete and congestion resulting from the construction has been alleviated.

- The Waikiki Transportation Improvement Plan, currently underway for the City and County of Honolulu, is evaluating improvements to traffic circulation, parking and loading, and pedestrian activities.

- The Transportation Improvement Plan project will also result in feasibility studies for the implementation of a new Ala Wai Canal bridge, intersection improvements at Kapuhulu and Paki, and an Ala Wai Promenade.

- The City and County of Honolulu is also conducting a mass transit study that includes consideration of a link with Waikiki.

Sources: State Data Book 1988; EIS for Kalakaua Safety and Beautification Project; Transportation Improvement Plan 1989.
C. CONCERN WITH TRANSPORTATION IS CLEARLY EVIDENT IN PLANNING STUDIES, LEGISLATION, ENVIRONMENTAL IMPACT ASSESSMENTS, AND TRANSPORTATION STUDIES DEVELOPED SINCE 1954:

- Studies and Recommendations for the Development of Waikiki (1954)
- A Development Plan for Waikiki Beach (1955)
- The Waikiki Plan: Recommendations on Goals and Objectives, Land Use, Transportation, and Implementation (1966)
- City and County of Honolulu General Plan (1964)
- An Analysis for Urban Renewal in Waikiki (1966)
- Will Success Spoil Waikiki (1968)
- Mayor's Planning Advisory Committee for Waikiki-Diamond Head (1971)
- Waikiki Transportation Plan (1972)
- Waikiki Special Design District (1975)
- Environmental Assessment of Waikiki Improvements (1977)
- Special Design District Ordinances (1982)
- Kalakaua Sidewalk Traffic Study Phase (1983)
- Final Environmental Impact Statement: Kalakaua Avenue Safety and Beautification Project (1986)
- Convention Center Site Assessment Study: Waikiki (1988)
- Waikiki Transportation Improvement Plan (in preparation)
D. PLANS, STUDIES, ZONING REGULATIONS, AND ENVIRONMENTAL IMPACT STUDIES HAVE FOCUSED ON:

- Controlling growth and density in Waikiki
- NOT "Killing the (Waikiki tourism) goose that lays the (economic growth) golden egg"
- Planning for growth in Waikiki
- Enhancing the aesthetics of Waikiki
- Improving traffic circulation
  - designating oneway streets
  - restricting on street parking, loading and unloading
  - intersection improvements
  - widening streets
- Providing more sidewalk space or mall space on Kalakaua and along the Ala Wai Canal
- Minimizing the negative impacts of new developments on traffic flow and congestion
- Increasing the supply of and encouraging the use of "mass transit" to reduce vehicular traffic
- Restricting private car access to Waikiki and providing public parking a mass transit into Waikiki
- Increasing the number of access roads into and out of Waikiki—adding a bridge at University or along the Manoa/Palolo Stream drainage canal
- Discouraging on-street parking and increasing public off-street parking in Waikiki
- Construction of additional public parking Mauka of the Ala Wai Canal
- Restricting public vehicles access to certain residential streets
APPENDIX TWO
ALTERNATIVE TRANSPORTATION FUTURES FOR WAIKIKI

The studies, plans, regulations, and legislation dealing with the transportation problem in Waikiki and initiatives taken by other cities suggest the possibility of three very different future scenarios. These scenarios conjure up very different visions of a future Waikiki and suggest very different transportation futures.

A. A Green Future

Transportation development is aimed at making Waikiki a place for plants and people rather than vehicles. The goal is to dramatically improve the tropical beauty of the area by drastically reducing the number of vehicles, increasing walking space, and creating green open space.

Trees and gardens are planted on Kalakaua and Ala Wai and developers and existing business are given tax incentives for beautification

Private cars for non-residents of Waikiki are banned or assessed a high toll for entering and access is limited to Kuhio Avenue or Ala Wai Boulevard

Large public parking lots are built near the Ala Wai Golf Course and mass transit is made available into Waikiki

A wikiwiki bus system linked to the parking lots is established and provides service up and down Kalakaua Avenue and Ala Wai Boulevard

A rapid transit link is created between Waikiki and Ala Moana Center and between Waikiki and a car rental/tour bus terminal

Bike lanes are established for Kalakaua and Ala Wai Boulevard and bicycles are available free at either end of Waikiki

Delivery service trucks and trash collection vehicle access is restricted to early morning hours

Kalakaua is restricted to primarily to pedestrian traffic with designated lanes for bicycles and open wikiwiki buses

A tour bus staging area is developed in the Kapuhulu area and on street loading is prohibited

Historical and botanical walking tours of Waikiki are promoted as major visitor attractions
B. Hitech Future

Transportation development is aimed at achieving the greatest efficiency through technology. The goal is to develop the most technologically advanced transportation system possible for Waikiki. The transportation system itself is viewed as a visitor attraction.

An elevated monorail system is developed for Waikiki--rapid movement up and down Kuhio with links to Ala Moana, parking, rental car concessions, tour bus staging areas

Automated people mover cars run up and down Ala Wai Boulevard and Kalakaua Avenue and link with the monorail system

Moving sidewalks are installed for the cross streets

A hover craft terminal is sited in Waikiki and linked to the monorail and people mover system

An automated baggage and merchandise delivery system is developed in conjunction with the monorail and people mover systems

All conventional vehicles except emergency vehicles are banned from Waikiki

Parking lots, bus staging areas, and rental car lots are established on the outskirts of Waikiki with rail links to Waikiki

A marine high technology center is developed in conjunction with the Waikiki Aquarium and is promoted as part of the hitech image

Hitech firms are encouraged to create exhibits in hotels and public buildings
Employers are encouraged to provide bus passes for their
employees to encourage use of public transportation
Increased taxes on cars and/or gasoline are used to
developments are revalued
outside of walking zone. The economic viability of building parking lots on the
transportation systems
developments are revalued to minimize demand on
environmental impact assessments are carefully reviewed
to minimize congestion
delivery and sanitation truck access hours are adjusted
walkixt to reduce congestion caused by parking buses
A new bus staging area is developed at one end of
For better pedestrian flow on Kukio Avenue
Improvements are made in staging of side-walk furniture
Traffic flow
bottlenecks Intersections are improved to increase
restrictions on on-street parking are increased
gas vehicles
and tax incentives are created for electric and natural
buses are converted to natural gas to reduce pollution
For Honolulu are developed
Avenue linking walkixt to Ala Moana Center
WALKIXT bus route is extended up and down Kukio
A "rapid transit" shuttle bus or "shuttles stock"
A shuttle bus or walkixt transit system is developed for
the Central
an additional access route is developed linking walkixt
disruption of the current transportation system.
Incorporating improvements, the goal is to minimize costs and
Incorporational Development is added at making
C. Incorporational Future
APPENDIX THREE
PAST EFFORTS: A CHRONOLOGY

1954 Planning Commission study warns of future infrastructure problems that will result from uncontrolled growth and recommends revision of zoning regulations to control density.

1963 State and City & County transportation studies of rapid transit for Honolulu initiated.

1964 Development Plan for the Waikiki-Diamond Head area asserts that high-rise, high density development, without comprehensive planning and adequate open space, will have an adverse affect on long range social and economic growth.

1964 Mayor's Citizens Advisory Committee makes specific recommendations to the Planning Commission and City Council for implementation of the Waikiki Plan.

1964 General Plan adopted by Ordinance No. 2445 mandates Detailed Land Use Maps and Development Plans.


1969 Waikiki Task Force Report submitted to Hawaii Visitors Bureau Statewide Goals Committee. Recommendations in three areas:

-size of visitor industry plant in Waikiki;
-what size means in terms of people, land area, utilities, open space, and monetary expenditures; and
-the environmental amenities necessary to a health attractive atmosphere.

Report concludes that necessary facilities (including streets) have not kept pace with growth.

1970 Honolulu Planning Department re-identifies problems in Waikiki for the City Council. Special attention is given to high densities and traffic congestion. Specific suggestions are made to deal with problems. Council takes no action.

1971 Mayor's Planning Advisory Committee for Waikiki-Diamond Head issues report attributing Waikiki's plight to inappropriate zoning, rapid growth, and an inability to provide public facilities to keep pace with growth.
1971 Hawaii State Legislature appropriates $9 million for Waikiki Improvements (Act 197) and requires $4 million in matching funds from the City and County of Honolulu; City given power to expend funds in Waikiki.

1972 Hawaii State Legislature issues concurrent resolutions requesting City and County of Honolulu initiate and implement re-zoning of Waikiki to reduce allowable densities, establish desirable land use pattern, and fix optimum size.

1972 Federally funded study grant results in proposal for a 23 mile fixed rail transit system from Pearl City of Hawaii Kai

1972 Waikiki Transportation Plan developed for City and County of Honolulu to provide a traffic & transportation improvement program with specific recommendations for individual sites.

1973 Temporary Visitor Industry Council issues report advocating controlled growth and limit on number of hotel rooms.

1974 Hawaii State Legislature amends Act 197 (Act 204) to allow the State of expend funds under State or City initiated improvement district; Legislatureamends Act 204 and proposed projects are identified. Traffic related projects included:
- corner turning radius of 6 intersections
- construction of 3 traffic & landscape islands
- widening of Kuhio Avenue
- study of Ala Wai Canal foot bridge at University

1976 Waikiki Special Design District (WSDD) made effective (ordinance 4575) by City and County of Honolulu. Incorporates General Plan and City Development Plans for Waikiki. Objectives of the WSDD designation include:
- encourage developments that would improve & complement public facilities & utilities & visual aspects of the urban environment;
- ensure that future developments would alleviate traffic & utility problems
- make provision for utilities and off-site improvements in advance of new developments

WSDD established "use precincts" and design control systems to improve pedestrian facilities and for landscape treatment. It required increased setbacks for new structures. Traffic circulation
guidelines were specified: compliance with the officials traffic circulation map required, curb cuts and site distances must comply with traffic codes and design standards; adequately landscaped off-street passenger and freight loading areas must be provided.

City applies for federal grant for preliminary work a 14 mile HART fixed rail system from Aloha Stadium to Kahala

Honolulu City Council creates Waikiki Task Force. Task force charged with evaluating Waikiki’s needs and proposals for improvements on an on-going basis.

Honolulu City Council approves initial 8 mile segment of HART system

Waikiki Task Force recommends widening of Kalakaua sidewalks.

Waikiki 2000 Plan developed to revitalize Waikiki. Goal was to “re-orient Waikiki back to people, to make it a more pedestrian-oriented place...through walkways and malls...reducing traffic congestion while considering the needs of hotels...and beautifying Waikiki in general.” It called for:

- completion of the Kuhio Avenue widening project;
- widening sidewalks along Kalakaua with the installation of additional landscaping and coordinating street furniture and crosswalks; and
- an immediate reduction in the number of through lanes and eventual creation of a partial mall.

City administration abandons HART development

Waikiki 1990 report recommends:
- widening Diamond Head end of Kuhio
- construction of parking structure mauka of Ala Wai
- reducing on-street parking
- construction of a new bridge across the Ala Wai to University
- introduction of mini-bus route via Ala Wai Boulevard and Kalakaua
- removing all bus traffic from Kalakaua
- partial mall developed for Kalakaua
Walker and Walker
rapd transit system for Honolulu with links to
environmental impact study and other work on a
City & County Awards $2 Million Contract to

- pedestrian facilities
- Ala Wai Promenade
- shuttle bus service
- tour bus rental car facilities
-REMVER, parking facilities on Ala Wai
- on-street and perpendicular parking (Ala Wai
- and surrounding roads, and other locations)
- street corridor (Kalekana Ave, bus lane, Kalea
- improvement and other access improvements
- Ala Wai Canal bridge
- walkway access improvements

Walkway
includes:
- City & County contracts, Hawaii, Wester, 6 Kuma
- Hawaii State Legislative allocates funds for

Walker to Walker
Ala Wai rapid transit system with single guideway
City requires proposals to build a mile fixed

traffic and other sectors
- evaluate impacts of convention center sites on
- and Kalekana pedestrian area, studies
- Honolulu convention center site assessment study
- Betz, Collin & Associates
- Safety and pedestrian project completed by
- Environmental Impact Statement for the Kalekana
- pedestrian study by city administration
- initiated by City & County of Honolulu
- sidewalk space, conceptual design work to
- exceed sidewalk into additional
- Must Collin & Associates (recommend converting all
- Kalekana sidewalks, traffic study phase (Betz)

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October 23, 1989

TO: Waikiki Planning Charrette Participants
FROM: Nick Winslow, Harrison Price Company
RE: Project Background and Briefing Materials

This memorandum and the accompanying materials are intended to provide you with the background information necessary to hit the ground running at the upcoming Waikiki Planning Charrette. We ask that you please review them carefully prior to our meeting in Honolulu so we can optimize the limited time we have available for this very large and important task.

ARRANGEMENTS

By now you should have received a letter from Tim Yee summarizing arrangements for the charrette. Hotel reservations for all participants have been confirmed at the Kahala Hilton from November 1 through the morning of November 5. We will begin with a get-acquainted dinner at the Halekulani Hotel at 7:00 PM on Wednesday, November 1. Work sessions will be held all day Thursday and Friday - November 2nd and 3rd. Transportation to the work sessions will be provided by the Queen Emma Foundation. Your spouse or guest is invited to join the group for dinner Wednesday, Thursday and Friday evening. Please contact Tim Yee or Judy Penziner at (808) 599-1660 if you have any questions concerning arrangements.

CHARRETTE GOALS

The principal goals of the charrette are twofold, as follows:

1. Creation of a long-range master plan for Waikiki which reflects its central role in Hawaii's tourist economy, trends in tourist travel, existing development patterns and constraints, needs of residents and workers, environmental considerations, political realities and respect for Hawaiian culture. Although our discussion may be conditioned by issues such as the convention center and economic potential for QEF land, we should view our mission as the development of a long term vision for Waikiki in the broadest sense.
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2. Definition of an implementation strategy and process which will engender support from the state, city, citizenry and private sector; assures proper balance of development controls; provides incentives for private and public works; and establishes continuity in the planning/development process.

The charrette findings will be used as the basis for a comprehensive Waikiki Master Plan. A tentative list of participants is attached. Ray Watson will chair the charrette. Harrison Price Company will be responsible for summarizing the proceedings in a final report. Your notes and post-charrette thoughts will be most appreciated.

PROJECT BACKGROUND

A number of factors triggered the need for this planning effort:

1. Concern by numerous constituencies over the long-term viability of Waikiki as an urban resort, residential community, and recreation/cultural center for greater Honolulu.

2. Independent actions by the City of Honolulu and the State of Hawaii concerning the development of a convention center in or adjacent to Waikiki. Both proposals would put the number of hotel rooms in Waikiki over the 32,600 room limit established by the Waikiki Special Design District. The state proposes to use 5.2 acres currently owned by the Queen Emma Foundation (the International Market Place site) for a large mixed use project which would include a convention center. The city and state proposals are competitive and on a fast track.

3. The Waikiki Improvement Association has initiated a long range planning program highlighted so far by the "Waikiki Tomorrow" conference held October 12, 1989.

4. As the largest private land owner in Waikiki, the Queen Emma Foundation needs to plan for its own future. Most of its leases will turn over in the next 15 to 25 years. The continued vitality of Waikiki is essential to the QEF.

The following paragraphs summarize how these factors impact our task.

Although still the signature piece, focal point and largest economic component of Hawaiian tourism, Waikiki's market and physical character has changed significantly over the past two decades. The lush fields and traditional homes of Hawaiian royalty have long since given way to concrete canyons, excessive traffic, limited open space, congested sidewalks and beaches, and some crime. Waikiki's success has changed it from the prototype tropical resort to a tropical urban resort. As a result, a significant amount of Hawaii's upscale tourism has shifted to the Neighbor Islands while the percentage of people traveling to Waikiki on budget package tours and incentive programs has increased. The emergence of other tropical destinations in the Pacific promises to increase competition for Hawaii's traditional visitor markets. There is con-
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cern that Waikiki could be nearing the end of its natural life cycle as a resort, and enter a "milking mode" phase where resort operators optimize returns in a declining market by overcharging and withholding investment in new facilities and attractions. The hotel occupancy and visitor spending data shown in the accompanying briefing materials do not necessarily support this premise. Waikiki continues to thrive; reports of its demise are premature. Further, renovations of some of the major hotels and implementation of the Kuhio Avenue beautification plan imply a commitment to Waikiki, not a reversion to a milking mode. Nevertheless, the decay of once vital resorts such as Miami Beach and Atlantic City show what can happen without proper planning and concern for the future.

The City of Honolulu, the State of Hawaii, and many of the leaders of Hawaii’s tourist industry have concluded that a convention center proximate to Waikiki’s large hotel inventory is needed to upgrade the visitor profile and stimulate shoulder season patronage. Two convention center proposals - one from the city and one from the state - are currently moving forward at a rapid pace. These proposals are discussed at some length in the accompanying materials. The city is sponsoring construction of a convention center as part of a large mixed-use project on the Aloha Motors site. The state in 1988 passed a Convention Center Authority bill which legislated the following:

1. Established a Convention Center District, height and use specifications, and powers of the Convention Center Authority.

2. Defined the District as a 5.2 acre site, entirely contained within QEF’s 18.5 acres of land underlying the International Market Place, Kuhio Mall and the Coral Reef Hotel.

3. Provides for a 400 foot height limit for all buildings, up to 450,000 s.f. of commercial/retail, no less than 650,000 s.f. of exhibition/meeting area, no less than 2,000 parking stalls, and condominium/hotel units not to exceed 2 million s.f. in one of four configurations:
   a. 2,000-2,500 hotel units and 450-550 condo units.
   b. At least 2,800 hotel units and no condo units.
   c. At least 1,200 condo units and no hotel units.
   d. 800-1,200 hotel units and 800-950 condo units.

4. Powers granted to the Authority include contracting for design planning, condemnation, and the right to enter into a development with a private developer. The Authority must also provide for the relocation of existing merchants.

5. The developer of the project must have a "property interest" in the Convention Center District land. There is some ambiguity in the definition of "property interest". Parties with existing rights include:
   a. Queen Emma Foundation - fee owner and master ground lessor of all the 5.2 acres of land within the District.
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b. WDC Ventures (Trousdale) lessee of International Market Place, 124,917 sq. ft.

c. Andre Tatibouet lessee-owner of Coral Reef Hotel located on 31,873 sq. ft. parcel.

d. Herbert Horita lessee-owner of Kuhio Mall located on 71,111 sq. ft. parcel.

It should be noted that in Hawaii the state has the right to supersede city planning and zoning restrictions. The state convention center proposal provides for a density of development (13.5 FAR) that would not be allowable under the city's General Plan or the Waikiki Special Design District program. Also significant, QEF's leases provide for the Foundation to receive all money attributable to land and a pro rata share of money attributable to improvements in a condemnation sale.

6. Upon completion of the facilities, the developer will have to dedicate a "marketable real property interest in the convention center facility" at no cost to the State of Hawaii. The developer will be required to operate the facility for two years following dedication and then turn it over to the Authority.

Because of the two proposals the convention center has become a highly public and controversial issue. The situation is exacerbated by the following:

1. The Convention Center Authority has publicly stated that it wants to call for developer proposals in the next few months.

2. The Governor is up for re-election in 1990 and will need to have a clear and supportable position on the convention center early in the year.

3. The legislature will reconvene in January 1990 and will need to have answers to the convention center issue to make informed decisions.

Needless to say, time is of the essence. It is important that our master planning process move forward quickly.

With the backing of the State, the Waikiki Improvement Association is conducting a similar planning exercise dubbed "Waikiki Tomorrow". A large number of Waikiki residents, politicians and businesses are involved with this project. Preliminary studies of issues and answers have been conducted by four task forces - Economic Trends, Social and Cultural, Physical Environment, and Transportation. An all-day conference where task force reports were presented and discussed was held on October 12 and attended by representatives of the QEF and Harrison Price Company. The task forces assembled some excellent information on Waikiki and identified most of the obvious current issues and problems, but in general focused more on the short term. The charrette team should build on the Waikiki Tomorrow group's efforts.
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ISSUES AND AGENDA

Queen Emma Foundation has outlined a number of relevant questions and issues to be addressed in the charrette:

1. What features unique to Waikiki should be projected to its visitors? What should the image of Waikiki be?

2. What are the physical boundaries of Waikiki to be included in the master plan?

3. Should the entire arrival corridor from the airport to Waikiki via Downtown be considered in the planning process?

4. Should land uses (hotels/condos/retail/office/trade center/convention center/etc.) be restructured within certain areas of Waikiki?

5. For each of the identified land uses and areas, what building construction requirements should be imposed for heights, densities, setbacks, viewplanes, etc.?

6. What can be done to improve existing recreational/cultural facilities such as the aquarium, zoo, bandstand and Kapiolani Park? Should they be moved? What other types of cultural amenities should be added?

7. What shoreline and water related improvements should be considered for the Ali Wai Canal and the beach itself?

8. In which areas of Waikiki would redevelopment/renovation of existing structures be beneficial to Waikiki as a whole?

9. Is a direct-access highway to H-1 freeway feasible, and if so, where would the access to Waikiki best be located?

10. Within Waikiki proper, what improvements can be made to improve existing utilities/infrastructure and what additional improvements would be necessitated by future master plan development?

11. What community groups and organizations be considered, and what are their needs?

12. Upon completion of the conceptual plan, how can we best convince the general public, business leaders and elected officials that the ideas and conclusions should be embraced? In light of existing political timing constraints, this need could be critical.
13. The charrette is a one-shot deal. What or who can best carry out the subsequent steps?

14. What types of individuals should be selected for the Control Committee for review of proposals and selection of the master plan design team?

15. Who can best decide on a schedule for development?

16. Who will select the developer(s) for implementation of the master plan?

17. Full implementation of the master plan may take 10 - 20 years. Who can best see that this is accomplished properly?

18. With the obvious benefits to be gained, how can we obtain international focus on the plan?

19. Should we have an advisory committee made up of high-level people which will lend credibility and expertise to the entire process?

We propose to deal with the questions and issues discussed in this cover memo by roughly adhering to the following agenda:

I. Site
   A. Tour of Waikiki and environs
   B. Discuss study boundaries
   C. Current planning guidelines
      1. General Plan
      2. Waikiki Special Design District
      3. Other
   D. Current and planned Development
      1. Hotels
      2. Retail
      3. Commercial
      4. Residential
      5. Cultural and Entertainment
      6. Recreation
      7. Roads and infrastructure

II. Market Characteristics
   A. Waikiki residents
   B. Other Honolulu residents
   C. Tourists
      1. Westbound
      2. Eastbound
      3. Trends in Hawaiian tourism
      4. Trends in world tourism and resort development
III. Factors conditioning the conceptual master plan
   A. Convention center
      1. Aloha Motors site
      2. International Market Place site
   B. Political environment
   C. "Waikiki Tomorrow" planning work
      1. Economic trends
      2. Social and Cultural
      3. Physical Environment
      4. Transportation
   D. Other

IV. Delineation of a Mission Statement and Preliminary Conceptual Master Plan for Waikiki which addresses both physical and functional aspects of the area's future.

V. Implementation Strategy
   A. Programs to gather public support from key constituencies
   B. Review of alternative organizational prototypes (Hawaii Community
      Development Authority, Charles Center-Inner Harbor Management, Inc.,
      Darling Harbour Authority, etc.)
   C. Recommended planning and development process
      1. Role of state
      2. Role of city
      3. Role of private sector
      4. Other
   D. Timetable
   E. Next steps

VI. Summation and Adjournment
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Fort Lauderdale Beach Redevelopment Area U.L.I.
Center City--Inner Harbor Development, Inc.
Charles Center- Inner Harbor Management, Inc.
Economic Background

- Current annual visitor expenditures in Waikiki, including hotel room rentals, are estimated at $3.8 billion, or about 45% of all visitor expenditures in the state.
- Excise taxes on these expenditures are about $160 million, or 16% of all excise taxes collected in the state. These figures exclude resident expenditures in Waikiki, which are also significant.
- Waikiki's 32,743 visitor rooms generated about $45 million in hotel room taxes in FY 1989, representing 95% of those collected on Oahu, and about 60% of those collected statewide.
- Personal income taxes paid by those employed in or by Waikiki-related businesses are estimated at about $75 million.
- Thus, excluding corporate income taxes, license, permits, liquor and tobacco purchases in Waikiki and income taxes from those indirectly employed by Waikiki, the district is estimated to produce about $280 million in state tax revenues in 1989.
- Commercial and residential properties in Waikiki are estimated to generate about $43 million in property taxes in 1989, or 14% of Oahu's total property tax collection.
- The estimated amount of City expenditures that supported the needs of Waikiki-based visitors was about $66 million in FY 1989.

Population

- Waikiki is home to about 30,000 Hawaii residents, or 3.6% of Oahu's and 2.8% of the state's population.
- On an average day it houses 60,000 or more visitors.
- This small area is a place of employment for about 30,000 people. Many others, such as bus drivers and tour hosts, work outside of Waikiki but their jobs are directly generated by Waikiki.
- In total, over 100,000 persons are in Waikiki on any given day. This represents about 8% of Oahu's visitor and resident population, and 11% of the state's.
Retail Information

- Over 440 restaurants, 350 entertainment places, five movie houses and over 1,000 retail shops at eight shopping centers comprise Waikiki's retail makeup. These figures do not include Ala Moana Center or the many independent shops fronting Kalakaua and Kuhio Avenues.

- There are more than 1,000 business in Waikiki.

Living Units

- Visitors (Hotels/condos) 32,600
- Residential 14,500

Land Area

|                         | Acres | % Land | Far*
|-------------------------|-------|--------|------
| Roads                   | 184   | 30%    | 0.0  |
| Resort Commercial       | 50    | 8%     | 1.7  |
| Resort Hotel/Apartment  | 289   | 47%    | 1.6  |
| Public                  | 95    | 15%    | 0.1  |
| Total                   | 618   | 100%   |      |

*Far = Floor Area Ratio. This is the ratio made by dividing the total area of all floors in a building by the land area under the building.

Waikiki's Size

Waikiki is about one square-mile in area, representing 0.2% of Oahu, and 0.02% of the state's land area.

Waikiki Beach is 1.4 miles long.

Transportation

- Accessibility to Waikiki:
  Waikiki is bounded by the ocean, the Ala Wai Canal, and Kapiolani park.
  Access is a four points: Ala Moana, Kalakaua, McCully, Kapahulu.
  Of these access points, only two lead to the freeway.

- 60,000 vehicles and 40,000 pedestrians use the east-west avenues (Kalakaua, Kuhio, Ala Wai) during a 24-hour period.
• 3,600 people crossed Kaiulani at Kalakaua during a single hour in 1980.

Recreation

Waikiki is home to the Ala Wai Golf Course, Paki Playground, Honolulu Zoo, Kapiolani Park, Kapiolani Flower Garden, Waikiki Shell, Tennis Courts, Archery Range, the Aquarium and the Bandstand.

Social and Cultural Facts

• Waikiki is the largest residential neighborhood on Oahu.
• Waikiki has an older population with special health care and leisure needs.
• 19% of the population is Hawaii-born, 41% arrived during the past five years.
• In 1980, the median family income was $20,785 (12% below the Oahu median). More than 10% of Waikiki families fell below the poverty level as compared to 7.5% island-wide.
• Average sales values of condominiums have risen from about $80,000 in 1985 to $200,000 in 1989.
• A 1988 Waikiki resident survey found "big Waikiki" problems to be: traffic (76%), cost of housing (71%), cost of food/clothing (54%), crime (43%), and too-rapid growth (42%).
• Nearly 50% of Waikiki residents surveyed said they were afraid to walk some streets at night.
• There are 10 to 12 police beat officers in Waikiki on a 24-hour basis. By comparison, social workers estimate there are up to 40 street prostitutes per night in Waikiki.
• Waikiki social facilities include: community meeting space at Ft. De Russy, a police substation, Waikiki Community Center ad adjacent Waikiki Health Center, and Jefferson Elementary School.
• Drug use/dealing is a growing problem among visitor industry employees.
• More canoe clubs are in this one square mile than are in any other part of the island.
• It is also the home of the Honolulu Marathon.
- Average annual hotel worker's salary is nearly $17,000; 38% of hotel jobs also have additional income from tips. Retail worker annual salary is $12,000.

- Scores of "Waikiki" songs have been written; and miles of Waikiki footage have been filmed.
Image consultant issues warning on Waikiki

By Lucy Young
Star-Bulletin

Waikiki may be profitable for the state now, but without care and revitalization, the resort destination is in danger of losing its draw, says an international imaging consultant.

"Waikiki is a great brand name," said Peter Harleman, executive vice president of the San Francisco-based Lander Associates. "The terrible thing is that it's in danger of what they call 'being harvested.'

"In a product life cycle, you get to a point where you say 'I'm not going to invest anymore. I'm going to make good money off of it.'

"Certainly, Waikiki will be making money for the next 25 years. But do you want to live in a place that's being harvested, where no money is being put back in? Where you're slowly but surely getting cheaper travelers? Where people don't care about it? I think the answer is no."

He said many travel agents on the mainland don't even recommend Waikiki as a resort destination anymore. In fact, for the more sophisticated traveler, Waikiki is bypassed for other areas such as Maui.

"(Mainland) travel agents don't have as positive a feel for Waikiki as you might expect," Harleman said. "Waikiki is being saved right now by the Japanese tourist basically."

The image many have of Waikiki is that of being a crowded concrete jungle, down-scale and cluttered, which Harleman feels may be overstating the case, particularly with improvements made over the last few years.

Other perceptions, however, may ring truer: the difficulty in getting access to a golf course, tennis court or other active recreation facilities.

Harleman was the keynote speaker at yesterday's "Waikiki Tomorrow: a Conference on the Future," which brought government officials, business people and residents together to form strategies to improve the area.

Discussion focused on transportation, economic trends, the physical environment, and social and cultural issues. Comments will be incorporated into a survey, a report will be sent to the state Legislature in December.

"For too long, Waikiki has stood out alone as we trade off resources from one source to another, often times originating with this community," Gov. John Waihele told 400 people in opening remarks at the Hilton Hawaiian Village.

Waikiki "is important to the state and the economy, but it is also important to the people who live here," he said. "Waikiki is, after all, a community."

There's a perception that the 61-acre Waikiki may be "yesterday's vacation spot" and not keeping pace with other premier resort areas, Harleman said.

Paris, for instance, "is not exactly yesterday's tourist spot. It's still today's and it'll probably be tomorrow's," he said.

"Paris was virtually rebuilt in the 1870s, and they were ruthless in creating public space."

He said Waikiki has allowed uncoordinated growth for too long and suggested that a Waikiki authority — answerable to the appropriate government body — be created to keep Waikiki on its toes.

The possibility of two convention centers, for instance, illustrate that need for coordination.

He said there must be "an almost ruthless plan" to create proper, public open space and "a need to keep the community constantly recharged.

Now, he said, "you drive around Waikiki and you see that land is not being used, buildings are boarded up. What's going on? That land, that building is valuable. Why is that permitted?"
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Visitors From U.S. and Abroad

Recently, Charles Center-Inner Harbor Management, Inc. has been visited by representatives of the following cities and foreign countries, who wished to learn about Baltimore City's downtown redevelopment program.

1. Domestic
   Syracuse, N.Y.
   Hartford, CT.
   Minneapolis, Minn.
   Honolulu, Hawaii
   Buffalo, N.Y.
   Elizabeth, N.J.
   St. Petersburg, Fla.
   Mobile, Ala.
   Newport News, Va.
   Atlanta, Ga.
   Wilmington, Del.
   St. Louis, MO.
   Louisville, Ky.
   Tampa, Florida
   Cleveland, Ohio
   Pittsburgh, PA
   Topeka, Kan.
   Duluth, Minn.
   San Diego, Cal.
   Los Angeles, Cal.
   San Jose, Cal.
   Philadelphia, PA.
   Galveston, Tex.
   Oklahoma City, Okla.
   Des Moines, Ia.
   New Haven, CT.
   New Orleans, La.
   Oklahoma City, Okla.

2. Foreign
   Normandy, France
   Frankfurt, West Germany
   Genoa, Italy
   Berlin, West Germany
   Manchester, England
   Tokyo, Japan
   Bristol, England
   Lagos, Nigeria
   Stockholm, Sweden
   Barcelona, Spain
   London, England
   Seoul, Korea
   Vancouver, British Columbia
   Copenhagen, Denmark
   Auckland, New Zealand
   Hamilton, Ontario
   Glasgow, Scotland
   The Hague, The Netherlands
   Helsinki, Finland
   Amsterdam, The Netherlands
   Gullin, China
   Titograd, Yugoslavia
   Canton, China
   Vienna, Austria
   Rotterdam, The Netherlands
   Toluca, Mexico
   Sapporo, Japan
7.80-3 General Requirements.

The following requirements shall be applied in all precincts within the District:

A. Uses and Activities Permitted in Yards.

No business activity of any kind, including advertising, promotion, solicitation, merchandising or distribution of commercial handbills, or structures or any other use or activity, except newspaper sales and distribution, shall be located or carried out within any required yard, street or building setback area except those areas occupied by enclosed nonconforming buildings.

B. Circulation Plan.

1. All developments within the District shall comply with the guidelines prescribed on the Circulation Plan marked Exhibit 14.

2. Curb cuts for driveway openings and sight distances at all intersections shall comply with the Traffic Code and the Design Standards of the Department of Transportation Services unless modified by the City Council.

C. Urban Design Guidelines.

1. All structures within the District shall conform to the guidelines specified on the Urban Design Controls marked Exhibit 15.

2. Yard Requirements:

   a. An average front yard of 30 feet shall be provided, measured from the existing right-of-way on Kapahulu Avenue, Kalakaua Avenue, Ala Moana and Ala Wai Boulevard, and measured from the street setback line for Kuhio Avenue, as shown on adopted street right-of-way maps, except for zoning lots less than 65 feet in depth (see paragraph b. below) and for Apartment Precinct zoning lots less than 4,000 square feet in area (see Section 7.80-4.B.1.). The front yard may vary between 20 feet and 30 feet, provided that (1) at least 50 percent of the lot frontage shall have no less than a 30-foot front yard and (2) the undulation of setback
line shall result in a design acceptable by the Director (see Figure 16).

**Figure 16**

**FOOTPRINT:** \( A \leq B \)

**FRONTAGE:** \( W(A) \leq W(B) \)

---

30' FRONT YARD - WAIKIKI

Unless otherwise permitted by this Section, a minimum front yard of 20 feet shall be provided along all other streets, measured from the street setback line as shown on adopted street right-of-way maps.

b. When the depth of a zoning lot is less than 65 feet, the Director may make exception to the yard requirements subject to design review and based on the lot configuration and the effect of the proposal on surrounding properties.
3. Within the District, it may be necessary to provide additional **yard** area and spacing between **buildings** to insure:
   a. Provision of light and air;
   b. Protection of significant views as seen from major buildings; and
   c. Orientation of buildings according to the urban design guidelines.

4. **Landscape** treatment in the form of street furniture, trees and other off-site treatment, as deemed appropriate by the **Director**, and on-site landscaping with irrigation system of yard areas and other grounds within the project shall be provided and maintained. In addition, the use of planters on buildings at various elevations, including rooftop parking, is encouraged and may be required where appropriate. All rooftop mechanical appurtenances, stairwells and elevator enclosures, ventilators and air conditioning equipment shall be screened by architectural and/or landscape treatments.

5. **Automobile service stations** and car rental establishments shall comply with the following requirements:
   a. A minimum **side** and **rear yard** of 5 feet shall be required with a solid fence or wall at least 6 feet in height on the property line with the required yard substantially landscaped with planting and maintained.
   b. The station shall be illuminated so that no unshielded, unreflected or undiffused light source is visible from any public area or private property immediately adjacent to the station.
   c. All areas not landscaped shall be provided with an **all-weather surface**.
   d. No water produced by activities on the zoning **lot** shall be permitted to fall upon or drain across public streets or sidewalks.

6. Screening in the form of landscape treatment shall be required to prevent undesirable vistas or sight lines.
7. Utility installations shall be designed and installed in an aesthetic manner so as to hide or screen wires and equipment completely from view, including views from above.

8. When a proposed development contains mixed uses, the sum of ratios of the floor area of each use divided by the maximum permitted floor area for that use on the lot shall not exceed one, as indicated below.

<table>
<thead>
<tr>
<th>Proposed Floor Area Devoted to Use A</th>
<th>Proposed Floor Area Devoted to Use B</th>
<th>Proposed Floor Area Devoted to Use &quot;N&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum floor area permitted by the Waikiki District if only Use A is developed on the lot.</td>
<td>Maximum floor area permitted by the Waikiki District if only Use B is developed on the lot.</td>
<td>Maximum floor area permitted by the Waikiki District if only Use N is developed on the lot.</td>
</tr>
</tbody>
</table>

D. Minimum Lot Width Requirement.

The minimum lot width for all precincts is 45 feet.

E. Nonconformity.

1. In case of total voluntary destruction, a nonconforming use or structure may be replaced by a new structure containing either (1) up to the same floor area of the structure prior to its destruction, with the same use, or (2) up to the permitted floor area limit of the precinct for similar uses, whichever is less. In any event, the new structure shall comply with the height and yard requirements of the Urban Design Controls (Exhibit 15) and other applicable regulations of this Section.

2. In case of the accidental destruction of a nonconforming structure devoted to a conforming use which contains multi-family dwelling units, it may be restored to its original condition in accordance with subsections 3.120-B.1.a., b. and c.
F. Landscaping.

1. Any tree 6 inches or greater in trunk diameter shall not be removed or destroyed except as follows:
   a. The tree is not visible from any street, park or other public viewing area.
   b. Appropriate development of the site cannot be achieved without removal of the tree.
   c. The tree is a hazard to the public safety or welfare.
   d. The tree is dead, diseased or otherwise irretrievably damaged.
   e. The applicant can demonstrate the tree is unnecessary due to overcrowding of vegetation.

2. Any tree removed which is visible from any street, park or other public viewing area shall be replaced by an approved tree of minimum 2 inches caliper or by alternative approved landscaping material, unless the replacement results in overcrowded vegetation.

3. Where possible, trees proposed for removal shall be relocated to another area of the project site.

G. Height Regulations.

1. The Director may exempt the following architectural features from the height regulations of the Special District, provided they are erected only to such height as is necessary to accomplish the purpose for which they serve, but in no case exceeding 12 feet above the maximum height limit. These building elements may be exempted only if the Director finds they do not obstruct any significant views which are to be preserved, protected and enhanced and are consistent with the intent and objectives of the Waikiki Special District.
   a. Necessary mechanical appurtenances of the building on which they are erected, provided they are screened from view.
   b. Necessary utilitarian features, including stairwell enclosures, ventilators and skylights.
   c. Decorative or recreational features, including roof-top gardens, planter boxes, flagpoles, parapet walls or
ornamental cornices.
2. Except for flagpoles and smokestacks, all items listed in Section 3.60-C. shall also be exempt from the height provisions of this subsection.

7.80-4 Apartment Precinct.
A. Permitted Uses.
1. Art galleries and museums.
2. Boarding facilities.
3. Day-care facilities.
4. Detached dwellings.
5. Group Living Facilities.
6. Meeting facilities, provided that commercial activities as a principal activity within the meeting facility shall not be allowed.
7. Multi-family dwellings.
8. Public uses and structures.
9. Recreational facilities, outdoor.
10. Schools: elementary, intermediate and high.
11. Uses and structures customarily and clearly incidental and subordinate to permitted uses and structures, including parking garages and recreational facilities provided for residents of apartment structures.
12. Utility installations, Type A.
B. Yard Requirements.
1. Front yards for zoning lots of less than 4,000 square feet and less than 3,500 square feet shall have a minimum depth of 20 feet and 10 feet, respectively. Front yards of larger lots shall comply with the requirements of Subsection 7.80-3.C.2. of this Section. Side and rear yards shall be at least 10 feet, provided that all of the front yard and the nearest 5 feet of the side and rear yards to lot lines shall be landscaped.
2. In addition to the yard regulations stated above, for any portion of a structure above 40 feet in height, additional front, side and rear height setbacks equal to one foot for
each 10 feet in height, or fraction thereof, shall be provided. This additional setback shall be a continuous vertical plane from the top of the structure to the height of 40 feet above existing grade (see Figure 17).

**Figure 17**

*APARTMENT AND RESORT HOTEL PRECINCTS: FRONT, SIDE AND REAR YARDS

*RESORT COMMERCIAL PRECINCT: FRONT YARD, UNLESS ADJOINING APARTMENT PRECINCT

ADDITIONAL HEIGHT SETBACK - WAIKIKI
C. Density.

1. The determination of the permissible floor area ratio (FAR) in the Apartment Precinct for dwelling use shall be found by the application of the following formula, according to zoning lot size:

<table>
<thead>
<tr>
<th>Zoning Lot Area</th>
<th>Formula to Find FAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>in Square Feet</td>
<td></td>
</tr>
<tr>
<td>Less than 7,500</td>
<td>(lot area) X (.00009) + .08</td>
</tr>
<tr>
<td>Greater than or equal to 7,500 but less than 70,000</td>
<td>(lot area) X (.00009) + .85</td>
</tr>
<tr>
<td>Greater than or equal to 70,000</td>
<td>FAR equals 1.50</td>
</tr>
</tbody>
</table>

In computing the permissible floor area, the FAR may be applied to the zoning lot area plus one-half the abutting right-of-way area of any public street or alley.

2. No parcel within an Apartment Precinct shall be subdivided into lots of less than 10,000 square feet. Consolidation of lots regardless of size, in conformity with the subdivision regulations, is permitted.

3. Maximum FAR of other permitted uses within an Apartment Precinct shall be 1.0.

D. Open Space Requirements.

A minimum of 50 percent of the zoning lot shall be devoted to open space for all developments within an Apartment Precinct.

7.80-5 Resort Hotel Precinct.

A. Permitted Uses.

1. Art galleries and museums.
2. Car rental establishments, excluding repair facilities.
3. Commercial parking lots and garages.
4. Day-care facilities.
5. Hotels.
7. Meeting facilities.
8. Other uses and structures: Uses and structures customarily associated with and clearly incidental and subordinate to permitted uses and structures.
10. Recreational facilities, outdoor.
11. Retail establishments, provided there is no outdoor storage or display of merchandise, financial institutions, office buildings for visitor industry-oriented activities, including eating establishments, theaters, indoor amusement and recreation facilities, excluding amusement arcades.
12. Time sharing.
13. Transient vacation rentals.
14. Utility installations, Type A.

B. Yard Requirements.
1. Front yards shall comply with the requirements established in Subsection 7.80-3.C. Additionally, all front yards shall be maintained in landscaping.
2. Where a Resort Hotel Precinct abuts an Apartment Precinct or an apartment use, the abutting side and/or rear yard shall be at least 10 feet, provided that the nearest 5 feet of such yards to the lot line shall be maintained in landscaping.
3. In addition to Subsections B.1. and B.2., above, for any portion of a structure above 40 feet in height, additional front, side and rear height setbacks equal to one foot for each 10 feet in height, or fraction thereof, shall be provided. This additional setback shall be a continuous vertical plane from the top of the structure to the height of 40 feet above existing grade (see Figure 17).

C. Density.
1. The determination of the permissible Floor Area Ratio (FAR)
in the Resort Hotel Precinct shall be found by the application of the following formulae:

**Zoning Lot Area**

**in Square Feet**  
**Formula to Find FAR**

Less than 10,000  
(lot area) X (.00013) + .03

Greater than or equal to 10,000 but less than 30,000  
(lot area) X (.00003) + 1.05

Greater than or equal to 30,000 but less than or equal to 90,000  
(lot area) X (.000014) + 1.54

Greater than 90,000  
FAR equals 2.8

In computing the permissible floor area, the FAR may be applied to the zoning lot area plus one-half the abutting right-of-way area of any public street or alley.

2. No parcel within a Resort Hotel Precinct shall be subdivided into lots of less than 10,000 square feet. Consolidation of lots regardless of size, in conformity with the subdivision regulations, is permitted.

3. Maximum floor area for commercial development projects within a Resort Hotel Precinct shall be in accordance with the FAR prescribed for commercial resort uses under Subsection 7.80-6.C.

4. Except for uses permitted for hotel and commercial development use above, the maximum floor area of other permitted uses within a Resort Hotel Precinct shall not exceed 60 percent of the FAR stipulated for hotel use, stated above.

D. Open Space Requirements.

A minimum of 50 percent of the zoning lot shall be devoted to open space for all developments within a Resort Hotel Precinct.

7.80-6 Resort Commercial Precinct.

A. Permitted Uses.
1. Amusement and recreation facilities, indoor.
2. Art galleries and museums.
3. Automobile service stations and car rental establishments, excluding repair facilities.
4. Bars, taverns and nightclubs.
5. Cabarets, dance halls.
6. Commercial parking lots and garages.
7. Day-care facilities.
8. Eating establishments.
10. Marina accessories.
11. Medical clinics.
12. Meeting facilities.
15. Public uses and structures.
16. Recreation facilities, outdoor.
17. Retail establishments, including the incidental manufacturing of goods for sale only as retail on the premises; retail sales and display rooms, but storage of new or used vehicles, building materials, or any scrap or salvage operations or storage or display of any scrap, salvage or second-hand building materials or automobile parts shall not be permitted.
18. Theaters.
19. Uses and structures customarily accessory and clearly incidental and subordinate to principal uses and structures, but amusement arcades shall not be permitted.
20. Utility installations, Type A.

B. Yard Requirements.

Front yards shall comply with the setback limits established in Subsection 7.80-3.C. and Exhibit 15.

Within a Resort Commercial Precinct, the following shall constitute yard and open space requirements:

1. Where a resort commercial use adjoins an Apartment Precinct
without an intervening street, alley or permanent open space over 25 feet in width, a side yard or rear yard equal to that required for the apartment use. Subsection 7.80-4.B., shall be provided.

2. Except as required in Subsection 1 above, no rear or side yard shall be required.

3. Within a Resort Commercial Precinct, at least 50 percent of the front yard shall be landscaped.

C. Density.

1. The FAR of all buildings and structures situated on a lot shall not exceed 1.75. However, in addition to such maximum, 5 square feet of floor area may be added for each square foot of open space devoted to pedestrian use and landscape area at ground level, exclusive of the front 20 feet of the required yards, and 3 square feet of floor area may be added for each square foot of arcade area. However, in no event shall the total FAR exceed 2.50.

2. For the purpose of subdivision, the lot area for resort commercial uses shall not be less than 5,000 square feet.

7.80-7 Public Precinct.

A. Permitted Uses.

1. Public uses and structures, including accessory activities operated by private lessees under supervision of a public agency.

2. All structures within the Public Precinct shall comply with the guidelines established by the Urban Design Controls marked Exhibit 15.

B. The FAR, height and yard requirements for structures shall be approved by the Director.

C. Signs shall be approved by the Director and shall not exceed a total of 24 square feet in area.
<table>
<thead>
<tr>
<th>ACTIVITY/USE</th>
<th>REQUIRED PERMIT</th>
<th>SPECIAL CONDITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGNS</td>
<td>E</td>
<td></td>
</tr>
<tr>
<td>TREE REMOVAL OVER 6&quot; IN DIAMETER</td>
<td>m</td>
<td></td>
</tr>
<tr>
<td>DETACHED DWELLINGS AND DUPLEX UNITS AND ACCESSORY STRUCTURES</td>
<td>E</td>
<td></td>
</tr>
<tr>
<td>GRADING AND STOCKPILING</td>
<td>E</td>
<td></td>
</tr>
<tr>
<td>MAJOR MODIFICATION, ALTERATION, REPAIR OR ADDITION TO HISTORIC STRUCTURES</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>MINOR MODIFICATION, ALTERATION, REPAIR OR ADDITION TO HISTORIC STRUCTURES</td>
<td>m</td>
<td></td>
</tr>
<tr>
<td>MAJOR EXTERIOR REPAIR, ALTERATION OR ADDITION TO NON-HISTORIC STRUCTURES</td>
<td>m</td>
<td></td>
</tr>
<tr>
<td>MINOR EXTERIOR REPAIR, ALTERATION OR ADDITIONS TO NON-HISTORIC STRUCTURES, WHICH DOES NOT ADVERSELY CHANGE THE CHARACTER OR APPEARANCE OF THE STRUCTURE</td>
<td>E</td>
<td></td>
</tr>
<tr>
<td>INTERIOR REPAIRS, ALTERATIONS AND RENOVATIONS TO ALL STRUCTURES</td>
<td>E</td>
<td></td>
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<tr>
<td>DEMOLITION OF HISTORIC STRUCTURES</td>
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<td>DEMOLITION OF NON-HISTORIC STRUCTURES</td>
<td>E</td>
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<tr>
<td>FENCES AND WALLS</td>
<td>E</td>
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<tr>
<td>STREETSCAPE IMPROVEMENTS, INCLUDING STREET FURNITURE, LIGHT FIXTURES, SIDEWALK PAVING, BUS SHELTERS AND OTHER ELEMENTS IN PUBLIC RIGHTS-OF-WAY</td>
<td>M</td>
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<tr>
<td>MAJOR ABOVE-GRADE INFRASTRUCTURE* IMPROVEMENTS NOT COVERED ELSEWHERE, INCLUDING NEW ROADWAYS, ROAD WIDENINGS, NEW SUBSTATIONS, NEW PARKS, AND SIGNIFICANT IMPROVEMENTS TO EXISTING PARKS</td>
<td>m</td>
<td></td>
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<tr>
<td>MINOR ABOVE-GRADE INFRASTRUCTURE* IMPROVEMENTS NOT COVERED ELSEWHERE; ALL BELOW-GRADE INFRASTRUCTURE IMPROVEMENTS; AND ALL EMERGENCY AND ROUTINE REPAIR AND MAINTENANCE WORK</td>
<td>E</td>
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<tr>
<td>NEW BUILDINGS, NOT COVERED ABOVE</td>
<td>M</td>
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* Note: "Infrastructure" includes roadways, sewer, water, electrical, gas, cable tv, telephone, drainage, and recreational facilities

LEGEND:  
M = Minor  
M = Major  
E = Exempt  
N/A = Not Applicable
BACKGROUND DATA

- Waikiki Master Planning
- Robert Lamb Hart Letter - June 20, 1989
- Planning For The Future Waikiki
- Robert Lamb Hart Letter - September 26, 1989
I. Introduction

When visitors think of Hawaii, they think first of Waikiki. When residents think of the Hawaiian economy, they think first of tourism, with Waikiki as the central focus. Waikiki has evolved over the years, and despite its success, has not really grown in a coordinated, harmonious pattern. The renovations and improvements have been sporadic without an underlying theme or concept bringing them together.

Hawaii is now considering a Convention Center at the International Market Place, the "heart of Waikiki". Before undertaking such a development, isn't it important to ask how it fits in to an overall plan for Waikiki? As part of the evolution of the Convention Center, do we not need to determine what that overall plan for Waikiki should be? Future improvements can then be built around this concept with renovations which make sense to Waikiki as a whole.

We need to assemble a panel of experts to identify and formulate a concept for the Waikiki of the future. The mission and philosophy created by this team can then evolve into a conceptual plan to be taken by design professionals one step further toward a detailed Master Plan for Waikiki.

This memorandum is intended to provide a process by which we can achieve the Master Plan and also address the history, problems and issues faced by us in formulating such a plan. As will be seen later in this memorandum, time is of the essence in moving forward towards creating a new and better Waikiki.

II. Overview of the Master Plan Process

Because of the timing constraints and the political sensitivities to be addressed later, it is critical that the process under which we move forward be well-conceived and be able to proceed at a rapid pace. The major steps to the process, each of which will be addressed subsequently in further detail, are:

A. Development and Refinement of a Mission Statement and Philosophy for Waikiki
B. Development of a Conceptual Master Plan
C. Design of the detailed Master Plan
D. Phased implementation of the development and construction of the improvements
To develop a plan as ambitious as that envisioned above will require planners and other consultants with vision, creativity and experience. Steps A and B above will require a time commitment in early October from up to six consultants to meet in Hawaii for a few days. These meetings will be a storyboarding session designed to first define the Mission Statement, and then using the mission to outline a conceptual plan for Waikiki.

III. Mission Statement and Philosophy for Waikiki

During 1988 over six million tourists visited Hawaii, spending nearly eight billion dollars during their stay in our islands. Nearly 80% of these visitors came to Oahu, most of whom stayed in Waikiki. When the impact of each dollar spent by our visitors is extrapolated over the rest of the Hawaii business economy, the importance of tourism and Waikiki in particular is even more magnified. Maintaining Waikiki as a premier attraction to our visitors is a key to the health of Hawaii's tourist industry and economy as a whole.

Within the Mission Statement would be found answers to the basic questions:

- Why is Waikiki so important to the State and its people?
- What should Waikiki mean to us?
- Is it a long term concern?
- If it's so important, what should we do to preserve and enhance its value?
- What are the consequences of failing to take the actions called for in the Mission Statement?
- Is there a need to move quickly in implementing these actions?

IV. The Conceptual Master Plan

Once the storyboarding group has refined the Mission Statement, the group will work towards the creation of an outline for a Conceptual Master Plan sufficient to define the parameters of the new Waikiki. This session should address a multitude of issues, some of which are:

- **Infrastructure issues** - sewer, water, power, parking and traffic, public transit, access, etc
- **Construction building requirements** - heights, densities, setbacks, view planes, etc
- **Types of facilities** - condos, trade center, convention center, offices, parking, retail, etc
Beach improvements - should small, non-commercial islands be built on the reefs fronting Waikiki? how can the beach erosion be slowed? Should existing beaches be widened? etc

View channels - are they necessary? are they possible?

Existing buildings - what areas should be preserved?

People groups - what community groups and organizations must be considered? what are their needs?, etc.

Intangible items - what could make Waikiki distinctively Hawaii?, what feeling and impression should be created?, what is needed to make Waikiki a place for the local residents to enjoy and want to experience?, etc

V. The Master Plan Document

Once a Conceptual Master Plan with a set of minimum requirements has been created, a Control Committee, comprised of people from both the public and private sectors and separate and distinct from the conceptual plan team, will request proposals from up to ten leading design consortiums to prepare the actual Master Plan document. These groups will be asked to use their creativity and ingenuity to incorporate more than the minimum requirements of the conceptual plan. We envision that the design teams, motivated by the magnitude of the project, will make presentations with sufficient graphics, models, etc to capture the essence of their Waikiki. The Control Committee can then select the design team that has best captured the Master Plan's requirements in the most creative manner.

With the Master Plan in place, questions such as where a Convention Center might be located and what it should consist of will answer themselves by measuring against the Master Plan requirements.

VI. Development and Construction

Whereas the planning and design stage of the Master Plan may be considered the stage requiring the most imagination, innovation and ingenuity, the problems faced by the Control Committee in implementing the actual development and construction phase will probably also require creativity to accomplish an orderly renovation, one that is in keeping with market conditions. The phasing of improvements must be carefully structured to keep Waikiki open while the construction proceeds.
VII. Convention Center Timing Constraints and Legislation Rules & Regulations

A. Timing Issues and Political Realities

Historically the idea of a convention center has been discussed and kicked around for many years. Now that the process is finally going ahead, there are those who will be impatient to get on with the job.

Several key time constraints will be forthcoming in late 1989 and early 1990, requiring our Master Plan concept to move forward quickly:

- The Convention Center Authority has publicly stated (see attached article) that it wants to call for developer proposals in the next few months and select a developer after about six months in the spring of 1989. We would therefore need to have done enough planning to provide meaningful input into the decision making process.

- The Governor is up for reelection in 1990 and will need to have a clear and supportable position on the convention center early in the year.

- The Legislature will reconvene in January 1990 and will need to have answers to the convention center issue in order to make informed decisions.

B. Convention Center Authority Legislation and proposed Rules of Practice and Procedure

1. Convention Center Legislation (Act 96, as amended)

This legislation (originally passed in 1988 and subsequently amended in the 1989 Legislature), established a Convention Center District, height and use specifications, and set forth the powers of the Convention Center Authority.

The District is on 5.2 acres, entirely contained within QEF's 18.5 acres of land underlying the International Market Place, Kuhio Mall, and the Coral Reef Hotel.
The Legislation provides for a 400 foot height limit for all buildings, up to 450,000 sf of commercial/retail, no less than 625,000 sf of exhibition/meeting area, no less than 2,000 parking stalls, and condominium/hotel units not to exceed 2 million sf in one of four configurations:

a) 2000-2500 hotel units & 450-550 condo units  
b) at least 2800 hotel units & no condo units  
c) at least 1200 condo units & no hotel units  
d) 800-1200 hotel units & 800-950 condo units

The powers granted to the Authority include contracting for design planning, condemnation, and the right to enter into a development agreement with a private developer. The Authority must also provide for the relocation of existing merchants.

2. Proposed Convention Center Development Rules

This document is one chapter within the proposed administrative rules and regulations to be followed by the Authority. The key topics discussed within these development rules are the sequence of events to include a publicly advertised Request for Proposal process, and written Notices of Intent to Submit a Proposal from the developers showing financial and background information along with demonstration that it holds a "property interest" in the lands within the Convention Center District.

The Authority will then undertake a screening and qualification process prior to the submittal of detailed proposals. Upon selection of a proposal, the Authority and the developer must execute a development agreement within two months. Once the agreement has been reached, the development plan will undergo a public hearing process before final approval and commencement of construction.

Upon completion of the facilities, the developer will have to dedicate a "marketable real property interest in the convention center facility" at no cost to the State of Hawaii. The developer will be required to operate the facility for two years following dedication and then turn it over to the Authority.
C. Owners of "Property Interests" within the Convention Center District

Although the final definition of "property interest" has yet to be defined, the parties with existing rights within the District are:

1. The Queen Emma Foundation - fee owner and master ground lessor of all the 5.2 acres of land within the District.

2. WDC Ventures (Trousdale) - master ground lessee on all three parcels and ground sublessor on two of the parcels.

3. Andre Tatibouet and Herbert Horita - ground sublessees on two of the parcels.

VIII. Concluding Thoughts

In light of the importance of Waikiki to the people of Hawaii, any major changes to the area should be well conceived. The proposed Convention Center is obviously a major change which could impact Waikiki in both positive and negative ways. If the Convention Center development were a part of a coordinated master plan, there a much greater chance of the Center blending with the rest of Waikiki, thereby maximizing benefits created by the development.

As indicated by the timing constraints mentioned earlier, the planning effort needs to get underway immediately in order to get a conceptual plan document into the hands of the decision makers.
June 20, 1989

Mr. K. Tim Yee  
President and CEO  
The Queen Emma Foundation  
222 South Vineyard Street, Suite 401  
Honolulu, Hawaii 96813

Dear Tim:

It was a pleasure to see you again and to hear more about your ideas for the long range future of Waikiki. As we agreed, I am writing to give you my thoughts on how you could put together a master plan for its evolution over the next 20 years — and guide the development in a way that would genuinely benefit the people of Hawaii.

The opportunity is exciting to talk about and very tough to realize. As we discussed in San Francisco, I think you will have the best chance of success working along the lines outlined below.

1. FIRST, SOME GENERAL IDEAS

1.1 Waikiki as a "community asset". You and I tend to think in terms of the development business, but I think we agree that a new Waikiki Master Plan should be approached in broader terms. While our proposals may tend to be construction-related, they should ultimately be aimed at:

- economic or "industrial" development — continuing the attraction of Waikiki as the key to the health of Hawaii's international tourist industry — and Hawaii’s future prosperity;

- community development — making Waikiki once again a place where local people want to go, a place that can again enhance life in Honolulu; this includes dealing with other adjoining areas that make Waikiki work: you mentioned, for example, expanding the crowded parks into the Diamond Head crater; opening up the waterfront, and improving the route from the airport.

In other words, the Plan has to make good business sense, and it has to benefit a wide range of residents, too.
1.2 Comprehensive and balanced. A new Master Plan should be comprehensive both in terms of "people" and "environment".

- The Plan has to recognize and deal with the interests of all kinds of people who have a stake in Waikiki — large and small landowners and businesses, as well as residents and tourists.

- It has to focus on the comprehensive "tourist experience" — and the residents' total experience — covering transportation, accommodations, attractions, recreation, neighborhoods, and the overall atmosphere of the place.

- It has to deal with current negative images and also the reasons behind them; like other heavily used resorts, Waikiki is becoming worn-out; it needs a complete rejuvenation — maybe all popular resorts do every 20 or 30 years.

In other words, there has to be really broad perspective and balanced end-results, with a fair distribution of costs and benefits. As you pointed out, this is the only way to build and sustain political support.

1.3 Workable. The plan has to work "technically", and I think the tough problems are going to be big ones:

- transportation — moving people into and around Waikiki in large numbers — in cars, transit and on foot — the whole system;

- construction — keeping Waikiki "in business" while major changes are taking place;

- practical economics — generating enough large scale re-development to pay for the improvements, while maintaining small scale opportunities for local people;

- the overall "feel" of the place — re-establishing what is best about Hawaii in terms of climate, natural beauty, and the underlying aloha spirit.

1.4 Realistic. Ultimately, in order to be practical, I think a plan is going to have to be bold. To be realistic, everyone is going to have to think big and long term. Probably the most successful plan of this type ever prepared was the Chicago Plan of the early 1900's, the one that created that spectacular lakefront. There were two reasons for its success. It was bold and the author is still quoted by planners: "Make no little plans, they have no magic to stir men's blood..." Equally important, it was supported by a subtle but strong "public information" effort. (More on that later.)
Along the banks of the San Antonio River? could the Alamo Wall Canal be developed for which a new walk and waterfront park-like setting could be thematic. New ideas such as the Diamond Head Park, the downtown waterfront

For Walks:
- Restorative Garden Landscaping and the park-like setting as a theme
- Mid-level pedestrian ways
- Bike and pedestrian paths
- Depressing collecting and pedestrian avenues

58 you suggested, consideration should be given to:

The pedestrian environment - Re-establishing an authentic atmosphere.

Parki ng that works.
- Design safe pedestrian places like the new Convention Center!
- Transit to and from the landmarks, pedestrian destinations within Waterk
- Mid-level pedestrian pathways
- Linking car and bus stops to and from transit, freeway, and the islands
- Br inging tourists from the airport to Waterk

Transportation - the whole system, both as an interconnecting network
- Parks, civic events, celebrations, markets, and better visit-attractive locations.
- Could enhance the way-of-life for a wide range of people.
- Improving the walkability of the environment and services that reason to go to Waterk.
- Reduced by Waterk’s presence and continuing development.
- Where alternative housing opportunities for people who may be negatively
- Existing neighborhood plans in Waterk!

The facilities and services needed to protect and expand valuable

The “residences city” - specifically:
- Adequate levels of security, maintenance and public services.
- Arts and cultural events
- The mix of restaurants, shops, and markets
- The convention center
- The beach and the topoccal landscape environment
- The best quality attractions, recreation and entertainment
- The right mix and quality of accommodations

Visitor industry - and the interconnections between them all. Specifically:

The “visitors city” - the facilities and services needed for a strong

or what Waterk could be in the future. Here is one way to look at it:

2.1 Subject matter. The master plan should cover a complete “vision”
2.2 The format. It seems to me that this Master Plan should be different from typical City Plans, which are necessarily very general; different from zoning, which is too rigid; and also different from the typical developers' plans which are much too specific when you are looking ahead 20 or 30 years. I would combine two ideas that have been widely used and tested, but rarely put together for this purpose.

- Design concepts for public projects. These would be very preliminary plans for the basic facilities and infrastructure that would be built year-by-year. Some of these could be very large projects — such as depression of a major street — and we should work out the basic design concepts that demonstrate in a preliminary way, of course, that (1) the project is technically feasible; (2) the project is a functional, interrelated part of a whole land use, activity, and circulation system; (3) the disruption caused by construction can be mitigated — business can continue more or less as usual; (4) probable magnitude of costs and likely methods of financing are reasonable and achievable.

- A new "Waikiki Code" for private development. This would be a set of regulations for the new or renovated hotels, restaurants, shops, and residential projects. This Code would be far less detailed than Building Codes, of course, and more flexible than zoning, but it should be equally mandatory; further it should be more detailed and comprehensive than typical design guidelines or architectural review processes — which rarely work well. Specifically the "Code" would say: when you build in Waikiki you must build in a way that fits into the "vision" of 2010. Here are a few examples:

  - Parking and traffic. If the Master Plan includes depressed roadways, the Code would require new projects to provide for below-grade connections including service truck entrances and underground parking.

  - Transit. If the Master Plan calls for a transit systems to be built on a separate right-of-way, the Code would require all new construction or renovation to include provisions for the rights-of-way, the "stations", and/or the pedestrian connections that complete the system. (This has been done in San Francisco and New York for subways.)

  - Open spaces. Where the Master Plan calls for parks or public amenities, the Code would require each new construction project to include the related adjacent elements of the public open space system. (Again this idea is included in several zoning ordinances now.)

  - Disruption. The Code could require all Waikiki landowners to cooperate in temporary arrangements during major construction.

  - Relocations. It could also set up "exactions" for helping to relocate people and businesses displaced by new development.
The specifics of the Code would be designed to achieve two results: first to assure that the new investments—public and private—all worked together to create a convenient, functional, and "Hawaiian" place; and second, to assure that those who would benefit the most from the new improvements, would each pay their fair share.

2.3 Implementation. An integral part of the "vision" in the Master Plan should be practical, financially sound and politically sound methods for making it a reality. That means:

- plans for financing public sector improvements, based on the bonding capacity of City and State governments and proven public financing vehicles; we have to demonstrate we have been fiscally responsible;

- plans for financing private improvements based on realistic visitor-industry business concepts; there has to be some sophisticated thinking about the future of international tourism;

- plans not only for the big businesses, but also for the people often dislocated by new development—residents and small businesses—and creation of comparable opportunities in Waikiki or nearby; the overall "vision" has to end up fair and balanced;

- drafts of politically acceptable legislation, as needed, to adopt and enforce the implementation of the Master Plan.

3. PUTTING THE PLAN TOGETHER

The effectiveness of any Master Plan depends as much on the way the Plan is put together as it does on all the good ideas in the documents. That means we should design the planning team and the planning process just as thoughtfully as the Plan itself.

3.1 The planning process. The "Plan" that will be actually carried out in Waikiki over the next 20 years is the Plan that is actually in the minds of the key decision-makers—both in politics and in business. That means our plan has to "belong" to them. The key to making that happen is in the way we set up flows of information and our own decision-making process. Specifically:

- we will want to generate widespread public support through sophisticated use of public relations and the media; we discussed some ideas along these lines in San Francisco;

- we will want to incorporate the favorite ideas or "causes" of key political leaders;
- we will want to "involve" the critical businessmen and public officials — and their architects and engineers — who will actually be carrying out the plan in their day-to-day decisions;

- the opposition will have to be sought-out and "neutralized";

- the technical basis for the Plan must be essentially sound, even though we are looking 20 years ahead;

- the financial analysis must be rigorous and sophisticated enough to be acceptable to bankers and their friends.

This means a lot of people and organizations should be involved. As you know, that can consume a lot of time, but it could also save time. We could go to the AIA and Engineering Societies as well as to Government agencies to analyze all of the multitude of development proposals that have been advanced over the past few years. I don't think there will be any shortage of information or ideas. Our job will be to sort out what works together and makes sense.

In any case, you know how to involve the Governor and his top advisors; and we have both had a variety of experience in dealing with controversy and approvals. Together I think we could set up a process that would get results.

3.2 The planning team. I think you and I could also select and manage a planning team that would not only have the right perspective, but also, equally important, be persuasive.

- First, neither of us has any other private "agenda" nor personal political or business motives. We are both in a position where we could concentrate on what's best for Waikiki, Honolulu and Hawaii.

- We both have some historical perspective, having made plans for, and seen Waikiki and Hawaii develop over several decades — you more than I.

- Together we could find the best "smart people" in each field to advise us, and we both have enough experience to know how to involve the local professional community and to take full advantage of a wide range of talented specialists.

- We both have studied the experience of many other cities; and we have looked at large scale development from the resort developers' side as well as the public side. (For example, after several years working for Walt Disney World, we followed that up with a Central City plan for Orlando.)

- We both have worked with high density downtown development, parking, transit and crowds.
- Both you and I have worked with some of the most creative developers in the country (Henry Kaiser, the Walt Disney organization) as well as some of the great, successful resort places — as you may know, we also have projects going in places like Pebble Beach and Dorado Beach, Puerto Rico.

- We both have experience with planning-in-public — with a whole community looking over our shoulder — I've done that here in New York and Dave Howerton on a couple of controversial projects in California.

The identification of specific team members will depend, of course, on how you want to organize the planning process, on how much planning money can be spent, and how much "volunteer" work could be recruited.

In any case, if you would like to pursue any of these ideas further, Dave or I would be glad to go into more detail. As you see, we would really like to be part of the team; this is just the kind of assignment we like.

Best regards,

Robert L. Hart

RLH:fd
Tim - we started sketching some of your ideas.

Bob
pedestrian park & market place

Parking & Service under new buildings

Move Kalakaua Ave below grade
PLANNING FOR THE FUTURE WAIKIKI

By: Adam Krivatsy

Your paper dated September 8, 1989 [Paper] raises a valid question: Would it not be prudent to consider the future of the Waikiki community as a whole before building a major convention center complex there? Certainly a project of such importance and magnitude should not be built without first examining the following issues:

1. How can the Convention Center accomplish the most good for the community -- and the Hawaii economy, and

2. How can planned project be built so as to cause the least degree of disturbance to and within the established business community.

One may assume that, before the decision was made to locate the Center on the International Marketplace site, these issues were discussed thoroughly. If not, they should be addressed.

The Paper rightly suggests that, before a new convention center is built, "an overall plan" for Waikiki is in order. Of course, some may say that Waikiki does have such an overall plan, as part of the Honolulu General Plan which is regularly updated in the City and County's General Plan Update process. So, then, why prepare a new plan for Waikiki?

Another compelling reason is suggested by the Paper: For years Waikiki has been identified with Hawaii and especially with tourism in Hawaii. As host to 80 percent of all visitors to the Islands, Waikiki is a motor and a major contributor to the State's economy and to the welfare of its people.

Waikiki deserves attention: It deserves more attention than "just another" complex community on the Island of Oahu. It deserves the attention due to the proverbial goose that lays the golden egg! From the economic and touristic points-of-view, Waikiki must be treated as an important "place of business." Here "business" is hospitality and related services.

9/18/89
Tourism is a competitive business. Visitors are fickle, and they will spend their vacation dollars for the "best" vacation experience they can find. If such experience is found elsewhere at competitive prices, visitors will not return to Waikiki.

This rationale leads to the following conclusions:

1. Waikiki must remain competitive with other major destination resorts in the Pacific Basin, and therefore,

2. Waikiki deserves special attention and special care.

How can Waikiki remain competitive as a destination resort, as it also functions as home to many Honolulu residents and businesses and as host to many members of the U.S. armed forces?

One answer to this question is clear: The resort component of Waikiki must be treated as a major destination resort in the Pacific.

This premise imposes a major responsibility on the people who make daily decisions about the uses of land and development in Waikiki. These decision-makers must assure that Waikiki is not handicapped as a visitor destination, but rather enhanced, by its multiple functions within the Honolulu community. Possible frictions between and among residents, military personnel, and other non-tourist communities must be identified and resolved. In addition, all complementary values represented by these non-tourist communities must be applied consciously to enrich the visitor’s vacation experience and to enhance Waikiki’s position as a leading visitor destination.

This leads to the conclusion that, regardless of the proposed Convention Center, Waikiki must be planned and upgraded constantly as a resort environment. This planning process cannot be left to the periodic General Plan Update process, nor can it be replaced by more extensive promotion. Waikiki’s resort component must be managed like any other destination resort competing for visitor dollars!
The first step in this process is to take a closer look at the resort component of Waikiki within the context of a multi-functional, residential, business, and military community. The Paper suggests that this closer look begin with a charrette, followed by more detailed and targeted planning.

The question arises: What are the objectives of the Waikiki Improvement Association's Waikiki Tomorrow program? Assuming that it is a broad-based program, it could answer all the questions related to the future of Waikiki. It could eliminate the need for the charrette and the further planning suggested by the Paper.

The planning program promoted by The Queen Emma Foundation must be conducted in such a way that broad public recognition is assured. Otherwise, the resulting plans will have no validity. Perhaps the results of Waikiki Tomorrow could be incorporated into the charrette and subsequent planning, thus providing valuable input (rather than being regarded as a "competing" planning process).

II. The Planning Process

The Paper recognizes the need to move forward rapidly with the planning process, as the political calendar dictates the pace. The idea of developing a clear and concise "mission statement" at an early date is valid and quite do-able. The critical issue will be, not what the statement says, but how much weight will it carry within the Honolulu community?

The Island community has had its fill of "experts" with both positive and negative results. Nonetheless, impartial expertise will be required, and some of that expertise may be drawn from the Mainland. In order to be both credible and effective, the panel of experts must be invited and recognized by local business leaders and elected officials. Without such recognition, it is likely that The Queen Emma Foundation would be left with good ideas compiled in just another report.

The Mission Statement must have a constituency within Waikiki and the City. The question is: How do you develop the desired constituency?
III. Mission Statement and Philosophy for Waikiki

The Paper presents a compelling argument for retaining Waikiki as a "premier attraction" to visitors. All six questions listed in the Paper are very important. However, the Mission Statement must address these additional questions of vital importance:

- How can Waikiki remain the "flagship" of tourism in Hawaii?
- What must be done to enhance the appeal of Waikiki as a destination resort community?
- What should be the (optimal) limits of the resort community in Waikiki?
- How can Waikiki retain and strengthen its appeal to visitors, despite the fact that it no longer reflects the romantic image conjured by travel advertising?
- What should be Waikiki’s special appeal, its mark of identity, in promoting itself as a visitor destination?
- How could the Waikiki resort community benefit from its close association with the residential, business, and military communities?
- What must be the functional (rather than physical) criteria that are to be respected in planning for Waikiki as a multi-prong Island community?
- What should be the first steps in marking progress toward a Waikiki that is indeed planned as a competitive visitor destination?

It will not be easy to answer all these questions. The initial charrette will attempt to establish guidelines and to set the height of the hurdles necessary for success. Charrette participants must set their sights high: Their combined vision must be inspiring and yet achievable within Hawaii’s economic and political climate. Charrette participants should be selected on the basis of their expertise and their sensitivity to these realities.
Essential to this work will be an "advance kit" for participants which must contain basic information such as:

- Aerial photos and maps of Waikiki, including land use, development intensity, land ownership, and age of structures;
- Statistical information related to the visitor, residential, business, and military components of the community;
- List, description, and location of planned development projects;
- Public policy statements and elements of the Honolulu General Plan, as applicable to Waikiki;
- Applicable excerpts from the City County Zoning Ordinance;
- A statistical summary of the resort components within Waikiki, including accommodations, food and beverage services, recreational, cultural, and retail services serving the visitor market;
- A brief summary of the latest improvement programs implemented in Waikiki; and
- A list of problems that may adversely affect visitation to Waikiki.

The latter statements could be supplied by the Waikiki Improvement Association. Other information may be obtained from the City Staff and the Hawaii Visitors Bureau.

It would be advisable to invite a representative of the City Planning and the Waikiki business community to participate in the charrette as "resource persons."

IV. The Conceptual Master Plan

The idea of creating a Conceptual Master Plan is excellent. Such a plan will bring to the community -- and its elected officials -- a fresh look at
Waikiki, the old flagship that has not received much more than a few coats of paint in recent decades.

The Issue Paper on the Physical Environment by the Waikiki Improvement Association and a review of recent "beautification programs" for Kalakaua and Kuhio Avenues suggest that most public efforts have sought to improve the flow of through traffic and Waikiki's physical environment.

Little has been done about the functional aspects of Waikiki. People seem to be concerned about what the place looks like and not about how it works. Of course, it is easier to repave a sidewalk than to restructure land uses at street level, and it is easier to widen a roadway than to create public places of festive quality.

The charrette team would create an outline for a Conceptual Master Plan for Waikiki and, in the process, pay equal attention to both urban design and functional aspects of the place. In addition to the eight key issues listed in the Paper, the charrette team must focus on the functional and environmental features that will make Waikiki a leading resort communities in the 21st Century:

- A better arrival experience;
- A better sense of being on Waikiki Beach (even in the mauka parts of Waikiki);
- A clear and effortless access to the beach, parks, and other public open spaces;
- More "capacity" on the beach itself;
- A resolution of the deliveries and service traffic in the resort environment;
- A better sense of hierarchy between places of certain interest and character;
- A more effective separation of the paved, "urban" environment from the informal and barefoot "resort" environment;

9/18/89
A more conscious effort to create places of special interest;

An exciting night life precinct;

A truly great shopping precinct;

More extensive waterfront dining;

Introduction of water in the mauka environments (as fountains and water play in the urban areas, as ponds and streams in the parks);

Waterfront promenade and plaza(s); and

More emphasis on the idea that Waikiki is an "island," a special place and destination within Honolulu.

The outline for a visionary and inspiring Conceptual Plan for Waikiki should not be afraid to include ideas that may have been considered "impractical" or "too expensive" in the past. Waikiki must be thought of again as if it could be conceived anew, as if it would be built again, from the ground up, to be competitive for the next 50 years, and in response to the expectations of a less privileged and more diverse and numerous vacationing public.

To plan for such a place in Waikiki will require much more attention to logistics, to the effortless movement of people and goods, and to creating an environment that is more resistant to the "erosion" that large numbers of visitors impose on a place.

After so many years as a visitor destination, we may very well say that much of Waikiki has amortized the investment it represents. Any future investment in rehabilitating and rebuilding Waikiki should be done in concert to assure success and maximum return on investment for the next 50 years. This can be achieved only with a bold approach, a bold vision, and a carefully orchestrated series of public and private actions.

The carefully-chosen charrette team could establish practical guidelines for such a concept and a related course of action.
V-VI. Master Plan Document, Development, and Construction

Once a future vision for Waikiki has been articulated by the charrette team, the most important step will be to secure broad public support for the concept. Without such support, the vision will remain just another idea, unrealized and unimplemented. It will be essential to assure that the plan is as popular, as indisputable, as "Hawaiian" as motherhood and... coconut cream pie.

Before any effort is made to prepare a Master Plan, the concept of a "New Waikiki" must be sold to the public. Then the plan will be the issue that politicians must support if they are to maintain the support of their electorate.

Such a broad degree of public support can be achieved if the charrette team defines the list of "public benefits" associated with their recommended concept, and if a carefully conceived public campaign familiarizes the press, elected officials, their professional staffs, and the many public interest groups with those benefits.

In this "campaign," the Neighbor Islands should not be forgotten: They have much at stake, and they should understand how a better Waikiki will increase, rather than threaten their respective investments in tourism. Waikiki must be seen as the beacon for tourism to the Hawaiian Islands, not as competition to Neighbor Island destinations. Waikiki will not be able to replace the lure of the "romantic" Neighbor Islands, which still have less asphalt and fewer sidewalk vendors.

While it is prudent to think about the steps that will lead to a formal document, it is perhaps too early to speculate about the process at this time. Public agencies, including State and/or City County planning agencies and authorities, must get involved in the process, in order to amend their current plans and ordinances and to establish necessary vehicles for implementation.

Most likely, an environmental impact process will be needed, and that alone will involve a host of studies.
and bureaucratic steps. Perhaps the most effective way of avoiding all the delays -- and frustrations -- associated with such a process would be to define an "area of priority" or a "pilot project." This pilot project could serve as a cornerstone for the new Waikiki, which would be expedited as just another development project within the government permit process. Of course, the program for this landmark project must be thought through carefully both from the thematic and urban planning points-of-view.

VII. Convention Center

The Paper presents valuable information about the political issues and the calendar associated with the planned Convention Center(s). The critical question is: How receptive are any of the proponents of the two (competing?) centers to new ideas developed by The Queen Emma Foundation at this time?

A charrette involving valuable time and associated expenses should take place only if there is a willing audience in Honolulu, interested in receiving the team's recommendations.

VIII. Concluding Thoughts

The conclusions presented in the Paper are valid and warrant strong support. In addition to the two concluding paragraphs, the point can be made that, as the State grows more dependent upon tourism, Hawaii must pay more attention to Waikiki as a major component of its economy. The recent Conference on the Future of Waikiki sponsored by the Waikiki Improvement Association is evidence that business leaders are recognizing the need for a "new look" for Waikiki. The Queen Emma Foundation's approach seems to be timely and should build upon the momentum generated by the Association.

Thank you for the opportunity to present these thoughts.

AK:ab
September 26, 1989

Mr. Tim K. Yee  
President and CEO  
The Queen Emma Foundation  
222 South Vineyard Street - Suite 401  
Honolulu, Hawaii 96813

Dear Tim:

After reading your "Waikiki Master Planning" memorandum and the other material you gave me in San Francisco, I have a couple of comments to add to our conversation there.

The "Conceptual Master Plan". The effectiveness of these planning sessions will depend, of course, on the people you select, but also on the preparation. In this regard:

- The Waikiki Improvement Association meetings and conclusions are likely to be an excellent "introduction" for all of us. They will have uncovered all of the issues and probably have started the process of creating a mission statement and a Conceptual Plan. We can learn a great deal from their "reports". Could we have them before the planning sessions as "homework"?

- In addition, as you know, it is essential for the conceptual planners/consultants to have a sophisticated technical briefing: (a) what are the physical conditions (subsurface, at the beach, etc.,) that will constrain development; (b) what are the conclusions of the most current studies of traffic, parking, transit, and other infrastructure; and (c) what other plans are in the works for big public or private projects that could affect Waikiki. One of the top civil engineering firms in Honolulu could probably provide this kind of information — someone who does not have a vested interest in a specific project.

The "Master Plan Document". As I understand it, your idea is that developers will compete for the right to develop the Convention Center "package" by including a Master Plan for Waikiki, as well as for the Convention Center itself. I think that will work. On the one hand the project and its possible spin-offs are big enough; on the other, this arrangement avoids giving anyone a monopolistic position in Waikiki. The selection of the competing developers is critical to the success of your idea and perhaps we should include criteria in our conceptual planning sessions.
Development and Construction. As you know, there is no "plan" if there is no means of carrying it out. In this case, the Plan will be implemented through a combination of new legislation, City capital investment, State capital investment and private projects. There are very few examples in this country of a successful coordination of all of those elements or carrying out a large scale, long term plan. The "Control Committee" is going to have to have extraordinary power. It will probably need:

- the power of an independent "Authority" set up jointly by the City and the State

- a small but sophisticated technical staff

- a small but steady funding source (to pay for staff) which should, in a few years, be independent of the legislatures

- some continuing form of accountability to the public.

The Port Authority of New York and New Jersey is a possible model; the recent Rapid Transit Districts (like BART) and New York's "UDC" are other models. In any case, an essential part of the whole effort will be the design of the entity that can, in fact, implement a Plan. Maybe someone who is an expert in this area should be involved in the Conceptual Planning.

I look forward to hearing about your progress.

Best regards,

Robert L. Hart

RLH:fb
WAIKIKI CONVENTION CENTER

- Convention Center - Do We Need One?
- Article: Center Raises a Host of Issues
- Meetings and Conventions: 1982 to 1987
- Meetings and Conventions, By Islands 1986 & 1987
- Oahu Meeting Space
- Waikiki Convention Center Authority
- Article: Queen Emma Foundation Ringing in New Priorities
- Article: Center: Idea Whom Time May Yet Come
- Article: Just One Center, Please
- Article: Center Come Up Short on Parking
- Article: San Francisco Executive Like Market Place Site
- Article: City Says Marketplace Convention Center a 'Monster'
Letters

convention center

Do we need one?

Your recent article on the struggle between two convention center proposals was timely and informative. However, it did not raise what we think is the fundamental question, which is not where a center should be built, or who should build it, but whether it should be built at all.

The Aloha Motors site's developer, First Development Inc., has submitted an application to the city which estimates that by 1997 the center would attract 54 events a year, with an average attendance of 5,200 and an annual total of 280,000.

"It is assumed," the application states, "that many of these people would otherwise be using smaller existing banquet and meeting facilities in the area." Ten of the events are projected to be local.

The developer further estimates that "the maximum volume event (10,000 or possibly 12,000 attendees) will likely occur only five to 10 times a year. The typical day should have considerably lower volumes."

The whole justification for building a convention center, however, has from the beginning been the alleged inability of Honolulu's existing facilities to accommodate "mega-conventions," those with 15,000, 20,000 or more in attendance. Since these are few and far between, the developer wisely decided not even to try to take care of them.

The question then arises whether the proposed center is needed at all. Existing facilities regularly accommodate averaged-sized and smaller events, and national trends show conventions and trade shows getting smaller. Even if as many as half the projected annual 250,000 attendees comprised a net addition to those who would come to Honolulu anyway, they would constitute an increase of only 2 percent by 1997 over present tourist volumes. This is far less than the normal annual growth of 7 percent in visitors being achieved now.

Since the actual proposed convention center constitutes less than 20 percent of the entire complex, the question arises whether the developer's objective is not primarily to be allowed to build offices, shops, a hotel and 800 luxury condominium units, with the convention center only an incidental and possibly unneeded trade-off for this profitable privilege.

ARLENE KIM ELLIS
President
League of Women Voters, Honolulu
Some critics say it will mean a permanent change in the lifestyle of all Hawaii

By Lucy Young

Imagine 11 Grosvenor Centers packed onto the 5.2-acre space of the International Market Place, Kuhio Mall and Coral Reef Hotel.

Now picture the density of the downtown business district duplicated at the 10-acre, old Aloha Motors site at Kalakaua Avenue and Kapiolani Boulevard.

That's how two convention center proposals would stack up if due development teams get their land-use exemptions and build to the hilt.

"The life in Hawaii will change," warned Arlene Kim Ellis, League of Women Voters president. "We will be sacrificing the environmental aspect, our actual lifestyle. That's an awful lot to sacrifice."

But advocates say a convention complex is long overdue and that it is essential to help diversify Hawaii's tourism industry.

"This is such an incredible investment opportunity for the state that it just doesn't make sense not to do it," said Thomas Mitrano, Hawaii Convention Park Council president.

The state has picked the Market Place for its publicly owned center while the city is encouraging a privately developed center at the old Aloha Motors site. Decision-makers say it's too early to say whether one—or both—of the proposals will make it through the political mill and in what form.

Still, many already see problems with both: Inadequate parking, increased traffic congestion and the danger of spot zoning.

Moreover, Market Place critics call the project too monstrous for its 5.2-acre parcel while advocates like its nearness to hotels and shops. There are also questions about taxpayer dollars needed to operate the center, lawsuits against the Market Place operator and relocation of strong-willed vendors.

Critics of the old Aloha Motors project say the walk to other hotels is too long, but supporters like that it is out of crowded Waikiki. Residents worry that the facility will destroy the residential
CENTER: It is raising a host of issues

Continued from Page A-1

character of nearby areas and that traffic at the dangerous Kapolei-Kalakaua intersection will worsen. Many, however, say they are impressed by First Development's openness in dealing with the community.

Market Place proponents tout the five-minute-walk proximity to 10,000 hotel rooms, which promises to generate pedestrian traffic and, as a result, shopping revenue.

Still, with only 1,000 on-site and 1,000 off-site parking stalls for the entire complex, "this could lead to serious parking problems for the entire complex and for the adjacent neighborhood," says a subcommittee of the Chamber of Commerce of Hawaii.

The chamber supports a world-class convention center in or next to Waikiki. But its critical eye also sees "an alarming deficiency" with First Development Inc.'s plan for the old Aloha Motors site, which proposes 3,000 parking spaces.

Molii resident Lyn Angellino Clark says the neighborhood has many condos, too many cars and "just a terrible shortage" of parking.

First Development says it will pay for widening of Kapolei and Kalakaua — which meet at the state's most dangerous intersection — as well as Atkinson and Kahaluu drives. Skeptics say that's not enough and that a bridge across the Ala Wai canal is inevitable.

The Market Place studies, meanwhile, are on hold while the new state authority charged with overseeing the project sets up internal rules. But Waikiki residents are anxious to see how traffic plans will accommodate heavy trucks and other vehicles.

"As an economic catalyst, a convention center must have room for expansion and cannot be inhibited by enormous traffic problems as currently exists in Waikiki," said George Neroutsos, Waikiki Neighborhood Board chairman.

Both developers seek land use exceptions which would allow them to pack more development within their respective lots. Ellis and others call such spot-zoning exemptions "dangerous."

"There are many questions that should be answered before we proceed forward on either project," she said. The league is not convinced that Hawaii needs a mega-convention center, and Ellis worried that "we're putting the cart before the horse.

"Our zoning laws have been in place for a long time," she said. "At this stage, for us to move it around, is not the best planning."

A 1989 state law naming the Market Place site also set liberal zoning limits and allows this project, if needed, to bypass city rules which protect views and guard against overdevelopment in Waikiki.

"The (new) permitted density in the Market Place is 3 million square feet of structure," said Don Clegg, city chief planning officer. "That's 11 Grosvenor Towers in a five-acre parcel, and I think that's obscene."

But Robert Fishman, state convention center authority chairman, said, "It's patently unfair and unwarranted to assume that in the face of the authority's powers to set aside certain county regulations... that it will act in an unsophisticated and immature manner. That is not true."

Beyond the planning policies, Ellis also fears the Market Place cost and burden on infrastructure, once it becomes a state responsibility two years after it is built by a private developer.

"Who's going to pay for the streets, sewage and water, additional police protection?" she said. "Not only will the taxpayers be subsidizing the project in the long run, their children will be paying for this."

Mitrano said taxpayers might bear the cost of operating losses of the Market Place center, "but I'm not sure the losses will be very large."

The new tax revenue Hawaii will reap by a convention center minus the cost of operating the center will still produce millions in net profit, he said. And in the long haul, the profits will trickle into state programs, such as social services and education.

The visitor industry now gets back about half of the $607 million tourist tax, but a bigger chunk would help improve facilities for the new convention complex, Mitrano said. "We'll be at the Legislature trying to get a bigger cut for infrastructure expenses, such as security and roads."

But the Market Place project "would have a catastrophic effect on our community," Neroutsos said. "A convention center at this site would cause traffic gridlock, displacement of small businesses and force a traumatic relocation of many of our local residents."

There is also the emotionally charged issue of relocating some 415 vendors, many of whom stormed the State Capitol when the Market Place site was selected, believing they had been sold out.

One lawsuit filed by 11 Market Place food operators against master lessee Paul Trousdale was dismissed Jan. 17, but attorney Michael Green expects to referee this week. A class-action suit brought by 100 vendors is still pending, and some say the Market Place plan will spawn more lawsuits.

"It will be just a matter of time before every past and future developer will sue the city for their own exceptions from the current laws," Neroutsos said.

The project at the Aloha Motors site, meanwhile, is drawing criticism for not providing enough for what it wants in return.

In view of the significant variances being sought, the developer "should be required to provide a truly world class convention center, not the smaller facilities we have seen before," said the Chamber of Commerce subcommittee.

Clegg, however, likes the project and calls it an excellent "magnet and cornerstone" to revitalize the Kapolei corridor.

"Those kinds of ventures are a real plus," he said of the activities which would include hotels, condos and office/retail space. "The Kapolei corridor is dedicated to development."

Molii resident Susan McNeill disagrees.

"Some landowners will benefit, certainly, but the average person in the three-story walk-up is going to be hurt, and the community generally will be hurt," he said. "It will either dramatically increase the cost or make it impossible altogether so people who live in leasehold condos will be hurt, renters will be hurt."

"It's a tremendous decision," resident Clark said. "You're not just looking at the site, but also at the shopping, commercial, retail blocks that are bound to come along with it. We're very concerned about the character of the neighborhood."

That residential character should definitely be preserved," said Ginny Tanji, Citizens Convention Center Council president. "It's for those of us who still want to live in the city but don't want to move into the suburbs. I think we need those residential pockets... we can't urbanize all our streets."

Noting that the lot's current zoning already allows business development, attorney Alan Goda said First Development is committed to building there and that change is imminent. Property values will rise regardless of whether a convention center is included in the development, he said.

"Unfortunately, there's been a number of speculative resales, and I don't like that," Clegg said. "I've seen it happen along the Kapolei corridor where the value of properties has doubled without a nickel being put into the property. And that concerns me."

"But you don't solve that problem by saying 'don't build.'"

And though some argue that a convention center out of Waikiki will spell problems for the future, Clegg said the city will hold the line against hotels.

"Definitely, no hotels," Clegg said of Kapolei growth. "We don't want to see any more hotels outside Waikiki, not along Kapolei or Ala Moana Boulevard."

Tomorrow: Slated for success or doomed to fail?
MEETINGS AND CONVENTIONS: 1982 TO 1987

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of meetings held</th>
<th>Estimated attendance</th>
<th>Estimated guest rooms</th>
<th>Estimated revenue ($1,000)</th>
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<tr>
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<td>439</td>
<td>167,558</td>
<td>78,589</td>
<td>123,748</td>
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<td>1983</td>
<td>420</td>
<td>211,764</td>
<td>(NA)</td>
<td>156,396</td>
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<tr>
<td>1984</td>
<td>623</td>
<td>255,152</td>
<td>91,605</td>
<td>218,247</td>
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<tr>
<td>1985</td>
<td>740</td>
<td>247,166</td>
<td>104,354</td>
<td>219,882</td>
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<td>1986</td>
<td>810</td>
<td>250,703</td>
<td>98,591</td>
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<td>1987</td>
<td>903</td>
<td>317,101</td>
<td>126,181</td>
<td>300,721</td>
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NA Not available.

Source: Hawaii Visitors Bureau, Meetings and Conventions Department.

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MEETINGS AND CONVENTIONS, BY ISLANDS: 1986 AND 1987

<table>
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<tr>
<th>Island</th>
<th>Number of meetings held</th>
<th>Estimated attendance</th>
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<td>State total 1/ ....</td>
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<td>903</td>
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<td>Hawaii:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hilo</td>
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<td>15</td>
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<tr>
<td>Kona</td>
<td>76</td>
<td>91</td>
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<tr>
<td>Maui</td>
<td>268</td>
<td>248</td>
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<tr>
<td>Molokai</td>
<td>2</td>
<td>7</td>
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<tr>
<td>Oahu</td>
<td>404</td>
<td>485</td>
</tr>
<tr>
<td>Kauai</td>
<td>53</td>
<td>57</td>
</tr>
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</table>

1/ Because some meetings took place on more than one island, detail does not add to indicated totals.

Source: Hawaii Visitors Bureau, Meetings and Conventions Department.
## OAHU MEETING SPACE

<table>
<thead>
<tr>
<th>Facility</th>
<th>Total Sq. Ft.</th>
<th>Total Reception Capacity</th>
<th>Total Banquet Capacity</th>
<th>Total Exhibit Capacity</th>
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</thead>
<tbody>
<tr>
<td>Ala Moana Hotel</td>
<td>15,144</td>
<td>1,815</td>
<td>1,450</td>
<td>92</td>
</tr>
<tr>
<td>Aston Waikiki Beach Tower</td>
<td>994</td>
<td>50</td>
<td>30</td>
<td>62</td>
</tr>
<tr>
<td>Best Western Plaza Hotel</td>
<td>2,460</td>
<td>250</td>
<td>190</td>
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<tr>
<td>Halekulani</td>
<td>14,854</td>
<td>1,745</td>
<td>712</td>
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<tr>
<td>Hawaiian Regent Hotel</td>
<td>42,078</td>
<td>3,875</td>
<td>1,830</td>
<td>66</td>
</tr>
<tr>
<td>Aston Hawaiian Monarch</td>
<td>5,553</td>
<td>360</td>
<td>409</td>
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<tr>
<td>Holiday Inn-Waikiki Beach &amp; Mauka Tower</td>
<td>2,774</td>
<td>325</td>
<td>250</td>
<td>12</td>
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<tr>
<td>Hilton Hawaiian Village</td>
<td>91,295</td>
<td>280</td>
<td>770</td>
<td>339</td>
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<tr>
<td>Hyatt Regency Waikiki</td>
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<td>1,700</td>
<td>1,215</td>
<td>62</td>
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<tr>
<td>The Ilikai Hotel</td>
<td>18,237</td>
<td>2,240</td>
<td>1,676</td>
<td>73</td>
</tr>
<tr>
<td>Kahala Hilton</td>
<td>5,475</td>
<td>470</td>
<td>376</td>
<td>33</td>
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<tr>
<td>Miramar At Waikiki</td>
<td>3,654</td>
<td>475</td>
<td>250</td>
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<tr>
<td>Outrigger Prince Kuhio</td>
<td>24,517</td>
<td>3,500</td>
<td>1,770</td>
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<td>Pacific Beach</td>
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<td>1,930</td>
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<td>Pagoda Hotel</td>
<td>9,310</td>
<td>1,400</td>
<td>1,200</td>
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<tr>
<td>Queen Kapiolani</td>
<td>8,250</td>
<td>870</td>
<td>780</td>
<td>84</td>
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<tr>
<td>Royal Hawaiian Hotel</td>
<td>88,242</td>
<td>10,630</td>
<td>6,480</td>
<td>25</td>
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<tr>
<td>Sheraton Makaha Resort</td>
<td>10,032</td>
<td>770</td>
<td>414</td>
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<tr>
<td>Sheraton Princess Kauai Hotel</td>
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<td>1,000</td>
<td>1,220</td>
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<tr>
<td>Sheraton Waikiki</td>
<td>85,140</td>
<td>100,090</td>
<td>6,590</td>
<td>390</td>
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<tr>
<td>Turtle Bay Hilton &amp; Country Club</td>
<td>20,180</td>
<td>2,250</td>
<td>1,530</td>
<td>93</td>
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<tr>
<td>Waikiki Beachcomer</td>
<td>4,120</td>
<td>1,000</td>
<td>570</td>
<td>32</td>
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<tr>
<td>Polynesian Cultural Center</td>
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<td>4,470</td>
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<td>Neal S. Blaisdell Center</td>
<td>84,237</td>
<td>9,400</td>
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<tr>
<td>S.S. Constitution</td>
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<td>2,915</td>
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<td>S.S. Independence</td>
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<td>S.S. Monterey</td>
<td>8,055</td>
<td>491</td>
<td>N.A.</td>
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</tbody>
</table>

Total                                               | 810,601      | 157,596                  | 41,197                 | 1,866                  |
WAIIKIIKI CONVENTION CENTER AUTHORITY

PROPOSED RULES AND REGULATIONS

I. Convention Center Legislation (Act 96, as amended)

A. Background

House Bill 3396, H.D. 1, S.D. 1, C.D. 1, creating Act 96, passed the State of Hawaii Legislature in 1988 and is codified in Chapter 206X of the Hawaii Revised Statutes. This has been subsequently amended by Senate Bill 1715, S.D. 2, and by House Bill 1549, H.D. 1, S.D. 2, C.D. 1 during the 1989 Legislature.

B. Major Components of the Legislation

1. The "Convention Center District" ("District") shall be known as the International Market Place, including the International Market Place Arcade, Kuhio Mall and the Coral Reef Hotel.

2. Specifications

   a. Height: 400 feet maximum for all buildings

   b. Condominium and Hotel Dwelling Units:

      There are four alternatives:

      (i) Hotel: No more than 2,500, but no more than 2,000 units. Condominium: No more than 550, but no less than 500 units.

      (ii) Hotel: No less than 2,800 units. Condominium: No units.

      (iii) Hotel: No units. Condominium: No more than 1,200 units.

      (iv) Hotel: No more than 1,200, but no less than 800 units. Condominium: No more than 950, but no less than 800 units. The minimum numbers of hotel and condominium units above can be decreased by agreement. The aggregate floor area of the condominium and hotel dwelling units cannot exceed 2,000,000 square feet.

   c. Commercial, Retail and Office: The aggregate leasable floor area cannot exceed 450,000 sq. ft.

   d. Exhibition Halls, Meeting Room and Plenary Session Hall: The aggregate square footage cannot be less than 625,000 square feet.
e. **Parking Spaces**: The total number of stalls cannot be less than 2,000, of which 50% must be within the District.

3. **Authority’s Powers**
   a. To review and approve plans for development within the District.
   b. To cause a private developer to prepare plans, specifications, and designs for development within the District.
   c. The Authority may condemn property within the District--this power could be challenged in Court.
   d. The Authority will enter into a development agreement with a private developer holding a "property interest" in the lands within the District. This was not defined in the Legislation.

4. **Dedication of the facility to the State of Hawaii**

   Presumably upon completion, the developer will dedicate, at no cost to the State, a marketable real property interest in the facility. What is a "marketable real property interest"?

5. **Relocation of Existing Merchants**
   a. Establishes a task force to assist in relocation
   b. Requires the developer to contribute $5,000,000 to help defray the cost of relocation
   c. Allows for existing merchants to opt for receiving a settlement payment in lieu of permanent or temporary relocation

II. **Proposed Rules and Regulations ("Rules")**

A. **Overview**

   The Rules govern the functioning of the Authority. As such it is divided into four sections:
   a. Practice and Procedure of the Authority
   b. Convention Center Development Plan Rules
   c. Relocation Task Force Rules
   d. Convention Center District Rules
B. **Practice and Procedure of the Authority**

1. **Submitting and Amending Proposals**

   The rules contemplate that amendments will be effective upon receipt. This means that amendments submitted after the deadline will be considered untimely.

2. **Public Access to Records**

   The rules contemplate that any information maintained by the Authority will be open to public inspection.

C. **Convention Center Development Plan Rules**

1. **Sequence of Events**

   a. **Request for Proposals**
      
      - Published in the daily newspapers
      - It must delineate the Convention Center District
      - Must contain criteria for evaluating and selecting a convention center development plan
      - Must describe the materials which must be submitted

   b. Potential developers must submit a written Notice of Intention to Submit a Proposal.

   c. The Authority may hold a "briefing" to discuss the objectives to be satisfied by the plan.

   d. Among other things, the proposals must be submitted with any "security" that the Authority may require. What does "security" mean? Is it evidence of the availability of financing?
      
      - The proposals must be submitted within a "definite and prescribed period of time."
      - It must comply with other rules, e.g., format, timelines. The Authority may reject untimely proposals.

   e. After selecting a proposal, the Authority will enter into a preliminary agreement with the proposed developer.
This gives the developer the exclusive right to negotiate with the Authority for the development agreement.

The preliminary agreement is not assignable.

f. Once the preliminary agreement is executed, the Authority will schedule a public hearing on the proposal and plan.

g. After public hearing, the Authority must take any one of the following actions which it deems appropriate:

- Execute a development agreement and give final approval
- Continue negotiations
- Disqualify the developer and repeat the process of selection, or repeat the process from the request for proposals step

h. If "satisfactory progress" is not being made to obtaining a preliminary agreement, a plan, or a development agreement, the Authority may take any one of the following actions:

- The Authority may use its condemnation powers
- Disqualify the selected developer and repeat the process from any of the remaining proposals
- Disqualify the developer and begin the process from the Request for Proposal step.

i. The developer must dedicate a "marketable real property interest in the convention center facility" at no cost to the State of Hawaii. "Marketable real property interest" is not defined.

j. The developer must manage, operate, and maintain the facility for two years following dedication, and turn over management to the Authority after the two year period.

2. Required Information in the Proposal
Among others, the following is required:

a. Private developer information

b. Documentation of developer's "property interest," and a demonstration that its property interest "will allow the private developer to commence, carry out, and complete all development within the convention center district . . . " Section 15-107-12(d)(1).
Does this expand upon the broad definition of property interest?

3. Selection Criteria

The proposals will be evaluated and reviewed using the following four criteria categories, none of which is favored over the other. Each category contains detailed criteria.

a. Private Developer Organization
b. Private Developer Status
c. Private Developer Qualifications
d. Merits of Proposal, which include:
   - Feasibility of the developer’s pro forma
   - Quality and feasibility of integrated development of land outside the District
   - Quality of the developer’s relocation plan
Queen Emma Foundation 
ringing in new priorities

By Sandra S. Oshiro
Advertiser Business Writer

The Queen Emma Foundation owns what may be the three hottest properties in Waikiki, but it has so little public recognition that mentioning its name can elicit shrugs from even the most knowledgeable.

That's going to change, according to its president, K. Tim Yee.

The foundation — land manager for Queen's Health Systems, parent company of The Queen's Medical Center and several other medical-related subsidiaries — is embarking on a "new era," a program to greatly maximize income from its valuable properties.

Although it will mean higher rents from lessees — some may say excessively high — Yee said the funds generated will go toward fulfilling the foundation trustees' vision of expanded medical services in Hawaii and the Pacific.

The foundation, less known and poorer than its parent companies, $3.5 billion in assets, has controlled 13,000 acres willed to Queen's hospital by Queen Emma, wife of Kamehameha IV.

Stunned by the high death rate among Hawaiians from Western diseases, the king and queen in 1855 raised money for a hospital that today is The Queen's Medical Center.

By charter, the beneficiaries of the queen's lands are the people of Hawaii.

Until now, income from the properties has been marginal. Many leases were established by 20 years ago at levels that

K. Tim Yee
An effort to maximize income

were proper at the time, Yee said, but which are drastically under market values today.

With leases coming due in the next 10 to 30 years, and development moving space in Waikiki, the foundation's new chairman, lawyer Robert Oshiro, wants to "proceed with haste" to increase income from the queen's properties, said Yee, recently promoted to his post.

Values have hit dizzying heights in Waikiki, where the foundation controls 18.5 acres. The most important of these is the land under the International Market Place, which the state has designated for a convention center.

Talks have already begun between the foundation and three leaseholders who hope to develop a convention center on the marketplace parcel and two adjoining foundation properties occupied by the Kuhio Mall and Coral Reef Hotel.

Yee said the lease under the marketplace runs until 2045, but there is a rent reopener in 1995. Rent is based on a formula that amounts to the fair market value of the property multiplied by the prime rate at the time minus 0.5 percent.

In establishing fair market value when rents are renegotiated, appraisers probably will point to the sale of nearby St. Augustine Church at Ohua and Kahaluu avenues. The 50,000-square-foot church property sold for $45 million, or $900 a square foot.

Lease rent on the marketplace property now amounts to 20 cents per square foot or $187,000 a year, Yee said. Compare that to the $5 to $10 per square foot that Yee said is charged by WDC Venture, operator of the marketplace.

(Leiolani Cobb-Adams, marketplace general manager, said the figures because the matter is in litigation, WDC is being sued by the state. The figures are too high.)

Yee said he could not say how much lease rent the foundation would like to get for the Waikiki property. That will depend on several factors, such as what specific use will be located on the land if a convention center is built and the impact on adjoining foundation lands, he said.

But it is clear that renegotiation of the existing leases could result in millions of dollars in additional income to the foundation over time — and eventually to the community in the form of better health care services, Yee said.

Other Waikiki properties owned by the foundation include land occupied by several Outrigger hotels and the Mira-Mar Hotel.

The foundation also controls 9,000 acres on the Big Island, some of it under lease to developers of the Mauna Kea Hotel.

Yee said the trustees would like to see the land developed so that it can produce higher income for the foundation.

Other foundation holdings include Halawa Valley land underlying the Cross Pointe residential project, Castle Park, Bougainville Industrial Park, Stadium Mall and the Halawa Business Park.

Yee said that while the foundation would consider selling its land, there remains a deep attachment to it because it is a legacy from Queen Emma.

In all of its dealings, he said, the foundation plans to act in a straightforward manner consistent with its desire to increase returns to the foundation.

"That doesn't mean people won't be unhappy. But we do have an obligation to do the best we can for the foundation. And we don't apologize for that," he said.

The foundation turns over its income to the Queen's Health Systems, which recently named businessman Kenneth Brown as its chairman. Malcolm MacNaughton, former Castle & Cooke chief executive, held the chairmanships of both the Queen's Health Systems and the foundation before his retirement.
Visitor center: Idea whose time may come

☐ The storm continues over a convention center that could become a white elephant

First in a series

By Lucy Young
Star-Bulletin

The controversial, sometimes emotional convention center issue is evolving into a modern-day parable of the blind men and the elephant.

Like each man who "saw" a different beast in his mind's eye, those close to the issue are drawing wildly disparate conclusions of what they see.

To Hawaii's hotel and visitor groups, the center is a long-caged animal that seems to be waiting to stalk new tourism territories.

To the two developers on standby, it's a necessary financial drain that will later turn nearby activities such as hotels, condos and retail into a cash cow.

To nearby residents, it's a development germ that threatens to plague and ruin the community.

To many government officials and legislators, it's also a political tug-of-war.

And finally, to some, it's an elephant all right — a white elephant.

Amid growing curiosity and confusion, two sites and development teams are trying to sell a "free" convention center to Hawaii.

Some say the state-backed International Market Place complex and the city-encouraged project for the old Aloha Motors site are locked in a race, with survival going to the swiftest.

But differences in facility size, expansion capability and management concepts prompt Thomas Mitrano, Hawaii Convention Park Council president, to say, "You're really talking apples and oranges."

For openers, the Market Place plan offers 210,000 square feet of exhibition space over two levels, the size of four Neil Blaisdell exhibition halls. That's nearly double the 120,000 square foot, one-level exhibition area proposed by First Development Inc. for the old Aloha Motors site.

"They're not really two peas in a pod," Mitrano said. "In fact, from this point of view, you've got two very different proposals. The Market Place one — on paper — looks more like it's trying to attack the market. The Aloha Motors one looks more like it's trying to work on its own internal cash flow."

Hawaii needs a center the size of the Market Place facility if it wants flexibility to attract the bigger conventions now eluding the state, he said.

See CENTER, Page A-6
CENTER: Idea whose time may yet come

Continued from Page A-1

A private developer will build the Market Place center, but the state will own and operate it for 10 years. First Development wants to keep the facility.

"We're a developer - not a developer - but owner," said Alan Goda, First Development attorney. "We want to make sure that the convention center finally functions the way we intended it to, and is used the way Mr. (Vuk) Salu wants it used, as a first-class center. The best way to keep it is that way is to maintain it ourselves."

Saru is the president of Dalich Fishman - parent company of First Development - which bought the fabled Tastay building in New York for $64.3 million in 1986. He paid about $60 million in February 1987 for the Aloha Motors land, intending to build a retail/business complex there.

The Market Place site, meanwhile, is under a long-term lease with landlord Queen Emma Foundation, and lease term runs until the center is built on the site. The principal leases with the foundation expire in years 2040 and 2050, and are held by Paul Trousdale, Herbert Hirata and Abern Whitfield.

The Yes, the foundation's chief operating officer, said the trustees will not comment on the Market Place project until they get more information.

And while they are willing to cooperate with the developers as much as possible, the trustees have a "perfecr duty to protect the interests of the foundation," said Arlene Kim Ellis, president of the League of Women Voters. "There's so much to talk about."

Normally, city land use rules allow hotels on either site. But the promise of a convention center alters both the Market Place team and First Development teams to ask for higher, one-story-tall hotels and hotel density.

"Without the convention center, we would not have the flexibility to develop that we do now," said Arlene Kim Ellis, president of the League of Women Voters.

Moreover, Trousdale won't be building the project if he doesn't make a profit, Konnoshima said. First Development is building the center to make sure the convention center isn't adequate, and some developers have told him that he'll make money on the project.

The concept plan also calls for a four-story hotel, the use of building space per square foot of land, which was suggested by any other place in the state. That comes out to 12 square feet per floor of hotel space per each square foot of land.

Moreover, the site is in the heart of the Waikiki Special Design District, a planning zone created by the city in 1980 to encourage development in Waikiki.

The Market Place project is rising on a tract granted by the state exempting it from county land use rules, much to the chagrin of the city. Konnoshima feared that his client will still have to justify the need for height and land use exceptions to the Hawaii State Convention Center Authority.

"It is somewhat unusual, but it is somewhat understandable," said Konnoshima. "We're going to be able to get the state to build on our land, and we're going to be able to build on the state's land."

The hotel is expected to be in the $300 million to $500 million range, Goda estimated.

The company is enjoying a warm welcome from residents, and is pleased with the number of whom remain bitter at the state for pre-empting county authority on the Market Place project.

While First Development technically lags behind in the convention center race, it has gone fully speed ahead with studies and emerged with a broader, more detailed vision of what it wants to build. It has won over some critics with its aggressive approach, showing off its state-of-the-art hotel with modern amenities and conference rooms. The estimate for the $300 million to $500 million range, Goda estimated.

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Just one center, please

Although no one wants to call it a race, something very like a competition is heating up over who will build a major convention center for Honolulu, and where.

After so many years of contention on a center site — and with some holdouts still unconvinced one is needed — it's ironic that Waikiki is now in "danger" of having two.

That won't happen in the foreseeable future, of course, for business reasons. But, as we've noted, Hawaii stands to benefit from competition between private interests who want to build a center.

So far, the state government and its convention center authority are committed to the 5.2-acre International Market Place site. Its chief virtue is being a 5-minute walk from 10,000 hotel rooms. But its location in the crowded heart of Waikiki is also a detraction.

The city government has backed the 10-acre former Aloha Motors site on Kalakaua Avenue across the Ala Wai from Waikiki proper. It's said to be 10 minutes on foot from 5,000 hotel rooms, which in the conventional wisdom makes it less inviting to convention-goers.

While the state's convention center authority is still getting organized after three meetings, the Japanese developer of the already vacant Aloha Motors site is on the "fast track" toward needed city permits to allow construction to start next year.

Neither location is "perfect," but the Aloha Motors site is looking better and better.

With more space it could hold a distinctive structure at the gateway to Waikiki. It too raises the specter of traffic tie-ups, but the developer is prepared to commit land to expanding Kalakaua and Kapiolani, which should help.

If the Aloha Motors site is the one, a modern "people-mover" connecting Kapiolani Park to Ala Moana Center with a stop at the convention center would not only help solve the center's transportation problems, it could free Waikiki of much bus and car traffic.

Governor Waihee remains committed to the state Legislature's choice of the Market Place site, as he must at this stage. He's also said the state might step aside if the city has a workable plan. That's the ticket for a good outcome.
Centers come up short on parking

By Andy Yamaguchi
Adviser Government Bureau

Neither of the two Honolulu convention center proposals has nearly enough parking spaces, the Chamber of Commerce of Hawaii says.

The state requires only 2,000 stalls at its proposed center at the International Market Place in Waikiki, but a minimum of 3,448 should be provided, the Chamber's Clifford Hanssen said.

The city-backed complex at the old Aloha Motors site is planned for only 3,000 parking spaces, but should have at least 6,320, Hanssen added.

Hanssen, an architect and head of the Chamber's convention center sub-committee, made his remarks yesterday at a City Council symposium on the competing convention center proposals.

Little new light was shed on the oft-discussed proposals.

As before, prospective developers of both sites said they are willing to build a "world-class" center at no direct cost to taxpayers, in exchange for permission to include a hotel/condo/retail complex that would exceed height and density limits.

Both developers expressed determination to pursue their projects regardless of what the other does. Both are awaiting government approval.

At the Market Place, Hanssen calculated that 3,448 stalls would be required under a city Waikiki Special District requirement of one stall per 800 square feet of floor space.

Only 2,000 stalls "could lead to serious parking problems for the entire complex and for the adjacent neighborhood," Hanssen said in written testimony.

Market Place center architect David Stringer said 2,000 stalls is the minimum required by the state's convention center law, and the developer would seek additional parking near the 5.2-acre site.

At the Aloha Motors site, city regulations require one parking stall per 400 square feet, or a total of 6,320, Hanssen said. He called the planned 3,000 stalls "an alarming deficiency."

Alan Goda, attorney for prospective developer First Development Inc., said, "We feel it (3,000) is adequate" but would "continue to look for more parking, possibly at the Veterans of Foreign Wars building across Kala-kaua Avenue."
San Francisco executive likes Market Place site

By Russ Lynch
Star-Bulletin

The International Market Place is the better location of the two choices for a new convention center, because of its proximity to hotels, according to the head of the San Francisco Convention and Visitors Bureau.

"Every time you put someone in a bus, the meter runs" and costs and inconveniences mount, John A. Marks said in the keynote speech yesterday to the annual meeting of the Hawaii Visitors Bureau.

If a choice has to be made, his personal opinion is that "it would have to be the Waikiki site, simply because of its hotel rooms," Marks told the more than 1,300 people attending the luncheon meeting at the Sheraton-Waikiki Hotel.

But, he said, that "doesn't mean that if the Aloha Motors site becomes the only site it wouldn't work." That, too, is a great location for a convention center, he said.

He praised convention business as a lucrative part of the visitor industry and said that conventions provide a steady fill-in when any one tourist market, such as the Japanese, slips for any reason.

"The yen can go up, it can go down" and that can directly affect the willingness of Japanese to travel, he said.

Booking conventions along the way creates "a very strong insulation against dramatic fluctuations in any one economy."

Marks also said that there should be no criticism of the fact that state money is going into a convention center that seems to benefit only one location, Waikiki. In fact, conventioneers and their spouses make side trips to other places and spend freely when they do, so the neighbor islands would benefit.

Maui Mayor Hannibal Tavares said after the meeting that he thoroughly agrees with that argument and believes that Maui would benefit from an Oahu convention center.

Yesterday's meeting was also told that the Waikiki Beach Operators Association has ceased to be an independent promotional body and has joined the HVB as its new Oahu chapter.

A. Maurice Myers, president of Aloha Airlines, was elected HVB chairman.
City says Marketplace convention center a ‘monster’

By Kevin Dayton

Honolulu Managing Director Jeremy Harris yesterday attacked the state’s proposal for a convention center at the International Marketplace, saying it would be a “monster.”


“The state is permitting developers to have more than five times the floor space normally allowed under city zoning for that site. That means there could be 3.1 million square feet of space built on 5.2 acres.”

Mayor Frank Fasi’s administration is pushing its own convention center plan, which calls for the center to be built on the old Aloha Motors site at the intersection of Kalakaua Avenue and Kapiolani Boulevard.

Harris, representing Fasi as the city’s top executive while the mayor is overseas, said the city has done its part to improve Waikiki — which he described as “the engine that runs Oahu’s economy.”

But Harris said he raised concern about the state and federal attack on Waikiki’s remaining open space.

“We are shocked that the Army, which helped save Fort DeRussy from a convention park, plans to build an above-ground hotel and multi-story parking complex on the site. “Waikiki needs a green public park — covering the whole of DeRussy mauka of Kalua Road,” Harris said.

Harris compared the relationship between the state and tourists to that of a grandparent — you can enjoy the children without having to work, and when they make a mess, you hand them back to their parents,” meaning the counties.

Harris repeated the city’s often-stated demand for a larger share of the revenue from the state’s hotel-room tax.

Harris asked the conference delegates to help the city obtain the hotel-room taxes collected on Oahu, and turned to Gov. John Waihee, who attended the conference, to directly suggest that he turn the revenues over to the counties.

“Don’t worry — you’ll still have plenty left over,” he told Waihee.

Harris cited past and planned city projects benefiting Waikiki, but he said the city is having problems finding money for additional work.

Harris said tourists cost the city about $63 million a year, but the money they pump into the economy “gushes into the state treasury, and trickles into our coffers.”

Waihee did not directly respond to Harris’ remarks when he spoke after the city managing director.

Waihee said a convention center remains important for Waikiki and that one would serve to stimulate and revive the area. But he also noted it was only one of many pressing issues facing the popular tourist destination.
WAIKIKI TOMORROW: A CONFERENCE ON THE FUTURE
SPONSORED BY WAIKIKI IMPROVEMENT ASSOCIATION

• Waikiki Tomorrow:
  • A Conference on the Future
  • Physical Environment Task Force
  • Social and Cultural Task Force
  • Economic Trends Task Force
  • Transportation Task Force
WAIKIKI TOMORROW: A Conference on the Future

OVERVIEW

Waikiki is a critical part of Hawaii's visitor industry and the State's economic base. In 1987, Waikiki, the State of Hawaii's major resort destination area, generated more than $3.6 billion of visitor expenditures. This was over half of the State-wide total. Waikiki also has approximately 33,000 hotel and condominium units or 89 percent of Oahu's 1989 total visitor accommodations. Besides being a major tourist destination, Waikiki is also home to over 30,000 residents -- making it the most densely populated area per square mile in Hawaii. All of these residents share with government and business the increasing concerns about Waikiki's future.

The Waikiki Improvement Association (WIA), a non-profit organization of businesses, residents, visitor industry and community organizations established to improve the physical environment of Waikiki has long recognized the need to develop a vision of Waikiki's future development and to assist in the coordination of these activities at all levels of government. In its long-term desire to give a reality to this vision, the WIA sought and the 1989 State legislature approved an appropriation to assist in the organization and convening of a Waikiki planning conference to be held on October 12, 1989. A formal report of its findings and recommendations will be submitted to the 1990 State Legislature.

GOALS

The goals for the conference are:

* To develop a comprehensive vision for the future of Waikiki; and,

* To develop recommendations for Waikiki to bring that vision to reality.

MISSION STATEMENT

Recognizing the importance of defining a shared vision of Waikiki's future, the planning conference will seek to have participation from all interested parties to formulate that vision. Areas to be discussed are: Waikiki's Physical Environment; Transportation Concerns; Social and Cultural Issues; and, Economic Trends.
REPORT of the Physical Environment Task Force
October 12, 1989

Chair: Donald W.Y. Goo, AIA
Wimberly Allison Tong & Goo

Co-Chair: Charles Ehrhorn, AIA, APA
The Estate of James Campbell

Writer: Eugene P. Dashiell, AICP
Planning Services
Executive Summary

Waikiki’s physical environment reflects a cap on hotel and housing unit densities caused by planning constraints intended to preserve the environment and residential character of the district. Private landowners of large parcels have tended to improve their properties while those with small parcels appear to defer improvements or maintenance because of zoning controls. The effect seems to be deterioration of smaller properties. At the same time, residential living is costly and unsuited to most families. Traffic congestion and related noise and air pollution are near intolerable levels. The pressure of the State’s economic growth and increasing reliance on tourism implies that Waikiki needs attention as an economic resource.

Waikiki’s daily population averages over 130,000 (27,000 residents, 38,000 employees, 71,600 tourists) and there are an additional but unknown number of persons from metropolitan Honolulu. Waikiki comprises 618 acres [roads (184 acres); resort Hotel (178 acres); apartments (111 acres); public (95 acres); resort commercial (50 acres)] allocated to 5 zoning precincts. It has about 32,600 visitor, and 14,500 residential, units. Buildings occupy a total of 24.7 million square feet. Approximate Floor Area Ratios are 1.6 for the combined Resort Hotel & Apartment precincts and 1.7 for the Resort Commercial precinct. Waikiki has 1.4 miles of beach between Ala Wai Harbor and Kapahulu Avenue.

The major issues are as follows.

1. Beach Improvements and Ocean Recreation
2. Management
3. Ala Moana Gateway/Ala Wai Harbor; Canal Clean-up/Fort DeRussy/Ala Wai Promenade
4. Open Space/Incentives; Land-Based Recreation, Sports, Maintenance and Upkeep
5. Infrastructure
6. Regulatory
7. Historical Perspective
8. Residents

Floor Area Ratios and Planning Data

In response to the existing density controls via the City’s Land Use Ordinance and its special district designation, Waikiki has reached an equilibrium comprised of roughly stable numbers of vehicles, street areas, hotel rooms, visitors and residents. The equilibrium is caused by physical barriers to further outward expansion (the ocean, parks, the canal), the existing special district regulations (building heights, setbacks, open space and parking), transportation problems (the
sheer number of vehicles, congestion, noise, and air pollution), and policies (maintenance of a residential community or population limits based on an estimate of overall carrying capacity). If all small lots were consolidated, perhaps only another 800 units could be added to Waikiki under existing rules. The Department of General Planning made a survey of floor areas for housing units and commercial shops in the district in 1982. The following graph and table show estimated floor area ratios (FAR = building floor area/lot area) based on total dwelling units as of 1985. The FARs shown here do not include street area so they are slightly higher than the true FARs.

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<th>Land Area, Built Area, and Estimated FAR: Waikiki</th>
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Population and housing stock data are based on two sources, the U.S. Census and Hawaii Visitors Bureau estimates. The table and chart shown below uses the best available numbers, but as is the case with FAR, above, the data should be looked at for trends, and not relied upon for major decisions.

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<tbody>
<tr>
<td>Residents</td>
<td>11,075</td>
<td>13,124</td>
<td>17,384</td>
<td>27,000</td>
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<td>Visitors</td>
<td>7,717</td>
<td>21,926</td>
<td>46,500</td>
<td>71,600</td>
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<td>Employees</td>
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<td>11,840</td>
<td>25,110</td>
<td>38,000</td>
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<tr>
<td>Total</td>
<td>22,959</td>
<td>46,890</td>
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<tbody>
<tr>
<td>Visitor Units</td>
<td>4,539</td>
<td>12,898</td>
<td>27,500</td>
<td>32,600</td>
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<tr>
<td>Res. Units</td>
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<td>7,415</td>
<td>9,800</td>
<td>14,500</td>
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<tr>
<td>Total</td>
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<td>20,312</td>
<td>37,300</td>
<td>47,100</td>
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<tr>
<td>Visitors per Unit</td>
<td>1.7</td>
<td>1.7</td>
<td>1.7</td>
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<tr>
<td>Residents per Unit</td>
<td>1.8</td>
<td>1.8</td>
<td>1.8</td>
<td>1.9</td>
</tr>
</tbody>
</table>
Receive the funds needed to realize this vision.

Be managed like the unique place it is.

Encourage public and private partnerships such as the maintenance teams.

Provide improved signage including information for historic and cultural values.

Improve the existing open spaces and make them more accessible.

Assure a strong residential component.

Range of Goals.

Visitors industry representatives to work together over time to implement long

Provide a means for landowners, Government, residents, design professionals, and

Reduce and reduce the coming decades.

Capitalizing on major opportunities to improve the area as much of Waikiki will be

on the Aloha spirit of the Islands.

Support development, as appropriate, of new industries and attractions.

Integrating Waikiki with downtown and Kakaako.

Provide a connection between Waikiki and the downtown area as an integral part.

This issue paper:

should:

A comprehensive plan to improve the attractiveness of the area for visitors and residents.

Visions

A physical environment and enhance the quality of life for residents and visitor alike.

Waikiki is a special resort place which deserves clearly defined guidelines to maintain its

Theme
Beach Improvements and Ocean Recreation

Issues/Problems and Solutions/Suggestions

The suit is a dominant theme in Walkers. Preservation of the suit is a paramount

Questions/Answers

Walkers area, but their green size may be smaller than is desirable.

second boundary.

The beach is not accessible and is often closed because of the

1920's between government and landowners. They do not use the beach because of the

added lot. Walker's beach is owned by the town, and the beach is

situations. The beach is poor because of the number of people walk and

play on the top or a wall which was called a wall that people walk and

situations are disastrous, such as the seawall at Hulbert Beach. Walker's beach is

situations and of preventing further erosion. Others are not. Some

result is a patchwork of physical structures along the shore. While some of these

are considered prior to the valuable of modern computer and physical modeling

Walker's beach is closed by reason of erosion, which were made before the 1920's.
The beach is not accessible and is often closed because of the

Walker's suit and ocean are some of the greatest attractions. In any

Walker's has 1 4 miles of beach between Alva Water and Harbor and Kapitoly Avenue.

{}
Strategies:

- There is an urgent need to restore portions of sand beach between the Waikiki Aquarium and Fort DeRussy. The 15th State Legislature has appropriated $1 million to the DOT Harbors Division for this project.

- We urge the State and abutting landowners to resolve issues relating to littoral rights and access by June 30, 1990.

- Improve the beach area by widening the beach as appropriate to continue an arc of sand, by providing a beachfront promenade, and providing landscaped accessways at regular intervals.

- Provide and maintain more open air shower areas; pleasant convenient public toilet and changing facilities; and sheltered places to sit and view the beach.

- We urge the State Department of Transportation to develop and implement a strategy for using the State appropriation to improve the beach as soon as possible to avoid the lapse of funding next year. Initiate engineering studies by December 31, 1989.

- We urge the community to identify and establish priority areas for phased construction of beach improvements.

- The State project area should be extended to the heliport and address the entire beach area.

- Waikiki Beach is actually famous because of the surf which is currently threatened because the sand placed by man on the beach is washing out and settling on the coral reefs, slowly killing them. Once the coral dies, the surf will be gone. The State should preserve, restore, and enhance present reef sites and study the possibility of additional reef sites for non-consumptive activity.

- The Waikiki Aquarium is a major asset to the community. It should remain in its present site. Additional funds are needed to enhance the Aquarium, as requested in the 1987 Master Plan.

Issue 2: Management

Because of the extremely high density of the population, the volume of visitation and the special needs which have evolved in Waikiki, there are management needs on a District (Waikiki Special District) level which the State or the City are not now meeting. Such needs include a more uniform maintenance and upkeep of along sidewalks, a more stringent policing of landowners for better maintenance, a tightening up of control on vacation rentals and sales, a review of property tax rates, control of vehicular access and possibly other matters. The goal is to make Waikiki more efficiently administered. A distinction should be drawn between the two poles of day-to-day management and normal city operations. It appears to be day-to-day management which is the problem, not normal city administrative functions such as public
works, zoning, transportation planning, life guarding and such. In this sense, Waikiki has very unique needs, unlike anyplace else in the state.

Strategies:

1. Consider the use of master maintenance contracts for maintenance and upkeep.
2. Consider establishing and regulating vehicles and deliveries within the District to decrease the congestion of delivery vehicles at present.
3. Encourage agreement and cooperation between government, landowners, planners and architects to develop methods for improved upkeep, maintenance and management.
4. Make Waikiki more available to pedestrians.
5. Encourage high quality street vendors, street musicians, and performance groups, open restaurants and shopping.

Issue 3: Ala Moana Gateway/Ala Wai Harbor; Canal Clean-up/Fort DeRussy/Ala Wai Promenade

As visitors enter Waikiki from the Airport via Nimitz Highway and Ala Moana Boulevard, they pass the beauty of Ala Moana Park. Could the landscaping be enhanced on the other side of the street, along Ala Moana Shopping Center, and also along the remainder of the ride into Waikiki? A significant opportunity is the proposed improvement to Fort DeRussy.

Ala Wai Harbor has 663 berths and 39 other mooring spaces. There is a waiting list of about 1,100 for a berth. Other harbors on Oahu have vacancies, but the Ala Wai is popular. Expansions of berthing areas proposed in the past have not been approved because they would have adversely affected surfers. Ala Wai has also been suggested as a site for a water taxi to the Airport or to Waikiki.

The U.S. Army proposes to construct a second hotel adjacent to the Hale Koa with 396 rooms and two parking structures (1,400 and 1,200 stalls). The hotel would be built at the site of the existing Turner Hall. The parking structures would be built over the existing paved parking lots. Construction is planned to begin in 1991. The estimated cost today is $80.0 million. A draft Environmental Impact Statement is nearing completion for the project. The Army also maintains sand at the DeRussy Beach on a periodic maintenance basis. Design and landscaping of the parking structures for the new hotel will affect the Ala Moana Gateway.

The Ala Wai Canal was originally envisioned as a clean and more useful body of water. It was to have had tide gates at the Kapahulu end to allow seawater to enter the canal for improved flushing. At this time, the Canal serves as an urban drainage sump for the runoff from the urban areas between the canal and the Koolaus. The canal has gradually filled with silt and debris. Fishermen are warned not to eat crabs or fish from the canal and swimming is not advisable.
The Ala Wai Boulevard north (mauka) of Kalakaua Avenue has become uncomfortable for pedestrians due to the speeding traffic, congestion, noise and exhaust fumes. The Canal side of the boulevard is narrow and not well shaded for pedestrians. The sidewalk on the Ocean side of the boulevard is narrow and crowded by buildings. The canal is an element of a legendary vista. It is a desirable open space providing beauty and tranquility inspite of Boulevard traffic. The canal has filled over time and does not meet the needs of recreation users as it might. It appears too shallow, has poor circulation, and debris is not caught at the mouths of Manoa- Palolo and Makiki Streams. The debris trap at the Ala Wai Harbor end of the canal is not fully effective. Better circulation is required.

Strategies:

- Improve and extend the Ala Wai Canal as part of an inland waterway transit system connecting Waikiki with Honolulu Harbor through Kewalo and Kakaako to Keehi Lagoon.
- Provide an improved connection to the Airport along Nimitz Highway so that it is landscaped and beautified.
- Use the Ala Wai as a transportation corridor for non-motorized vessels.
- Consider opening up an ocean connection at the Diamond Head end of the canal recognizing the engineering difficulties this may pose.
- Sculpt and enhance the banks of the Ala Wai Canal, add height, width, planting, rest and view points.
- Clean up the canal and the yacht harbor by using siltation basins, improved flushing, natural drainage outlets, and education programs for residents of Manoa and others who may be contributing to the trash problem.
- Provide a promenade along both banks of the canal and an improved canoe club facility.
- Improve the peripheral areas around the Ala Wai Yacht Harbor with landscaping and extend public access and use as an asset for the area.
- The Ala Wai Canal vista has not achieved its potential — it is not clean or beautiful enough. Planning for Waikiki should consider the mauka side as an integral part of the Canal.
- Fixtures and other structures stand in the way of use of the Ala Wai promenade; removing these barriers will improve the quality of use of already existing open spaces.
- A bridge over the Ala Wai whether for vehicular or pedestrian traffic is controversial.
- There should be increased landscaping, a sidewalk through Fort DeRussy, a catchment basin at Palolo drainage canal and Manoa stream and a pedestrian bridge connecting Ala Moana Park with the Ala Wai Promenade.
The trash compactor at the Ala Moana gateway should be removed.

The helicopter landing pad near the Ala Wai Yacht Harbor should be relocated outside urban Waikiki in accordance with the policy statement adopted by the Waikiki Improvement Association.

**Issue 4: Open Space/Incentives; Land-Based Recreation, Sports, Maintenance and Upkeep**

Open space and landscaping seem inadequate within Waikiki. Although Waikiki is surrounded by open space (ocean, mountains, Ala Wai Canal and Golf Course, Fort DeRussy, Ala Moana Park, Kapiolani Park) within Waikiki there are only four small city parks which comprise a total of about 30,000 square feet or about one tenth of one percent of Waikiki's 618 acres. Planning goals for Waikiki are intended to foster a sense of openness and beauty, but the net effect of the built environment is a shortage of internal open space. In some cases, landscaping could substitute for open space and sidewalk widenings and building setbacks have helped.

Major external open spaces are Kapiolani Park, the Ala Wai Canal and Golf Course and the views across them of the mountains and the beach at Waikiki. Fort DeRussy and Jefferson Elementary School may offer opportunities for open space, although these are still at the periphery of Waikiki. The area most at risk of loss appears to be Fort DeRussy. There appear to be small-scale opportunities to provide for landscaping on corners and isolated slivers of land such as medial strips, bus stops, and private yards.

To some extent, the International Market Place has provided a kind of open space in Waikiki although in recent years it has become more densely leased to shops. Replacement of the Market Place with a Convention Center may be an opportunity to build in open space at ground level, perhaps following the lead of the Royal Hawaiian Shopping Center across Kalakaua Avenue.

Recreation is intense throughout Waikiki by visitors and Honolulu residents as well. There are several areas which might be considered for improvements which could be coupled with open space needs as well. Waikiki hosts many sports: Jogging, soccer, softball, golf, cycling, and others. Some of these take up large land areas, most are uses which center on the parks and open spaces available there.

**Strategies:**

- Develop amenities, walkways, plazas, shopping, activities and planting at upper levels of the built environment, especially along Kuhio Avenue and longitudinal corridors.

- Widen sidewalks, especially along Kuhio Avenue, reduce lanes at most through streets and consider closing selected smaller streets to create pedestrian malls.

- Provide attractive planted pedestrian paths through blocks and to beach, Ala Wai, Ala Moana, and Kapiolani Park.
Protect and improve green areas surrounding Waikiki and provide improved access between Waikiki and these areas including the golf course, playing fields, and the park mauka of the Ala Wai.

Maintain Kapiolani Park and keep it as open space while improving the quality of its facilities.

Provide new facilities such as a hula halau, a Hawaiian cultural center, an open air theater, a landmark facility for canoe clubs.

Any convention center should give open space and outdoor activity opportunities to the area and its design and construction should consider impacts on residents, the community, and the environment.

Remove city trucks and maintenance storage areas near the parks as they take up valuable open space.

Lobby to maintain Fort DeRussy for open space use.

Develop and maintain pedestrian and bicycle access over the Ala Wai Canal.

Establish and use density transfer provisions to secure additional open space.

Increase landscaping on major streets such Ala Wai, Kalakaua, Kuhio. Establish distinctive landscape themes by street or location.

Establish and maintain a promenade along the Ala Wai Canal.

Develop and maintain a green belt link from Waikiki to Ala Moana Park and the waterfront.

Keep Jefferson School property in open space use if it becomes available.

Develop an internally linked system of public and private open spaces.

Mass transit proposals must consider open space needs in Waikiki.

Maintain current Land Use Ordinance setback requirements.

Amend the Land Use Ordinance to permit commercial mixed use along Kuhio so that front setbacks become accessible.

Adopt policy statements encouraging consolidation of small properties to create greater opportunity for meaningful setbacks.

Amend laws to require a specific percentage of the room tax be earmarked for Waikiki beautification and landscaping.

Expand participation in adopt-a-park program to involve more area businesses.
o Establish landscaping beautification awards program similar to Campbell Industrial Park.

o Use improvement districts to establish and maintain a Waikiki area landscaping program.

Issue 5: Infrastructure

Many improvements have been made to infrastructure (roads and sidewalks, water supply, sanitary sewers, storm drains, electrical service, telecommunications, gas) in recent years. In general, Waikiki does not have serious infrastructure problems at present although the majority of Waikiki is in a flood hazard zone due to tsunami risks. One major problem related to transportation as well, are streets, roads, parking and vehicular traffic -- they are approximately adequate for today's needs. If there is to be a significant increase in population in Waikiki, the sanitary sewer system would require substantial upsizing and replacement in the main transmission lines.

The water system would also require upsizing and replacement of main transmission lines. It is possible that a major increase in water requirements in Waikiki would compete with similar needs on Oahu. In this context, limits on per capita water consumption in visitor units could be sought by the Board of Water Supply. This should not imply that there are insufficient supplies of water for major growth, but that innovative technology will probably be required in future years on Oahu to optimize per capita water consumption in relation to supplies. Storm drainage has been greatly improved in recent years. This is not likely to be a major issue in the future. There is a nagging problem with debris in the Ala Wai Canal which is transported by incoming streams. There is a debris trap at the mouth of the Ala Wai but it is not as effective as it should be. Ideally, debris should be caught at the incoming stream mouths as well. Electrical service and telecommunications have kept pace with requirements in Waikiki and, given adequate lead time, can provide services for substantial growth. At some locations, there is still a need to place these services underground.

Strategies:

o Reduce traffic and on-street parking in Waikiki, reduce road widths to favor pedestrians, reduce available parking in the area, and provide alternative methods of getting into and out of Waikiki.

o Provide a quiet, efficient, local transit loop within Waikiki and connect Waikiki with Manoa, Kakaako, and the downtown area with efficient transit and green corridors.

Issue 6: Regulatory

The key regulation affecting Waikiki's physical environment is the Waikiki Special Design District (WSDD) which is part of the Land Use Ordinance. The WSDD has evolved as a means of implementing the plans agreed to over the years for Waikiki which culminated in the Waikiki 2000 Plan. The effect of the WSDD has been to create a sort of frozen situation or equilibrium. In one sense, the present Waikiki is a planned community in that it reflects an effort to maintain a sense of place for residents, a flavor of the tropical environment, preservation of the shoreline and surf, and preservation of
view planes for persons outside of Waikiki looking across it towards the ocean from the urban areas surrounding it. In this sense the WSDD has succeeded – it has held the line against development pressures.

Strategies:

- Modify regulatory controls to promote good design and support a unified master plan for the area.
- Encourage a varied skyline rather than blocky shaped structures that wall-off views.
- Encourage a diverse streetfront with pockets of open space and plants occurring at intervals at the interior parts of lots.
- Provide incentives for creative use and greening of required open space and setbacks.

Issue 7: Historical Perspective

History in Waikiki is an integral part of the romance of tourism there. Movies, songs, promotions have all created a mass concept of Waikiki which has been internalized by visitors from around the world. There are historic physical features, open space, buildings and events which can still be experienced in Waikiki, but the visitor must go to great lengths to search these out. Historic and cultural themes have been used in other visitor destination areas to enhance the experience. Such things as historic building markers, self-guided historic and cultural walks, museums, publications. Many of these elements are present in a small way in Waikiki and some property owners have gone to great extent to restore historic buildings. The Waikiki Special Design District reflects history in its efforts at maintaining views of historic features.

Strategy:

- Preserve and improve historic structures for public use.

Issue 8: Residents

There are over 25,000 residents in Waikiki, less than the number of employees there. Some of the residents work in Waikiki, and the statistics to show the exact amount of these persons are apparently not available. The residential environment appears to be evolving towards more costly units (which would seem to rule out many tourism workers or young families), or towards dilapidated structures (which appear to cater to short-term transient single tenants). Because of the apparent transition in the District away from family living, there no longer appears to be a need for schools and other public facilities which support families. Instead, there may be a need for facilities to assist older residents. Hotel management wants a residential community because they feel that the community provides a better climate for visitors.
Strategies:

- Protect and encourage residential uses of Waikiki as the mix of residents and tourists is highly desirable.
- Continue residential area zoning controls or provide for a proportion of residential mixed use area zoning.

Key Past Recommendations

1981

**Waikiki 2000 - A proposal to revitalize Waikiki.**
This is the definitive conceptual plan in effect in Waikiki. The goal of this plan was to return Waikiki to a more pedestrian-oriented place by providing malls and walkways, reducing traffic congestion, upgrading infrastructure, and generally beautifying Waikiki. Many of the goals have been achieved through a variety of improvement projects, especially those related to much-needed infrastructure upgrades. Needs not yet met, but scheduled, relate to further reduction of traffic congestion, increased beautification, park improvements, and an improved environment for pedestrians. The planned improvements, when completed in the 1990's will probably not have kept pace with the growth and change now projected in Waikiki, especially with a planning timeframe of 2005.

1960's

**Waikiki Beach Restoration**, U.S. Army Corps of Engineers. The goal of this plan was to provide a basis for the construction of a wider and more stable beach along Waikiki. Planning included recommendations to demolish the Natatorium and widen Waikiki and Kuhio Beaches. The goal of this plan is still appropriate today, widen and stabilize the beach at Waikiki. However, the methods and conclusions of the early planning could benefit from a coastal engineering review using modern computer modeling techniques. There are possibly some structural solutions which, along with sand replenishment, could improve the beach without harming it, which was a widespread concern earlier.
REPORT
of the
Social and Cultural
Task Force
October 12, 1989

Chair: Dr. Richard Kelley
Outrigger Hotels Hawaii

Co-Chairs: Dr. Joyce Tsunoda
Chancellor for Community College
Max Sword, Assistant to the CEO
Outrigger Hotels Hawaii

Writer: John Knox
Community Resources, Inc.
INTRODUCTION

Waikiki's streets and beaches are shared by

- Six million tourists (over 60,000 every day);
- Over 30,000 visitor industry employees; and
- A complex residential community of 25,000 -30,000 people.

In many ways, Waikiki's visitors are the State's visitors -- half the State's visitor units are in Waikiki, and Waikiki is typically the first stop for visitors who go on to other destinations in Hawaii.

However, Waikiki's visitor mix is changing -- the proportion of Mainland U.S. residents will go down as the number of European, Japanese, and other Asian visitors increases in the next few years. Some forecasters believe 50% of Waikiki visitors will be Japanese within a few years.

Waikiki employees are perhaps more likely than those anywhere else in Hawaii to be at work evenings and weekends, as well as regular daytime hours. There are no recent surveys of the Waikiki workforce in general. However, a 1987 statewide survey of unionized hotels indicates visitor industry workers are proud of their jobs, fairly satisfied with their pay, but are not sure they have good chances for advancement (Table 1, end of paper).

Various sources suggest that visitor industry jobs in general (and perhaps Waikiki jobs in particular) are being taken by increasing numbers of immigrants.

Census data (Table 3) show Waikiki residents differ from Oahu's overall population in a variety of ways. They are more likely to be Caucasian, older, more educated, born outside Hawaii, and to have moved here recently. Particularly when part-time residents ("snowbirds") are taken into account, the income gaps between various types of Waikiki residents are striking. The population includes the very wealthy and the very poor, as well as retirees who are trying to live on fixed incomes in the face of rapidly escalating housing costs (Figure 1, end of paper).

Statewide surveys indicate Waikiki residents are among the most likely to complain about problems of congestion, traffic, crime, and pollution. However, many Waikiki residents are going through transitional phases in life. While 33% feel they will
likely move out of Waikiki soon, this is usually due to personal factors rather than dissatisfaction with Waikiki (Table 2).

Thus, Waikiki is socially in a state of constant change. But the quality and direction of that change is crucial, because Waikiki serves as Hawaii's gateway for tens of thousands of new visitors, new workers, and new residents.
SOCIAL AND CULTURAL ISSUES

Issue #1. Historical/Cultural Character of Waikiki

Background:

Hawaii residents want to feel that tourism enhances, not threatens, the unique aspects of Waikiki and Hawaii. And tourism experts from around the world consistently warn that the long-term security of our major industry lies in marketing something unique to Hawaii, rather than a sun-drenched fantasy which could be re-created in any tropical setting.

As our visitor mix becomes more international and our physical environment more high-rise, how much should we look to Hawaiian and Hawaiian history for a unique "sense of place"?

Waikiki contains several historic sites, but these are largely unknown to residents and visitors. Graceful hotels and marketplaces with a nostalgic theme give visitors some sense of Waikiki's past, but Kamehameha I's landing site and royal residences such as Aina nau are not well marked. No co-ordinated historic trail or marker system for Waikiki has been created.

Is this important to visitors? It is difficult to say, because there is a need for improved survey data on what visitors most value about Waikiki in particular. HVB questions have been about Hawaii or Oahu in general. Mainlanders have valued Hawaii more highly for "outdoor fun" than for "discovering our heritage." Japanese visitors have also emphasized Hawaii's natural beauty, rather than our people or history.

- Police officers report the most common visitor complaint about Waikiki involves "absence of real Hawaiian.

- Yet, museums and other commercial efforts based on Hawaiian history have failed or done poorly.

Proposed Strategies:

(1) Request Kapiolani Community College's Interpret Hawaii Program to compile an inventory of Waikiki's existing historic/cultural resources, and arrange for its dissemination to hotel activity desks and tour organizers.

(2) Ask the Legislature to fund a planning effort by the Waikiki Oahu Visitors Assn. and/or the Waikiki Improvement Assn. to increase the level of visible Hawaiian and/or unique Hawaiian ambience in Waikiki. The effort should focus on
events or physical characteristics which are commonly visible and accessible, free of charge, to both residents and visitors:

- Public amenities like markers, monuments, fountains, etc.
- Promotion and coordination of walking tours.
- Incentives or requirements for physical design of buildings incorporating features of Hawaiian.
- Other festivals or celebrations featuring native Hawaiian history or culture -- e.g., Aloha Week Ho'olaulea.

(3) Though the principal focus should be on Hawaiian, the planning effort should also examine ways to increase the Waikiki visibility of Hawaii's multi-cultural background:

- Regular events combining education, entertainment, and culture -- along the lines of the Smithsonian's recent Hawaii exhibition in Washington D.C. Each event can feature a different island culture.
- Occasional free street entertainment featuring Hawaii culture dance, song, or other performance art.
- Zoning or tax incentives for commercial activities with a strong multi-cultural theme (museums, small theme parks, restaurants featuring authentic local cuisine, etc.).

(4) Waikiki's multi-national visitor mix should be treated as an asset in marketing. Request the State DBED and HVB to consider the feasibility of marketing themes which emphasize multi-cultural backgrounds of both residents and visitors.

(5) Through the Waikiki Improvement Assn., encourage Waikiki businesses to minimize use of foreign-language advertising signs. Look for discreet alternatives, such as national flags or logos, to indicate what languages are spoken.

(6) Request the City Department of Transportation Services to use international symbols for Waikiki traffic and directional signs.

(7) Request the Hawaii Visitors Bureau to gather, analyze, and disseminate data on reasons that visitors are attracted to specific Hawaii resort areas -- including Waikiki.
time for programs involving visitor contact -- e.g., walking

walks. Residents are the ones to answer questions about relevant attractions and amenities.

(3) In Waikiki,

out-of-state people about Waikiki residents as well as

encourage Waikiki regularly to tell Waikiki residents what is

Improvement Association's "block party." anything which just seems like fun -- e.g., the Waikiki

Jubilee.

faces of the planned Waikiki Martime Center, Waikiki

events focusing on the beach or ocean -- e.g., canoe

(2)

Proposed Strategies:

is just for tourists -- we're not welcome anymore.

is part of a Waikiki: (1) transportation, or

fficult barriers have to do with parking, transportation, or

there is reason to think that the greater resident concern

Proposition (park) and for restaurants, movies, and nightlife.

restaurants, or Waikiki (beach, restaurant)

because it is too "touristy." But carefully is still home to

Many Waikiki residents complained that they dislike Waikiki

visitors fail to show respect and courtesy.

(3) more rarely, they feel they are "taking over" from residents, or

recent state surveys suggest that residents generally like

Visitors can seriously harm tourism.

and the flip side is a powerful concern: resident unpopularity

visitors are usually delighted when they do meet residents,

are more concerned about Hawaii's "sun and surf" than its people.

Already noted, available evidence suggests that visitors

Background:

Issue #2: Improving Resident-Visitor Interaction in Waikiki.
tours, information booths, the USO Center at Ft. DeRussy, etc. See Issue #4, Strategy #1 for a proposal which would include this potential in a wider study of Waikiki retirees' needs and contributions.

Issue #3: The Role of Waikiki Residents

Background:

Life in Waikiki grows more costly every year. Many residents are concerned they will soon be forced out of Waikiki by rising prices and the growth of the visitor industry.

Longtime residents tend to be older adults, and many are on fixed incomes. For renters, rising housing costs are a problem, while condominium owners are concerned that the conversion of rental units to visitor use could change their buildings and nearby areas substantially.

Politically, there is sometimes a feeling that Waikiki is a visitor destination and "shouldn't" be treated as a residential area. Also, few Hawaii-born or Waikiki-born residents are left in the area; most residents are Mainland-born. Some have been here for decades, but political decision makers still tend to see Waikiki residents as newcomers and outsiders. This tendency will grow if more foreigners become full- or part-time residents.

Occasionally, residents and the visitor industry have different interests. The basic difference between residents and the industry is that residents are more cautious about change, while hotels and landowners are more willing to invest in private or public improvements which will upgrade Waikiki's visitor market and its land values.

Otherwise, residents and the industry have many common interests -- e.g., basic public services, public safety, etc. However, there is a need for more political cooperation between resident and industry organizations than has occurred to date.

Proposed Strategies:

(1) All major Waikiki resident and business groups are urged to form a "Coalition of Waikiki Organizations." This would be a forum for communication on topics where there are differences, and a unified lobbying group on topics where there is consensus. The Waikiki Improvement Association and the Waikiki Neighborhood Board are requested to take the lead in organizing the coalition.
(2) The Conference is committed to the principle that residents must remain a part of Waikiki. It would oppose any changes in the land use system which would threaten Waikiki's residential character.

Issue #4: Health and Aging Concerns

Background:

The Waikiki Health Center reports that Waikiki is generally a very healthy community. There is a growing concern about AIDS within the underclass (prostitutes and IV drug users), and about 20% of the homeless have some mental confusion -- the same or a little less than the proportion estimated for homeless elsewhere.

However, both the Health Center and the Waikiki Community Center suggest that the elderly are a particular focus of concern. Both the resident and visitor populations in Waikiki have high proportions of older people.

Some of the concerns are medical: disease, frailty, etc. But there is also the problem of social isolation for older residents who have no family network here and may become "shut-ins" when they become sick or frail. And elderly residents are particularly likely to be living on fixed incomes; hence, particularly likely to be affected by rising taxes or rents. Small apartment buildings appropriate for co-operative living by the elderly are on the market, but agencies have difficulty in helping people acquire or adapt them.

Some concerns are physical: Efforts at Waikiki renovation and beautification need to be be planned with the needs of an aging population (for access ramps, shade, and benches in open areas) in mind.

On the other hand, Waikiki's retired population (including part-time residents) constitutes an asset which is not always well utilized by society. Still-vigorous retirees could work in part-time Waikiki jobs if they were more aware of them, and/or could volunteer their time to worthy projects if some communication network could be put in place.

Proposed Strategies:

(1) Ask the Legislature to fund the Governor's Executive Office on Aging in a careful study of the elderly (full-time residents, part-time residents, and visitors) in Waikiki and other resort areas.
The study should address both special needs/problems (e.g., medical, social isolation) and also their full human resource potential to society (volunteerism, part-time labor force).

A product of the study should be an action plan for better integrating resident volunteers in resort areas with visitor industry needs (including information services for visitors) and with civic projects in the wider community. This component should be worked out in consultation with the Waikiki Community Center and Health Center.

(2) Encourage nonprofit and government housing agencies to acquire, or help older residents to acquire, small apartment buildings in or near Waikiki which are appropriate for cooperative living by the elderly.

Issue #5: Crime, Prostitution, and Drug Use

Background:

High-density urban resort areas naturally attract crime, but crime is severely detrimental to both the visitor industry and resident quality of life. Waikiki has one of the highest crime rates in the state. A recent survey found that nearly 50% of Waikiki residents were afraid to walk in certain nearby areas at night -- the highest percentage in the state.

There are just 12 police beat officers in Waikiki during any one shift. Waikiki has only a police sub-station -- the daily roll call is held at the Pawaa Street Station now. In 1991 it will be even further from Waikiki, at the new Alapai Street station downtown. The City and County has looked for a police station site in Waikiki, without success.

Waikiki police discourage both youth gang activity and prostitution by "proactive" policies -- i.e., relentless prosecution of even the most minor infractions by such people. They report success to date in minimizing gang activity, but frustration in the effort to keep prostitutes off the street.

Social workers estimate there are up to 100 prostitutes on Waikiki streets during peak season weekend or holiday evenings, plus 10-15 transsexuals. About two-thirds are imported from the Mainland (generally on a rotating basis), and about half of these are adolescent runaways who were recruited in large Mainland cities. Many are involved in thefts from customers, and
virtually all are involved in drug use of some variety. (NOTE: The foregoing omits consideration of prostitutes associated with escort services; less is known about them. The 1989 Yellow Pages lists 30 Oahu escort services, though some are believed to be overlapping companies and to use the same set of prostitutes.)

Street prostitutes are run by a dozen or more pimps, who reportedly are heavily involved in drugs and make about $10,000 per month per girl to support their habits. Most of these men appear to have come from Mainland urban ghetto areas.

Both hotel managers and union officials report that drug use and drug dealing have been growing problems among employees. They believe drug dealing has to some extent moved off the streets and into hotels, restaurants, and taxi cabs, where it is harder for police to detect without specific complaints. Waikiki police received more than a dozen complaints of hotel worker drug dealing during the summer of 1989. In the current labor shortage, employers hesitate to fire workers for "minor" drug infractions.

Crack, other types of cocaine, crystal meth, and LSD are increasingly common in Waikiki. There are anecdotal reports that young Asian (as well as Mainland) visitors are buying drugs.

Proposed Strategies:

(1) The Conference urges the City and County of Honolulu to establish a full-scale police station in Waikiki as a top priority. More street police are also needed.

(2) The Conference encourages Waikiki police to continue the "proactive" policy for street gangs and prostitutes, and to expand this policy to pimps.

(3) Police and/or the Legislature are requested to study laws and programs of other cities (e.g., Las Vegas) where street prostitution has been successfully controlled, with an eye to tighter laws/programs for Honolulu.

(4) The Alternative Dispute Resolution arm of the judiciary is requested to convene a gathering of local judges to see if some more uniform approach to sanctions against prostitutes will be acceptable, if properly carried out.

(5) Prevention and counseling should be the main response to employee drug problems, but these will work only if employers also get tough with chronic drug abusers. The Conference urges both management and labor unions to accept the need for
drug testing of workers in key safety positions (e.g., cooks, engineers, drivers, etc.).

Issue #6: Worker Self-Esteem and Knowledge of Hawaiian

Background:

It is important that tourism workers exhibit pride in both themselves and Hawaii. This is important both for the quality of the visitor product and the quality of our own lives.

In some cases, the previously discussed drug problem may reflect low worker self-esteem (particularly among less educated employees) and/or cultural conflicts with managers or visitors.

Drug issues to the side, the current labor shortage is providing more tourism employment opportunities for "marginal" or "disadvantaged" residents. But such workers are not always picking up the basic skills and work habits needed to keep their jobs when the economy turns down again.

Recently, some employers have become more open to innovative approaches to recruitment, hiring, and retention. The Po'okela program (organized by Dr. George Kanahele through the Waiaha Foundation) has been successful in reducing turnover, lowering absenteeism, and reducing grievances at the Kaanapali Beach Hotel for the past two years.

The program integrates Hawaiian values in the workplace, for both workers and management. State matching funds are available to implement such programs in other hotels.

Additionally, the UH Community Colleges have been working with various properties, such as the Embassy Suites on Maui, to develop training programs aimed at employees and with disadvantaged people, focus on self-esteem.

Proposed Strategies:

1. Request the Hawaii Hotel Association to work with the State Department of Labor and Industrial Relations (DLIR) to increase employer awareness of resources and approaches such as the Po'okela program.

2. Ask DLIR and the UH Community Colleges to develop State-funded counseling programs to help marginal tourism workers consolidate their gains by firming up work habits and developing basic skills.
(3) DLIR is requested to evaluate whether training in Hawaiian constitutes a "basic skill" for the visitor industry, which would qualify for State and Federal training funds.

Issue #7: Labor Supply

Background:

Unemployment rates below 3% on Oahu indicate, in effect, full employment. All industries have a problem finding and keeping employees. Importation of new workers will be difficult due to national demographics and high local housing cost.

Neighbor Island resort areas are already heavily affected by the labor shortage, and Waikiki/Oahu will soon join them. The service industry jobcount on Oahu is expected to grow three times as rapidly as the population (to reach a total of 146,700 service jobs in 2010).

Negative Hawaii resident stereotypes about tourism jobs could particularly affect Waikiki. Surveys show residents (including visitor industry workers themselves) believe most tourism jobs offer poor pay, poor work hours, and little chance for advancement.

The truth of these perceptions is bitterly debated. Many statistics indicate that tourism workers, on average, do receive relatively low pay. However, these statistics ignore substantial tip and commission income earned by many visitor industry workers.

The University of Hawaii, through Travel Industry Management (TIM) program and the Community Colleges, has been involved with education and training of the labor force. TIM has trained many island-born managers. The Community Colleges have been involved in pre-service training, in-service upgrade training for existing employees, and pioneering programs on worker attitudes such as the one created jointly with the Hawaii Visitors Bureau, "The Island Way." There have also been a number of programs aimed at improving the skills of mid-managers.

The Community Colleges (particularly Kapiolani Community College) offer a wide variety of training programs for visitor industry workers, including short-term and customized training for those already in the workforce. These training programs need to expand into efforts on worker attitude development and promoting the Aloha Spirit in the workplace.
Proposed Strategies:

(1) The Hawaii Hotel Association is urged to expand its "Adopt A School" program, possibly to schools with younger students, in order to assure exposure of visitor industry job opportunities and career ladders.

(2) The State Tourism Training Council in DLIR should work closely with the Waikiki Oahu Visitors Assn. to bring together existing training services (such as those at Kapiolani and Honolulu Community Colleges) for pre-service and in-service training of the labor force.

Areas to be considered are worker attitudes, promoting Aloha Spirit in the workplace, and practically-oriented communication skills with foreign workers.

(3) The Conference urges Hawaii's top managers and chief executive officers -- both within and outside the visitor industry -- to create a blue-ribbon task force to address the issue of labor supply.

(4) The University of Hawaii's TIM School and Community Colleges should offer Japanese and other foreign languages, along with appropriate courses on English language and cultural orientation for the immigrant labor force.

Issue #8: Need for Family Support Programs

Background:

In focus groups for the 1989 State Child Care Needs Assessment, employers reported that hotel workers' productivity is often impaired by lack of child care (especially infant/toddler or sick child care) and, increasingly, lack of elder care resources for aging parents of workers.

Service industries require substantial evening and weekend work, which can interfere with caring for dependent family members. The State's 1988 Tourism Impact Management Survey found that 66% of self-described "visitor industry" workers (and 70% of workers living in Waikiki) usually worked evenings and/or weekends.

The Waikiki Community Center has a longstanding day care program and is now beginning infant/toddler care. Waikiki hotels have grown increasingly interested in supporting child care. However, workers with infants and toddlers, and workers with evening or weekend hours, tend to want family-based care for their
children; others are more interested in preschool situations. This suggests the value of cafeteria benefits plans -- except that many family home care programs are "underground" and dispense with record-keeping and receipts needed for such plans.

Proposed Strategies:

(1) The Governor's Office of Children and Youth and the Executive Office on Aging are asked to focus studies and programs on Waikiki and the visitor industry in general.

(2) The Waikiki Community Center is willing to make its facilities available to an independent operator willing to provide evening or weekend child care. The Waikiki Improvement Assn. and Hawaii Hotel Assn. are asked to inform Local 5 and all member of the Council of Hawaii Hotels, to determine if these organization or any of their members are willing to follow up.

(3) The DLIR's Commission on Employment and Human Resources is requested to prepare a manual, oriented to the visitor industry in particular, on various options to increase family support (including employee benefit packages).
### TABLE 1: HAWAII TOURISM WORKER ATTITUDES TOWARD THEIR JOBS

<table>
<thead>
<tr>
<th>Job Satisfaction, Pride</th>
<th>Agree/Yes</th>
<th>Disagree/No</th>
<th>No Opinion/Don't Know</th>
<th>(No Response)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like my job.</td>
<td>88%</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Most employees at my hotel don't like their jobs.</td>
<td>17%</td>
<td>51%</td>
<td>29%</td>
<td>3%</td>
</tr>
<tr>
<td>I am proud to work in the hotel business.</td>
<td>87%</td>
<td>4%</td>
<td>5%</td>
<td>1%</td>
</tr>
<tr>
<td>Most employees of this hotel have a sense of pride about their work.</td>
<td>71%</td>
<td>16%</td>
<td>9%</td>
<td>3%</td>
</tr>
</tbody>
</table>

### Attitudes toward Pay

<table>
<thead>
<tr>
<th>I am paid fairly for the work that I do.</th>
<th>Agree/Yes</th>
<th>Disagree/No</th>
<th>No Opinion/Don't Know</th>
<th>(No Response)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57%</td>
<td>34%</td>
<td>6%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If I get tired of working in the hotel industry, I could easily find a job elsewhere in Hawaii that pays as well.</th>
<th>Agree/Yes</th>
<th>Disagree/No</th>
<th>No Opinion/Don't Know</th>
<th>(No Response)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28%</td>
<td>50%</td>
<td>18%</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Local vs In-Migrant Management

<table>
<thead>
<tr>
<th>Not enough people are promoted up through the ranks in my hotel.</th>
<th>Agree/Yes</th>
<th>Disagree/No</th>
<th>No Opinion/Don't Know</th>
<th>(No Response)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46%</td>
<td>30%</td>
<td>20%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supervisors who are not from Hawaii don't understand the needs of employees who are.</th>
<th>Agree/Yes</th>
<th>Disagree/No</th>
<th>No Opinion/Don't Know</th>
<th>(No Response)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55%</td>
<td>27%</td>
<td>15%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>More people from Hawaii should be advanced into higher managerial positions in my hotel.</th>
<th>Agree/Yes</th>
<th>Disagree/No</th>
<th>No Opinion/Don't Know</th>
<th>(No Response)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65%</td>
<td>14%</td>
<td>17%</td>
<td>3%</td>
</tr>
</tbody>
</table>

(base: 5,267 statewide hotel employees)

Source: Strategic Information Research Corp. (1987) -- selected results provided by Council of Hawaii Hotels.
### TABLE 2: REPORTED TRANSIENCE IN WAIKIKI AREA

<table>
<thead>
<tr>
<th>Likelihood of living in the same area next five years</th>
<th>Waikiki Area (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>very likely</td>
<td>50.3 %</td>
</tr>
<tr>
<td>somewhat likely</td>
<td>14.1 %</td>
</tr>
<tr>
<td>somewhat unlikely</td>
<td>12.1 %</td>
</tr>
<tr>
<td>very unlikely</td>
<td>22.1 %</td>
</tr>
<tr>
<td>don’t know/refused</td>
<td>1.4 %</td>
</tr>
</tbody>
</table>

Base: (208)

<table>
<thead>
<tr>
<th>Moving because of the neighborhood or personal changes*</th>
<th>Waikiki Area (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>problems in neighborhood</td>
<td>14.1 %</td>
</tr>
<tr>
<td>changes-personal life</td>
<td>71.7 %</td>
</tr>
<tr>
<td>some of both</td>
<td>11.1 %</td>
</tr>
<tr>
<td>don’t know/refused</td>
<td>3.0 %</td>
</tr>
</tbody>
</table>

Base: (71)

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**NOTE:** *Asked of persons who answered "very unlikely" or somewhat "unlikely" to the previous question.

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Caucasian</td>
<td>41.2%</td>
<td>33.1%</td>
<td>N/A</td>
<td>64.4%</td>
</tr>
<tr>
<td>Japanese</td>
<td>26.8%</td>
<td>24.9%</td>
<td>N/A</td>
<td>9.4%</td>
</tr>
<tr>
<td>Chinese</td>
<td>7.7%</td>
<td>6.9%</td>
<td>N/A</td>
<td>5.8%</td>
</tr>
<tr>
<td>Filipino</td>
<td>10.4%</td>
<td>12.8%</td>
<td>N/A</td>
<td>3.9%</td>
</tr>
<tr>
<td>Hawaiian</td>
<td>8.5%</td>
<td>10.5%</td>
<td>N/A</td>
<td>5.2%</td>
</tr>
<tr>
<td>Other</td>
<td>5.5%</td>
<td>11.8%</td>
<td>N/A</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Less than 5 yr.</td>
<td>9.3%</td>
<td>7.9%</td>
<td>4.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>5 to 17 yr.</td>
<td>26.2%</td>
<td>20.2%</td>
<td>7.5%</td>
<td>7.3%</td>
</tr>
<tr>
<td>18 to 64 yr.</td>
<td>59.5%</td>
<td>64.6%</td>
<td>77.6%</td>
<td>73.0%</td>
</tr>
<tr>
<td>65 or more yr.</td>
<td>5.0%</td>
<td>7.3%</td>
<td>10.4%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Median age (yrs.)</td>
<td>24.6</td>
<td>28.1</td>
<td>N/A</td>
<td>39.9</td>
</tr>
</tbody>
</table>

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<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawaii</td>
<td>56.1%</td>
<td>55.1%</td>
<td>N/A</td>
<td>19.1%</td>
</tr>
<tr>
<td>Other U.S.**</td>
<td>NC</td>
<td>30.1%</td>
<td>N/A</td>
<td>58.4%</td>
</tr>
<tr>
<td>Foreign</td>
<td>NC</td>
<td>14.8%</td>
<td>N/A</td>
<td>22.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Same house</td>
<td>42.5%</td>
<td>48.2%</td>
<td>17.6%</td>
<td>27.7%</td>
</tr>
<tr>
<td>Same county</td>
<td>23.9%</td>
<td>25.5%</td>
<td>N/A</td>
<td>29.9%</td>
</tr>
<tr>
<td>Other county</td>
<td>1.2%</td>
<td>1.3%</td>
<td>N/A</td>
<td>1.3%</td>
</tr>
<tr>
<td>Other state</td>
<td>20.9%</td>
<td>18.4%</td>
<td>N/A</td>
<td>31.1%</td>
</tr>
<tr>
<td>Other country</td>
<td>11.5%</td>
<td>6.6%</td>
<td>5.5%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Less than H.S.</td>
<td>20.8%</td>
<td>14.4%</td>
<td>9.4%</td>
<td>7.2%</td>
</tr>
<tr>
<td>H.S. graduate only</td>
<td>37.5%</td>
<td>35.5%</td>
<td>35.5%</td>
<td>33.7%</td>
</tr>
<tr>
<td>Some post H.S.</td>
<td>12.9%</td>
<td>18.3%</td>
<td>21.9%</td>
<td>22.3%</td>
</tr>
<tr>
<td>College, 4+ yr.</td>
<td>15.5%</td>
<td>21.7%</td>
<td>20.2%</td>
<td>28.0%</td>
</tr>
</tbody>
</table>

NOTES: * Figures based on 15 percent sample; numbers hence represent estimates.
** Includes persons born in U.S. territories, or born abroad or at sea to U.S. parents.
"NC": 1970 categories not comparable to 1980 ones.
"N/A": Not Available.

REPORT of the Economic Trends Task Force
October 12, 1989

Chair: Lawrence M. Johnson
Bank of Hawaii

Co-Chairs: Diane Plotts
Hemmeter Corporation

Dr. David Ramsour
Bank of Hawaii

Writers: Ann Bouslog
KPMG Peat Marwick

Paul Brewbaker
Bank of Hawaii
BACKGROUND

Hawaii’s economy has been led by the tourism industry since the 1970’s, with Waikiki as the industry’s major component. From its one square mile of reclaimed land (0.02% of the state), Waikiki is responsible for approximately:

- $3.8 billion in visitor expenditures, 45% of the state total.
- 16% of the gross excise taxes collected in the state.
- 60% of the hotel room taxes collected statewide.
- 14% of the County’s real property tax collections.

This economic importance derives from Waikiki’s 48% share of the state’s visitor rooms, and its higher than average occupancy rates and nearly $90 average room rate. Waikiki’s economy is also supported by its estimated 440 restaurants, 350 bars and nightclubs and 1,000 shops.

Waikiki’s success has attracted vital capital to the state from the U.S. mainland, Canada, Japan and other foreign countries. Waikiki has typically been the vehicle by which such investors became familiar with our state, and the location in which they make their initial investments. Many of these investors have subsequently branched out to other islands and other types of investments in Hawaii.

Waikiki is the site of an estimated 30,000 jobs for Oahu residents, most of whom do not live in Waikiki. In addition, Waikiki directly and indirectly supports many thousands of other jobs throughout the state, including jobs in tourism as well as many that do not appear to be directly tourism-dependent. Income taxes paid by these individuals is estimated to exceed $75 million.

Finally, Waikiki is a place of residence. It is a primary home for more than 25,000 persons, representing about 3% of Oahu’s population. Many others make Waikiki a seasonal home, contributing further export revenues to the state’s economy through their expenditures in Hawaii.
ECONOMIC OUTLOOK

The market and economic environment in which Waikiki and hence the state has prospered is changing rapidly, however.

Whereas Waikiki now accounts for about 90% of Oahu’s visitor accommodations and nearly half of those statewide, there is limited room and infrastructure to accommodate further growth in the district and our public policies discourage it. Of the more than 15,000 hotel rooms scheduled for development over the next several years, only about 500 will be located in Waikiki. Other planned developments include over 6,000 hotel rooms at Ko Olina and Kuilima resorts on Oahu, about 3,000 on Maui, 2,000 on Kauai, 2,500 on Hawaii island, 500 on Lanai, and more on Molokai.

The planned developments tend to be more upscale than those existing in Waikiki, and many offer diverse recreational facilities such as golf courses, theme shopping complexes, tennis centers, health spas and other amenities that Waikiki would be hard pressed to match.

At the same time, tourism is being recognized internationally as a sound investment and source of export income, thus potentially competitive destinations in areas as far afield as California, Mexico, Thailand, and Indonesia are undergoing rapid development and aggressive marketing campaigns, many targeted at Hawaii’s major market segments.

Travelers from the western U.S. have represented the mainstay of visitors to Waikiki, but in recent years the rise of the Japanese yen and changes in Japanese public policies have encouraged an explosion of visitors and foreign expenditures from that country. Thus, in 1989, nearly 40% of Waikiki’s visitors are estimated to come from Japan and other locations west of Hawaii.

Japan and other Pacific/Asian countries are expected to remain promising sources of visitor industry growth for the state as a whole, but competition for these visitors becomes stiffer daily.

The remainder of this paper identifies ten issues that Economic Trends Task Force members felt to be of particular concern to Waikiki’s future economic success, and proposes strategies for dealing with these issues.
ISSUE 1: Of the basic economic resources -- land, labor, capital and materials -- labor may be the most significant for the visitor industry over the next 10 years. What actions are required to ensure Waikiki has access to the necessary labor resources to remain successful?

Background

Statewide unemployment was estimated at 2.4% in July 1989, and Oahu’s was even lower, at 2.1%. The labor market is anticipated to remain tight through 2000, because:

- New supplies of labor may lessen: As the "baby boom" ages, the majority of our workforce will be in its 40’s and 50’s; yet entry-level positions in the visitor industry have traditionally appealed to the young.

- Demands for labor may increase: New technologies may reduce labor demands in certain types of work, but the trend to upscale properties is associated with higher labor requirements.

- Competition for labor may increase: Assuming further diversification of the local economy, and development of Ko Olina and Koolima resorts, Oahu workers will have more employment options closer to home. Many local residents have tended to view visitor industry jobs as low-paying and low status.

Potential new sources of labor for Waikiki could come from:

- First-time labor market entrants. However, the supply of these predominantly young workers will be less than in prior years, as discussed above.

- Retirees, women and others who have previously left the labor force, but who may be attracted back.

- Military dependents who often do not participate in the labor market, due to their short lengths of stay in Hawaii, larger families and perceived hiring discrimination.

- In-migrants to Oahu, from the U.S. mainland, U.S. territories, or foreign countries. However, in-migration is also constrained by Hawaii's high housing costs.

Proposed Strategies

1. Expand and increase public support for travel industry-related programs at the University of Hawaii and in the Community College system, with new emphasis on personnel management and recruitment.
2. Promote community awareness of opportunities in the visitor industry, particularly in less obvious areas such as entrepreneurial activities, creative and professional positions, language specialties and the like. Such programs could include:

- Visitor Industry Education Council programs in the primary and secondary schools.
- Media campaigns.
- Seminars in college and graduate school programs.
- Waikiki business sponsorship of community events.
- Hosting of elementary school children in "back of the house" visits to hotels and other places of employment in Waikiki.
- Student internships.

3. Address public perceptions of low-pay by conducting a study of earnings throughout the industry, including wages, salaries, gratuities and benefits. The last such survey was conducted in 1969, and found that direct wages represent only about 60% of earnings for the average employee.

4. Sponsor job fairs representing multiple Waikiki employers.

5. Provide affordable housing for visitor industry employees, both within and outside of Waikiki.
ISSUE 2: Besides competing for labor, the industry will have to provide training for new types of workers as well as for changing job skill requirements. At the same time, workers' expectations may be rising. What steps may be necessary to cope with these qualitative changes?

Background

The composition of the visitor industry labor market is changing. Attracting new sources of labor such as retirees and second career workers, young mothers and military dependents to the labor force will require different facilities and programs than now provided. Segments of the visitor industry have enjoyed low job turnover, but with the myriad of potential opportunities available in the future, this situation may also change.

In addition, the changing face of Waikiki itself, with more foreign visitors and upscale facilities, requires that workers have different skills than in the past.

Proposed Strategies

In addition to the strategies proposed under issue #1:

1. Support facilities and programs that cater to retirees, young or single parents and part-time/temporary workers:
   - Child care facilities.
   - Flexible work hours and/or job sharing programs.
   - Ride sharing and commuting programs.

2. Target Waikiki residents, organizations such as the American Association of Retired Persons (AARP), military dependents, school teachers during summer months, and students.

3. Employ Waikiki and other residents who are multi-lingual as linguistic or intercultural information resources, trouble shooters for foreign visitors, and foreign language/culture instructors for Waikiki employees.

4. Increase support of on-job and community extension programs to retrain workers in the industry, and to train persons who have previously worked in other industries.

5. Study the relationship of visitor industry earnings to the market orientation of facilities, such as in high-end vs. mid-market hotels.

6. Ensure that compensation and advancement opportunities in the industry remain highly competitive; develop a forum to keep employees informed of their benefits.

7. Encourage and support foreign language study in Hawaii’s primary and secondary schools.
ISSUE 3: Given the changing composition of Hawaii’s visitor markets and new competition from other destination areas, how should the Waikiki of the future be envisioned, and how can it ensure that it remains competitive?

Background

For more than 20 years, Waikiki has enjoyed a reputation as one of the world’s premiere exotic beach destinations. Waikiki is still the major visitor gateway to Hawaii, and a typical stop for first time visitors to the state. Thus its success is of importance to the entire state. However, in recent years, many visitors have been attracted instead to the lower-density, master-planned golf and beach resorts of the neighbor islands. With the planned developments at Kuilima and Ko Olina resorts, Waikiki will also be competing with such areas on Oahu.

In addition, Hawaii as a whole is challenged by sophisticated developments and highly aggressive marketing efforts by other destinations such as Palm Springs and Laguna Nigel, California; Cancun and the Gulf Coast of Mexico; the Caribbean; the Gold Coast of Australia; Phuket and Pattaya, Thailand; Bali, Indonesia; and Guam.

Due to Hawaii’s growing dependence on eastbound markets, we are particularly vulnerable to competition from the other Pacific and Asian resort areas. Travel times to these developing areas from Asian points of origin are less and vacation expenses may be less due to lower land and labor costs.

Proposed Strategies

1. Re-evaluate Waikiki’s market niche, both within the state and internationally. A key step would be an in-depth study of perceptions, motivations and expectations of potential visitors to Waikiki in both the west coast and Japan.

2. Campaign to inform state residents as well as operators of other Hawaii destinations about Waikiki’s:
   - Importance to the state.
   - Historical significance.
   - World reputation.

3. Emphasize Waikiki’s value in terms of quality products and service, rather than attempting to compete on cost, through marketing efforts and job training programs.

4. Ensure that Waikiki continues to serve a full-spectrum of visitors, rather than over-focusing on high end markets.
ISSUE 4: Is Waikiki pricing itself too high for our visitor markets, or is there a misconception of our price orientation among potential visitors?

Background

Hawaii has attracted well-deserved publicity for its new, luxury properties, but this could backfire if visitors perceive Hawaii as too high priced and having lost its old fashioned "charm." Pricing of goods and services in Hawaii is particularly sensitive since we have little or no control over the the significant cost and time of traveling to Hawaii.

In the westbound market, we compete with more affordable and convenient vacation packages to Mexico, the Caribbean Florida, Southern California and Arizona. For eastbound markets, we compete with emerging destinations in Asia and Micronesia.

Waikiki’s upscale trend may also affect the availability of basic goods and services in Waikiki, with grocery and general merchandise stores being replaced by high-end specialty boutiques. Non-availability or over-pricing of simple necessities could stimulate strong negative publicity for Waikiki.

Proposed Strategies

1. Survey potential visitors’ and tour wholesalers’ awareness of affordable accommodations and facilities in Waikiki.

2. Conduct and publish an on-going survey of the full range of accommodations and other visitor attractions in Waikiki, listing specific establishments by published rates. This could be an expansion of the survey conducted by the HVB last year of Waikiki hotel rooms with rack rates under $100.

3. Continue to emphasize Waikiki’s value as well as its attractions, in public and private marketing campaigns.

4. Ensure that our cultural attractions, heritage, and elements of nostalgia are retained and conveyed to potential visitors:
   - Encourage programs such as the Aloha Week parades, and traditional and contemporary exhibitions of Hawaiian dance and art.
   - Preserve and restore historical and nostalgic institutions such as the Natatorium, long-board surfboard rentals on Kuhio Beach and the Waikiki seawall.

6. Consider protection of certain types of establishments, such as neighborhood grocery stores, which serve vital needs of residents and visitors.
ISSUE 5: Waikiki, like the rest of Hawaii, is increasingly dependent on eastbound visitors, particularly those from Japan. How secure is this market segment, and what special planning is required to protect Waikiki?

Background

Hawaii has benefited from rapid growth of its eastbound visitor market, due largely to Japan’s rising disposable incomes, support of international travel, and the strong value of the yen relative to the U.S. dollar. However, the sensitivity of the eastbound market to eventual downturns in the Japanese economy is as yet untested. In addition, Japan’s support of longer vacations may encourage overflight of Hawaii, and travel to destinations that are further away.

We have even less understanding of other foreign markets, including Asian countries such as Taiwan, South Korea and Hong Kong, as well as European countries.

Proposed Strategies

1. Expand market research on the eastbound market to Hawaii, such as through:
   - Routine collection of visitor statistics from a large sample of Japanese and other eastbound visitors in Hawaii.
   - Focus group studies conducted in Japan with potential travelers and tour wholesalers.
   - Surveys of image, needs, desires and expectations of potential Japanese and other foreign visitors.

2. Increase funding to market Waikiki in Hawaii’s emerging foreign markets, including those of Asia, Europe, Australia and New Zealand. Waikiki already has much of the urban infrastructure that appeals to such visitors; reinforcement of its cultural attractions may be necessary.

3. Identify trends in public and private policy in Japan and other Asian countries and evaluate the impacts of these trends on travel to Hawaii.

4. Further study destinations that compete with Waikiki for foreign visitors, including neighbor island resorts as well as destinations outside of Hawaii.

5. Provide incentives to airlines to continue serving Honolulu, despite potentially higher revenue indicators on other routes and/or the technical ability to overfly Honolulu.

6. Promote travel packages of Waikiki with other visitor destinations that appeal to eastbound travelers.
ISSUE 6: It is increasingly costly to successfully operate a business in Waikiki. How is this likely to affect the viability of Waikiki as a whole, and how might the business environment be protected?

Background

Over the last few years, land—values and property taxes in Waikiki have escalated dramatically, as have the costs of sewer and water services, land, labor, required amenities, and other costs of doing business.

As a result, whereas in the past 60% to 65% hotel occupancies were considered breakeven, some Waikiki hoteliers now find they ought to achieve much higher occupancies in order to breakeven. Retail and commercial establishments have also been affected, and many now face prohibitive rents.

Proposed Strategies

1. Permit higher building heights in selective cases, in exchange for quality open space or other public benefits.

2. Consider protection of necessary retail establishments, as noted in Issue #4.

3. Identify and publicize the relative contributions of Waikiki to State and County government revenues, in terms of property, room, income, gross excise, liquor and fuel and other taxes.
ISSUE 7: To the lay person, it appears Waikiki is always under construction, and yet the roads, parking and other infrastructure are never adequate to accommodate the volume of visitors and residents who use the area. How can we anticipate and finance these and other infrastructure needs to ensure that we are prepared to support a growing and still-attractive Waikiki?

Background

Like other areas of the state, Waikiki is in need of road and transportation, utility, and other capital improvements. However, Waikiki’s infrastructural needs may be considered of unique importance since this small area directly and indirectly supports a significant share of the economy and labor market of the state.

The State has significant new funds, due in part to the hotel room tax, much of which is collected in Waikiki. The City and County has jurisdiction over Waikiki, but lesser funds; moreover, new sources of County revenues are likely to accumulate more gradually than for the State, since they are principally based on rising property values and assessments.

At the same time, the disruptive costs of construction need to be weighed against the need for any infrastructural improvement.

Proposed Strategies

1. Review the infrastructure needs and cost/benefits for Waikiki, in an independent study sponsored by both the City and State. The study should:
   - Identify current and anticipated future capital projects.
   - Estimate direct, indirect and induced costs.
   - Propose a forum to evaluate the public benefits and costs.
   - Develop a plan for funding appropriate improvements that considers both City and State responsibilities.

2. Establish a schedule and means for updating and reviewing the infrastructure needs assessment on an on-going basis.

3. Conduct public informational campaigns regarding the importance of Waikiki to the City and State as a whole.

4. Consider policies that encourage slower and/or higher quality growth in Waikiki.

5. Dedicate a portion of the hotel room tax to visitor industry infrastructural improvements.
ISSUE 8: Future developments in and near Waikiki include large-scale convention meeting and exhibition facilities intended to diversify the visitor industry, attract higher spending visitors, broaden the tax base, and create quality jobs.

Background

Convention center planning for Hawaii has been enacted into law by the State of Hawaii. The acknowledged importance of this potential resource has State and County government agencies planning ways to provide such facilities in the Waikiki area.

The impacts of the construction and operations of such facilities will be borne by constituents in and out of Waikiki, including residents, employees, businesses and visitors. The facilities could have tremendous effects on area traffic, access and egress to Waikiki, infrastructure loads, fiscal costs and benefits, construction disruption and other considerations. There is also a need to better understand the impacts of the operations of such facilities on non-hotel segments of the visitor industry, both within and outside of Waikiki.

It is therefore critical that there be thorough consideration of the public and private concerns involved, and that approaches to mitigating anticipated disruptions be evaluated, aired and planned. There have already been several forums of discussion regarding the convention center, however there is a responsibility to further identify, evaluate and address the challenges and opportunities related to it.

Finally, in view of other convention centers in west coast locations such as San Francisco, San Diego and Seattle, identification of the appropriate market niche(s) for the Hawaii-based facilities is increasingly important.

Proposed Strategies

1. Create a forum of all of Waikiki’s constituents, in which representatives work directly with government agencies, developers and consultants to gather data, identify controversial issues, and work out mutually satisfactory solutions. The intent of this forum should be to maximize public benefits while mitigating potential disruptions or costs associated with the construction and operations of the convention facilities.

2. Apply a particularly Hawaiian perspective to development of the new meeting facilities, one that proclaims a sensitivity to the styles, history and beauty of Hawaii.

3. Identify and evaluate appropriate convention and trade show market niche(s) for Hawaii; enhance public understanding of the potential uses of the convention facilities.
ISSUE 9: How can we encourage the redevelopment of those areas in Waikiki that are run-down or no longer functional?

Background

Much of Waikiki is undergoing a major face-lift and renaissance. Yet other areas are deteriorating, with little prospect of redevelopment or renovation. In some cases this is due to small parcel sizes which preclude economically feasible new development; in others it may be attributable to design and zoning ordinances, where some provisions of the City and County’s Waikiki Special Design District (WSDD) are less appropriate today than when initially implemented in 1976.

At the same time, there is a desire to retain the flavor of old Waikiki and its neighborhoods, as noted in issue #4.

Proposed Strategies

1. Review the WSDD in light of new building technologies, design theories, and Waikiki’s changing market mix. Classify the types of areas and inventory their special needs, considering special treatment of classes of property such as:
   - Kalakaua frontage properties.
   - Residential neighborhoods.
   - Ala Wai Boulevard frontage properties.
   - Zones of major vehicular thoroughfares.

2. Provide a "one-stop" source of information for developers and landowners on the provisions of the Waikiki Special Design District and other City planning policies.

3. Consider new policies and/or enact enabling legislation for:
   - Density or height variances for quality open space.
   - Transfer of development or density rights; sales of air space rights to adjoining properties.
   - Land readjustment, facilitating the private assembly of small land parcels. This technique has discouraged "hold-outs," by permitting original owners to retain title rather than forcing sales to a government or other entity.
   - Smaller setbacks on the makai side of Ala Wai Boulevard, in light of open space along the mauka side.
   - As appropriate, remove barriers to the redevelopment of parcels that currently include non-conforming uses.

4. Define the meaning of the "moratorium" on new Waikiki units, and/or lift it in favor of regulation of open space, environmental improvements, density and FAR standards.
ISSUE 10: Waikiki is a residential as well as a visitor district. What steps will be necessary to ensure its viability as a residential community, and what is the responsibility of government in this respect?

Background

Waikiki has a significant and politically active full-time resident population, with about 25,000 residents and 10,000 registered voters in the last elections. Waikiki is also a second home and temporary home for persons of all levels of affluence.

This resident base contributes to the safety, attractive character and stability of Waikiki. However, many full-time residents live on fixed incomes and others are finding that their incomes are not rising as fast as property taxes and the other expenses of living in Waikiki. In addition, many multifamily condominium residences are located on leasehold land, for which lease terms are approaching. Finally, visitor and residential uses of condominiums are increasingly competitive, with visitor uses able to bear substantially higher costs. Thus, some long-term renters and unit owners are being forced out of the district.

Given the dramatic rises in Waikiki condominium unit and land prices, this trend is expected to continue, and Waikiki could become more of an affluent second and/or vacation home community for non-state residents, at the expense of its primary resident base.

Proposed Strategies

1. Involve Waikiki community groups in the planning and management of Waikiki, on volunteer and paid bases.

2. Encourage the voluntary lease to fee conversion of residential developments within Waikiki.

3. Consider property tax relief for long-term residents of the district.

4. Formulate State and County government policy positions regarding the desirability of maintaining a primary resident base in Waikiki, and effective means of enforcing such policies.
REPORT
of the
Transportation
Task Force
October 12, 1989

Chair: Ronald M. Letterman
Cove Enterprises, Inc.

Co-Chair: Herbert C. Cornuelle
The Estate of James Campbell

Writer: Michael P. Hamnett
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TRANSPORTATION FUTURES FOR WAIKIKI

I. CHOICE OF A TRANSPORTATION FUTURE

TRANSPORTATION GOALS:

- The transportation system for Waikiki should contribute to the attainment of defined social and economic goals

- Waikiki's transportation system should enhance Waikiki as:
  - a visitor destination
  - a place to live
  - a place to work
  - an entertainment and recreation center

- Waikiki's transportation system should efficiently move people and goods to their destinations and minimize time and financial costs and frustration

- Transportation systems should add to rather than detract from the aesthetics of Waikiki—transportation systems should enhance:
  - open, clean, relaxed, informal, quality, safe, fun, serene, and beautiful atmosphere of Waikiki
  - as a preeminent resort and make it an international visitor show place

- Transportation development in Waikiki should maximize use of natural resources of Waikiki:
  - the beauty of Waikiki beach
  - Ala Wai Canal area as open space and the canal itself as a water way
  - tropical plants and other green space
  - clean air and nice weather
ASSUMPTIONS:

Congestion in Waikiki will increase unless changes in transportation systems are made to accommodate growth.

There is a general consensus on transportation goals for Waikiki—REDUCE VEHICLE CONGESTION AND ENHANCE PEDESTRIAN EXPERIENCE—but there is a need to develop broad-based support for improvements in transportation for Waikiki.

Any change in transportation systems for Waikiki is going to involve tradeoffs. There are many interest groups that will be affected by changes in transportation for Waikiki and the costs and benefits of improvements will not be evenly distributed.

Waikiki is a part of and the rest of the State and transportation improvements must be integrated with improvements in transportation for the City and County of Honolulu.

II. TRANSPORTATION OPTIONS

A. IMPROVE VEHICLE FLOW

- Improve signal light synchronization throughout Waikiki (in progress—to be completed by June 1990)

- Improve intersections that cause bottle necks

- Improve signage and public directional information for residents and visitors

  - Landmark signs to facilitate location of hotels and other destinations from Ala Wai

  - Sidewalk maps for pedestrians

  - Make location maps available to residents

- Reduce congestion caused by service vehicles

  - Enforce existing restrictions on delivery vehicles and add needed police if necessary

  - Enforce existing restrictions on private vehicle use of delivery areas

  - Evaluate the need for further restrictions
Examine options for improvements on pick-up and drop-off options for buses

Further restrict on-street parking areas and hours
- Only allow on-street parking on cross streets and residential areas
- Reduce on-street parking along Ala Wai
- Provide or encourage the development of off-street parking
- Provide parking bays along Kapuhulu and shift business and residential parking to parking bays (under evaluation and development)

Develop additional access route across Ala Wai Canal
- In conjunction with periphery parking
- Consider H-1 access

B. ENHANCE PEDESTRIAN EXPERIENCE

Develop Ala Wai promenade
- Widen existing sidewalk
- Further landscape Canal area
- Provide foot bridge across Ala Wai Canal

Eliminate obstructions along Kuhio Avenue and cross streets
- Change sidewalk furniture
- Further restrict use of sidewalk by vendors

Beautify Kuhio Avenue and Cross-streets and make improvements consistent with Kalakaua
- Improve lightling, signage, side walks, and cross walks

Preserve and enhance Waikiki Beach as a place to walk and enjoy the beach

Develop Kapiolani Park promenade
Develop Ala Moana promenade
• Increase access to Waikiki Beach from streets
• Improve pedestrian crossings
  - more diagonal crossings
  - other improvements

C. REDUCE THE NUMBER OF VEHICLES

• Develop peripheral parking for Honolulu residents and people who work in Waikiki
  - Possibly sites include Ala Wai Golf Course, Honolulu Zoo, Aloha Motors, Fort Derussy—may require relocation of some existing facilities
  - Over canal (McCully/Kalakaua)

• Encourage Workers not to drive to work in Waikiki
  - Some hotel workers have on site parking as employment benefit—consider alternatives
  - Provide functional and attractive parking alternative

• Develop incentives for the development of people movers within Waikiki and between Waikiki and Ala Moana Center

  - Short term
    * Wikiwiki bus type system
    * Waikiki trolley

  - Longer term
    * Water taxi
      - to Ala Moana Beach Park
      - to Ward Warehouse
      - to Fisherman's Wharf
    * Unscheduled jitney or small buses on set routes
    * New rapid transit system through or with spur to Waikiki
Provide attractive alternatives to the use of individual automobiles in and out of Waikiki and within Waikiki

- Analyze how visitors and residents travel and why they choose transportation alternatives they do and gear transportation development to meet needs and enhance visitor experience

Provide attractive and more efficient transportation links between Honolulu Airport and Waikiki

- Ferry--currently being developed with stops at Barbers Point and down town with possible links to Hawaii Kai, Honolulu Airport, and Waikiki
- Super shuttle
- Shared vans or jitneys

Evaluate options for Waikiki in terms of overall rapid transit plan for Honolulu

D. Evaluate other options

- Limit pickup dropoff for large tour buses
  - some hotel have off-street lanes for buses

Provide incentives for bus/hotels to beautify street front (consider tax abatement)

Evaluate traffic implication of convention center

- consider Neal Blaisdell Center for all local needs
- use new convention center as tourist industry site
- develop plan to minimize traffic congestion from construction and maximize opportunities
  * evaluate traffic flow options and street detours
  * consider underground utilities and street repairs
  * consider implications of convention center at International Market Place and Aloha Motors to minimize disruption
o Develop consensus for rapid transit for Honolulu and Waikiki
   - Aesthetic pros/cons of alternatives
   - Evaluate trunk link options to city/state system
   - Identify where routes and stations should go

III. PROBLEM:

1. Most people agree on the transportation problem facing Waikiki: CONGESTION

2. Options for addressing the problem have been identified: REDUCE THE NUMBER OF VEHICLES, IMPROVE VEHICLE FLOW, AND IMPROVE WAIKIKI FOR PEDESTRIANS

3. An effective method for agreeing on solutions has NOT been found

IV. OPTIONS:

1. BUILD A REAL CONSENSUS FOR A PREFERRED FUTURE FOR WAIKIKI through the WAIKIKI TOMORROW effort

2. Use the WAIKIKI TOMORROW effort to develop a commitment from the interest groups concerned to participate in and abide by the outcome of a process to DEFINE A DESIRED TRANSPORTATION FUTURE FOR WAIKIKI

3. Identify future opportunities for building a consensus on a preferred future for Waikiki

V. CONSIDERATIONS

1. The City and County of Honolulu, the Waikiki Improvement Association, the Waikiki Neighborhood Board and other groups have found it very difficult to make changes in Waikiki

2. A number of improvements are currently being evaluated and/or planned--many of these improvements have been considered for years and have failed to achieve sufficient support for development until now

3. Because of the number of groups and individuals with interests in the future of Waikiki, some degree of consensus is going to be required

4. A consensus on the future of Waikiki is going require time to build--consensus building requires participation and participation takes time
APPENDIX ONE

TRANSPORTATION CONCERNS

A. GROWTH AND CONGESTION

Concern over transportation in Waikiki has increased as Waikiki and the island of Oahu have grown.

Growth can be measured in a number of ways:

- Oahu's population has increased from 353 thousand in 1950 to over 830 thousand in 1987
- Waikiki's resident population increased from 11,075 in 1960 to 23,152 in 1985
- The average number of visitors resident in Waikiki increased from 7,714 in 1960 to 56,080 in 1985
- Oahu's visitor population is expected to increase from 82,000 in 1990 to 105,000 in 2005
- The number of people traveling to work in Waikiki in 1980 was 30,011 with an additional 9,593 residents employed in Waikiki
- Tourist arrival in the State grew from about 3.9 million in 1978 to 6.3 million in 1987
- Visitor arrivals are expected to reach over 10.1 million by 2005
- Registered motor vehicles on Oahu increased from 424,892 in 1977 to 571,738 in 1987
- Buses on Oahu totaled 3,332 in 1987
- Commuters traveling in private cars to work on Oahu increased from 128,615 in 1960 to 282,479 in 1980
- Hotel rooms in the State increased from 40,001 in 1978 to 47,892 in 1988
- Hotel rooms in Waikiki totaled 26,911 in 1988 and condominiums to rental use totaled 6,750
B. CURRENT TRANSPORTATION SITUATION IN WAIKIKI

- Between the mid-1970s and 1986 there was relatively little change in the number of vehicles entering and leaving Waikiki on a given day
- In 1968 there were approximately 100,000 inbound and outbound vehicles (at Ala Wai) over a 24 hour period; by 1984 this grew to about 130,000
- Inbound traffic down Kalakaua at Ala Wai increased 20% between 1971 and 1984; peak hour traffic decreased by 10% over the same period
- In 1985 peak-hour volumes on Kalakaua between 1,596 vehicles per hour at Kapuhulu to 2,491 vehicles per hour at Seaside
- In 1980 between 300 and 1,500 people per hour crossed Lewers Street on the mauka side of Kalakaua; during the same period, 360 to 3,600 crossed Kaiulani at Kalakaua
- Mid-afternoon pedestrian counts on the mauka side of Kalakaua between Lewers and Kaiulani were in the range of 1,800 to 2,400 people per hour
- Completion of the Kuhio Avenue widening project in 1985 resulted in little change in vehicle volume over 24 hour periods but a slight increase in diamond head bound traffic on Kuhio at peak hours
- The Kalakaua Avenue Safety and Beautification Project is now complete and congestion resulting from the construction has been alleviated
- The Waikiki Transportation Improvement Plan, currently underway for the City and County of Honolulu, is evaluating improvements to traffic circulation, parking and loading, and pedestrian activities
- The Transportation Improvement Plan project will also result in feasibility studies for the implementation of a new Ala Wai Canal bridge, intersection improvements at Kapuhulu and Paki, and an Ala Wai Promenade
- The City and County of Honolulu is also conducting a mass transit study that includes consideration of a link with Waikiki

Sources: State Data Book 1988; EIS for Kalakaua Safety and Beautification Project; Transportation Improvement Plan 1989.
C. CONCERN WITH TRANSPORTATION IS CLEARLY EVIDENT IN PLANNING STUDIES, LEGISLATION, ENVIRONMENTAL IMPACT ASSESSMENTS, AND TRANSPORTATION STUDIES DEVELOPED SINCE 1954:

- Studies and Recommendations for the Development of Waikiki (1954)
- A Development Plan for Waikiki Beach (1955)
- The Waikiki Plan: Recommendations on Goals and Objectives, Land Use, Transportation, and Implementation (1966)
- City and County of Honolulu General Plan (1964)
- An Analysis for Urban Renewal in Waikiki (1966)
- Will Success Spoil Waikiki (1968)
- Mayor's Planning Advisory Committee for Waikiki-Diamond Head (1971)
- Waikiki Transportation Plan (1972)
- Waikiki Special Design District (1975)
- Environmental Assessment of Waikiki Improvements (1977)
- Special Design District Ordinances (1982)
- Kalakaua Sidewalk Traffic Study Phase (1983)
- Final Environmental Impact Statement: Kalakaua Avenue Safety and Beautification Project (1986)
- Convention Center Site Assessment Study: Waikiki (1988)
- Waikiki Transportation Improvement Plan (in preparation)
D. PLANS, STUDIES, ZONING REGULATIONS, AND ENVIRONMENTAL IMPACT STUDIES HAVE FOCUSED ON:

- Controlling growth and density in Waikiki
- NOT "Killing the (Waikiki tourism) goose that lays the (economic growth) golden egg"
- Planning for growth in Waikiki
- Enhancing the aesthetics of Waikiki
- Improving traffic circulation
  -designating oneway streets
  -restricting on street parking, loading and unloading
  -intersection improvements
  -widening streets
- Providing more sidewalk space or mall space on Kalakaua and along the Ala Wai Canal
- Minimizing the negative impacts of new developments on traffic flow and congestion
- Increasing the supply of and encouraging the use of "mass transit" to reduce vehicular traffic
- Restricting private car access to Waikiki and providing public parking a mass transit into Waikiki
- Increasing the number of access roads into and out of Waikiki--adding a bridge at University or along the Manoa/Palolo Stream drainage canal
- Discouraging on-street parking and increasing public off-street parking in Waikiki
- Construction of additional public parking Mauka of the Ala Wai Canal
- Restricting public vehicles access to certain residential streets
APPENDIX TWO
ALTERNATIVE TRANSPORTATION FUTURES FOR WAIKIKI

The studies, plans, regulations, and legislation dealing
with the transportation problem in Waikiki and initiatives
taken by other cities suggest the possibility of three very
different future scenarios. These scenarios conjure up very
different visions of a future Waikiki and suggest very
different transportation futures.

A. A Green Future

Transportation development is aimed at making Waikiki a
place for plants and people rather than vehicles. The goal
is to dramatically improve the tropical beauty of the area
by drastically reducing the number of vehicles, increasing
walking space, and creating green open space.

Trees and gardens are planted on Kalakaua and Ala Wai
and developers and existing business are given tax
incentives for beautification

Private cars for non-residents of Waikiki are banned or
assessed a high toll for entering and access is limited
to Kuhio Avenue or Ala Wai Boulevard

Large public parking lots are built near the Ala Wai
Golf Course and mass transit is made available into
Waikiki

A wikiwiki bus system linked to the parking lots is
established and provides service up and down Kalakaua
Avenue and Ala Wai Boulevard

A rapid transit link is created between Waikiki and Ala
Moana Center and between Waikiki and a car rental/tour
bus terminal

Bike lanes are established for Kalakaua and Ala Wai
Boulevard and bicycles are available free at either
end of Waikiki

Delivery service trucks and trash collection vehicle
access is restricted to early morning hours

Kalakaua is restricted to primarily to pedestrian
traffic with designated lanes for bicycles and open
wikiwiki buses

A tour bus staging area is developed in the Kapuhulu
area and on street loading is prohibited

Historical and botanical walking tours of Waikiki are
promoted as major visitor attractions
B. Hitech Future

Transportation development is aimed at achieving the greatest efficiency through technology. The goal is to develop the most technologically advanced transportation system possible for Waikiki. The transportation system itself is viewed as a visitor attraction.

An elevated monorail system is developed for Waikiki—rapid movement up and down Kuhio with links to Ala Moana, parking, rental car concessions, tour bus staging areas

Automated people mover cars run up and down Ala Wai Boulevard and Kalakaua Avenue and link with the monorail system

Moving sidewalks are installed for the cross streets

A hovercraft terminal is sited in Waikiki and linked to the monorail and people mover system

An automated baggage and merchandise delivery system is developed in conjunction with the monorail and people mover systems

All conventional vehicles except emergency vehicles are banned from Waikiki

Parking lots, bus staging areas, and rental car lots are established on the outskirts of Waikiki with rail links to Waikiki

A marine high technology center is developed in conjunction with the Waikiki Aquarium and is promoted as part of the hitech image

Hitech firms are encouraged to create exhibits in hotels and public buildings
C. Incremental Future

Transportation development is aimed at making incremental improvements. The goal is to minimize costs and disruption of the current transportation system.

An additional access route is developed linking Waikiki to H-1 Freeway by building a bridge across Ala Wai Canal

A wikiwiki bus or Waikiki trolley system is developed for Ala Wai Boulevard and Kalakaua Avenue

A "rapid transit" (shuttle bus or "elephant stock"--wikiwiki bus) route is established up and down Kuhio Avenue linking Waikiki to Ala Moana Center

Plans for linking Waikiki to a new rapid transit system for Honolulu are developed

Buses are converted to natural gas to reduce pollution and tax incentives are created for electric and natural gas vehicles

Restrictions on on-street parking are increased

Bottle-neck intersections are improved to increase traffic flow

Improvements are made in siting of side-walk furniture to allow better pedestrian flow on Kuhio Avenue

A tour bus staging area is developed at one end of Waikiki to reduce congestion caused by waiting buses

Delivery and sanitation truck access hours are adjusted to minimize congestion

Environmental Impact Assessments are carefully reviewed to reduce the negative impacts of new developments and developers are encouraged to minimize demands on transportation systems

The economic viability of building parking lots on the outskirts of Waikiki in conjunction with mass transit developments are reevaluated

Increased taxes on cars and/or gasoline are used to encourage use of public transportation

Employers are encouraged to provide bus passes for their employees
APPENDIX THREE
PAST EFFORTS: A CHRONOLOGY

1954
Planning Commission study warns of future infrastructure problems that will result from uncontrolled growth and recommends revision of zoning regulations to control density.

1963
State and City & County transportation studies of rapid transit for Honolulu initiated

1964
Development Plan for the Waikiki-Diamond Head area asserts that high-rise, high density development, without comprehensive planning and adequate open space, will have an adverse affect on long range social and economic growth.

1964
Mayor's Citizens Advisory Committee makes specific recommendations to the Planning Commission and City Council for implementation of the Waikiki Plan.

1964
General Plan adopted by Ordinance No. 2445 mandates Detailed Land Use Maps and Development Plans.

1967
General Plan Development Plan for Waikiki-Diamond Head adopted.

1969
Waikiki Task Force Report submitted to Hawaii Visitors Bureau Statewide Goals Committee. Recommendations in three areas:

- size of visitor industry plant in Waikiki;
- what size means in terms of people, land area, utilities, open space, and monetary expenditures; and
- the environmental amenities necessary to a health attractive atmosphere.

Report concludes that necessary facilities (including streets) have not kept pace with growth.

1970
Honolulu Planning Department re-identifies problems in Waikiki for the City Council. Special attention is given to high densities and traffic congestion. Specific suggestions are made to deal with problems. Council takes no action.

1971
Mayor's Planning Advisory Committee for Waikiki-Diamond Head issues report attributing Waikiki's plight to inappropriate zoning, rapid growth, and an inability to provide public facilities to keep pace with growth.
1971 Hawaii State Legislature appropriates $9 million for Waikiki Improvements (Act 197) and requires $4 million in matching funds from the City and County of Honolulu; City given power to expend funds in Waikiki.

1972 Hawaii State Legislature issues concurrent resolutions requesting City and County of Honolulu initiate and implement re-zoning of Waikiki to reduce allowable densities, establish desirable land use pattern, and fix optimum size.

1972 Federally funded study grant results in proposal for a 23 mile fixed rail transit system from Pearl City of Hawaii Kai

1972 Waikiki Transportation Plan developed for City and County of Honolulu to provide a traffic & transportation improvement program with specific recommendations for individual sites.

1973 Temporary Visitor Industry Council issues report advocating controlled growth and limit on number of hotel rooms.

1974 Hawaii State Legislature amends Act 197 (Act 204) to allow the State of expend funds under State or City initiated improvement district; Legislature amends Act 204 and proposed projects are identified. Traffic related projects included:

- corner turning radius of 6 intersections
- construction of 3 traffic & landscape islands
- widening of Kuhio Avenue
- study of Ala Wai Canal foot bridge at University

1976 Waikiki Special Design District (WSDD) made effective (ordinance 4575) by City and County of Honolulu. Incorporates General Plan and City Development Plans for Waikiki. Objectives of the WSDD designation include:

- encourage developments that would improve & complement public facilities & utilities & visual aspects of the urban environment;
- ensure that future developments would alleviate traffic & utility problems
- make provision for utilities and off-site improvements in advance of new developments

WSDD established "use precincts" and design control systems to improve pedestrian facilities and for landscape treatment. It required increased setbacks for new structures. Traffic circulation
guidelines were specified: compliance with the officials traffic circulation map required, curb cuts and site distances must comply with traffic codes and design standards; adequately landscaped off-street passenger and freight loading areas must be provided.

1977
City applies for federal grant for preliminat work a 14 mile HART fixed rail system from Aloha Stadium to Kahala

1979
Honolulu City Council creates Waikiki Task Force. Task force charged with evaluating Waikiki's needs and proposals for improvements on an on-going basis.

1979
Honolulu City Council approves initial 8 mile segment of HART system

1980
Waikiki Task Force recommends widening of Kalakaua sidewalks.

1981
Waikiki 2000 Plan developed to revitalize Waikiki. Goal was to "re-orient Waikiki back to people, to make it a more pedestrian-oriented place...through walkways and malls...reducing traffic congestion while considering the needs of hotels...and beautifying Waikiki in general." It called for:

- completion of the Kuhio Avenue widening project;
- widening sidewalks along Kalakaua with the installation of additional landscaping and coordinating street furniture and crosswalks; and
- an immediate reduction in the number of through lanes and eventual creation of a partial mall.

1981
City administration abandons HART development

1982
Waikiki 1990 report recommends:
- widening Diamond Head end of Kuhio
- construction of parking structure mauka of Ala Wai
- reducing on-street parking
- construction of a new bridge across the Ala Wai to University
- Introduction of mini-bus route via Ala Wai Boulevard and Kalakaua
- removing all bus traffic from Kalakaua
- partial mall developed for Kalakaua
1983 Kalakaua Sidewalks Traffic Study Phase (Belt, Collins & Associates) recommends converting all excess roadway on Kalakaua into additional sidewalk space. Conceptual design work is initiated by City & County of Honolulu.

1985 Rapid transit revived by City administration

1986 Environmental Impact Statement for the Kalakaua Safety and Beautification Project completed by Belt, Collins & Associates.

1988 Honolulu Convention Center Site Assessment Study-Waikiki, Convention Center: Ala Wai Golf Course, and Kakaakao Peninsula completed. Studies evaluate impacts of convention center sites on traffic and other sectors.

1988 City requests proposals to build 14 mile fixed guideway rapid transit system with single guideway links to Waikiki and UH Manoa


1989 City & Country contracts Helber, Hastert, & Kimura for Waikiki Transportation Improvement Plan. Scope includes:

- Waikiki access improvements (Ala Wai Canal bridge at University and other access improvements)
- traffic circulation (Kalakaua Ave. bus lane, Kalia and Saratoga Roads, and other locations)
- on-street and peripheral parking (Ala Wai parking removal, parking mauka of Ala Wai)
- tour bus/rental car facilities
- shuttle bus service
- Ala Wai promenade
- pedestrian facilities

1989 City & County awards $1 million contract to Parsons, Brinckerhoff, Quade & Douglas for environmental impact study and other work on a rapid transit system for Honolulu with links to Waikiki and UH Manoa.
TOURISM

- Visitors & Visitor Expenditures: 1927-1988
- Seasonality of Visits To Hawaii 1988
- Summary of Visitor Units
- Percent of Hotel Units Occupied, by Geographics Areas: Annual Averages, 1980 to 1987
- 1988 Oahu Expenditures Versus Neighbor Island Expenditures
- 1986, 1987 and 1988 Expenditures Per Visitor Per Day By Arrival Month
- 1988 Expenditures Per Visitor Per Day By First-Time or Repeat Visitor
- 1988 Expenditures Per Visitor Per Day By Length Of Stay Ratings For Oahu Versus Neighbor Islands Hotels, 1984
- Whether Travel Agent Influenced The Choice of Hawaii Over Other Destination, 1984-1987
- Number of Visitor Arrival At Pacific Area Travel Destination, 1977-1987
- Visitor Arrival In Each Pata Region
- Visitor Expenditures
- Average Hotel Occupancy Rate 1986, 1987
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<tr>
<th>Year</th>
<th>Both Directions</th>
<th>% Change From Previous Year</th>
<th>Westbound 1/</th>
<th>Eastbound 2/</th>
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1942-1945

War years - visitor industry suspended

1/ Arriving from points east of Hawaii (for country of residence see Table 10)
2/ Arriving from Asia or Oceania
* Not Available

Note: All expenditure figures are in current dollars. Additional details on visitor expenditures are available at the Research Department of the Hawaii Visitors Bureau.

# Seasonality of Visits to Hawaii 1988

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<td>370,010</td>
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<td>198,750</td>
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<td>September</td>
<td>313,330</td>
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<td>379,790</td>
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<td>Total</td>
<td>4,264,730</td>
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Source: Hawaii Visitors Bureau Basic Data Survey and Carriers and Harrison Price Company.
### SUMMARY OF VISITOR UNITS

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<th>ISLAND OF OAHU SUMMARY</th>
<th>VISITOR UNITS</th>
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#### WAIKIKI SUMMARY

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#### HONOLULU-DOWNTOWN SUMMARY

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#### AIRPORT SUMMARY

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PERCENT OF HOTEL UNITS OCCUPIED, BY GEOGRAPHIC AREAS: 
ANNUAL AVERAGES, 1980 TO 1987 

[Includes resort condominium units. Coverage prior to 1986 excluded several major hotel chains]

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<td>63.0</td>
<td>64.8</td>
<td>77.6</td>
<td>74.2</td>
</tr>
<tr>
<td>South</td>
<td>52.5</td>
<td>46.2</td>
<td>44.2</td>
<td>50.2</td>
<td>63.1</td>
<td>70.1</td>
<td>82.1</td>
<td>80.6</td>
</tr>
<tr>
<td>East</td>
<td>75.1</td>
<td>68.5</td>
<td>63.4</td>
<td>59.3</td>
<td>63.0</td>
<td>62.6</td>
<td>75.4</td>
<td>71.8</td>
</tr>
<tr>
<td>Molokai</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>50.3</td>
<td>45.4</td>
</tr>
<tr>
<td>Neighbor island average</td>
<td>64.1</td>
<td>59.8</td>
<td>60.0</td>
<td>60.9</td>
<td>69.1</td>
<td>69.7</td>
<td>75.3</td>
<td>70.7</td>
</tr>
</tbody>
</table>

1988 OAHU EXPENDITURES VERSUS NEIGHBOR ISLAND EXPENDITURES

FIGURE 3

1986, 1987 AND 1988 EXPENDITURES PER VISITOR PER DAY BY ARRIVAL MONTH

FIGURE 4
1988 EXPENDITURES PER VISITOR PER DAY
BY FIRST-TIME OR REPEAT VISITOR

Figure 5

- Food & Beverage
- Entertainment
- Transportation
- Clothing
- Gifts & Souvenirs
- All Other
- Lodging

Total Expenditures

1988 EXPENDITURES PER VISITOR PER DAY
BY LENGTH OF STAY

Figure 6

- 1 - 6 days
- 7 - 12 days
- 13 - 18 days
- over 19 days

Total Expenditures
RATINGS FOR OAHU VERSUS NEIGHBOR ISLAND HOTELS, 1984-1987

(RATINGS ARE BASED ON A 5 POINT SCALE WITH 5 = EXCELLENT AND 1 = POOR)

- OAHU HOTELS
- NEIGHBOR ISLAND HOTELS

WHETHER TRAVEL AGENT INFLUENCED THE CHOICE OF HAWAII OVER OTHER DESTINATIONS, 1984-1987

- NO
- YES
<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>HIGHEST RATING</th>
<th>LOWEST RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaches</td>
<td>Maui</td>
<td>Hilo</td>
</tr>
<tr>
<td>Car Rental</td>
<td>Maui, Hilo, Kona</td>
<td>Oahu</td>
</tr>
<tr>
<td>Cultural Activities</td>
<td>Oahu, Hilo</td>
<td>Kauai</td>
</tr>
<tr>
<td>Dinner Cruises</td>
<td>Kona</td>
<td>Oahu</td>
</tr>
<tr>
<td>Fishing</td>
<td>Hilo, Kona</td>
<td>Oahu</td>
</tr>
<tr>
<td>Golf</td>
<td>Kona, Maui</td>
<td>Oahu, Hilo</td>
</tr>
<tr>
<td>Luaus</td>
<td>Kona</td>
<td>Oahu</td>
</tr>
<tr>
<td>Shops/Stores</td>
<td>Maui</td>
<td>Hilo</td>
</tr>
<tr>
<td>Night Clubs</td>
<td>Maui, Oahu</td>
<td>Hilo, Kauai</td>
</tr>
<tr>
<td>Restaurants</td>
<td>Maui</td>
<td>Hilo</td>
</tr>
<tr>
<td>Sightseeing Tours</td>
<td>Maui, Kauai</td>
<td>Oahu</td>
</tr>
<tr>
<td>Taxis</td>
<td>Kauai, Kona, Maui</td>
<td>Oahu</td>
</tr>
<tr>
<td>Tennis</td>
<td>Kona, Maui</td>
<td>Oahu</td>
</tr>
<tr>
<td>Tourist Information</td>
<td>Oahu</td>
<td>Kauai</td>
</tr>
<tr>
<td>Water Sports</td>
<td>Maui</td>
<td>Hilo</td>
</tr>
</tbody>
</table>

The ratings were allowed only if the visitor participated in the activity or used the service. The ratings, thus, could be misleading if the island received only a few responses, but were rated either very high or low.

In general, beaches, golfing, and water sports received the highest overall ratings of all categories.

Car rentals received the lowest averages overall, followed by taxis and nightclubs.
NUMBER OF VISITOR ARRIVALS AT PACIFIC AREA TRAVEL DESTINATIONS, 1977 – 1987**

(MILLIONS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitor Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>16.9</td>
</tr>
<tr>
<td>1978</td>
<td>18.5</td>
</tr>
<tr>
<td>1979</td>
<td>20.6</td>
</tr>
<tr>
<td>1980</td>
<td>21.9</td>
</tr>
<tr>
<td>1981</td>
<td>23.2</td>
</tr>
<tr>
<td>1982</td>
<td>24.3</td>
</tr>
<tr>
<td>1983</td>
<td>24.9</td>
</tr>
<tr>
<td>1984</td>
<td>26.1</td>
</tr>
<tr>
<td>1985</td>
<td>27.5</td>
</tr>
<tr>
<td>1986</td>
<td>29.5</td>
</tr>
<tr>
<td>1987</td>
<td>33.2</td>
</tr>
</tbody>
</table>

TABLE 1A
VISITOR ARRIVALS TO EACH PATA REGION, 1977 – 1987

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia</td>
<td>5,382,332</td>
<td>31.8</td>
<td>11,200,672</td>
<td>33.8</td>
<td>7.6%</td>
</tr>
<tr>
<td>South Asia</td>
<td>1,189,248</td>
<td>7.0</td>
<td>2,133,538</td>
<td>6.4</td>
<td>6.0%</td>
</tr>
<tr>
<td>South East Asia</td>
<td>5,203,196</td>
<td>30.7</td>
<td>10,152,281</td>
<td>30.6</td>
<td>6.9%</td>
</tr>
<tr>
<td>Australia/New Zealand</td>
<td>952,775</td>
<td>5.6</td>
<td>2,629,216</td>
<td>7.9</td>
<td>10.7%</td>
</tr>
<tr>
<td>South &amp; Central Pacific</td>
<td>762,417</td>
<td>4.5</td>
<td>1,248,031</td>
<td>3.8</td>
<td>5.1%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>3,435,000</td>
<td>20.4</td>
<td>5,800,000</td>
<td>17.5</td>
<td>5.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>16,924,968</td>
<td>100.0</td>
<td>33,163,738</td>
<td>100.0</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

* Source: 1977 Annual Statistical Report
** Excluding Canada

VISITOR ARRIVALS IN EACH PATA REGION

1977

- East Asia: 5,382,332 (31.8%)
- South Asia: 1,189,248 (7.0%)
- South East Asia: 5,203,196 (30.7%)
- Hawaii: 2,425,000 (14.1%)
- Other: 392,480 (2.3%)

1987

- East Asia: 11,200,672 (33.9%)
- South Asia: 2,133,538 (6.4%)
- South East Asia: 10,152,281 (30.6%)
- Hawaii: 5,800,000 (17.5%)
- Other: 1,248,031 (3.8%)
## VISITORS EXPENDITURES
### (US DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>TOTAL (THOUSAND)</th>
<th>AVERAGE EXPENDITURE PER VISITOR</th>
<th>AVERAGE DAILY EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EAST ASIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHINA, REP. OF</td>
<td>1,333,000</td>
<td>1,619,000</td>
<td>827</td>
</tr>
<tr>
<td>HONG KONG</td>
<td>2,290,155</td>
<td>3,184,249</td>
<td>592</td>
</tr>
<tr>
<td>JAPAN</td>
<td>1,463,000</td>
<td>—</td>
<td>2,083</td>
</tr>
<tr>
<td>KOREA</td>
<td>1,547,502</td>
<td>2,299,156</td>
<td>—</td>
</tr>
<tr>
<td>SOUTH ASIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BANGLADESH</td>
<td>16,525</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>INDIA</td>
<td>1,390,000</td>
<td>1,455,000</td>
<td>345</td>
</tr>
<tr>
<td>SRI LANKA</td>
<td>79,300</td>
<td>82,042</td>
<td>—</td>
</tr>
<tr>
<td>SOUTH EAST ASIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SINGAPORE</td>
<td>1,841,646</td>
<td>1,314,000</td>
<td>344</td>
</tr>
<tr>
<td>THAILAND</td>
<td>—</td>
<td>1,947,000</td>
<td>—</td>
</tr>
<tr>
<td>AUSTRALIA/NEW ZEALAND</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEW ZEALAND</td>
<td>679,144</td>
<td>—</td>
<td>1,002</td>
</tr>
<tr>
<td>SOUTH/CENTRAL PACIFIC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GUAM</td>
<td>306,539</td>
<td>—</td>
<td>771</td>
</tr>
<tr>
<td>NORTHERN MARIANAS</td>
<td>138,000</td>
<td>147,998</td>
<td>855</td>
</tr>
<tr>
<td>TAHITI</td>
<td>145,800</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>TONGA</td>
<td>9,018</td>
<td>10,547</td>
<td>459</td>
</tr>
<tr>
<td>HAWAII</td>
<td>5,500,000</td>
<td>6,600,000</td>
<td>981</td>
</tr>
</tbody>
</table>

### METHODS OR SOURCES USED IN ESTIMATING VISITOR EXPENDITURES

Sample Survey/Bank Report
Bangladesh, China, Rep. of, Guam, Hong Kong, Japan, New Zealand, Northern Marianas, Singapore, Sri Lanka, Tahiti, Thailand, Tonga

Sri Lanka's total visitor expenditure figures are obtained from monthly returns by hoteliers, travel agents, tourist shops, gem corporations and commercial banks.
Taiwan conducts personal interviews among foreign visitors and overseas Chinese spending less than 24 hours or no more than 60 days in Taiwan, and travel agencies dealing with package tours.

### Exchange Rates
U.S. $1.00 equivalent in local currency in:

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>3.100</td>
<td>—</td>
</tr>
<tr>
<td>China, Rep. of</td>
<td>NT$37</td>
<td>NT$32</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>HK$7.80</td>
<td>13 Rs</td>
</tr>
<tr>
<td>India</td>
<td>—</td>
<td>165.29 yen</td>
</tr>
<tr>
<td>Japan</td>
<td>861.40 won</td>
<td>792.30 won</td>
</tr>
<tr>
<td>Korea</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>New Zealand</td>
<td>NZ$1.95</td>
<td>—</td>
</tr>
<tr>
<td>Singapore</td>
<td>S$2.1774</td>
<td>S$2.1060</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>Rs27.74</td>
<td>Rs29.44</td>
</tr>
<tr>
<td>Thailand</td>
<td>—</td>
<td>25.693Bht</td>
</tr>
<tr>
<td>Tonga</td>
<td>T$1.322</td>
<td>T$1.38</td>
</tr>
</tbody>
</table>
## AVERAGE HOTEL OCCUPANCY RATE 1986, 1987

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NUMBER OF ROOMS</td>
<td>OCCUPANCY RATE(%)</td>
</tr>
<tr>
<td></td>
<td>(AS OF 31 DEC.)</td>
<td></td>
</tr>
<tr>
<td>EAST ASIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHINA, REP. OF</td>
<td>21,255</td>
<td>62</td>
</tr>
<tr>
<td>HONG KONG</td>
<td>20,230</td>
<td>85</td>
</tr>
<tr>
<td>KOREA</td>
<td>24,560</td>
<td>53</td>
</tr>
<tr>
<td>MACAU (a)</td>
<td>2,739</td>
<td>64</td>
</tr>
<tr>
<td>SOUTH ASIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INDIA</td>
<td>30,200</td>
<td></td>
</tr>
<tr>
<td>SRI LANKA</td>
<td>9,677</td>
<td>39</td>
</tr>
<tr>
<td>SOUTH EAST ASIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHILIPPINES (b)</td>
<td>15,584</td>
<td>60</td>
</tr>
<tr>
<td>SINGAPORE</td>
<td>22,080</td>
<td>65</td>
</tr>
<tr>
<td>THAILAND (c)</td>
<td>116,997</td>
<td>61</td>
</tr>
<tr>
<td>AUSTRALIA/NEW ZEALAND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEW ZEALAND</td>
<td>21,538</td>
<td>59</td>
</tr>
<tr>
<td>SOUTH/CENTRAL PACIFIC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIJI</td>
<td>4,200</td>
<td>61</td>
</tr>
<tr>
<td>GUAM</td>
<td>3,018</td>
<td>86</td>
</tr>
<tr>
<td>NEW CALEDONIA</td>
<td>1,573</td>
<td>50</td>
</tr>
<tr>
<td>NORTHERN MARIANAS</td>
<td>1,417</td>
<td>70</td>
</tr>
<tr>
<td>TONGA</td>
<td>445</td>
<td>55</td>
</tr>
<tr>
<td>HAWAII</td>
<td>61,318</td>
<td>82</td>
</tr>
</tbody>
</table>

(a) Deluxe and first class and Pousada de Sao Tiago
(b) 1-5 star hotel in the Philippines
(c) All types of accommodation in all of Thailand
(d) Liquor licensed hotels for year ended March 1986
WAIKIKI RETAIL MARKET

- Hawaii Information
- Grubb & Ellis Information - Retail Market
- Major Retail Center, for Oahu: 1972 To 1982
- Characteristics of Major Shopping Center: 1985
- Retail Trade for Counties and Urban Places: 1982
- Royal Hawaiian Shopping Center
- Kalakaua Avenue Retail - Other
- International Marketplace Retail Information As Of March 20, 1989
- Off Kalakaua Retail Spaces
<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>1987</th>
<th>1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shopping centers:</td>
<td>117</td>
<td>123</td>
<td>129</td>
</tr>
<tr>
<td>Total leasable retail area (sq. ft.):</td>
<td>12.3 mil.</td>
<td>12.7 mil.</td>
<td>13.3 mil.</td>
</tr>
<tr>
<td>Retail sales in shopping centers:</td>
<td>$2.0 bil.</td>
<td>$2.2 bil.</td>
<td>$2.4 bil.</td>
</tr>
<tr>
<td>Percent of total nonautomotive retail sales:</td>
<td>39%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>Number of adults shopping in centers monthly:</td>
<td>740,000</td>
<td>740,000</td>
<td>750,000</td>
</tr>
<tr>
<td>State sales tax revenues from shopping centers:</td>
<td>$82 mil.</td>
<td>$88 mil.</td>
<td>$94 mil.</td>
</tr>
<tr>
<td>Employment in shopping centers:</td>
<td>33,000</td>
<td>34,000</td>
<td>37,000</td>
</tr>
<tr>
<td>Percent of total nonagricultural employment:</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>New center construction starts:</td>
<td>None</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>New center GLA (sq. ft.):</td>
<td>None</td>
<td>0.1 mil.</td>
<td>0.2 mil.</td>
</tr>
<tr>
<td>Construction contract value:</td>
<td>None</td>
<td>$2 mil.</td>
<td>$15 mil.</td>
</tr>
<tr>
<td>Construction employment:</td>
<td>None</td>
<td>None</td>
<td>300</td>
</tr>
</tbody>
</table>
RETAIL MARKET

Closely paralleling the office and industrial market sectors, Honolulu's retail market continues to exhibit low vacancy factors in all shopping center categories statewide with new development activity concentrated in smaller centers below the regional level. These patterns will continue in 1989 with no new regional shopping centers likely to be developed anywhere in the state in the foreseeable future.

Year-end 1988 survey results show average vacancy at or below 6% in all Oahu Super Regional, Regional, Community, Neighborhood and Strip Centers with the Specialty center category edging only slightly higher at 6.5%. Although significant development activity was planned for the Neighbor Islands in 1988, much of it was delayed or cancelled. On Maui in Kihei, for example, inadequate sewage systems and unclear zoning requirements stalled some developments. In contrast to 1988, however, which saw commencement or completion of less than 527,000 square feet of new shopping center space in all categories combined, 1989 will see the commencement of more than 694,000 square feet of new development and 273,000 square feet added on to existing complexes statewide.

Ala Moana Center continues to be the focal point of Oahu's shopping center industry with annual sales more than doubling the national super regional category average of $180 per square foot. Having completed its "Phase III" renovation in 1985/86, Ala Moana undertook in 1988 its two-year "Phase IV" program to both reconfigure and add nearly 130,000 square feet of space to the 30-year old mall known as the largest open air shopping center in the world. Both Pearlridge Center and Kahala Mall continue to refine and upgrade their tenant mix, having added quality food service and multi-screen theater complexes to compliment their overall renovations. The Windward Mall fulfilled its promise as the dominant center on Windward Oahu with vacancy at less than 6%.

With the opening of Costco Center in 1988, Oahu was successfully introduced to its first "big box" discount retailer, a 110,000 square foot store reporting strong first-year sales. Nearly half of the 18,000 square foot support service center was leased as of the end of 1988. The 90,000 square foot Restaurant Row also opened in 1988 with Studebaker's "non-stop bop" theme setting national volume records for the eight store chain. All available space is anticipated to be open and operating by mid-1989.

In the Neighborhood and Community Center categories, Oahu's 95,000 square foot Waipahu Town Center will be completed in 1989. In addition, the long-planned 200,000 square foot Hawaii Kai Towne Center will commence, as will the 210,000 square foot "Pearl Plantation" project to be built on the site of the present Castle Park amusement complex by Halawa Associates. With the full lease-up of Pearl Kai Center Phase I in 1988, Phase II will commence in 1989 and add 34,000 square feet to the existing complex.

Waikiki's visitor-oriented shopping garnered the benefits of an increasing number of Japanese visitors, with such operations as Louis Vuitton and Chanel generating sales reportedly in excess of $20,000 per square foot per annum.

Neighbor Island activity includes the commencement of construction of a 150,000 square foot visitor oriented shopping complex in Lahaina, Maui, the commencement of the 70,000 square foot Keauhou Shopping Village Phase II, and the 75,000 square foot Waimea Center on the Big Island. Sale of the Big Island's Prince Kuhio Plaza regional shopping center to Sears subsidiary Homart took place, and the 21,000 square foot Waterfront Row was completed as a Kailua-Kona restaurant-anchored specialty center in 1988. Plans are also underway for the addition of a combined Phase II and III to the existing 87,000 square foot Lanihau Center. Extensive renovations are planned for existing retail buildings in central Lihue as well.

As predicted, 1988 rental rates showed average increases of 12-15%.

Included in this study are the following categories of retail centers:

SUPER REGIONAL
Minimum of 3 department stores 100,000 square feet each. Average size: 1,000,000 plus sq. ft.
REGIONAL
Minimum of 1-2 department stores, 100,000 square feet each. Average size 300,000-800,000 sq. ft.
COMMUNITY
Full service center, junior department or variety anchor. Average size: 85,000-230,000 sq. ft.
NEIGHBORHOOD
Daily living "convenience" needs often anchored by a supermarket and superdrug. Average size: 32,000-115,000 sq. ft.
STRIP
No anchor tenants, daily convenience needs.
Average size: 10,000-30,000 sq. ft.

SPECIALTY
Restaurant and/or expanded-concept retail
anchored with specialized narrow spectrum
"boutique" retail.

1988 MARKET REVIEW
- Honolulu/Oahu has an estimated 9,612,000
  square feet of shopping centers in the
categories described.
- In 1988, Honolulu/Oahu vacancy rates in these
categories were:
  - Super Regionals 0.2%
  - Regionals 3.4%
  - Community 4.2%
  - Neighborhood 3.3%
  - Strip 5.7%
  - Specialty 6.5%
- The Neighbor Islands have the following
  square footages combining the categories
described:
  - Maui 1,327,000
  - Kauai 820,000
  - Hawaii 1,306,000
- In 1988, combined Neighbor Island (Kauai,
  Maui, Hawaii) vacancy rates in the categories
described were:
  - Regionals 4.0%
  - Community 1.7%
  - Neighborhood 4.4%
  - Strip 2.7%
  - Specialty 11.7%
- New construction completed in 1988 in the
categories described totaled 527,000 square
feet on Oahu, Maui, Kauai and Hawaii
combined.

1989 OUTLOOK
(Rentals quoted on per square foot per month
"net" basis: Rentals pertain to non-anchor tenant
space.)
- Retail square footage will increase by 241,000
  aggregate square feet in Honolulu/Oahu in
1989.
- Retail space will increase on Maui, Kauai, and
  Hawaii as follows in 1989:
  - Maui 185,000 square feet
  - Kauai 190,000 square feet
  - Hawaii 176,700 square feet
- The highest percentage of new retail space
completed in 1989 will occur in specialty
centers accounting for 381,000 square feet or
34% of the total new inventory.
COMMENTS

- Retailers reported strong sales at year end 1988 with sales increases running approximately double the 5-6% increases over 1987 reported by major Mainland retailers. Resort retail targeted toward the Japanese visitor continues to achieve astounding sales volumes.

HONOLULU RETAIL CENTERS

<table>
<thead>
<tr>
<th>G.L.A.</th>
<th>vs VACANCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>3000</td>
<td></td>
</tr>
<tr>
<td>2500</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>1500</td>
<td></td>
</tr>
<tr>
<td>1000</td>
<td></td>
</tr>
<tr>
<td>500</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

- Plans are expected to be announced or finalized in 1989 for several major mixed-use projects combining residential or hotel units, office/commercial space and significant retail. Locations will include a site in Kā'ākā, the former Aloha Motors site, and the Waikiki Triangle site.
- 1989 opportunities for expansion-minded retailers will continue to be found in the buy-out of existing local chains, locations in smaller shopping complexes and in new Neighbor Island projects. By the early 1990s, opportunities will expand to include sites in major mixed-use projects.
- Although Hawaii has yet to see its first deep-discount multi-tenant "power center" concept following Mainland trends, the 1988 opening and strong sales of Costco indicate a receptivity for "no-frills" brand name retailing. A power center concept could make its first appearance on Oahu in the early 1990s as several developers are currently exploring site opportunities for this use.
- Retail in the new "super-resorts" is no longer looked upon as an ancillary convenience but rather as a large scale commitment geared toward encouraging guests to remain on the hotel premises.

HONOLULU RETAIL SHOPPING MALLS MARKET OVERVIEW (SQ. FT. IN THOUSANDS)

<table>
<thead>
<tr>
<th>Mall Classification</th>
<th>Number of Centers</th>
<th>Gross Leasable Area</th>
<th>Vacant Centres</th>
<th>%</th>
<th>New Const. 1989</th>
<th>New Const. 1988</th>
<th>Rental Rates per sq. ft./month Low – High</th>
<th>Common Area Maint.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood Centers</td>
<td>30</td>
<td>2,483</td>
<td>82</td>
<td>3.3%</td>
<td>46</td>
<td>16</td>
<td>$1.27 – $ 2.60</td>
<td>$0.29</td>
</tr>
<tr>
<td>Strip Centers</td>
<td>26</td>
<td>800</td>
<td>46</td>
<td>5.7%</td>
<td>195</td>
<td>23</td>
<td>$1.42 – $ 4.00</td>
<td>$0.32</td>
</tr>
<tr>
<td>Speciality Centers</td>
<td>12</td>
<td>1,146</td>
<td>74</td>
<td>6.5%</td>
<td>0</td>
<td>0</td>
<td>$2.00 – $10.00</td>
<td>$0.82</td>
</tr>
<tr>
<td>Community Centers</td>
<td>7</td>
<td>1,570</td>
<td>66</td>
<td>4.2%</td>
<td>0</td>
<td>329</td>
<td>$1.25 – $ 3.20</td>
<td>$0.35</td>
</tr>
<tr>
<td>Regional Centers</td>
<td>2</td>
<td>913</td>
<td>31</td>
<td>3.4%</td>
<td>0</td>
<td>0</td>
<td>$1.55 – $ 5.25</td>
<td>$0.68</td>
</tr>
<tr>
<td>Super Regional Centers</td>
<td>2</td>
<td>2,700</td>
<td>5</td>
<td>0.2%</td>
<td>0</td>
<td>0</td>
<td>$3.09 – $ 8.00</td>
<td>$0.51</td>
</tr>
<tr>
<td>Total</td>
<td>79</td>
<td>9,612</td>
<td>304</td>
<td>3.2%</td>
<td>241</td>
<td>368</td>
<td>$1.27 – $10.00</td>
<td>$0.49</td>
</tr>
</tbody>
</table>

* Vacancy rates computed on a weighted average basis discounting the highest and lowest figures in each category.
MAJOR RETAIL CENTERS, FOR OAHU: 1972 TO 1982

[These tabulations were discontinued after 1982]

<table>
<thead>
<tr>
<th>Geographic area</th>
<th>Number of retail establishments</th>
<th>Retail sales ($1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oahu total 1/</td>
<td>4,235</td>
<td>5,262</td>
</tr>
<tr>
<td>Honolulu CBD: 2/</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972 definition 2/</td>
<td>353</td>
<td>415</td>
</tr>
<tr>
<td>1977 definition 2/</td>
<td>(NA)</td>
<td>485</td>
</tr>
<tr>
<td>Ala Moana Center 3/</td>
<td>224</td>
<td>187</td>
</tr>
<tr>
<td>Waikiki 3/</td>
<td>597</td>
<td>646</td>
</tr>
<tr>
<td>Kahala Mall</td>
<td>60</td>
<td>55</td>
</tr>
<tr>
<td>Pearlridge Center 3/</td>
<td>32</td>
<td>102</td>
</tr>
</tbody>
</table>

* Excludes establishments without payroll (Kahala Mall, 1; Pearlridge Center, 3).

1/ Not available.
2/ The Honolulu Central Business District was redefined in 1977 to include the area bounded by Naunau Stream, School Street, Queen Emma Street, Beretania Street, Richards Street, Halekauwila Street, and Honolulu Harbor. Before 1977, the CBD as defined excluded that part between Beretania Street and School Street. For comparable statistics back to 1948, see DPED Statistical Memorandum 80-7 (July 31, 1980).
3/ Waikiki is defined as the area bounded by the Ala Wai Canal, Kapahulu Avenue, and the Pacific Ocean.

Source: Hawaii State Department of Planning and Economic Development, Retail Trade in Downtown Honolulu, 1948-1977 (Statistical Memorandum 80-7, July 31, 1980). U.S. Bureau of the Census, 1972 Census of Retail Trade, Major Retail Centers, Hawaii, RC72-C-12 (November 1974), table 1; 1977 Census of Retail Trade, Major Retail Centers, Hawaii, RC77-C-12 (February 1980), table 1; 1982 Census of Retail Trade, Major Retail Centers, Hawaii, RC82-C-12 (October 1984), table 1.
CHARACTERISTICS OF MAJOR SHOPPING CENTERS: 1985

[Includes all centers on Oahu with more than 200,000 square feet of building area and all centers on other islands with more than 100,000 square feet of building area]

<table>
<thead>
<tr>
<th>Island and name of center</th>
<th>Location</th>
<th>Year opened</th>
<th>Site area (acres)</th>
<th>Gross leaseable area (1,000 square feet)</th>
<th>Parking spaces</th>
<th>Number of stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oahu:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ala Moana Center ..........</td>
<td>Honolulu</td>
<td>1959</td>
<td>50</td>
<td>1,500</td>
<td>7,800</td>
<td>155</td>
</tr>
<tr>
<td>Kahala Mall ..............</td>
<td>Honolulu</td>
<td>1970</td>
<td>22</td>
<td>370</td>
<td>1,425</td>
<td>60</td>
</tr>
<tr>
<td>Pearl City S. C. ..........</td>
<td>Pearl City</td>
<td>1965</td>
<td>15</td>
<td>249</td>
<td>871</td>
<td>60</td>
</tr>
<tr>
<td>Pearlridge Center .......</td>
<td>Aiea</td>
<td>1972</td>
<td>54</td>
<td>1,200</td>
<td>4,915</td>
<td>150</td>
</tr>
<tr>
<td>Royal Hawaiian S. C. ...</td>
<td>Honolulu</td>
<td>1981</td>
<td>6</td>
<td>280</td>
<td>600</td>
<td>(NA)</td>
</tr>
<tr>
<td>Waikiki Shopping Plaza ...</td>
<td>Honolulu</td>
<td>1977</td>
<td>1</td>
<td>300</td>
<td>300</td>
<td>50</td>
</tr>
<tr>
<td>Windward City S.C. ......</td>
<td>Kaneohe</td>
<td>1959</td>
<td>15</td>
<td>(NA)</td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>Windward Mall ..........</td>
<td>Kaneohe</td>
<td>1982</td>
<td>32</td>
<td>530</td>
<td>2,500</td>
<td>98</td>
</tr>
<tr>
<td>Hawaii:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaiko'o Mall S. C. .......</td>
<td>Hilo</td>
<td>1970</td>
<td>14</td>
<td>220</td>
<td>950</td>
<td>33</td>
</tr>
<tr>
<td>Maui:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaahumanu Center ......</td>
<td>Kahului</td>
<td>1973</td>
<td>25</td>
<td>300</td>
<td>1,400</td>
<td>50</td>
</tr>
<tr>
<td>Kahului S. C. ...........</td>
<td>Kahului</td>
<td>1951</td>
<td>17</td>
<td>104</td>
<td>1,000</td>
<td>30</td>
</tr>
<tr>
<td>Maui Mall ...............</td>
<td>Kahului</td>
<td>1971</td>
<td>25</td>
<td>182</td>
<td>1,400</td>
<td>38</td>
</tr>
<tr>
<td>Kauai:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kukui Grove Center ......</td>
<td>Lihue</td>
<td>1982</td>
<td>35</td>
<td>311</td>
<td>1,590</td>
<td>52</td>
</tr>
<tr>
<td>Lihue S. C. .............</td>
<td>Lihue</td>
<td>1966</td>
<td>9</td>
<td>142</td>
<td>551</td>
<td>24</td>
</tr>
</tbody>
</table>

NA Not available.

### Retail Trade for Counties and Urban Places: 1982

[Excludes establishments operated by the armed forces]

<table>
<thead>
<tr>
<th>Geographic area</th>
<th>All establishments</th>
<th>Establishments with payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>$1,000</td>
</tr>
<tr>
<td><strong>State total</strong></td>
<td>8,917</td>
<td>5,193,406</td>
</tr>
<tr>
<td>Hawaii County</td>
<td>1,039</td>
<td>492,154</td>
</tr>
<tr>
<td>Hilo</td>
<td>445</td>
<td>285,856</td>
</tr>
<tr>
<td>Kailua</td>
<td>216</td>
<td>103,003</td>
</tr>
<tr>
<td>Balance of county</td>
<td>378</td>
<td>103,295</td>
</tr>
<tr>
<td>Honolulu County</td>
<td>6,347</td>
<td>3,962,598</td>
</tr>
<tr>
<td>Aiea</td>
<td>6</td>
<td>254,358</td>
</tr>
<tr>
<td>Makaha</td>
<td>10</td>
<td>3,702</td>
</tr>
<tr>
<td>Makawilo</td>
<td>19</td>
<td>1,643</td>
</tr>
<tr>
<td>Mililani Town</td>
<td>59</td>
<td>23,226</td>
</tr>
<tr>
<td>Hokulani</td>
<td>7</td>
<td>2,783</td>
</tr>
<tr>
<td>Schofield Barracks</td>
<td>13</td>
<td>1,758</td>
</tr>
<tr>
<td>Wahiawa</td>
<td>220</td>
<td>152,715</td>
</tr>
<tr>
<td>Waialua</td>
<td>220</td>
<td>182,230</td>
</tr>
<tr>
<td>Waianae</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Waianalio</td>
<td>19</td>
<td>1,643</td>
</tr>
<tr>
<td>Waianalio Beach</td>
<td>1</td>
<td>(D)</td>
</tr>
<tr>
<td>Waipahu</td>
<td>196</td>
<td>133,233</td>
</tr>
<tr>
<td>Waipio Acres</td>
<td>4</td>
<td>57,318</td>
</tr>
</tbody>
</table>

(D) Withheld to avoid disclosing data for individual companies.

I. BACKGROUND

While the International Marketplace is still considered to be the heart of Waikiki, the Royal Hawaiian Shopping Center has taken over the role of the "in" place to shop and experience Waikiki. The Royal Hawaiian like all of Kalakaua Avenue is now servicing a completely different clientele then the rest of Waikiki. This clientele is primarily wealthy young Japan nationals. These Japanese nationals are looking for a particular experience, one of elegance and style. Their purchases reflect this as shown in the items they acquire. The purchases must have high value and be recognized designer or high quality fashion items; i.e. Chanel clothes and perfume, Polo/Ralph Lauren clothes, Louis Vuitton luggage, Cartier jewelry, etc.

The leases in this center, which have been referenced in this study were executed in 1980 (unless otherwise noted) and are now in the 9th year of a ten (10) year term. These rents do not indicate the actual minimum market rent for the Royal Hawaiian or Kalakaua Avenue. Most ground floor spaces will be coming up for renegotiation in 1990 and 1991. No new rents and premiums and other lease requirements have been set as yet by the landlord.

II. MINIMUM RENTS AND PERCENTAGE RENT RATES

A. Ground Floor

Minimum rents for the ground floor are between $10.00 to $12.00 per square foot per month vs. 8% to 12% of the gross sales.

B. Second Floor

Second floor minimum rent is now between $3.00 to $4.00 per square foot.

C. Third Floor

Third floor is at $1.50 per square foot.
D. Fourth Floor

Fourth floor is at a percentage rent deal or $1.00 per square foot whichever in greater.

III. PREMIUMS

There is not much experience with premiums in this shopping center since the shops have not turned over very much; however, it is quite evident and indicated by the General Manager, Mr. Dick Wong, that if leases were entered into today, significant premiums would be involved in the transaction. A past example of this is the "Watumullis" shop which is a 700 square foot ground floor shop on the Ewa side of the Center sold in November, 1988 for approximately $950,000.00 cash or $1,357.14 per square foot. This shop was purchased by a Japan Japanese concern which negotiated with the landlord for an extension of the lease for five years with an option at then market rent of another five years. A percentage of the premium was given by the seller for the extension of the lease.

IV. GROSS SALES/ACTUAL RENTS

A. Eye Catcher

This retailer of designer wear sunglasses has two shops on the ground floor of 300 square feet and 500 square feet, respectively and sales were estimated at $1200.00 per square foot annually per shop. Minimum rent is $10.00 vs. 10% of gross sales. Actual and effective rent at 10% is $12.00 per square foot per month.

B. Island Tan

This retailer of Aloe suntanning and beauty products has two shops on the ground floor of 350 square feet and 500 square feet, respectively and sales were estimated at $1,500.00 per square foot annually per shop. Minimum rent is $10.00 vs. 10% of gross sales. Actual and effective rent at 10% is $12.50 per square foot per month.

C. MacDonald's Restaurant

This fast food franchise has 2,000 square feet on the ground floor and 4,000 square feet on the second floor.
Gross sales per square foot on an annual basis is $1,000.00 and $250.00, respectively. Ground floor rent would equal $10.00 per square foot per month.

D. ABC Discount

This convenience store had gross sales of approximately $2,200,000.00 in 1988 or per square foot of $1,222.00 annually. Minimum rent is $5.00 per square foot vs. 9% of gross sales. The store space is approximately 1800 square feet and actual and effective rent is $9.17 per square foot per month.

E. Crazy Shirts

This specialty concept shop, the Royal Hawaiian Yacht Club, had sales of $1,500,000.00 in 1988 on approximately 600 square feet or $2,500.00 per square foot in annual gross sales. Minimum rent is $10.00 per square foot per month versus 10% of gross sales. Actual and effective rent is $20.83 per square foot per month.

F. Surfsports

This retailer of surfing sports wear and accessories on the ground floor and had gross sales of $1,300,000.00 in 1988 on approximately 600 square feet or $2,166.00 per square foot. Minimum rent is $10.00 per square foot vs. 10% of gross sales. Actual and effective rent is $18.06 per square foot per month.
V. HIGH VOLUME SHOPS

The following stores had the highest gross sales in the Royal Hawaiian Shopping Center in 1988.

A. Chanel

Sales were estimated at $15,000,000.00 in 1988 when the store was approximately 1000 square feet or $15,000.00 annual sales per square foot. Minimum rent is $8.00 per square foot versus 10% of gross sales which means the total rent for 1988 at 10% was $1,500,000.00 or $125.00 per square foot per month. A second shop of approximately 2800 square feet opened in October, 1988. The total square footage of both shops is approximately 3800 square feet. Gross sales are projected for 1989 at approximately $24,000,000.00 for both shops.

B. Louis Vuitton

Sales in 1988 were approximately at $20,000,000.00 on 1000 square feet of shop space or $20,000.00 per square foot in annual gross sales. Minimum rent is $8.00 per square foot versus 10% of gross sales. Accordingly, the total rent in 1988 was $2,000,000.00 or $167.00 per square foot per month. Gross sales for 1989 are projected to be $25,000,000.00.

C. Cartier

Sales in 1988 were approximately at $7,000,000.00 on 400 square feet of shop space or $17,500.00 per square foot in annual gross sales. Minimum rent is $8.00 per square foot versus 10% of gross sales. The total rent for 1988 was $700,000.00 or $145.00 per square foot per month. Gross sales for 1989 are projected to be $8,000,000.00.

D. Yokoyama Okadaya

Sales in 1988 were approximately $26,000,000 on 2,000 square feet of shop space or $13,000.00 per square foot in annual gross sales. Minimum rent is $8.00 per square foot versus 10% of gross sales. The total rent for 1988 was $2,600,000.00 or $108.33 per square foot per month. Gross sales for 1989 are projected to be approximately $30,000,000.00.
KALAKAUA AVENUE RETAIL - OTHER

A. THE KALAKAUA CENTER (formerly the Mistsukoshi Bldg.)

These leases are being presented negotiated. According to the landlord, Mr. Phil Russell of Graham, Muruta, Russell, development managers of the center, minimum rents for the ground floor with Kalakaua frontage are between $10.00 to $15.00 per square foot per month vs. 10% to 12% of the gross sales based on the actual direct location and frontage. Common Area Maintenance is estimated at 75¢ per square foot per month. Premium charged for this frontage is at $100.00 per square foot. Off Kalakaua, please see Exhibit D.

B. KALAKAUA AVENUE/ROYAL HAWAIIAN AVENUE

"Marina's" formally Center Art Galleries - the lease which is for 15 years was purchased for $2,300,000.00 cash in September, 1988. It is a 1500 square foot shop at a minimum rent of $12.00 per square foot per month versus 12% of gross sales. With the premium factored in, the effective rent for this space is approximately $20.00 per square foot and this is without percentage rent.

C. KALAKAUA AVENUE/LEWERS - (Gump Building)

Crazy Shirts has leased 1000 square feet of ground floor space. Lease term is ten (10) years and is at a minimum rent of $15.00 per square foot per month versus 10% of gross sales. There was no premium charged for the space and the Landlord is projecting annual gross sales per square foot will be approximately $2,000.00. At this volume the actual and effective rent would be over $16.00 per square foot per month.

D. THE MACNUTTERY

A Japan-Japanese restaurant has been leased for this 4000 square foot for the ground floor of two story restaurant space. Second floor of 2800
square feet will be used for corporate offices and was not used as a factor in the minimum rent. They paid a $1,700,000.00 premium to extend the lease for a total of twenty-one (21) years. Minimum rent is currently at $3.00 per square foot and with the premium added in, the effective rent is approximately $4.70 per square foot per month which is high for a restaurant and is not inclusive of percentage rent. Minimum rent steps up at an annual rate of 7% per year for the entire 21 year lease term.

E. OUTRIGGER WAIKIKI - KALAKAUA

Minimum rents for the ground floor with Kalakaua frontage are between $10.00 to $15.00 (gross, as it is inclusive of CAM, RPT, A/C, and electrical. These additional fees are estimated at a total of $1.00 per square foot per month) per square foot per month vs. 12% of gross sales for retail, 10% for food, and 15% for liquor. Effective rent with percentage is approximately $15.00 to $20.00 per square foot per month. Interior spaces in the Kalakaua frontage hotel are between $4.00 to $6.00 per square foot per month. These spaces need to be refurbished and redone to attract more of the crowd that is frequenting the International Marketplace, Royal Hawaiian Shopping Center, and other Kalakaua Avenue retail areas. With this in mind, the Outrigger Hotel Management Company intends to renovate this hotel in 1990-1991. At that time new five (5) year leases will be granted and payment of premiums required. Outrigger expects premiums to be between $100,000.00 to $350,000.00 for Kalakaua frontage depending on the size and location. Interior space premiums will be between $75,000.00 to $100,000.00.

F. HYATT REGENCY

Minimum rents for the ground floor with Kalakaua Avenue frontage are between $10.00 to $15.00 per square foot per month vs. 10% to 15% of the gross sales depending on size, location, and retail use. Off Kalakaua frontage minimum rent is $10.00 per square foot per month vs. 10% to 15%.

Gucci which has a twenty (20) year lease which was written in 1976 with reopeners every five years for minimum rent is currently at a minimum rent of $10.00 per square foot per month vs. 10% of the gross sales. Gross sales for 1988 were approximately $12,500,000.00 on 1800 square feet of retail space or $6,944.00 per square foot in annual sales.
At 10% the actual and effective rent would be $58.00 per square foot per month.

G. MOANA HOTEL

According to Ms. Edna Wong, Real Estate Leasing Manager of the Sheraton Corporation, new leases for this hotel were executed within the last twelve month period. Minimum rents for Kalakaua Avenue frontage are between $10.00 to $12.50 per square foot per month vs. 12% to 15% of the gross sales. Off Kalakaua frontage is from $5.00 to $10.00 per square foot per month vs. 12% to 15% of the gross sales. No common area maintenance is charged; however, utilities are separately metered. These leases are only for five (5) years with no options. There were no premiums taken for any of the retail spaces as it is not a policy of the Sheraton Hotel Corporation. New tenants signed reflect the Hotel's policy to try to attract the wealthy young Japan-Japanese nationals clientele; among the tenants are Alfred Dunhill, Tiffany's, and Allon.

H. PRINCESS KAIULANI

This is another Sheraton managed hotel and the minimum and percentage rents are the same as the Moana Hotel. No premiums have been taken and no leases are due to expire for the next few years.
EXHIBIT B
Page 4

I. FOSTER TOWERS

PAST AND CURRENT RENTS AND PREMIUMS FOR KALAKAUA AVENUE FRONTAGE

<table>
<thead>
<tr>
<th>SPACE #1</th>
<th>SPACE #2</th>
<th>SPACE #3</th>
<th>SPACE #4</th>
</tr>
</thead>
<tbody>
<tr>
<td>SQUARE FOOTAGE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000 sq.ft.</td>
<td>1900 sq.ft.</td>
<td>706 sq.ft.</td>
<td>940 sq.ft.</td>
</tr>
</tbody>
</table>

TERM OF LEASE:
ALL ARE TEN (10) YEARS LEASES WHICH WERE MASTER LEASED BEGINNING OCTOBER 1, 1988.

MINIMUM AND PERCENTAGE RENT:
FIRST FIVE (5) YEARS
$14.00 psf. $14.00 psf. $14.00 psf. $14.00 psf.
All percentage rent is at fifteen (15%) percent of gross sales per month.
SECOND FIVE (5) YEARS
$17.00 psf. $17.00 psf. $17.00 psf. $17.00 psf.
Percentage rent to be renegotiated at fair market value.

PREMIUM:
$350,000.00 $380,000.00 $141,200.00 $640,000.00

Currently Space #1 is back on the market at same rental rates and asking premium is $1,500,000.00.

Space #4 original premium of $640,000.00 in October, 1988 was split up as follows; $290,000.00 down at closing, $120,000.00 on October 1, 1988 and balance of $230,000.00 due on October 1, 1989. This space was recently resold in May, 1989 with same rental rates for $1,200,000.00 or $1,276.60 psf.

Space #6 FURUSATO RESTAURANT
5000 psf.
Ten (10) years at $10.00 psf vs. 15% of gross sales for first five (5) years.
Premium was $1,000,000.00 at execution at lease and second $1,000,000.00 at second five (5) years.
International Marketplace has been considered the premier shopping area throughout Waikiki since 1959 when it first opened. Average annual visitor count in the Marketplace is 6,000,000. The marketplace has been always unique to Waikiki and Honolulu in their concept of using carts as their primary shopping experience. This has worked well for the landlord's management as it has provided effective rents on a per square foot basis of a much greater yield with less cost to the management in terms of owners' cost for tenant improvements and operational management as the average cart requires only approximately 25 square feet of retail space and one person to operate the retail.

I. CARTS (133 TOTAL NUMBER)

A. Rents

1. Front carts are at minimum rent of $5000.00 or $200 per square foot per month vs. 15% of gross sales. Examples of gross sales income: Pearl carts (2) very front area have average gross sales of between $90,0000 to $150,000.00 per month depending on the time of the year. Total of five (5) carts in front which are pearls; other 14k jewelry.

2. Middle Carts are at $3,000.00 to $4,000.00 or $120.00 to $160.00 per square foot per month in minimum rent vs. 15% of gross sales.

3. Back Carts are at $1,000.00 to $1,500.00 or $40.00 or $60.00 per square foot per month in minimum rent vs. 15% of gross sales.

B. Premiums (as of January 1, 1988)

Premiums- the International Marketplace receives approximately 30% of purchase price of shop or cart space when tenants sell. In addition, if International Marketplace management terminates or fails to extend tenant new lease then the International Marketplace will receive 100% of premiums. This income is used in the Marketplace Income stream and is categorize as additional income for the particular shop space. Typical premiums for various carts and locations are for the Front are: $50,000-$100,000, Middle $20,000-$30,000, and Back $5,000-$10,000.
II. SHOPS (42 ground floor and 18 second floor)

A. Rents

Front spaces for ground floor which is not on Kalakaua Avenue are at $8.00 per square foot. Examples of this is Capricorn.
Middle spaces are at $4.50 ground floor, second floor are at $4.00 per square foot.
Premiums are the same as carts and included and used as additional income for the Marketplace.

B. Gross Sales

1. Beachcomber/Waikiki Trader-Premium of $6,200,000.00 paid to the Hemmeter Corporation. Minimum rent of $30,000.00 for approximately 6,000 square feet ($5.00 per square foot) paid monthly to the Marketplace. Sales for January, 1989 were $509,000.00. Trader owners estimate an average gross sales of $400,000.00 per month vs. 8%. (Average annual sales per square foot is $960.00).

2. Crazy Shirts- Original premium was $1,900,000.00 for this shop located right on Kalakaua Avenue in the Schnack Building in approximately 865 square feet. Gross sales in 1988 were $5,000,000.00 or an average of $13,700.00 per day which comes to approximately $5,780 annual sales per square foot. Minimum rent of $10.50 vs. 12%. Total effective rent for this space was approximately $57.80 per square foot in 1988.

III. FOOD COURT

After one full year in operation (September, 1988), all tenants of the Food Court have been in percentage rent. Actual sales figures were not available.

A. Premiums for this food court area averaged between $15,000.00 to $40,000.00 depending on location for an average of 300 square feet for restaurant space.

B. Minimum rent $5.00 per square feet vs. 12% of gross sales.
C. Common Area Maintenance fees are approximately $2.00 per square foot in addition to the other fees for the Marketplace.

D. Advertising is 2% per month

IV. FEES FOR THE MARKETPLACE

Common Area Maintenance is approximately 69¢ and 7¢ for Real Property Taxes per square foot for a total of 76¢ per square foot per month.
OFF KALAKAUA RETAIL SPACES

A. KUHIO AVENUE

Waikiki Trade Center

Ruby Bigona was lease in July, 1987 at 1600 square feet. Minimum rent is at $4.00 per square foot versus 10%. CAM is at $1.29 per square foot per month. Lease term is four (4) years with a five (5) year option. Premium is $200,000.00 for the lease.

B. BEACHWALK

The Kalakaua Center (formerly the Mitsukoshi Bldg.)

Minimum rent is at $8.00 per square foot vs. 8% to 12% of the gross sales. Common Area Maintenance is estimated at 75¢ per square foot per month. Premiums are set at $50.00 per square foot for a one time charge for a five year lease. Leases are for five (5) years and can be negotiated with a five (5) option. Should option period be negotiated a premium for the additional term may include a premium. Currently this is all subject to negotiation.

C. LEWERS

Outrigger Edgewater

Minimum rents for Lewers frontage is between $4.00 to $7.00 gross per square foot per month versus 12% of gross sales. Interior hotel spaces minimum rent is at 50¢ to 2.00 per square foot per month. Outrigger Corporation will be charging premiums as reimbursement in 1990 to 1991 for a major renovation and facelift of the hotel. They will give five (5) year leases for the retail spaces and premiums will be between $25,000.00 to $75,000.00 depending on size of shop and location.

D. ROYAL HAWAIIAN HOTEL

This hotel is also part of the Sheraton Hotel Corporation managed hotels
and minimum rents are between $5.00 to $8.00 per square foot per month vs 12% to 15% of gross sales. No common area maintenance is charged; however, utilities are separately metered. No premiums are charged for the retail shop spaces and leases are for a five (5) year term.

E. SHERATON WAIKIKI

As this is also a Sheraton Hotel managed property all terms and conditions for leases are the same as the Royal Hawaiian Hotel.
WAIKIKI OFFICE MARKET

- Grubb & Ellis - Office Market
- Building Vacancy Rates for Competitive Office Space and Retail Space, for Honolulu, by Location: 1985 to 1988
OFFICE MARKET

The “landlord’s market” predicted in 1988 began to materialize in the Honolulu office sector, and promises to continue until new Downtown and adjacent developments are completed and on-line. Rental rates, which remained fairly stable in 1987, reflected the anticipated 1988 increases with top rates in the Downtown area exceeding our forecast of $2.50 per square foot per month, full service gross. And, although availability of space in the new City Financial Tower may keep a lid on significant rental rate increases and commensurate reductions in tenant lease incentives in early 1989, the lack of available space in the central business district core by mid-year could force 1989 rates upward by 10% to 15% to $2.75 - $2.80 by the year’s end.

A combination of several market dynamics sometimes running contrary to surface perceptions will affect office activity, rental rates and absorption levels in the central business district in 1989. For example, space availability in the new 180,000 square foot City Financial Tower saw significant leasing activity at the end of 1988, leading to an early 1989 lease-up prediction. Because the majority of tenants in this new project will move from other Downtown buildings rather than from outside the market area, it might be assumed that a like amount of space will be vacated for speculative re-leasing. However, due to the current high occupancy levels in the majority of Class “A” buildings since 1987, much of the space to be vacated has been precommitted to tenants in adjacent, or nearby spaces requiring expansion area, resulting in little “open market” availability in 1989.

Additionally, although new Kapiolani Corridor developments might seem to offer relief from rental and space pressure in the Downtown area in 1989, the majority of tenants relocating to these new projects will come from buildings outside of the Downtown area rather than from the central business district. However, this pattern should begin to change in the early to mid-1990’s as Kapiolani Boulevard continues to develop a “Wilshire Corridor” profile, becoming an even more clear alternative to the congested Downtown area. Thus, upward pressure on Downtown area rents and parking costs will continue from mid-1989 until relief is provided by new projects coming on line in the late 1990/early 1991 time frame.

In 1989, construction will commence on the 487,000 square foot “Pan Pacific Plaza” project located on the former downtown Kress Building site and slated for completion in late 1990. The 408,000 square foot office portion of Waterfront Plaza achieved 83% lease-up in 1988, and should be fully committed by early 1989. Its proximity to Downtown did help the project to attract tenants from the central business district core, but its early 1989 lease-up will only enhance the position of Downtown landlords in the remaining months of the year.

As of the end of 1988, plans for the “Pacific Nations Center” (Block ’J’) mixed-use office, commercial and residential project remain highly speculative as does the development of the former King Theatre site. The Hawaii National Bank Building, now under construction, will bring 95,000 square feet of office space into the market in 1989, but remains out of the central business district core. Other downtown office development activity includes the renovation of the former Armed Forces YMCA Building for the Hemmeter Corporation headquarters and the commencement of the 174,000 square foot adjacent office building slated for state government employees. However, the limited parking provided for tenants of both Hemmeter buildings will add more pressure to the area’s already troubled parking situation, relieved only by the possible redevelopment of the existing Alakea Street public parking facility.

As the Kaka’ako area begins to assume the skyline of its redevelopment future, significant office building development is either underway or planned along the Kapiolani Corridor. Approximately 390,000 square feet of new office space will come on line in 1989, representing an increase of over 35% in the corridor’s total high rise space. The 140,000 square foot Commerce Tower at the corner of Keeaumoku Street and Kapiolani Boulevard will be completed in 1989, and Pacific Park Plaza at the corner of Kapiolani Boulevard and Cooke Street will add 250,000 square feet of leasable space available for tenant occupancy in the 16-story high-rise building in April of 1989.
HonVest will commence its planned 112,500 square foot tower along the Corridor in 1989 and preliminary plans call for mixed-use office, commercial, residential development of the Waikiki Triangle to begin construction in late 1989/early 1990. Plans for development of the former Aloha Motors site include 250,000 square feet of commercial/office space in addition to approximately 200,000 square feet of retail space, an 800-room hotel, two condominium towers and a major convention facility. No major office building construction is planned for the King Corridor in 1989 although vacancy stands at less than 3%.

Iwilei offers a potential alternative to Kaka‘ako on the Ewa side of Downtown but the area remains a jumble of older outdated uses. However, recent conversion of a multi-level warehouse building to a 160,000 square foot office/commercial space by Oceanic Properties together with tentative development plans for land owned by both Pacific Resources and Unocal, may dramatically change the Iwilei skyline and occupant profile as early as the mid-1990s.

In Waikiki, the 150,000 square foot “Kalakaua Center” conversion of the former Rainbow Promenade shopping complex will help to relieve the tight market in that area when it reaches completion in 1989.

In East Oahu, Bedford Properties will augment its highly successful 47,000 square foot Hawaii Kai Corporate Plaza with the addition of 45,000 square feet of new garden office space to be completed in early 1990.

No significant construction will begin on the Windward side in 1989 where leasing activity in this relatively low demand market remains flat.

Late 1989 will see the commencement of construction of an approximately 50,000 square foot office building in the Kapolei area by Campbell Estate with approximately one-half of its space to be available for lease. This development represents the Ewa Plain’s first top quality office building, and will be the forerunner of the Estate’s long-planned master development of the Ewa Plain area.
For the purpose of this study, we will divide Honolulu's office marketplace into these geographical areas:

ALAO MOANA - Buildings fronting Ala Moana Boulevard between Waikiki and Downtown

HONOLULU OFFICE DISTRIBUTION
(VACANCY IN %)

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<th></th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Low  High</td>
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<tr>
<td>King Corridor</td>
<td>7.5%</td>
<td>2.7%</td>
<td></td>
<td>275</td>
<td>115</td>
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<td>Kapiolani</td>
<td>11.6%</td>
<td>1.4%</td>
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<td>390</td>
<td>42</td>
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<tr>
<td>Ala Moana</td>
<td>7.8%</td>
<td>7.0%</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>Downtown</td>
<td>48.8%</td>
<td>4.5%</td>
<td></td>
<td>150</td>
<td>0</td>
<td>$1.60 $2.65</td>
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<tr>
<td>Kaka'ako</td>
<td>3.9%</td>
<td>7.4%</td>
<td></td>
<td>54</td>
<td>0</td>
<td>$1.04 $1.80</td>
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<td>Airport</td>
<td>7.3%</td>
<td>19.0%</td>
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<td>0</td>
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<tr>
<td>Waikiki</td>
<td>5.5%</td>
<td>0.2%</td>
<td></td>
<td>16</td>
<td>0</td>
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<tr>
<td>East Oahu</td>
<td>2.8%</td>
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<td>0</td>
<td>0</td>
<td>$1.60 $2.25</td>
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<tr>
<td>Windward</td>
<td>3.0%</td>
<td>4.4%</td>
<td></td>
<td>0</td>
<td>0</td>
<td>$1.15 $2.50</td>
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<tr>
<td>Total</td>
<td>48.8%</td>
<td>4.5%</td>
<td></td>
<td>815</td>
<td>227</td>
<td>$1.04 $2.65</td>
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</table>

*The Gentry Pacific and Nimitz Business Center in the airport area reflect a hybrid category, because, of the 708,000 total square feet, 25% or 165,000 square feet are not clearly office, but mixed usage including commercial and retail.
KING CORRIDOR—Buildings fronting South King Street from Alapai Street to University Avenue

WAIKIKI—Waikiki District bounded by McCully Street/Ala Moana Boulevard, Ala Wai Boulevard, Kapahulu Avenue, Waikiki beaches

AIRPORT—Approximately three mile radius around the airport.

WINDWARD—The Kaneohe and Kailua areas

LEEWARD—The Aiea and Pearl City areas

EAST OAHU—From Kaimuki to Hawaii Kai

KAKA‘AKO—The Kaka‘ako Community Development District bounded by King Street/Pilikoi Street/Ala Moana Boulevard and Punchbowl Street (excluding office properties with King Street, Kapiolani Boulevard and Ala Moana Boulevard addresses which will be considered under the respective corridors described)

1988 REVIEW

(December 1988 figures unless otherwise indicated; Non owner-occupant buildings 15,000 square feet and above; Rates are quoted on a per square foot per month full service basis; Buildings under construction but not completed in 1988 not included.)

- There were 9,596,000 square feet of existing office space in the City and County of Honolulu in 1988.
- Vacancy in the Downtown area was 4.5%.
- The lowest vacancy factor was 0.2% in the Waikiki area.
- The highest vacancy factor was 19.0% on the Windward side.
- No major new construction on Oahu reached completion in 1988 although City Financial Tower in the Downtown area and Pacific Park Plaza in the Kapiolani area reached final construction stages.

1989 OUTLOOK

- New construction will yield 275,000 square feet of leaseable space in the Downtown area in 1989.
- Although vacancy will rise in both the Downtown area and along the Kapiolani corridor in early to mid-1989 due to new construction coming on line, vacancy in both areas will drop again to late 1988 levels by the end of 1989 due to 1988 leasing activity and rapid 1989 absorption of uncommitted space.
- New construction to be completed in 1989 by area will be as follows:
  - Ala Moana
  - Downtown 275,000
  - Kapiolani Corridor 390,000
  - King Corridor 0
  - Airport 0
  - Waikiki 150,000
  - Windward 0
  - Leeward 0
  - East Oahu 0
  - Kaka‘ako 0
- Central Business District class “A” lease rates for premium space will reach at least $2.75 per square foot per month full service by the end of 1989; with unreserved parking rates likely to reach $125 per month.
### BUILDING VACANCY RATES FOR COMPETITIVE OFFICE SPACE AND RETAIL SPACE, FOR HONOLULU, BY LOCATION: 1985 TO 1988

[Rates are percent of space reported vacant in survey]

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<tr>
<td>Downtown</td>
<td>15.9</td>
<td>11.5</td>
<td>11.4</td>
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<td>5.6</td>
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<td>Waikiki</td>
<td>1.5</td>
<td>3.5</td>
<td>5.1</td>
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<tr>
<td>Downtown</td>
<td>1.1</td>
<td>7.5</td>
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<td>8.1</td>
<td>3.7</td>
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NA Not available.

WAIKIKI TRAFFIC

- Traffic Project and Studies
- Issues Concerning Traffic in Waikiki

Note: See Waikiki Tomorrow Transportation Task Force.
Traffic Projects And Studies

The following is a summary of Waikiki traffic projects and studies per review of plans and discussions with DPW and DOTS.

Three major projects have affected modern day Waikiki transportation.

1. Making many Waikiki streets one way in the early 1970's.

2. Kuhio Avenue widening which was done in phases, was completed in 1987. Property was condemned for the widening. Improvements consisted of widening Kuhio Avenue and infrastructure replacement/relocation. Drainage improvements, sidewalks, curbs and gutters, wheelchair ramps were installed. Much of the road is now concrete.

   The project has made traffic move more smoothly, by defining the roads, turn storage lanes, and pedestrian sidewalks. It is more a functional improvement rather than a beautification effort.

3. The Kalakaua Avenue Safety and Beautification project was completed in 1988. Improvements consisted of sidewalk widening in places, sidewalk tiles, new signalized lights, landscaping with irrigation, wheelchair ramps, new street lights, and newspaper racks. Safety and beautification were the emphasis in this project.

The next transportation project that probably have an impact on Waikiki is the proposed HART system whose fate will probably be decided in 1990. Exact location and length of the route and stations are still subject to change.

We are not aware of any major transportation studies or plans currently being performed. The most recent Waikiki transportation study was performed by Helber, Hastert and Kimura in 198_. (in progress)
ISSUES CONCERNING TRAFFIC IN WAIKIKI

• Waikiki ranks among the most densely populated districts in the United States.

• Due to the high density of the area and the heavy flow of tourists and residential traffic in and out of Waikiki traffic congestion is often a serious problem.

• The primary reasons behind the problem of traffic congestion include, but are not limited to, the growing number of tourists vacationing in Waikiki, the problem of large tour buses traveling on inadequate access roads through residential neighborhoods adjacent to the area, and the absence of a direct-access route between Waikiki and the H-1 Freeway.

• The proposed convention center in Waikiki would compound the traffic problem in the area and the surrounding neighborhoods of McCully, Ala Moana and Kapahulu.

• "The most appropriate alternative to alleviate the Waikiki traffic congestion problem among these access routes appears to be a direct-access route linking Waikiki to the H-1 Freeway, the principal transportation corridor serving the Honolulu area."
BUILDING PERMITS AND CONSTRUCTION HAWAII

- Commercial and Industrial Construction In Hawaii Hotel Building Permits
  - Hotel Room Inventory In Hawaii
  - Hotel Building Permits By County
  - Manufacturing Construction
  - Office Construction
  - Stores & Mercantile Buildings
  - Transportation & Utility Buildings
- City Drafts New Rules On Excavations
COMMERCIAL AND INDUSTRIAL CONSTRUCTION IN HAWAII
HOTEL BUILDING PERMITS

<table>
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<tr>
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<th>Additions, Alterations &amp; Repairs</th>
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SOURCES: Building Department, City and County of Honolulu and Departments of Public Works on the Neighbor Islands.

HOTEL ROOM INVENTORY IN HAWAI'I

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# Hotel Building Permits by County

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City drafts new rules on excavations

☐ The Council may curb digging below Oahu's water table

By Jeannine Murapi

City attorneys are working on a plan to tighten the Building Department's policy on digging below water tables to avoid problems similar to the one in Waikiki where excavation at the Duty Free construction site has resulted in splitting and cracking of other buildings in the area.

Councilman Neil Abercrombie yesterday said the attorneys are helping him draft a resolution to prevent future construction problems in Waikiki and other areas with similar underground water conditions.

A pipe break earlier this week in a building at 2211 Ala Wai Blvd. was the latest damage traced to "dewatering" at the Duty Free construction site on Lewers Street.

Meanwhile, a team from Pacific Construction Co. Ltd., general contractor for the project, has been repairing damage reported by condominiums and businesses near the site.

"The resolution you should see shortly is asking the city Building Department to review and revise its policy for excavating in Waikiki and in any other areas when there is a question of digging below the water table," said Abercrombie, who represents the Waikiki area.

"I still think Pacific Construction is doing a terrific job trying to repair all the damage," he said. "Obviously, nobody expected this would happen, and we're trying to see that it doesn't happen again."

Pacific Construction spokesman Trudie China yesterday said the company did not receive a complaint from the management of the Ala Wai apartment building, but crews were sent to investigate when the company heard about the break, which left residents without water for hours.

"Apparently the pipe that broke had been leaking for some time," China said. "This is not to say that it is not due to the dewatering — because we think it is. But the pipe was leaking and it just finally broke."

China said that since the foundation at the Duty Free site was poured last week, pumping of water has been cut in half and there have been no new settlements reported.

The pumping is necessary before laying the foundation because of the swampy underground soil quality in the area. Pacific Construction's troubles started last month when its 30-foot-deep excavations sucked millions of gallons of water a day from the swampy underground, and settling caused sidewalks to split, cracks in nearby buildings and swimming pools, and other damage in the area.

The Duty Free project team consists of owner Kukui Properties, soil consultant Dames & Moore and contractor Pacific Construction.

"There's no indication of continuing settlement," China said. "We have a team that's out there, and all they do is make repairs."

China said there is no date set for completing permanent repairs and there is no cost estimate for those repairs.
EXAMPLES OF OTHER RELEVANT DEVELOPMENT PROJECTS

- Improvement District Transforms Kakaako's Aging Infrastructure
- Kakaako: The Mixed Use Community Emerges
- Kakaako's Desperate Parking Problem: HCDA'S Revised Plan Praised
- Ko Olina Resort/Residential Community
Ko Olina Resort/Residential Community

Ko Olina is a master-panned 1,000-acre destination resort/residential community being developed by West Beach Estates. The site is located just north of the Barbers Point Harbor, and south of Farrington Highway and Kahe Point. Phases: s 620-acre first phase which is under development and a 350-acre second phase. First phase development plans call for a total of 5,200 housing units of which 3,700 units will be apartment/condominium units, primarily consisting of hotel rooms grouped around man-made lagoons are also planned within the first phase.

Amenities under construction include: a 500-slip marina sharing the Barbers Point Harbor entrance, a championship 18-hole resort golf course, four newly created sandy beaches, a Hawaiian cultural center, two shopping centers, one of which is planned to be a specialty center similar to San Francisco's Fisherman's Wharf, and a number of dinner house restaurants. Second phase development plans call for two 18-hole golf courses, and a local-serving commercial center (Environmental Communications, Inc. 1983).

Current Project Status. Ground breaking for the first phase took place on December 2, 1986. Land and infrastructure development costing over $100 million began in early 1987 and will be complete in September 1989. The Estate of James Campbell has conveyed the entire first phase (620-acres) in by the Estate, subject to an agreement with West Beach Estates to acquire it, and is under lease to the Oahu Sugar Company.
KAKAAKO'S DESPERATE PARKING PROBLEM: HCDA'S REVISED PLAN PRAISED
by Harold Edwards, Development Director

What is not disputed is the fact that Kakaako has a serious parking situation. However, two years ago, when the HCDA was seeking funding to build its first public parking garage, a group of Kakaako business people rallied against the HCDA proceeding with its plan, demanding that no business be displaced to provide a parking facility.

I am very happy to report that since that time, we, at the HCDA, have worked closely with the business community, and after holding many meetings and several public hearings, we have adopted a revised parking plan which has garnered the support of Kakaako's businesses.

LOOKING BACK
In July 1987, the HCDA held a public hearing on its parking plan adopted in 1981. The general consensus of those testifying was that Kakaako does have a parking problem and is in need of adequate parking facilities. Speakers insisted, however, that public garages not be built on their properties and should be sited elsewhere, preferably on government-owned land. Very few of the 20 testifiers actually spoke against the need to tackle the inadequate parking situation, but most clearly stated that businesses should not be dislocated to build the facilities.

HCDA Executive Director Rex Johnson responded, “We have always felt that parking has got to be for the small businesses, that it has to help them out. If it doesn’t help them out, then it’s the wrong thing to do.”

The HCDA’s actions following the hearing proved Johnson’s statement. For several months, the HCDA arranged one-to-one group meetings with lessees and landowners who would have been affected by the original parking plan, to discuss alternative parking schemes and to get their reaction and comments. From these meetings, a revised plan was developed which had broad support among the businesses attending the meetings. The Authority also retained a consultant to assess the technical aspects of the proposed revisions and the analysis concluded that the revised plan would meet the Kakaako District’s parking objectives. The revised parking plan addressed many of the issues raised at the June 1987 public hearing. The concept of the public parking garage, which incorporates a public park on top of the structure, remained the same as was the number of proposed garages. The revisions included the addition and deletion of several parking sites, and changes to the shape and configurations of others.

In May and June, 1988, the HCDA held public hearings on the revised parking plan. The new plan drew generally favorable support and most of the testifiers urged that the revised parking plan be adopted as it would help to alleviate Kakaako’s parking shortages while causing minimal business displacement.

“"The new parking garage plan is widely acceptable by the majority of small businesses in Kakaako,” said Charles Wong, owner of Wong’s Auto Shop. “By approving the new public parking garage plan, you will be keeping in step with Governor (John) Waihee’s master plan of helping small businesses.” Sam Slom, President and Executive Director of Small Business Hawai’i, said, “As we urged, . . . through cooperative efforts of small businesses and the HCDA, a proposal could be found and alternatives developed that would satisfy the demand for parking without destroying existing businesses in Kakaako.”
Because any revitalization of the Honolulu Waterfront will affect the lives and livelihoods of many, it was decided early on to get representatives from all of these interests involved with the planning from the beginning. In September 1987, Governor John Waihee held a reception at Washington Place to officially launch the beginning of the coordinated master planning for the Honolulu Waterfront. The event was the administration's first step in rallying support and community consensus as to how the waterfront can best be revitalized. Over 250 persons were invited to attend and participate, including State, Federal and county officials; as well as representatives of the maritime and tourism industries; business, community, and environmental groups; and those in the financial, design, development and real estate professions.

Community participation in the waterfront planning task continues to play a large role. Over the ensuing three months following the kickoff, these representatives participated in a series of workshops held by the HCDA and the OSP to gather and explore the community's diverse ideas on waterfront development. It was here that the Hawaii Society of the American Institute of Architects, together with the American Society of Landscape Architects and the American Planning Association, volunteered their expertise and services in the planning effort. Representatives of these professional groups attended the workshops to hear firsthand the input and suggestions of the participants.

Following the workshops, the design professionals employed a design technique known as a "charette" to develop waterfront concepts. A charette is an intensive brainstorming session where a variety of concepts is evaluated over a very short period of time. During the marathon weekend of November 13-15, 1987, the design professionals formed three teams to apply their expertise toward the development of various design concepts for the waterfront. Each design team focused on a different design emphasis or theme to ensure that their results encompassed a broad spectrum of development alternatives. During the charette weekend, preliminary concepts were presented to the public at a large meeting to gain their comments and insights. With the community's input, the design teams further reworked and refined their concepts. The completed design concepts (in the form of a published report) were then presented to the Governor, the State Legislature, and ultimately, to the HCDA and OSP for further study.

Reception to the idea of revitalizing the Honolulu Waterfront and to the charette waterfront report was generally favorable at the 1988 State Legislature, and lawmakers appropriated $2.5 million to the OSP to fund the completion of a master plan for the Honolulu Waterfront. Since that time, the HCDA has been working closely with the OSP on the task of readying a master plan for presentation to the 1989 State Legislature. Consultants were retained to perform the needed detailed technical studies and analyses and to work on various alternate development scenarios.

Again, the emphasis is on soliciting the greatest amount of public input and participation. Throughout the process a series of "focus group" workshops were held to receive the comments of a diverse range of interest groups. The enthusiastic public response and interaction will surely aid the OSP and the HCDA as we forge ahead in planning for a revitalized waterfront which we can all be proud of.
During the Fiscal Year 1987-88, the HCDA issued approximately 150 Mixed-Use Permits (for smaller developments or building renovations). Although no new large-scale Planned Development Permits were issued in 1987-88, we at the HCDA feel that the 150 Mixed-Use Permits issued represent a strong vote of confidence in Kakaako. Many landowners and businesses are going through the process of renovating and improving their Kakaako real estate and this is looked upon as good for the District, the fact that they want to be part of the new Kakaako.

A GROWING CITY

Bruce Stark’s $280 million WATERFRONT PLAZA and TOWERS became part of Kakaako’s cityscape during the 1987-88 Fiscal Year. WATERFRONT PLAZA, the commercial/office complex, was completed and partially occupied in 1988. This massive project, including seven garden office and retail low-rise buildings, is located Diamond Head of the Federal Building on the former Honolulu Iron Works site. The complex has approximately 90,000 square feet of commercial and retail space, 420,000 square feet of office space and a 1,150-stall parking structure. Four acres of landscaped open space and a public park fronting Ala Moana are part of this project. The centerpiece of WATERFRONT PLAZA is called “Restaurant Row,” a gathering of restaurants, boutiques and specialty shops.

In 1988, we also saw the start of construction on Stark’s residential phase called WATERFRONT TOWERS. Located across the WATERFRONT PLAZA on South Street, this primely located residential project will give rise to 306 condominiums in two building towers. Completion is slated for early 1990.

Another project undergoing construction in 1987-88 was TDC Hawaii Inc.’s PACIFIC PARK PLAZA, an attractive commercial complex on the corner of Kapiolani Boulevard and Cooke Street, adjacent to the recently built ROYAL CAPITOL PLAZA — the first HCDA-approved residential development to be built in Kakaako. The $42 million PACIFIC PARK PLAZA includes a total of 262,000 square feet of office and retail space and a 16-story office tower and a two-story low-rise building. A 600-stall parking garage is also being constructed for this complex, which is scheduled to be completed in early 1989.

The rumor mills have been buzzing for quite some time that another massive $500 million Planned Development project will finally get off the ground on the Diamond Head quadrant of Kakaako. By the close of the 1987-88 Fiscal Year, the Nauru Phosphate Royalties Development (Honolulu) Inc. had stated its intent to start construction on the 404 PIKOI STREET Project by early 1989. To be located on 17 acres of land directly across the street from the Ala Moana Shopping Center, this development will include three high-rise towers and several townhouse-type structures to be built in phases over 10 years. Approximately 2,630,000 square feet of floor area will be divided among residential, commercial and industrial uses and 1,759 residential condominiums are planned. The developer is required to provide 352 reserved or middle-income housing units for this project.

Ground breaking is expected to take place in early 1989 on the first phase — a $100 million tower fronting Ala Moana. This project — called Nauru Tower — will feature 304 one- and two-bedroom units and a low-rise parking structure with 600 stalls. About 27,000 square feet of commercial/retail space will be located on the lower floors.

The aforementioned projects, we feel, will make Kakaako a more desirable place for developers to build and for the public to live, work and play. Because of these predictions, which are already bearing truth, the HCDA envisions that over the next 30 years, Kakaako will house about 50,000 residents in 20,000 new residential units. Based on the Kakaako Plan’s mixed-use zoning, we also project that the District will be the workspace for over 65,000 persons.

THE ADDED ALLURE OF THE KAKAAKO WATERFRONT

At the HCDA, we’re also very excited about the prospects that the Honolulu Waterfront could bring to the Kakaako District. The 1987 State Legislature expanded the Kakaako District boundaries to include the stretch of Honolulu Waterfront from Kewalo Basin to the Aloha Tower boundary. During the 1987-88 Fiscal Year, the HCDA and the Office of State Planning (OSP) embarked on a concerted planning effort for the Honolulu Waterfront. (Since the OSP is tasked with developing an overall master plan for the entire stretch of waterfront from the Ala Wai Yacht Harbor to the Airport, the combined planning drive is logical as the HCDA will have to formulate specific land use, zoning and development guidelines for Kakaako’s waterfront areas.)
KAKAAKO: THE MIXED USE COMMUNITY EMERGES

by Milton Arakawa, Chief Planner

I've been a planner with the Hawaii Community Development Authority since its early days, when the Kakaako Plan was being formulated. The Plan that emerged grew out of some very specific goals or direction provided by the 1976 State Legislature. The result is a document that encourages a mixed-use community, one where people can live, work, shop and play.

It is this type of multi-use community that has been emerging in Kakaako over the past five years. Though many people refer to the up-and-coming Kakaako as the "new Downtown Honolulu", we at the HCDA feel the District will be much more than an extension of the downtown. True, over the next 30 years there will be a big increase in office and commercial space in Kakaako, as much as 14 million square feet. However, this increase will come — often within the same development or structure — in combination with more residential and light industrial space. That's the idea behind the mixed-use concept. By virtue of its location and the types of land uses allowed in Kakaako, the District will become the "hot spot" of Honolulu.

The public perception and acceptance of Kakaako as an important, revitalized urban center is peaking. Donald Bremner, President of the Kakaako Improvement Association, Inc., publicly cheers that Kakaako is emerging into an urban center and that its central location makes it attractive for residential and commercial use. In a recent business publication, Bruce Stark, developer of the Waterfront Plaza and Towers project in Kakaako, stated, "... Kakaako is the most central part of the Honolulu urban area. Its infrastructure is first class and it will be the only part of Honolulu that will have a consistent look." Mike McCormack, noted real estate executive, who is the exclusive sales agent for a major proposed Kakaako residential project, said he thinks that Bruce Stark's project at the waterfront and his residential development at the other end of the District will be the "two anchor tenants of Kakaako and everything else will fill in in between".

Indeed, as developers' expectations in Kakaako are high, one look at different sectors of Kakaako today convinces that the major mixed-use developments are viable and being constructed. Also, while these larger developments are being erected in segments or phases, smaller scaled renovation projects abound in Kakaako.
Businesses in the ID-1 area, as well as the general public, were extremely cooperative and patient during the construction period. When problems came up, merchants promptly contacted the HCDA or the contractors performing the work. The HCDA dealt with individual problems expeditiously and to the satisfaction of all parties concerned.

Acknowledging the hardships faced by businesses in the construction area, we saw the necessity of having a staff person out on the street on a regular basis, to deal on a personal and individual basis — with problems and concerns. Our monthly newsletter, THE KAKAAKO CONNECTION, regularly featured construction information and advisories, as well as feature stories on individual ID-1 businesses and merchants, to give the entrepreneurs a boost and to remind the public that, amid the construction, the merchants were open for business and in need of the public’s support.

THE SECOND TIME AROUND

With the end in sight for ID-1, the mechanism for our second improvement district project, ID-2, was already in gear. Located immediately Diamond Head (east) of ID-1, ID-2 will basically employ the same types of construction activities and improvements used in the former project, with a similar goal of an improved and enhanced system of roadways and utilities. The ID-2 project area is generally bounded by Keawe, Pohukaina, Cooke and Iihi Streets. Major drainage facilities will also be installed extending beyond Ala Moana Boulevard along Cooke, Coral and Iihi Streets to the ocean.

Although construction on ID-2 did not begin until October 1988, we began engineering and planning work for it in 1986. During the early months of 1987, the HCDA engineering staff developed a detailed work program for ID-2 and began implementation activities. A $27 million CIP appropriation by the 1987 State Legislature provided the impetus for construction to begin. The HCDA completed its preliminary ID-2 assessment report in November 1987 after meeting with affected property owners and recorded lessees. We met with them in small groups to inform them of the proposed improvements, the methods used to allocate the cost of improvements, the individual property assessment amounts, and the proposed payment plans.

Strong community support for the proposed ID-2 was voiced at public hearings held by the HCDA in January and June of 1988. Although there were a few objections to the project, many testified that ID-2 will benefit those in and around the Kakaako District and that construction should be undertaken in an expeditious manner.

Kakaako developer Colin de Silva, President of Business Investment, Ltd., claimed that the ID-2 project would attract owners, residents and business people to Kakaako. De Silva, whose Royal Capitol Plaza project was located in ID-1, said that ID-2 would specifically benefit the property owners of the project area. Mike Au, representing The Kakaako Venture, another developer whose projects are located in both the first and second improvement districts, also urged the approval of the ID-2, stating, “Look at the results of ID-1. The neighborhood is nothing short of fantastic. Traffic flows beautifully through the area. With the new drainage system, recent rains were no problem. The proposed (ID-2) improvements will bring an even greater part of Kakaako into a successful kind of form and function.”

With favorable public support and the funds in hand, the Authority officially adopted the final assessment rules and amounts, and authorized the final award of construction contracts for ID-2 in June 1988. In August 1988, the HCDA also approved the sale of $5,275,000 of ID-2 assessment bonds to provide financing for property owners assessed for improvements. Property owners in the ID-2 area will make semiannual payments at an interest rate of 8 1/2 percent over a period of 20 years. (Under the HCDA’s Improvement District Program, property owners benefiting from improvements are assessed for their fair portion of the improvement costs. To ease this financial burden, property owners are allowed to pay their assessments in installments over 20 years.)

Although construction of the first improvement district is over and the results speak for themselves, the “hard” work on ID-2 is just beginning. We will maintain our commitment to service and help the businesses in the project area. The HCDA will use “night” or “off-hours” work when practical, and at the close of Fiscal Year 1987-88, we were finalizing plans to develop a temporary parking lot in the project area to help offset some of the parking spaces that will be lost during the ID-2 construction.

As in ID-1, construction over the next two years will be trying and complex. It will require sacrifices and cooperation by the area’s landowners, merchants, visitors, and the HCDA. Unfortunately, nothing in life comes free. All of us — especially Kakaako’s ID-1 businesses — went through some hard times, and the same will be true of ID-2. But the prospects are great. If we can work as a team again — and I’m confident that we can — and listen to and help each other, we can accomplish our second improvement district quickly and with the least amount of disruption possible.
IMPROVEMENT DISTRICT TRANSFORMS
KAKAAKO'S AGING INFRASTRUCTURE

by Cleighton Goo, Chief Engineer

Reconstructed or widened streets with new curbs, gutters and pavement. Improved, expanded utilities such as drainage, sewer and water systems. The undergrounding of telephone, electric and cable television lines. These transformations were largely completed in the Ewa (west) portion of the Kakaako District during the 1987-88 Fiscal Year. By July 1988, only a stretch of Queen Street — from South Street to Cooke Street — had yet to be topped off with final paving, and sidewalk and curbing work.

I feel very proud and fulfilled to have worked on such an important project as ID-1. True, more than two years of construction did require much sacrifice and cooperation by many, especially the area’s businesses. It wasn’t particularly easy for them, but today, I think that those who withstood the disruptions have a special appreciation of the value and benefits of the revamped and improved infrastructure system.

Many of the improvements are underground and not readily visible to the eye, but the people who live and work in the area can probably feel the change. Streets are safer, more conducive to traffic and pedestrian flow. There are more fire hydrants and sidewalks, better signage and curbs where once there were none. Flooded streets, under normal rainfall conditions, will no longer hamper daily activities. And the functioning of utilities has been drastically bettered.

Construction on the HCDA’s Improvement District 1 (ID-1) Project began in April 1986. The ID-1 Project area was generally bounded by Punchbowl, King, Cooke, Queen, South, and Auahi Streets and Ala Moana. For this $35.2 million project, a myriad of improvements were made to bring Kakaako’s aging infrastructure system up to current City and County standards. In addition to making the area safer and more attractive, the improvements will facilitate future development, whereas in the past, Kakaako’s landowners have often found it difficult and costly to develop their properties because of the inadequate streets and utilities.

Three contractors — Hawaiian Dredging & Construction Company, E.E. Black, Ltd. and Okada Trucking Co., Ltd. — performed the infrastructure improvements simultaneously over the 2-year construction period. The intent was to get the job done as quickly as possible and to minimize the unavoidable disruptions and inconveniences for businesses.

Unfortunately, many businesses suffered some degree of business loss, due to the fact that many customers naturally tended to avoid the project area. During the months of construction, for example, major drainage and sewer mains were installed within an existing business area, where traffic flow and existing utility services needed to be maintained. In rare instances, where there was little or no flexibility in construction, some traffic lanes or streets were occasionally partially blocked.

HCDA’s top priority in ID-1, as in any future project, is to ensure that the merchants’ welfare is protected to the greatest extent possible. To accomplish this, communication between the public and the HCDA was extremely vital. Except where unavoidable, the HCDA and its contractors at all times maintained a minimum of one lane of traffic open, and insured that pedestrian walkways and driveways were accessible. Night and weekend construction work was also used on some critical traffic flow areas, but because of the high cost of such overtime work, the HCDA had to be very selective in its usage.
EXAMPLES OF ORGANIZATION STRUCTURE

- Hawaii Community Development Authority
- High Technology Development Corporation
- Aloha Tower Development Corporation
- Fort Lauderdale Beach Redevelopment Area U.L.I.
- Center City--Inner Harbor Development, Inc.
- Charles Center-Inner Harbor Management, Inc.
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

SUMMARY

I. General Organizational Information

The Hawaii Community Development Authority ("HCDA") was created in 1976 by the State Legislature. It is a public corporation and falls under the Department of Business and Economic Development ("DBED") for administrative purposes. HCDA is required to report annually to the Legislature and the Governor.

HCDA is comprised of 11 voting members; 4 of which are State officials (Comptroller, Directors of Finance, Social Services & Housing, and DBED). The remaining 7 members are appointed by the Governor with 3 being selected from persons nominated by the Council of the County in which a district is designated. The HCDA staff is headed by an Executive Director appointed by the Authority.

II. The Mandate and Goals of the HCDA

HCDA's mandate is to develop the "community development districts" ("CDD") that the Legislature designates. The designated districts are those urban areas which are blighted, underdeveloped, or otherwise in need of renewal. The redevelopment must meet the State's need for housing, commercial and industrial businesses, parks, schools, and open spaces.

Thus far, the Legislature has designated only the Kakaako district as a "CDD". It consists of over 450 acres of land in downtown Honolulu. The district includes the area bounded by King Street to Ala Moana Boulevard; Ala Moana Boulevard, inclusive, from Piikoi Street to its intersection with the Ewa boundary of Ala Moana Park; from its intersection with Ala Moana to the shoreline; the shoreline from its intersection with the property line representing the Ewa boundary to the property line between Pier 2 and Pier 4; the property line between Pier 2 and Pier 4 from its intersection with the shoreline to Ala Moana Boulevard; Ala Moana Boulevard from its intersection between lands identified by Pier 2 and Pier 4 to Punchbowl Street; Punchbowl Street to its intersection with King Street including the area of waterfront from Kewalo Basin to the Aloha Tower boundary.
To accomplish its goals, the KODA may acquire and otherwise assemble parcels of land by contract or condemnation; enter into agreements to build moderate income housing; facilitate transfer of public improvements to the streets and utility systems in the area bounded by Keawe, Pohukaina, Cooke, and Iliilo streets; further aid in the streets and utility systems in the area bounded by Keawe, Pohukaina, Cooke, and Iliilo streets; and improve the streets and utility systems in the area bounded by Keawe, Pohukaina, Cooke, and Iliilo streets. Furthermore, the current floor space plans to ultimately quadruple the current floor space.

Future Plans Include

- Future under construction in the development district.

It also adopted the revised parking plan providing for 7 public garages. At the present time, various projects have been completed or are under construction. The development of the commercial/retail area of property owners’ assessment payments (5% of those bonds to provide funding for 2 ½ years over 20 years). It also completed the sale of 197,275.000 of assessment bonds to provide funds for the development of the area bounded by Pohukaina, King, Cooke, Queen, South, and anah streets. The KODA completed its first infrastructure project, which in 1988, the KODA plan became effective in February 1982.
HIGH TECHNOLOGY DEVELOPMENT CORPORATION

SUMMARY

I. General Organizational Information

The High Technology Development Corporation ("HTDC"), a public corporation, was established in 1983 pursuant to Chapter 206M of the Hawaii Revised Statutes. For administrative purposes, it is "placed" within the Department of Business and Economic Development ("DBED").

The HTDC is governed by a board of directors which is comprised of nine (9) voting members, two (2) ex-officio members which are the directors of the DBED and the Department of Budget and Finance, one (1) of which is a member of the faculty of the College of Engineering of the University of Hawaii, and the remaining seven (7) of which are appointed by the Governor and who serve without compensation. A chief executive officer is appointed by the Board.

II. Mandate and Goals of the Organization

The HTDC's mission is to encourage the growth of high technology industries in Hawaii which include astronomy, alternate energy, tropical agriculture, space exploration and development, electronics design and assembly, software development, marine and earth technology, telecommunications, bio-technology, and aquaculture.

III. Powers of the Organization

To accomplish its goals, the HTDC is empowered to: prepare development plans for and develop industrial parks; own, lease (for 65 or fewer years), clear, improve, and rehabilitate real or personal property and to assign, exchange, transfer, convey, sublease, or encumber any project by way of easements; construct, rehabilitate, or otherwise improve any project and to designate any qualified person as its agent to act with respect to that project; to provide infrastructure for industrial parks and services in connection therewith; to issue bonds to finance the cost of a project with the consent of the State Legislature; to enter joint development agreement with qualified county development entities for qualified projects; and adopt rules with respect to health safety, land use and zoning which will supercede any inconsistent land use or zoning ordinance.
IV. **Current Status**

The HTDC has published its "Statewide Strategy for High Technology Growth", which recommends improvements in education and research, business climate and capital availability.

Since 1984, it has organized and conducted an annual Governor's symposium on high technology.

In 1986, HTDC completed a feasibility study which determined that the 40,000 circuit fiber optic undersea cable between California and Hawaii will allow Hawaii to establish itself as the hub for telecommunications traffic between the mainland and Pacific rim countries.

In 1987, HTDC completed development of the infrastructure of the 547-acre Hawaii Ocean Science and Technology (HOST) Park in Kailua-Kona. The park will accommodate commercial mariculture operations, marine micro-biology, ocean engineering, and the development of sophisticated sensing devices for ocean use.
ALOHA TOWER DEVELOPMENT CORPORATION

SUMMARY

I. General Organizational Information

The Aloha Tower Development Corporation ("ATDC") is a public corporation which was established in 1981 pursuant to Chapter 206J of the Hawaii Revised Statutes by the Hawaii State Legislature. For administrative purposes it is placed under the Department of Business and Economic Development.

Its Board is comprised of seven (7) voting members, four (4) ex-officio members, which are the Directors of the DBED, Department of Transportation, the Chairperson of the Board of Land and Natural Resources, and the Mayor of the City and County of Honolulu. The remaining three (3) members are appointed by the Governor and serve without compensation. The board appoints a Chief Executive Officer.

II. Mandate and Goals of the ATDC

The mandate and goals of the ATDC are to develop the Aloha Tower complex, which is comprised of the area makai of Nimitz Highway surrounding the Aloha Tower, including Irwin Park and Piers 8 through 11.

III. Powers of the Organization

In accomplishing its goals, the ATDC is empowered to: prepare a development plan for the complex; own, lease (for a term of 65 or fewer years), improve, convey, encumber or otherwise deal with real or personal property; develop and construct infrastructure and other improvements; and adopt rules relating to land use, health, safety and welfare which will supersede any inconsistent use or zoning ordinance.

IV. Current Status

Late in 1988, the ATDC settled its litigation with the Honolulu Waterfront Limited Partnership, which delayed its progress.

In December 1988, the ATDC adopted a new set of rules of practice and procedure, which outline its development objective and concept.

V. Future Plans

The ATDC will: select the development proposal for the complex; select the developer for the project; integrate the project into the Honolulu Waterfront Plan; expand Irwin Park; and create a feasible parking plan.
Fort Lauderdale Beach Redevelopment Area U.L.I.

IMPLEMENTATION PLAN

The city and the Las Olas Partnership asked the panel to comment on the following issues:

Public/private sector linkage—how effective?

The panel feels that community input is the glue that holds redevelopment projects together. Therefore, the panel recommends that the city continue its discussions with the Las Olas By The Sea Assembly Limited Partnership and encourage other interested groups to come forward to enable the private sector to create a plan of action with as little governmental assistance as possible. To realize the development potential of the site, the linkage process should be completed within a reasonable period of time. The panel recommends, as mentioned previously, that six months should be sufficient for the private sector to secure firm commitments from at least 70 percent of the affected landowners before moving forward.

What public and private resources are needed to implement the program?

The city administration and its various departments already have sufficient responsibilities and should not be expected to administer a new program without additional assistance and guidance. While the city commission can create the required mechanism, it currently lacks a clear consensus to do so. Although specific consultants could be employed to facilitate the redevelopment process, the panel recommends that the city rely on a public/private sector team to render assistance. This public/private group can be expected to discharge its obligations pro bono and should include areawide staff officials of public agencies as well as various private sector professionals who can assist the redevelopment authority staff.

What public policy changes and private actions are needed?

The city should adopt a specific program to implement the proposed redevelopment program. The mechanism for implementing the program should be put in place immediately as the private sector attempts to assemble the property. Specifically, the city, through its creation of a beach redevelopment authority, should undertake the following:

- Complete the requirements necessary to designate the area as blighted.
- Create a community redevelopment plan that specifies the densities permitted within the Las Olas By The Sea assemblage. The panel strongly recommends that the comprehensive plan include a flexible zoning ordinance that sets forth allowable densities and provides some limited amount of trade-off from one use to another, depending upon the market forces at the time development occurs.
What is a suitable timetable?

Time is of the essence. Rapid progress will help maintain enthusiasm and develop momentum. The pace of the schedule should be as fast as review procedures and legal requirements permit. The panel believes the following schedule will provide a realistic timetable for input, review, and final decision making at each step of the development process:

- Undertake private sector land assembly—six months.
- Create beach redevelopment authority—six months (note: this program can run concurrently with the private sector effort).
- Process DRI—12 to 18 months.
- Issue Request for Proposal (RFP)—three months.
- Review proposal and select primary developer—three months.
- Negotiate redevelopment agreement with developer—six months.
- Exercise powers under quick take provisions of eminent domain—six months.
- Prepare site before selected developer begins construction—12 months.
- Begin construction.

The panel believes this to be an achievable, realistic target. If rigidly honored, the schedule will result in the redevelopment of the property within the near term.

What is a reasonable work program over the next 18 months?

The panel advises the city to assume an aggressive posture in dealing with the parking lot in terms of the deed from the state. The approximately 650 spaces in the existing city parking lot and the additional parking spaces required by the development must not derogate the use and enjoyment of the site. For that reason, the panel urges that the city immediately commence negotiations with the state to settle the various questions surrounding the parking lot. The panel suggests that the city carefully document the lot’s current use and create a program of use for the parking lot that ties in with the site development plan and reflects public needs. At the same time, the state should amend the deed to allow for proposed uses.
When should the city use eminent domain?

The panel recommends that the city immediately secure its rights in taking property under eminent domain. The panel feels that such a taking should be used only as a last resort but is nevertheless a valid tool in property acquisition. As mentioned above, the panel feels that the city should prepare an RFP, select a developer, and execute a development agreement before exercising its powers under eminent domain. Only then should the city move forward to acquire those parcels necessary to complete the assembly.

What factors should guide the city’s choice of a developer?

The panel believes that the development of the redevelopment area is a particularly complicated undertaking. While the developer selection process should be as broad as possible, the beach redevelopment authority should establish minimum financial and experience qualifications for potential developers. Until the intensity of uses has been determined and the theme of the development agreement determined, the city should not finalize the criteria for selecting a developer.

What are the alternatives to private assembly?

As stated earlier, the panel feels the alternative to private assembly is a city taking of property under Fort Lauderdale’s rights of eminent domain.

What timing is advisable for a community redevelopment plan?

The panel believes that the community redevelopment plan should be created within six months of the appointment of a beach redevelopment authority.

Who has responsibility for ongoing funding?

The city should fund the beach redevelopment authority and charge it with developing a financing program to carry the agency through the approximate four- to five-year process required to put the property into a developable state for a developer.

CONCLUSIONS

Commitment of both city officials and the community are the cornerstone of any plan to support the redevelopment of the Las Olas By The Sea property. Current community leaders and the city administrators have indeed given a high priority to this area and, with the Las Olas By The Sea Assembly Limited Partnership, are providing necessary momentum to develop a new community action plan. To implement this plan, though, the Fort Lauderdale Beach redevelopment area must remain a high priority for both present and future leaders in the immediate community as well as for the city of Fort Lauderdale.

Public facilities, access to the beachfront, and a meaningful redevelopment program are the key to revitalizing the entire beachfront area. The natural beauty of the beaches is an asset that few American cities possess. If the city takes advantage of this potential, it will catalyze the process of beachfront renewal which, in turn, will enhance the city of Fort Lauderdale and complement the downtown revitalization already underway.
an increase of $25 million per year in tax revenue; and 31 national/international awards for architectural excellence. Today, Baltimore's Inner Harbor is a model of waterfront development for the world and attracts over 23 million visitors, who spent $800 million last year.

In 1979, Market Center Development Corporation was created to bring about a similar transformation of the heart of the pre-war downtown shopping district, located two blocks west of Charles Center. Within the 225-acre area known as Market Center, the corporation has stabilized and upgraded Howard Street and has attracted thousands of people through improved access and parking, new housing and office development, and other amenities. More than $5.7 million in public and private investment has helped refurbish and expand the historic Lexington Market, open the Lexington Market Metro Station, and construct a major office and retail complex at Howard and Lexington Streets.

The goal of Center City-Inner Harbor Development, Inc., is to use the springboard of past development success to make Baltimore the most exciting city in the country for living, working, shopping, dining, and entertainment.

Major objectives will include strengthening downtown's role as the economic and cultural center of the State and creating new residential and retail activities that will make downtown lively 24 hours a day. In this way, Baltimore will reinforce the public's understanding that downtown has something for everyone: resident, worker, and visitor alike.
CENTER CITY-INNER HARBOR DEVELOPMENT, INC.

FACT SHEET

As of July 1, 1989, Baltimore's nationally acclaimed downtown development program will be spearheaded by a single new organization: Center City-Inner Harbor Development, Inc.

The new non-profit corporation replaces two similar non-profit, non-stock entities, Charles Center-Inner Harbor Management, Inc., and Market Center Development Corporation, which for many years had separate responsibilities respectively for (1) the financial/waterfront area, and (2) the former retail district/Lexington Market area.

Albert M. Copp, current president of Charles Center-Inner Harbor Management, will head the new corporation. Like its predecessors, Center City-Inner Harbor Development will work under contract to the City to manage and encourage expanded downtown development activity. Boundaries of the new entity's area of responsibility are generally those of the combined groups.

The transformation of downtown Baltimore began in 1959 with the creation of the City's first downtown urban renewal project: a 33-acre mixed-use development known as Charles Center. Subsequently in 1965, the downtown development program was expanded to include the 240-acre Inner Harbor urban renewal program. Over the past 30 years, these efforts have resulted in $2.5 billion in public and private investment; 30,000 new permanent jobs and hundreds of thousands of construction jobs;
CHARLES CENTER-INNER HARBOR MANAGEMENT, INC.

FACT SHEET

Charles Center - Inner Harbor Management, Inc., is a private non-profit corporation formed in 1965 to provide management for the City's downtown redevelopment projects.

On September 1, 1965, a contract was executed between this corporation and the Mayor and City Council, providing for the corporation to manage the planning and execution of the Charles Center and Inner Harbor projects, under the direction of the City's Urban Renewal and Housing Commission - now replaced by the Commissioner of the Department of Housing and Community Development.

The City government - acting through the Mayor - establishes the policies under which the corporation conducts its activities, which include the coordination of City development activities in the project areas, supervising the planning of the projects and the design of public improvements; marketing development sites; and negotiating agreements with public and private developers.

The corporation's contractual arrangement with the City enables it to conduct confidential negotiations with developers who are interested in buying or leasing City-owned property in the Charles Center and Inner Harbor renewal areas, and to negotiate joint public-private ventures between the City and private developers, when required for the implementation of a project.

Unlike a City agency, which has a permanent function and therefore a permanent existence, Charles Center- Inner Harbor Management, Inc., provides a specialized service to the City on a year-to-year basis. The City has advanced a revolving fund, from which the corporation pays its expenses (salaries, rent, supplies, travel, etc.) and which is reimbursed by the City on a monthly basis.

Currently, the cost to the City of managing the downtown projects is less than 1% of the private investment involved. The contractual agreement has been continued under the administration of seven different Mayors, including Mayor Kurt L. Schmoke, who took office in December, 1987.

For additional information, call or write:

Albert M. Copp, President

Charles Center- Inner Harbor Management, Inc.
1444 World Trade Center
Baltimore, Maryland 21202
(301) 837-0862

3/89
Summary of Progress

Charles Center-Inner Harbor Redevelopment Program

1. Buildings which represent a total of $2 billion in new private, public, and institutional investment are either completed, under construction, or committed in the Charles Center and Inner Harbor projects, plus $200,000,000 in site assembly and development costs.

2. There are plans representing $300,000,000 of additional investment. Making a total projected investment of $2.5 billion.

3. In all, 90 major new buildings have been constructed or recycled in downtown Baltimore in the last 27 years - 70 of them in the downtown renewal projects.

4. The City has received approximately $140,000,000 in Federal grant funds for the Charles Center and Inner Harbor projects, plus two $20,000,000 Federal buildings.

5. The real estate tax revenues of the City have increased by almost $25,000,000 a year, and will show an increase estimated at $30,000,000 to $35,000,000 when the projects are completed.

6. More than 30,000 permanent new jobs have been created.

7. The number of visitors to the Inner Harbor alone last year was 7 million. They spent more than $800,000,000.

8. The Charles Center and Inner Harbor projects have won 31 national or international awards for excellence in design and execution (see list attached).

9. More than one thousand existing properties have been acquired, and 750 businesses have been relocated - more than 90% of them in the City - without undue hardship.

10. Baltimore's downtown redevelopment program has become world famous. In 1988 alone, the management office was visited by, or gave talks to 3,000 Baltimoreans and visitors from other states and foreign countries.

11. The Charles Center-Inner Harbor program has been placed before the voters sixteen times during the last 31 years in the form of bond issue referenda. Each time, the voters have endorsed the program by a substantial margin.
National Awards Presented to the Charles Center and Inner Harbor Projects

1964  U.S. Department of Housing and Urban Development: Award of Merit for Urban Renewal Design (Charles Center Plan)

1964  U.S. Department of Housing and Urban Development: First Honor Award for Urban Renewal Design (One Charles Center)

1968  American Institute of Architects: Citation for Excellence in Community Architecture

1968  U.S. Department of Housing and Urban Development: Merit Award for Design Excellence (Inner Harbor Redevelopment Plan)

1970  U.S. Department of Housing and Urban Development: Honor Award for Project Design (Two Charles Center)

1972  American Institute of Planners: Meritorious Program Award (MetroCenter)

1973  Progressive Architecture Citation for Design Excellence: (Urban design plan, Inner Harbor Project I)

1974  U.S. Department of Housing and Urban Development: Honor Award for Management Approach to Design (Charles Center–Inner Harbor Management, Inc.)

1975  Environment Monthly: 1975 Quality of Life Award for Downtown Revitalization

1976  American Society of Landscape Architects: Merit Award (Otterbein Homestead Area)

1976  American Revolution Bicentennial Administration: Certification of Participation in Horizons on Display (Charles Center–Inner Harbor Projects)

1977  American Society of Landscape Architects: Merit Award (South Shore Park and Playing Fields, Inner Harbor)

1978  Associated Landscape Contractors of America: Environmental Improvement Grant Award (South Shore Park and Playing Fields, Inner Harbor)
National Awards Presented to the Charles Center and Inner Harbor Projects

1978 National Trust for Historic Preservation: Special Award to Baltimore City (the Pride of Baltimore, the Inner Harbor Project, the Homesteading Program and City Hall)

1978 Downtown Research and Development Center: First Award for Central Business District Revitalization (Inner Harbor Shoreline Development)

1979 Progressive Architecture: Citation for Design Excellence (Cambridge Seven Associates, Aquarium)

1979 International Downtown Executives Association: Achievement Award (Inner Harbor Shoreline Development)

1979 American Association of Nurserymen, Inc.: Landscape Award (Inner Harbor Shoreline Development)

1980 Concrete Reinforcing Steel Institute: Design Award (Convention Center)

1980 Urban Land Institute: Award for Excellence (Charles Center Project)

1981 American Society of Landscape Architects: Honor Award (Harborplace Public Improvements)

1982 National Association of Home Builders: Award of Merit (Harbor Walk)

1984 National Council for Urban Economic Development: Special Award (Harborplace)

1984 American Institute of Architects: Honor Award (Inner Harbor Development)

1986 Downtown Research and Development Center: Award of Merit (Charles Plaza)

1986 Urban Land Institute: Special Award for Excellence (Inner Harbor Shoreline Development)

1986 Partners for Livable Places, Award to Baltimore City as one of America's most livable places.

1987 National League of Cities, citation of Baltimore as most innovative city in economic development. (Downtown + Inner Harbor Development)
<table>
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<tr>
<th>Year</th>
<th>Award Description</th>
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<tbody>
<tr>
<td>1987</td>
<td>Waterfront Center, Honor Award (National Aquarium in Baltimore)</td>
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<tr>
<td>1988</td>
<td>International Downtown Association: Special Award for Planning and Development (Inner Harbor Shoreline Development)</td>
</tr>
<tr>
<td>1988</td>
<td>Waterfront Center: Honor Award (Inner Harbor Shoreline Development)</td>
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Visitors From U.S. and Abroad

Recently, Charles Center-Inner Harbor Management, Inc. has been visited by representatives of the following cities and foreign countries, who wished to learn about Baltimore City's downtown redevelopment program.

1. Domestic
   - Syracuse, N.Y.
   - Hartford, CT.
   - Minneapolis, Minn.
   - Honolulu, Hawaii
   - Buffalo, N.Y.
   - Elizabeth, N.J.
   - St. Petersburg, Fla.
   - Mobile, Ala.
   - Atlanta, Ga.
   - Wilmington, Del.
   - St. Louis, MO.
   - Louisville, Ky.
   - Tampa, Florida
   - Cleveland, Ohio
   - Pittsburgh, PA
   - Topeka, Kan.
   - Duluth, Minn.
   - San Diego, Cal.
   - Los Angeles, Cal.
   - San Jose, Cal.
   - Philadelphia, PA.
   - Galveston, Tex.
   - Oklahoma City, Okla.
   - Des Moines, Ia.
   - New Haven, CT.
   - New Orleans, La.
   - Oklahoma City, Okla.

2. Foreign
   - Normandy, France
   - Frankfurt, West Germany
   - Genoa, Italy
   - Berlin, West Germany
   - Manchester, England
   - Tokyo, Japan
   - Bristol, England
   - Lagos, Nigeria
   - Stockholm, Sweden
   - Barcelona, Spain
   - London, England
   - Seoul, Korea
   - Vancouver, British Columbia
   - Copenhagen, Denmark
   - Auckland, New Zealand
   - Hamilton, Ontario
   - Glasgow, Scotland
   - The Hague, The Netherlands
   - Helsinki, Finland
   - Amsterdam, The Netherlands
   - Guangxi, China
   - Titoograd, Yugoslavia
   - Canton, China
   - Vienna, Austria
   - Rotterdam, The Netherlands
   - Toluca, Mexico
   - Sapporo, Japan