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Deal finalized for West O'ahu center

Ka Makana Ali'i is to be larger than Pearlridge and will include a hotel

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A final lease agreement has been signed that will bring O'ahu's largest shopping center west of Pearlridge between 'Ewa and Kapolei.

The agreement was announced yesterday by the state Department of Hawaiian Home Lands and the Tampa, Fla.-based Hawai'i DeBartolo LLC.

At the key intersection of Kapolei Parkway and the upcoming North-South Road, the center, dubbed Ka Makana Ali'i, will have 1.6 million square feet of commercial space.

Size-wise, that's between the newly enlarged Ala Moana Center at 2.1 million acres and Pearlridge Center at 1.4 million acres.

Additionally, the agreement allows DeBartolo to put up to 300 hotel rooms in two towers and a third high-rise that will be an office building with up to 100,000 square feet of space.

The lease agreement is for 65 years, with DeBartolo expected to shell out \$142 million over the first 25 years, starting with \$4.7 million annually in lease rent the first 10 years and going as high as \$7 million annually from the 21st to 25th years. The lease to be paid after that will be determined later.

"For us, it's the final piece of the East Kapolei vision that we've been really trying to promote," said DHHL Director Micah Kane.

Development of the former sugar cane land has up until now focused on residential units, government and community services, schools, roads and other infrastructure, Kane said.

Kane's own DHHL headquarters became the first state or city agency to move to Kapolei two months ago.

"What's nice about the project is that it has both commercial retail and office components," he said. "It's really going to be an economic engine and a career place for families to work. There's going to be an opportunity for people to have careers five minutes from where they live."

DeBartolo estimates the project will help bring 4,000 jobs to West O'ahu. It is on Kapolei Parkway and the upcoming North-South Road and will have almost a straight shot with the H-1 Freeway-North-South Road interchange scheduled to open in 2010.

Kane said the additional jobs in the area will mean fewer cars on the road, providing traffic relief for long-suffering 'Ewa and Kapolei residents.

DeBartolo said it will invest more than \$400 million on the site over the first 25 years.

Detailed plans about the project have been sketchy, and a request to DeBartolo officials for a timeline and list of potential tenants yesterday was declined.

Erin Nellis, Hawai'i DeBartolo development officer, issued a one-paragraph statement:

"We are excited about this first milestone and our agreement with the Department of Hawaiian Home Lands. Hawai'i DeBartolo is here for the long term, and we have a strong commitment to the people

of Hawai'i. We can't wait until we can announce more details about our new, mixed-use regional center in Kapolei."

Several smaller, but still significant shopping centers are also planned for the area, including Kapolei Commons in West Kapolei and Laulani Village in 'Ewa Beach.

Kane said the hotels are a unique and necessary feature for the area.

"There's a big demand for the community out here to get what they call a 'fourth-bedroom hotel,' " Kane said. "This community has a lot of family that visits, and they're looking for a place family can go for one or two nights that's not extremely expensive or high-end. Now the only options that are there are either Waikiki or Ko Olina."
