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DHHL Selects DeBartolo to Develop Kapolei Retail Center

HONOLULU--The Department of Hawaiian Home Lands (DHHL) announced today the selection of nationally recognized DeBartolo Development, LLC to develop a retail center in Kapolei. The project is part of DHHL's efforts to be self-sufficient while providing job and business opportunities for the Leeward Coast of Oahu.

"We are very pleased to be able to attract a company of DeBartolo's caliber that shares our vision for this community," said Micah A. Kane, Chairman of the Hawaiian Homes Commission.

"This is really an opportunity for DHHL to successfully add a huge economic component to the ahupua`a of Kapolei," Kane added. "This project will also help reduce traffic on the Leeward Coast by creating job and business opportunities closer to home. By creating retail options away from the currently congested areas, traffic circulation in the area will also improve. With the coming residential communities, relocating our offices to East Kapolei, and the University of Hawaii's West Oahu Campus, our vision of work, live, play and learn is taking shape."

DHHL will be the first state department to move its entire Oahu operations to the Second City of Kapolei.

Kane said the project will provide revenue to DHHL that will be used to pay for more infrastructure, but it has an impact greater than just revenue generation.

"We see ourselves as working to benefit the entire region and we want to be successful in improving economic opportunities for the entire Leeward Coast. Construction jobs and permanent employment from this project is an important part of making life better for everybody," he said.



“We are very excited about this project and about the vision DHHL has for the future of this region,” said Ed Kobel, President, Hawaii DeBartolo LLC.

DeBartolo Development is recognized as one of the top private developers in the country, with projects currently under construction in Arizona, Pennsylvania, Ohio, Mississippi, Texas and New Mexico.

Councilmember Todd Apo, who represents the Leeward Coast, said “I am supportive of this project because Kapolei needs to develop as a true “Second City.” This project, with DHHL offices and UH’s West Oahu Campus, is important to realizing that vision.”

Maeda Timson, Chair of the Makakilo/Kapolei Neighborhood Board, said the project is good for all the right reasons.

“This is smart planning. You not only provide people the chance to work in Kapolei and avoid the drive to town, but you also improve the traffic flow within the area with the Kapolei Parkway extension and the North/South road, something we have been asking for a long time,” Timson said. “This relieves so much pressure from the current center of town and with the department moving to Kapolei and the University of Hawaii’s West Oahu Campus in the same area, you see the beginnings of a well-thought out, master-planned community.”

In 2005, DHHL conducted a nationwide Request for Proposal (RFP) search that included advertising in the Wall Street Journal, promotion at a commercial development trade show in Miami, direct contact with 1,400 nationwide developers, architects, and lenders, and the development of a project specific web site.

392 inquiries to the web site were recorded and 31 organizations submitted confidential agreements requesting detailed information on the site. There were two formal bids submitted, and DeBartolo was the only qualifying bidder with the experience for such a large development.

The property site is approximately 67 acres and is strategically located between the Ewa and Kapolei communities. It sits at the intersection of the Kapolei Parkway extension and the proposed North/South road currently under construction. Across the street of the property, DHHL will be building 350 new homes and its new offices at its location designated as East Kapolei 1. The UH West Oahu Campus also borders the North/South road and sits between East Kapolei 1 and the H-1 freeway.

Kane said DHHL is very comfortable with the selection.

“We feel good about working with DeBartolo Development. They have been very professional and sincere in their efforts to communicate and listen to our perspective, our Hawaiian perspective, as to what we see there and also how it fits into our mission to put more native Hawaiians on the land. On top of that, they are very experienced in this type of development and are one of the largest developers of retail centers in the country.”

The minimum upset rent for the first year is \$4.7 million. Over the first 25 years, DHHL will receive more than \$141 million.

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