

# Waiākea Peninsula

SITE ASSESSMENT AND STRATEGIC MARKET OUTLOOK

Hilo, Island of Hawai'i

Prepared for:  
**Department of Land and Natural Resources and  
Hawai'i Community Development Authority**

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## ***List of Acronyms and Abbreviations***

ADR	average daily rate
AMI	area median income
BDHRA	Banyan Drive Hawai'i Redevelopment Agency
BID	Business Improvement District
CAM	common area maintenance
CDP	Census Designated Place
DBEDT	Department of Business, Economic Development & Tourism, State of Hawai'i
DHHL	Department of Hawaiian Home Lands, State of Hawai'i
DLNR	Department of Land and Natural Resources, State of Hawai'i
DMP	Destination Management Plan
GP	General Plan
HCDA	Hawai'i Community Development Authority, State of Hawai'i
HECO	Hawaiian Electric Company
HHFDC	Hawai'i Housing Finance and Development Corporation, State of Hawai'i
HPHA	Hawai'i Public Housing Authority, State of Hawai'i
HTA	Hawai'i Tourism Authority
HVNP	Hawai'i Volcanoes National Park
LOS	level of service
LUPAG	Land Use Pattern Allocation Guide
NFP	Not-for-profit
OHA	Office of Hawaiian Affairs
OHCD	Office of Housing and Community Development, County of Hawai'i
R&M	repair and maintenance
RUL	remaining useful life
SHPD	State Historic Preservation Division
SLR	sea level rise
STVR	short-term vacation rental
TBD	to be determined
TIF	tax increment financing
YTD	year-to-date

## **1 - EXECUTIVE SUMMARY**

This study presents a preliminary site assessment and strategic market outlook for selected existing and potential future land uses on approximately 101.1 acres of land surrounding Banyan Drive on the Waiākea Peninsula in the ahupua‘a of Waiākea near downtown Hilo, on the island of Hawai‘i (the Study Area) (see Figure 1).<sup>1</sup>

In undertaking this study, PBR HAWAII & Associates, Inc. (PBR HAWAII) also reviewed recent prior studies and plans addressing the Study Area, conducted community and stakeholder outreach, and considered comparison projects outside of Hawai‘i.

This chapter summarizes study findings regarding the site assessment and market outlook, as informed by all aspects of the scope of work. The study background and specific analyses and findings are presented in detail in subsequent chapters of this report.

### **Critical Study Assumptions**

All findings presented in this report are based on two underlying and critical assumptions:

1. That the State of Hawai‘i (State) regains control of the 62.6-acre golf course lands situated in the center of the Study Area.
2. That the safety, security, and maintenance of common areas throughout the Study Area are improved.

### **Golf Course Site Control**

The concepts considered for re-envisioning and revitalizing the Study Area will require the State to regain control of the 62.6-acre golf course site in the near-term, since:

- Most other areas in the Study Area are already improved with income-producing properties or dedicated to other uses in the long-term;
- The golf course area would offer the opportunity to pursue culture and historically-based uses and provide large public open space or multi-use areas;
- Many of the ocean-fronting parcels are at risk of inundation from sea level rise (SLR) or other flooding; the golf course area may offer options to readjust those parcels, enabling the retreat or relocation of improvements;
- The golf course area constitutes most of the Study Area acreage, and is centrally located within it; and
- The golf course area provides access to the Study Area and frontage along Kamehameha Avenue.

Together with the area’s iconic ocean-front sites, the interior golf course lands could support a myriad of opportunities to re-envision the Study Area in an updated and culturally rich way, to address past cultural losses within the area, and to contribute to the revitalization of the Hilo

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<sup>1</sup> As used here, “the Study Area” refers to the approximately 101.1 acres that are the subject of this study; “the Peninsula” refers to the Waiākea Peninsula generally, including certain inholdings within the Study Area as well as the immediately surrounding areas.

economy generally. Redevelopment of the golf course area is considered integral to any effort to potentially restore the Waiākea peninsula as a thriving destination in East Hawai‘i. Redevelopment could provide cultural restoration and new amenities that could add significant value to the Study Area.

In the event the golf course area is not reacquired and rezoned, most meaningful redevelopment opportunities would be precluded. This outcome would exacerbate the land management challenges in the area, impeding the DLNR’s ability to generate revenues from public trust lands and to foster community and economic development, and employment opportunities for Hawai‘i island.

### **Security and Maintenance**

Achieving substantial improvements in security, common area maintenance (CAM), and an enhanced sense of user safety within the Study Area is also a critical assumption underlying this study. The market outlook for all new concepts considered would be compromised without such changes. Such efforts might include coordination with and support for a Business Improvement District (BID) in the area.

The need for improved security was a top concern in interviews with business owners, managers, visitors, and area residents. For instance, business managers reported unwillingness to make additional capital investments in properties given current security issues and the state of surrounding areas, and hotel and restaurant operators indicated that they recommend patrons not utilize the bus stops or walk through the area after dark. Recreational users said they were afraid to visit the common areas in the evenings, and several expressed concern over what appear to be inappropriate use of boarded up residential units.

Additionally, pleas for better landscape maintenance, whether for or against protecting the existing banyan trees of the Study Area, was a common refrain in interviews. Further, in a December 4, 2023 community meeting, “banyan trees,” “open space,” and “gardens” were among the top responses when respondents were asked what aspects of the area they would like to see conserved or enhanced (see Chapter 4).

### **Preliminary Site Analysis and Assessment**

This section highlights site conditions most pertinent to the market outlook assessment. Appendix A contains the full Preliminary Site Analysis and Assessment, with figures showing detailed general parcel information, physical and environmental site conditions, and land use conformance and compliance characteristics of the Study Area.

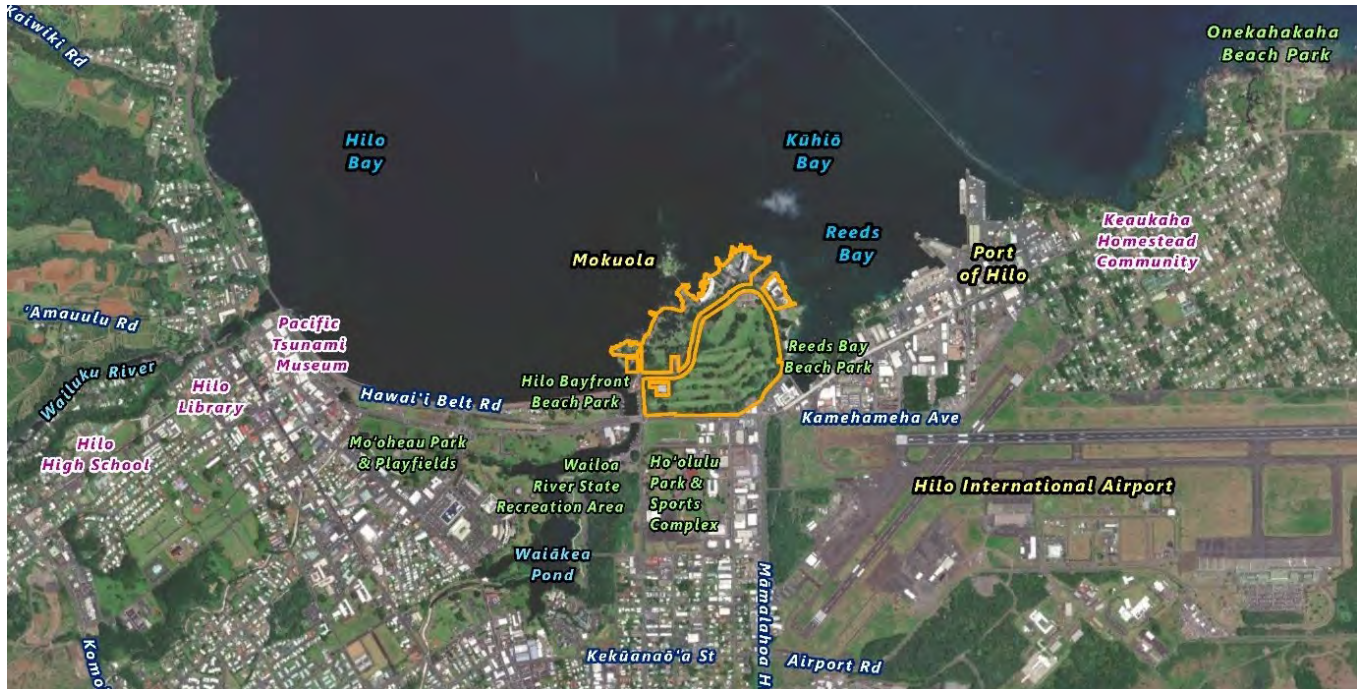
### **Study Area Location and Surrounding Land Uses**

The Study Area is within a 10-minute drive of Hilo International Airport and the Port of Hilo, and a five-minute drive from downtown Hilo in the ahupua‘a of Waiākea, on the island of Hawai‘i. It divides Hilo Bay to the west from Kūhiō Bay and Reeds Bay to the east. The Study Area includes Lili‘uokalani Gardens along its western shore and is adjacent to the Reeds Bay Beach Park (not



part of the Study Area) along the Peninsula's eastern shore. Both Lili'uokalani Gardens and the Reeds Bay Beach Park are managed by the County of Hawai'i (County).

**Figure 1: Study Area Context Map**



Source: PBR HAWAII, 2023. See Appendix A, Figure 1 for copy at larger scale.

### **Land Ownership and Leasehold Interests**

The Study Area is owned by the State of Hawai'i, under the management of the Department of Land and Natural Resources (DLNR) and is currently encumbered by ground leases granted by DLNR's Board of Land and Natural Resources (Board).

Two oceanfront areas within the Study Area could potentially be available for reuse in the relatively near-term: the former Uncle Billy's site of 1.8 acres on the west-facing shore, and three adjacent parcels (Country Club Condos, Bayview Banyan Apartments, and Reeds Bay Hotel) on the east-facing shore, with a combined area of 3.5 acres. In addition, a 0.8-acre parcel held by the DLNR at the eastern intersection of Kamehameha Avenue and Banyan Drive could be made available in the near-term.

The two larger hotel properties, the Hilo Hawaiian and the Grand Naniloa, have remaining terms of 44 and 47 years, respectively. The Grand Naniloa lease is currently controlled by the Grand Naniloa Hotel's lender and includes the 62.6-acre Naniloa Golf Course site as well as the 6.3-acre hotel site.

**Figure 2: Ground Lease Expirations**



Source: PBR HAWAII, 2023. See Appendix A, Figure 5 for copy at larger scale.

**Ceded Lands**

The entire Study Area consists of ceded lands. These lands were either transferred to the Hawai'i State Government by the United States in 1959 through the Admission Act or were formerly private lands acquired by the State after the 1960 tsunami by way of exchange for ceded lands elsewhere on Hawai'i Island. The private lands acquired assumed ceded status by State law. As such, the Office of Hawaiian Affairs (OHA) receives a share of the revenues as provided for by law (i.e., as provided for by the State Legislature).

**General Plan and County Zoning**

The County General Plan (GP) is a high-level policy document that serves to guide County land use, zoning, and related policies. Within the GP, a Land Use Pattern Allocation Guide (LUPAG) expresses thematic future land uses in map form.

A new version of the GP, titled “General Plan 2045,” was in draft form at the time of this report, and is currently undergoing public review. The draft LUPAG presented in the GP 2045 (draft) proposes retention of resort uses with a shoreline setback along the Study Area’s northern perimeter, and changes at:

- Western perimeter/Lili’uokalani Gardens – from Open to Recreation;
- Hilo Bay Café site – from Industrial to Medium Density Urban; and
- Interior area/Naniloa Golf Course – from Open to Urban Expansion Reserve and Medium Density Urban.

According to the GP 2045 (draft), an Urban Expansion Reserve designation allows for a mix of high density, medium density, low density, industrial-commercial mix, and/or natural designations in areas where growth may be desirable, but where specific settlement and infrastructure have not yet been determined. This redesignation would support the State’s effort to reclaim the golf course and pursue the cultural, community, and commercial uses considered herein.

Within the guidelines of the GP, County zoning provides rules for specific land uses on any given parcel. Current zoning designations within the Study Area include:

- The north perimeter is zoned V-.75: Resort Hotel which aligns with the visitor-, resident-, and commercial- related uses that have been in place since at least the 1960s.
- The western-facing perimeter is zoned Open and has been retained as open or conservation uses, within the 20-acre Lili’uokalani Gardens and Waihonu Pond, and in setback areas along the shoreline.
- On the western side of Lihikai Street, there is an area zoned Limited Industrial, which currently accommodates the Hilo Bay Café restaurant.
- The interior, bound by Banyan Drive, is zoned Open and largely used by the 9-hole Naniloa Golf Course.

### **Culture and Environmental Opportunities and Constraints**

From a market standpoint, notable Study Area opportunities and constraints are related to (1) the nature and locations of cultural and historic resources, and (2) ongoing and future inundation risks, together with updated County regulations since time of development (larger setbacks, building standards, etc.)

- **Historical and Cultural Resources** - Community outreach, consultations, site visits, and document research confirm that the area is rich with historical and cultural resources, including the former Kūaka’ananu’u Heiau, which stood on what is now a parking lot. Updated and comprehensive analyses of the historical and cultural resources of the entire Study Area are recommended to further inform both market considerations and future land use planning. Such information will be critical to better understanding of Study Area opportunities and constraints.

The conservation and/or regeneration of important historical and cultural resources, to be identified in studies such as recommended above, are considered foundational to

future development in the Study Area. Calls for such measures have been voiced in individual and community outreach efforts, with clear support from Native Hawaiian stakeholders, business owners, and the general community. Cultural and historic initiatives are also seen to be key to supporting other potential land uses, as explained in the market outlook section.

- Inundation Risk** - The area is known for its flood risks and historical susceptibility to tsunamis. Additionally, climate change factors, including future SLR, could significantly impact large areas of the Study Area. For instance, based on projections, an SLR of 3.2 feet to 6 feet could impact 32% to 68% of the current Grand Naniloa Hotel site, and 57% to 83% of the Lili'uokalani Gardens site, due to inundation plus the expanded new 40-foot County setback zone. In the years preceding any such rise in sea level, the Study Area could also face more frequent interim flooding which may need to be addressed at each of the properties.

**Figure 3: 3.2 ft SLR + 40 ft Shoreline Setback**



**Figure 4: 6 ft SLR + 40 ft Shoreline Setback**



Source: PBR HAWAII, 2023. see Appendix A, Figures 10 and 11 for copy at larger scale.

Stakeholder outreach, site analyses, and other research strongly suggest that enhancement and protection of the natural environment should also be a focus of re-envisioning the Study Area. Thus, future land use considerations are recommended to include retention of significant areas of open space particularly along the shoreline, careful placement of any future improvements, and potential future retreat from the shoreline. In addition, the ocean waters immediately offshore and directly impacted by the Study Area are designated as critical habitat for the endangered Hawaiian monk seal.

Conservation of open space and environmental protection are not addressed here from a market standpoint but rather are considered an important framework within which the other land uses considered may be more successful.

## Market Outlook

Table 1 describes the conceptual land uses evaluated, including their potential roles and suitability for the Waiākea Peninsula, assumed development and management types, and comparison operations. Table 2 summarizes the market review for the identified options, with evaluation of their market outlook in terms of synergy to other uses considered within the Study Area, their revenue potential, and the overall study recommendation.

### Cultural and Historical Uses

**PURSUE WITH HIGH PRIORITY:** Cultural and historical uses are considered the foundation of nearly all other land uses considered – from a market as well as a community standpoint. Together with various published information, lineal descendants and other cultural informants indicate that very significant cultural facilities and practices occurred in the Study Area. These include those associated with Kūaka‘anau‘u Heiau at Makaoku, which is understood to have been located near the bridge to Mokuola, also known as Coconut Island (Historic Hawai‘i Foundation, Cultural Surveys Hawai‘i, and University of Hawai‘i at Hilo, 2021) (ASM Affiliates, 2015) (Warshauer, 2011). Recalling and supporting such cultural values are considered foundational to any re-envisioning of this Study Area, with great importance and meaning to Native Hawaiian communities. Such action would also enhance existing and future land uses considered for the Study Area.

Cultural and historic uses are seen to have an educational, service, and regenerative focus. They could entail restoration of heiau or pu‘uhonua (places of refuge), interpretive walking or multimodal trails, creation of an outdoor pā hula (mound for practicing hula), and/or conservation of areas without improvements for cultural practices.

The development and operating costs of cultural and historic uses are expected to require subsidy from other revenue-generating uses within the Study Area, and/or contributions from government or philanthropic sources. In some cases, kuleana for operations of such facilities could be assigned to private non-profit entities.

### Community/Cultural Center

**SEEK APPROPRIATE PROJECT PROPONENT(S) AND CONCEPTS AND PURSUE AFTER CULTURE/HISTORIC PROJECT IS INITIATED:** A community and cultural center is seen to support both residents and visitors of the area, and to complement employment and revenue-generating uses such as Study Area hotels and retail/entertainment areas. Potential uses could include a performing arts center, or a gathering place for education, special events, and family celebrations, with a commercial kitchen available to rent for private use. It could also serve as a place to provide instruction in protocol when visiting sensitive sites such as restored heiau or the volcanoes, much as the marine education center at the Hanauma Bay Nature Preserve on O‘ahu provides a grounding on the Hawaiian ocean and shoreline environment for visitors to the bay.

A prior planning study and some area stakeholders also envisioned a cultural center within the golf course area that would include a significant performing arts center, perhaps dedicated to hula and able to accommodate expansion of festivals such as Hilo’s Merrie Monarch, which is held at

the County's Edith Kanakaole Multi-Purpose Stadium. Interest in this concept was not verified with the existing leadership of the Merrie Monarch Festival.

By attracting local community, arts, and cultural events, such facilities could also promote the types of visitors envisioned in the Hawai'i Tourism Authority's (HTA) Destination Management Plans (DMPs) as being desirable guests with respect to more sustainable and culturally regenerative tourism.

This use is likely to require public subsidy and/or philanthropic subsidy for development and operating costs.

### **Mobility Solutions**

Two types of mobility solutions were considered: a hub to gather and support various modes of transportation, and Seaglider, an emerging inter-coastal transportation technology. Market outlooks are summarized as follows:

- **Mobility Hub - REVIEW IN FUTURE; PURSUE AT APPROPRIATE SCALE:** A mobility hub, a place within the community that would bring together automobile (car share and/or shared parking), bus, bicycle, trolley, walking, and other mobility modes to allow people to get where they want to go from or without a private vehicle, could support other uses in the Study Area by improving access and connectivity within the Study Area as well as to downtown Hilo, the Port of Hilo, and elsewhere. It would also enhance environmental, recreational, and community wellness values by making alternative modes of mobility handy and attractive.

The hub could be privately managed, possibly in coordination with other revenue-based developments nearby, or it could be managed by the County. Services are assumed to be available to the public on a free or subsidized cost basis and would be expected to require public financing.

However, due to the limited daytime population on the Peninsula currently, and the availability of a similar hub in downtown Hilo, this use is recommended for review in the context of activity-generating uses in the Study Area in the future. Specific offerings at that time should be scaled and tied to the nature of other developments proposed.

- **Seaglider – REVIEW IN FUTURE:** Seaglider is an emerging technology for zero-emission inter-coastal passenger transportation. It could be appropriate for the Peninsula should visitor and resident activity throughout East Hawai'i increase in the future and could even be a visitor attraction itself. Pursuit of this concept will require better understanding of the technology's infrastructure needs, capital costs, and commercial operating characteristics as facilities become established elsewhere. It would also require commitment to a multi-destination network and would require careful land use planning due to the Study Area's low elevations and the instability of some of its coastlines.

## **Hotel**

**SEEK INVESTOR/OPERATOR ALONG WITH OR AFTER CULTURAL/HISTORIC PROJECT AND STUDY AREA CONDITIONS IMPROVEMENTS:** Ongoing demand is seen for existing facilities, but the hotels need area support to achieve better performance and to justify needed investments in improvements, repairs, and maintenance. Opportunity is also seen for new select service properties catering to emerging visitor segments that do not require resort-like amenities but seek comfortable and safe accommodations from which to explore the unique attributes of an area, often for larger private groups. Potential new development will require coordinated initiatives, including regional marketing efforts. Such efforts could also yield broad regional or even Statewide benefits such as attracting the more socially and culturally aware visitor profile the State DMPs have identified, and potentially reducing reliance on illegal short-term vacation rental (STVR) units that intrude on neighborhoods.

## **Entertainment/Retail**

**SEEK INVESTOR TIMED TO VISITOR MARKET GROWTH AND/OR POTENTIAL SHORT-TERM OPPORTUNITIES:** Retail market indicators are currently weak in the Hilo area, and while entertainment programming currently offered at Study Area hotels appear successful, it is recommended that new entertainment/retail development be pursued after visitor market metrics have shown meaningful growth. In the meantime, there could be opportunities to generate ground lease income from sites that may be available in the short-term, with uses that may entail limited facility development such as food truck venues, periodic fairs, festivals, concerts, or other special events. Some commercial entertainment-oriented facilities could serve overlapping functions to the performing arts concept described for the Community/Cultural Center.

## **Rental Housing**

**REHABILITATE EXISTING HOUSING; CONSIDER LIMITED NEW DEVELOPMENT IN APPROPRIATE LOCATIONS:** The need for rental housing is well established throughout the State, and the Study Area already includes two residential properties: Country Club Condos and Bayview Banyan Apartments. These existing facilities need substantial rehabilitation and better maintenance to support security, safety, and community values in the Study Area.

Should employment opportunities within the Study Area increase, limited future workforce rental housing could be appropriate at inland portions of the Study Area offering proximity to Hilo-based as well as Peninsula-based job centers. In comparison to the existing ocean-front sites, such locations would entail less resident risk from hazards such as tsunamis and floods and would be less likely to attract off-island households seeking an ocean-oriented living environment.

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Table 1: Summary of Conceptual Land Uses Evaluated

	Community and foundational			Revenue-generating		
	Cultural and Historic	Community/Cultural Center	Mobility Solutions	Hotel	Entertainment/Retail	Rental Housing
<b>Concept</b>	Restoration and regeneration of Study Area's cultural and historical assets such as Kūaka'anānu'u Heiau at Makaoku; conservation of open spaces for cultural practices	Performing arts center; gathering place for cultural practices, classes, workshops; leasable area for family celebrations; art gallery; potential commercial activities such as lū'au	Mobility hub: center to promote connectivity to and from the Study Area and encourage multimodal travel Seaglider: inter-coastal low-altitude transportation	Enhance performance of existing mid-market leisure and meeting hotels; Potential diversification of market with new select service hotels	Mixed use facilities for dining, shopping, entertainment; indoor-outdoor venues for periodic fairs, events	Mixed income rental housing with focus on workforce needs of the area
<b>Roles</b>	Foundation of authenticity ; support traditional cultural practices and redress historical losses; cultural awareness; education and service; activation	Serve community; visitor activities; security and activation of Study Area; new, expanded opportunities for performing arts events in the region	Enhance Study Area efficiency and environmental impact; promote active lifestyles; improve equity in the transportation system; Future alternative to inter-port and inter-island mobility	Regional economic support; Study Area activation; reduce unlicensed STVRs; supplement accommodations lost to sea level rise; financial support for community/cultural uses	Regional economic support; income-generation; Study Area activation; diversify entertainment operations for visitors and residents	Augment and diversify housing options in downtown Hilo; attract and retain staff at existing and new jobs centers on Peninsula and nearby; improve security and increase activity in the Study Area
<b>Waiākea Peninsula suitability</b>	POSITIVE: significant cultural and historical resources of Study Area	<b>POSITIVE:</b> accessibility; significant Native Hawaiian communities nearby; on-site visitor populations	<b>MEDIUM (hub):</b> relatively small Study Area visitor and resident populations <b>MEDIUM (Seaglider):</b> visitor population and shoreline access, but low elevation and potentially migrating shorelines	<b>POSITIVE:</b> established destination; removed from most residential areas; airport proximity <b>CONCERN:</b> rain, existing blight	<b>POSITIVE:</b> with scale of new development related to expansion of Hilo area visitor attraction	<b>MEDIUM:</b> unique attractive environment but lack of other housing nearby; potential evacuation need
<b>Synergies to other Study Area uses</b>	<b>ESSENTIAL</b> to cultural center and hotel uses; indirectly supports entertainment/retail success	<b>ESSENTIAL</b> to cultural & historic uses; beneficial to hotel, entertainment, and residential uses	<b>BENEFICIAL</b> to other uses identified	<b>ESSENTIAL</b> to entertainment/retail; beneficial to community/cultural center	<b>BENEFICIAL</b> to hotel uses, rental housing	<b>BENEFICIAL</b> to other uses (employee housing)
<b>Assumed development/management</b>	Could include NFP Community Organization or Land Trust; State Park system; National Historic Park	Private/non-profit or public	Hub: County and/or Private Seaglider: Private and State	Private/professional management; major hotel brand affiliation	Private/professional management	Private/professional management
<b>Comparison operations</b>	Ala Kahakai Trail Association; Kalahuihua'a Historical Park and Fish Ponds; Lapakahi State Historical Park; Hā'ena State Park; Kaloko-Honokōhau National Historic Park	Hongwanji Temple's Singha Hall and Kitchen; Auntie Sally's Kaleohano's Lū'au Hale	Hub: Downtown Hilo transportation center; Lihue Civic Center Mobility Hub Seaglider: not currently in commercial operation; targeting Seattle	Existing: Grand Naniloa, Hilo Hawaiian, SCP Future select service, extended stay or boutique: Residence Inn, Kapolei; Courtyard Kahului; Surfjack Hotel, Waikiki	Crown Room at Grand Naniloa Hotel; Kīlauea, Kaua'i; pop-up food truck service	Hawai'i island (planned): Hale Na Makoa, Ho'omalū; O'ahu (operating): Kapolei Lofts, The Element, Kapolei, O'ahu
<b>Potential facilities and uses</b>	Interpretive walking trails, environmental preserves; restoration of heiau and pu'uhonua; spaces for regenerative service activities. Could also include virtually augmented experiences	Great hall/lanai, classrooms, gallery, admin offices; walking paths; hula pa; demonstration food gardens Spaces for traditional healing, counseling, after school programs	Hub: Hele-On Bus stop, Hoppa-On-Hoppa-Off Bus trolley stop, shared ride facility, bike share facility, public restrooms and rest areas Seaglider: Dock, nearby parking or other access, office and/or ticketing admin facility with restrooms	Retail, office and/or restaurant with outdoor seating; restrooms; may accommodate food trucks periodically on-site or nearby	Retail, restaurant, and entertainment complex, dining areas with open air seating; performing arts center	Apartments, on-site manager's apartment and office, work hub, technology center, mail room and package delivery center, shared party room with kitchen, gym

Source: PBR HAWAII, 2023. Acronyms: NFP = Not-for-profit; STVR = short-term vacation rental

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**Table 2: Market Outlook for Conceptual Land Uses**

	Community and foundational			Revenue-generating		
	Cultural and Historic	Community/Cultural Center	Mobility Solutions	Hotel	Entertainment/Retail	Rental Housing
<b>Target markets and scale</b>	<ul style="list-style-type: none"> <li>• 47,627 residents of Hilo CDP</li> <li>• 12% NHPI population in CDP</li> <li>• Cultural practitioners</li> <li>• Area immersion and elementary/middle schools</li> </ul>	<ul style="list-style-type: none"> <li>• 47,627 residents of Hilo CDP</li> <li>• Avg. daily Hilo visitors: 7,032 (2022)</li> <li>• DHHL homestead residents</li> <li>• Other area residents</li> <li>• Family parties and celebrations</li> <li>• Area entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>• Est. 350 employees and 1,200 avg. daily guests on Peninsula</li> <li>• Avg. daily Hilo visitors: 7,032 (2022)</li> </ul>	<ul style="list-style-type: none"> <li>• Avg. daily Hilo visitors: 7,032 (2022)</li> <li>• Kama'āina, government, business, westbound pleasure travelers</li> </ul>	<ul style="list-style-type: none"> <li>• Avg. daily Hilo visitors: 7,032 (2022)</li> </ul>	<ul style="list-style-type: none"> <li>• Est. 350 employees on Peninsula</li> <li>• Est. 14,290 Hilo CDP residents aged 20 to 44</li> <li>• Est. demand for 3,800 to 6,900 new rental homes in Hilo area, 2025 to 2035</li> </ul>
<b>Market observations/ positive indications</b>	<ul style="list-style-type: none"> <li>• Strong support in community outreach and consultations</li> <li>• Observed interest in cultural activities at hotels</li> <li>• 15,000 annual seats filled to Merrie Monarch Festival, 1.6 million visitors to HVNP (2022)</li> <li>• Growing interest in heritage tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Limited options for large private parties, including Sangha Hall, area hotels/restaurants, Auntie Sally's</li> <li>• Long booking lead times at Auntie Sally's</li> <li>• Limited capacity and aging infrastructure at other performing arts centers in Hilo</li> <li>• Noted priority in community outreach</li> </ul>	<ul style="list-style-type: none"> <li>• Hub: support shared parking/multimodal transfer nodes and thereby conserve land; align with the Downtown "Envision Hilo" vision statement relating to health and safety</li> <li>• Seaglider: modern, novel technology that could support revitalization of Hilo image</li> </ul>	<ul style="list-style-type: none"> <li>• Growing interest in "heritage tourism" and authentic experiences</li> <li>• More STVR units (est. 1,400) than hotel units (928) in Hilo</li> <li>• More modern, professional management than STVRs</li> <li>• 70+% occupancies in Study Area despite current conditions</li> <li>• Increasing Hilo LOS and market share</li> </ul>	<ul style="list-style-type: none"> <li>• Historical location for local entertainment</li> <li>• Success of recent concert programming</li> <li>• Remembered by long-term residents for dining &amp; entertainment</li> </ul>	<ul style="list-style-type: none"> <li>• OHCD rent guidelines, 80% to 120% AMI: \$1,816 to \$2,724, 2023 (monthly rent, including utilities, family of 3)</li> <li>• Predominance of planned Hilo rental developments with focus on 30%-60% AMI</li> </ul>
<b>Potential development &amp; operating challenges</b>	<ul style="list-style-type: none"> <li>• Potential conflicts between resident and visitor interests</li> <li>• Finding appropriate partners for implementation, ongoing management or maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• High facility development costs</li> <li>• Potential conflicts between resident and visitor interests</li> <li>• Management challenges for short-term bookings at commercial kitchen</li> <li>• Limited/no residential community on-Site</li> </ul>	<ul style="list-style-type: none"> <li>• Both: Service population low without more accommodations and attractions on-site</li> <li>• Both: High development and operational costs</li> <li>• Seaglider: Unstable shorelines; still emerging commercial technology; need for multi-destination network and development of dock and supportive facilities</li> </ul>	<ul style="list-style-type: none"> <li>• For existing hotels: potential retreat from shoreline</li> <li>• For new development: Attracting qualified developer/operator with relatively small project &amp; low ADR</li> <li>• Weather</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively high retail vacancies and store closures in Hilo</li> <li>• High development costs and long permitting periods</li> </ul>	<ul style="list-style-type: none"> <li>• Developers of new product may prefer fee simple sites</li> <li>• Need for evacuation in disaster; higher insurance costs to operators</li> <li>• Potential attractor to off-island households, especially in ocean-fronting environments</li> <li>• Need for active and professional on-site management, with adequate R&amp;M budgets</li> </ul>
<b>Synergies to other Study Area uses</b>	<b>ESSENTIAL</b> to cultural center and hotel uses; indirectly supports entertainment/retail success	<b>ESSENTIAL</b> to cultural & historic uses; beneficial to hotel, entertainment, and residential uses	<b>BENEFICIAL (hub and Seaglider)</b> to all other uses identified	<b>ESSENTIAL</b> to entertainment/retail; beneficial to community/cultural center	<b>BENEFICIAL</b> to hotel uses, rental housing	<b>BENEFICIAL</b> to hotel use (employee housing) and entertainment/retail (employee housing and users)
<b>Revenue potential</b>	<b>LOW</b>	<b>LOW to MEDIUM</b>	<b>LOW (hub)</b> <b>UNDETERMINED (Seaglider)</b>	<b>MEDIUM</b>	<b>QUALIFIED:</b> supported by growth of hotel and area visitor market populations and trends	<b>LOW TO MEDIUM</b>
<b>Market Outlook for Study Area</b>	<b>HIGH PRIORITY</b> for early implementation	<b>SEEK PROJECT PROPONENT(S)</b> in coordination with cultural/historical	<b>REVIEW IN FUTURE (hub)</b> and scale to potential user population; encourage shared path extension in meantime <b>REVIEW IN FUTURE (Seaglider)</b> as commercial viability advances	<b>SEEK INVESTOR/OPERATOR</b> as cultural projects progress, as Study Area conditions are improved, and in coordination with regional marketing initiatives	<b>SEEK INVESTOR</b> after visitor market improvement; potential opportunities for short term uses of some parcels	<b>REHAB EXISTING; CONSIDER LIMITED NEW</b> workforce-oriented projects in appropriate non-waterfront locations

Source: PBR HAWAII, 2023. Acronyms: ADR = average daily rate; AMI = area median income (refers to County); CDP = Census-designated place; DHHL = State of Hawaii, Department of Hawaiian Home Lands; HVNP = Hawai'i Volcanoes National Park; LOS = level of service; OHCD = County of Hawai'i, Office of Housing and Community Development; R&M = repair and maintenance; STVR = short-term vacation rental

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## **2 - Study Background**

DLNR, enlisted the Hawai'i Community Development Authority (HCDA) to assist it in developing a preliminary strategic assessment of various physical, environmental, and market parameters to inform its next steps in envisioning sustainable future land uses on approximately 101.1 acres on the Waiākea Peninsula. HCDA, in turn, engaged PBR HAWAII & Associates, Inc. (PBR HAWAII) to prepare this study.

### **Study Objectives**

Specific objectives included:

1. Preparation of a preliminary site assessment and analysis of the Study Area;
2. Review and consideration of recent, prior studies and plans addressing the Study Area;
3. Obtaining feedback from area stakeholders and the community regarding desired and sustainable land uses in the Study Area;
4. Seeking insights from other public land re-envisioning or redevelopment efforts outside of Hawai'i; and
5. Summarizing these investigations and conducting additional research to support this assessment of market outlook for the identified land uses.

### **Not a Land Use Plan**

PBR HAWAII's scope of work did not include a land use or master plan. Rather, these study outcomes are intended to inform land use planning in the future.

This study will be presented to State Legislators for their consideration during the 2024 session.

### **Underlying and Critical Assumptions**

As further articulated in the preceding Executive Summary, all findings presented in this report are based on two underlying and critical assumptions:

1. That the State regain control of the 62.6-acre golf course situated in the center of the Study Area; and
2. That security and maintenance of common areas throughout the Study Area are improved.

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### ***3 - Comparison Projects, Community Outreach, and Prior Studies***

#### **Comparison Projects**

PBR HAWAII searched for recent waterfront redevelopment areas on public lands outside of Hawai'i in areas where a balance of resident and visitor, recreational and commercial, and/or historical/cultural and modern interests were of concern. The intent was to look for projects that could provide relevant insights for re-envisioning the Study Area, in terms of project elements, planning initiation and leadership, governance, funding for capital and operational costs, and community benefits.

Two projects were selected for evaluation: Navigate Tairāwhiti in Gisborne, New Zealand, and The Bay in Sarasota, Florida. Research and findings on these example projects are presented in Appendix B with a summary here.

Planning for both projects has spanned years, with implementation phased and still ongoing. Lessons learned from these projects that appear relevant to re-envisioning the Study Area include:

- From Navigate Tairāwhiti:
  - Work with indigenous groups to elevate their voices, stories, and values in acknowledging the historic and cultural significance of place.
  - Incorporate and highlight those voices, stories, and values in design, artwork, and signage/wayfinding, utilizing innovative technology and media where appropriate.
  - Focus on cultural and ecological restoration.
- From The Bay:
  - Find well-connected local project champion(s) and engage community members early to seek a shared vision.
  - Define guiding principles in consultation with stakeholders.
  - Don't be afraid of aspirational goals; aim to be distinctive and world class.
  - Seek to regenerate and improve natural, cultural, and social environments, not just to fit into existing conditions.
  - Have a plan for sustainable funding for initial and ongoing costs; consider diverse sources including private nonprofit groups, internal revenues, and public sources such as tax increment financing (TIF).
  - Ensure benefits are widespread in the region, justifying public financial and other support.

#### **December 4, 2023 Meeting**

DLNR and HCDA hosted a public meeting from 5 to 7 PM on December 4, 2023, at the Hilo Hawaiian Hotel on Banyan Drive. Registration showed 106 attendees, including elected officials, current and past members of the Banyan Drive Hawai'i Redevelopment Authority, lineal descendants of the area, and other Hawai'i Island residents. In addition, six DLNR members, three HCDA members, and four staff from PBR HAWAII attended.

The meeting agenda included an introduction by HCDA Executive Director Craig Nakamoto, and presentation by PBR HAWAII. The presentation was followed by four open house stations where community members shared observations and concerns with DLNR, HCDA, and PBR HAWAII representatives, viewed maps, and were able to leave written notes and comments.

Following the live meeting, a recording of the presentation was posted along with the slides at the project website established to share information during the community outreach for this study. Visitors to the site were invited to take a survey between December 8 and 15, 2023, with the same questions posed during the live meeting. Six additional responses were recorded via this follow-up survey.

Most respondents have had long association with the Peninsula, reporting visits to the area in the 1990s or earlier. This group reported fond memories of recreational and relaxation activities on the Peninsula, including visiting Mokuola (Coconut Island), fishing, picnicking, shoreline outings, visiting Lili'uokalani Gardens, driving through Banyan Drive, and dining out and nightlife.

In current times, a large share of respondents reported visiting the Peninsula several times a week for recreation or other purposes other than work. Among attendees, favored things to do appear to remain recreation-oriented, including visiting Lili'uokalani Gardens and Mokuola, driving through Banyan Drive, or fishing or picnicking along the shoreline. Exercise (walking or jogging), dining out, or nightlife are also popular activities on the Peninsula.

Meeting participants were asked to summarize what aspects of the two comparison projects (as described earlier in this chapter) they would like to see at the Peninsula and were able to make multiple responses. These responses are depicted in a Word Cloud, where all responses are recorded and those with greater frequencies are represented by larger font sizes.

The Navigate Tairāwhiti project in Gisborne, New Zealand appears to be valued for its focus on culture, history, and indigenous, or local interests. It was also seen to be culturally sensitive and of interest for its community engagement and focus on education, as shown below.



**Figure 5: “What aspects from the example project "Navigate Tairāwhiti" would you like to see at Waiākea Peninsula?”**



On the other hand, some respondents felt Navigate Tairāwhiti was not of relevance because it was not in Hawai‘i or for other reasons.

For The Bay project in Sarasota, Florida, meeting attendees expressed most interest in its provision of park and open spaces, and appreciated its environmentally regenerative aspects, its promotion of culture and the arts, and the fact that it was inclusive with access free to all communities. In addition, there was notable interest in the governance and funding lessons it provides, including public-private partnerships and TIF.

Like for the New Zealand example, there was also a smaller group of respondents citing nothing of relevance in this example.

Figure 6: “What aspects from the example project "The Bay" would you like to see at Waiākea Peninsula?”



The most popular aspects of comparison projects that participants were interested in seeing at the Peninsula had to do with green, park, or open space as well as cultural and historical aspects. Other responses concerned environmental and financial sustainability, as well as recommendations to focus on Hawai'i and Hawaiian culture. Public, green, and open spaces such as Lili'uokalani Gardens were cited as important to preserve or enhance. The culture and history of the area, along with existing banyan trees, were among the most cited aspects to maintain or enhance for respondents. Access to the coastline for fishing or recreation was another important aspect for respondents.



- Tourism is needed in a limited way, but other practices such as agriculture and fishing are also needed, and locals should choose what type of tourism they want. With social media, tourist activities are difficult to limit.
- More cultural studies are needed, both to document oral history and to look at past studies.
- The community engagement process should be adapted to better meet people where they are at; evening meetings are difficult for many.
- A space should be created for Hawaiians to use and practice their culture.
- The rights of allodial title holders need to be recognized.
- The pōhaku (stones) from heiau should be returned to their correct place.
- What is the timeline and next steps for the project/area?
- Any development will affect property taxes in the area.
- Issues of the Native Hawaiian community should be able to be discussed with everyone.
- Planners or agencies from within the moku rather than from outside should decide what happens on the Waiākea Peninsula.

### **Individual Consultations**

PBR HAWAII reached out to 34 individuals and was able to have in-person or virtual consultations with 26 community members, elected officials, agency representatives, cultural and business leaders, and other Peninsula stakeholders.

Common themes of these discussions were concerns for:

- Safety and security – More security measures deployed throughout the Study Area and the Peninsula.
- Lighting – Related to the above, concern for darkness of some areas, especially under the banyan trees.
- Removal of blighting influences – Gratitude for the demolition underway at the former Uncle Billy’s site, but ongoing concern for the perceived dangers and ongoing uses of various open spaces and partially abandoned or visibly unoccupiable structures within the Study Area.
- Culture – Desire to see the cultural and historic features of the site conserved, regenerated, and/or enhanced, with authentic rehabilitation and presentation.
- Community – Desire to see facilities that will support residents of the community with social, wellness, and recreational programs that might be of interest to visitors also.
- Recreation and activity – Desire to see more recreational and entertainment options on the Peninsula with appeal to both visitors and residents, such as concerts, dining options, and an authentic lū’au using foods grown by area residents and non-professional performers.
- Property management – Better maintenance of landscaping and trees throughout the Study Area; some tenants have had to pay to trim trees or haul debris outside of their properties.

- Investment – Reluctance of lessees to make capital investments in their properties given the lack of security in the surrounding area and/or limited remaining lease terms.

There were also divergent opinions on:

- Prioritization of resident vs. visitor needs in the Study Area.
- Promotion of additional hotel and resort uses.
- Preservation of the banyan trees on the Study Area vs. replacing them with native and indigenous species such as Kou.

### **Prior Studies**

A number of economic studies or plans have been completed for land uses on the Peninsula in recent years. Four studies most germane to the current effort are summarized below, with comments as relevant to the current evaluation of market outlook for the Study Area.

#### **2014 Tourism Market Study**

This study was prepared for DLNR by Munekiyo & Hiraga, Inc. with the objective of determining demand for a new hotel in the Banyan Drive area given the then-upcoming lease expirations (Munekiyo & Hiraga, Inc., July 2014).

The study concluded that there would need to be a strong and unachievable increase in Hilo's Statewide market share (Hilo was then at 7% of State arrivals, compared to Kona, which was acting 15% of State arrivals) in order to support an additional hotel in the area. The study discouraged additional hotel development in the area based on Hilo's:

- Weather,
- Lack of beach and ocean recreational activities,
- Lower accessibility/direct flight capacity,
- Lack of tourism amenities,
- Older infrastructure & lack of diversity in hotel class,
- Small town character, and
- Purpose-driven visits such as to the volcanoes, implying shorter lengths of stay.

These conclusions are revisited in the current study, as discussed in Chapter 4, with the following considerations:

- The Study Area has approximately 146 fewer hotel rooms than the inventory that constituted the market baseline in the 2014 study, given the closure of Uncle Billy's Hotel.
- While Hilo's rainy weather is still a concern, the availability of ocean recreational activities, flight access, and tourism amenities can be addressed with focused marketing and amenity development.
- The Study Area's older infrastructure and lack of diversity in hotel class also remains a concern, yet could be addressed with strategic planning of new inventory if pursued.
- Recent market trends, indicated by proliferating STVRS, together with strong interest in the volcanoes and current HTA goals as presented in the DMPs, suggest the area's small-

town character and purpose-driven visits may be among its attractions rather than liabilities in today's market.

- Finally, Hilo's visitor length of stay has already evidenced strong increases even without new products in the area, and the shorter lengths of stay in the area support a goal that many community members have expressed, which is that they do not want to be overwhelmed by large numbers of tourists on an average day.

### **2016 Properties Condition Assessment**

This study was commissioned from Erskine Architects, Inc. by DLNR to evaluate the condition and needs for repair or retrofit at three tenant facilities: Reeds Bay Hotel, Country Club Condominiums, and Uncle Billy's Hotel. The study referred to remaining useful life (RUL) determinations prepared by SSFM International, Inc. in 2014 (Remaining Useful Life Determination for the Country Club Condominium/Hotel, Hilo, Hawaii, TMK: (3) 2-1-005: 020, June 2014) (Remaining Useful Life Determination for the Reed's Bay Hotel, Hilo, Hawaii, TMK: (3) 2-1-005: 022, June 2014) (Remaining Useful Life Determination for Uncle Billy's Hilo Bay Hotel, Hilo, Hawaii, TMK: (3) 2-1-005: 033,034,035, June 2014), and considered physical conditions of the properties and structures, compliance with then-effective safety regulations and County codes, presence of hazardous materials, and other resources and evaluations. The authors' recommendations as of June 2016 were:

- Reeds Bay Hotel – Repair, and/or selective demolition such as of an annex and pool/lobby wing with new facilities constructed over time. RUL was estimated at 12 to 15 years (2014).
- Country Club Condominiums – Demolish, considering the 2014 estimated RUL of five to eight years, with repair costs estimated at \$6.11 million compared to an estimated property value of only \$860,000.
- Uncle Billy's Hotel – Demolish, considering the 2014 estimated RUL of five to 10 years, and extremely poor building conditions at the time. The DLNR initiated demolition of this property in 2023.

### **2016 Banyan Drive Tomorrow Concept Plan**

A community planning effort coordinated by the Banyan Drive Hawai'i Redevelopment Agency (BDHRA), along with planning efforts facilitated by the Mayor and County Planning Department, produced multiple scenarios of a "Banyan Drive Tomorrow" concept plan. A version labelled "Scenario 2" and dated December 2016 was forwarded from the Planning Director to the Mayor, the DLNR, the HTA, and other State and County agencies indicating that it was the version supported by the BDHRA (Figure 8).

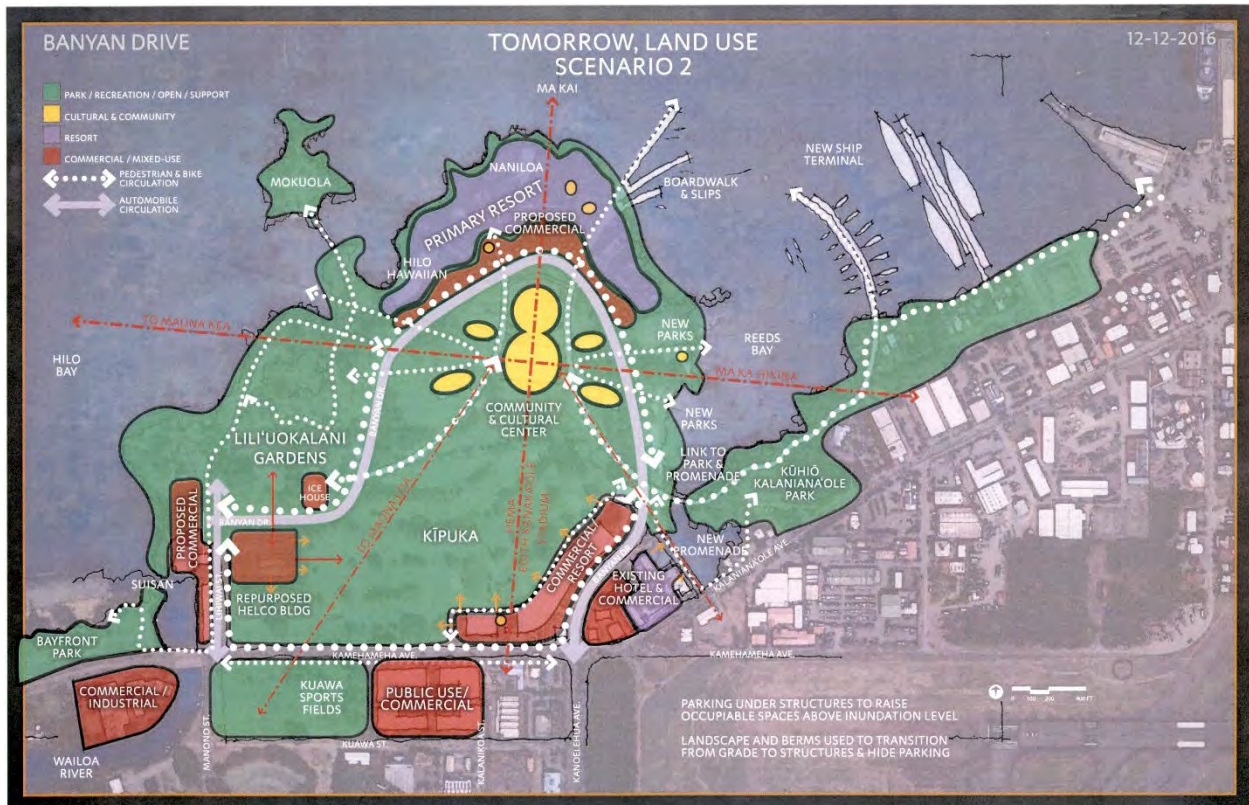
Within the Study Area, this plan features:

- A community and cultural center, prominent in the northern part of the current golf course area;
- Additional park, recreation, open space, and support areas;

- Consolidation of the existing resort/hotel areas from approximately the area of the Hilo Hawaiian Hotel to Reeds Bay Hotel;
- A new commercial/resort area along the eastern entrance of Banyan Drive to the Peninsula, and other proposed commercial areas;
- New multimodal pedestrian and bike paths and better connectivity,
- A new boardwalk and slips facing the Port of Hilo (where a new ship terminal was envisioned); and
- A repurposed HECO building.

The transmittal memo indicated that this plan was an initial concept that should be used to move forward with the preparation of studies that would be required to eventually adopt a master redevelopment plan for the area (Yee, 2016).

**Figure 8: Banyan Drive Tomorrow, Land Use Scenario 2**



Source: Banyan Drive Redevelopment Authority, as reported by: (Yee, 2016)

### 2023 Hilo Trails Plan

Hilo Bayfront Trails, Inc., a non-profit organization comprised of volunteer community members, has long advocated for trails throughout the bayfront area of Hilo, linking the harbor area to downtown Hilo and many of its scenic, recreational, and historic resources. Its goal is to complete nearly 6 miles of trails connecting over 700 acres of land, offering diverse alternatives for recreation and accessibility (Hilo Bayfront Trails, 2024).

Within the Study Area, the group envisions a scenic and functional pathway on the mauka side of Banyan Drive that could be shared by walkers, joggers, bikers, persons in wheelchairs, etc., as depicted in context below:

Figure 9: Trails Plan



Source: (Hilo Bayfront Trails, 2024)



## 4 - Conceptual Market Outlook

### Land Uses Considered, Reporting Structure

The land uses considered for market evaluation fall into two general categories:

- **Foundational** – Those land uses that support community, educational, cultural, and/or historic values. *The land uses evaluated in this category include cultural/historic areas, a community center, a mobility hub, and an inter-coastal transportation system.*
- **Revenue-generating** – Those land uses that may support the above values and generate revenue-based ground leases or other income. *The land uses evaluated in this category include hotel/resort, entertainment/retail, and rental housing.*

Many of the metrics by which revenue-generating uses may be evaluated are of limited applicability to community, foundational, and infrastructural uses and therefore the depth and contents of the market reviews presented below vary by type.

### Foundational: Cultural/Historic

Hilo was an area of abundance with a long and rich history, with significant cultural and historic ties. The Waiākea Peninsula Study Area has several ‘ōlelo no‘eau (proverbs or wise sayings) (Historic Hawai‘i Foundation, Cultural Surveys Hawai‘i, and University of Hawai‘i at Hilo, 2021) that reference the peninsula and surrounding area and was favored by the crown during the monarchy. The Makaoku area was also home to an important Luakini heiau, Kūaka‘anau‘u, where sacrifices are said to have been made. Kūaka‘anau‘u Heiau was dismantled in the 1860’s. While a few of the important pōhaku have been found and conserved at a site outside the Peninsula that is recognized by State Historic Preservation Division (SHPD) and the DLNR, the majority of its pōhaku were reportedly treated disrespectfully and used as road or ocean fill.

Recalling this and subsequent histories of the area with regenerated facilities and/or cultural ties could contribute to healing of long-standing hurts, as well as establishing an authentic cultural foundation for all re-envisioning of the Study Area.

**Figure 10: Pōhaku and Heiau Marker Outside of Study Area**



Source: Photo taken by PBR HAWAII, 2023

### **Concepts and Target Users**

No specific strategies or facilities have been identified as part of this market assessment,<sup>2</sup> but the opportunity to restore, regenerate, and conserve cultural and historic facilities that could serve the community, support education, and provide an authentic historical grounding, are considered essential to re-envisioning the Study Area.

Projects could include, but are by no means limited to:

- Restoration of heiau and pu'uhonua,
- Interpretive walking trails,
- Environmental preserves, and
- Spaces focused on service, healing, and regeneration.

Related programming could include educational virtually augmented experiences to supplement learning, and to preserve and reduce impacts to the historic and cultural sites.

The concepts are seen to support Hilo residents, including the Keaukaha and Pana'ewa DHHL communities, cultural practitioners, area immersion and elementary/middle schools.

Such facilities would provide a secondary benefit by supporting more meaningful and educational travel experiences that encourage responsible tourism and the support of cultural heritage. The cultural and historical grounding they may lend are seen as essential to the health of existing visitor-related facilities, and opportunities for future visitor-related facilities.

### **Comparison Operations**

While the annual Merrie Monarch Festival draws thousands of visitors to Hilo every Spring, many other visitors use Hilo as a base from which to visit the Hawai'i Volcanoes National Park (HVNP) or other nearby attractions. Regeneration of historic and cultural facilities on the Peninsula could help re-establish Hilo itself as a primary visitor destination and could appeal to the types of heritage- and culture-based travelers that the State DMPs have targeted.

Since no specific facilities or strategies have been identified as part of this study, the range of potential comparisons varies widely. Potential examples include Ala Kahakai Trail Association; Kalāhuipua'a Historical Park and Fishponds; Lapakahi State Historical Park; Hā'ena State Park; Pu'uhonua o Hōnaunau National Historic Park; Kaloko-Honokōhau National Historic Park; Pu'ukoholā Heiau National Historic Park.

This series of examples represents a variety of development/management techniques and access alternatives that could be incorporated into historic and cultural facilities.

- **Governance Structures** – There are many potential options for development and management of historic and cultural facilities. Specific strategies for this Study Area should be determined through future community outreach and consultation. For example,

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<sup>2</sup> Further stakeholder outreach and engagement should be undertaken as part of project definition, site planning or any future design efforts.

stewardship partners could range from community organizations to non-profits, or from land trusts to State Parks or National Historic Parks.

- **Financing** – Depending on the type of facilities and who is responsible, which should also be identified through future community outreach and consultation, there are a variety of options to support the funding required to develop and/or operate historic or cultural facilities. Generally, historic and cultural facilities are not expected to generate means of supporting their own development or operations, as such a subsidy by revenue-generating uses, philanthropy, or public contributions will likely be necessary.

### **Demand Indicators**

Restoration and conservation of cultural and historic areas, as well as open space that can be used for cultural practices, are among the most frequently cited goals for re-envisioning the Study Area in the community outreach undertaken. In fact, a foundation of authentic cultural and historic restorations is seen as essential to redressing some of the losses that have occurred in this area.

The addition of cultural and historic facilities at Waiākea Peninsula could also serve to support more responsible and meaningful visitor experiences that can in turn provide financial and economic support for the community priorities such as cultural restoration.

### **Market Outlook**

Historic and cultural facilities are seen as essential to any re-envisioning of the Study Area, promoting cultural healing, education, and a place for modern cultural practitioners and those seeking a respite to visit. In addition, historic and cultural facilities could encourage meaningful and educational travel experiences. The development of such facilities would support specific actions listed in the DMP, including the preservation and protection of culturally significant places and hotspots, developing resources and programs to perpetuate authentic Hawaiian culture and 'Ōlelo Hawai'i (Hawaiian language), and investing in community-based tourism programs that enhance quality of life for communities.

Additional consideration and community consultation will need to be undertaken to identify the places, materials and approaches that should be incorporated, partners for implementation/ongoing management or maintenance (governance) and approaches to funding.

## **Foundational: Community or Cultural Center**

### **Concepts and Target Users**

A community or cultural center would cater to area residents and visitors, offering a new performing arts center and/or a gathering place for cultural activities, classes, or workshops, as well as a space for private celebrations and special events such as weddings, graduations, retirement parties, and the like. It could also include places to practice traditional arts or other cultural practices reflecting Hilo's diverse heritage including its Native Hawaiian, Japanese, and other populations. Facilities might include some of the following:

- Performing arts center to accommodate traditional and modern cultural practices and presentations;
- Great hall/meeting area with open-air lanai and adjacent commercial kitchen;
- One or more classrooms;
- Briefing area designed to sensitize visitors who are headed to cultural or sensitive areas;
- Gallery for permanent or special exhibits;
- Restrooms and administrative offices;
- Commercial kitchen to support event space and possibly be available for value-added food processing ventures on short-term rental bases; and
- Landscaped surrounding areas that could include walking paths, pā hula, outdoor exercise or special event spaces, and demonstration gardens.

### **Comparison Operations**

The 2016 Banyan Drive Tomorrow plan and some current stakeholders propose a performing arts center as part of a cultural center within the golf course area, dedicated to hula and other traditional cultural practices. This vision includes a performance area with more capacity and modern amenities than available at the County's Edith Kanaka'ole Multi-Purpose Stadium, which currently hosts the Merrie Monarch Festival.

The two most comparable Hilo-area facilities for private events and community gathering areas are the Hongwanji Temple's Sangha Hall & Kitchen, and the County's Aunty Sally Kaleohano's Lū'au Hale. Available information on these facilities is shown below. Additionally, two area hotels offer meeting spaces for rent, but without use of a kitchen space.

**Table 3: Comparison Hilo Community Centers and Ballroom/Meeting Rooms**

	Sangha Hall	Aunty Sally's	Hilo Hawaiian Hotel	Grand Naniloa Hotel
Ballroom/meeting rooms	Main Floor w/ separate makai and mauka areas, lobby, and conference room	Lua Hale	Mala Ikena Room, Mokuola Ballroom (can be divided in two)	Crown Room, Ho'omalimali Room, Sandalwood Room, Palm Room, Private Dining Room
Room size ranges (sq. feet)	Main floor: 7,800 Makai: 2,400 Mauka: 1,320 Lobby: 625 Conf. room: 768	5,000	Mala Ikena: 708 Mokuola (west half of room): approx. 2,150 Mokuola (east half of room): approx. 2,254 Mokuola (total) 4,404	Crown: 4,500 Ho'omalimali: 1,700 Sandalwood: 2,124 Palm: 1,250 Private Dining: 1,080
Max. seating capacity (assume lū'au or theater style seating)	Main Floor: 500 Conf. room: 49	500	Mala Ikena: 86 Mokuola: 310	Crown: 380 Ho'omalimali: 80-90 Sandalwood: 140 Palm: 45 Private Dining: 60
Current Rates	Depends on use. Most expensive use (expos/trade shows) is \$4,525 for all rooms + one day setup)	\$250	INA	Crown: \$3,000 Ho'omalimali: \$1,200 Sandalwood: \$1,500 Palm: \$1,000

Source: PBR HAWAII, December 2023 based on respective websites and correspondence with property managers

While many DHHL communities have their own community centers, neither Keaukaha nor Pana'ewa have one, and both communities have expressed interest in having such facilities available.

**Demand Indicators**

The prestigious Merrie Monarch Festival, reportedly held in Hilo since 1963, regularly sells out all capacity at the Edith Kanaka'ole Stadium, with a significant share of seats supporting the dancers, their kumu hula, and families. While this is a week-long, once-per-year event, some community members see an opportunity to cultivate other performing arts that might showcase Hilo's other unique cultural, historic, and other art ributes should its visitor industry be revitalized.

Southwest of the Study Area, between the Reeds Bay Beach Park and the Kūhiō Kalaniana'ole Park, the SCP Hotel has found high demand for educational programs offered to its guests. Popular activities include lei making, yoga, meditation, locally raised fruit-tasting, and instruction

on language and protocols while visiting cultural sites such as the volcano or heiau. Such events are provided as a free amenity or with special fees in the range of \$30 per attendee.

Programs with crossover visitor and resident appeal could include wellness and exercise classes, technology for kūpuna, after school care, and the like. Educational programs specifically targeting the area resident population have also been well attended in the Hilo area. For instance, financial literacy classes offered near the Peninsula by an area nonprofit have reportedly had up to 300 attendees per class and have outgrown the small accommodations they began with.

With respect to ballroom facilities that may be used for private celebrations or meetings that may require access to a commercial kitchen, properties are generally busiest on weekends, with lulls during the week, and seasonality favoring summer months and the winter holidays. In Hilo's case, the period surrounding Merrie Monarch, which usually occurs in April, and the Hawaiian Canoe Racing Association State Championships, which are often hosted in Hilo, among other special events, could be especially busy.

Scheduling can sometimes fill softer weekday times with short-term commercial kitchen operations such as by start-up home-grown businesses, or recurring uses such as by a food pantry or small school user. Overall, however, it is not uncommon for such a facility in Hawai'i to be fully booked with long waitlists for peak weekends yet have an overall 30% to 45% utilization rate.

Standalone specialized gallery or museum facilities in the Hilo area such as the Hilo Tsunami Museum, Mokuāpapa Discovery Center (an interpretive center for the Papahānaumokuākea Marine National Monument), Lyman Museum (a natural history museum), Wailoa Art Center (a local gallery space), and the 'Imiloa Astronomy Center do not appear to have attracted robust visitation, but should historical and cultural areas be restored on-Study Area with convenient access and good visibility, related displays and interactive experiences might be more successful, supporting education and appreciation for residents as well as visitors.

### **Market Outlook**

A community and cultural center are seen as a popular resident amenity that could also provide important social services and opportunities to the surrounding community. While area hotels already provide cultural programming, a facility linked to the authenticity of resident involvement is seen to have unique appeal to the culture-oriented visitors that the State now seeks. A cultural center is considered essential to providing education, managing access to cultural, historic, and environmental areas that may be set aside in the Study Area, and would also benefit hotel, entertainment, and residential uses if developed.

Such facilities are not expected to generate means of supporting their own development or operations, and a subsidy by revenue-generating uses, philanthropy or public contributions will likely be necessary.

### **Foundational: Mobility Solutions**

A transportation center or "mobility hub", is a best practice that communities are using to make multimodal transportation easy and convenient for residents and visitors.

In addition, there is interest in the feasibility of the Peninsula becoming a future access point for inter-coastal travel which may be possible with emerging technologies as represented by Seaglider, which is in development for commercial use by a company called REGENT.

**Concepts and Target Users**

- **Mobility hubs** - Typically anchored by transit, mobility hubs help to shift how people move around their community from exclusive reliance on single occupancy vehicles to multimodal and transit choices. They support local, state, and federal commitments to equity, sustainability, public health, and congestion reduction. A mobility hub at the Study Area would need to be scaled to its population and mix of future users, including visitors who are interested in exploring their surroundings in a convenient and inexpensive fashion, people who work in the area, and residents that may come to the area for recreational or other purposes. In other words, the facility could include a variety of transportation-supportive elements that best serve the Hilo community at this location.

**Table 4: Potential Elements of a Mobility Hub**

	Potential Elements
Transit Supportive	<ul style="list-style-type: none"> <li>• Weather-protected transit hub – Hele-On bus service and Hoppa-On-Hoppa-Off City Tour</li> <li>• Weather-protected paratransit hub</li> </ul>
Auto Supportive	<ul style="list-style-type: none"> <li>• Shared parking for surrounding business, community, and inter-mobility users</li> <li>• Car share station</li> <li>• Electric Vehicle charging stations</li> <li>• Rideshare pick up/drop off</li> <li>• Carpool pick up/drop off</li> <li>• Taxi stand</li> </ul>
Pedestrian Supportive	<ul style="list-style-type: none"> <li>• Trail heads or trail/path connections</li> <li>• Wayfinding signs, QR codes, mile markers</li> </ul>
Bicycle Supportive	<ul style="list-style-type: none"> <li>• Weather-protected and secure bike parking</li> <li>• Bike-share stations (HIBIKE)</li> <li>• Bike route wayfinding signage, QR codes, mile markers</li> </ul>
Community Supportive	<ul style="list-style-type: none"> <li>• Cultural tour gathering place</li> <li>• Visitor shuttle or commercial operator stop/waiting area</li> <li>• Skate park</li> <li>• Secure and weather protected skate storage</li> <li>• Public restrooms</li> <li>• Parcel delivery station</li> <li>• Food truck parking/plug ins with outdoor eating area</li> <li>• Other mobile retail</li> </ul>

- **Seaglider** – Seaglider is an electric, zero-emission, high-speed form of coastal transportation that is being developed by a company called REGENT, for commercial passenger use. It will use hydrofoils and distributed propulsion systems to travel close to

the surface of the water. Investors are reported to include Hawaiian Airlines, Japan Airlines, and Lockheed Martin. The 12-passenger Viceroy model, utilizing current battery technology, is said to have a range of 160 nautical miles and is anticipated for human flight trials in 2024, with commercial service targeted for 2025. The technology is said to use existing dock infrastructure (REGENT, n.d.).

### **Market Outlook**

Market outlook is reported separately for the mobility hub and Seaglider concepts.

- **Mobility hub** – A mobility hub offers numerous benefits for the environment, other land uses, and even wellness, but given the relatively small visitor and residential populations in the Study Area, the inclusion of a mobility hub should be reviewed and scaled in coordination with future Study Area plans.

In the meantime, the extension of shared paths within the Peninsula such as proposed by the Hilo Bayfront Trails organization should be encouraged and supported, with routing reviewed in the context of any future master plan.

- **Seaglider** – This emerging technology could be appropriate for the Peninsula should visitor and resident activity throughout East Hawai'i increase and could even be a visitor attraction in itself. Pursuit of this concept will require better understanding of the technology's infrastructure needs, capital costs, and commercial operating characteristics as facilities become established elsewhere. It would also require commitment to a multi-destination network, involving coordination among facilities with State oversight.

Any potential siting of such facilities must consider the low elevations of the Study Area, its susceptibility to inundation and shoreline migration, and therefore the increasingly scarcity of ocean-fronting lands in the Study Area.

### **Revenue-Generating: Hotel**

Hotels and resorts are long established uses on the Peninsula and have been supported by appropriate zoning along its waterfront areas for many years.

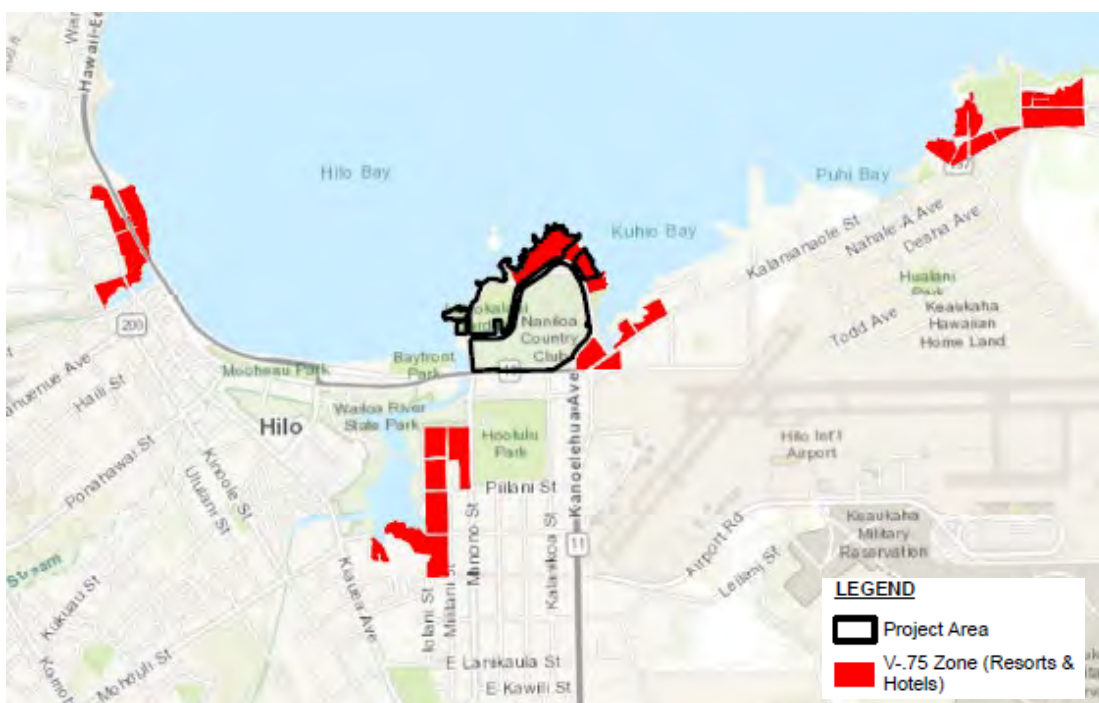
Hotels lend a number of community benefits, including direct and indirect employment, business opportunities, personal income, and dining and entertainment venues for area residents. For the Peninsula, hotels also help activate the area, sustain the attention and management efforts of their operators, and can generate revenues that may be directed to the support of foundational interests that may not be able to.

### **Important Resort-Zoned Land**

The 14.9 acres of V-.75-zoned lands in the Study Area represent about 11% of all such zoning in East Hawai'i, and an even larger share of resort-zoned lands close to the shoreline. As such, the County Planning Department and visitor industry consider the resort-zoned lands within the Peninsula an important and vital aspect of the regional economy.



**Figure 11: Resort and Hotel Zoned Lands in Hilo Area**



Source: PBR HAWAII, 2023, based on County of Hawaiʻi, 2002 and 2023; ESRI Basemap.

### **Hilo Market Overview and Visitation Patterns**

Hilo was one of the earliest, most prominent visitor destinations in the islands, receiving direct flights in the 1960s, with up to six or seven daily nonstops from the US mainland. In this period, Hilo was sometimes marketed as “The Other Hawaiʻi,” and the State made investments to reposition its airport as an international facility in 1989. In later years, as long-haul demand for travel to Hawaiʻi coalesced around sun and sand destinations located on the drier leeward coasts of the islands, Hilo’s visitor industry began to wane.

In 2022, Hilo captured 31% of visitors arriving to the Island by air, with a slightly greater share of international travelers. This represented 5.6% of statewide visitors in 2022, up from 4.3% in 2021. The higher capture rate was supported by a 22% increase in air lift capacity to Hilo between 2021 and 2022, with 47,433 seats in 2022. In addition, Hilo receives visitors arriving by ship, with several cruise ship arrivals and departures each month. For instance, between December 26, 2023, and January 2, 2024, the *Pride of America*, *Seabourn Sojourn*, *MS Koningsdag*, and *Crown Princess* are scheduled to arrive, with passenger capacities ranging from 5,40 to 3,674 passengers each (CruiseDig, 2023).

On an average day in 2022, an estimated 19% of the Island’s visitors were on the Hilo side. Stays on the Hilo side are 5.17 days for the dominant domestic market, or 65% of the respective stays in Kona. Compared to 2012, length of stay has increased Island-wide, but much more so on the Hilo side (28% increase to 5.01 days in 2022) than the Kona side (8% increase to 7.68 days in 2022).

**Table 5: Hawai'i Island Visitor Trends, 2022**  
**Arrivals by Air**

	Domestic	International	Total/average	Share of island
<b>Visitor arrivals</b>				
Hilo side	464,706	47,178	511,884	31%
Kona side	1,363,667	94,359	1,458,026	87%
Total <sup>3</sup>	1,556,623	111,010	1,667,633	
<b>Average daily census</b>				
Hilo side	6,586	446	7,032	19%
Kona side	29,049	1,621	30,670	81%
Total	35,635	2,066	37,701	100%
<b>Average length of stay</b>				
Hilo side	5.17	3.45	5.01	In 2012: 3.9
Kona side	7.78	6.27	7.68	In 2012: 7.1
Total	8.36	6.79	8.25	

Source: (DBEDT Research and Economic Analysis Division, 2022)

### Hilo and Island Inventory

In 2022, the Hilo to Honoka'a area contained 1,091 hotel and other visitor accommodation units, representing 10% of the island's visitor plant inventory, and the nearby Volcano area offered another 300 units or 3% of inventory, according to the State of Hawai'i Department of Business, Economic Development & Tourism's (DBEDT) traditional means of inventory.<sup>4</sup>

**Table 6: Hawai'i Island Visitor Plant Inventory, 2022**

	Hotel rooms	Other	Total	Share of Island
Hilo/Honoka'a	928	163	1,091	10%
Volcano	135	165	300	3%
Nā'ālehu/Ka'ū	0	14	14	0%
Kona/Kohala	4,546	4,594	9,140	87%
<b>Total</b>	<b>5,609</b>	<b>4,936</b>	<b>10,545</b>	<b>100%</b>

Source: (DBEDT, 2022)

Notably, the Hilo area's share of average daily visitors, at 19%, is substantially higher than its share of the island's unit count. This may be due to the very significant share of visitors staying at STVR units in the area, most of which are missed by the traditional inventory methods. Such units, largely available as short-term rentals in private homes, are advertised via various online platforms. According to DBEDT's more recent source for such data, Lighthouse Intelligence, Ltd.,

<sup>3</sup> Area figures for arrivals add to more than the totals shown, due to visitors traveling to both sides of the island.

<sup>4</sup> Since 1964, a Visitor Plant Inventory report enumerating types and locations of units available for visitor use has been produced by the Hawai'i Visitors and Convention Bureau, DBEDT, or the HTA (2023 report available here: [2023VPI.pdf \(hawaii.gov\)](#)). The surveys include hotels, condominium hotels, bed-and-breakfast units, timeshare units, hostels, vacation rentals, and other types of units, with data based primarily on surveys of existing visitor accommodation properties and management companies. While this approach identifies a share of units made available to visitors as STVRs, it is recognized that in recent years, many if not most such units were not being captured by these traditional survey means. Therefore, DBEDT recently initiated a supplemental survey using a methodology offered by Lighthouse Intelligence, Ltd., that "scrubs" and "de-duplicates" internet listings of STVRs from multiple internet-based platforms.

the effective supply of such units in the Hilo/Honoka‘a area was estimated at 1,381 between January and October 2023, a 12% increase since 2019.<sup>5</sup> This represents more than the total inventory surveyed in the standard Visitor Plant Inventory, or 49% more STVRs than hotel units in Hilo/Honoka‘a.

Thus, STVRs have become a mainstay of visitor accommodations in the area, regardless of whether they are in permitted locations or not, and despite County efforts to reduce or manage their inventory. In particular, STVRs that are unpermitted may impact the residential communities where they are located in undesirable and unpopular ways.

**Hotel Inventory on the Peninsula**

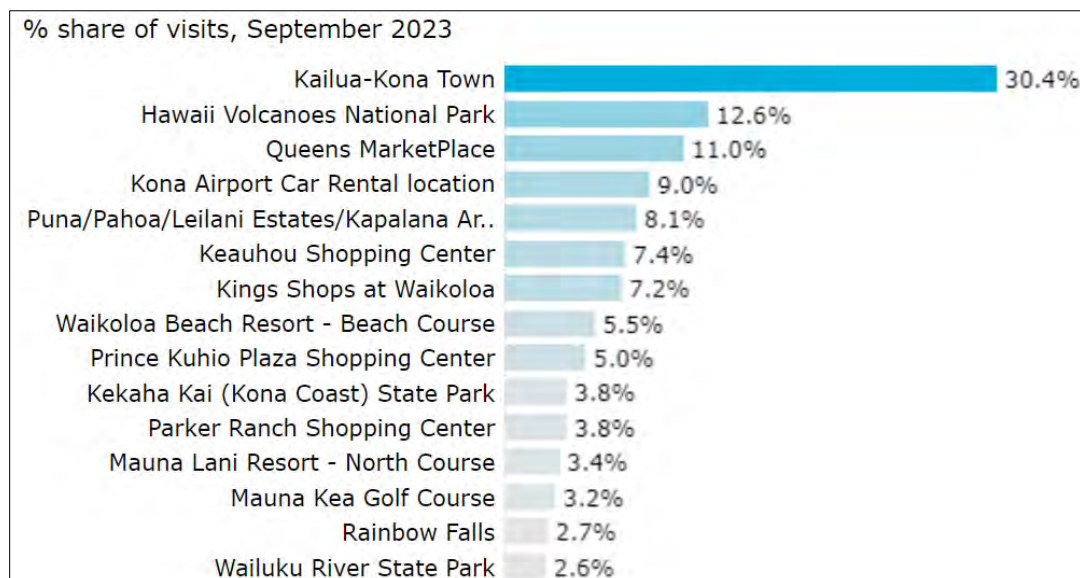
The Study Area contains three hotels with 733 rooms (Grand Naniloa, 388 rooms; Hilo Hawaiian, 286 rooms; and Hilo Reeds Bay, 59 rooms). Including the nearby SCP Hilo Hotel with 140 rooms, the Peninsula area contains 873 rooms, or 94% of the Hilo/Honoka‘a hotel inventory (DBEDT, 2022).

The former Uncle Billy’s Hilo Bay Hotel, which had 146 rooms on the Peninsula, has been closed since 2017 and the property is currently being demolished.

**Top Island Attractions**

According to the HTA, the most visited areas on Hawai‘i Island in September 2023 were Kailua-Kona Town (30% of visitors), followed by HVNP (13% of visitors), with shopping centers and golf courses following thereafter. The first beach on the list was Kekaha Kai State Park (formerly known as Kona Coast State Park), which was the 10<sup>th</sup> most visited area, with 4% of visitors. (see Figure 12)

**Figure 12: Top 15 Points of Interest by Visitors to Hawai‘i Island by Participation Rate**



Source: near (formerly UberMedia)

<sup>5</sup> This area recorded the highest increase in listings of any area surveyed by Lighthouse. Over the same period, the statewide inventory decreased 15%, and only the Waikiki (+7%) and Kona subareas (+4%) also grew. (Lighthouse Intelligence, Ltd., proprietary source, 2023)

The top recommended Hawai'i Island attraction, according to both TripAdvisor and U.S. News Travel, is the HVNP, which was reported to have estimated 1.56 million visitors in 2021 (National Park Service, 2023). 'Akaka Falls State Park, just north of Hilo, ranked #3 and #2 on these lists, respectively.

### Hotel Market Performance

The average daily rates (ADR) of Hawai'i hotels have surged since pre-COVID, with year-to-date (YTD) October 2023 ADR coming in at \$414 for Hawai'i Island, or 59% more than in 2019.

On the other hand, occupancies have declined somewhat since 2019.

**Table 7: Hawai'i Island Hotel Market Performance, YTD October 2023**

	Occupancy			Average Daily Rate		
	2023	2019	% pt. change	2023	2019	% pt. change
State	75.20%	81.10%	-5.90%	\$375	\$278	35.00%
Hawai'i Island	70.70%	76.90%	-6.20%	\$414	\$261	58.70%
Kohala Coast	74.30%	77.50%	-3.20%	\$564	\$369	52.70%

Source: STR, Inc., via Hawai'i Tourism Authority, 2023.

There are too few Hilo hotels for HTA to break out their statistics, but in November 2023, standard hotel rooms in the Peninsula area were being marketed at \$144 to \$207 for a stay in mid-December, and between \$144 and \$200 for a stay in mid-February, based on Expedia searches (figures are net of resort fees and taxes, which can be expected to add 30% to 40% more charges). These rates are somewhat less than half the island-wide average noted, and market interviews suggest occupancies at the Peninsula hotels trail the Island wide average somewhat.

### Demand Analysis

Data show that the Hilo area already attracts a visitor profile that differs from the average Hawai'i Island and statewide visitor, with more seeking authentic cultural and natural attractions such as learning hula or lei making and visiting the volcanoes or 'Akaka Falls. This is confirmed by interviews with area hotel managers and staff who note interests in hiking, stand-up paddle boarding, eating locally sourced foods, and visiting cultural sites.

A large share of the 1.56 million visitors to the HVNP appear to visit on a day trip, making a very long commute from West Hawai'i properties and back, with potentially challenging driving conditions, especially at night. Clean and modern facilities offered without resort fees in the Hilo area, if provided, could offer an alternate and more convenient way to visit the volcanoes, connecting to travel via the Hilo airport at the start or end of their island visit. Such options would be greatly enhanced if Hilo airport were to regain direct flights to the US Mainland, which in turn is related to additional accommodations in the area.

The proliferation of STVRs in the area also suggests that such visitors seek alternative accommodations and do not need the stereotypical beach or even poolside resort setting. According to DBEDT, groups staying in a rental home tend to be somewhat larger than the

statewide average (average party size of 2.4 vs. 2.2 in 2022), and thus may be seeking larger accommodations with separate sleeping and/or dining areas.

Comparison properties include the select service Courtyard Kahului, a value-based property that serves interisland business travel as well as leisure markets seeking a base from which to explore Maui, the extended-stay oriented Residence Inn Kapolei, or the Surfjack Hotel and Swim Club in Waikīkī, which caters to independent travelers seeking a boutique experience with cultural events and programs. The Courtyard and Residence Inn brands are Marriot -affiliated and thus would bring significant market reach while diversifying the Hilton affiliation of the Naniloa; the Surfjack Hotel is an independent, boutique hotel.

### **Market Outlook**

To support the success of its existing properties, it is recommended that security, improved landscape maintenance, and similar measures be enhanced, with consideration of potential need for their retreat and parcel adjustments in the coming years.

The area also appears to have an opportunity to diversify its accommodation offerings with one or two new select service properties that could offer more space per unit as to support visitors who may be less interested in a resort experience and would prefer a safe, clean, modern, and comfortable base from which to explore the Peninsula and other attractions of East Hawai'i.

Security, landscape maintenance, and other support are recommended to support the existing major hotel properties in the Study Area, with consideration of potential need for their retreat and parcel adjustments in the coming years. Market conditions also suggest support for a new inland hotel catering to families and other travelers who don't require full-service hotel accommodations or amenities, but rather seek unique boutique experiences and/or a safe, clean, convenient, and updated facility for gatherings of family or friends.

The viability of new hotel development is seen to be tied to:

- Restoration of authentic and important historical sites such as Kūaka'ananu'u Heiau, tied to resources of a cultural center and/or programming that offers cultural interpretation and instruction on appropriate protocol;
- HTA or other State support for promoting culture-based tourism in Hawai'i generally, and encouraging restoration of direct flights to Hilo;
- Identification of appropriate sites in the Study Area, with consideration of the potential needs of existing facilities to retreat from advancing shorelines, and the need for State control of the Golf Course parcel.

### **Revenue-Generating: Entertainment/Retail**

#### **Concepts and Target Users**

Entertainment/retail facilities are seen to span shopping "villages" that could extend along the roadway; small centers; standalone dining, or entertainment complexes; and indoor-outdoor venues for periodic fairs, concerts, events, or food truck gatherings. Where indoor-outdoor venues can be conceived with minimal fixed building improvements, they could also serve as

short-term uses that could generate ground lease revenue from areas where inundation risk appears too soon to justify building at bigger scale, and/or at parcels that may be available earlier than adjacent properties that would be more ideally combined in a joint development.

### **Demand Indicators**

According to US Census data, the number of Hilo's brick-and-mortar retailers declined 20% from 2011 to 2021, the last year for which data is currently available. While the physical stores have struggled generally as they compete with online alternatives, the national average decline over this period was only 13%. However, 2021 was strongly affected by the COVID pandemic, and it is not unexpected that local stores would have fared worse than the national average (Burnet, 2023).

Retail facilities in Hawai'i were severely impacted by the COVID pandemic in 2020 and 2021, showed some recovery in 2022 as visitor arrivals and spending picked up, but are again showing negative absorption in 3Q 2023, with current contribution to Maui's August wildfires. Vacancies have also decreased in recent months, reflecting some inventories going off-line. At the same time, CAM charges are increasing, as energy and labor costs rise, and insurance policies are being repriced after these fires. All these factors have put downward pressure on rents. While data is not available by area of the island, CBRE reports Hawai'i Island retail market statistics in 3Q 2023 as follows (CBRE Research, October 2023):

- Gross leasable square feet: 2.58 million
- Total vacant square feet: 0.177 million (4.5%, down from 5.6% Q2)
- Net absorption Q3: Loss of 5,636 square feet
- Average operating expenses: \$1.42 per square foot per month
- Net asking rent per square foot per month:
  - Low – \$2.76
  - High – \$3.45
  - Average – \$3.10

These figures reflect general conditions in the County, and the Hilo side can be expected to be experiencing more difficult conditions than the Kona side. Occupancy data can also appear to overstate market demand, when facilities can be withdrawn from the market, as noted. For instance, Prince Kūhiō Plaza, Hilo's largest mall reports 91% occupancy because Sears, which was its largest tenant, ceased retail operations in 2021 yet still pays rent while it uses that space for storage.

The Grand Naniloa Hotel offers a theatre-style venue called the Crown Room which can accommodate up to 400 people. Hotel management reports strong local and visitor response to special entertainment events such as the December local music series now underway at the venue. Ticket prices for these events range from \$45 standing, to \$550 for tables of ten. VIP tables are also available for premium prices. The Crown Room is also for private parties, karaoke events,

performances, and the like. Management representatives believe that with programming that appeals to residents as well as visitors, the Peninsula could eventually support another venue.

### Market Outlook

Immediate market conditions appear very soft for retail, while entertainment may have room to expand. However, newly built facilities on the Peninsula are seen to be most successful to the extent they may be matched by visitor market increases. Additionally, rising construction costs, shortages of construction labor and a slow building permit process (which the County is working to address), are substantial discouragements to new restaurant, retail, or entertainment facility developments.

On the other hand, indoor-outdoor venues (if possible, with minimal building improvement) could provide viable means of deriving revenue generation from parcels that may be available for a shorter term (few months to several years duration), as described in the concept section.

### Revenue-Generating: Rental Housing

#### Concept and Target Markets

A key objective of including rental housing in the Study Area would be to support other proposed land uses by providing nearby and economical housing options for households with members that work in or near the Study Area. Given the State title and ceded lands status of the property, any such use is recommended for rental units only, not units to be sold.

#### Area Demographic Context

The Hilo Census Designated Place (CDP) was estimated to have about 46,559 residents in 2022, or 16,752 households. Median income was higher than for the County as a whole, but with a civilian labor force participation rate.

**Table 8: Population, Households, and Labor Force Participation for Hilo CDP and County, 2022**

	Hilo CDP	County of Hawai'i	Hilo as % of County
Total population	47,627	202,163	24%
Median age	41.5	43.3	
Number of households	16,752	72,468	23%
Average household size	2.78	2.76	
Median household income	\$ 75,600	\$ 74,200	102%
Median gross rent (2018-2022)	\$ 1,228	\$ 1,352	91%
Civilian labor force participation (16+)	58.5%	58.6%	

Source: (U.S. Census Bureau, American Community Survey, 2022)

#### Demand Indicators

Analysts have long acknowledged a sizeable pent-up demand for primary resident housing units on the Island, as elsewhere in the state. For instance, a December 2019 study by DBEDT estimated that the County would require between 7,816 and 13,527 new housing units between 2020 and 2030, to meet demand (DBEDT, Research and Economic Analysis Division, 2019). This study tied

to DBEDT’s 2045 projection series and accounted for primary resident market competition with visitor market demand; however, it did not account for pent-up demand.

In contrast, the Hawai‘i Housing Planning Study, prepared in 2019 by SMS Research for the Hawai‘i Housing Finance and Development Corporation (HHFDC), estimated even higher housing need on the Island, at up to 13,303 new primary resident units in the 2020 to 2025 period alone. This study accounted for pent-up demand, including the needs of houseless and special needs populations, but did not consider the impacts of visitors and short-term rentals on housing needs.

Since neither of the recent cited studies had access to 2020 Census information, nor could either have anticipated the COVID-19 pandemic, Maui fires, and related economic setbacks, PBR HAWAII updated demand estimates considering population growth, new household formation, and pent-up demand. Additional housing demand is estimated at 6,800 to 12,300 homes between 2025 and 2035. This assessment addresses local primary housing need, without consideration of units that could be built and acquired for other uses, such as second homes or vacation rental purposes.

**Figure 13: Projected County Housing Demand by Tenure  
2025 to 2035**

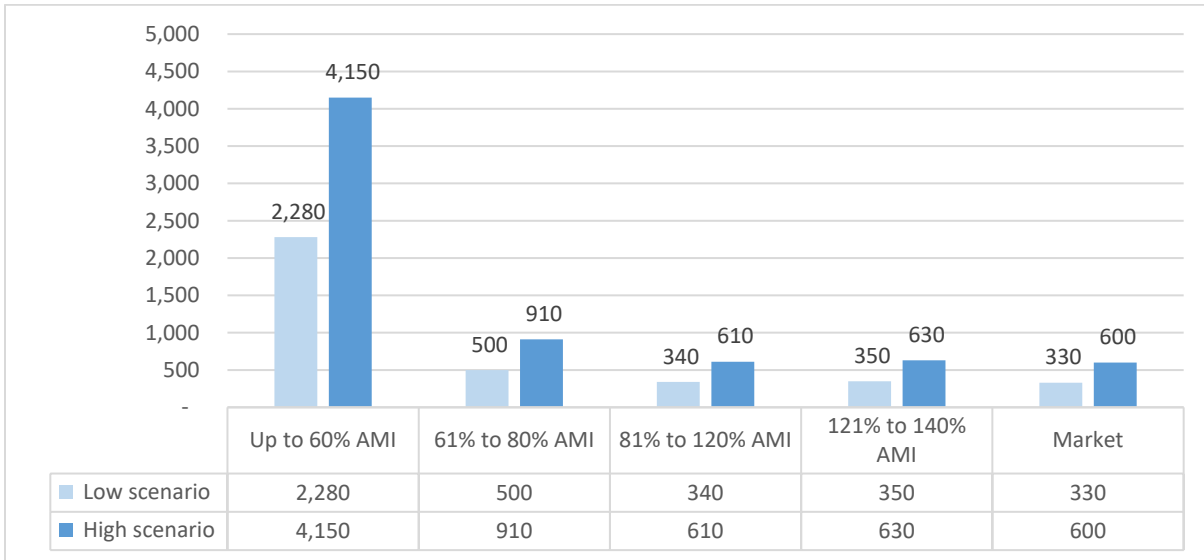


Source: PBR HAWAII, 2023, based on (SMS Research and Marketing Services, Inc., 2019)

Considering household income levels, the estimated future demand for 3,800 to 6,900 additional rental units may be distributed as shown below, with the greatest needs falling in the up to 60% area median income (AMI) groups.



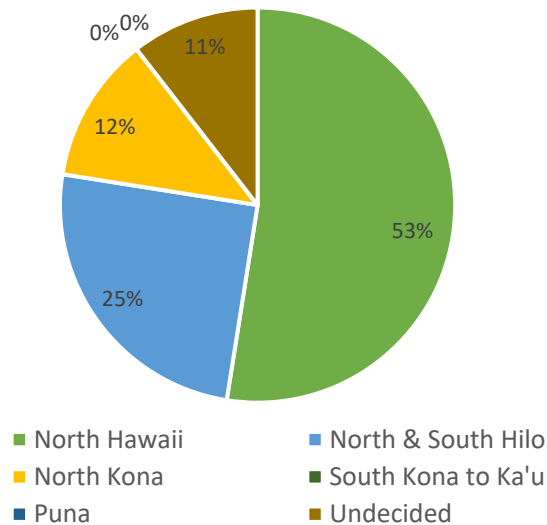
**Figure 14: Projected Hawai'i County Renter Demand by AMI  
2025-2035**



Source: PBR HAWAII, 2023 based on (SMS Research and Marketing Services, Inc., 2019)

Analysis was further undertaken for Island residents who reported in 2019 that they intended to move within the Island, and to rent. Among intended renters, the Hilo region was preferred by 25% of respondents, suggesting demand for about 950 to 1,725 new rental units over the period.

**Figure 15: Island Residents Intending to Move**



Source: PBR HAWAII 2023, based on (SMS Research and Marketing Services, Inc., 2019)

**Planned Developments**

Seven significant known projects were identified in the Hilo area, offering 650 or more units in the next several years (Hale Na Koa O Hanakahi is currently under construction.) All are expected to be income restricted, with most planned inventory restricted to households earning less than

60% of AMI, and 432 units targeted at households earning less than 80% of AMI. All but one is planned as rentals.

**Table 9: Major Planned Housing Developments in Hilo**

Project	Developer/ Landowner	Number of units	Type, AMI range	Income qualified?
Hale Na Koa O Hanakahi	EAH/State	92	Rental, 30-80%	Yes
Lanakila Homes	Highridge Costa/HPHA	250	Rental, 30-60% AMI	Yes
Haihai Street Affordable Housing	County of Hawai'i/ State EO	118	Rental, unknown	Yes
ʻĀinako	TBD/County	100	For-sale, 80-140% AMI	Yes
ʻĀinaloa Drive Affordable Housing	County of Hawai'i/ State EO	TBD	Rental, TBD	Yes
34 Rainbow Drive	TBD/State EO	TBD	Rental, TBD	Yes
Hale Ola O Mohouli (3 <sup>rd</sup> phase of project)	Hawai'i Island Community Development Corp./County of Hawai'i	90	Rental, up to 60% (seniors)	Yes
<b>Total</b>		<b>650+</b>		<b>Yes</b>

Source: PBR HAWAII, 2023. State EO = State-owned lands with development rights expected to be transferred to County by Executive Order

Various infill sites have also been discussed for redevelopment in downtown Hilo, but the exact locations, timing, market orientation, and nature of these developments are currently uncertain.

With much of the planned inventory focused on households earning less than 60% AMI, and the interest in including housing that could be synergistic with other Study Area land uses, attention is directed to workforce housing. Interviews with Hawai'i Island brokers who lease income-restricted housing indicate that many families with one or more employed persons earn too much to qualify for housing restricted to households earning no more than 60% AMI. Instead, they find that households active in the workforce would be better served by catering to households earning 80%, 100% or more of the AMI.

For reference, according to HHFDC's income guidelines for affordable housing in 2023 (HHFDC, 2023), the median family income in 2023 is \$91,600, and income for families of three or four persons are capped at:

- 30% AMI – \$27,240 (3 persons); \$30,240 (4 persons)
- 60% AMI – \$54,480 (3 persons); \$60,480 (4 persons)
- 80% AMI – \$72,640 (3 persons); \$80,640 (4 persons)
- 100% AMI – \$90,800 (3 persons); \$100,800 (4 persons)

### Market Asking Rents

A survey of multiple rental listing platforms on December 15, 2023, covering Zillow, Rent Café, Apartments.com, Trulia, Craigslist, Ginzorealty.com, and Day-Lum Rentals, revealed 39 long-term (three months or longer) listings in a sampled area around Hilo:

**Figure 16: Rental Survey Sample Area**



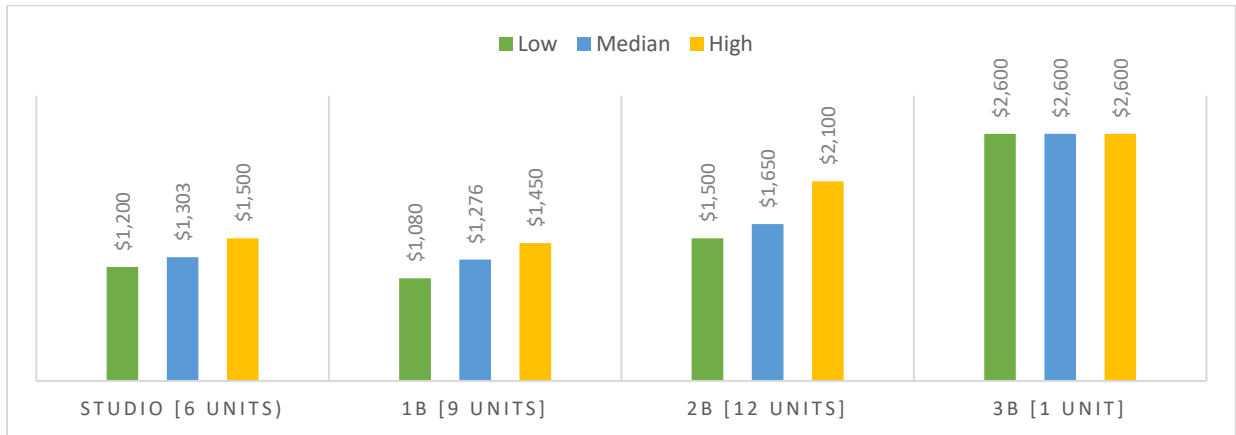
Source: (CBRE Hawai'i, 2023)

The survey found 28 multifamily units for rent, including:

- 6 studio units;
- 9 one-bedroom units;
- 12 two-bedroom units, of which three were restricted as affordable housing; and
- 1 three-bedroom unit.

Asking rents ranged from \$1,200 for a studio, to \$2,600 for the three-bedroom unit.

**Figure 17: Asking Rents for Long-Term Multifamily Rentals**  
As advertised December 15, 2023



Source: Listing platforms as noted, data compiled by CBRE Hawai'i, December 15, 2023. (CBRE Hawai'i, 2023)

In the single-family market, the survey found just 11 long-term rental listings, including:

- 8 three-bedroom units; and
- 3 three-bedroom units.

Asking rents ranged from \$1,600 for three bedrooms, to \$2,500 for four-bedroom homes.

**Figure 18: Asking Rents for Long-Term Single-family Rentals**  
As advertised December 15, 2023



Source: Listing platforms as noted, data compiled by CBRE Hawai'i, December 15, 2023. (CBRE Hawai'i, 2023)

### Market Outlook

Given the large needs and unmet demand for affordably priced homes, existing rental housing in the Study Area should be conserved, in at least the near-term, with substantial rehabilitation and better maintenance to support the Study Area's security, safety, and community values.

Additional new rental housing, if pursued in the Study Area, is recommended for workforce-oriented projects with synergy to future area developments that are expected to generate

significant employment. However, new workforce residential housing may not create a significant return to land, may be largely exempt from taxes, and could also become an attractor for households that do not currently live on the island but would find the Study Area's unique environment attractive. It is recommended that such opportunities be considered on a limited basis, and only at inland sites that offer proximity to Hilo-based as well as Peninsula-based job centers. In comparison to the existing ocean-front sites where housing now exists, such locations would entail less resident risk from hazards such as tsunamis and floods, more ready egress from the area on to Kamehameha Avenue, and could be less likely to attract off-island households seeking an ocean-oriented living environment.

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APPENDIX A

# Preliminary Site Assessment and Analysis



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## List of Acronyms & Abbreviations

ARFF	Aircraft Rescue and Fire Fighting
BFE	base flood elevations
dB	in decibels
DLNR	Department of Land and Natural Resources, State of Hawai'i
DNL	day-night average
DWS	County of Hawai'i, Department of Water Supply
ESA	Environmental Site Assessment
FAA	Federal Aviation Administration
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Map
GIS	Geographic Information System
GMSL	global mean sea level
HDOT-A	State of Hawai'i, Department of Transportation-Airports Division
HELCO	Hawai'i Electric Light Co Inc.
HRS	Hawai'i Revised Statutes
LUC	Land Use Commission
LUPAG	Land Use Pattern Allocation Guide
mph	miles per hour
NEHRP	National Earthquake Hazards Reduction Program
NFIP	National Flood Insurance Program
NOAA	National Oceanic and Atmospheric Administration
NPDES	National Pollutant Discharge Elimination System
NRCS	U.S. Department of Agriculture Natural Resources Conservation Services
OE/AEE	Obstruction Evaluation/ Airport Airspace Analysis
OHA	Office of Hawaiian Affairs
PacIOOS	Pacific Islands Ocean Observing System
PTWC	Pacific Tsunami Warning Center
RCP	reinforced concrete pipe
RCRA	Resource Conservation and Recovery Act
SFHA	special flood hazard areas
SLR	sea level rise
SLR-XA	sea level rise exposure area
SMA	Special Management Area
TMK	Tax Map Key
TRI	Toxic Release Inventory
USACE	U.S. Army Corps of Engineers
USFWS	U.S. Fish and Wildlife Service
USGS	United States Geological Survey
WRSA	Wesley R. Segawa and Associates, Inc.

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# 1. General Parcel Information

## 1.1. Location and Surrounding Land Uses

Waiākea Peninsula is within the ahupua‘a of Waiākea near downtown Hilo, on the Island of Hawai‘i. It is located within a 10-minute drive of Hilo International Airport and Port of Hilo, both to the east, and a five-minute drive from downtown Hilo to the west. Waiākea Peninsula divides Hilo Bay westward of Kūhiō Bay and Reeds Bay (see Figure 1). Surrounding uses include Reeds Bay Beach Park which is adjacent to the Study Area to the east; Bayfront Beach Park to the west; Ho‘olulu Park and Sports Complex to the south; Wailoa State Park to the southwest, and Mo‘oheau Park and Downtown Hilo beyond it (Hilo Bayfront Trails, 2023). Access to the peninsula is from Kamehameha Avenue, on to Banyan Drive at the eastern end, or Lihikai Street at the western end. From the western edge of Waiākea Peninsula, Mokuola Island is accessible via a pedestrian bridge.

## 1.2. Land Area, Ownership and Leasing, Tax Map Keys, and Existing Uses

The Study Area consists of 101.1 acres that surround Banyan Drive and Lihikai Street, comprising most lands on the Peninsula (Figure 2), with title held by the State of Hawai‘i and under the management of the Department of Land and Natural Resources (DLNR). The Study Area includes ten parcels with land uses including park, golf course, hotel, restaurant, residential, parking, and vacant lands (see Figure 3). There are three private in-holdings including lands owned by Hawaiian Electric Company, J. Bockrath, and L. Blissard.

Banyan Drive provides access to most of the properties and adjacent roads. Banyan Drive is managed by Hawai‘i County (County).

The various parcels, existing uses, Tax Map Key(s) (TMK), acreage and lease information are summarized in the table below and described in further detail below (see Figure 4 and Figure 5).

*Table 1: Tax Map Keys, Acreage, and Existing Uses in the Study Area*

<b>Parcel No. (Ref. Figure 4)</b>	<b>Existing Land Use</b>	<b>TMK(s)</b>	<b>Acreage (Approx.)</b>	<b>Remaining Ground Lease Term</b>
A	Reeds Bay Hotel (Hotel use)	2-1-005:022	1.19 acres	0 years
B	Bayview Banyan Apartments (Residential use)	2-1-005:021	1.09 acres	8 years
C	Country Club Condominiums (Residential use)	2-1-005:020	1.17 acres	0 years

Parcel No. (Ref. Figure 4)	Existing Land Use	TMK(s)	Acreage (Approx.)	Remaining Ground Lease Term
D	Grand Naniloa Hotel (Hotel use)	2-1-005:013, 2-1-005:016, 2-1-005:017, 2-1-005:027, 2-1-005:032, 2-1-005:046	0.72 acres 2.95 acres 0.75 acres 0.12 acres 0.75 acres 1.05 acres	47 years
E	Naniloa Golf Course (Recreational/golf course use)	2-1-001:012	62.58 acres	47 years
F	Former Uncle Billy's Site	2-1-005:033 2-1-005:034 2-1-005:035 2-1-005:045	0.59 acres 0.53 acres 0.50 acres 0.22 acres	0 years
G	Hilo Hawaiian Hotel (Hotel)	2-1-003:005	5.00 acres	44 years
H	Lili'uokalani Gardens (Recreational)	2-1-003:001	20.1 acres	n/a <sup>1</sup>
I	Hilo Bay Café	2-1-003:008	0.97 acres	13 years
J	DLNR Parcel	2-1-006:084	0.80 acres	0 years
<b>Total</b>			<b>101.08 acres</b>	

Source: DLNR

The ten parcels include the following:

- **Reeds Bay Hotel.** This 59-unit hotel (Hawai'i Tourism Authority, 2022) has a height of approximately 48 feet and is located on 1.2 acres of land fronting Hilo Bay in the eastern portion of the Study Area. The property is bordered by the Bayview Banyan Corporation property to the north and Reeds Bay Beach Park to the southeast, with access via Banyan Drive to the west of the property. The ground lease for this property has expired and the hotel is currently operating under a month-to-month revocable permit.
- **Bayview Banyan Apartments.** This 152-unit fronting Hilo Bay is located on 1.1 acres of land on the eastern portion of the property. The property is sandwiched between the Country Club Condos to the north, and Reeds Bay Hotel to the southeast, with access via Banyan Drive to the west. There are currently eight years remaining on the ground lease for this property.
- **Country Club Condos.** This originally 152-unit condominium, which was constructed in 1969 (Christophel, 2023), is located on 1.2 acres of land and is bordered by private land (L. Blissard) to the north and Bayview Banyan Apartments to the south. The property is accessed via Banyan Drive to the west. This property is currently on a month-to-month revocable permit for apartment and hotel purposes.

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<sup>1</sup> Executive Order 276 to County of Hawai'i.



- ***The Grand Naniloa Hotel.*** The Grand Naniloa Hotel, with 360 guest rooms and 19 suites (Grand Naniloa Hotel, 2023), is located on 6.5 acres of land (comprising six TMK parcels) on the northernmost portion of the Study Area. The hotel is bordered by privately owned lands (L. Blissard) to the southeast and the former Uncle Billy’s Hotel to the southwest. The property is accessed through Banyan Drive, located to the south of the property. The remaining ground lease term for this property is 47 years.
- ***Naniloa Golf Course.*** The Naniloa Golf Course is a nine-hole, par 35 golf course, designed by Alexander Kahapea and opened in 1970, located on 62.6 acres of land (Grand Naniloa Hotel, 2023). Banyan Drive serves as the northern and eastern boundary of the golf course, separating it from other properties identified within the Study Area. Lihikai Street borders the western end of the property and Kamehameha Avenue borders most of the southern edge of the property. Access to the golf course is via Banyan Drive. The remaining ground lease term for this property is 47 years.
- ***Former Uncle Billy’s Hilo Bay Hotel.*** The former site of Uncle Billy’s Hilo Bay Hotel (Uncle Billy’s) is located on 1.8 acres of land. While vacant, remnants of the former 146-room hotel, which was built in 1960, still remains on the property. According to a November 28, 2023, Star Advertiser article, the property is scheduled to be cleared starting the following week, and to be completed in 12 months (estimated completion in December 2024) (Hurley, 2023). The property is sandwiched between the Grand Naniloa Hotel to the northeast and the Hilo Hawaiian Hotel to the southwest. Access to the property is through Banyan Drive. There is no current ground lease or land disposition for this property.
- ***The Hilo Hawaiian Hotel.*** Opened in 1975, the Hilo Hawaiian Hotel is located on a 5-acre property on a northwest-facing shore of the Study Area (Consillio, 2010). The hotel includes 286 hotel rooms and suites, and three meeting rooms (Castle Resorts, 2023). The property is bordered by the former Uncle Billy’s to the northeast, and Lili’uokalani Gardens to the southwest. The property is accessed through Banyan Drive. The remaining ground lease term for this property is 44 years.
- ***Lili’uokalani Gardens.*** The Lili’uokalani Gardens is a 20.1-acre park under the management of the County of Hawai’i, Department of Parks and Recreation. A notable feature of the property is Mokuola (Coconut Island). The park is connected to the island via a pedestrian footbridge. Views of Mokuola can be experienced from the Grand Naniloa Hotel, former Uncle Billy’s property, and Hilo Hawaiian Hotel. The property is bordered by the Hilo Hawaiian Hotel to the northeast and the Hilo Bay to the north and west. Access to Lili’uokalani Gardens is through Banyan Drive to the southeast and through Lihikai Street to the west.
- ***Hilo Bay Café.*** The Hilo Bay Café is a two-story elevated building located on an acre of land on the western end of the Study Area. The property has 13 years remaining on its ground lease.

- **Parcel J.** Parcel J is a DLNR-owned property comprising a total of 0.8 acre under a month-to-month revocable permit for storage and parking purposes. The golf course borders the property on three sides, while a privately-owned commercial property, located at the intersection of Banyan Drive and Kamehameha Avenue, borders the southeastern edge of the property.

### 1.3. Ceded Lands

The entire Study Area consists of ceded lands. These lands were either transferred to the Hawai'i State Government by the United States in 1959 through the Admission Act, or were formerly private lands acquired by the State after the 1960 tsunami by way of exchange for ceded lands elsewhere on Hawai'i Island. The private lands so acquired assumed ceded status by law. As such, the Office of Hawaiian Affairs (OHA) receives a share of the revenues as provided for by law (i.e., as provided for by the legislature).

## 2. Physical and Environmental Site Conditions

### 2.1. Topography and Slope

Based on County of Hawai'i Esri data, the Study Area is relatively flat with elevations of 10 feet or less (Figure 6). Accordingly, portions of the Study Area are subject to flooding, as discussed below in section 2.3.

### 2.2. Streams and Wetlands

Based on a review of the State DLNR Geographic Information System (GIS) stream layer and the United States Geological Survey (USGS) Quadrangle (Quad) Topographical map, no streams were identified in the Study Area (Figure 7). According to the U.S. Fish and Wildlife Service (USFWS) National Wetland Inventory Map (2023), there is a small strip of Estuarine and Marine Wetland habitat that encompasses the ocean waters immediately adjacent to the seaward perimeter of the Study Area from Reeds Bay Hotel to the Hilo Hawaiian Hotel. All other ocean waters in the area are identified as Estuarine and Marine Deepwater habitat. There are also two areas identified as Freshwater Pond habitat; one in Lili'uokalani Gardens and the other within the Naniloa Golf Course.

### 2.3. Flooding

The Federal Emergency Management Agency (FEMA) classifies flood hazard zones on the Flood Insurance Rate Map (FIRM) as part of the Flood Insurance Program. DLNR coordinates the National Flood Insurance Program (NFIP) for the State (State of Hawai'i, DLNR, 2024). In addition, Chapter 27 (Floodplain Management) of the Hawai'i County Code identifies the County requirements for development within special flood hazard areas (SFHA), including flood fringe areas (Zones AE, AH, and AO), floodway, coastal high hazard-tsunami (Zones V and VE), general flood plain (Zone A), and land adjacent to drainage facilities (Zone A99).

According to the FIRM (Figure 8), varying portions of the shoreline properties within the Study Area are within the VE flood zone. Flooding associated with the VE flood zone appears to be more problematic in the western portion of the Study Area with the entire Hilo Bay Café parcel, a large portion of the Lili'uokalani Gardens and the western end of the Naniloa Golf Course subject to flooding. The VE flood zone areas are comprised of high-risk coastal areas with a 1% or greater chance of annual flooding with increased risk due to storm waves; base flood elevations determined. The Hawai'i County Code defines the VE zone as "...the special flood hazard area that corresponds to the one hundred-year coastal floodplains extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources. It is an area subject to high velocity waters, including coastal and tidal inundation or tsunamis. Whole-foot base flood elevations derived from the detailed hydraulic analysis have been determined at selected intervals within this zone." The base flood elevations (BFE) on the Study Area are highest in the western portion of the property, near the Hilo Bay Café where the BFE is between 22 feet and 23 feet and lower in the eastern portion of the property where BFE is about 12 feet (see Figure 8).

The FIRM also identifies areas that are located within the AE flood zone which are defined as high-risk areas with a 1% chance of annual flooding, where base floods are determined. The Hawai'i County Code defines the AE zone as "...the special flood hazard area that corresponds to the one hundred-year floodplains that are determined in the Flood Insurance Study by detailed methods. Whole-foot base flood elevations derived from the detailed hydraulic analyses have been determined at selected intervals within this zone." For the Study Area, BFE's associated with the AE flood zones extend into the western, northern, and eastern edges of the golf course, ranging from about 16 feet in the western end of the property to 6 feet in the eastern end of the property (see Figure 8).

Both AE and VE classifications could mean that property insurance for existing and new improvements may incur premium costs and/or may be difficult to obtain. In addition, Chapter 27 of the Hawai'i County Code has specific requirements for development within both the AE and VE zones and further review is required as the project progresses through the land planning and development phase.

## 2.4. Tsunami Inundation

The entire Study Area is within the County's tsunami evacuation zone (Figure 9), and has been inundated in past events, with catastrophic impacts in the 1946 and 1960 Hilo tsunamis. Since that time, the Pacific Tsunami Warning Center (PTWC) has been established to monitor earthquakes in a broad area of the Pacific and warn of tsunami risks on land.

## 2.5. Sea Level Rise

For the purposes of this study, two mapping references, the Pacific Islands Ocean Observing System (PacIOOS) Hawai'i Sea Level Rise Viewer (Viewer) and the National Oceanic and Atmospheric Administration (NOAA) Sea Level Rise Viewer, were utilized to assess the impacts of

sea level rise (SLR) on the Project Area. Both are referenced by the *Guidance for Addressing Sea Level Rise in Community Planning in Hawai'i* document and described in more detail below (Hawai'i Sea Level Rise Planning Guidance, 2023).

- ***PacIOOS Hawai'i Sea Level Rise Viewer Potential Impact Assessment*** – The PacIOOS Viewer is an online atlas created to support the Hawai'i Sea Level Rise Vulnerability and Adaptation Report. The Viewer provides maps for each island depicting projections for potential future hazard exposure to multiple coastal hazards because of SLR up to 3.2 feet. The Viewer models three chronic flooding hazards including: passive flooding, annual high wave flooding, and coastal erosion. The footprints of these three hazards were combined to define the projected extent of chronic flooding due to SLR, called the sea level rise exposure area (referred to in the study as SLR-XA). Each of these hazards were modeled for four future SLR scenarios: 0.5 foot, 1.1 foot, 2.0 feet and 3.2 feet. The *Guidance for Addressing Sea Level Rise in Community Planning in Hawai'i* document notes that using the 3.2 feet SLR-XA as a hazard overlay for chronic coastal flooding and land loss is a critical first step in assessing vulnerability and identifying adaptation strategies.
- ***NOAA Sea Level Rise Viewer Potential Impact Assessment*** – The *Guidance for Addressing Sea Level Rise in Community Planning in Hawaii* document notes that for planning decisions related to critical infrastructure with long expected lifespans or low risk tolerance, counties may wish to also consider exposure to passive inundation with 6 feet of SLR. This information is available from the NOAA SLR Viewer. The NOAA SLR Viewer was used to map passive SLR impact levels beyond the 3.2 feet global mean sea level (GMSL) identified in the PacIOOS resource. The NOAA SLR Viewer – Local Scenario provides four SLR scenarios which can be displayed either by year (from 2020 to 2100) or by individual scenarios (ranging from “Intermediate Low,” “Intermediate,” “Intermediate High,” and “High.” The NOAA SLR Viewer therefore allows an individual to customize the scenarios with sliders, to view potential impacts based on water levels and/or timeframes. These customized scenarios use the same methods as the U.S. Army Corps of Engineers (USACE) Sea-Level Change Curve Calculator (Version 2022.72) as utilized in NOAA's 2017 technical report, *Global and Regional Sea Level Rise Scenarios for the United States* (National Oceanic and Atmospheric Administration, U.S. Department of Commerce). The NOAA SLR Viewer estimates a nearly three-foot rise in sea level could occur as soon as between 2060 and 2070 in the “High” scenario, or beyond the year 2100 in the “Intermediate Low” scenario.

Consistent with the topography information, Figure 10 and Figure 11 show the potential impacts of hypothetical 3.2-foot and 6-foot SLR scenarios, respectively. For instance, based on projections, an SLR of 3.2 feet to six feet could impact 32% to 68% of the current Grand Naniloa Hotel site, and 57% to 83% of the Lili'uokalani Gardens site, due to inundation plus a 40-foot County setback zone. In the years preceding any such rise in sea level, the Study Area would be expected to face more frequent interim flooding, with mitigations required at impacted parcels.

## 2.6. Natural Hazards

**Lava Flow Hazard.** Hawai'i Island is known for frequent lava flows. Kīlauea and Mauna Loa are the two most active volcanoes, and the third most active is Hualālai. As a result, the USGS has developed nine lava hazard zones, with Zone 1 most likely to experience lava flows, and Zone 9 least likely. Most of the Hilo area, including the Study Area, is assessed by the USGS as being in Zone 3 (Hawaiian Volcano Observatory, 2023).

**Seismic Hazard.** In terms of seismic risk, the National Earthquake Hazards Reduction Program (NEHRP) developed an updated National Seismic Hazard Model for Hawai'i in 2021. According to the NEHRP, Hilo is identified as an area with 0.8 – 1.2 peak horizontal acceleration with a 2% probability of exceedance in 50 years. According to the USGS, "Peak acceleration is a measure of the maximum force experienced by a small mass located at the surface of the ground during an earthquake. It is an index to hazard for short stiff structures" (Earthquake Hazards Program, 2019). Relative to the rest of Hawai'i, the Hilo area is ranked within the fourth highest (out of 16) classifications for seismic activity.

## 2.7. Critical Habitats, Flora, Fauna

On the land side, there are no habitats designated critical for the protection of rare, threatened, or endangered species, but the surrounding waters are designated as critical habitat for the Hawaiian Monk Seal (see Figure 12).

## 2.8. Soils (Agricultural Land Classifications)

The U.S. Department of Agriculture Natural Resources Conservation Services (NRCS) 1972 soil map (Figure 13) identifies a majority of the soil type throughout the properties within the Study Area as "640: Opihikao-Urban land complex, 2 to 20 percent slope." The Opihikao Series consists of very shallow, well drained soils that form within a thin mantle of organic material and small amounts of volcanic ash overlying pāhoehoe lava. Runoff is high while permeability is rapid in the soil and very slow in the underlying bedrock. Most of these soils are usually found in forests or lands used for pasture. Natural vegetation is common guava (*Psidium guajava*), strawberry guava (*Psidium cattleianum*) and 'ōhi'a lehua (*Metrosideros polymorpha*).

## 2.9. Airport Noise, Height, and Other Restrictions

The Study Area is approximately 2,200 to 2,500 feet from the end of the Hilo International Airport (at its closest point) and appears to be within the approach/departure path to Runway 8/26 (see Figure 14). Based on preliminary communications with the State of Hawai'i, Department of Transportation-Airports Division (HDOT-A), the Consultant Team was advised to review the State of Hawai'i, Office of Planning's Technical Assistance Memorandum-2016-1 (issued on 08-01-2016) (State of Hawai'i, Office of Planning, 2016) and the Federal Aviation Administration (FAA) Obstruction Evaluation/ Airport Airspace Analysis (OE/AEE) 7460-1 review (Federal Aviation Administration, 2024). As the project moves forward, continued consultation with the HDOT-A is

highly encouraged, and coordination and review with FAA through the OE/AEE filing of Form 7460-1 in accordance with Title 14 of the Code of Federal Regulations (14 CFR) may be required.

Based on information available to the consultant at the time of the study, the following is a preliminary analysis of considerations related to airport noise, easements, height, and other restrictions that may be associated with the Study Area's proximity to the Hilo International Airport. The information requires review and confirmation by HDOT-A and other appropriate agencies and thus is subject change and verification as the project progresses through the planning process. In addition, the HDOT-A indicated through an email communication that it is currently updating the Airport Layout Plan for the Hilo International Airport, so the information below may change as the plan is finalized.

- **Aircraft Noise.** According to FAA guidance, Airport Noise Compatibility Planning (14 CFR Part 150), a site is within an acceptable noise zone if the day-night average (DNL) sound level (in decibels, dB) does not exceed 65 dB, meaning that 65 DNL is the Federal significance threshold for aircraft noise exposure. Above the 65 DNL noise contour, the FAA and HDOT-A have specific land use compliance requirements.

Due to its closer proximity to the airport, noise conditions are more intrusive on the eastern end of the Study Area. Portions of the Hilo Bay Café, Lili'uokalani Gardens, Naniloa Golf Course, Country Club Condos, Bayview Banyan Apartments, and Reeds Bay Hotel appear to be located within 55 DNL noise contour while the 60 DNL noise contour appears to follow Kamehameha Avenue along the southern boundary of the property. According to Title 14, Part 150-Airport Noise Compatibility Planning, Table 1-Land Use Compatibility with Yearly Day-Night Average Sound Levels, all land uses below the 65 DNL noise contour are considered compatible with airport operations (United States Government Publishing Office, 2019).

The HDOT-A Land Use Compatibility guidelines use a lower noise exposure level than the FAA requirements. Under the State requirements, fair disclosure of aviation noise impacts for real estate transactions are required for properties within the 55 DNL boundaries of the noise exposure area shown in maps prepared by HDOT-A. Additional noise requirements may be necessary, the HDOT-A Land Use Compatibility Table with Yearly Day-Night Average Sound Levels should be referenced, along with ongoing consultation with HDOT-A, depending on the nature of the developments proposed.

- **Runway Protection Zones.** The HDOT-A has established runway protection and clear zones along portions of the runway approach surfaces to the Hilo International Airport. A portion of the southeastern edge of the Study Area is located within an aviation easement acquired for runway protection zone purposes (see Figure 14).
- **Height Restrictions.** The HDOT-A has height restrictions for Hilo International Airport. A majority of the Study Area is in the 187-foot height limit zone. Southern portions of the

Study Area, including the Naniloa Golf Course, fall into the height restrictions associated with the visual approach zone to the airport with height limits of 180 to 140 feet.

- **Other Considerations.** Improvements that may require further consultation with HDOT-A and/or FAA include the installation of photovoltaic systems (potentially triggering need for glint and glare analyses); certain street and property lighting designs, aerial obstruction hazards; as well as land uses or activities that create habitat for birds and may attract waterfowl or birds that could be hazardous to aviation.

## 2.10. Historical and Cultural Resources

Community outreach, consultations, and site visits confirm that the area is rich with outstanding historical and cultural resources, including the former Kūakaʻananuʻu Heiau, which stood on what is now a parking lot, and there appear to be ongoing cultural uses in the area. Updated and comprehensive analyses of the historical and cultural resources of the entire Study Area are recommended to further inform both market issues and any future land use planning, and such information will be critical to identifying site opportunities and constraints.

## 2.11. Visual Resources

Ocean views of Hilo Harbor can be experienced from the properties along the Hilo Bayfront. The Reeds Bay Hotel, Bayview Banyan Apartments, and Country Club Condos are oriented to the eastern portion of the bay towards Reeds Bay and Hilo Harbor. The Grand Naniloa Hotel, former Uncle Billy's, Hilo Hawaiian Hotel, Lili'uokalani Gardens, and Hilo Bay Café have views to the north of Mokuola Island and the northern and western portions of Hilo Bay. Lili'uokalani Gardens and Mokuola Island serve as major open space and view elements in the study area.

The Naniloa Golf Course also serves as an open space, providing greenery in the central portion of the Study Area. On clear days, Mauna Kea and Mauna Loa are visible from much of the Study Area.

## 2.12. Hazardous Materials and Contaminants

According to a NEPAassist<sup>2</sup> report, within 0.5 mile of the Study Area there are several sites with potentially hazardous materials or contaminants. These include several impaired streams; Toxic Release Inventory (TRI) sites; water dischargers (NPDES), hazardous waste (RCRA) facilities; and air emission facilities (NEPA, 2023) as will be described in more detail below.

Further environmental assessment may be required to confirm the existing conditions on site and a Phase 1 Environmental Site Assessment (ESA) is recommended.

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<sup>2</sup> NEPAassist is a tool that facilitates the environmental review process and project planning in relation to environmental considerations. The web-based application draws environmental data dynamically from EPA GIS databases and web services and provides immediate screening of environmental assessment indicators for a user-defined area of interest. These features contribute to a streamlined review process that potentially raises important environmental issues at the earliest stages of project development.

- Impaired Streams:** The Study Area is in close proximity to four impaired stream facilities, or streams identified by the EPA that are too polluted or otherwise degraded to meet the water standards set by states, territories, or authorized tribes and which requires a total maximum daily load or alternative restoration plan to reduce pollutant loadings and restore the waterbody. The four impaired stream features identified in proximity to the Study Area include Hilo Bay (Mokuola/Coconut Island) at 0.03 mile, Hilo Bay (Canoe Beach) at 0.09 mile, Waiākea Stream at 0.02 mile, and Hilo Bay (exit of Ice Pond) at 0.02 mile.
- TRI Sites:** The Study Area is also close to four TRI sites, which is an EPA inventory that contains information on toxic chemical releases and pollution prevention activities reported by industrial and federal facilities. While there are four TRI facilities in proximity to the Study Area, it does not necessarily mean there are significant chemical releases, rather it could mean that they may be undertaking efforts to reduce chemical releases and/or potential health impacts associated with chemical releases. Further review should be undertaken to confirm the status of the four TRI facilities in proximity to the Study Area which include a Hawai'i Electric Light Co Inc. (HELCO) Shipman Generating Station within the western portion of the Study Area near the intersection of Banyan Drive and Lihwai Street, IES Downstream LLC Hilo Terminal at 0.49 mile; Hawaii Planning Mill Ltd. DBA Wood Protection Co. at 0.31 mile; and Aloha Petroleum LLC Hilo West Terminal at 0.49 mile.
- National Pollutant Discharge Elimination System (NPDES):** The National Pollutant Discharge Elimination System (NPDES), authorized by the Clean Water Act, is a permit program which controls water pollution by regulating sources that discharge pollutants into State waters. There are 36 NPDES permits within 0.5 mile from the Study Area. While this is an extensive list, some of these NPDES permits may be for temporary activities such as construction. Further review should be undertaken to confirm the status and potential impacts of each of these facilities on the Study Area. These include the HELCO Shipman Generating Station (within the western portion of the Study Area near the intersection of Banyan Drive and Lihwai Street); Country Club Apartments (on site); Bayview Banyan Apartments (two on site); Banyan Sewage Pump Station (on site); Portions of a TMK that NEPAassist cites as "2 1 12SA 070" (potentially within the site); Suisan Fish Market (0.01 mile); Keaukaha Military Reservation Youth Challenge Academy Building 621 Renovation (0.06 mile); Kuawa Street New Sports Fields Development (0.07 mile); Yamada Transfer Inc. (0.07 mile); Aircraft Rescue and Fire Fighting (ARFF) Facility Improvements at Hilo International Airport (0.09 mile); Kalaniana'ole Avenue Reconstruction - Kamehameha Railroad Avenue to Ka'uhane Avenue (0.10 mile); West Ramp Demolition and Lease Lots at Hilo International Airport (0.10 mile); Taxiway and Runway Lighting Replacement at Hilo International Airport (0.10 mile); Three W Corp (0.13 mile); Wailoa River State Recreation Area Improvements (0.16 mile); Hawai'i Community Colleges (0.29 mile); Hawaii Planning Mill Wood Protection Co. (0.31 mile); Waiakea Botling Inc (0.32 mile); Creative Arts Business Center (0.37 mile); Hilo Terminal (0.41 mile); Hilo West Terminal (0.41 mile);



Wailoa State Park (0.42 mile); T Hara Company Warehouse Buildings (0.44 mile); FedEx Ground Hilo (two at 0.45 mile each); New Storage Warehouse for Conen S Freight Transport (0.45 mile); CU Hawaii Federal Credit Union (0.48 mile); Wai Wai Loop (0.49 mile); County Workforce Housing Project in Waikoloa (0.49 mile); Waikoloa Plaza (0.49 mile); Waikoloa Road Rehabilitation (0.49 mile); County of Hawai'i Emergency Call Center (0.49 mile); Aloha Petroleum Ltd. Hilo Terminal (0.49 mile); and Chevron Products Company Hilo Terminal (two at 0.49 mile each).

- **Hazardous Waste (RCRA) Facilities:** The Resource Conservation and Recovery Act (RCRA) governs the disposal of solid and hazardous waste. The NEPAAssist report for RCRA includes an inventory of all the generators, transporters, treaters, storers, and disposers of hazardous waste that are required to provide information on their activities. Within 0.5 mile of the Study Area there are 26 RCRA facilities identified including the HELCO Shipman Generating Station (within the western portion of the Study Area near the intersection of Banyan Drive and Lihiwai Street); Naniloa Golf Course (central portion of the Study Area); Beachside Roofing LLC Hilo (0.09 mile); Hawai'i District Health Office (0.10 mile); AKW Environmental LLC (0.10 mile); Unitek Solvent Services Inc. Hilo (0.12 mile); Tractor Supply Company 4604 (0.21 mile); Rex Tire and Supply (0.26 mile); Par Hawaii LLC Kam Ave 76 61203 (0.27 mile); Unitek Solvent Services Inc (0.29 mile); Wood Protection Co (0.31 mile); Hawaii Petroleum Dispatch (2 at 0.32 mile); Kuwaye Trucking (0.32 mile); AKW Environmental LLC (0.32 mile); Big Island Nissan (0.34 mile); Federal Express (FedEx) Corporation Ito (Hilo International Airport) (0.35 mile); Conens Freight Transport Inc. (0.37 mile); HPM Building Supply (0.37 mile); HGP Inc. (0.38 mile); Airgas Hilo (0.38 mile); Tesoro Hawaii Hilo Terminal No. 2 (0.43 mile); Mid Pac Petroleum LLC (0.44 mile); Par Refining LLC Hilo No. 3 Terminal (0.44 mile); IES Downstream Hilo Terminal (0.49 mile); and Aloha Petroleum Hilo West Terminal (0.49 mile).
- **Air Emission Facilities:** The Air Emissions Facilities data identifies compliance and permit data for stationary sources of air pollution that are regulated by the EPA, state, and local air pollution agencies. These sources of air pollution include electric power plants, steel mills, factories, and universities. There are four Air Emissions Facilities in proximity to the Waiākea Peninsula Study Area, these include the HELCO Shipman Generating Station (within the western portion of the Study Area near the intersection of Banyan Drive and Lihiwai Street); Hawaii Independent Energy (0.44 mile); Aloha Petroleum (0.49 mile); and Chevron Hilo (0.49 mile).

Finally, the HELCO power plant was fueled by an 8-inch underground fuel oil pipeline that traverses the golf course. This pipeline is no longer active but is believed to still exist and likely sealed and grouted. It is possible that contaminated soil around the pipeline could be discovered during excavation for future site development.

### 2.13. Roadways and Multi-Modal Accessibility Considerations

There are several small parking lots on the western side of the peninsula off of Lihikai Street and Kelipio Place near Lili'uokalani Gardens and Mokuola with parking for about 80 vehicles. Also, parking is allowed in both directions along a good portion of Banyan Drive (WRSA, 2023).

The major roadways and multi-modal network in the vicinity of the Study Area include the following:

- **Banyan Drive** is a four-lane, two-way divided roadway from Kamehameha Avenue to Banyan Way with grassed shoulders on both sides of the road and a central median of palm trees. From Banyan Way to Lihikai Street it narrows to an undivided roadway with two travel lanes with on-street parking and a grassed swale on the golf course side and a paved sidewalk on the makai side of the road. There is a bus stop fronting Lili'uokalani Gardens near the intersection with Lihikai Street. At the entrance to the Hilo Hawaiian Hotel, a median lined with Banyan trees extends to the entrance to the Lili'uokalani Gardens. Banyan Drive has a posted speed limit of 25 miles per hour (mph).
- **Lihikai Street** extends from the intersection of Kamehameha Avenue and Manono Street, and runs along the western boundary of the Naniloa Golf Course, providing access to the Hilo Bay Café. Along this section of the roadway, Lihikai Street is a two-lane, two-direction roadway with on-street parking and sidewalks and planting strips along both sides of the roadway. From the Hilo Bay Café parking lot northward, the roadway becomes a one-lane, one-way roadway to the entrance to Mokuola. Along this section of the roadway, there is a sidewalk along the northern edge of Lili'uokalani Gardens, along with parking and a sidewalk along portions of the roadway fronting Hilo Bay. From the entrance to Mokuola, the roadway becomes a two-lane, two-way roadway again with sidewalks and planting strips on both sides of the roadway, then loops back and connects to Banyan Drive near the Hilo Hawaiian Hotel.
- **Kamehameha Avenue** is a four-lane, two-way, undivided roadway with bike lanes and paved sidewalks on both sides of the street. It is a State-owned highway with the functional classification of urban principal arterial and a posted speed limit of 35 mph.
- **Manono Street** is a two-lane, two-way, undivided roadway with paved shoulders and sidewalks on both sides of the street from Kamehameha Avenue to Pi'ilani Street. It is a County owned roadway and has the functional classification of urban major collector and posted speed limit of 35 mph.
- **Kanoelehua Avenue/Hawai'i Belt Road** The northern approach to the Kanoelehua Avenue/Kamehameha Avenue intersection is a five-lane roadway, with two lanes in the northern direction and three lanes in the southern direction, with a grassed median and paved shoulders on both sides of the roadway. The roadway widens to six lanes (three on each side of the roadway) at the intersection of Kanoelehua Avenue and Kamehameha Avenue. The posted speed limit is 35 mph.

## 2.14. Bus System

The Hele-On Bus System has been in existence since 1975. It has provided service across the island with an emphasis on commuter routes. Bus service is available along Banyan Drive. The Study Area is serviced by Route 101: Interisland Keaukaha which provides bus service through the Hilo area; with two stops on Banyan Drive, one fronting the Naniloa Hotel and the other fronting Lili'uokalani Gardens. Hele-On bus route 101 runs every hour from 6:20 a.m. to 7:20 p.m., Monday through Saturday (WRSA, 2023). Route 101 does not run through the Waiākea Peninsula on Sundays. Currently, the Hele-On route 101 bus service is free of charge. There are also other available services provided by Hele-On such as shared ride taxi (WRSA, 2023).

While not part of the public bus system, it should be noted that there is a private bus tour service called the Hoppa-On, Hoppa-Off bus, operated by Keikana Tours, which provides private tours for a fare and includes shuttle service to the downtown Hilo area and nearby beaches. This service mainly serves visitors at the Port of Hilo and does include Banyan Drive as a part of its itinerary.

## 2.15. Hilo Bayfront Trail Master Plan

The Hilo Bayfront Trails, Inc., a non-profit organization, is comprised of volunteer community members dedicated to the implementation of a complete trail network and its supporting elements as envisioned in the Hilo Bayfront Trail Master Plan (Hilo Bayfront Trails, 2023). This plan proposes a comprehensive network of shared use paths, sidewalks, and bike lanes to connect the Hilo Bayfront from Wailuku River, east through the Study Area (including connections through Lihikai Street, Banyan Drive, and Kamehameha Avenue) to Hilo Harbor. Connections mauka would extend along Manono Street to the various recreational and open space resources in the area including the Ho'olulu Recreation Complex, the Waiākea Pond, Wailoa River, and Mo'ohau Park.

## 2.16. Bike facilities

The County bike sharing program (HIBIKES) is a non-profit program for residents and visitors in Kailua-Kona and Hilo. HIBIKES provides two bike stations on the Waiākea Peninsula, one near Lili'uokalani Gardens (near the intersection of Lihikai Street) and one at the Grand Naniloa Hotel (WRSA, 2023).

# 3. Land Use Conformance and Compliance

## 3.1. State Land Use Law (Chapter 205, HRS)

The State Land Use Law (Chapter 205, Hawai'i Revised Statutes (HRS)) establishes the State Land Use Commission (LUC) and authorizes this body to designate all lands in the State into one of four districts: Urban, Rural, Agricultural, or Conservation.

The majority of the Study Area is located within the State Land Use Urban District (Figure 15). A portion of the Waihonu Pond within Lili'uokalani Gardens is within the Conservation District.

Under Chapter 205, HRS, the jurisdiction of land uses in the Urban District are delegated to the County.

### 3.2. Hawai'i County General Plan (2005 and 2045 Draft Update)

The Hawai'i County General Plan, adopted by ordinance in 2005, is the policy document for the long-range development of the island of Hawai'i. The General Plan provides direction for the future growth of the County. The plan contains a series of land use maps referred to as the Land Use Pattern Allocation Guide (LUPAG) maps which establish thematic land uses for the County. For the Study Area, the LUPAG (Figure 16) allocates four use categories:

- Resort uses set back from the coastline along the tip of the Peninsula,
- Conservation uses in areas consistent with the LUC designation,
- Industrial uses in a small area along Hilo Bay, and
- Open on the balance of the Study Area.

An updated draft of the General Plan was made available for public review in fall 2023; this new document is referred to as the 2045 GP. The corresponding LUPAG for this area (Figure 17) shows continuation of the Resort areas along the perimeters of the study area but designates Hilo Bay Café as Medium Density Urban; Lili'uokalani Gardens as Recreation; and the golf course area as predominantly Urban Expansion Reserve, with a segment along the southeastern edge as Medium Density Urban.

Medium Density Urban designation allows for Village and neighborhood commercial and single-family and multiple-family residential and related functions and is confined to Urban Growth Areas. Possible future zoning designations within the Medium Density Urban designation include: RM – Multiple-Family Residential Districts, RD – Double Family Residential Districts, RCX – Residential-Commercial Mixed Use Districts, V – Resort-Hotel Districts, CN – Neighborhood Commercial Districts, CV – Village Commercial Districts, CG – General Commercial Districts, MCX – Industrial-Commercial Mixed Districts, and ML – Limited Industrial Districts.

Urban Expansion Reserve designation allows for a mix of high density, medium density, low density, industrial-commercial mix, and/or natural designations in areas where growth may be desirable, but where specific setlement and infrastructure have not yet been determined (County of Hawai'i, 2023). Possible future zoning designations within the Urban Expansion Reserve include RS – Single-Family Residential Districts, RM, RCX, CV, CN, CG, MCX, ML, UNV – University Districts, and V – Resort-Hotel Districts.

### 3.3. County Zoning

Zoning in Hawai'i County is regulated through the Hawai'i County Code Chapter 25 or the "Zoning Code." It defines permitted land uses with the State Land Use "Urban" and "Agricultural" designated areas. The Study Area currently carries three zoning designations, see Figure 18:

At present the north perimeter of the Study Area is zoned V-.75: Resort Hotel which aligns with the visitor-, resident-, and commercial-related uses that have been in place since at least the 1960s. V-.75, Resort Hotel District requires a land area of 750 square feet, for each dwelling unit, or for each separate rentable unit, or other similar rentable unit. This designation applies to Reeds Bay Hotel, Bayview Banyan Apartments, Country Club Condos, Grand Naniloa Hotel, Former Uncle Billy's site, and Hilo Hawaiian Hotel.

On the western side of Lihwai Street, there is an area zoned ML-20 Limited Industrial-designated land, which is currently used as the Hilo Bay Café restaurant. ML-20 requires a minimum land area of 20,000 square feet for each building and permits some business and industrial uses. The remaining western-facing perimeter of the Study Area is zoned Open Space and has been retained as open or conservation uses, mostly in the 20-acre Lili'uokalani Gardens and Waihonu Pond site. The interior of the site, bound by Banyan Drive, is also designated for Open use, and is currently used as the nine-hole Naniloa Golf Course.

Existing County land use designations and zoning support these land uses.

#### Special Management Area (SMA)

The entire Study Area is subject to County SMA rules (see Figure 19). The Hawai'i County Planning Department assesses all uses, activities, or operations proposed in an SMA and any activity defined as "development" in HRS Section 205A-22 will require a SMA (Major or Minor) Use Permit.

## 4. Utilities and Infrastructure

The following review of existing civil facilities and capacities on the Waiākea Peninsula was developed by Wesley R. Segawa and Associates, Inc. (WRSA) (WRSA, 2023).

### 4.1. Review of Existing Easements

Based on information available for the TMKs, WRSA conducted a review of existing easements (see Figure 23). Most of the easements are around Banyan Drive; however, there is a 10-foot-wide underground fuel pipeline easement traversing the golf course. This fuel pipeline is reportedly abandoned, but the pipeline likely still exists. WRSA is not aware if the easement has been dissolved. There are also several easements going to the HELCO electrical distribution center building from Kamehameha Avenue and from Lihwai Street.

### 4.2. Review of Existing Utilities and Review of Capacities (as applicable)

#### Water

WRSA contacted the County Department of Water Supply (DWS), which provided as-built plans of the water system in the area. The as-built plans show that a 12-inch diameter waterline was installed in 1969 starting from Kamehameha Avenue, along Lihwai Street, all along Banyan Drive and looping back onto Kamehameha Avenue, providing water service and fire protection along its route (see Figure 20).

WRSA submitted a formal request to the DWS asking for the number of available water credits on the Waiākea Peninsula. As of the date of this report, no response has been received. With the assumption that water credits from the demolition of Uncle Billy's, would be available for future development, and the capacity provided by the existing 12-inch water line, WRSA anticipates that enough water will be available for a modest development.

#### Sewer

For the eastern portion of the Study Area, the furthest extent of the sewage system starts at the restrooms on Mokuola and is pumped from there and discharged into the last manhole along Banyan Drive fronting the Hilo Hawaiian Hotel. From there, the sewage flows through 8-inch, 12-inch, and 15-inch lines by gravity to the Banyan Drive Sewage Pump Station near Reeds Bay. The sewage is pumped from the pump station through a 10-inch sewer force main along Banyan Way to Kalaniana'ole Street eventually making its way to the Hilo Wastewater Treatment Plant (see Figure 21).

For the western portion of the Study Area, the furthest extent of the sewage system starts in front of Ali'i Ice Co. with a 12-inch line and then traverses down Lihikai Street, crosses Kamehameha Avenue and continues down Manono Street to the Wailoa Sewage Pump Station. Sewage is then pumped through a 24-inch force main, eventually making its way to the Hilo Wastewater Treatment Plant. Any development would have to connect to the sewer system within Banyan Drive.

Based on WRSA's initial research, there appears to be available capacity in the sewer system, however, once flow estimates are provided, WRSA can contact the County's Wastewater Division for proper determination.

#### Drainage

Catch basins exist along Banyan Drive at approximately every 250 feet. There are three separate discharge points for Banyan Drive drainage. On the west end, a 24-inch reinforced concrete pipe (RCP) crosses under Lihikai Street and discharges into Hilo Bay. For the middle portion of Banyan Drive, a 42-inch RCP discharges into Hilo Bay between Lihikai Street and Kelipio Place. For the eastern portion of the site, two 30-inch RCPs discharge into a 16-foot-wide box culvert under Banyan Drive that exits into Reeds Bay (see Figure 22).

Based on WRSA's initial research, the drainage system along Banyan Drive appears to be adequate, however, any developers of any new improvements would need to assume responsibility for their own drainage on site, according to County regulations.

#### Electrical and Communications

A HELCO electrical distribution center is housed in the former power plant at the corner of Lihikai Street and Banyan Drive. The distribution center serves the Banyan Drive and Keaukaha areas (see Figure 22).

All electric and communication lines in the Study Area are underground within ducts along Banyan Drive (see Figure 22). Both Spectrum and Hawaiian Tel service the area and they are both open to having new accounts in the area.

There is likely to be available capacity in the electrical and communication systems, however, once usage is estimated, WRSA can contact the utility companies.

#### Gas

While gas was not included in the original scope of work, it is shown on the DWS as-built plans and is therefore included in this report. A 4-inch gas line exists within the Banyan Drive right-of-way along the eastern side of the Peninsula serving that portion of the Study Area (see Figure 22).

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# FIGURES

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DATE: 12/26/2023

**LEGEND**

Land Ownership of Study Area

DLNR/Study Area

**Figure 2:**  
**Land Ownership**  
**Waiākea Peninsula**

Island of Hawaii

North

Linear Scale (feet)

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Source: County of Hawai'i, 2023. ESRI Basemap.  
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DATE: 12/26/2023

**LEGEND**


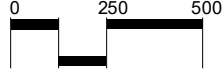

 Study Area

**Figure 3:  
Existing Conditions & Land Uses  
Waiākea Peninsula**

North Island of Hawai'i

Linear Scale (feet)

0 250 500

Source: County of Hawai'i, 2023. ESRI Basemap.  
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DATE: 12/26/2023

**LEGEND**

- |                               |                              |
|-------------------------------|------------------------------|
| Study Area                    | F- Former Uncle Billy's Site |
| A- Reeds Bay Hotel            | G- Hilo Hawaiian Hotel       |
| B- Bayview Banyan Corporation | H- Lili'uokalani Gardens     |
| C- Country Club Condos        | I- Hilo Bay Cafe             |
| D- Grand Naniloa Hotel        | J- DLNR                      |
| E- Naniloa Golf Course        |                              |

**Figure 4:**  
Tax Map Keys  
**Waiākea Peninsula**

North

Linear Scale (feet)  
0 250 500

Island of Hawaii

Source: County of Hawai'i, 2023. ESRI Basemap.  
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DATE: 12/26/2023

**LEGEND**

- Study Area
- TMK Parcels
- Ground Lease Expirations**
- 0 Year
- 8 Years
- 13 Years
- 44+ Years

**Figure 5:**  
**Ground Lease Expirations**  
**Waiākea Peninsula**

North Island of Hawai'i

Linear Scale (feet)

0 250 500





Source: County of Hawai'i, 2023. ESRI Basemap.  
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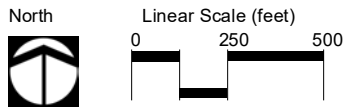


DATE: 12/26/2023

**LEGEND**

-  Study Area
-  TMK Parcels
-  2ft Contour
-  10ft Contour

**Figure 6:**  
**Topography**  
**Waiākea Peninsula**



Island of Hawai'i



Source: County of Hawai'i, 2023. ESRI Basemap.  
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**LEGEND**

- Study Area
- Freshwater Pond
- Estuarine and Marine Wetland
- Estuarine and Marine Deepwater

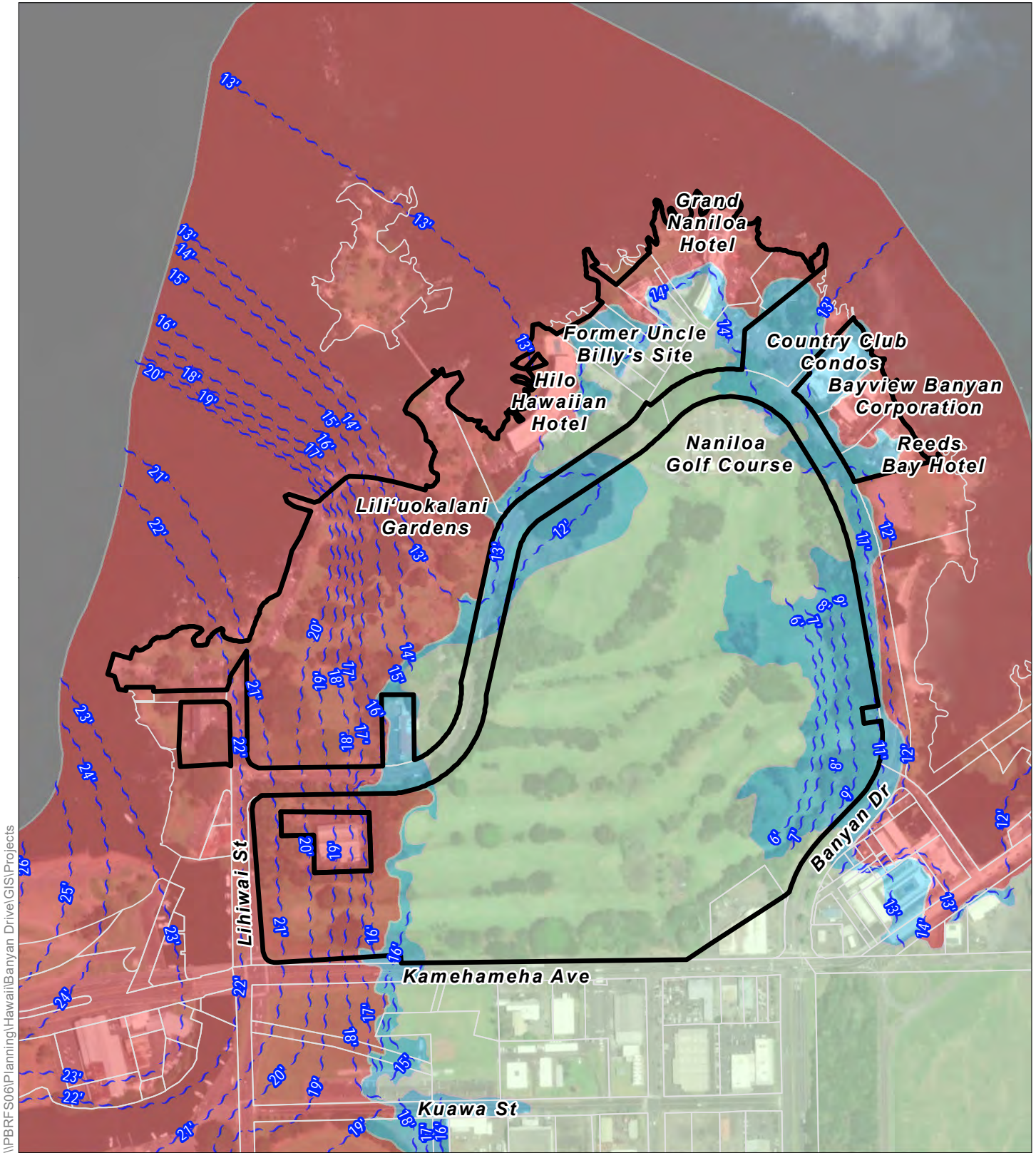
**Figure 7:**  
**Streams & Wetlands**  
**Waiākea Peninsula**

North Island of Hawaii

Linear Scale (feet)

0 500 1000

Source: County of Hawai'i, 2023. USFWS National Wetland Inventory, 2023. ESRI Basemap.  
 Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.



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DATE: 12/26/2023

**LEGEND**

- Study Area
- TMK Parcels
- Base Flood Elevation (BFE) Line
- Flood Hazard Areas**
- AE: 1%-Annual-Chance Flood (100-Year Flood), with BFE
- VE: 1%-Annual-Chance Coastal Flood, with BFE
- X: Outside 0.2%-Annual-Chance Floodplain (500-Year Flood)

**Figure 8:**  
**Flood Insurance Rate Map**  
**Waiākea Peninsula**

North Island of Hawai'i

Linear Scale (feet)

0 250 500




Source: County of Hawai'i, 2023. FEMA Flood Map Service Center, 2021. ESRI Basemap.  
 Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.

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DATE: 12/26/2023

**LEGEND**

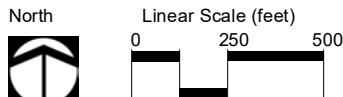

-  Study Area
-  TMK Parcels
-  Tsunami Evacuation Zone

**Figure 9:**  
**Tsunami Evacuation Zone**  
**Waiākea Peninsula**

North Island of Hawaii

Linear Scale (feet)

0 250 500

Source: County of Hawai'i, 2016 & 23. ESRI Basemap.  
 Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.

Property Description	Total Area	Impacted Area	Balance of Site	% Impacted
Reeds Bay Hotel	1.2	0.4	0.8	33
Bayview Banyan Corp	1.1	0.2	0.9	18
Country Club Condos	1.2	0.2	1.0	17
Grand Naniloa Hotel	6.3	2.1	4.4	32
Naniloa Golf Course	62.6	1.3	61.3	2
DLNR	0.8	0.0	0.8	0
Former Uncle Billy's Site	1.8	0.3	1.5	17
Hilo Hawaiian Hotel	5.0	1.5	3.5	30
Lili'uokalani Gardens	20.1	11.4	8.7	57
Hilo Bay Cafe	1.0	0.1	0.9	10

Note: Balance of site is the area outside of 40' shoreline setback.  
 Impacted area is the area within 40' shoreline setback.  
 Site areas shown in acres



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**LEGEND**

- Study Area
- TMK Parcels
- Pacific Islands Ocean Observing System (PaciOOS) 3.2ft Sea Level Rise Scenario
- Assumed Future Shoreline Based on 3.2ft Sea Level Rise Scenario
- Future 40ft Shoreline Setback

DATE: 01/08/2024

**Figure 10:**  
**Potential Impacts of 3.2-foot**  
**Sea Level Rise Scenario**  
**Waiākea Peninsula**

North Island of Hawai'i

Linear Scale (feet)  
 0 250 500

Source: County of Hawai'i, 2023. University of Hawaii Coastal Geology Group & Tetra Tech, Inc., 2017. ESRI Basemap.  
 Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.



Property Description	Total Area	Impacted Area	Balance of Site	% Impacted
Reeds Bay Hotel	1.2	0.7	0.5	58
Bayview Banyan Corp	1.1	0.7	0.4	64
Country Club Condos	1.2	0.3	0.9	25
Grand Naniloa Hotel	6.3	4.3	2.0	68
Naniloa Golf Course	62.6	12.3	50.3	20
DLNR	0.8	0.4	0.4	50
Former Uncle Billy's Site	1.8	0.3	1.5	17
Hilo Hawaiian Hotel	5.0	3.0	2.0	60
Lili'uokalani Gardens	20.1	16.6	3.5	83
Hilo Bay Cafe	1.0	0.6	0.4	60

Note: Balance of site is the area outside of 40' shoreline setback.  
 Impacted area is the area within 40' shoreline setback.  
 Site areas shown in acres

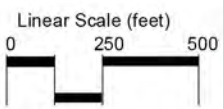


**LEGEND**

- Project Area
- TMK Parcels
- National Oceanic and Atmospheric Administration (NOAA) 6ft Sea Level Rise Scenario
- Assumed Future Shoreline Based on 6ft Sea Level Rise Scenario
- Future 40ft Shoreline Setback

DATE: 01/08/2024

**Figure 11:**  
**Potential Impacts of 6-foot**  
**Sea Level Rise Scenario**  
**Waiākea Peninsula**



Island of Hawai'i



Source: County of Hawai'i, 2023 NOAA.2018. ESRI Basemap.  
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DATE: 12/26/2023

**LEGEND**

- Study Area
- Hawaiian Monk Seal Critical Habitat

**Figure 12:**  
**Critical Habitat Designations**  
**Waiākea Peninsula**

Island of Hawai'i

North

Linear Scale (feet)



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Source: County of Hawai'i, 2023. NOAA 2022. ESRI Basemap.  
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**LEGEND**

-  Study Area
-  TMK Parcels



**NRCS Soil Classifications**

-  20: Beaches, 0 to 6 percent slopes
-  640: Opihikao-Urban land complex, 2 to 20 percent slopes
-  W: Water

DATE: 12/26/2023

**Figure 13:**  
**NRCS Soil Classifications**  
**Waiākea Peninsula**

North Linear Scale (feet)


Source: County of Hawai'i, 2023. USDA NRCS, 2020. ESRI Basemap.  
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**LEGEND**

- Study Area
- Hilo Airport Noise Contours (DNL)
- Hilo Airport's Runway Easement Zone\*
- Hilo Airport's Runway Clear Zone\*\*

**Figure 14:**  
**Airport Restrictions**  
**Waiākea Peninsula**

DATE: 12/26/2023

\* Runway easment zone is portion of the runway protection zone. Runway protection zones are a trapezoidal area “off the end of the runway end that serves to enhance the protection of people and property on the ground” in the event an aircraft lands or crashes beyond the runway end.

\*\* Runway clear zone is an area on the ground, located at the ends of each runway. It possesses a high potential for accidents, and its use is restricted to be compatible with aircraft operations.

Source: County of Hawai'i, 2023. State DOT, 2002 & 2013. ESRI Basemap.

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North Linear Scale (Feet)

0 2000 4000

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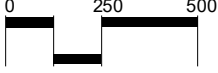

-  Study Area
-  TMK Parcels
- State Land Use Districts**
-  Conservation
-  Urban

**Figure 15:**  
**State Land Use Districts**  
**Waiākea Peninsula**

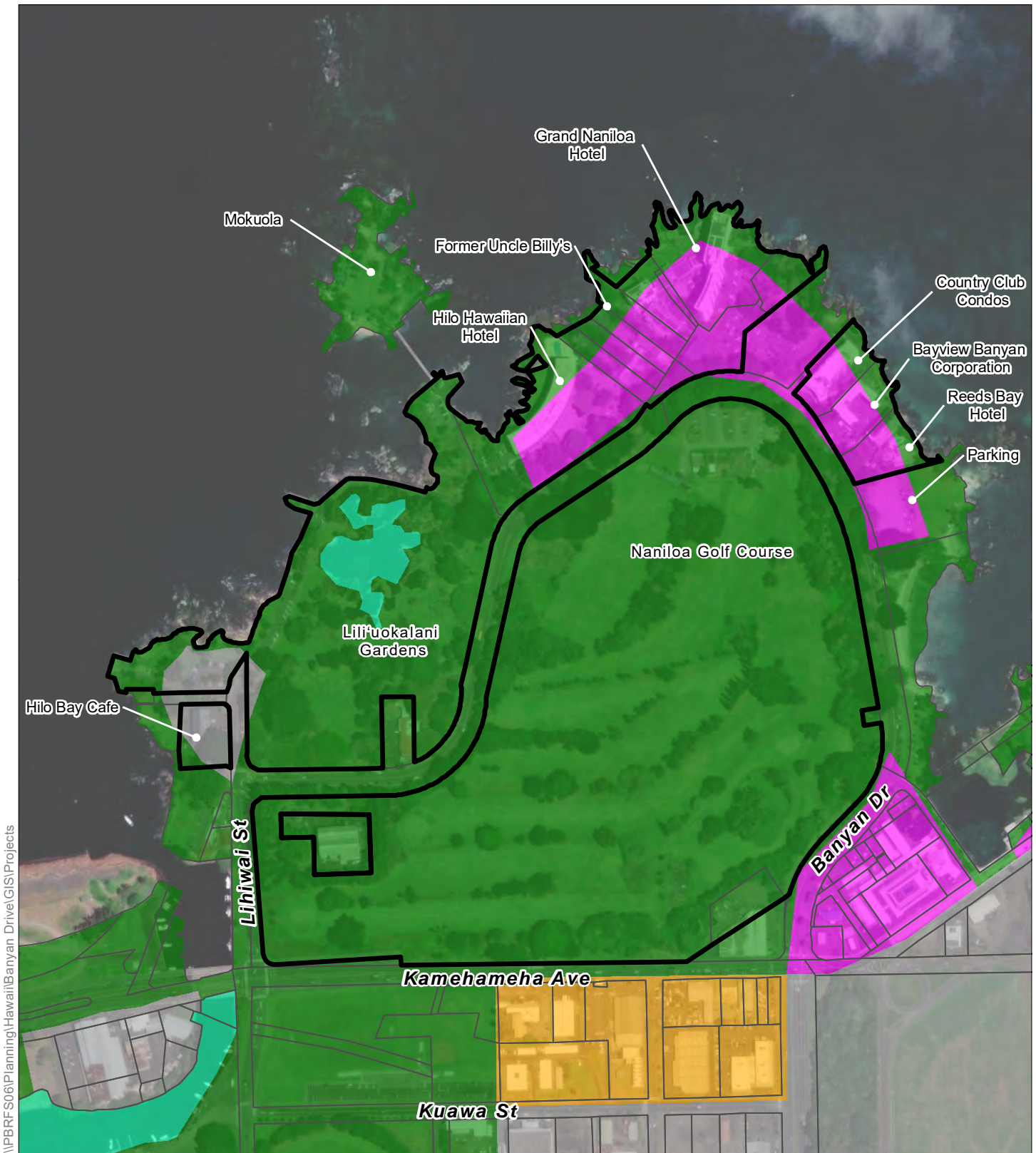
North Island of Hawaii

Linear Scale (feet)

0 250 500








Source: County of Hawai'i, 2023. State Land Use Commission, 2020. ESRI Basemap.  
 Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.



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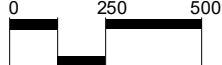

- |   |  |
|---|--|
|  Study Area  | <b>LUPAG</b>   |
|  TMK Parcels |  Conservation         |
|   |  Industrial           |
|   |  Medium Density Urban |
|   |  Open Area            |
|   |  Resort               |

**Figure 16:**  
**County of Hawai'i 2005 General Plan**  
**Land Use Pattern Allocation Guide Map**  
**Waiākea Peninsula**

North Island of Hawai'i

Linear Scale (feet)

0 250 500

Source: County of Hawai'i, 2022 & 2023. ESRI Basemap.  
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**LEGEND**

- Study Area
- Urban Growth Boundary
- General Plan Land Use**
- High-Density Urban
- Medium-Density Urban
- Urban Expansion Reserve
- Light/Service Industrial
- Resort
- Recreation
- Natural

**Figure 17:**  
**Hawai'i County General Plan 2045 Draft**  
**Land Use Pattern Allocation Guide Map**  
**Waiākea Peninsula**

North Island of Hawai'i

Linear Scale (feet)  
 0 500 1000

Source: County of Hawai'i, 2023.  
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**LEGEND**

- Study Area
- TMK Parcels

- Zoning**
- CN-10: Neighborhood Commercial, 10,000 sq. ft.
  - MCX-20: Industrial-Commercial Mixed Use, 20,000 sq.ft
  - ML-20: Limited Industrial, 20,000 sq. ft
  - OPEN: Open Space
  - V-.75: Resort Hotel, 750 sq. ft. / unit

**Figure 18:**  
**County Zoning**  
**Waiākea Peninsula**

Island of Hawaii

North

Linear Scale (feet)

Source: County of Hawai'i, 2022 & 2023. ESRI Basemap.  
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- LEGEND**
- Study Area
  - TMK Parcels
  - Special Management Area

**Figure 19:**  
**Special Management Area**  
**Waiākea Peninsula**

Island of Hawai'i

North

Linear Scale (feet)

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Source: County of Hawai'i, 2022 & 2023. ESRI Basemap.  
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Figure 20



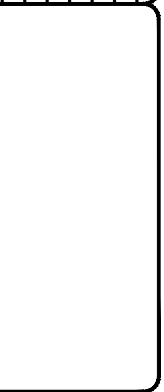
**UTILITY PLAN - WATER**

Scale: 1" = 400'

**Legend:**

- Water
- Sewer
- Stormwater
- Gas
- Fuel
- Electrical/Telecommunications

	PRINTS TO
	DATE



**job title:** Niihau Peninsula  
**sheet title:** UTILITY PLAN - WATER

DESIGN BY:  
 DRAWN BY:  
 CHECKED BY:  
 APPROVED BY:  
 DATE:  
 SCALE: AS NOTED  
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 DRAWING No.  
**SK-2**

SHEET No.  
**2**  
 OF 5 SHTS.

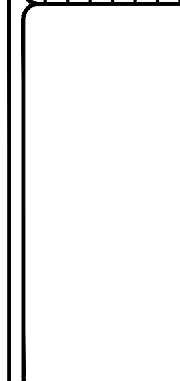
Figure 21



**UTILITY PLAN - SEWER**  
 Scale: 1" = 400'

- Legend:**
- Water
  - Sewer
  - Stormwater
  - Gas
  - Fuel
  - Electrical/Telecommunications

DATE	PRINTS TO



**job title:** Maialaea Peninsula  
**sheet title:** UTILITY PLAN - SEWER

DESIGN BY:	
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CHECKED BY:	
APPROVED BY:	
DATE:	
SCALE:	AS NOTED
FILE No.	
DRAWING No.	SK-3
SHEET No.	3
OF 5 SHEETS.	

Figure 22



### UTILITY PLAN - OTHER UTILITIES

Scale: 1" = 400'

**Legend:**

- Water
- Sewer
- Stormwater
- Gas
- Fuel
- Electrical/Telecommunications

DATE	PRINTS TO



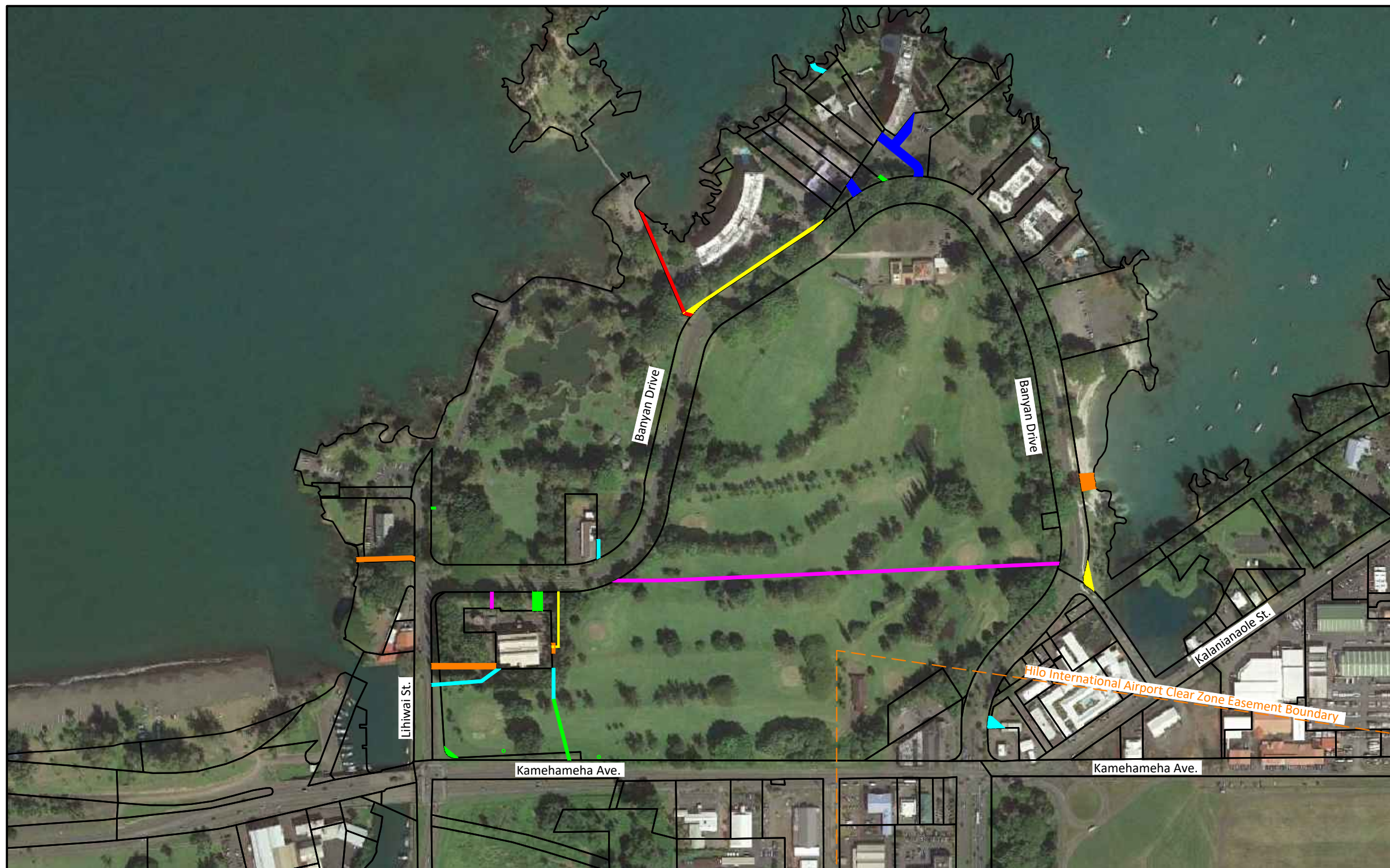
**job title:** Waiakea Peninsula  
**sheet title:** UTILITY PLAN - OTHER UTILITIES

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**SK-4**

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OF 5 SHTS.

Figure 23



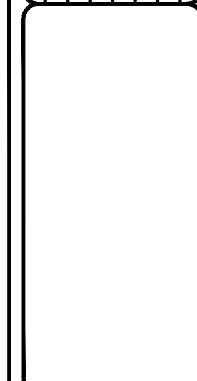
**EASEMENT PLAN**

Scale: 1" = 400'

**Legend:**

- Sewer Easement
- Stormwater Easement
- Fuel Easement
- Electrical/Telecommunications Easement
- Road Easement
- Right of Way Easement
- Misc. Easements

	PRINTS TO
	DATE



**job title:** Maialaea Peninsula  
**sheet title:** UTILITY PLAN - OTHER UTILITIES

DESIGN BY:	
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OF 5 SHEETS.	

APPENDIX B

# Overview of Selected Comparison Projects



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To support the market analyses, PBR HAWAII searched for recent waterfront redevelopment areas outside of Hawai'i in areas where a balance of resident and visitor, recreational and commercial, and/or historical/cultural and modern interests were of concern. The intent was to look for projects that might provide relevant insights for re-envisioning the Study Area, in terms of project elements, planning initiation, governance, funding for capital and operational costs, and community benefits.

Two projects were selected for evaluation: Navigate Tairāwhiti, in Gisborne, New Zealand, and The Bay in Sarasota, Florida.

### ***Navigate Tairāwhiti***

Navigate Tairāwhiti<sup>1</sup> comprises five projects in the port area of Gisborne, a city in the Gisborne District (Tūranganui ā Kiwa region) on New Zealand's North Island. The five projects are a collaboration between the Gisborne District Council, Eastland Port, the Department of Conservation, and *tangata whenua* ("people of the land", descended from a particular area), in this case the Ngāti Oneone tribe, one of the prominent *iwi* groups of the region.

1. Te Panuku Tū – Tītīrangī Summit Redevelopment
2. Puhī Kai Iti/Cook Landing Site
3. 1000-Year Walkway Bridge
4. Tītīrangī Maunga Restoration and the Tupapa Heritage Trail
5. Inner Harbor Redevelopment

The Navigate Tairāwhiti program was spurred by Tuia 250, a government-sponsored commemoration in 2019 marking the 250<sup>th</sup> anniversary of the arrival of Captain James Cook on the HMS Endeavour in Aotearoa (now New Zealand). While some *iwi* (extended kinship of Māori persons, understood to represent a broader group than *tangata whenua*) participated in Tuia 250, significant numbers boycot ed and criticized it, including many Ngāti Oneone, (Hurihanganui, 2019). Navigate Tairāwhiti allowed Ngāti Oneone to highlight their narratives and cultural heritage, and to remove some markers that symbolized past injustices.

### **Project Overview**

Location: Gisborne, NZ

Project Objectives: Reinstate cultural and historical values and heritage; resident and visitor education; recreational open spaces; ecological restoration; economic development and promotion of resident and visitor hubs.

---

<sup>1</sup> Tairāwhiti or Te Tai Rāwhiti refers to the customary Māori name for the Gisborne Region of the North Island of New Zealand.

## Key Elements of Te Panuku Tū – Tītīrangī Summit Redevelopment

- Replacement of Captain Cook statue [*Status: completed*] - A statue depicting Captain Cook was erected on the Tītīrangī summit in 1969 but was opposed by *iwi* because the site was considered sacred to Ngāti Oneone, and overlooked the spot where Captain Cook's crew killed nine *iwi* members 200 years earlier. The Cook statue was removed in 2019 and has been relocated to the Tairāwhiti Museum (The New Zealand Herald, 2020) (Neilson, 2020). New sculptures now stand in its place, including one honoring Te Maro, a prominent leader and significant ancestor of Ngāti Oneone who was among those killed in the encounter with Captain Cook. (Dewes, 2018).



Source: NZ Herald via (Otago Daily Times, 2020)

- Te Panuku Tū Whare [*Status: pending external construction funding*] – A multi-purpose community-centered facility to share cultural, spiritual, heritage, recreation, and environmental knowledge and values. Facilities are proposed to include exhibition spaces, a night sky viewing platform, and a café.

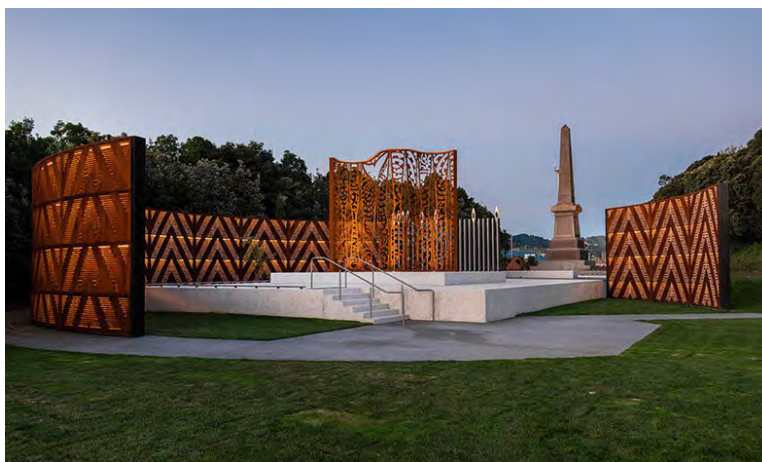


Source: (Te Kaunihera o Te Tairāwhiti Gisborne District Council, 2020)

#### Key Elements of Puhi Kai Iti/Cook Landing Site [*Status: completed*]

Designated as a National Historic Reserve, this site marks the first landing place of Captain Cook in New Zealand, but now also commemorates the Horouta and Te Ikaroa-a-Rauru *waka* (two large ocean-going canoes) on which Māori came to the area in the 13th or 14th century.

- Canoe sculpture commemorating Māia, the navigator of the Te Ikaroa-a-Rauru *waka*.
- Nine *pou* (carved wooden posts/poles) in remembrance of the nine *iwi* killed during Cook's encounter.
- Three oversized *hue* (gourds) acknowledging Māia's contributions to New Zealand agriculture.
- 112 steel *tukutuku* (traditional woven art) panels, hand woven by volunteers from Tairāwhiti and Ngāti Oneone.
- Renaming of the area to recognize its dual exploration heritage (Te Kāwanatanga o Aotearoa, New Zealand Government, n.d.).



Source: (Challinor, 2020)

Key Elements: 1000-Year Walkway Bridge [Status: construction commenced September 2023]

- Open-air pedestrian bridge to connect the Puhi Kai Iti to pathways on Tītirangi/Kaiti Hill across a roadway. The bridge will be 6.3 meters above the roadway and carved to look like a *waka*.
- Viewing platform offering views of the shoreline where navigators arrived by *waka* and ship over the past 1,000 years (Te Kaunihera o Te Tairāwhiti Gisborne District Council, 2020).



Source: (Te Kaunihera o Te Tairāwhiti Gisborne District Council, 2020)

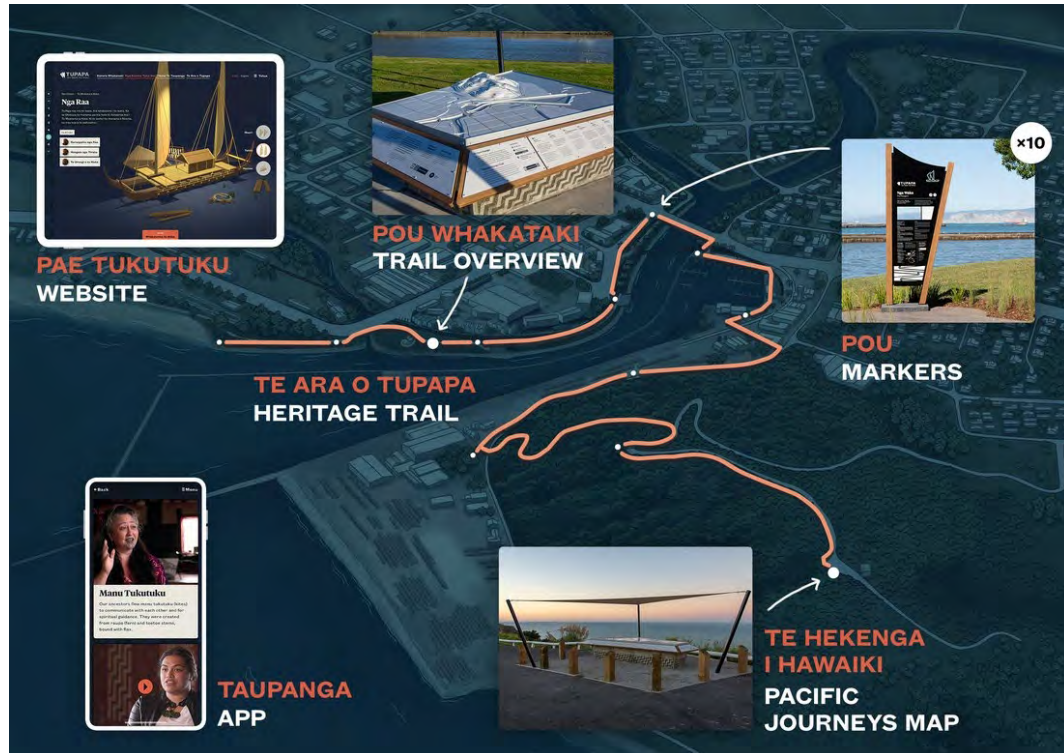
Key Elements of Tītirangi Maunga Restoration and the Tupapa Heritage Trail [Status: completed; extended efforts to be ongoing]

Restoration of Tītirangi was a collaborative effort between Ngāti Oneone and the Gisborne District Council, with focus on community engagement and conservation to enhance the *kaitiakitanga* (guardianship/stewardship) of the *maunga*.

- Restoration of native flora; weed management, removal of invasive species.
- Tupapa Heritage Trail, a 4-km self-guided walking tour with ten markers and information about significant historical and cultural sites of Tūranganui ā Kiwa/Gisborne developed by a

partnership of the four Tūranga iwi (Tupapa, n.d.), (Te Kaunihera o Te Tairāwhiti Gisborne District Council, 2020).

- Tupapa Heritage Trail App-based tour with stories of *tangata whenua* in English and Māori via mobile, video, graphic novel, signage, sculpture, web, and print media. (Locales Wellington, 2017).



Source: (Locales Wellington, 2017)

### Key Elements of the Inner Harbor Redevelopment [Status: completed]

This redevelopment aimed to transform the waterfront into a thriving hub for residents and visitors, and to showcase the cultural heritage of Gisborne. Ngāti Oneone were consulted with respect to cultural elements and navigational heritage.

- Green space and landscaping improvements, including planting native flora
- Infrastructure upgrades
- Repaved roads, road realignment
- New parking, public restrooms
- Improved lighting
- Improved pedestrian and cycling paths
- Free public boat ramp

The redevelopment has reportedly spurred new economic activity and attracted investments in retail and commercial development including new restaurants on the waterfront, and a shared co-working space (Schulze, April 2022).

## **Governance**

Landowner: Public and privately-owned spaces.

Implementing Agencies/Organizations: Implementation has been a collaboration between the Gisborne District Council, Eastland Port, Department of Conservation, *tangata whenua* (Ngāti Oneone), and other *iwi*.

Government- and Tribe-Led Initiative: The Navigate Tairāwhiti program was spurred by government-sponsored events marking Tuia 250, or the 200<sup>th</sup> anniversary of Captain Cook's landing in New Zealand. In response, Ngāti Oneone advocated for a role in re-envisioning the area, and broached the idea of restoring the top of Tītīrangī.

## **Project Cost and Sources of Funding**

Based on publicly available sources, costs, and funding sources for the five projects are reported as follows:

1. Te Panuku Tū – Tītīrangī Summit Redevelopment – This project was initially allocated NZ \$6.1 million from Kanoa (Regional Economic Development & Investment Unit). However, following the onset of the COVID-19 pandemic, the government reduced its commitment to NZ \$1.04 million, funding initial planning and design.
2. Puhi Kai Iti/Cook Landing Site – A Provincial Growth Fund (PGF) provided NZ \$1.63 million, while the Department of Conservation committed NZ \$920,000 to the project.
3. 1000-Year Walkway Bridge – Externally funded with a Lotteries Grant of NZ \$3.1 million (NZ \$2.68 million for the bridge and NZ \$389,000 for the Te Maro platform), and a Trust Tairāwhiti grant of NZ \$343,000.
4. Tītīrangī Maunga Restoration and the Tupapa Heritage Trail – Funded mostly by *iwi*, with Council support.
5. Inner Harbor Redevelopment – Funded by the Gisborne District Council, Eastland Port, and the PGF. The PGF provided NZ \$2.3 million, primarily for capital works, while the Tourism Infrastructure Fund contributed NZ \$1.2 million, for a total of NZ \$3.5 million.

## **Community Profile**

The Navigate Tairāwhiti projects are located near the harbor area of Gisborne city, primarily on and around Tītīrangī (Kaiti Hill), an 86-acre (35 ha) nature preserve on a coastal hill adjacent to and overlooking the harbor. As of June 2023, the city of Gisborne was estimated to have a population of 38,200 (Statistics New Zealand, 2023).

## **Benefits to Community**

Ecological: Removal of invasive plant species; restoration of native species; promoting ecological guardianship/stewardship.

Cultural and educational: Begins to address some past cultural injustices, as well as to weave together significant sites through storytelling and design to showcase the region’s rich heritage, history, and culture.

Economic: Promotes activity and use by *tangata whenua*, other *iwi*, other New Zealand residents, and visitor, resulting in economic growth and promotion of a visitor hub.

### Lessons Learned

- Work with indigenous groups to elevate their voices, stories, and values in acknowledging the historic and cultural significance of place.
- Incorporate and highlight those voices, stories, and values in design, artwork, and signage/wayfinding, while utilizing innovative technology and media (such as video, websites, mobile apps, etc.)
- Focus on cultural and ecological restoration.
- Be prepared for the process to span many years, and to implement in phases.

### The Bay

Located along Sarasota Bay on the Gulf Coast of Florida, The Bay is a regional public park that serves surrounding communities and visitors to the area. Currently in development, with its first 10-acre phase opened in 2022, The Bay aims to be “one park for all”, preserving and restoring 53 acres of city-owned land into a sustainable gathering place with a wide variety of uses, programs, and events available to the public without charge.

Phase 2, the second, 14-acre phase was initiated in summer 2023. The completed park is estimated to take 8 to 10 years to complete over four or more phases.



Source: (The Bay, 2023)

### Project Overview

Location: Sarasota, FL.

Site Size: 53 acres (21.4 ha).

Project Objectives: Replace an underutilized parking lot with recreational open space, both active and passive; promote culture, arts, education, and entertainment; restore and conserve wetlands and other ecological assets.

## Key Elements of the Master Plan

The Bay is being developed in two phases. In total, the project is planned with:

- Recreational pier with event programming.
- Large adventure play area.
- Enhanced waterfront access along entire site.
- Elevated boardwalk that connects the north and south sides of the site.
- Living shoreline replacing formerly hardened and other man-made edges.
- New performing arts center.
- New public boat launch.
- Canal district with wide array of food and beverage choices and docking capacity for boats of all kinds.
- Blue and green oases including a restored and enhanced Mangrove Bayou and Fountain Garden.
- Walkways, bikeways, and pedestrian bridges.
- Outdoor lawns and play spaces.
- Outdoor performance venues, amphitheater.

## **Governance**

Landowner: City of Sarasota.

Implementing Agencies/Organizations: Public-private partnership between the City of Sarasota and The Bay Park Conservancy (BPC), a 501c3 not-for-profit organization formed in 2019. The BPC entered a long-term (15-year) exclusive Partnership Agreement with the City to help fund, develop, operate, maintain, and program the park (The Bay, 2023). While the BPC is primarily responsible for design, development, and management of the park, the City and the BPC share responsibility for funding, infrastructure, and maintenance. The City retains ultimate decision rights over the public park on City land (The Bay, 2023).

Community-Led Initiative: In 2013, community and civic leaders began to discuss a common vision for the future of a 53-acre City-owned property along Sarasota's bayfront, which included a large, underutilized parking lot for the existing Van Wezel Performing Arts Hall and some derelict buildings. The outcome of this visioning process was "to create a legacy that will promote a sustainable Sarasota region for the next century" (Gulf Coast Community Foundation, 2023). The group initially called the community-led initiative "Sarasota Bayfront 20:20" or the Bayfront 2020 coalition, which served as the catalyst for the idea of a new park. The Bayfront 2020 coalition evolved into The BPC. Over 75,000 individuals from the community have participated in public meetings, community workshops, and/or engaged with The Bay on its website, or social media.





Source: (The Bay, 2023)

### Project Cost

**Total Cost:** Estimated at \$175-200 million, excluding costs related to the planned new performing arts center. The new center is being pursued separately, by the City of Sarasota and the Van Wezel Foundation.

- Phase 1 (first 10-acres): \$22-\$33 million (estimate prior to construction; actual costs not available at time of writing)
- Phase 2 (14 acres): \$65 million

### Sources of Funding

The Bay is funded from a combination of government sources and private philanthropic gifts and grants from local foundations. Phase 1 was funded 80% from philanthropy and 20% from government sources. Through an inter-local agreement, the City of Sarasota and Sarasota County agreed to use tax increment financing (TIF) as the main government funding for the park and the new performing arts center.

A TIF is a proven financing tool that sets aside the future increases in real property taxes in a given district to pay for development or operating costs of a significant civic initiative, which benefits the community broadly. The TIF district for The Bay comprises a broad area adjacent to and surrounding the park and performing arts center, as residents and users of those areas are seen to benefit most from the development. The TIF does not increase anyone’s taxes in its district, the city, or the county. Rather, it pledges the appreciation in commercial and residential real estate taxes within the district and sets this incremental difference aside to be invested, distributed, or used to underwrite other financing, such as via a city bond (The Bay, 2023).

## **Community Profile**

The Bay is located within the city of Sarasota, approximately 1 mile from the downtown area. According to the 2020 U.S. Census, the population of Sarasota was 54,842.

## **Benefits to Community**

Ecological: Since much of the surrounding area was developed before rules regarding stormwater treatment were implemented, Sarasota Bay suffers from over-nutrication from various sources of pollution and runoff. The project aims to treat stormwater quality by removing man-made shoreline hardening and restoring natural shoreline edges, which reintroduce and restore intertidal habitats. This project implements stormwater quality treatment mitigations and treatments such as removing man-made and restoring natural shorelines that will be able to accrete and retreat as needed, while adding intertidal habitats and restoring a mangrove bayou.

Cultural and educational: The Bay Park will host arts, cultural, and education programming at existing facilities such as the Art Center Sarasota, Sarasota Garden Club, Municipal Auditorium, and the Van Wezel Performing Arts Hall, and at the new Sarasota Performing Arts Center, outdoor amphitheater, and event lawn when completed.

Social: According to project proponents, in addition to providing new recreational opportunities for residents of adjacent areas, the Bay has offered open space and recreational areas to two nearby communities that previously lacked such opportunities and now enjoy its facilities.

Economic: The project provides added economic value in the form of direct and indirect commercial activity, jobs, rising real estate values, and increasing tax revenues (The Bay, 2023).

## **Lessons Learned**

- Find well-connected local project champion(s) and engage community early to seek a shared vision.
- Define guiding principles in consultation with stakeholders.
- Don't be afraid of aspirational goals; aim high – distinctive and world class.
- Seek to regenerate and improve the natural, cultural, and social environment, not just fit in to existing conditions.
- Have a plan for funding initial and ongoing costs on a sustainable basis, including diverse sources including private nonprofit groups as well as public sources such as TIF.
- Ensure benefits are widespread in region – this is important to public financial and other support.
- Be prepared for the process to span many years, and to implement in phases.

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