Waialua Town Master Plan

Waialua, O‘ahu, Hawai‘i

Department of Planning and Permitting
City and County of Honolulu

April 2005
Waialua Town Master Plan

Waialua, O‘ahu, Hawai‘i

Prepared for:

City and County of Honolulu
Department of Planning and Permitting
650 South King Street, 7th Floor
Honolulu, Hawai‘i 96813

and

Friends for Waialua
P.O. Box 1010
Waialua, Hawai‘i 96791

Prepared by:

Group 70 International, Inc.
925 Bethel Street, 5th Floor
Honolulu, Hawai‘i 96813

In association with:

John M. Knox & Associates
1001 Bishop Street
A.S.B. Tower, Suite 1542
Honolulu, Hawai‘i 96813

April 2005
TABLE OF CONTENTS

Section                                      Page
Table of Contents                             i
List of Figures                               ii
List of Tables                                iii
List of Appendices                            iii

EXECUTIVE SUMMARY .........................................................ES-1

1.0 INTRODUCTION .................................................................1-1
  1.1 Purpose ................................................................. 1-1
  1.2 Planning Documents & Regulations ......................... 1-2
  1.3 Location and Project Study Area ......................... 1-2
  1.4 Planning Process .................................................. 1-6
  1.5 Vision for Waialua ................................................ 1-7
  1.6 Goals for Waialua .................................................. 1-8

2.0 ECONOMIC REVITALIZATION OF WAIALUA ..................2-1
  2.1 Introduction .......................................................... 2-1
  2.2 Community Economic Priorities .............................. 2-1
  2.3 Economic Sectors ................................................... 2-2
    2.3.1 Agriculture .................................................... 2-2
    2.3.2 Light Industry ................................................ 2-3
    2.3.3 Retail ............................................................. 2-3
    2.3.4 Residential Development ............................... 2-4
    2.3.5 Visitor/Recreation Industries ......................... 2-5
    2.3.6 Education ...................................................... 2-5
  2.4 Conclusion ............................................................. 2-6

3.0 MASTER PLANS ...............................................................3-1
  3.1 Introduction .......................................................... 3-1
  3.2 Proposals to Revitalize the Economy ....................... 3-1
  3.3 Proposals for Planning Concepts: Town Center and Area Plans .............................................. 3-3
  3.4 Intended Economic Results of the Master Plan ..................3-3

4.0 TOWN CENTER PLAN .....................................................4-1
  4.1 Location and Project Area ........................................ 4-1
  4.2 Vision and Goals for Waialua Town Center ............... 4-3
  4.3 Existing Conditions ................................................ 4-5
  4.4 Town Center Plan Components ................................. 4-7
    4.4.1 Land Uses and Facilities Improvements ............. 4-8
    4.4.2 Circulation ...................................................... 4-10
    4.4.3 Economic Development .................................... 4-11
    4.4.4 Urban Design/Landscaping ............................... 4-13
5.0 WAIALUA AREA PLAN ..............................................................5-1
  5.1 Introduction ......................................................................................................... 5-1
  5.2 Objectives for the Area Plan .............................................................................. 5-2
  5.3 Community Residential Infill ............................................................................ 5-4
  5.4 Expanded Community Residential .................................................................. 5-5
  5.5 Expanded Community Residential with Lodge ............................................. 5-6
  5.6 Expanded Community Residential, Lodge and Golf ...................................... 5-7
  5.7 Integrated Plan – Waialua Area Concept ........................................................ 5-8

6.0 IMPLEMENTATION ....................................................................6-1
  6.1 Introduction ......................................................................................................... 6-1
  6.2 Town Core Implementation Program.............................................................. 6-1
  6.3 Waialua Area Implementation Program ......................................................... 6-3
  6.4 Next Steps: Future Phasing and Priorities...................................................... 6-4
  6.5 Collected Ideas for Projects or Actions Proposed by the Community
      During the Planning Process ............................................................................. 6-5
  6.6 Agency Comments.............................................................................................. 6-9

List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES-1</td>
<td>Waialua Town Center Master Plan</td>
<td>ES-4</td>
</tr>
<tr>
<td>ES-2</td>
<td>Integrated Waialua Area Concept</td>
<td>ES-5</td>
</tr>
<tr>
<td>1-1</td>
<td>Regional Location and Vicinity Map</td>
<td>1-4</td>
</tr>
<tr>
<td>1-2</td>
<td>Aerial Photo of Waialua.</td>
<td>1-5</td>
</tr>
<tr>
<td>1-3</td>
<td>Enlargement of Waialua Town Center Area</td>
<td>1-5</td>
</tr>
<tr>
<td>4-1</td>
<td>Town Center Location Map</td>
<td>4-1</td>
</tr>
<tr>
<td>4-2</td>
<td>Aerial View (2000) Waialua Town Center</td>
<td>4-2</td>
</tr>
<tr>
<td>4-3</td>
<td>Existing Conditions &amp; Facilities – Waialua Town Center</td>
<td>4-2</td>
</tr>
<tr>
<td>4-4</td>
<td>Photographs of Existing Waialua Town</td>
<td>4-5</td>
</tr>
<tr>
<td>4-5</td>
<td>Photographs of Existing Waialua Town</td>
<td>4-6</td>
</tr>
<tr>
<td>4-6</td>
<td>Waialua Town Center Master Plan</td>
<td>4-7</td>
</tr>
<tr>
<td>4-7</td>
<td>Goodale Avenue Relocation at Waialua Town Center</td>
<td>4-10</td>
</tr>
<tr>
<td>4-8</td>
<td>Kealohanui Street Improvements</td>
<td>4-11</td>
</tr>
<tr>
<td>4-9</td>
<td>Waialua Farmer’s Market</td>
<td>4-12</td>
</tr>
<tr>
<td>4-10</td>
<td>Waialua Town Center Country Town Design Theme</td>
<td>4-13</td>
</tr>
<tr>
<td>5-1</td>
<td>Community Residential Infill Concept</td>
<td>5-4</td>
</tr>
<tr>
<td>5-2</td>
<td>Expanded Community Residential Concept</td>
<td>5-5</td>
</tr>
<tr>
<td>5-3</td>
<td>Expanded Community Residential with Lodge Concept</td>
<td>5-6</td>
</tr>
<tr>
<td>5-4</td>
<td>Expanded Community Residential with Lodge &amp; Golf Concept</td>
<td>5-7</td>
</tr>
<tr>
<td>5-5</td>
<td>Integrated Waialua Area Concept</td>
<td>5-8</td>
</tr>
</tbody>
</table>
List of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-1</td>
<td>Proposals to Revitalized the Economy</td>
<td>3-1</td>
</tr>
<tr>
<td>5-1</td>
<td>Summary of Waialua Area Plan Concepts</td>
<td>5-9</td>
</tr>
</tbody>
</table>

Appendices

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendix A</td>
<td>Stage 1 Report</td>
<td></td>
</tr>
<tr>
<td>Appendix B</td>
<td>Economic Base and Market Feasibility Analysis Report</td>
<td></td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY
Executive Summary

Introduction

This plan is a major step in the community’s effort to revitalize Waialua. It presents an overall direction for positive change over the next 20 years. Although the Waialua Town Master Plan is broadly conceptual, it includes many specifics and sets the stage for the more detailed planning, design and partnering efforts that will define and enable the revitalization of the community.

Before the 1996 closing of the Waialua Sugar Company, Inc., concerned community leaders formed a non-profit organization named “Friends for Waialua”. They initiated short-term projects such as the Waialua Community Kitchen and the Waialua Bandstand and the Waialua Beach Road Bike Path. They were also successful in lobbying the City Council to fund this long-term Waialua Town Master Plan.

The community’s Master Plan Task Force worked with the City and County Department of Planning and Permitting and its consultants to create this plan. The idea was to identify changes that government or major landowners could make to help bring more jobs, a better appearance and more civic pride while preserving the unique country atmosphere within the community. The first priority was to identify possible forms of economic development. Community leaders were also concerned about residential stability in Waialua, since many people had left Waialua after the plantation had closed, while newer residents had been attracted by its more affordable housing.

A large challenge to the Waialua master planning was that major landowners were initially not active participants. In particular, though some representatives attended meetings, Dole Food Company Hawai’i officials were not authorized to make decisions about specific community proposals, since the company was awaiting a decision to take the company private, and to start a new business planning process. Other area landowners hesitated to make changes or commitments until they knew what Dole Food Company would do.

Dole Food Company Hawai’i was privatized in 2003, and Dole’s sister company, Castle & Cooke, is now considering the future for their Waialua land holdings. Most of the work for this Master Plan – including the economic analysis – was done prior to Dole’s privatization. As a result:

(1) It made more sense for this plan to look at broad economic directions (for example, “retail expansion”) than particular new businesses or projects (for example, “building a movie theater”). The economic analysis was aimed at giving the community basic information – either for developing its own proposals or for evaluating Dole/Castle & Cooke proposals – as these companies begin to get active in Waialua.
(2) The plan’s recommendations are largely “big picture” improvements: Making the town center come alive again, adding enough housing to encourage shopping center renovation, etc. The plan’s intention is to help the community solidify its economic base, discourage unwanted development pressures, and negotiate with landowners on specific next steps.

Guiding Vision and Principles for Economic Development

In 1998, the Waialua Town Master Plan Task Force presented their Mission:
“Waialua will be a more self-sufficient and viable country town that has preserved its natural, cultural and historic heritage while striving for a sustainable future with ample employment and housing, educational and recreational opportunities for generations to come.”

The actual Master Planning process helped fine-tune this original vision in a number of ways:

- Waialua wishes to preserve and build on its agricultural base – both economically and culturally – as much as possible. There will be limits to that, but things that threaten the viability of agriculture in the surrounding areas (e.g., major development, escalation in overall land values) will be discouraged.

- More jobs are desired in the Town Center. The best immediate hope for that is continued expansion of light industrial activities at the old Mill, perhaps with some compatible new commercial activities.

- Educational facilities are also valued, though probably less as an “industry” than to support economic growth and as general community amenities.

- It is essential to upgrade the town’s shopping center, and that is most likely to happen through some combination of (a) competitive pressures, and/or (b) moderate expansion of the town’s population. Additional housing should meet the needs of Waialua residents as much as possible, but also provide a range of opportunities to attract stable homeowners.

- Waialua would like some limited niche tourism activities (but definitely not Resort zoning). However, its out-of-the-way location could make that difficult without some very major transformations of the overall town atmosphere. Something on the order of a small lodge is acceptable, if feasible.

- In a small place like Waialua, one or two inspired entrepreneurs could change everything. But it seems unlikely the town will again have a large single employer as it did during plantation days. “Revitalization” is more likely to occur not by creating a new boombtown, but by shoring up Waialua’s natural role as the region’s residential, industrial, and local-commercial support center.

- Waialua’s likely future is as the quiet heart of the North Shore’s permanent residential and farming community. That’s the future this plan is trying to foster.
Key Action Proposals from This Master Plan

The summaries below present broad outlines of the Plan’s proposals. Specific details of each of these proposals, including, where appropriate, alternative methods for achieving them, accompany more detailed proposal descriptions in the body of this report.

**Town Center:** The following actions are intended to achieve both economic objectives (renovating/expanding shopping area and providing more jobs on Mill lands zoned for light industrial) and also social objectives (beautification and community services) – (letters in the following text refer to Figure ES-1).

- Create a “village green” town square (C) adjacent to the shopping center by re-routing Goodale Ave. as a one-way loop traffic pattern around this town square, which would include the bandstand. This will be the center of an expanded “downtown Waialua.”

- Immediately to the west, expand and promote the Farmers Market (H) by creating additional vending spaces, new market structures, and better landscaping. Use this to promote a consistent Waialua agricultural branding.

- Encourage Dole to renovate and expand light industrial space at the old Mill (D, E). Consider rezoning parts of the property close to the town square as Industrial Mixed Use (IMX), which could result in an alternative site for commercial activity if renovation progress is slow at the existing shopping center. Landscaping and paving can also better link the Mill to the Town Center and shopping center, thus extending the area of “downtown Waialua.”

- North of the town square, create a civic center (B) with a new fire station, public library, and community center (to house educational and economic development offices).

- East of the square, encourage landowner Gilman Trust to renovate or redevelop the shopping center (A) to recapture leakage of retail sales outside the community. Encourage some shopping center retail spaces to front on an improved Kealohanui Street (G) (integrated into the new expanded “downtown” as a vehicle/pedestrian lane), and consolidate off-street parking on the periphery of the town center.

- Support Dole Food in its effort inspired in part by community suggestions to locate a University of Hawai’i agricultural research center in Waialua just below the Mill and adjacent to the town center (F).
In the near term, encourage “infill residential” development of 200 to 225 market-priced (moderate range) single-family units on about 45 acres fronting Goodale Avenue and just below the existing residential homes along Farrington Highway.

Also encourage development of agricultural cluster projects (farm lots with clustered homes) makai of Farrington Highway and west of the “infill residential” area. Along with these would go a new connector road from the northern part of Goodale Avenue bending west to Farrington Highway – through the expanded light industrial area – to keep agricultural and industrial support traffic away from the Town Center.
- Long term (20 years or more), encourage development of rural residential communities – with a housing density ranging from four to eight units per acre – on lands both north and south of the industrial-zoned area, including the current Old Mill Camp.

- Also long term, encourage mixed-use rural-residential development along with a 75-to 100-unit lodge on lands makai of Waialua Beach Road extending to Kaiaka Point. The first step should be to establish a stream greenbelt and ocean shoreline public access.

- To lead visitors to the Town Center, place landscaped “Gateway” features at the top and bottom of Goodale Avenue (intersections with Farrington and Waialua Beach Road).

Figure ES-2. Integrated Waialua Area Concept
**Next Steps in Community Planning**

This plan provides a framework and jumping-off point for the community as it:

1. Works with landowners, who are not necessarily bound by these concepts, and could make different proposals for the Town Center and surrounding Waialua lands.

2. Initiates projects that the City and State government, Federal agencies, and public or private institutions could potentially support, either through program funding, targeted grants or other initiatives. These could include public roadway improvements, public space landscaping and beautification, community signage and gateway entrances, civic buildings, institutional facilities, and business training and employment programs. Some of these ideas are advancing today in Waialua.

3. Considers specific ideas for economic development that are listed in this report but could not all be analyzed and/or included in this plan without evidence that landowners or investors would act to “champion” them. Now that Dole/Castle & Cooke is actively looking at Waialua, and thus more open to long-term land use decisions, the community is in a much better position to explore the feasibility of some of these ideas.
1.0 INTRODUCTION
1.0 Introduction

1.1 Purpose

Residents of Waialua, on the North Shore of O‘ahu, Hawai‘i recognize their unique setting and history. Together with their consultants, they seek to identify future possibilities for their Town. This Master Plan is the culmination of their efforts in identifying economic possibilities for a desirable future, and possible implementation measures. The plans and implementation measures are intended to be used as a guide for residents, City and County officials, landowners and developers as future physical and economic development activities that may take place over the next twenty years.

The preparation of this Master Plan stems from the Waialua community’s desire to reverse the economic and physical decline of their community since the closure of the Waialua Sugar Company, Inc. There has been very little reinvestment in new business and employment growth in Waialua since the 1996 plantation closure. Community leaders have sought assistance from all levels of government and the major landowners in creating a plan of action to grow the commercial and economic base of Waialua.

Economic revitalization of Waialua is a priority objective in the Waialua Town Master Plan, which intends to create a framework and direction for future initiatives in Waialua by both the public and private sectors. This Master Plan should provide direction to stimulate the future revitalization and physical redevelopment of Waialua’s town center and surrounding areas, and attract more people, business and jobs to live and work in Waialua.

Several major questions to be answered in this effort include: What types of economic activity can grow in Waialua? Where should growth be located, and what form should it take? How will this growth be integrated with the existing community? The community has suggested revitalization opportunities through a number of different potential ideas, including commercial and industrial facilities, diversified agriculture and support activities, residential community growth, creation of new institutions and public facilities; visitor industry opportunities, support infrastructure and beautification of public areas.

The key to building this plan is the identification of the community’s preferred direction and priorities for change and growth. To accomplish the Master Plan objectives, a collaborative community-based planning approach was designed with the City Department of Planning and Permitting. The plan called for working together in small groups and the larger community to address these difficult issues.

Two significant studies have been completed that provide background information for this plan. The Stage 1 Background Report (Group 70 International, Inc. - Appendix A) documents existing conditions including land uses, land ownership, environmental conditions, infrastructure and economic characteristics. The Economic Base and Market Feasibility Analysis Report (John M Knox & Associates, Inc. - Appendix B) characterizes the existing economic and market opportunities and constraints and identifies potential economic
development drivers. This summary report builds upon these supporting documents to addresses future planning scenarios for the Waialua community.

1.2 Planning Documents and Regulations

This Master Plan is a guide for the future development of Waialua, and represents the most recent, most relevant and most detailed of the town planning efforts addressing Waialua to date. Although this Master Plan has no regulatory authority, the vision, goals and plans presented here should be the first guide for physical and economic revitalization within the area. The Plan is linked to the City and County of Honolulu’s planning system, as an extension of the general planning objectives and policies for the island and North Shore, bringing specific land uses and actions for the Waialua community.

Additional State and City planning documents and regulations pertain to Waialua Town, and should be consulted in conjunction with this Master Plan for future development and revitalization activities. These include the elements of law included in the Hawai‘i State Plan, the O‘ahu General Plan, the Land Use Ordinance (Honolulu’s land use and zoning ordinance), and the North Shore Sustainable Communities Plan (NSSCP-2000). Several other regional planning efforts completed in the 1990’s addressed future planning for the Waialua area, including Waialua 2015 and the Central O‘ahu/North Shore Master Plan (1992).

Waialua’s growth will be consistent with the broad policies and directives established by the NSSCP. Importantly, this Master Plan creates a specific plan for the Waialua area to expand upon the broad objectives summarized in the NSSCP. The Master Plan seeks improvement for this community at a detailed site-specific level.

Further detailed planning and project development activities are needed. In addition, these site-specific studies should consult the existing detailed regulations addressing implementation. This report should be used as a guide to the redevelopment of Waialua and the evaluation of future project proposals for the project area.

1.3 Location and Project Study Area

The town of Waialua is located on O‘ahu’s North Shore, approximately 32 miles from downtown Honolulu. The North Shore is rural. It features vast expanses of large agricultural lands, scenic coastlines and dramatic mountain backdrops. This region, which extends from Waimea Bay to Kaena Point is known as the Waialua moku. The town of Waialua lies within the ahupua’a of Kamananui. This agricultural area was the social and economic center for the former Waialua Sugar Mill and Plantation. A location and vicinity map is shown in Figure 1-1.

The Master Plan addresses two planning study areas, including the “Town Center” Study Area and the Area Wide Plan. Figure 1-2 shows the two study areas. The Town Center study area consists of the lands and facilities centered at the existing Waialua Shopping Center, including the former Waialua Sugar Company, Inc. headquarters, and the former Waialua Sugar mill site. The Area-Wide Plan study area addresses lands surrounding the Waialua Town core, extending
to the ocean shoreline to the north, Kii Kii Stream to the east, Farrington Highway to the south, and the former Mill Camp and Puuiki Street to the west.

The two study areas were defined with the community and City planners to determine the limits of the central commercial and community activity area. This is based on the historical town center that focused around the Waialua Sugar mill site and the plantation support services. Surrounding lands for the Area-Wide Plan are bounded by natural features such as the ocean and stream lowlands, along with Farrington Highway to the south and open agricultural fields in the direction of Kaena Point. The latter two boundaries coincide with the Rural Community Boundary defined by the NSSCP.
WAIALUA TOWN MASTER PLAN
Waialua, O'ahu, Hawai'i

Figure 1-1: Location and Vicinity Map

Source: USGS Quadrangle Map, Waialua, O'ahu, Hawai'i (1983)
Figure 1-2. Aerial Photo of Waialua

Figure 1-3. Enlargement of Waialua Town Center Area
1.4 Planning Process

The community of Waialua requested a Master Plan for the economic and physical revitalization of the town. The City and County of Honolulu Department of Planning and Permitting (DPP) contracted with Group 70 International, Inc. to facilitate discussion, and the generation and evaluations of ideas, and to prepare this Master Plan.

The development of this Master Plan was initiated in 2002, following a scope of study defined by the DPP and community representatives. The consultants followed a series of steps in the planning process, as follows:

- Reviewed existing planning studies and government reports to develop a full understanding of the background conditions and trends.
- Conducted site visits and interviews to further develop an inventory of baseline conditions, including local economic conditions and preferences.
- Prepared a Stage I Baseline Conditions report to document the background findings.
- Conducted multiple levels of direct community input, including planning workshops for organized brainstorming of ideas.
- Prepared an economic study to address existing and potential market sectors for Waialua.
- Evaluated potential opportunities for and constraints to expanding the presence of various market sectors (e.g. agriculture, retail, light industry, visitor, etc.) in Waialua Town and the surrounding area.
- Developed physical planning concepts and alternatives to address the site and facility requirements to take action to expand desired markets in Waialua Town and the surrounding area.
- Prepared a Final Master Plan Report to summarize the process findings and recommendations.

The Waialua Town Master Plan Task Force (“Core Group”) was created to provide input and to guide the process from the community’s perspective. The Core Group was comprised of approximately 25 community members, including State and City elected officials, and staff.

A total of 14 Core Group meetings and Community Workshop sessions were held between March 2002 and May 2004. The Core Group met periodically to provide detailed input and review work products. A series of Community Workshops were held to solicit input on the broader communities’ ideas and vision as well as to respond to the resultant plans and strategies.

The Master Plan presented in this document is a result of a community-based planning process. However, this is just one step on the journey to achieve the vision and goals to revitalize Waialua Town. Stakeholders from the community, businesses, landowners, and government will need to work together, using this Plan, to guide future development of Waialua.
1.5 Vision for Waialua

The vision for Waialua’s future has been expressed by both the community residents and by the regional plan participants. Summary statements developed in prior planning processes provide overall guidance for the planning of the economic and physical revitalization of Waialua Town and the surrounding area.

North Shore Sustainable Communities Plan. The regional plan completed by the City and County of Honolulu Department of Planning and Permitting in 2000 -- the North Shore Sustainable Communities Plan – includes a vision statement that applies to the Waialua area and its immediate context. Relevant portions of the vision statement (Section 2) include:

“...retaining the unique qualities that have defined the region’s attractiveness to residents and visitors alike; scenic open spaces, coastal resources, and the community’s cultural and plantation heritage.”
“Diversified agriculture...will play a key role in sustaining the region’s open space setting. Haleiwa and Waialua remain the North Shore’s principal commercial and civic centers while retaining their historic and “country town” character.”
“The region will remain “country”, with wide open space, vistas and rural communities. Growth will be limited to Haleiwa and Waialua.”

The application of this regional planning vision to Waialua’s future is clear, and can be summarized as: (1) agriculture will remain very important in the Waialua area, particularly as green open space; (2) a country rural community setting should exist at Waialua with respect for it’s plantation heritage; (3) Waialua should be a North Shore commercial/civic center, with some limited growth.

Waialua Town Master Plan Task Force (1998). The second vision statement that is applicable to this Master Plan process was created by the Waialua Town Master Plan Task Force in 1998. The community’s vision is intended to guide the specific area addressed in this Master Plan for Waialua Town.

“Waialua will be a more self-sufficient and viable country town that has preserved its natural, cultural and historic heritage while striving for a sustainable future with ample employment and housing, educational and recreational opportunities for generations to come.”

In consideration of the current Master Plan process, Waialua’s residents state clearly in their 1998 vision statement that their town should: (1) be a country style town that reflects its setting and past history; (2) provide ample opportunities to live, work and play in Waialua. The community’s vision for self-sufficiency, viability and sustainability can only be achieved by taking steps to appropriately change some land uses in an effort to improve economic conditions.
1.6 Goals for Waialua

Waialua residents have expressed a number of goals to achieve in improving their future. The goals are derived, in part, from prior regional and community planning efforts. Goals are generalized in the preceding two vision statements. The specific goals listed below reflect specific categories of actions and desired outcomes to seek in the Master Plan and its implementation.

1) Retain the existing rural, country-town community character as Waialua is revitalized and grows.

2) Improve the local economy with additional long-term jobs in the important existing economic sectors of agriculture, light industry, retail, and education.

3) Add visitor attractions and services to enhance spending in Waialua, while adding recreational employment opportunities and activities.

4) Experience limited residential growth in order to add retail and employment demand.

5) Through growth in these sectors, create an environment where residents have the opportunity to live, work and play in Waialua.

6) Growth in the Waialua community should occur in a manner consistent with the 2000 North Shore Sustainable Communities Plan.
2.0 ECONOMIC REVITALIZATION OF WAIALUA
2.0 Economic Revitalization of Waialua

Economic revitalization was a primary reason for the preparation of this Master Plan. Improvement to the economic conditions was not the only objective for Waialua, because “revitalization” also includes social and aesthetic considerations. Nonetheless, Waialua’s economy must be improved as a basis for success in these other areas.

2.1 Introduction

For almost a century, Waialua played a major role in Hawai‘i’s sugar industry. The town’s society and economy revolved around sugar. The towering stack of Waialua Sugar Company, Inc.’s mill, the plantation worker camps, and surrounding productive agricultural lands were defining features of Waialua. The town’s commercial center, situated near the intersection of Goodale Avenue and Kealohanie Street, was fueled by the growth of the plantation workforce and the disposable income provided by plantation jobs.

Throughout the latter part of the 20th Century, however, falling global sugar prices and increased competition from sugar substitutes forced Hawai‘i sugar companies to consider closing operations or moving overseas. Waialua Sugar Company, Inc. closed in 1996, with harmful effects on employment, income, local businesses, and the physical condition (appearance and maintenance) of commercial facilities, private residences, area roadways, and fallow land.

Waialua currently experiences lower incomes, higher unemployment and fewer residents employed in management and professional jobs as compared to the rest of the state. The population of Waialua actually declined between 1990 and 2000 as the rest of the North Shore experienced population and employment growth. There are currently limited educational and professional opportunities for the entire workforce.

The challenge facing Waialua, along with many other rural Hawai‘i communities, is to define an economic role for itself now that the era of sugar has passed. This requires the utilization of the competitive advantages of Waialua relative to other communities, targeting specific growth industries, and identifying appropriate investments and interventions to encourage business and industry development.

2.2 Community Economic Priorities

Residents’ priorities, identified through the planning process, will guide the economic development planning. They include:

1) Revitalizing the town’s commercial core;
2) Creating good jobs in or around Waialua for the Town’s residents;
3) Preserving the rural, small town character of Waialua;
4) Creating opportunities for Waialua youth;
5) Ensuring Waialua does not “fall off the map” due to population and economic decline;
6) Improving the social welfare of Waialua residents.
2.3 Economic Sectors

No single solution will, by itself, be able to transform or revitalize Waialua and its Town Center. This master planning process, however, did uncover several different economic development activities or focus areas that, when combined with physical land planning provisions and determined leadership, can help to achieve the vision and goals desired. The economic activities reviewed – based on resident priorities and Waialua’s competitive advantages – were agriculture, light industry, retail, home building, visitor/recreational services, and education.

2.3.1 Agriculture

Issues: The plantation closure resulted in a large number of unemployed Waialua residents with an agricultural background. Agriculture has historical significance for the town’s residents, and there was much discussion in Core Group meetings about its future potential. A revitalized agricultural industry would promote growth consistent with the goal of maintaining Waialua’s rural character and open space.

Agricultural businesses continue to employ some people in and around Waialua. The industry in its present form is comprised mostly of small farms (81% have fewer than 50 acres), with a few larger, corporate farms (e.g., Pioneer Hi-Bred International). Most of the land for agricultural production is owned by Dole Food Company and is being leased to truck farmers growing a variety of crops. Key constraints include Dole’s past reluctance to provide fixed, long-term leases (though the Company has recently stated a willingness to reconsider that policy); contaminated irrigation water from Lake Wilson, limiting types of crops that can be raised (due to the treated sewage effluent discharge to lake waters); and lack of adequate business expertise, and coordination among some of the small farmers.

Possible Response: To promote and accommodate agricultural businesses, the following programs can be pursued:

a) Target high-market-potential crops such as Cavendish Bananas; Papaya; Floriculture & Nursery; Seed Crops/Ag Research; Tropical Specialty Fruit; Tomatoes; Green Peppers; Snap Beans; Cantaloupe Melon; Honeydew Melon; Dry Onion; and Pineapple
b) Organize local and visiting independent producers to better coordinate production, marketing, and distribution of locally grown products
c) Provide Agri-business entrepreneur training and support programs
d) Designate and preserve prime agricultural lands for this area of the North Shore
e) Work with appropriate government agencies and businesses to solve irrigation and water quality concerns (i.e. ditch water from Lake Wilson)
2.3.2 Light Industry

**Issues:** There is a statewide demand for light industrial uses in rural areas. The former Mill site – which represents Waialua’s historical and symbolic heart – is the only significant industrial zoned area on the North Shore. The existing 12-acre facility currently houses about 30 industrial tenants participating in local services including agricultural businesses, aquatic sports manufacturing, auto repair, and industrial shops. There appears to be particular growing demand for ocean sports equipment (kayaks, surfboards, etc.) that can be met on the North Shore only at this location. Residents also have expressed hope that agricultural processing activities at the Mill could support farms in the Waialua area, although the economic analysis for this plan suggests that is likely only on a long-term basis if at all.

However, the existing I-2 zoning could also permit many retail uses (if accessory to the industrial use). Even greater retail uses would be possible if “mixed-use” (IMX) zoning were obtained. This means that parts of the Mill site facing the town core could theoretically be developed as stores or restaurants, if consistent with other activities at the Mill.

**Possible Response:** Additional vacant square footage and undeveloped acreage is available for more industrial businesses. Waialua will not likely become an industrial town, nor is there a community desire to do so. However, the following programs can be pursued to increase occupancy and employment in the industrial area while maintaining the town’s character.

a) Maintain and enhance existing industrial zoned lands  
b) Expand range and type of light industrial businesses through marketing, promotions and incentive programs  
c) Maintain and improve infrastructure including roads, sewer, water, electric, and communications to support light industrial businesses  
d) Encourage the landowner to explore the feasibility of, and do appropriate site planning for, commercial and retail uses permitted under current zoning that could front the town core  
e) Consider IMX zoning options for integrating additional types of commercial uses

2.3.3 Retail

**Issues:** In community meetings and interviews for this project, as well as in past planning efforts, revitalization of the commercial core emerged as a high resident priority. The current shopping center has had a difficult time retaining lessees who provide amenities of the sort desired by many community residents – e.g., restaurants and basic retail activities – and the physical condition of the center needs improvements that cannot be justified without the assurance of attracting such businesses.

Households in Waialua and neighboring Mokulē‘ia exhibit substantial purchasing power. However, much of their shopping is done outside of the area. Economic analysis for this project found that more than $27 million is spent outside the area each year (vs. about $8 million in the area). It estimated that nearly $7 million of the $27 million “leakage” could be recaptured if there were enough improvements to existing commercial space to attract more
grocery/convenience stores, restaurants, etc. However, some additional population growth would be required to capture more spending and/or to assure doubtful businessmen that the community will give them a return on the needed investment.

**Possible Response:** The following programs can be pursued to recapture local purchasing power and reinvigorate the local economy:

a) Allow for some increased residential development surrounding town center to further support local businesses
b) Recapture part of the $27 million being spent by Waialua residents outside of the community through improvements to the existing commercial center and/or additional commercial activities in the light industrial area
c) Improve the shopping experience through building, landscaping and hardscaping renovation, improvements and maintenance
d) Offer education and training for retail entrepreneurs
e) Improve visibility of and access to the commercial core from major thoroughfares

### 2.3.4 Residential Development

**Issues:** Residential development was not of interest to community residents as an economic “growth industry” per se, although housing projects do provide temporary construction jobs. There is in fact some community concern that too much development could destroy the country town atmosphere that many people value greatly.

However, many residents acknowledge the need for limited residential development as additional support for retail/service businesses; providing affordable housing for existing residents and workforce housing for an increased population base; and as a way of revitalizing what was lost with the close of the Sugar Mill. The economic analysis for this project concluded that a minimum of 300 new Waialua-area homes would be needed to support significant retail expansion (above and beyond the existing potential to recapture some spending). Smaller numbers would not generate enough local-area expenditures to support new businesses.

**Possible Response:** As with each economic activity, residential development needs to acknowledge Waialua’s character and history. Programs to achieve this can include:

a) Maintain sufficient zoning to accommodate an increase of 300-500 dwelling units (several projects over a decade or more), to help revitalize the retail/service industry
b) Support the development of a range of housing types, with a first priority towards “community infill” homes, with the eventual inclusion of some moderate and higher cost residences.”
c) Establish a housing mix for both Waialua residents and those who will be attracted by the new business opportunities, the staffing requirements of new businesses, and a more attractive countryside and Town Center.
d) Integrate green spaces, landscaping, and buffers to ensure high quality of life
e) Establish rural residential character (5 to 8 units per acre) with rural subdivision standards (grassed shoulders, overhead utilities, etc.)

f) Possible use of agricultural cluster development as a residential housing option, with direct relationship to the farming operations

2.3.5 Visitor/Recreation Industries

Issues: The visitor industry is Hawai‘i’s most important and well-defined sector. While larger scale resorts and attractions are present in more populated areas throughout Hawai‘i, Waialua residents seem cautiously interested only in smaller-scale tourism activities. The economic analysis for the project suggests that many such small-scale tourism activities either provide very few jobs or else have a high chance of failure.

Moreover, Waialua’s out-of-the-way location increases the economic risk of small-scale tourism – unless carefully coordinated and integrated into an overall development concept involving numerous small outdoor commercial recreation activities, stores and accommodations connected through design themes, and probably involving sale of ranch lots (outside the study area) to enhance economic return to the landowner. This is a possible development scenario, but one that requires whole-hearted community support for a transformation of existing community atmosphere. It is not clear that Waialua has that level of widespread enthusiasm for such a major transformation.

Possible Response: A more limited – if still economically uncertain – approach could involve:

a) Promote Waialua attractions through signage and other advertisements, in coordination with willing visitor-oriented businesses in Wahiawa (e.g., Dole Plantation), Hale‘iwa, Kualoa, and Mokule‘ia/Kaena

b) Provide land and allow mixed use development to accommodate modest community-oriented visitor and recreational facilities, without new Resort zoning.

c) Explore the economic feasibility of a community-compatible small lodge or inn facility, granted by special permit without new Resort zoning

d) Provide for outdoor recreational opportunities such as shoreline access ways and parks to attract both outside O‘ahu residents as well as visitors.

2.3.6 Education

Issues: Education is the largest current employer among Waialua’s industries. However, Waialua’s education “industry” does not currently bring much outside money into the community, because it primarily consists of public education of area children. It is dominated by Waialua High & Intermediate School – the community’s single largest job provider.

In addition to being a large part of the Waialua employment base, education was considered an important sector because there was strong resident interest in new education programs and facilities that would support local entrepreneurs and economic development efforts. A proposed education and training center – focusing on technology, entrepreneurship, and agricultural science – is currently being planned by a Waialua community task force (the E³
group), with participation from the Department of Education and the Leeward Community College. This could attract at least some people from outside the immediate Waialua area, but the economic analysis concluded that educational expansion would probably help support other types of economic growth rather than being an “engine” of its own.

Possible Response: Programs to achieve additional education opportunities include:

a) Seek funding for scholarships, training, and vouchers
b) Identify specific sites for educational facilities

2.4 Conclusion

These economic development considerations represent long-term programs to achieve a revitalized town with enhanced retail, industrial, educational and residential opportunities. There is no sure-fire “silver bullet” for economic change in Waialua, no single sector or project which appears to be a sure bet for transforming and revitalizing the town. That does not mean it is impossible for such a single-factor transformation to take place, driven by a particular project and/or a visionary leader. However, it seems more likely that several small economic development steps will build momentum towards a revitalized town. The Master Plan Concepts for the Town Center and Waialua Area presented in the next sections provide the physical land use structure to accommodate these new activities and programs.
3.0 MASTER PLANS
3.0 Master Plans

3.1 Introduction

The preceding economic analysis indicates multiple needs for improvement to Waialua’s economy and an assessment of potential responses or solutions. Responses are based on the proposals for actions to take in strengthening and expanding of each sector of Waialua’s economy. The Master Plan expresses these proposals in land use and facility proposals for both the Town Center and the Waialua Area. This section presents a summary of these proposals and introduces the planning study areas. The resulting physical plan concepts are presented in the following Sections 4 and 5.

3.2 Proposals to Revitalize the Economy

The economic study directs the Master Plan to develop specific proposals to grow and diversify Waialua’s economy, which are centered around the six identified market or business sectors. The following table presents issues and opportunities that exist relating to these market sectors, along with possible Master Plan proposals to be pursued in the Town Center and Waialua Area.

Table 3-1. Proposals to Revitalize the Economy

<table>
<thead>
<tr>
<th>Economic Sector</th>
<th>Issues &amp; Opportunities for Sector Improvement</th>
<th>Possible Master Plan Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Create long-term leases and housing options to support farm families</td>
<td>Improved land availability/terms for farm leases &amp; related housing</td>
</tr>
<tr>
<td></td>
<td>Grow high-value crops, expand agribusiness knowledge &amp; coordination</td>
<td>Develop new facility &amp; programs for Ag. Research &amp; Business</td>
</tr>
<tr>
<td></td>
<td>Preserve prime agricultural lands in the area around Waialua</td>
<td>Respect the Rural Community Boundary in NSSCP</td>
</tr>
<tr>
<td></td>
<td>Improve irrigation water quality, poor due to Lake Wilson effluent disposal, reduce downstream flooding</td>
<td>Support Lake Wilson clean-up and delivery of cheap irrigation water, and control flows from Lake Wilson</td>
</tr>
<tr>
<td>Light Industry</td>
<td>Statewide demand for light industrial uses in rural areas</td>
<td>Improve/expand Industrial area – only major NS site zoned Industrial</td>
</tr>
<tr>
<td></td>
<td>Potential for other retail uses, mixed use components</td>
<td>Consider IMX zoning for commercial front on Town Ctr, and Country Store.</td>
</tr>
<tr>
<td></td>
<td>Infrastructure is needed to support new businesses</td>
<td>Install infrastructure to support: road, water, sewer, electric, communications</td>
</tr>
<tr>
<td>Retail</td>
<td>Poor physical condition of shopping center property and facilities</td>
<td>Redevelop shopping center to encourage new business growth</td>
</tr>
<tr>
<td></td>
<td>Current “leakage” of $27 million spent outside the Waialua community</td>
<td>Recapture some local spending by improvements and new offerings</td>
</tr>
<tr>
<td></td>
<td>Limited community spending power fails to attract new retail &amp; services</td>
<td>Add residential development for added support to local business</td>
</tr>
<tr>
<td></td>
<td>Bad retail visibility, low aesthetics create a poor shopping experience</td>
<td>Beautify, create new Town Square community gateways, landscaping</td>
</tr>
<tr>
<td>Economic Sector</td>
<td>Issues &amp; Opportunities for Sector Improvement</td>
<td>Possible Master Plan Proposals</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Residential</td>
<td>Need residential development as support for retail/service businesses</td>
<td>Zone/add 300-500 new homes to support retail/service industry</td>
</tr>
<tr>
<td></td>
<td>Need for a range of residential housing options in Waialua</td>
<td>Add affordable, moderate and high end homes, possible agric. clusters</td>
</tr>
<tr>
<td></td>
<td>Over-development could destroy the area’s country-town atmosphere</td>
<td>Rural residential character through rural development and subdivision standards</td>
</tr>
<tr>
<td>Visitor</td>
<td>Currently there are no visitor-oriented uses or activities in Waialua</td>
<td>Promote Waialua attraction, signs, advertisements &amp; NS coordination</td>
</tr>
<tr>
<td></td>
<td>Residents interested only in smaller-scale tourism activities</td>
<td>Explore feasibility of appropriate mixed-use lodge project &amp; town attractions</td>
</tr>
<tr>
<td></td>
<td>Small-scale tourism activities provide few jobs and have a high failure rate</td>
<td>Outdoor, low investment recreational opportunities may succeed</td>
</tr>
<tr>
<td>Education</td>
<td>Education “industry” does not currently bring much outside money</td>
<td>Educational expansion can help support other economic growth</td>
</tr>
<tr>
<td></td>
<td>Potential for new private school(s) and other education/training academies</td>
<td>Support new private school project (outside project area) and other education and training activities</td>
</tr>
<tr>
<td></td>
<td>Limited education level in community hampers economic sustainability</td>
<td>Link adult education to Waialua’s higher potential growth sectors</td>
</tr>
</tbody>
</table>

The above-listed issues, opportunities and proposals for each sector are taken as the summary “planning program” from which the future Master Plan land use concepts were created. Some proposals involve government policies and programs, and do not relate directly to lands or facilities. Several of the Master Plan proposals summarized above are directed toward State and County government, where public sector projects and initiatives can stimulate change for Waialua’s community. Most of the land and development proposals will require the cooperation and participation of major private landowners, primarily Dole Food Corporation Hawai‘i, Inc., Gilman Trust and Bonsall Trust.

These ideas and proposals originated from the collaborative efforts of the general community, the Core Group (several Waialua residents and other active participants), City planners, and the consultants. Individually, none of these proposals are able to stimulate community economic revitalization. Rather, some combination of these proposals should be sought to grow Waialua’s economy. This approach also leaves room for new opportunities in the future, which could bring additional viable proposals within these or other sectors. A wide range of individual community ideas for economic growth and future implementation were proposed, including ideas like a technology center to community college to an aquaculture park. A comprehensive list of these community ideas stemming from the public meetings is enclosed in Section 6.
3.3 Proposals for Planning Concepts: Town Center and Area Plans

Application of the currently identified revitalization proposals are presented in land use concept plans addressed at two different levels in Waialua – the Town Center and the surrounding Waialua area. There are specific reasons for this distinction, in that the planning perspectives, objectives and study scales vary greatly. One is intimately related to the other, in that the proposals for the surrounding area will directly affect proposals for the Town Center.

**Town Center Plan.** The reason for study at the Town Center level is to address the core commercial center needs and its proposals as a compact urban design study of this unique country town center. The future revitalization of Waialua Town is dependent upon both physical improvements to the town center and supporting economic drivers to bring more people and greater spending to Waialua. Specific private and public initiatives are proposed for the Town Center. The Town Center plan also has critical inter-relationships with the area-wide plan.

Proposals to be explored for the Town Center Plan address improvements to the existing facilities of the shopping center, the nearby elements of the former sugar mill, and adjoining commercial properties. The Plan will also address necessary improvements to public facilities of the Town Center, including roadways, parks and signage.

**Waialua Area Plan.** This Master Plan looks to the lands surrounding Waialua Town as offering the greatest potential to bring controlled growth and greater prosperity to the community. Much of the land surrounding Waialua Town stands empty as vacant former plantation lands. The Area Plan addresses the manner in which these vacant lands can be utilized to complement the existing country town, bring new jobs and spending to the community, and retain the rural country atmosphere. Private land development is limited largely to locations within the Rural Community Boundary, established under the North Shore Sustainable Communities Plan. The Waialua Area Plan will consider land uses for agriculture and agricultural support, light industrial expansion, residential uses, and visitor and recreation. The Plan identifies support facilities, such as public roadways, and other infrastructure that will be necessary for growth in the Waialua area.

3.4 Intended Economic Results of Master Plan

Sections 4 and 5 present individual proposals as expressed in planning concepts and alternatives for land uses and facilities at the Town Center and Waialua Area levels. The plans presented for Waialua represent potential application of specific economic proposals at pre-defined locations and development types.

Essential to the strategy proposed in this Master Plan is the critical interrelationship of the broader Waialua area to the Town Center. The proposals for growth of new uses in the Waialua Area Plan are intended to directly stimulate markets and potentials for revitalization of the Town Center. Actions proposed for the Town Center will allow business to locate and expand to serve a greater local market, at a scale that is consistent with a rural county-town center. Implemented over time and in many small steps, these two inter-related plans are intended to facilitate the future growth and diversification of Waialua's economy.
4.0 TOWN CENTER PLAN
4.0 Town Center Plan

4.1 Location and Project Area

The Town Center of Waialua is located at the former center of the Waialua Sugar Company, Inc. plantation, at the intersection of Goodale Avenue and Kealohanui Street. Figure 4-1 presents the location of the Town Center in relation to the surrounding Waialua community. On the following page, Figures 4-2 and 4-3 show an aerial view (2000) and existing plan view of the Town Center, its roadways and major buildings.

The Town Center includes the existing Waialua Shopping Center buildings, portions of the former sugar mill, Waialua Public Library, the community park and new Waialua Bandstand, older commercial and residential buildings along Kealohanui Street, and the former Waialua Sugar Company Headquarters structure.

Figure 4-1. Town Center Location Map (source: USGS Quad)
Figure 4-2. Aerial View (2000) of Waialua Town Center

Figure 4-3. Existing Conditions & Facilities - Waialua Town Center
**Town Center Study Area.** For the purposes of the Master Plan, the boundaries of the Town Center and immediate surrounding uses and facilities are defined as follows:

- At the western end of the Town Center lies the former sugar mill structures, which has been converted to other light industrial uses and the new Waialua Community Kitchen.
- To the north lies the Waialua District Park including gymnasium, swimming pool, play courts, baseball field, and the Waialua Elementary School.
- To the east are lowlands beyond the former headquarters building, including flood-prone areas that are currently being cultivated for cacao plant (chocolate bean).
- Adjoining the Town Center to the south are residential zoned lands which are developed with homes, extending beyond Nauahi Street along Goodale Avenue and Haona Street.

**Land Ownership.** Major landowners of lands in the Town Center include Gilman Trust, owners of approximately seven acres of commercial zoned land at the shopping center, and the sugar mill and former headquarters owned by Dole Food Company Hawai‘i, Inc.

### 4.2 Vision and Goals for Waialua Town Center

A principal purpose of the Master Plan is to create direction and guidance for the economic revitalization of Waialua. Community participants in this planning process agreed that the Town Center should be the focal point for the Waialua community, as it was during the plantation days.

The place of emphasis for a revived Waialua economy will be at the Town Center. Elements of proposed growth and change throughout Waialua are largely directed at building a market and to drive the growth and revitalization of the Town Center. The community's vision for Waialua's Town Center was expressed through workshop sessions and follow-up input. This vision can be summarized in six essential elements of the vision, as follows:

1. Local residents enjoy employment opportunities, basic services and community activities at the Town Center,
2. There is a vibrant "country-town" shopping center, with a basic retail shops and commercial services,
3. The Town Center has civic functions, including a library, fire station, community center, and a lively public park and Bandstand.
4. The former sugar mill site and sugar headquarters buildings provide a visual link the Town Center with Waialua's agricultural past.
5. The plantation history of Waialua is reflected in the architectural character of buildings and landscaping.
6. The Town Center is beautiful with ample landscaping and central roadways that function efficiently.

To further direct the compilation of this Master Plan, the community's vision is translated into the following general goals for future revitalization of the Town Center. Attached to each Goal are Master Plan components that must be targeted for actions to implement.
Goal 1: Create and expand opportunities for small-scale community businesses to locate and grow at the Town Center.

Revitalization Components:
- Entire Shopping Center, former sugar mill site, former Plantation HQ building, adjacent commercial buildings and lands

Goal 2: Improve the shopping center facilities and provide basic community services in a low-key, rural atmosphere.

Revitalization Components:
- Entire Shopping Center renovated or redeveloped

Goal 3: Retain the country character and plantation agricultural history of the Town Center.

Revitalization Components:
- Historical plantation architectural theme, former Sugar Mill, former Plantation HQ building, new Agricultural Research center and new Fire Station

Goal 4: Expand and promote activities with emphasis on local residents, but also those that attract island-wide small businesses and visitors.

Revitalization Components:
- Expanded Farmer's Market, Beautification of Town Center, Bandstand and Village Green activities, Waialua Gateways linkage, Shopping Center activities, and agri-business at the former sugar mill site
4.3 Existing Conditions

The existing Town Center of Waialua consists of a shopping center and older buildings off Goodale Avenue and Kealohanui Street, a small community park adjacent to the old sugar mill. Large Chinese Banyan and Monkeypod trees are prominent character elements of the Town Center. Road conditions are fair to poor and, except for trees, landscaping is minimal. Vehicle parking is generally disorganized, with many unpaved parking areas. Goodale Avenue is misaligned at the Kealohanui Street intersection, causing an awkward left-right movement.

The buildings were mostly built between 1930 and 1975, and are generally in fair to poor condition. The architectural character is mixed with some older buildings associated with the former plantation reflecting Waialua's rich agricultural history. Most of the newer buildings have a standard commercial facility design. Refer to Figures 4-4 and 4-5.

Figure 4-4. (clockwise from upper left) Waialua Public Library, New Waialua Bandstand, Former Waialua Sugar Mill Facilities, Former Waialua Sugar Company, Inc. Headquarters Building
Existing Design Character of the Town Center. The images presented in Figures 4-4 and 4-5 demonstrate the current physical conditions of the Town Center. Of the major existing structures in the Town Center, the Waialua Public Library, the former Waialua Sugar Company, Inc. Headquarters, and the former plantation homes along Kealohanui Street all exhibit a plantation design character which is reminiscent of Waialua’s agricultural past. The design of most of the newer buildings are absent of any connection to historic plantation character. These buildings include Waialua Shopping Center structures, with its on-site stand-alone buildings Aloha Petroleum and the former Bank of Hawai’i. The Sugar Bar (former bank) on Kealohanui Street is an good example of 20th Century country adaptation. The new Waialua Bandstand is an example of a new facility which reflects the plantation heritage. The major agricultural buildings at the far ends of the Town Center are not emphasized or linked to the existing commercial center.

Figure 4-5. (clockwise from upper left) Waialua Shopping Center/Goodale Ave. Entrance, Center Tenant Directory, Kealohanui St. (westbound), Center Storefront & Parking
4.4 Town Center Plan Components

The Master Plan for the Town Center addresses the vision and goals, converting the general economic revitalization proposals into plan components. New economic development measures include specific land use changes, roadway realignment, and facilities renovation/redevelopment. The intent of the Town Center plan is to organize the old and new features into a functional country-town design, with a plantation architectural theme. Figure 4-6 presents the Town Center Master Plan.

The Town Center Plan includes major proposals for new land uses and facilities, and existing facilities improvements, including:

A. Waialua Shopping Center Improvements & Redevelopment
B. New Civic Buildings: Fire Station, Library, Community Center
C. Town Square Development and Goodale Avenue Relocation
D. Former Sugar Mill Light Industrial Area Improvements & Redevelopment
E. Former Sugar Mill Linkage with Town Center and Shopping Center
F. New Agricultural Research Center
G. Kealohanui Street Improvements and Integration
H. Farmer’s Market Expansion and Promotion
Summary descriptions of the various land use and facility improvement proposals are included in this section. These projects will integrate directly with the existing Town Center without displacing existing business uses or other significant activities. Major landowners include Gilman Trust, owners of approximately seven acres of commercial zoned land at the shopping center, and the former sugar mill site and headquarters owned by Dole Food Company Hawai‘i, Inc. The participation of both of these landowners will be critical to advancing each of these major proposals within the Town Center.

4.4.1 Land Uses and Facilities Improvements

A. Waialua Shopping Center Improvements & Redevelopment –
The existing Waialua Shopping Center could either be renovated or completely redeveloped to better serve the local community with retail and commercial services, and office space. With consumer market demand in the North Shore region anticipated to increase significantly above current levels, the shopping center revitalization is expected to capture a portion of the current spending "leakage" in retail sales. The shopping center renovation or redevelopment will attract new businesses and promote activity. Plantation themed architecture, ample landscaping and beautiful common areas are proposed to create an attractive rural country town atmosphere.

B. New Civic Buildings: New Fire Station, Public Library, and Community Center –
A new fire station is being proposed for Waialua, along with an expanded or new public library. Another important civic building will be a community center that would also house government services. Civic buildings can provide local residents with basic government services nearby. These facilities will also increase the number of local jobs and people working in and visiting the Town Center. Locations for these proposed facilities are identified on the Town Center Concept Plan. In general, these uses would further enhance the overall attractiveness of the Town Center, and help to focus community activities.

C. Town Square Development and Goodale Avenue Relocation –
A village green type of town square could be created around the existing community park adjacent to the Waialua Shopping Center. This proposal could be possible with the realignment of Goodale Avenue to the western end of the park, creating a one-way loop circulation pattern around the town square (pending future study of traffic flow). This could become the heart of the Waialua community, with the expansion and improvement of the existing Community Park and Bandstand. Additional features could include landscaping, pathways, sidewalks, lighting and street furniture. With realignment of Goodale Avenue, this area would become a true town square and serve as a gathering place for community residents, an attraction for visitors, and a natural site for small concerts and public gatherings.

D. Former Sugar Mill Light Industrial Area: Improvements & Redevelopment –
Dole Food Company Hawai‘i, Inc. has stated their intention to retain existing light industry business space at the former sugar mill site, and eventually expand their facilities and the range of tenants. This would be accomplished through a sequence of strategic facility and infrastructure improvements. To complement the Town Center plans, portions of the former sugar mill could be contemplated for allowable commercial uses to introduce retail and
commercial business under the existing Industrial (I-2) zoning. Allowed uses on I-2 lands include taverns, convenience stores, drive-through eating establishments, home improvement centers, neighborhood grocery stores, self-storage, among others. Some allowed uses may not be desired by the community, however, a range of compatible new retail and commercial uses could be located at the mill on about five acres adjacent to the Town Center. The change in mill uses could stimulate the pace of revitalization by adding new businesses that would compete with the existing Waialua Shopping Center. The Town Center Master Plan shows the development of several new facilities which could potentially house the expanded Farmer's Market (discussed further below).

It is also possible to consider rezoning this five-acre adjoining area from Industrial (I-2) to Industrial Mixed Use (IMX). This change would expand the range of allowable commercial uses, to include dance/music schools, medical clinics, office buildings, personal services, photography studios, real estate offices, retail establishments and travel agencies. Conditions on IMX uses could be imposed to limit the extent of allowable uses and avoid commercial activities that may detract from the small-town character (i.e. cabarets).

E. Linkage of the Former Sugar Mill with Town Core and Shopping Center –
Additional light industry and commercial businesses are proposed to be established at the former Sugar Mill. The presence of numerous small businesses at the former Sugar Mill will add further economic vitality to the Town Center. A natural linkage could be established with new retail/service businesses at the redeveloped shopping center. Landscaping and paving treatment between the sugar mill complex, town square and shopping center could provide a visual and physical axis that ties these major uses together. The integration of these major elements could provide a substantial collection of interest points, enterprises and activities, adding collectively to the strength to the overall Town Center concept.

F. New Agricultural Research Center -
The establishment of an agricultural research center in Waialua is a new initiative being led by Dole Food Company Hawai‘i. Dole is working with the University of Hawai‘i College of Tropical Agricultural Research and Human Resources (CTAHR) and local State legislators to locate a UH agricultural research center in Waialua. The planned location is a two-acre area adjacent to the town center on Dole lands makai of the sugar mill. This facility would capitalize on the extensive agricultural soils of the area, and the variety of crop types being grown. It may serve as both a research facility and an agricultural business incubator. The region is active with new diversified agriculture farming, and is an ideal location for testing and studying new potential crops and crop varieties.
4.4.2 Circulation

Several roadway improvements are proposed to adjust the vehicle travel pattern to aid the revitalization of the Town Center.

A. Relocation of Goodale Avenue
The City is currently planning to adjust the alignment and crosswalks to improve safety at the Goodale Avenue intersection at Kealohanui Street. The Master Plan proposes realignment of Goodale Avenue from its current alignment to create the new Town Square and a new one-way loop circulation pattern. Importantly, this action will solve the current haphazard traffic movement at the Community Park and Public Library.

B. Improvement and Integration of Kealohanui Street
Another critical roadway improvement proposal is the redevelopment of a vehicle/pedestrian lane along Kealohanui Street. This former main thoroughfare will be revitalized with two separate paved lanes, divided by the existing monkeypod trees, with a pedestrian pathway, and additional street trees and landscaping. Storefronts would be redeveloped to front along Kealohanui Street, and create a lively pedestrian main street atmosphere.
C. **Consolidated Off-street Parking**

Essential to eliminating the influence of excessive through traffic and parked vehicles, there will be new off-street parking created at the periphery of Waialua Town Center.

![Figure 4-8. Kealohanui Street Improvements](image)

*New street trees and landscaping along with a revitalized shopping center will enliven Kealohanui Street.*

### 4.4.3 Economic Development

A. **Expand and promote the Farmer’s Market to attract island-wide farmers and consumers** -

The Waialua Farmer’s Market could be expanded to a much larger facility at the edge of the Town Square on the edge of the former sugar mill site. The Farmer’s Market would be active both Saturdays and Sundays to encourage weekend traffic and visitors to Waialua Town. An increase in physical space and extensive promotional activities would draw additional vendors and transform the Farmer’s Market into an island-wide attraction. The success of this proposal would have a very positive effect on the small farmers in the Waialua area. Furthermore, the Farmer’s Market could lead to larger successes for Waialua farm products and the community’s business identity, with a consistent Waialua branding and new co-marketing opportunities.
B. **Center for Area-wide economic development promotion** –
Waialua Town Center would include a central office for the promotion of local economic development, becoming the area’s Chamber of Commerce. Economic and physical development activities both inside and outside of the Town Center proper will greatly influence what can happen within the Town Center. Adding additional agricultural businesses, new homes and resident population, and visitor recreation facilities will increase the demand for services within the town center. Area-wide proposals are discussed in more detail in the following Section 5.

C. **Center for New Educational Programs and Facilities** -
Waialua has significant workforce development needs. Many adult residents require training to enhance their skills and help them move into better jobs. The North Shore has a high proportion of working-age adults that would benefit from additional education. The Master Plan for Waialua Town proposes the creation of a center to aid Waialua’s working adults in developing the skills and contacts for successful local employment. It makes sense that, as much as possible, Waialua residents should be employed in the managerial, professional or technical positions supported by the new and expanded businesses at the Town Center.
4.4.4 Urban Design/Landscaping

A. Country-Town Design Theme

The proposal for redevelopment of Waialua's commercial and civic buildings would include a consistent plantation-themed architectural character that will echo Waialua’s rich agricultural past.

The character of the town core should embody the country feel through the following general design guidelines:

- Storefronts would include broad overhangs and awnings,
- Create wide sidewalks for outdoor activities including light dining, open vendor display, and people watching.
- Commercial and civic frontage areas would have numerous street trees for shade, landscaping and planter boxes, street furniture, and public art.
- The central roadways will have sidewalks and will be richly landscaped with street trees.
- Maintain the historic and agricultural character through building materials, height, setbacks, density, landscaping, and paving materials.

Figure 4-10. Waialua Town Center - Country Town Design Theme
5.0 WAIALUA AREA PLAN
5.0 Waialua Area Plan

5.1 Introduction

The North Shore Sustainable Communities Plan presents general land uses and policies to guide the sustainable future of the North Shore. The NSSCP presents a general direction for the Waialua area of the North Shore. The Waialua Town Master Plan provides a more detailed study of potential land use concepts for the area surrounding Waialua –consistent with the NSSCP --while still allowing the flexibility for a variety of future potential land uses and the pace of community expansion.

As with the Town Center plan, economic development is a primary objective in planning the future use of lands surrounding Waialua Town. A range of land use concepts are depicted in the Waialua Area Plan master planning studies, integrating varying levels of proposals for growth in agriculture, light industry, residential, recreational and the visitor industries. The overall direction of the land use concepts strive to uphold the community's future vision for the broader Waialua area. Further, the Waialua Area Plan proposes a series of planning concepts that could potentially guide a phased sequence of growth in the lands surrounding Waialua Town.

The desired outcomes of the Waialua Area Plan can be summarized in two objectives:

1. Transform the vacant plantation lands surrounding Waialua Town into a well-planned rural community, with balanced growth in residential, light industry, agricultural support and recreational/visitor uses.

2. New uses of the Waialua Area lands should provide the economic stimulus to grow and sustain the revitalization of Waialua Town Center.

The planning scenarios presented in the Waialua Area Plan represent an effort to identify a potential range of development in the area surrounding Waialua Town. With over two years of public meetings and community workshops, there was extensive community input in developing these land use planning elements and scenarios.

The planning concepts also include preliminary input from the key private landowners in this community that participated in the planning process. Of the available vacant lands for planning new growth and redevelopment, Dole Food Company holds the majority of land in the Waialua area. Gilman Trust holds title to the Waialua Shopping Center, as well as several smaller parcels along Goodale Avenue and makai of Waialua Beach Road. The only vacant oceanfront parcel in Waialua is owned by the Bonsall Trust.

Given the pattern of land ownership in the Waialua area, an integrated approach to planning future land uses is vitally important. The Waialua Area Plan proposes potential planning options for these private lands that are consistent with community desires for the future character of the Waialua community. Ultimately, each individual private landowner has the
right to conduct its own planning and pursue land uses that may or may not be fully consistent with the community planning concepts.

The major landowners have been involved in this planning process in an effort to achieve consistency with the Master Plan. For the successful future implementation of the Waialua Area Plan proposals, the community and the major landowners must build and maintain an ongoing collaborative dialog in the planning and development process.

5.2 Objectives for the Area Plan

Through numerous public meetings and correspondence, the community has expressed a range of future improvements to the surrounding community that support the economic and physical revitalization of the Town Center. The Area Plan expansion areas are mostly planned for modest residential growth. The economic study indicates that another 300 to 500 new homes must be added to the community to support core retail and service businesses in Waialua Town Center. Regardless of which specific land use and economic development concepts eventually take place, a consistent set of area wide priority objectives are proposed by the community, as listed below. A stated objective is to broaden the economic base of Waialua, which will require the provision of a range of residential offerings and home pricing.

1. Community Gateways and Beautification. New Gateways should be established at the intersections of Goodale Avenue at Farrington Highway and Waialua Beach Road. Landscaped gateways with signs will provide stronger identification of Waialua as a community, and lead visitors toward the Town Center.

2. Goodale Avenue Beautification. The main road through Waialua Town is Goodale Avenue, and this roadway connects drivers, pedestrians and bicyclists from the main transportation routes of Farrington Highway and Waialua Beach Road. The community would like to add more trees and landscaping along this route to make Waialua’s “Main Street” more attractive for both residents and visitors.

3. Residential Community Growth. To achieve the objective of revitalizing the Town Center of Waialua Town, it is clear that adding new residents to the community will provide a broader economic base. A range of “infill” and Rural Residential areas should be developed appropriate with the rural residential character, as expressed in the NSSCP and this plan. Development of urban density residential areas will remain within the Rural Community Boundary established by the NSSCP. These new residences are anticipated to be very marketable in Waialua due to: (1) the limited North Shore inventory and higher prices for new homes elsewhere on the North Shore, (2) the planned low-density rural residential development character, and (3) the shortest commute to employment centers off the North Shore is from Waialua.

4. Shoreline/Stream Access. The plan includes new and expanded public access routes to the shoreline, connecting makai along the oceanfront area at Kaiaka Bay. The plan includes a new Stream Greenbelt Park along Kii Kii Stream.

5. Makai Lands Mixed-Use Development and Beach Access. There is only one area of undeveloped shoreline property in the Waialua Town area, which would best serve the developer and community as a mixed-use project of both residential, public shoreline
access and possibly a small-scale lodge/visitor facility (by special permit with no zoning change) at the ocean point on Kaiaka Bay.

6. **Mill Camp Redevelopment.** There will be an eventual transition of the Mill Camp housing area with the end of company-supplied housing for former Waialua Sugar Company workers. With its proximity to the Waialua Town center, this area should be redeveloped as a Rural Residential area to connect the community’s existing residential areas, and provide additional housing choices and residential economic base to the community.

7. **New Connector Roadway.** The development of a secondary connector roadway between Farrington Highway and Goodale Avenue is proposed. This will provide a service roadway for the light industrial center, and connect Mill Camp and other rural residential areas with an additional route to the main roadways serving Waialua. The large trucks for agricultural support operations and industrial delivery will be able to avoid travel through the center of town.

8. **Agricultural Clusters.** The area-wide plan considers the proposal for agricultural cluster development. The purpose for this type of development would be to preserve portions of prime agricultural land for active farming purposes and provide sites for farm dwellings and accessory structures to farming activities. Agricultural clusters may logically be considered as a transitional use for agricultural lands adjacent to the Rural Community Boundary, to take advantage of infrastructure serving the more urban area (roads, water, etc.) with adjacent larger tracts of farmland beyond.

A series of land use planning concepts are presented in this section, which contemplate a range of potential land use changes and development actions in the area surrounding Waialua Town. The seven priority objectives described above are included – either in part or in their entirety – within the land use concepts presented. The concepts offer a range of community development that can be implemented incrementally over the next 20 years and beyond, as desired by the Waialua community and pursued by the individual landowners.
5.3 Community Residential Infill

The Community Residential Infill concept for the Waialua area focuses on limited new rural residential development. One of the main purposes of proposing this specific residential development is to unify the community by connecting together the existing residential neighborhoods along Goodale Avenue and Farrington Highway with the Town Center. Adding new residents to this area will bring more people to the Town Center for basic goods and services, adding more activity and life to the town. Further, the project would satisfy a growing need for new quality housing in proximity to Waialua. There have been no significant new housing projects developed in this community for over 10 years.

The subject properties involve lands owned by Dole Food Company, and a small portion owned by Gilman Trust fronting along Goodale Avenue. Approximately 40-45 acres of agricultural land (mostly fallow) would be utilized for this project. Some small areas of vegetable and fruit crops would be displaced. The site has good access from Goodale Avenue; however, site infrastructure and utilities would need to be developed.

The residential infill project could be developed at a density of approximately 5 to 6 units per acre, with a total of approximately 200 to 225 dwelling. The objective is for these new units to truly provide a “country” character that will be consistent with the style of the overall North Shore region, and rural areas of O‘ahu, as exhibited in the Rural Residential character image presented in Section 3. The community residential infill is not planned as a government-subsidized affordable housing project. This development will have new dwellings that are planned to meet the lower and middle range of the Waialua area residential market.

Figure 5-1. Community Residential Infill Concept
5.4 Expanded Community Residential

The Expanded Community Residential concept for the Waialua area would involve new rural residential development in addition to the “infill” residential project. One of the main purposes of proposing this specific residential development is to unify the community by connecting together the existing residential neighborhoods along Goodale Avenue and Farrington Highway with the Town Center. Adding new residents to this area will bring more people to the Town Center for basic goods and services, adding more activity and life to the town. Further, the project would satisfy a growing need for new quality housing in proximity to Waialua. There have been no significant new housing projects developed in this community for over 10 years.

The subject properties involve lands owned by Dole Food Company, and a small portion owned by Gilman Trust fronting along Goodale Avenue. Approximately 40-45 acres of agricultural land (mostly fallow) would be utilized for this project. Some small areas of vegetable and fruit crops would be displaced. The site has good access from Goodale Avenue; however, site infrastructure and utilities are needed.

The residential infill project could be developed at a density of approximately 5 to 6 units per acre, with a total of approximately 250 to 300 dwellings. The objective is for these new units to truly provide a “country” character that will be consistent with the style of the overall North Shore region, and rural areas of O‘ahu, as exhibited in the Rural Residential character image presented in Section 3. It is anticipated that this new housing would be moderate range, market-priced single-family homes that would be neither affordable housing nor high-priced market homes. This new residential area is planned to include moderate to higher cost homes, but not in the high-end luxury price market.

Figure 5-2. Expanded Community Residential Concept
5.5 Expanded Community Residential with Lodge

This concept features a cumulative land use plan that could potentially add up to 450 new residential units and a new visitor lodge. Projects for infill and rural residential, agricultural research, light industrial uses will remain the primary activities near Waialua. New rural residential development is proposed in this concept to occur in the area makai of the mill bordering on Waialua Beach Road, the area makai of Waialua Beach Road, and eventually at Mill Camp. Somewhat lower residential densities (4 to 5 units per acre) are planned in the makai expansion areas to reflect higher value of property closer to Waialua’s shoreline. Ample green space buffers are proposed surrounding these homes to provide landscaped open space between adjacent uses. In addition to the infill residential area, the rural residential areas would add another 200 to 250 homes. This new housing would be neither moderate range, market-priced single-family homes that would be neither affordable housing nor luxury homes.

The NSSCP describes the possibility of locating a small lodge or country inn at Waialua. A community-compatible small lodge or inn facility could potentially be granted by a special permit without new Resort zoning. In an effort to diversify the Waialua economy to include visitors, this concept plan includes a lodge development at the ocean point on Kaiaka Bay. The site is a 15-acre parcel owned by the Bonsall Trust of Santa Barbara, California. Bonsall Trust has expressed an interest in cooperative planning with Dole in the makai area of Waialua, to integrate rural residential development and potentially a visitor lodge. For future planning purposes, the area is designated the “makai mixed-use project area”. Gilman Trust has developed a new aquaculture facility on a portion of the stream frontage lands in this makai area. Shoreline access is preserved and enhanced with the makai mixed-use project development. New ocean beach access is shown in this future scenario.

Development of a visitor lodge adds visitor activities to support local retail and business establishments, and includes provisions for a modest visitor lodge of 75 to 100 units. A feasibility study of the lodge is pending, yet studies of comparable neighbor island visitor facilities have shown that operations under 75 to 100 units are less likely to succeed.

![Figure 5-3. Expanded Community Residential with Lodge Concept](image-url)
5.6 Expanded Community Residential, Lodge and Golf

This planning concept focuses on expanding the economic sectors of Waialua by attracting visitors to the community and providing recreational opportunities. An 18-hole golf course and lodge would serve as the focal point for the visitor industry elements of this concept. In addition, the full range of agricultural research, industrial use and residential expansion shown in the previous concepts is included in this concept.

During the master plan process, the Waialua community expressed an interest in exploring the potential for locating a golf course in the community. As discussed in the economic analysis section, a stand-alone golf course is not expected to be feasible. Golf courses have been shown to be more successful as an amenity to a master-planned community or a visitor destination. In this concept, the golf course would serve both the community and visitors to Waialua. In addition, the golf course will provide an amenity for new residential development, which provides additional residential real estate value. The community has a desire to attract a range of housing offerings in Waialua.

The community’s review of the concept including a golf course concept indicates some mixed support and opposition. The greatest concern to inclusion of the golf course is the perception of a potential change in the lifestyle and character of the community, leaning further away from the rural agricultural setting and more toward an urban setting. With the makai mixed-use project area, shoreline access will be preserved and enhanced throughout the area. New ocean beach access is shown in this future scenario.

Figure 5-4. Expanded Community Residential with Lodge & Golf Concept
5.7 Integrated Plan – Waialua Area Concept

The culmination of the preceding series of land use concepts is depicted in a composite land use concept plan that is considered the "Integrated Plan" for the Waialua area. The summary concept is a compilation and integration of the major components of the concept series, particularly those actions shown to have the greatest community acceptance.

The Integrated Plan Waialua Area Concept fulfills the majority of Waialua’s community planning goals for the areas surrounding Waialua town, including:

- Gateways and Goodale Avenue beautification projects will be completed
- Agricultural research center on land next to the Town Center and Mill Industrial Area
- Infill residential new homes, at a density of approximately 6 units per acre, to provide an expanded residential base for the Town Center.
- Rural residential development in vacant tracts surrounding the mill area, at a density of 5 to 6 units per acre, providing a range of moderate-priced housing.
- Agricultural clusters tied to the fields beyond the Rural Community Boundary, as a transitional use between rural residential and agricultural use (refer to Section 5.2.8)
- A potential visitor lodge (75 to 100 units) to provide new visitor accommodations at the Kaiaka Bay area, by special permit with no change to resort zoning.
- A makai area mixed use rural project, combining the lower density rural residential (4 units per acre) with the public shoreline greenbelt and a potential visitor lodge.
- A public shoreline greenbelt and ocean access point

Figure 5-5. Integrated Waialua Area Concept
In summary, the current setting of vacant agricultural lands surrounding the Waialua town center will transition to a more rural residential character. There will be expanded light industrial uses in the mill area and new agricultural research and support elements. Some limited visitor-related uses will occur. The town center and community will be connected to the ocean through a greenbelt park. The feeling of rural character will be retained by roadways setbacks and landscaping beautification along these roads. Twenty years from now, more people will be living, working and visiting in Waialua town, but it will still have the feel of an historic agricultural community.

Table 5-1. Summary of Waialua Area Plan Concepts

<table>
<thead>
<tr>
<th>Land Use Concept</th>
<th>Town Center Revitalization</th>
<th>Infill Residential</th>
<th>Rural Residential</th>
<th>Agricultural Research Center</th>
<th>Visitor Lodge</th>
<th>Golf Course</th>
<th>Industrial Relocation</th>
<th>Agriculture Cluster Developments</th>
<th>New Residential Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Residential Infill</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>Expanded Community Residential</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>*</td>
<td>X</td>
<td></td>
<td></td>
<td>325</td>
</tr>
<tr>
<td>Community Residential with Lodge</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>*</td>
<td>X</td>
<td></td>
<td></td>
<td>450</td>
</tr>
<tr>
<td>Comm. Residential, Lodge, Golf</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>325</td>
</tr>
<tr>
<td>“Integrated Plan” Waialua Area Concept</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>300-450</td>
</tr>
</tbody>
</table>

*Agricultural Clusters could also be included in these scenarios but are not shown on the concept diagrams.*
6.0 IMPLEMENTATION
6.0 Implementation

6.1 Introduction

The planning process involved in the Master Plan is one step toward the revitalization of Waialua Town. The plan identifies a series of land use and economic development directions that will lead toward achieving the overall future vision and specific goals for the area. Implementation of this Master Plan requires the cooperation, dedication and action of public agencies, community members and organizations, property owners, tenants and other stakeholders. Each of these parties will have a distinct role in the future implementation of this Master Plan.

The following specific action items are tied to the programs and policies presented in this Master Plan. They have been selected as the highest priority by community residents for their ability to induce the revitalization of the Town Core and the Waialua Area. This section will identify responsible parties, potential funding sources, order of magnitude estimated costs, as applicable. Priorities and timing are in terms of short-term (1-5 years) and long-term (5-20 years), based on the community preferences stated and viability.

6.2 Town Center Implementation Program

Program 1: Goodale Avenue Relocation and Beautification (short-term)

Specific Actions Required: Purchase/condemn necessary additional right of way, design roadway and improvements, construct roadway and improvements, install landscaping
Permits Required: Grubbing & Grading, NPDES Construction Runoff, Building Permit
Landowner(s): City and County of Honolulu, Dole Food Company, Gilman Trust
Primary Responsible Party: City and County of Honolulu Dept. of Transportation Services, Dept. of Design and Construction, Dept. of Planning and Permitting.  
Additional Responsible/Affected Parties: State Dept. of Transportation, Dept. of Health
Estimated Cost: $450,000 - $600,000
Funding Sources: CIP County, Grant Potential

Program 2: Mill Light Industrial Improvements/Redevelopment (short-term)

Specific Actions Required: Renovate existing industrial spaces, construct new space
Permits Required: Possible IMX rezoning, Building Permit, Grading Permit & NPDES Permit for large new areas
Landowner(s): Dole Food Company
Primary Responsible Party: Dole Food Company Hawai‘i, Individual Tenants
Additional Responsible/Affected Parties: City and County of Honolulu Dept. of Planning and Permitting.
Estimated Cost: N/A
Funding Sources: Private
Program 3: Farmers Market Expansion and Promotion (short-term)

Specific Actions Required: Create additional vending spaces, new market structures, landscaping, marketing campaign
Permits Required: Building Permit
Landowner(s): Dole Food Company
Primary Responsible Party: Dole Food Company Hawai‘i
Additional Responsible/Affected Parties: Dept. of Planning & Permitting
Estimated Cost: $500,000-$1.0 M
Funding Sources: County, State, Private, Grants

Program 4: Town Square Development (short-term)

Specific Actions Required: Planning & Design, construction
Permits Required: Grading and Building
Landowner(s): City and County of Honolulu, Dole Food Company, Gilman Trust
Primary Responsible Party: City and County of Honolulu Dept. of Design and Construction
Additional Responsible/Affected Parties: Dole Food Company Hawai‘i, Dept. of Planning and Permitting
Estimated Cost: $750,000-$1.5 M
Funding Sources: County CIP, Grants

Program 5: Shopping Center Improved (short-term) & Redeveloped (long-term)

Specific Actions Required: Renovation, landscaping, possible re-development
Permits Required: Building Permit
Landowner(s): Gilman Trust
Primary Responsible Party: Gilman Trust, Master Lease Holder, Tenants
Additional Responsible/Affected Parties: Dept. of Planning and Permitting
Estimated Cost: $500,000 renovation to $3.0M redevelopment
Funding Sources: Private, Grants

Program 6: New Agricultural Research Center (long-term)

Specific Actions Required: Develop new UH agricultural research center
Permits Required: Building Permit
Landowner(s): Dole Food Company
Primary Responsible Party: University of Hawai‘i, Dole Food Company
Additional Responsible/Affected Parties: State Dept. of Agriculture, Dept. of Planning and Permitting
Estimated Cost: $1.5 M facility,
Funding Sources: State Legislature appropriation
Program 7: New Civic Buildings (short-term and long-term)

Specific Actions Required: New Fire Station (top priority), Library, Community Center
Permits Required: Site Grading, Driveway, Building Permits
Landowner(s): Dole Food Company, Gilman Trust
Primary Responsible Parties: City and County of Honolulu Fire Department, State Dept. of Education/DAGS
Additional Responsible/Affected Parties: Dept. of Planning & Permitting
Estimated Costs: Fire Station ($2.0M), Library ($1.8M), Community Center ($1.3M)
Funding Sources: County CIP, State Legislature Appropriation

6.3 Waialua Area Implementation Program

Program 1: Gateways: Farrington Highway & Waialua Beach Road (short-term)

Specific Actions Required: Construct signage & extensive landscaping
Permits Required: Grading & Building Permits
Landowner(s): City and County of Honolulu, Dole Food Company, Gilman Trust
Primary Responsible Party: City and County of Honolulu, Dept. of Design & Construction
Additional Responsible/Affected Parties: Dept. of Planning & Permitting
Estimated Cost: $150,000 to $400,000
Funding Sources: County, Grants, Private

Program 2: Residential “Infill” (short-term) & Rural Residential (long-term)

Specific Actions Required: New residential subdivision & infrastructure
Permits Required: Zone Change, Grading, NPDES, Building Permits
Landowner(s): Dole Food Company, Gilman Trust, Bonsall Trust
Primary Responsible Party: Private landowners
Additional Responsible/Affected Parties: Council, Dept. of Planning & Permitting
Estimated Cost: To be Determined
Funding Sources: Private

Program 3: Agricultural Cluster Project(s) (short-term)

Specific Actions Required: New agricultural cluster developments. The potential development of agricultural cluster housing in Waialua should be studied in more specific detail. Individual cluster projects may be appropriate on a case-by-case basis.
Permits Required: Grading, NPDES, Building Permits
Landowner(s): Dole Food Company
Primary Responsible Party: Dole Food Company
Additional Responsible/Affected Parties: Dept. of Planning & Permitting, State Dept of Agriculture
Estimated Cost: To be Determined
Funding Sources: Private
Program 4:  Shoreline Public Access & Stream Greenbelt Park (short-term)

Specific Actions Required: Establish new public greenbelts & lateral access routes
Permits Required: Easements, Access Agreements or possible Condemnation
Landowner(s): Dole Food Company, Gilman Trust, Bonsall Trust
Primary Responsible Party: City and County of Honolulu, Private Owners
Additional Responsible/Affected Parties:
Estimated Cost: N/A
Funding Sources: N/A

Program 5:  Mill Camp Redevelopment - Rural Residential (long-term)

Specific Actions Required: Demolish remnants, Develop new rural residential project
Permits Required: Zone Change, Grading, NPDES, Building Permits
Landowner(s): Dole Food Company
Primary Responsible Party: Dole Food Company
Additional Responsible/Affected Parties: Council, Dept. of Planning & Permitting
Estimated Cost: To be Determined
Funding Sources: Private

Program 6:  New Connector Road – Goodale Ave to Farrington Hwy. (long-term)

Specific Actions Required: Build new 4,000 ft. public connector roadway
Permits Required: Grading, NPDES, Roadway Intersection Approvals
Landowner(s): Dole Food Company
Primary Responsible Party: Dole Food Company
Additional Responsible/Affected Parties: Dept. of Transportation Services
Estimated Cost: $650,000
Funding Sources: County and Private

Program 7:  Makai Lands Mixed-Use Development & Beach Access (long-term)

Specific Actions Required: Develop new mixed-use project in makai lands
Permits Required: Zone Change, Grading, NPDES, Building Permits
Landowner(s): Dole Food Company, Gilman Trust, Bonsall Trust
Primary Responsible Party: Private landowners
Additional Responsible/Affected Parties: Council, Dept. of Planning & Permitting
Estimated Cost: To be Determined
Funding Sources: Private

6.4  Next Steps: Future Phasing and Priorities

The development of individual proposals for the Town Center Plan and the Waialua Area Plan will be phased over several decades. The community will need to set priorities for the individual proposals, working with the government agencies and affected private landowners, as applicable. Two or more of the components can be pursued to enhance economic responses.
There are potential Change of Zone and Special Management Area (SMA) Use Permit requirements to implement the Area Plan as shown in this preliminary Master Plan. These specific rezoning areas include:

- Mill Area adjacent to the Town Center (I-2 to IMX - 5 acres);
- Residential Infill - 40-45 acres (Ag-2 to R-5)
- Rural Residential - 40-45 acres (Ag-2 to R-5 or R-10) Both R-5 and R-10 zoning can be contemplated in the Rural Residential, allowing a range of development from 4 to 8 homes per acre.
- Mixed Use Makai Residential/Lodge - 15 acres (Ag-2 to R-5/R-10, possible State Special Permit) Change of Zone requests for this area should only be granted conditionally through Unilateral Agreement terms which demonstrate the project supports and implements the overall goals of the Waialua Town Master Plan, and the benefits of the individual project are favorable to the residents of Waialua.

6.5 Collected Ideas for Projects or Actions Proposed by the Community During the Planning Process

The participants in the Waialua Master Plan provided very specific input throughout the three-year planning process. This Final Master Plan does not integrate every possible idea that was raised in the process; however, we include these as a record of community input. These ideas may be useful in the future implementation of this plan.

Commercial
- Boutiques
- Management/ownership upgrade existing shopping center
- Basic services for Waialua residents such as grocery, dental
- Farmer’s Market as an alternative to grocery store
- Help existing businesses
- Goodale Ave. corridor as the new “Main Street?”
- Country Inn or Waimea Plantation Cottages
- Add some “Mililani” Services
- Private Ownership / Impact / Commercial Zoning Expanded
- Community Purchase?
- Allow conversion of homes along Goodale Avenue
- Commercial uses for Mill area?
- Government services at center
- Agriculture related stores: feed, marketing
- Beautify/Make more attractive
- Incentives to attract businesses
- HUD Enterprise Zone
- Shopping/convenience store(s) integrated with new residential areas
Light Industrial
- About 30 businesses already at Mill site which has unique zoning for the North Shore
- Increased activity
- ONGOING existing businesses
- Dole improvements are possible as more tenants are there
- A logical supplement to ag income
- Incubator services - “Shared office” facility
- Agricultural processing (ex. Coffee, fruit, recycling facilities (existing)

Visitor
- Country Inn Idea – Waimea Plant Cottages Mill Camp?
- (See recreation ideas)
- Vacation rentals – existing, more?
- Utilize an existing facility
- Bed & Breakfast (revisited?)
- Signs/Gateway
- Visitor Center – History of Plantation Ag.
- Museum
- Tropical plantation

Agriculture
- Reclaimed water source
  - Need to correct current problem/disposal
  - Military/Army – separate effluent from ag water?
  - Groundwater sources are expensive due to electric costs
- Water treatment system (mill tenant)
- Agricultural Distribution Center.
  - Packaging/processing
- Tie into education/culinary – Kava now
- Medical Plants
- Ethanol from sugar - Stevia – sugar plant / alternative carbohydrate
- An outside job is needed to supplement agricultural income
- Agricultural processing, supply and technology
- Sugar cane example plot/history
- Comments:
  - Agriculture needs to be vertically integrated.
  - Agriculture holds tremendous potential for Waialua.
  - Currently there are agricultural processing centers in Kunia and Mokulē‘ia. The Army water system operations is going out to bid and will be converted to private ownership.

Education
- Ag related culinary, medically, ethno-botanical
- Gardens (Waipahu example)
• Population base “limits” opportunities
• Retreat function, workshop now being done at camps in Mokulē‘ia
• Businesses partnering with schools
• Job shadowing – career development and basic skill building
• Business incubator...(Waipahu example)
• Tie in with schools
• Private High School?
• Link to LCC, UH, other institutions
• Animal training
• Scientific-based environmental education
• Agricultural History/sugar cane plot
• Comments:
  - Leeward Community College is already offering non-credit classes at the high school. The opportunity to offer classes for credit is being explored.
  - The North Shore News will have a survey to learn what types of career development classes residents are interested in.

Regional Recreation
• Honolulu residents and others to visit because of culinary, ag in action, etc…
• Horseback stables
• Incorporate horseback riding into lodging
• Camping – compatible with lifestyle
• Hiking, biking
• Kōʻeʻele style
• Molokai Ranch – Mt. Lodge
• Golf course – use effluent/regional wastewater
• Tie in with government regional park, Kaiaka Park with mauka views, vacant lands
• Otake Stream rides
• Summer camps
• Skateboard park
• Little League park – Puʻuiki
• Train tours?

Government & Community Services
• NO landfill, NO prison
• Drug prevention services
• Social services hub
• Multiple services
• Ag. Center
• Senior housing, health facilities
• Wastewater Facility/Alternative Methods (reuse effluent)
• Police Substation/coverage for crime prevention
• Neighborhood watch
Technology
- Astronomy
- Teacher training center
- Why here? Pioneer, Syngeta
- Integrated coffee technology – Waialua Sugar Complex
- Linkage to ag – real advantage
- Bio medical (winter crops)
- Biotech Research facility
- Get a bigger portion of biotech research activity
- Group water technology wastewater treatment / reclaim (WATER)
- Agricultural technology – sustainable rural communities technology

Other
- Movie industry – “Outdoor” remote set studio/country/beach
- Weed & Seed? Police substation?
- Use existing homes for senior housing only? (Next to St. Michaels)
- Housing – New homes? (What types), Renovations
- Community – a beautiful place to live (mix of new world)
- Business confidence
- HIGH PRIORITY INFILL AREAS.
- Wastewater system/reuse
- Theatre
- Music Industry
- Festivals
- Infrastructure
- Implementation Actions
- Foreign trade zones

Synergy
There was some discussion about the possible concept of synergy developed between various themes. Some possible examples that were suggested include:
- Visitor/Country Inn, Regional Recreation, Regional Cuisine/Agriculture
- Education and BioTech
- Housing Industry, Local Services/Commercial, Manufacturing/Light Industry

Extent and Character of Future Growth
A follow-on discussion was held to address the extent and character of future growth, with a wide range of comments from the participants expressed:
- We should focus on the core Waialua/North Shore values shown in the presentation
- Include land across from the high school for an educational complex.
- Make plans with a 15-20 year time horizon.
- Include plans for a community center at the mill
- We are should focus on revitalization projects in this process.
- Arm the community with information to agree on a future economic plan
• Ensure that we include government involvement, such as tax credits, grants, endowments
• Enterprise zones have been established their use should be encouraged
• Look into the Honokaa community example in relation to Waimea, Hawai‘i
• Use the education center as a long term objective if feasible
• Entrepreneurship should be encouraged
• To help existing businesses grow initiate a business incubator program
• Examine organic farming and organic crop marketing
• Establish a decision-making procedure for the Core Group
• Assist local associations with HUD grants for technology, workforce development
• Create a college linkage with the DOE district complex
• Rural community emphasis – not a bedroom community or commercial center
• Look at creating a mill heritage center, and business incubator, help small businesses
• Expand on agriculture and the Farmer Market
• Seniors want a grocery and drug outlet, and kids want a job, transplants want no change
• Plantation folks tend not to trust big business
• People should dream about the things that are needed by people in this community
• Core Group should impart the vision, and help form questions to larger community
• Question of direction for social planning, employment (where/what), regional role
• Consider the tax base & local economy benefits from 150 new homes vs. 50 ranch lots

6.6 Agency Comments

Several comments were received from agency review of the Draft Master Plan. Provided below are summaries of these comments.

Department of Planning and Permitting – Civil Engineering Branch
• The proposed redevelopment plan is near FEAM flood zones AE and AEF. Development within these zones shall comply with Section 21-9.10 of the LUO.

Department of Planning and Permitting – Development Plans and Zone Change Branch
• Comments received suggest that ‘mixed uses’ be included as an item in the ‘Possible Response’ section (Section 2.3.3).

Department of Planning and Permitting – Policy Planning Branch
• It will be useful to solicit and include the comments of the major landowners (Gilman Trust and Dole Food Company Hawai‘i, Inc.).
• Incorporate the Smart Growth principles into the objectives and design themes of the Town Center and Area Plans.
• Encourage the introduction of vertical mixed-use developments into the Preferred Plan – Waialua Area Concept (Section 5.7).
• The alternative of extending the relocated Goodale Avenue to the Cane Haul Road may provide community benefits that improve traffic circulation and the Town Center.
Department of Planning and Permitting – Zoning Regulations and Permits Branch
• Stating that “the existing I-2 zoning could also permit many retail uses (if accessory to the industrial use)” should be evaluated carefully for compliance with LUO.
• It appears in the Base Economic Analysis (Section 3.1) that the term “retail” is being used generically or as a synonym for a number of commercial uses. If the term “retail” is being used in a zoning context, then perhaps its application should be more specific.
• The rezoning of the present I-2 District to IMX-1 would allow a greater range of commercial uses.
• Regarding the “Permits Required” portion of Section 6.2, we cannot confirm that required land use permits have been identified. We do not know, without specific TMKs, if a Special Management Area (SMA) permit might be required. Also under the existing LUO, an Agricultural Cluster Permit would be required for this form of development.

City and County of Honolulu – Department of Transportation Services
• The proposed realignment of Goodale Avenue is acceptable.
• Future detailed designs for the proposed improvement to Kealohanui Street should be coordinated with DTS Traffic Engineering Division
• The proposed enhancement of pedestrian walkways would be acceptable provided that all sidewalk improvements are ADA compliant.
• Bicycle facilities (e.g., parking racks) should be provided at various sites in Waialua.
• With anticipated expansion of the Town Center, a new TheBus stop may be necessary.
• Transit service to the west side should be considered.
• The proposed improvement of Pu‘uiki Road is desirable.

State of Hawai‘i – Department of Transportation
• Traffic impacts and mitigation measures should be identified and addressed prior to implementation of any of the proposed developments in the Town Center and area wide location.
APPENDIX A: Stage 1 Report
Investigative Report and Analysis
Stage 1 Report

Prepared For

City and County of Honolulu
Department of Planning and Permitting
650 South King Street
Honolulu, Hawai‘i 96813

May 2002
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>SECTION TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table of Contents</td>
<td>i</td>
</tr>
<tr>
<td>List of Figures</td>
<td>ii</td>
</tr>
<tr>
<td>List of Tables</td>
<td>ii</td>
</tr>
</tbody>
</table>

## 1.0 INTRODUCTION
1.1 Purpose of the Document | 1-1 |
1.2 Project Information Summary | 1-1 |
1.3 Previous Studies | 1-2 |

## 2.0 LAND USES AND OWNERSHIP
2.1 Study Area Characteristics | 2-1 |
2.2 Surrounding Uses | 2-1 |
2.3 State Land Use | 2-4 |
2.4 Sustainable Communities Plan | 2-5 |
2.5 Zoning Districts | 2-6 |
2.6 Ownership | 2-6 |
2.7 Current and Planned Projects | 2-8 |

## 3.0 EXISTING ENVIRONMENT | 3-1 |
3.1 Climate | 3-1 |
3.2 Topography | 3-2 |
3.3 Soils | 3-4 |
3.4 Flora and Fauna | 3-5 |
3.5 Hydrology and Flooding | 3-7 |
3.6 Archaeological and Cultural Resources | 3-9 |
3.7 Visual Resources | 3-12 |

## 4.0 INFRASTRUCTURE AND UTILITIES | 4-1 |
4.1 Roadways and Traffic | 4-1 |
4.2 Public Services/Utilities | 4-3 |
4.3 Utilities | 4-5 |

## 5.0 ECONOMIC CHARACTERISTICS AND MARKET OPPORTUNITIES | 5-1 |
5.1 Scope | 5-1 |
5.2 Overview | 5-2 |
5.3 Methodology/Sources | 5-2 |
5.4 Demographics | 5-3 |
5.5 Economic Indicators | 5-7 |
5.6 Current and Emerging Trends | 5-11 |
5.7 Local Resources | 5-14 |
5.8 Economic Opportunities | 5-16 |
5.9 Strategies for Economic Development | 5-16 |

## 6.0 REFERENCES | 6-1 |
LIST OF FIGURES

<table>
<thead>
<tr>
<th>NO.</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-1</td>
<td>United States Geological Service (USGS) Hale‘iwa Quadrangle Map (1972)</td>
<td>2-2</td>
</tr>
<tr>
<td>2-2</td>
<td>Waialua Core Area ...........................................................................</td>
<td>2-3</td>
</tr>
<tr>
<td>2-3</td>
<td>State Land Use ...............................................................................</td>
<td>2-5</td>
</tr>
<tr>
<td>2-4</td>
<td>Sustainable Communities Plan ......................................................</td>
<td>2-6</td>
</tr>
<tr>
<td>2-5</td>
<td>Zoning Districts ............................................................................</td>
<td>2-7</td>
</tr>
<tr>
<td>2-6</td>
<td>Land Ownership ...............................................................................</td>
<td>2-9</td>
</tr>
<tr>
<td>3-1</td>
<td>Topography ....................................................................................</td>
<td>3-2</td>
</tr>
<tr>
<td>3-2</td>
<td>USDA Soil Conservation Service Soil Survey (1972) ..........................</td>
<td>3-4</td>
</tr>
<tr>
<td>3-3</td>
<td>Flood Insurance Rate Map (FIRM) ..................................................</td>
<td>3-8</td>
</tr>
<tr>
<td>3-4</td>
<td>Visual Resources ...........................................................................</td>
<td>3-13</td>
</tr>
<tr>
<td>3-5</td>
<td>Visual Resources ...........................................................................</td>
<td>3-14</td>
</tr>
<tr>
<td>4-1</td>
<td>Waialua Roadways ...........................................................................</td>
<td>4-2</td>
</tr>
<tr>
<td>4-2</td>
<td>Public and Quasi-Public Facilities ..............................................</td>
<td>4-4</td>
</tr>
<tr>
<td>4-3</td>
<td>Board of Water Supply System ......................................................</td>
<td>4-6</td>
</tr>
<tr>
<td>5-1</td>
<td>Waialua Census Designated Place (CDP) .........................................</td>
<td>5-4</td>
</tr>
<tr>
<td>5-3</td>
<td>Unemployed Rate, O‘ahu 1970-2001 ..............................................</td>
<td>5-8</td>
</tr>
<tr>
<td>5-4</td>
<td>Average Visitor Count, State of Hawaii, 1965-2000 ..........................</td>
<td>5-13</td>
</tr>
</tbody>
</table>

LIST OF TABLES

<table>
<thead>
<tr>
<th>NO.</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-1</td>
<td>Soil .............................................................................................</td>
<td>3-3</td>
</tr>
<tr>
<td>5-1</td>
<td>Persons Interviewed .......................................................................</td>
<td>5-3</td>
</tr>
<tr>
<td>5-2</td>
<td>Population Characteristics ..........................................................</td>
<td>5-4</td>
</tr>
<tr>
<td>5-3</td>
<td>Geographic Mobility .......................................................................</td>
<td>5-4</td>
</tr>
<tr>
<td>5-4</td>
<td>Housing Characteristics ..................................................................</td>
<td>5-5</td>
</tr>
<tr>
<td>5-5</td>
<td>Labor Force Characteristics ..........................................................</td>
<td>5-18</td>
</tr>
<tr>
<td>5-6</td>
<td>Income Characteristics ..................................................................</td>
<td>5-19</td>
</tr>
<tr>
<td>5-6</td>
<td>Long-Term Forecast Growth In Diversified Agriculture ....................</td>
<td>5-11</td>
</tr>
<tr>
<td>5-7</td>
<td>Waialua Shopping Center Spaces and Tenants ..................................</td>
<td>5-19</td>
</tr>
</tbody>
</table>
SECTION 1.0
INTRODUCTION

1.1 PURPOSE OF THE DOCUMENT

This Stage 1 Report on Research Findings has been prepared as part of the planning process for the Waialua Town Master Plan. Council Resolution 97-316, CD 1, passed in 1997, established a task force to prepare a community-based plan for Waialua to “reflect the unique needs and desires of the Waialua community.” Regular capital improvement project (CIP) funding was appropriated in FY2000 by the City Council to fund the development of the Waialua Town Master Plan during FY2001. The Waialua Town Master Plan project evolved out the Waialua community’s four years of work on the North Shore Sustainable Communities Plan and recognizes the need for a more specific planning process for Waialua town.

When completed, the Master Plan will address the physical and economic revitalization of Waialua Town. The Stage 1 Report compiles existing information about Waialua including Land Uses and Ownership (Section 2), Existing Environment (Section 3), Infrastructure and Utilities (Section 4) and Economic Characteristics and Market Opportunities (Section 5). This information will inform the development of the Master Plan.

1.2 PROJECT INFORMATION SUMMARY

Project Name: Waialua Town Master Plan

Agency: City and County of Honolulu
Department of Planning and Permitting
650 South King Street, 7th Floor
Honolulu, Hawai‘i 96813
Contact: Raymond Young
Telephone: 527-5839, Fax: 527-6743

Consultant: Group 70 International, Inc.
925 Bethel Street, 5th Floor
Honolulu, HI 96813
Contacts: Jeffrey Overton, AICP
Telephone: 523-5866 extension 104
Cami Kloster
Telephone: 523-5866 extension 148
Fax: 523-5874
1.3 PREVIOUS STUDIES

Prior to the community’s request for a master planning process, other studies were completed in anticipation and since the closure of the Waialua Sugar Company. The residents of this once vibrant town, based originally on the sugar industry, have a strong commitment to bring back economic opportunity and achieve physical revitalization while maintaining a significant element of its heritage and the qualities of country living. These studies help to inform the current efforts. Previous publications are briefly summarized below.

**Waialua 2015: A Community Planning Project and Resources Atlas (February 1995)**
In preparation for the closing of the sugar mill, the State legislature directed the State Office of Planning to begin to look at the economic, social and physical changes to occur with the mill closing. The project was seen as one step towards creating a vision and plan for the community. The publication provides local history, a profile of Waialua Sugar Company, and an ‘atlas’ comprised of five maps that show state land use, zoning, water resources, agricultural land, large landowners. To obtain the community’s visions for the area, focus groups were held with four groups of people and titled: Ocean Recreation and Environmental Group; Sugar Company Group; Education, Neighborhood Social Service Group; and Landowner, Developer & Business Group. While there was not consensus among the groups, some common themes emerged. These themes included the desire to maintain the rural nature of the community and agriculture while allowing for some economic development opportunities. No conclusions or recommendations were made in this report, but rather it serves to document resources and community views about where they live.

**Central O‘ahu/North Shore Regional Plan (1995)**
This is a City-facilitated community-based plan compiled through a series of Task Force meetings held in the early-mid 1990’s to address land use and the economy for the region of O‘ahu spanning from Mililani and Wahiawa to the coastal communities of the North Shore. Participants on the Central O‘ahu/North Shore Regional Plan Task Force included representatives from City, State and Federal agencies, community organizations, businesses, unions as well as developers, and elected officials. The plan addressed the changing form of agriculture in these areas, and the direction of development including new residential communities and commercial uses. Specific to the North Shore was the desire to “keep the country country” and the lifestyle it affords. The vision also included the need for diversified economic opportunities. Policies and objectives were developed as land use guidance, to be consulted in conjunction with the existing Development Plans for each region. The formulation of the North Shore Sustainable Communities Plan (2000) made use of this resource, including re-involvement of many former members of the prior planning committee.

**North Shore Sustainable Communities Plan (July 2000)**
Each of O‘ahu’s eight planning areas has a Development Plan designated a “Sustainable Communities Plan” which implements the objectives and policies of the General Plan. The North Shore Sustainable Communities Plan is part of City and County of Honolulu
Revised Ordinances and guides land use and infrastructure decisions for the entire North Shore. The Plan was created through a participatory community process with residents representing the various North Shore communities. Key elements of the vision are:

- Rural Community, Agriculture, and Preservation Boundaries;
- Support for diversified agriculture industry;
- Enhancement of the region’s recreational and educational potential;
- Hale‘iwa and Waialua towns as “country towns”;
- Waialua Mill site as the regional industrial center;
- Additional new housing limited to areas contiguous to Hale‘iwa and Waialua towns and establishment of rural design guidelines;
- Adequate public infrastructure, facilities, and services;
- Retention of cultural and historic resources; and
- Adaptation of the Ahupua’a concept in land use and natural resource management.

In particular “Waialua Town is envisioned as a center for agricultural activity and resident services.” The Waialua Mill site is highlighted because it brings opportunities for businesses requiring industrial zoning and facilities. Other possibilities presented for Waialua include educational partnerships, a low-impact tourist inn, and recreational support services. Kealohanui Street is suggested as the core town area street to create an attractive and pleasant place for residents and some visitors. In the various scenarios there is an expressed desire for design guidelines to retain Waialua’s plantation character. The plan is now part of the City revised ordinances (00-15).

1.4 ORGANIZATIONAL INITIATIVES

Friends for Waialua Town
With the closing of the sugar mill concerned residents began meeting to plan and guide Waialua’s future. Since 1996 they have worked to look at ways to improve Waialua’s economic base and the town in general. They have periodically published a newsletter to keep Waialua residents informed of local issues and opportunities. They have also supported various effort like Plantation Christmas. Friends for Waialua Town has worked as a group and as individuals on the creation of the North Shore Sustainable Communities Plan. This 501(c) 3 not-for-profit organization has also secured funding for the commercial kitchen to be located at the Sugar Mill (Section 2.7 Current and Planned Projects).

Vision Team
The North Shore vision team meets monthly to choose and prioritize projects to improve the North Shore. The current list of proposed vision projects that would impact Waialua are listed in Section 2.7 Current and Planned Projects.

Empower North Shore O‘ahu
Empower North Shore O‘ahu (ENSO) is a non-profit community-based economic development organization. Its mission is to provide a forum and method for sharing and attracting resources, information programs and services beneficial to the North Shore
communities and to promote the involvement of community members in decisions affecting their lives.

Task Force for the Waialua Town Master Plan
As mentioned at the beginning of this section, this group was formed and met to develop the basis for the process of creating the Waialua Town Master Plan. This Stage I Report is part of that process. This group identified the vision for Waialua as follows.

Waialua will be a more self-sufficient and viable country town that has preserved its natural, cultural and historic heritage while striving for a sustainable future with ample employment and housing, educational and recreational opportunities for generations to come.
SECTION 2.0
LAND USES AND OWNERSHIP

2.1 STUDY AREA CHARACTERISTICS

The town of Waialua is located on O‘ahu’s North Shore. It is located in the moku of Waialua and in the ahupua’a of Kamananui.

The study area for the Waialua Town Master Plan includes a core commercial area bounded by Ki‘iki‘i Stream and Pu‘uiki Road into the Mill Camp, and extends north to Waialua Beach Road. The key features in this area are the old sugar mill, Waialua District Park, Waialua Public Library, Waialua Elementary School, Waialua Park, Waialua Shopping Center, former Waialua Sugar Headquarters, St. Michael’s Church and School, Waialua United Church of Christ, and Waialua Intermediate and High School. The area surrounding this core includes Pioneer HiBred International, Dole Food Company agricultural lands, the small commercial area at the intersection of Farrington Highway and Goodale Avenue, and the residential communities of Ranch Camp, Thomson Corner and Kukea Circle (see Figures 2-1 and 2-2). Also relevant is the urban portion of the Waialua sub-district of the North Shore Neighborhood Board District. (Figure 2-3)

2.2 SURROUNDING USES

Near Waialua are the communities of Hale‘iwa and Mokulē‘ia. Hale‘iwa to the northeast is considered the gateway to the North Shore. The town draws a fair number of visitors and is North Shore’s major commercial center. Hale‘iwa and Waialua are the two communities designated by the North Shore Sustainable Communities Plan as “country towns,” areas with concentrated commercial, public and civic establishments and services. Mokulē‘ia is a small residential community that that utilizes Waialua town goods and services due to its size and proximity. Mokulē‘ia’s defining features are the Dillingham Airfield, ranch operations and Camp Mokulē‘ia.

The land uses surrounding Hale‘iwa and Mokulē‘ia are similar to those in the study area. Along the coastline is housing, some private enterprises and parks. In the lowlands and on the gentle slopes mauka of Waialua and Hale‘iwa, agriculture is the primary activity, while the mountainous area is designated and largely reserved as conservation area.
Figure 2-1 United States Geological Service (USGS) Hale‘iwa Quadrangle Map (1983)
Figure 2-2 Waialua Core Area
2.3 STATE LAND USE

State Land Use urban designation parallels the urban growth boundaries set by the City and County and is primarily along the coastline and transportation corridors. The agriculture designation is in the lowland areas that are not urban designated. The conservation land consists of the Waianae Mountains behind Waialua (Figure 2-3).
2.4 SUSTAINABLE COMMUNITIES PLAN

Finalized in 1999, the North Shore Sustainable Communities Plan (NSSCP) through a participatory process created a land use map with a rural community boundary outside of which urban expansion is not recommended. The Waialua portion of the map is shown in Figure 2-4. This boundary matches the City and County zoning with the exception of the Mill Camp area. The City and County zoning is agriculture while the NSSCP map includes the Mill Camp area as rural residential and within the growth boundary.

Figure 2-4
2.5  ZONING DISTRICTS

Figure 2-5 shows the various City and County of Honolulu zoning categories in the Waialua area. Most notable is an industrial zone (I-2), the only industrial zoned land on the North Shore. Agricultural zoning covers the largest area. The central business area of Waialua contains the Waialua Shopping Center and adjacent property. The map denotes residential areas of varying densities although most of it is zoned for single family housing with lots of various sizes. The Country zoning is intended to support some agricultural activities, low-density development and supporting services. The preservation areas are parks.

2.6  OWNERSHIP

In the greater Waialua area, Dole Food Company owns much of the agricultural lands (Figure 2-6). In the core of Waialua town, Dole is the owner of the Sugar Mill and the adjacent Mill Camp. The other main landowner in town is the Gilman Estate which owns the shopping center and some adjacent areas, a long parcel running the length of Goodale Avenue on the Kaena Point side of the road, and several other parcels around the area.

Dole Food Company is currently leasing out portions of the Sugar Mill to various industrial businesses. The largest agricultural land lessee is Pioneer HiBred with 805 acres. Smaller agricultural parcels are leased to farmers for periods of 5 years with options to renew. The Mill Camp residential area and some other areas on Dole land continue to provide housing for retired Waialua Sugar employees and their spouses. Once this obligation has been fulfilled, Dole’s current plans are to return this land to agricultural uses. As Mill Camp housing becomes vacated, the buildings are being demolished.

The Waialua Shopping Center, and the adjacent Sugar Bar and residential property on the other side of Kealohanui Street, are Gilman Estate property leased to Mr. Nakamura. Mr. Nakamura has leased the property for more than 15 years. In 1996 the lease was renegotiated and will be again in three or four years for another 10 years. In total Mr. Nakamura has twenty more years on the lease (personal communication with Douglas Gilman and Mr. Nakamura, 2002). The remainder of Gilman Estate property in Waialua is residential.

There are a few large parcels owned by Shull Bonsall, Ameron, and Stanhope Farms. The City and County of Honolulu is the owner of the District Park, the Kamananui neighborhood park and the two regional coastal parks, Aweoweo Community Beach Park and Kaiaka Bay Park. The State of Hawaii owns the property for Waialua Elementary and Waialua Intermediate and High Schools and the Mt. Ka‘ala Natural Area Reserve atop the Waianae Mountains. The State is investigating the possibility of acquiring the parcel adjacent to Waialua Elementary School for school usage. Kamehameha Schools does not own land in Waialua, but is a major landowner in Hale‘iwa.
Figure 2-5  Zoning Districts

Figure 2-6  Land Ownership
2.7 CURRENT AND PLANNED PROJECTS

The North Shore Vision Team with community input selects projects for special CIP funding. The following is the list of current and planned projects:

- **Goodale/Kealohanui Improvements** – The project is to realign Goodale Avenue and Kealohanui Street to improve public health and safety. This area experiences high levels of pedestrian traffic between the Public Library and the District Park/Recreation Center. Construction of the bandstand will bring more pedestrian traffic into this core area. Design work is to begin in FY02 and construction in FY03 and FY04.

- **Waialua Town Gateway Park and Bus Terminal** – This project would construct an appropriate and attractive gateway to historical Waialua Town. Formally designating the entrance to Waialua from Farrington Highway could bring increased visitor traffic into the town. Also proposed is a new bus terminal for both City and private buses/trolleys. Design is scheduled for FY03 and construction in FY04.

- **Waialua Town Bandstand** – This project is to construct a bandstand on the land acquired from Dole Food Company for the City park. Symbolically and physically the bandstand will be unifying feature for the town of Waialua. Construction is scheduled for FY03.

- **Waialua Fire Station Modernization** – While this project is not actually in Waialua (the fire station is located in Hale‘iwa) the modernization project is driven in part by the need to have better fire protection for the former Waialua Sugar lands. Planning and design work is scheduled for FY03 and construction in FY04. Additional equipment purchases are slated for FY06.

- The City and County of Honolulu Department of Design and Construction is planning a project for **Waialua Road Realignment Sidewalk and Bikepath**. Phase one construction of Waialua Beach Road between Goodale Avenue and Kuoha Street is scheduled for 2002. The second phase between Goodale Avenue and Ki‘iki‘i Stream is contingent on fund availability. This is funded with both Vision CIP funding and regular CIP funding.

The following are projects other than Vision projects with proposed improvements to the Waialua area.

- **Waialua Town Master Plan** – This report is part of this process. The master plan process has evolved from community efforts such as Friends of Waialua Town who have been meeting and working since 1996.

- The Friends for Waialua Town obtained funding for a **Shared-Use Food Processing Facility** to provide rental space for potential users to prepare value-added products for resale and encourage value-added products for resale.
SECTION 3.0
EXISTING ENVIRONMENT

3.1 CLIMATE

The temperatures for the Waialua town range from an annual average minimum temperature of 64 degrees Fahrenheit to an annual average maximum temperature of 82 degrees Fahrenheit. The average rainfall per year is 30 inches with most rainfall occurring between November and April. The rainfall for the mountainous portion of the study area is more than double the average rainfall for the lowlands.

3.2 TOPOGRAPHY

The Waianae Mountains south of Waialua provide a dramatic backdrop with Ka‘ala peak at 4,025 feet in elevation. At 200 feet in elevation the steep mountains become a gentle slope for two miles until reaching the ocean. This area, the Waialua Mokule‘ia Coastal Plain, is the primary settlement area containing the town of Waialua as well as prime agricultural land. Farrington Highway at the southern end of the town marks an elevation of 50 feet and the old sugar mill north of the highway is at 20 feet elevation. The wide flood plain and marshes of Kiʻikiʻi Stream are less than 15 feet above sea level and physically separate Waialua and Haleʻiwa. Figure 3-1 gives a three dimensional perspective of the area topography and Figure 2-1 (in section 2.0) shows the Waialua elevations from the 1983 United States Geological Service (USGS) Haleʻiwa quadrangle map. Coastal lowlands near the beach are where settlement has been focused. The broad upland plains with fertile soils have historically been active agricultural areas. The rugged foothills and ridges are grazing lands and conservation areas.
Figure 3-1  Topography

3.3  SOILS

_Oahu Lands Classified by Physical Qualities for Urban Usage_ by the Land Study Bureau (1969) identifies the underlying material as lava in the area from the Waianae Mountains down to Farrington Highway. From the highway to the beach, coral is the underlying material. The soil depth also varies with the elevation. From the 200-foot elevation at the base of the mountains to Farrington Highway, there is a soil depth of greater than 15 feet. From 200-foot elevation to the sugar mill, the soil depth is 11 to 15 feet. From the sugar mill down to the coast, the soil depth varies from 0 to 15 feet.

The Land Study Bureau’s Detailed Land Classification (December 1972) rates nearly all the soils in the greater Waialua area from the foot of the mountains to sea level as “A”, the highest possible rating for agriculture productivity. The mountainous area from the base of the mountains to the
mountain crest is rated D and E and is not considered suitable for agriculture given the soil types and percent slope.

The major lowland soil types found in the study area are listed in Table 3-1 and seen in Figure 3-2. The Soil Conservation Service (SCS) Rating indicates agricultural usefulness. The rating levels are I through VIII with a higher number indicating greater soil limitations for agriculture use. Also listed are the ratings for run-off and erosion which contribute to the agricultural capability of the land. Most soil types have excellent agricultural potential. The exceptions to this are fill land, coastal sand (JaC), stony clay loam (MnC) which occurs mainly in Waialua Town, and some pockets of silty clay (LaC). Most suitable lands for agriculture are already in production with coffee, fruits and vegetables and seed corn. Prior to these crops the land was very productive sugar cane fields.

<table>
<thead>
<tr>
<th>Soil</th>
<th>Soil Type</th>
<th>SCS Rating</th>
<th>Run-Off</th>
<th>Erosion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jaucus Sand (JaC)</td>
<td>Pale Brown Sand</td>
<td>IVs (irrigated)</td>
<td>Very Slow to Slow</td>
<td>Slight</td>
</tr>
<tr>
<td>Mamala Stony Silty Clay Loam (MnC)</td>
<td>Silty Clay Loam</td>
<td>III (irrigated)</td>
<td>Very Slow to Medium</td>
<td>Slight to Moderate</td>
</tr>
<tr>
<td>Waialua Silty Clay (WkA)</td>
<td>Reddish Brown Silty Clay</td>
<td>I (irrigated)</td>
<td>Slow</td>
<td>Slight</td>
</tr>
<tr>
<td>Waipahu Silty Clay (WzA)</td>
<td>Grayish Brown Silty Clay</td>
<td>I (irrigated)</td>
<td>Slow or Very Slow</td>
<td>None to Slight</td>
</tr>
<tr>
<td>Fill Land (Fd)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kawaihapai Clay Loam (KIA)</td>
<td>Dark Brown Clay Loam</td>
<td>I (irrigated)</td>
<td>Slow</td>
<td>Slight</td>
</tr>
<tr>
<td>Lahaina Silty Clay(LaC)</td>
<td>Dark Reddish Brown Silty Clay</td>
<td>IIIe, (irrigated)</td>
<td>Medium</td>
<td>Moderate</td>
</tr>
<tr>
<td>Ewa Silty Clay Loam (EaB)</td>
<td>Dark Reddish Brown Silty Clay Loam</td>
<td>IIe (irrigated)</td>
<td>Slow</td>
<td>Slight</td>
</tr>
</tbody>
</table>

Table 3-1: Soil Types  Soil Conservation Service (1972)
Figure 3-2 USDA Soil Conservation Service Soil Survey (1972)
3.4 FLORA AND FAUNA

Terrestrial Fauna
The only endemic mammal found in the study area is the hoary bat (*Lasiurus cinereus*) which roosts in wooded areas. All other mammals found in the area are introduced species. Rodents include the Polynesian rat (*Rattus exulans*), house mouse (*Mus musculus*), the roof rat (*Rattus rattus*), and the Norway rat (*Rattus norvegicus*). The house mouse and roof rat will live in either rural or urban areas, but the Norway rat prefers urban areas or agricultural fields. Mongoose (*Herpestes auropunctatus*) feed on the rats. Feral house cats (*Felis catus*), feral dogs (*Canis familiaris*), wild goat (*Capra hircus*) and wild pig (*Sus scrofa*) are found in the Waialua area and the around the island of Oahu. The wild pigs and goats can cause considerable damage to the to the forest and the watershed area of the Waianae Mountains above Waialua.

The native birds of the Waianae Mountains are ‘alauwahio (*Loxops maculata*) and ‘iʻiwi (*Vestiaria coccinea*). Also in the mountains are introduced species such as the ring-necked pheasant (*Phasianus colchicus torquatus*), Erckel’s Francolin (*Francolinus erckelii*), shama thrush (*Copsychus malabaricus*) and the Chinese thrush (*Garrulax canorus*) may be found. In the lowland areas various introduced species of birds are commonly found such as mynahs (*Acridotheres tristis*), cardinals (*Richmondena cardinalis* and *Paroaria coronata*), doves (*Streptopelia chinensis* and *Geopelia striata*), house finches (*Carpodacus mexicanus frontalis*), and English sparrows (*Passer domesticus*).

Land snails, genus Achatinella, classified as endangered by federal and state authorities, may be found in area trees and shrubs.

A 1979 study of aquatic organisms in Ukoa Pond, Anahula River and Paukauila Stream (for the Environmental Impact Statement for The Waialua-Hale‘iwa Wastewater Facility Plan) provides an indication of what may be found in streams near Waialua. Of the nineteen species found in the study, twelve species were fish, three were crab species and four were prawn and shrimp species. Of the twelve fish species none were listed as endangered rare or threatened. Three are native fish (ama‘ama, o‘opu okuhe, and aholehaole). One goby fish was found (o‘opu nakea). Mainly the sample found guppys molly ands swordtails. There was one native crab (papa‘i maku‘e) and a native prawn (Opae oeha‘a).

Marine Fauna and Flora
A 1998 study conducted by Marine Research Consultants for a Puaena Point project provides a description of the North Shore marine environment. The study identifies several federally designated threatened and endangered species. The green sea turtle (*Chelonia mydas*) is termed threatened and the hawksbill turtle (*Eretmochelys imbricata*), less frequently seen than the green sea turtle, is considered endangered. There may also be Hawaiian monk seals (*Monachus schauinslandi*).

The North Shore fish are characteristic of undisturbed Hawaiian reef environments. The family Acanthuridae (surgeonfish) species are the most common reef fish. These include goldring surgeonfish (kole, *Ctenochaetus strigosus*), convict surgeonfish (manini, *Acanthurus triostegus*), whitebar surgeonfish (maikoiko, *A. leucopareius*), orangeband surgeonfish (na‘ema‘e, *A.
olivaceus), bluelined surgeonfish (maiko, A. nigroris), unicornfish (umaumalei, *Naso lituratus*), and the yellow tang (lau’ipala, *Zebrasoma flavescens*). Also common were rudderfish (nenue, *Kyphosus bigibbus*) and parrotfish (uhu, *Scarus* spp.). Found in abundance were planktivorous damselfish (*Chromis* spp.) and wrasses including many Saddle wrasse (hinalea lau-wili, *Thalassoma duperrey*). Butterflyfish included the raccoon butterfly fish (kekakapu, *Chaetodon lunula*) and milletseed butterflyfish (lau wiliwili, *C. miliaris*). Fish species that are popular with people who dive and fish for food include goatfish (weke, *Mulloidichthys falvolineatus*, kumu (*Parupeneus porphyreus*), moano kea (*Parupeneus cyclostomus*), Hawaiian mackerel (opelu, *Decapterus macarellus*) blue-lined snapper (taape, *Lutjanus kasmira*), squirrelfish (uÿu, *Myripristes berndti*), parrotfish (uhu, *Scarus* spp.), several small jacks (papio, *Caranx melanphysus*), and grouper (roi, *Cephalopholus argus*).


Flat or lobed break-resistant coral growth forms are typically found in places such as the North Shore where winter surf creates conditions of severe physical stress. The coral found in this study included *Porites lobata*, *Monipora flabellata*, *M. verrucosa*, and *M. patula*. Other common macro invertebrates are sea urchins (Class Echinoidea) and sponges. The sea urchin species include *Echinometra matheai*, *Tripneustes gratilla*, and *Heterocentrotus mammillatus*.

**Flora**

Flora in the lowlands consists primarily of agricultural crops of coffee, seed corn, and assorted truck farm fruits and vegetables. Where crops are not being grown, dry scrub and mixed lowland vegetation is common. In the lower elevations of Waianae Mountains most species are introduced species such as guava (*Psidium guajava*), koa haole (*Leucaena leucocephala*), lanta (*Lantana camara L.*), Spanish clover (*Desmodium* spp.) and Bermuda grass (*Cynodon dactylon*). In the less accessible areas (to people, goats and pigs) of the summits and ridges are where native species are likely to have survived. These native species may include ʻōhiʻa lehua (*Metrosideros collina* sub sp *polymorpha*), ʻhapuʻu tree fern (*Cibotium* spp.) and ʻōlapa (*Cheirodendron trigynum*), all of which are characteristic of a closed ʻōhiʻa rainforest.

Along the shoreline the vegetation would be characterized by a mix of native and introduced species. The native naupaka (*Scaevola sericea*) is the most common native plant. Other natives would include dropseed grass (ʻakiʻaki, *Sporobolus virginicus*) beach morning glory (pohuehue, *Ipomoea pescaprae*). Introduced species frequently observed along the shoreline are ironwood trees (*Casuarina equisetifolia*), Christmas berry (*Schinus terebinthifolius*), koa haole, tree heliotrope (*Tournefortia aregentea*), and sea grape (*Coccoloba uvifera*).
3.5 HYDROLOGY AND FLOODING

Poamoho and Kaukonahua Streams converge and form Kiʻikiʻi Stream which flows into Kaiaka Bay within and adjacent to the study area. The flood insurance rate map (FIRM) in Figure 3-3 shows an area along Kiʻikiʻi and Kaukonahua streams that is Zone AE, a 100-year flood inundation zone. The flood and floodway areas radiating out from the streams are mainly the lower lands to the east of the study area. Virtually no Waialua residential areas are within this flood zone with the exception of portion of Haona Street. Along the ocean shoreline is an inundation area, mainly Zone VE, which indicates coastal flooding that may have wave action. This zone reaches inland through part of Kukea Circle. Inland beyond the coastal flood area is a small area of Zone X, an area of 500-year flooding.

Flooding that may occur in the Waialua area is typically due to the large-scale frontal systems from November to April. Occasionally a flood can occur from an intense local thunderstorm. Tsunami inundation can occur and a tsunami in 1957 did reach the 13-foot elevation in the area from Waialua to Kaiaka Bay.

In May of 2002, and previously in the early 90’s, the Otake Camp flooded and was evacuated. Most recently the Waialua Elementary School was also evacuated with the flood threat. This resulted from tremendous rainfall in the Waialua area combined with Lake Wilson Reservoir overflowing the spillway. While irrigation of sugar cane lands once consumed large quantities of water, today the reservoir frequently remains at capacity. The Department of Land and Natural Resources has determined that to handle the 35,000 CFS (cubic feet per second), a series of six retention ponds. The cost for this project is estimated at more than $500 million dollars. Alternatives include federal funding to either buy the property or funding to elevate the structures above the flood elevation (personal communication with Sterling Yong, May 14, 2002). An agreement to lower the reservoir water level by 10 feet to reduce the risk of future flooding has been reached by Dole Food Company and the State of Hawai‘i Department of Health.

The zones of FIRM help to identify areas that are less desirable to develop due to the chance of flooding and higher insurance rates. The area along Kiʻikiʻi Stream and to the east toward Hale‘iwa is such an area, due to its low elevation and its designation as a 100-year flood zone. For existing areas that are prone to flooding, cost effective alternatives need to be investigated.
Figure 3-3  Flood Insurance Rate Map (FIRM)
### 3.6 ARCHAEOLOGICAL AND CULTURAL RESOURCES

**The Possible Meanings of Waialua**

Various oral traditions give an account of Waia, the son of Häloa and chief of O‘ahu, whose name literally translates to “disgraced, shame, and dishonor.” Most accounts describe the period of Waia’s reign as a time of political corruption and turmoil. In the mo‘olelo (historical account) of Hi‘iaka, it is the district of Waialua, translated as “doubly disgraceful”, that the chief Waia took residence. As one possible meaning of the district’s name, it is conceivable that the place name of “Waialua” served as a disdainful remembrance of shame and dishonor brought upon by this ali‘i’s malevolent rule (Malo: 1951, 244-246; Handy et al: 1972; Beckwith: 1970; 298-299).

Some oral accounts suggest the district name of Waialua as several meanings. As previously stated, the first definition, meaning “doubly disgraceful,” is in reference to Waia, grandson of Wákea. Other sources suggest the meaning of the name is in reference to the confluence of two streams that formed the Waialua River, with the name translated as “Wai” meaning “freshwater” and “yalua” meaning “two or twice.” It should be noted that the appropriate spelling of this interpretation would be “Waiyalua.” Finally, one source stated that the name is in reference to a lo‘i once situated near the former Halstead residence.

**Settlement**

Since the time of Waia, the abundance of resources made the district of Waialua a favorable place of residence for ali‘i with lands designated for agricultural production, aquaculture cultivation, and habitation. As such, the district became a population center with increased patterns of settlement through Post-Contact. One of the earliest known records of western contact in the district comes from a journal log of Captain Charles Clerke, who sailed into Waimea Bay on February 27, 1779. As noted by Captain Clerke, the district of Waimea was considered abundant in fertile land:

*Here was a fine expanse of lowland bounteously cloth’d with verdure, on which were situated may large villages and extensive plantations (Beaglehole: 1967, 610).*

The settlement of Waialua in the late 1890’s was due to the proximity of water and soil resources for the purpose of sugar production. The underlying coral material at the sugar mill site provided a firm foundation for the construction of the mill and support services while not sacrificing the nearby rich agricultural land. The nearness to the rail line that once ran along the coastline also provided an incentive for the sugar mill settlement. The town of Waialua stretched out to the east and west along Kealohanui Street following the soil area where it is largely coral underlying material. Initially housing for workers was in camp areas in the middle of the cane fields. Later housing was located more centrally near the mill and town. (Inciong, 2000)

**Archaeology**

There are several areas in the Kamananui ahupua’a with current and past archeological features. Sterling and Summers Sites of Oahu (1978) provides this compiled this information and most of it is from McAllister (1933). The sites close to the urban area no longer have a physical marker. For places that still have a clear means for identifying the site, consultation and consideration should be had before publicizing or extending an invitation to public to ensure preservation and that proper protocols are followed.
At the base of Pu‘u Kaupakuhalale area were several sites including stone pile, burial cave, and a heiau. The stone pile is theorized to have resulted from agricultural field clearings and then have been placed at the mouth of Kaumoku Gulch. The bones were found at one time in the cave although it was reportedly disturbed. From the Kalakiki heiau, all that remains is a large terrace. There may also have been a larger Onehana heiau nearby that has been destroyed. Kalakiki is a shark god, and presumably the heiau was built for worship of him. These sites have the most visible archeological remains and present the greatest opportunity for place-based knowledge sharing.

At the ocean’s edge was a fishing shrine (near the Dole Park) that no longer remains. There were also reports of bones being found in the sand by plantation workers.

Nearby to where Kaukonahua Stream and Farrington Highway intersect, there was once a heiau (near Pump No. 1 of Waialua Ag Company). Also, close by was an akua stone with a poloa grove. The grove of trees has been cut down. The stone had a gate placed around it at one time, but now stone and fence are no longer there.

There were once two heiau on each side of Poamoho Stream where it intersects with Kamehameha Highway near Kemo‘o Camp. Kahakahuna was the name of heiau on the makai side and Kawai was the name of the mauka heiau. Further up Poamaho near is where some worked artificially worked stones were found.

One of the longest stone ditches built by Hawaiians originated at the Kaukonahua Stream near the old Catholic Mission and watered fields one and a third miles away. The plantation later built up the ditch and used it for many years. Remnants are said to remain of the rebuilt and cemented portions.

Higher up in Kaukonahua Gulch is a burial cave that was that was looted many years ago. There is also a former house site although it is unknown whether was Hawaiian or European.

**Agriculture Production History**

Waialua town is within the ahupua‘a of Kamananui. The Kamananui ahupua‘a is in the district of Waialua. The entire district of Waialua has been known throughout human time on Oahu as fertile and productive agricultural area.

Waialua, on its seaward slopes, was as generously endowed with water as any area on Oahu. Much of the gently sloping and level land now covered by sugar cane, the sugar mill, and the town was formerly covered with wet taro terraces. And beyond these was a great spread of *kula* (mid elevation) land with red soil (where sugar cane now flourishes) which was ideal terrain for sweet potato planting. The Wai‘anae range gave this area a rich hinterland. Waialua had a fine bay with a broad beach, and there were several fishponds…. Altogether his was the most bounteously endowed are on the sunset coast.

From *Native Planters In old Hawaii Their Life, Love, and Environment* (Handy, 1991)

Records indicate that as early as 1836, sugar was an established agricultural crop in the lands of Waialua. It was John S. Emerson, American Protestant missionary, who cultivated and refined
sugar into molasses. Various individuals contributed to the overall growth and development of sugarcane lands in Waialua including Levi Chamberlain, Halstead and Gorden, and the Halstead Brothers until the establishment of the Waialua Agricultural Company (also known as the Waialua Sugar Company) in 1889, which was incorporated by Castle and Cooke (Suzuki: 1993, 12; Wilcox: 1998, 108). Within the first years of operation, the company expanded its production acreage and land base, constructed a new mill and railway system, and developed an intricate water irrigation and allocation system where two thirds of its flow was provided from groundwater resources and the balance by surface water. The result of these improvements was an increase in sugar production from approximately 5000 to 20,000 tons between 1900 and 1905. By the mid-1970s, the company reached peak production levels of nearly 60,000 tons of sugar annually.

As sugarcane production increased, other agricultural activities soon emerged in the late 1800s. As shown in an 1884 Hawaiian Government Survey Map of Waialua Bay (Figure 2-5), most of the area near the project area was still comprised of marshland. Vast parcels of marshlands throughout Waialua and including those in Kawaiola were used for rice cultivation. Chinese settlers, initially brought to the islands in 1852 as laborers for sugar production, began to supply an increasing domestic market demand for rice. By 1892, close to 182 acres of marshland was utilized for rice cultivation in the ahupua’a of Mokulēia, Kamananui, and Kawailoa (Borthwick et al: 1998, 15).

With the establishment and growth of the Waialua Sugar Company came an expansion of lands designated for sugarcane production and the development of the O’ahu Railway and Land Company. By 1898, this rail system connected the areas of Waialua and Kahuku to Honolulu, Pearl City, and Wai’anae, fortifying the island’s production and distribution efforts in sugarcane production. The O’ahu Railway and Land Company finally ceased its rail line operations in 1947.

Through the 1920s and 30s, the Waialua Sugar Company had established itself as an emerging leader in Hawaii’s sugar industry, ranking fourth in sugar production by 1931 and transforming over 1000 hectares of prime coastal alluvial terrain. (Kirch and Sahlins Volume 1: 1992, 17). The most notable feature of the sugar company and a contributor to its success was the design of its flume system, which was used for field irrigation. A configured system of portable concrete flumes dramatically improved production per acre ratios ever recorded. However, as a direct result of the failing market of Hawaii’s sugar industry, the Waialua Sugar Company was the last surviving sugar plantation to close down on O’ahu in 1995 (Wilcox: 1998, 110).

Situated in the eastern section of Waialua Sugar Company were pineapple lands, operated by Dole Fresh Fruit Company. Both companies were subsidiaries of the same parent company, Dole Food Company, and due to the close proximity of both agricultural operations, the demarcation lines between both agricultural ventures would continuously shift. In summary, significant impacts derived from evolving land use patterns attributable to sugar and pineapple production have altered the natural and cultural landscape.

**Significant Historical Buildings**

Buildings in Waialua that reflect its rich plantation past may warrant attention and preservation to support the Waialua vision of preserving its historical heritage. The most visible heritage marker is the old Sugar Mill stack. The old Waialua Sugar Headquarters building and annex are attractive examples of plantation era architecture that Dole continues to lease. The Waialua Hongwanji Mission, located near the Sugar Mill on the Mill Camp side, is also of the plantation era and
continues to operate today. The mill camp homes may offer an interesting opportunity to preserve a different part of Waialua residents’ past. At the intersection of Kealohanui Street and Goodale Avenue are two interesting buildings, the old Bank of Hawai‘i Building, which is now the Sugar Bar, and the Waialua Public Library. Tree-lined Kealohanui Street is a significant and beautiful site that once served as a more active part of Waialua Town’s center.

As country stores, such as Sagara Store, Otake Store, and the former Fujioka Store, are beginning to disappear around the state, their role and significance should be considered in Waialua when assessing potential historical buildings. Also on the Farrington side of Waialua are the Halstead Mill Stack and the old St. Michael’s Church and Cemetery. Cemeteries are valuable as cultural sites and as repositories for genealogical information. Pu‘uiki Cemetery is located off of Waialua Beach Road. The need to preserve and protect this site became apparent in January of 2000 when vandals desecrated some of the headstones.

**Mt. Ka‘ala Natural Area Reserve**
Mt. Ka‘ala State Natural Area Reserve is 1,100 acres at 4,025 feet elevation and includes a mountaintop bog trail through the cloud. The Hawai‘i Natural Area Reserve System (NARS) exists for the preservation of Hawaiian ecosystems and ecological features. Access up to the area is via hike on Dupont Trail with a 3,000 ft elevation gain. Department of Land Natural Resources Forestry and Wildlife Office has periodic service projects during which volunteers can obtain vehicular access via the private roadway.

### 3.7 VISUAL RESOURCES

Waialua has a bounty of visual assets. As the highest point in the Waianae Mountains, Mount Ka‘ala provides a dramatic backdrop to Waialua Town. Looking makai, from Waialua, or from Kaiaka Park looking towards Waialua, the mountains are an incredible visual resource. The agricultural fields provide a pastoral landscape with wide vistas. The sugar mill with its characteristic sugar stack is a sign of both the past sugar processing and present beginnings of industrial center. Kealohanui Street behind the shopping center has a lovely tree-lined look. Recreation areas such as the district park also provide pleasant views that combine wide green open spaces with the mountains in the backdrop. (Figure 3.4 and 3.5 – Visual Resources)
Figure 3-4 Visual Resources

View of Agricultural Fields from Kaukonahua Road

Waialua from Kaiaka Bay

View of the Sugar Mill from the Mill Camp Area
Figure 3-5  Visual Resources
SECTION 4.0
INFRASTRUCTURE AND UTILITIES

4.1 ROADWAYS AND TRAFFIC

The main path for vehicular traffic to Waialua is from Waialua Beach Road from Kamehameha Highway, the main road on the North Shore. Waialua Beach Road entrance is also the direct connection between Waialua and Haleiwa. A fair amount of vehicular traffic into Waialua comes via Farrington Highway which connects to Kaukonahua Road. (See Figure 4-1)

The road running perpendicular to and connecting Waialua Beach Road and Farrington Highway is Goodale Avenue. On Goodale Avenue is the ‘town center’ consisting of the Waialua Shopping Center, the Sugar Mill, Waialua Public Library, Waialua Park and the Waialua District Park. Kealohanui Road is the major crossroad with Goodale Avenue for the town center. A portion of tree-lined Kealohanui Road behind the shopping center is currently not accessible.

Roads in Hawai‘i have a variety of owners. Farrington Highway and Kaukonahua Road from Thomson Corner to Weed Circle are both State highways. Goodale Avenue and Waialua Beach Road are City and County of Honolulu roads, as is the portion of Kaukonahua Road from Thomson Corner up to Wahiawa. Kealohanui Street is the name for a privately owned and maintained road that goes through the sugar mill area; it does not exist as a separate parcel on the tax map key maps. On the east side of Goodale Avenue, what is commonly known as Kealohanui Street, is technically Goodale Avenue Extension, and may exist as a separate parcel.

The various roadways have right-of-way widths that can effect future possible roadway improvements. The right-of-ways are based on the distances from the existing property lines and can vary along the length of a roadway and often need to be verified with a physical survey. The right-of-way information is provided as a guide and not as absolute distances.

For the City and County of Honolulu portion of Kaukonahua, the right-of-way seems to be rather narrow based on a study in progress, however, exact numbers are not known since a survey has not been done. (There is a study in progress by Lyon Associates for the Department of Transportation Services.) Goodale Avenue right-of-way is five feet from the property lines along the avenue. This combined with the 26 foot existing pavement equals a 36 foot right-of-way. Waialua Beach Road has an 80 foot right-of-way and much of that will be utilized with the improvements listed in the draft environmental Assessment for the project titled Waialua Beach Road Realignment Sidewalk and Bikepath. Phase I of this project will improve the roadway between Goodale Avenue and Kuoha Street will begin in 2002. Phase II which is not yet scheduled will be from Goodale Avenue to Ki‘iki‘i Stream.
Road right-of-way for Kealohanui on the sugar mill side cannot be determined as it does not exist as a separate parcel.

Figure 4-1 Waialua Roadways
4.2 PUBLIC AND QUASI-PUBLIC FACILITIES

The State Department of Education operates several schools in study area, Waialua Elementary School and Waialua Intermediate and High School on a single campus. Waialua Elementary School is located in the core area near the Waialua Public Library and Waialua District Park. The elementary, intermediate and high schools and there teachers have won numerous district, state and national awards for teaching and for being excellent facilities. The high school has partnership with Leeward Community College and is beginning to offer courses to the community at the high school campus. The public educational facilities in Waialua are tremendous assets to the community. Area private educational facilities include St. Michael’s School and the soon to be opened of a preschool at Waialua United Church of Christ. Figure 4-2 highlights these and other resources.

Waialua Public Library is an award winning library well-utilized facility that is also under the State Department of Education. In 1997 the library was selected as being the Best Small Library in Rural America and as having the Best Friends-of- Library Group.

The largest park serving the Waialua town is the 12.8-acre Waialua District Park. At the park are a pool, gymnasium, baseball and softball fields, and tennis, basketball, and volleyball courts. Waialua Park is at the center of town and will be home to a bandstand in development phase. Kamananui Neighborhood Park is a small park in the middle of the residential area east of Goodale Avenue. Nearby in Mokulē‘ia are Aweoweo Beach Park, Makaleha Beach Park, and Mokulē‘ia Beach Park. Beyond Mokulē‘ia at the end of Farrington Highway is Ka‘ena State Park. In and beyond Hale‘iwa are several City parks: Hale‘iwa Ali‘i Beach Park, Kaiaka Park, Hale‘iwa Park, Kawaiola Beach Park, Waimea Bay Beach Park and Pūpūkea Beach Park.

The Honolulu Fire Department provides service for Waialua from Waialua Station at 66-420 Hale‘iwa Road. The next closest stations are in Sunset Beach and Wahiawa. Police service is via the District 2 Station in Wahiawa. Waialua Intermediate and High School serves as a the O‘ahu Civil Defense Agency designated emergency shelter during times of flooding, hurricanes and tsunami. The North Shore District volunteer headquarters is the Emergency Operation Center, the bunker at Waialua Intermediate and High School.

City bus service, route 76, operates daily running from Aweoweo community in Mokulē‘ia loops through Waialua and on to Hale‘iwa. In Hale‘iwa riders can transfer to buses to other parts of the island. Proposed changes to the bus system would create two buses routes that would pass through Waialua along the Goodale Avenue corridor. One route would continue up along Waialua Beach Road the other would go down Goodale and then out along Farrington Highway. The result would be more frequent linkage to the Haleiwa transit hub on Kamehameha Highway with connections to the rest of the island. There is also a school bus service for the public schools.

Waialua has a federal post office in the core business district.
The North Shore Sustainable Communities Plan listed a bikeway system through the cored area of Waialua and proposed bike routes along Farrington Highway to Ka‘ena Point, Waialua Beach Road and Crozier Drive to Mokule‘ia and Hale‘iwa, and all along Kamehameha Highway and Kauhonahua Road in the North Shore area. The improvements to portions of Waialua Beach Road will allow for safer biking there.

Figure 4-2 Waialua Public and Quasi-Public Facilities
4.3 UTILITIES

Wastewater – Cesspools and septic tanks are the primary means for residential and industrial wastewater disposal. There are some private apartment complex treatment plants that discharge effluent disposal into injection wells. A municipal wastewater system was proposed in 1996 for Waialua and the North Shore but has not been constructed due to lack of municipal funding.

Electricity – HECO provides electrical service to the area via overhead power lines.

Communications - Verizon provides telephone service to Waialua Town and the surrounding area. Cable service is available through Oceanic Time Warner Cable.

To a large portion of the North Shore, Oceanic offers Road Runner Service, while not DSL, this service is usually faster than a modem dial-up service. DSL stands for digital subscriber line and is a data communications technology that transmits information over the copper wires. DSL bypasses the circuit-switched lines that make up that public telephone network and yields much faster data transmission rates than analog modem technologies. The Sugar Mill site does not have an Oceanic option, but could for a fee. Verizon does not yet have DSL on the North Shore. The closest Verizon office with DSL is the Wahiawa. While Verizon is adding some new central locations for DSL service in 2002, these additional locations are in areas experiencing high rates of growth such as Makakilo, Waianae, and the Salt Lake area. It does not seem likely that Waialua would be a serviced in the near future.

Sandwich Isle Communications' (SCI) is installing fiber optic cable around the island, however, primary objective is to bring service to Hawaiian Homelands. Currently, they are leasing line space from Verizon for the current service, but will be installing their permanent lines under ground in abandoned municipal water mains. SCI will not directly offer service to any community outside of Hawaiian Homelands as they are not a competitive local exchange carrier (telephone industry term). However, they could lease their infrastructure to Verizon who could then link the SCI infrastructure to serve individual locations. It is likely that SCI would be in rural areas (like Waialua) where Verizon would be less likely to place infrastructure otherwise. SCI has a 3-5 year timeframe for having their infrastructure in place.

Water – Board of Water Supply supplies residents with water pumped from the ground water supply. The Board of Water Supply system major supply lines and sources are shown in Figure 4-3. Smaller branching lines are not shown; for example, there are smaller lines for water distribution in the Mill Camp.

Agricultural water is also a critical commodity for the Waialua area. While some properties may have a well on site for irrigation purposes, most irrigation water comes from Lake Wilson in Wahiawa. In terms of quantity Lake Wilson has a sufficient supply. At one time Lake Wilson served the Waialua Sugar needs with 15 million gallons per day (personal, communication, Chester Lau, Board of Water Supply). However, the water
quality is an issue. City and County effluent enters Lake Wilson and Schofield effluent enters the stream after it flows from Lake Wilson. This limits the uses to crops that are not eaten raw. The water can and is used to irrigate crops like coffee and papaya.

Figure 4-3 Board of Water Supply System
SECTION 5.0
ECONOMIC CHARACTERISTICS
AND MARKET OPPORTUNITIES

5.1 SCOPE

Stage I of the Waialua Master Plan process emphasizes information gathering. Its aim is to bring together the data needed to support decision-making in the community planning process.

With regard to economic development, three broad tasks were involved:

- Compile information on plans for economic development of Waialua and the surrounding area;
- Compile information on demographic and economic conditions in and around Waialua;
- Identify strategies for economic development to be considered as part of the community planning process.

5.2 OVERVIEW

For most of the 20th century, Waialua was a major center of Oahu’s sugar industry. By the early 1990s, it was well known that Waialua Sugar would eventually close, and new uses would be needed for sugar lands and the water that nurtured them. When the company closed, in 1996, efforts were made to find jobs for sugar workers and to encourage new business in the area.

In the last few years, much of the sugar land above and around Waialua has been used for crops such as coffee, papayas, bananas and cacao. Waialua remains the most populous of the towns along Oahu’s North Shore, but its neighbor, Hale‘iwa, has taken the lead as a commercial center and as the focus for the region’s tourism.

The Waialua Mill area, zoned for Industrial uses, has nearly 30 tenants, a mix of small manufacturers and services. The Waialua Shopping Center has a few shops, along with a veterinarian, feed store, church, Queen Liliuokalani Children’s Center office and employment-training center, which serve residents of the larger region.

Quantitative information available as of April 2002 is incomplete pending upcoming census results, it is clear that unemployment and underemployment remain problems, and that Waialua residents want to find more sources of income and work near home. To
meet their objectives, a mix of opportunities needs to be explored. The mix will be reviewed and refined in light of the community’s Vision for revitalization. The current data and interviews suggest several strategies for consideration:

- Further development of Waialua as the commercial and industrial town serving North Shore residents and businesses (vs. Hale‘iwa as the center for tourism);
- Support for entrepreneurs and small business;
- Development of a North Shore brand;
- Support for outdoor activities in the surrounding area, serving island residents and tourists; and
- Involvement with educational and technological opportunities that can develop local skills, infrastructure and partnerships.

5.3 METHODOLOGY/SOURCES

SMS Research drew on Census data, earlier plans and reports, and its own SMS Hawaii Market Study to portray economic conditions on the North Shore and in Waialua specifically. In the course of Stage I, SMS staff attended the initial community meetings of the Master Plan Process and conducted interviews with various experts and local stakeholders, as shown in Exhibit I. Interviews will continue as planning progresses.

The secondary data for this report are rich at times, and limited at others. A key issue is the timing of Census data publication. The SF-1 data release from the 2000 Census provided important information about persons and households. However, 2000 Census data on employment, incomes, commuting, and housing payments – crucial information for the planning process – will only be available during the summer of 2002. Information from the 1990 Census is shown in exhibits for two reasons. For now, it is often the most recent quantitative indicator of local conditions. The 2000 data will be inserted in the report when it becomes available in mid-2002, and trend information will be noted as appropriate.
In the course of its work on Stage I, SMS spoke with the persons identified here to understand North shore economic conditions. Their affiliations are listed to indicate their experience. We did not necessarily ask them to represent a firm or organization.

<table>
<thead>
<tr>
<th>Name</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>R. Waldo Adams (RA)</td>
<td>Luko &amp; Associates Realty, Inc.</td>
</tr>
<tr>
<td>Bill Barnfield</td>
<td>Raging Isle Surfboards</td>
</tr>
<tr>
<td>Michelle Barte</td>
<td>Oahu WorkLinks</td>
</tr>
<tr>
<td>Aloha Coleman</td>
<td>Waialua High School</td>
</tr>
<tr>
<td>Alfred F. Coscino</td>
<td>Waialua Coffee</td>
</tr>
<tr>
<td>Michael Dailey</td>
<td>Hawaii Polo Hotel</td>
</tr>
<tr>
<td>Kalani Fronda</td>
<td>Kamehameha Schools</td>
</tr>
<tr>
<td>John Hirotta</td>
<td>Friends for Waialua Town</td>
</tr>
<tr>
<td>Larry Jefts</td>
<td>Larry Jefts Farms</td>
</tr>
<tr>
<td>Tom Kuhn</td>
<td>Leeward Community College, University of Hawaii</td>
</tr>
<tr>
<td>Antya Miller</td>
<td>Haleiwa Main Street</td>
</tr>
<tr>
<td>Harold K. Nagato</td>
<td>Environmental Waste Management Systems Inc.</td>
</tr>
<tr>
<td>Yoshiro Nakamura</td>
<td>Sugar Pine Development Company</td>
</tr>
<tr>
<td>Michael F. O’Brien</td>
<td>Dole Food Company Hawaii</td>
</tr>
<tr>
<td>Fritz Osell</td>
<td>Leeward Community College, University of Hawaii</td>
</tr>
<tr>
<td>Robert Spear</td>
<td>Empower North Shore Oahu</td>
</tr>
<tr>
<td>John Stiles</td>
<td>Integrated Coffee Technologies</td>
</tr>
<tr>
<td>Yoshiaki Tanabe</td>
<td>Dole Food Company Hawaii</td>
</tr>
<tr>
<td>Jeff Tom</td>
<td>Oahu WorkLinks</td>
</tr>
</tbody>
</table>

Table 5-1 Persons Interviewed

5.4 DEMOGRAPHICS

Census data bring out several points that help to characterize Waialua (Tables 5-2 to 5-4):

- Waialua’s population has shrunk in the last decade, while Oahu as a whole, and nearby Mokulē‘ia, saw gradual increases in population.

- Waialua’s population is older than that of nearby communities, and the median age is higher than for the island as a whole.

- Waialua residents are settled: mostly Hawaii-born people who have lived in the same house for five years or more (as of 1990). In contrast, Mokulē‘ia had few long-term residents.

- Little of Waialua’s housing stock is vacant or used for vacationers, while nearby communities include many second homes or vacation units.

- A majority of Waialua residents own their own homes. Household sizes are larger than in the adjoining communities and the island as a whole.
For the census data listed in this section, the reference to the Waialua Census Designated Place (CDP) has the geographic bounds shown in Figure 5-1.
APPENDIX B: Economic Base and Market Feasibility Analysis Report
Waialua Town Master Plan
Economic Base & Market Feasibility Analysis

John M. Knox & Associates, Inc.
(with assistance of 3Point Consulting, LLC)

July 2003
CONTENTS

PREFACE: STUDY PARAMETERS .................................................................................. 1

I. INTRODUCTION .................................................................................................... 3
   A. Project Background ........................................................................................... 3
   B. Research Approach .......................................................................................... 4

II. ECONOMIC BASELINE ANALYSIS ..................................................................... 5
   A. Methods and Data ............................................................................................. 5
   B. Demographic Characteristics .......................................................................... 5
   C. Workforce Characteristics ................................................................................. 6
   D. Income and Employment .................................................................................. 8
   E. Industry and Sector Analysis ........................................................................... 9
   F. Phase I Summary and Conclusion .................................................................. 10

III. MARKET FEASIBILITY ANALYSIS .................................................................... 14
   A. Retail and Selected Services ........................................................................... 14
      1. Sector Description .................................................................................. 14
      2. Supply and Demand Conditions ............................................................. 15
      3. Competitive Advantages and Disadvantages ........................................ 16
      4. Market Feasibility ................................................................................... 17
      5. Economic Development Implications ..................................................... 18
   B. Agriculture ....................................................................................................... 18
      1. Sector Description .................................................................................. 18
      2. Supply and Demand Conditions ............................................................. 19
      3. Competitive Advantages and Disadvantages ........................................ 21
      4. Market Feasibility ................................................................................... 22
      5. Economic Development Implications ..................................................... 23

(Continued)
CONTENTS (Continued)

C. Education ........................................................................................................ 23
   1. Sector Description .................................................................................. 23
   2. Supply and Demand Conditions ............................................................. 24
   3. Competitive Advantages and Disadvantages ........................................ 25
   4. Market Feasibility ................................................................................ 25
   5. Economic Development Implications ..................................................... 26

D. Residential Development ................................................................................. 26
   1. Sector Description ................................................................................... 26
   2. Supply and Demand Conditions.............................................................. 27
   3. Economic Development Implications ...................................................... 27

E. Light Industry .................................................................................................... 30
   1. Sector Description ................................................................................... 30
   2. Supply and Demand Conditions .............................................................. 31
   3. Competitive Advantages and Disadvantages ......................................... 33
   4. Market Feasibility ................................................................................ 33
   5. Economic Development Implications ...................................................... 34

F. Visitor and Recreation Industries ...................................................................... 35
   1. Sector Description ................................................................................... 35
   2. Small Scale Visitor Accommodations ...................................................... 40
   3. Very Low-Impact Visitor Retail/Restaurant/Attractions ........................... 45
   4. Medium Impact Visitor Retail/Restaurant/Attractions .............................. 47
   5. Second Homes in Agricultural Subdivisions............................................ 52
   6. Golf Course Development ..................................................................... 55
   7. Potential Synergy Among the Pieces ....................................................... 57

(Continued)
CONTENTS (Continued)

IV. SUMMARY CONCLUSIONS AND GENERAL ECONOMIC SCENARIO .......... 59

A. Summary Conclusions ........................................................................................................ 59

1. Retail Summary ..................................................................................................................... 60
2. Agriculture Summary ............................................................................................................. 61
3. Education Summary .............................................................................................................. 62
4. Residential Development Summary .................................................................................... 63
5. Light Industry Summary ........................................................................................................ 64
6. Visitor Industry/Recreation Summary .................................................................................. 65

B. Economic Scenario(s) for Planning Purposes .................................................................... 66

APPENDICES

A. Possible Projects for Waialua (1998 Study) ................................................................. A-1

B. Community/Stakeholder Interview Summary ................................................................. B-1

C. Review of Communities with “Economic Lessons Learned” for Waialua ... C-1
EXHIBITS

II-A: Waialua Student Population & Future Plans .......................................................... 7
II-B: Total Employment .................................................................................................. 9
II-C: Wages per Employee .......................................................................................... 9
II-D: Retail and Service Mix of Comparable Communities ........................................ 12
II-E: Concentration Ratio Analysis ............................................................................. 12

III-A: Estimated Recapture and Economic Impact ..................................................... 17
III-B: Expansion Crop and New Acreage ................................................................... 22
III-C: Industrial Properties on Oahu ......................................................................... 32
III-D: Average Visitor Census State and Oahu 1970-2025 ....................................... 36
III-E: "Approved" Future Oahu Visitor Units ............................................................... 36
III-F: North Shore Visitor Unit Inventory, 2001 .......................................................... 41
III-G: Survey of Selected Small Hotels (60 Units), Larger B&Bs, Hostels, Etc. ............ 44
III-H: Activities that Might Draw Visitors to Waialua ................................................. 48
III-I: Oahu Golf Courses and Locations ................................................................. 56

IV-A: Retail Summary .................................................................................................. 60
IV-B: Agriculture Summary ....................................................................................... 61
IV-C: Education Summary .......................................................................................... 62
IV-D: Residential Development Summary .................................................................. 66
IV-E: Light Industry Summary .................................................................................... 64
IV-F: Visitor Industry/Recreation Summary ............................................................... 65
PREFACE: STUDY PARAMETERS

This economic study was conducted for the Honolulu City and County Department of Planning and Permitting (DPP), under subcontract to Group 70 International, Inc. DPP has contracted with Group 70 to produce a Waialua Town Master Plan, building on past plans and studies for the North Shore in general and Waialua in particular.

The ultimate client for the overall project is the Waialua community, which has suffered some declines since the sugar plantation closure in 1996. Despite these reverses, the community has worked hard to restore and revitalize itself, and we are pleased to have been included in this partnership with the City to find new directions for Waialua’s future.

Our work has involved a number of meetings with Waialua’s “Core Planning Group,” as well as several community-wide meetings and a series of interviews with various Waialua community leaders – including business and social agency stakeholders.

Appended to this report are:

1. A 1998 white paper for the City on possible Waialua community-based economic development projects by Decision Analysts Hawaii Inc. (DAHI);

2. A summary of our community interview results; and

3. An analysis of “lessons learned” for Waialua from economic revitalizations efforts in other small communities, both in Hawaii and on the Mainland.

Our work explores the feasibility of promoting growth in select sectors and industries in Waialua, not the feasibility of specific projects. For example, we look at the feasibility of future retail expansion, not the feasibility of a clothing store with a particular product focus. This approach was taken in part because it would have been impractical to prepare business feasibility assessments for a great variety of specific projects, but also because the Waialua situation presents a unique set of parameters for economic planning. Still, the industry-based analysis is designed to supply information, data, and analysis that can be applied in more detailed feasibility studies of specific projects or business ventures.

Waialua is a very small community, with only two landowners holding significant amounts of the land available for future development:

- **Dole Food Company / Castle & Cooke Hawaii** – Both companies are owned/controlled by David Murdock, but when this study began Dole was publicly held and was the largest landowner in Waialua. Following the shutdown of Waialua Sugar and several unsuccessful diversified agricultural efforts, Dole initiated few economic activities in Waialua (other than maintaining the old Sugar Mill as an industrial area) and issued only short-term land leases. Company
officials based in Hawaii stated they had no specific long-term plans for Waialua at that time. Thus, the company had little basis for active involvement in Waialua planning, though representatives did attend some Core Group meetings.

In April 2003, Mr. Murdock was able to take Dole private, as was already the case for his real estate development company Castle & Cooke. Since then, Mr. Murdock has instructed Castle & Cooke to begin long-range planning for Waialua – a private initiative that is in the position of following rather than preceding (or being planned in conjunction with) this public initiative.

- **The Hannah K. Gilman Trust Estate** – This family Trust owns much of the Waialua commercial core area including the Waialua Shopping Center; the Sugar Bar; some residential units on commercially-zoned land on Kealohanui St. makai of the shopping center (all of which property is leased to Sugar-Pine Development); and the entire western side of Goodale Ave. between Farrington Highway and the town core. Gilman also owns several parcels near the mouth of Kiʻi Kiʻi Stream and some residential parcels scattered throughout Waialua.

In a January 2003 interview, Douglas Gilman advised us that his family Trust is scheduled to renegotiate the Waialua Shopping Center lease with Sugar-Pine Development in late 2004 – unless, he said, the Murdock family of companies elects to make major changes in Waialua that might convince him otherwise. Also in January 2003, the head of Sugar-Pine Development, Mr. Yoshiro Nakamura, advised us that he intends to maintain the Waialua Shopping Center much as it is for the foreseeable future.

Thus, if there is to be substantial change in Waialua, any plans developed by Castle & Cooke will be pivotal. However, any plans requiring significant changes in land use would depend on City approvals, and hence on community support. The practical implication of this is that:

1. Much of the economic and physical recommendations from this project require the cooperation and support of the major landowners (or their successors or lessees). Yet, the position of major landowners on many aspects of this plan is still unknown.

2. Rather than serving as the definitive word on what will occur in Waialua, the plan may instead serve as a vehicle for dialogue among residents, the City, and major landowners who have an incentive (because of the City approvals required) to make proposals which are backed by community support.

This report was written with these limitations in mind. It is intended to serve the City and the community in future discussions with landowners. It also contains data that may be useful in community-based approaches to economic development that do not necessarily require landowner support. Ultimately, we hope this report helps residents and other stakeholders make informed decisions about the preferred economic and social future for Waialua.
I. Introduction

For almost a century, Waialua played a major role in Hawaii’s sugar industry. The town’s society and economy revolved around sugar. The towering stack of Waialua Sugar Company’s mill, the plantation worker camps, and surrounding productive agricultural lands were defining features of Waialua. The town’s commercial center, situated near the intersection of Goodale Avenue and Kealohanui Street, was fueled by the growth of the plantation workforce and the disposable income provided by plantation jobs.

Throughout the latter part of the 20th Century, however, falling global sugar prices and increased competition from sugar substitutes forced Hawaii sugar companies to consider closing operations or moving overseas. Numerous rural towns that had grown with the sugar industry suffered plantation closures and accompanying unemployment, strained local social services, and deterioration of infrastructure and commercial areas. By the 1990s, few were left, and closures continued in places such as Kekaha on Kauai, Honokaa on Hawaii Island, and Paia on Maui. The Waialua Sugar Company closed in 1996, with familiar effects upon employment, income, and the physical condition of commercial space.

The challenge facing Waialua, along with many other rural Hawaii communities, is to define an economic role for itself now that the era of sugar has passed. This requires exploring the competitive advantages of Waialua relative to other communities, targeting specific growth industries, and identifying appropriate investments and interventions to encourage business and industry development.

A. Project Background

In response to new challenges facing Waialua, residents of the Town¹ with support of the City & County of Honolulu launched an effort in 2002 to develop a Master Plan for the Town of Waialua. The Plan is to focus on physical development of Waialua Town, but is also to consider economic development of the surrounding region. This project and the resulting plan are part of an ongoing series of community initiatives to chart the future of Waialua’s economic and physical development.

In November of 2002, John M. Knox & Associates, Inc. – supported by 3Point Consulting, LLC – was sub-contracted by Group 70 International to assist with the economic development components of a Waialua Town Master Plan. The scope of work included economic development planning and analysis. The work was divided into three

¹ References to Waialua, Waialua Town or the Town generally refer to the Waialua Census Designated Place (CDP). In some cases, the terms refer to alternate geographic areas, e.g., the commercial core, or the larger Waialua/Mokuleia area. References to these alternate areas are specified in the text or notes.
phases: Phase I, Economic Base Analysis; Phase II, Market Feasibility Analysis; Phase III, Economic Scenario Development.

B. Research Approach

The ultimate aim of Phases I and II was to generate information which would help residents make informed decisions about their economic future – such as what economic goals to strive for, which industries or sectors to focus on, and what types of supports to invest in. A detailed explanation of methods used in Phases I and II is provided in subsequent sections of this report.

The planning process emphasized resident goals and offered multiple opportunities for resident input and guidance. The research considered residents’ social and economic development priorities as expressed in community meetings and past plans, among them:

- revitalizing the town’s commercial core;
- creating good jobs in or around Waialua for the Town’s residents;
- preserving the rural, small town character of Waialua;
- creating opportunities for Waialua Youth;
- ensuring Waialua does not “fall off the map” due to population/economic decline;
- improving the social welfare of Waialua residents.

We note that, in practice, these goals may imply the need to make trade-off decisions among competing priorities.

The Master Plan will focus on physical development of Waialua Town itself, and our choice of economic sectors to analyze was influenced by this focus. However, the analysis did consider appropriate areas outside of the Town’s boundaries with implications for activities within the town’s “core area.” For instance, we studied the agricultural sector – even though most farms or related enterprises are outside the Core area – because the jobs it creates have a direct impact on resident economic opportunities. Similarly, an analysis of the retail sector in Waialua required studying the purchasing power of neighboring Mokuleia, whose residents pass through Waialua and procure goods and services from Waialua businesses.

This document reports findings and recommendations from the Economic Base Analysis (Phase I) and Market Feasibility Analysis (Phase II) of the project.²

² Other contractual work products from Phase I, such as community interviews and analysis of community comparables are attached as Appendices to this report.
II. Economic Base Analysis

An Economic Base Analysis is a study of the character and composition of a local economy. Typically, the mix of firms and industries, employment patterns, key economic trends and comparisons with the surrounding region or comparable localities are subjects of inquiry. The study is designed to identify economic development needs, and identify areas of strength and weakness in a local economy that can be used to direct more detailed examination of specific industries or industry clusters.

A. Methods and Data

Local data on Waialua, the surrounding region, comparable communities, and the County of Honolulu were collected and analyzed. Principal sources of data included the 1990 and 2000 Decennial Census, the Census Bureau’s County Business Patterns, the Dun & Bradstreet business databases, the Hawaii Department of Education school and complex reports, and past community plans. Technical analysis of local data was conducted including concentration ratio analysis (also called Location Quotient analysis), comparative analysis with comparable communities and the surrounding region, and examination of economic trends. Additionally, interviews were conducted with community leaders, landowners, business owners and other stakeholders.

B. Demographic Characteristics

For purposes of economic development planning, relevant characteristics of the Waialua population include the following:3

- Waialua experienced modest net population decline from 1990 to 2000. In contrast, the surrounding region4 experienced growth of 22% during this period. In spite of population loss, Waialua remained the most populous Census Designated Place (CDP) on the North Shore.

- Anecdotal reports and indirect evidence suggest many families associated with the plantation (particularly those with children) have moved away. Some have been replaced by newcomers attracted by lower housing costs. Waialua High School reports a 30% drop in enrollment since the plantation closed.

---

3 All figures are from the 2000 Census. As previously noted, data for “Waialua” refers to data for the Waialua Census Designated Place (CDP).
4 In this case, the “surrounding region” refers to the Waialua Census County Sub-District (CCD) which stretches from Kaena Point in the West to Pupukea in the East and includes the Census Designated Places of Mokuleia and Haleiwa, in addition to Waialua.
Waialua has a relatively large population of seniors. More than 41% of Waialua households have an individual over the age of 65, while the rate for all Oahu households is 28%.

Waialua has a relatively large Filipino population and relatively smaller Caucasian and Japanese populations than the rest of the County. Filipinos make up 35% of the Waialua population, compared to 18% for Oahu as a whole.

The average household in Waialua is slightly larger than the surrounding region and the County as a whole.

Waialua has a large proportion of homeowners compared to surrounding communities with a homeowner rate of 55% compared to 38% for Mokuleia and Haleiwa.

Waialua residents are relatively settled with a high proportion of long-time residents who have lived in the same house for 5 or more years – 69% compared to 56% for Oahu as a whole.

In spite of trying economic conditions and resulting population loss, Waialua maintains a relatively large and stable population with many homeowners and long-time residents, and larger households. The community’s demographic profile suggests that niche markets may exist for products and services targeting the special needs and tastes of Filipinos and seniors.

C. Workforce Characteristics

Narrowing the focus to Waialua’s current workforce and those soon to enter the workforce (e.g., high school students), relevant characteristics are as follows:

The educational attainment of Waialua’s working-aged population is low compared to that of Oahu as a whole. Only 16% of Waialua adults over 25 years old have obtained an Associate’s Degree or higher level of education, versus 36% of the Oahu adults.

Based upon a survey of high school seniors about their post-graduation plans, Waialua seniors are more likely to enter the workforce directly after graduation and less likely to go on for post-secondary schooling than other seniors from across the state. However, the proportion of seniors planning to pursue additional education has increased over the past three years.

---

5 Waialua’s workforce refers to Waialua’s working aged residents, not those who work in Waialua.
The student population in Waialua has higher proportions of Special Education and Subsidized Lunch students than the rest of the state, indicating possible workforce development challenges. The proportion of these “high need” students is also increasing at a faster rate in Waialua than it is across the rest of the state. 

Language-related obstacles may also present some challenge to education and workforce development: as of 2000, 17% of Waialua residents did not speak English “very well,” compared to 14% of all Oahu residents.

Exhibit II-A: Waialua Student Population & Future Plans

Source: Hawaii Dept. of Education, School Status & Improvement Reports, Senior Exit Plan Survey, various years.

Waialua’s workforce profile reveals a significant workforce development challenge. Residents may lack the education and training they need to obtain well-paying, quality jobs. Current data on enrolled high school students suggests that this condition is likely

---

9 2000 Census.
to persist unless the needs of special education and low-income students can be addressed, and graduating seniors steered toward higher education.

D. Income and Employment

The available data on Waialua’s economy paint a portrait of difficult conditions in the community:

• Per capita and median household income in 2000 were lower in Waialua than across Oahu and the state. Per capita income was $17,220 in Waialua versus $21,998 for Honolulu County, and median household income stood at $47,763 compared to $51,914 for all Oahu. In addition, more Waialua households (11%) depend upon public assistance than households across Oahu and the state (7%).

• The unemployment rate in Waialua is higher than for Oahu and the state. Waialua unemployment stood at around 7.2% in 2000 compared to 6.4% for Oahu as a whole.10

• Waialua lost 17% of its job base between 1994 and 2000 – a more severe loss of jobs than the surrounding region or comparable towns like Honokaa. Waialua is not recovering as quickly from this job loss as other rural communities suffering plantation closures in the 1990s (see Exhibit II-B).11 An additional 125-150 jobs are required to bring Waialua back to job levels that existed prior to the plantation closure.

• Average wages in Waialua decreased 14% between 1994 and 2000 while surrounding communities and the state have seen increasing wage levels (Exhibit II-C). Today, the average wage per employee in Waialua is less than the average wage in the surrounding region or the state.

• Relatively few Waialua residents are employed in well-paying management and professional jobs and fewer are self-employed than across the rest of Oahu or the state. Only about 1 in 5 Waialua workers (20.2%) is employed in a management or professional occupation, compared to 1 in 3 (32.2%) of all workers in the state.12

11 U.S. Census Bureau, County Business Patterns, 1994 to 2000.
These data suggest the current mix of jobs in Waialua does not support the average wage levels it once did. Economic development efforts must therefore consider the occupation and wage structure of the industries targeted for growth. Findings on local economic conditions are consistent with findings on the local workforce. Under-employment appears to be a significant contributor to low-income levels. Economic development strategies should include workforce development in addition to job creation efforts.

High unemployment and low income are typically associated with social problems. Our community interview process found frequent mention of serious drug problems, crime, limited services for both youth and seniors, and adult concerns that young people see no future in the area and are moving away much more frequently than in the past.

E. Industry & Sector Analysis

Dominant industries by employment in Waialua include Educational Services (28% of total employment), Recreational Services (17%), select Building Trades (11%), Social Services (7%), and Business/Professional Services (7%). Agriculture is also a major employer in Waialua, but data on employment were not readily available. Interviews and anecdotal evidence also suggested that Manufacturing/Light Industry, and Robotics/Technology (linked to Education) are important industries for Waialua.

Comparison of Waialua with other comparable towns suggests that select Retail and Service industries are under-represented in Waialua (see Exhibit II-D). The Exhibit depicts data on comparable towns that were selected based upon similar population

13 Data extracted from InfoUSA business database in December of 2002.
A comparative analysis of employment concentration ratios (the percentage of total employment in a particular industry) reveals specific areas of strength and potential opportunities for growth in Waialua. In such an analysis, the proportion of a community’s employment in a particular industry is compared to that of the state as a whole. If employment in the industry is much higher in the community than it is statewide (e.g., Recreational Services are 17% of Waialua employment, but only 2% of state employment), this indicates the community is strong in this area and has some kind of competitive advantage in this industry. If the industry’s employment is low compared to the state (e.g., Restaurants are 2% of Waialua’s employment, but 11% of state employment), the industry is weak. Some industries should be evenly distributed equally across all communities commensurate with population distribution (e.g., grocery stores, barber shops, gas stations). With these industries, a low concentration ratio indicates that the community is underserved in this area and that the industry might support expansion.

Waialua has higher concentrations of employment in Agriculture, Building Trades, Recreational Services, Repair Services, and Social Services than we would expect given comparison to statewide concentrations of employment in these industries. This suggests possible strength in these industry groups in Waialua. Waialua has lower concentrations of employment than we would expect in certain Retail industries including Restaurants, Clothing, and Gasoline (see Exhibit II-E). This may indicate potential for growth in these areas. This analysis confirms the less precise comparative analysis that pointed to potential for expansion in retail and service areas.

F. Phase I Summary & Conclusion

Waialua faces significant economic development challenges, including low resident incomes, high unemployment and workforce development needs. Population loss has eroded the Town’s consumer base; its resident population is aging; and the remaining workforce is not educated or trained to engage in high-wage, high skill work. The foregoing analysis highlights two economic development priorities for Waialua: (1) the

---

14 Exhibit II-D also contains data on Kaneohe, which has a much larger population than Waialua, but was included as a point of reference.

15 For purposes of this analysis, ZIP Code data from the Census Bureau’s County Business Patterns program was used. ZIP Codes often spanned more than one Town or CDP, e.g., Zip Code 96791 includes Waialua and Mokuleia. For ease of recognition, the place names are used to describe the areas instead of ZIP Codes.
creation of well-paying jobs in Waialua; (2), workforce development that allows residents to fill high-wage, high-skill positions. Waialua would need to create 125 jobs to achieve the job count of 440 it sustained in 1994, prior to the plantation closure. Job and business creation might be supported in industries exhibiting strength in Waialua, including Education, Recreational Services, Building Trades, Agriculture, and Auto Services. There may be also be potential for growth in Restaurants, Clothing, Health Services and Gasoline which have lower concentrations than we would expect in a town of Waialua’s size. However, additional analysis of market conditions is required before conclusions can be drawn about potential expansion in these industries.
## EXHIBIT II-D: RETAIL AND SERVICE MIX OF COMPARABLE COMMUNITIES

<table>
<thead>
<tr>
<th></th>
<th>Kaneohe</th>
<th>Waialua/Mokuleia</th>
<th>Haleiwa/Sunset</th>
<th>Kekaha/Waimea</th>
<th>Haualia/Kaaawa</th>
<th>Honokaa/Kului</th>
<th>Paia</th>
<th>Kahuku</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2000 Population</strong></td>
<td>30,000+</td>
<td>7,908</td>
<td>7,699</td>
<td>5,135</td>
<td>5,063</td>
<td>4,435</td>
<td>2,753</td>
<td>2,716</td>
</tr>
<tr>
<td><strong>Retail Establishments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grocery Stores</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Convenience Stores</td>
<td>6</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas Stations</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Full-Service Restaurants</td>
<td>8</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing Stores</td>
<td>12</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmacies / Drug Stores</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Bakeries</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Service &amp; Other Establishments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious Organizations</td>
<td>12</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Civic/Social Organizations</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Individual, Youth and Family Services</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Physicians Offices</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>7</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Dentists Offices</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Child Care Centers</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Services/Homes for the Elderly/Disabled</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Associations</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, County Business Patterns, 2000.
## EXHIBIT II-E: CONCENTRATION RATIO ANALYSIS

<table>
<thead>
<tr>
<th>INDUSTRY/SECTOR</th>
<th>WAIALUA 2002</th>
<th></th>
<th></th>
<th>HAWAII 2000</th>
<th></th>
<th>LOC. QUOT.</th>
<th>ADVANTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EMPLOYEES</td>
<td>% [a]</td>
<td>SALES</td>
<td>%</td>
<td>EMPLOYEES</td>
<td>% [b]</td>
<td>[a]/[b]</td>
</tr>
<tr>
<td>EDUCATION</td>
<td>140</td>
<td>21.7%</td>
<td>$</td>
<td>-</td>
<td>0.0%</td>
<td>11,297</td>
<td>2.7%</td>
</tr>
<tr>
<td>SERVICE - RECREATION</td>
<td>107</td>
<td>16.6%</td>
<td>$9,483,000</td>
<td>11.5%</td>
<td>8,234</td>
<td>1.9%</td>
<td>8.6</td>
</tr>
<tr>
<td>CONSTRUCTION &amp; TRADES</td>
<td>71</td>
<td>11.0%</td>
<td>$6,448,000</td>
<td>7.8%</td>
<td>21,273</td>
<td>5.0%</td>
<td>2.2</td>
</tr>
<tr>
<td>BUSINESS &amp; PROF SERVICES</td>
<td>46</td>
<td>7.1%</td>
<td>$8,004,000</td>
<td>9.7%</td>
<td>37,906</td>
<td>8.9%</td>
<td>0.8</td>
</tr>
<tr>
<td>SOCIAL SERVICE</td>
<td>43</td>
<td>6.7%</td>
<td>$</td>
<td>-</td>
<td>0.0%</td>
<td>8,010</td>
<td>1.9%</td>
</tr>
<tr>
<td>RELIGIOUS</td>
<td>35</td>
<td>5.4%</td>
<td>$</td>
<td>-</td>
<td>0.0%</td>
<td>3,743</td>
<td>0.9%</td>
</tr>
<tr>
<td>WHOLESALE</td>
<td>34</td>
<td>5.3%</td>
<td>$25,035,000</td>
<td>30.3%</td>
<td>21,474</td>
<td>5.0%</td>
<td>1.0</td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>23</td>
<td>3.6%</td>
<td>$8,768,000</td>
<td>10.6%</td>
<td>16,329</td>
<td>3.8%</td>
<td>0.9</td>
</tr>
<tr>
<td>SERVICE - HOUSEHOLD</td>
<td>20</td>
<td>3.1%</td>
<td>$1,895,000</td>
<td>2.3%</td>
<td>(NA)</td>
<td>(NA)</td>
<td>(NA)</td>
</tr>
<tr>
<td>PERSONAL CARE</td>
<td>19</td>
<td>2.9%</td>
<td>$6,555,000</td>
<td>7.9%</td>
<td>9,298</td>
<td>2.2%</td>
<td>1.3</td>
</tr>
<tr>
<td>RETAIL - RESTAURANT</td>
<td>15</td>
<td>2.3%</td>
<td>$630,000</td>
<td>0.8%</td>
<td>48,383</td>
<td>11.4%</td>
<td>0.2</td>
</tr>
<tr>
<td>RETAIL - GROCERY</td>
<td>13</td>
<td>2.0%</td>
<td>$2,366,000</td>
<td>2.9%</td>
<td>11,498</td>
<td>2.7%</td>
<td>0.7</td>
</tr>
<tr>
<td>GOVERNMENT</td>
<td>12</td>
<td>1.9%</td>
<td>$252,000</td>
<td>0.3%</td>
<td>(NA)</td>
<td>(NA)</td>
<td>(NA)</td>
</tr>
<tr>
<td>AGRICULTURE</td>
<td>11</td>
<td>1.7%</td>
<td>$1,329,000</td>
<td>1.6%</td>
<td>3500</td>
<td>0.8%</td>
<td>2.1</td>
</tr>
<tr>
<td>SERVICE - AUTO</td>
<td>10</td>
<td>1.5%</td>
<td>$772,000</td>
<td>0.9%</td>
<td>2,187</td>
<td>0.5%</td>
<td>3.0</td>
</tr>
<tr>
<td>RETAIL - LIQUOR</td>
<td>9</td>
<td>1.4%</td>
<td>$2,034,000</td>
<td>2.5%</td>
<td>(NA)</td>
<td>(NA)</td>
<td>(NA)</td>
</tr>
<tr>
<td>RETAIL - ENTERTAINMENT</td>
<td>9</td>
<td>1.4%</td>
<td>$1,772,000</td>
<td>2.1%</td>
<td>10,437</td>
<td>2.4%</td>
<td>0.6</td>
</tr>
<tr>
<td>RETAIL - FURNISHINGS</td>
<td>7</td>
<td>1.1%</td>
<td>$998,000</td>
<td>1.2%</td>
<td>5,359</td>
<td>1.3%</td>
<td>0.9</td>
</tr>
<tr>
<td>RETAIL - GENERAL MERCH</td>
<td>6</td>
<td>0.9%</td>
<td>$1,288,000</td>
<td>1.6%</td>
<td>(NA)</td>
<td>(NA)</td>
<td>(NA)</td>
</tr>
<tr>
<td>RETAIL - ART</td>
<td>5</td>
<td>0.8%</td>
<td>$2,430,000</td>
<td>2.9%</td>
<td>(NA)</td>
<td>(NA)</td>
<td>(NA)</td>
</tr>
<tr>
<td>REAL ESTATE</td>
<td>4</td>
<td>0.6%</td>
<td>$600,000</td>
<td>0.7%</td>
<td>14,636</td>
<td>3.4%</td>
<td>0.2</td>
</tr>
<tr>
<td>FINANCE</td>
<td>3</td>
<td>0.5%</td>
<td>$699,000</td>
<td>0.8%</td>
<td>14,653</td>
<td>3.4%</td>
<td>0.1</td>
</tr>
<tr>
<td>SERVICE - HEALTH</td>
<td>3</td>
<td>0.5%</td>
<td>$915,000</td>
<td>1.1%</td>
<td>38,902</td>
<td>9.1%</td>
<td>0.1</td>
</tr>
<tr>
<td>RETAIL – GASOLINE</td>
<td>1</td>
<td>0.2%</td>
<td>$300,000</td>
<td>0.4%</td>
<td>3,388</td>
<td>0.8%</td>
<td>0.2</td>
</tr>
<tr>
<td>RETAIL – CLOTHING</td>
<td>0</td>
<td>0.0%</td>
<td>$</td>
<td>-</td>
<td>0.0%</td>
<td>8,874</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

III. Market Feasibility Analysis

Several industries and sectors examined in Phase I were selected for further examination in Phase II of the project. The selection of industries was based upon the findings of the Economic Base Analysis and upon resident priorities as expressed in community meetings, proposed projects, and past plans. Resident interests played an important role in selection of industries. For example, although Building Trades was identified as potential areas of economic strength in Waialua, it was not among the priority sectors of interest to residents, and therefore was not explored in Phase II. The final list of selected industries and sectors included:

- Retail
- Agriculture
- Education
- Light Industry
- Residential
- Visitor Industries

Phase II examined the market feasibility of expanding each industry in Waialua. The analysis included four components: (1) examination of Supply & Demand Conditions in the sector; (2) examination of Waialua’s Competitive Advantages and Disadvantages; (3) analysis of Economic Development Implications/Impacts if sector growth occurred; and (4) conclusions about the market feasibility of growing firms within the sector. The findings from analysis of each industry or sector are detailed in this section of the report.

A. Retail & Selected Services

1. Sector Description

In community meetings, interviews and past plans, revitalization of the commercial core of Waialua Town emerged as a resident priority. For purposes of this report, the commercial core includes commercial areas along Goodale Avenue and surrounding the intersection of Goodale Avenue and Kealohanui Street, including the Waialua Shopping Center. Residents wanted to increase activity and consumer traffic and to reverse the trend of business decline in this area.

The Retail sector and select service industries were targeted for examination in Phase II because their growth would be key to such revitalization efforts. Retail activities can have different scopes or markets: (1) local/neighborhood; (2) regional; and (3) visitor-oriented. The potential for visitor-oriented retail is addressed in a later section. Waialua’s location makes it poorly positioned to capture regional expenditures from the greater North Shore area, so this analysis will focus on the local/neighborhood level – which in this case should be defined to include Mokuleia as well as Waialua itself.
At present, the retail sector in Waialua is comprised of a mix of small establishments with no particular retail type dominating. Due to the loss of mill and plantation jobs in Waialua, retail and services have declined significantly since 1994, leaving a small presence compared to other areas. However, the Economic Base Analysis identified potential for growth in select industries, notably restaurants, apparel, and gasoline/auto services. There may also be room for expansion of select services like health services, social services and personal services that could occupy commercial space and fuel revitalization of the commercial core. Like retail, these service industries have experienced dramatic decline within the past 10 years. For instance, at the time of the study, Queen Liliuokalani Children’s Center – a large social services provider – was planning to leave Waialua. The exodus of service establishments like QLCC has left a gap that might be filled by smaller providers.

Several community projects were in various stages of planning or implementation at the time of the study which are affected by the economics of the retail sector. These included: improvements to the Waialua Shopping Center; proposed community ownership of the Shopping Center and/or the Mill light industrial complex; development of Goodale Avenue into a “Main Street” with boutique stores; and the Waialua Farmer’s Market. Other retail-related projects include the adaptive reuse of the old Sugar Mill site (including some retail components); a Community Kitchen Incubator (supporting retail food businesses, among others), and physical improvements to the old commercial core area (e.g., new bandstand, signage, and improved vehicular access). It may also be noted that Castle & Cooke was initiating its own assessment of the potential future of its Mill site at the time of this study.

2. Supply & Demand Conditions

Population growth and job recovery on the North Shore. Although Waialua town has experienced population and job loss over the past decade, the surrounding region has experienced growth that has outpaced the state as a whole. The region from Kaena Point to Pupukea has experienced population growth of 22% since 1990 and began to experience a job recovery in the late 1990s as well. This growth will expand the market for retail and service businesses located in Waialua.

Economic leakage presents market opportunities. Households in Waialua and neighboring Mokuleia retain substantial purchasing power. The area from Kaena Point to the eastern edge of Waialua\(^{16}\) is home to nearly 8,000 residents who spend some $35 million on retail products, household services, and personal services each year. Of this amount, more than $27 million is spent outside of Waialua by Mokuleia-Waialua.

---

\(^{16}\) Zip Code 96791, which includes the areas of Kaena Point to the eastern edge of Waialua CDP. It does not include Haleiwa or other points east.
area residents. Recapturing this economic “leakage” presents a market opportunity for retail and service businesses in Waialua.

**Proximity to sizable visitor market.** Waialua is an accessible destination for the many visitors to Oahu’s North Shore. Estimates of annual visitors to the North Shore range from 500,000 to over 1 million per year. Attracting a portion of this nearby visitor market would help fuel retail revitalization of Waialua’s commercial core.

**Discount retailers are changing the industry.** The entry of “big box” discount retailers into the Oahu market (e.g., Costco, Home Depot, Sam’s Club, Ross’s, etc.) has challenged neighborhood retailers across the state, forcing many smaller businesses to change their product mix or close. Successful neighborhood retail today focuses on convenience, specialty products, and niche markets that large retailers are unable to serve cost-effectively.

### 3. Competitive Advantages & Disadvantages

**Advantages.** Waialua has two key competitive advantages that will support growth of retail and service businesses:

- **Locational advantages for convenience goods and services.** The Waialua commercial core is the closest source of goods and services for residents of the town and points west (Mokuleia, Kaena Point).

- **Room for retail expansion.** Sites are available in Waialua for retail expansion including vacant units of the Waialua Shopping Center, the Sugar Mill, and parcels surrounding the intersection of Goodale Avenue and Kealohanui Street.

**Disadvantages.** Waialua has some disadvantages which must be mitigated if the potential for retail and service expansion is to be realized:

- **Existing space is in poor condition.** Though retail space is available in Waialua, much of it is in poor condition. In particular, the Waialua Shopping Center requires improvements.

- **Landowner has expressed little interest in improvements.** A single landowner controls most of the retail space in Waialua, including the Waialua Shopping Center. This landowner (Gilman Trust) and its current lessee (Sugar-Pine Development) have each expressed reluctance to invest in improvements, or to change shopping center management, unless other large landowners in the area (e.g., Dole Food Co; Castle & Cooke) launch their own development initiatives. The lease is due for renegotiation in late 2004, representing a key target for redevelopment of the Waialua town core.
• **Poor visibility and accessibility.** Although Waialua’s commercial core is proximate to its local market and to visitor traffic, it is not located on or visible from major thoroughfares. This is a particular disadvantage for capturing visitor traffic, as will be further discussed in the later section on “Visitor Industries.”

• **Few experienced retail and service entrepreneurs.** Most of the local workforce lacks training or experience in starting and running a small business.

• **Population growth declines.** Without any reason to believe that Waialua could at least regain its former population, new merchants may hesitate to come to the community.

### 4. Market Feasibility

Economic leakage from the community creates opportunities for recapture that would fuel expansion in a variety of retail and service industries. This potential for expansion varies depending on the likelihood of recapture in each industry. For industries where convenience is key (e.g., grocery and convenience store items; restaurants; select health services; auto services) the potential for recapture is greater than for industries where convenience is not a concern (e.g., clothing, household furnishings). Assumptions of recapture ranging from 0% to 50% were applied to each industry based upon the importance of convenience and other industry trends.\(^{17}\) The exhibit below summarizes this analysis.

**EXHIBIT III-A: ESTIMATED RECAPTURE & ECONOMIC IMPACT**

<table>
<thead>
<tr>
<th>Industry</th>
<th>2003 Leakage</th>
<th>Estimated Recap. (%)</th>
<th>Estimated Recap. ($)</th>
<th>New Jobs</th>
<th>New Establishments</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries &amp; Convenience</td>
<td>$ 6,000,983</td>
<td>50.0%</td>
<td>$ 3,000,491</td>
<td>10 to 15</td>
<td>1 lrg or 2-3 sml</td>
<td>3500+</td>
</tr>
<tr>
<td>Restaurants</td>
<td>$ 7,499,575</td>
<td>25.0%</td>
<td>$ 1,874,894</td>
<td>15 to 20</td>
<td>2 med or 3 sml</td>
<td>2500+</td>
</tr>
<tr>
<td>Health Services</td>
<td>$ 1,758,907</td>
<td>25.0%</td>
<td>$ 439,727</td>
<td>2 to 3</td>
<td>1 sml</td>
<td>1000+</td>
</tr>
<tr>
<td>Gasoline &amp; Auto Services</td>
<td>$ 3,435,037</td>
<td>25.0%</td>
<td>$ 858,759</td>
<td>2 to 3</td>
<td>1 sml</td>
<td>n.a.</td>
</tr>
<tr>
<td>Clothing &amp; Accessories</td>
<td>$ 5,655,583</td>
<td>10.0%</td>
<td>$ 565,558</td>
<td>2 to 3</td>
<td>1 sml (niche)</td>
<td>1000</td>
</tr>
<tr>
<td>Household Furnishings</td>
<td>$ 2,344,908</td>
<td>0.0%</td>
<td>$</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Household Services</td>
<td>$ 575,058</td>
<td>0.0%</td>
<td>$</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$27,270,050</td>
<td>n.a.</td>
<td>$ 6,739,429</td>
<td>31 to 44</td>
<td>6 to 9</td>
<td>8000+</td>
</tr>
</tbody>
</table>

Total feasible recapture is estimated at $6.7 million and is concentrated in groceries/convenience items, restaurants, health services, gasoline and auto services. Social services may also provide opportunities for recapture, particularly with the exit of

---

\(^{17}\) Typically, area stores can be expected to capture up to 90% of local spending depending upon the characteristics of the trade area and competitiveness of local establishments. 0% to 50% represents a conservative assumption of market capture.
providers like the Queen Liliuokalani Children’s Center. Apparel may also hold potential for some expansion provided new businesses focus on niche markets and specialty items. Expansion in other areas of retail like household furnishings, household services, entertainment and personal services is probably not feasible in Waialua at this time. In the case of household furnishings, convenience of purchase is not a priority for consumers (i.e., they are willing to travel to other areas for purchase). In the case of personal services, leakage is minimal.

5. Economic Development Implications

The analysis suggests that market support does exist for some retail and service expansion that could help revitalize Waialua’s commercial core. A feasible commercial mix might include a medium-sized grocery and convenience store, one or two restaurants, a small health and/or social service agency, a new gas and service station, and a small, niche clothing retailer. This expansion would support 6 to 9 new businesses requiring more than 8,000 square feet of commercial space, generating $6 to $7 million in revenue and 30 to 40 new jobs. It will be driven by recapture of local purchasing power that is currently spent outside of Waialua.

Specific constraints must be addressed if these opportunities for retail expansion and commercial revitalization are to be realized. These include improvements to existing commercial space (particularly the Waialua Shopping Center), and improved visibility of and access to the commercial core from major thoroughfares. In addition, entrepreneur supports must be available to those who start or locate a retail business in Waialua. Just as important, it may be difficult to attract merchants to commercial space given that the area has experienced population decline and high unemployment during the past decade. Some residential growth may be required to overcome perceptions of Waialua as a town in decline, and attract new businesses.

B. Agriculture

1. Sector Description

Agriculture is a major employer in Waialua, has historical significance for the town’s residents, and there was much discussion in Core Group meetings about its future potential. In addition, it is an industry that would promote growth consistent with the resident goal of maintaining Waialua’s rural character and open space. The industry is currently comprised mainly of small farms (81% of farms have fewer than 50 acres), with a few larger, corporate farms (e.g., Pioneer Hi-Bred International). Most of the land for agricultural production is owned by Dole Food Company and is being leased to truck farmers growing a variety of crops. Dominant crops by current acreage include coffee,
papaya, banana, cacao, tomato, and seed corn. There was also interest expressed by some residents in the potential for growth in aquaculture in the Waialua area.

At the time of the study, Waialua residents and business owners had identified several businesses, initiatives, and economic development projects within the agricultural sector. These included: the Waialua Farmer’s Cooperative, proposed medicinal plant farms; proposed organic produce farms; proposed development of Agri-Tourism or an Agri-Tourism Corridor; Plant Propagation/Nursery/ Landscaping enterprises; and future expansion of Pioneer Hi-Bred and other agricultural research enterprises. Other projects that would be indirectly affected by developments in the agricultural sector include a proposed Agricultural Processing/Packaging/Distribution Facility and the Waialua Farmer’s Market. (As noted later, however, we are somewhat pessimistic about the prospects for an agricultural processing center, at least in the short term.)

The following analysis is based on the assumption that Dole will continue to lease (or perhaps eventually sell) lands for diversified agriculture, rather than again attempt any form of large-scale corporate agriculture. However, we will note that the general trend in American agriculture is away from the traditional family farm and toward corporate agriculture. Should Dole find both the incentive and means successfully to re-introduce some substantial agri-business, there would likely be more agricultural employment (in the sense of salaried positions as opposed to entrepreneurial farming) as well as a somewhat higher prospect of administrative support positions in the town of Waialua. Of course, there would also be less sense of independence and diversity, which are social values for the community.

Additionally, this analysis focuses on agriculture as a self-sufficient activity. In truth, in some Neighbor Island areas, some agricultural lands (especially pastoral areas) are now heavily supported by ancillary visitor uses – e.g., all-terrain vehicle (ATV) paths, kayak rides through bucolic scenery, etc.

2. Supply & Demand Conditions

**Large Local Market.** There is a large and growing local market in Hawaii (and on Oahu in particular) for agricultural products. This market is fueled by visitor and resident consumption. Hawaii residents and visitors spend approximately $1.5 billion on groceries per year and more than $310 million on fruits and vegetables alone (residents account for more than 80% of these amounts). Local population and visitor growth are expected to increase demand for fresh produce steadily over the next 10 years.\(^{18}\)

**Growth in Diversified Agriculture.** The total market for Hawaii’s agricultural products has expanded steadily over the past 10 years. Fueled by healthy local consumption and growing export demand, diversified agriculture has grown dramatically from sales of

$264 million in 1992 to $367 million in 2000. The increase is equivalent to annualized growth of 3.8% that outpaced most other Hawaii industries during the same period. The sector posted record sales in 2000 and again in 2001.19

Import Substitution Opportunities. In Hawaii, local consumption far exceeds local production of agricultural goods, even in crops that can be grown locally. More than half of all fruits and vegetables consumed in Hawaii are shipped in. Substantial import substitution opportunities exist for producers statewide, and particularly for agricultural producers on Oahu, where local consumption is greatest.

Exports and Agri-Tourism Emerging. Export crops and agri-tourism are emerging as new growth sub-sectors. Agricultural exports increased 23% from 1997 to 2001 – outpacing the nation and ranking Hawaii 7th among all states. Seed crops have emerged as an export front-runner, and potential exists in specialty crops (like tropical fruits) and seasonal items as well. However, the search continues for a large export crop to replace sugar and pineapple.20 Agri-Tourism is also emerging as a growth sub-sector. Dole Plantation in nearby Wahiawa attracts 900,000 visitors per year.21 Exports and agri-tourism will likely assume an increasingly prominent role in the agricultural sector.

Shrinking Land Supply. While diversified agriculture has continued to grow, the supply of available agricultural land has shrunk over the past decade and continues to face pressures from development. Agricultural areas in Central Oahu and Kauai face residential and commercial development, and prime lands in other former sugar areas like the Hamakua Coast struggle to deal with infrastructure issues. These uncertainties, and distance from the sizable Oahu market, are encouraging some Neighbor Island farmers to relocate to Oahu. Because of these forces and development pressures on Central Oahu, interviewees saw the North Shore as the future “bread basket” of Hawaii.

Agriculture Competition. Waialua growers would face competition from producers in Kunia, Ewa, and other agricultural areas on Oahu, neighbor island producers, California, and Texas. Commodity markets are particularly difficult for Hawaii producers to compete in because of low-cost labor on the mainland U.S. and in foreign countries, and volatile global prices.

Aquaculture Competition. In aquaculture, Kahuku is Waialua’s primary competitor. As a location for aquaculture production, Kahuku has several advantages over Waialua at present – including permits for discharge of wastewater into the ocean, high-quality fresh water, brackish water, and developed infrastructure.

---

21 Interview with Susan Harada, Dole Plantation Operations Manager.
3. Competitive Advantages & Disadvantages

Advantages. Waialua has several competitive advantages in agriculture that will support growth of the sector:

- **Good Agronomics.** Waialua has Prime Agricultural Lands, good climate for many crops, year-round growing season (especially good for seasonal products), high levels of solar radiation, proper elevation, etc. A few crops cannot be grown in Waialua’s climate – for example, broccoli, celery, cauliflower, and radishes can be grown in other parts of Oahu, but Waialua’s elevation and rainfall prevent their cultivation.

- **Agricultural Infrastructure.** Infrastructure – roads, irrigation systems, warehouse and office space, electrical power – are available for producers in Waialua. 23

- **Agricultural Workforce.** Waialua has a workforce experienced in farming and agricultural production, and a history and culture that support agricultural development.

- **Proximity to Honolulu.** Compared to mainland and neighbor island farms, Waialua has easy access to the large Oahu consumer market, to Honolulu-based suppliers, and to air-freight, harbors, and agricultural research centers.

Disadvantages. Waialua has some disadvantages which must be mitigated if the potential of agriculture in the area is to be realized:

- **Agribusiness Expertise Needed.** Many of Waialua’s farmers are not trained or experienced in the business aspects of farming, particularly in marketing, distribution, accounting and finance.

- **Coordinated Production Lacking.** Waialua’s many small, independent producers lack the capacity to coordinate production. The lack of coordination hinders Waialua’s ability to serve niche/seasonal markets (which require carefully timed production) and local retailers that require reliable scale and quality (supermarkets). Uncoordinated production can also lead to market flooding and depressed prices.

- **Landowner Commitments Uncertain.** Major landowner attitudes toward agriculture are uncertain at this time. Realizing the potential of agriculture in Waialua will require landowner commitments, and the continued availability of leases at rates and terms that support the industry’s growth.

---

• **Water.** Presence of effluent in much of the water feeding Waialua agricultural areas means that only crops above two feet or non-produce crops can be grown without treatment. Government officials and landowners are working to address this issue.

### 4. Market Feasibility

Considering growing conditions in Waialua, the existence of crop-specific import substitution and export opportunities, and recent trends in production, sales, prices, and Oahu market share, we identified 12 crops with high potential for feasible expansion in Waialua. These included: Cavendish Bananas; Papaya; Floriculture & Nursery; Seed Crops/Ag Research; Tropical Specialty Fruit; Tomatoes; Green Peppers; Snap Beans; Cantaloupe Melon; Honeydew Melon; Dry Onion; and Pineapple (relocated from other areas).

Based upon conservative growth assumptions, expansion of these 12 crops alone will require an additional 3,600 acres in Hawaii by 2010. Considering the trend toward moving production to Oahu and development pressures on other agricultural areas, Waialua could capture up to 25 percent of this need, requiring 900 acres of additional production. Agri-Tourism and export crops will also likely see growth in Waialua, but the course of this growth is less certain at this time. The exhibit below summarizes the analysis supporting these findings.

**EXHIBIT III-B: EXPANSION CROP AND NEW ACREAGE**

<table>
<thead>
<tr>
<th>Expansion Crop</th>
<th>Total Market (lbs)</th>
<th>% Local Production</th>
<th>Increase in % Local</th>
<th>New Acres by 201024</th>
<th>New Acres In Waialua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bananas (Cavendish)</td>
<td>27,621,000</td>
<td>77%</td>
<td>8%</td>
<td>300</td>
<td>75</td>
</tr>
<tr>
<td>Papaya - Local</td>
<td>26,355,000</td>
<td>100%</td>
<td>0%</td>
<td>100</td>
<td>25</td>
</tr>
<tr>
<td>Floriculture &amp; Nursery</td>
<td>(n.a.)</td>
<td>100%</td>
<td>0%</td>
<td>635</td>
<td>159</td>
</tr>
<tr>
<td>Seed Crops/Ag Research</td>
<td>6,340,000</td>
<td>100%</td>
<td>0%</td>
<td>231</td>
<td>58</td>
</tr>
<tr>
<td>Tropical Specialty Fruit</td>
<td>741,000</td>
<td>100%</td>
<td>0%</td>
<td>75</td>
<td>19</td>
</tr>
<tr>
<td>Other Fruit, Melon</td>
<td>15,793,000</td>
<td>27%</td>
<td>8%</td>
<td>50</td>
<td>13</td>
</tr>
<tr>
<td>Other Vegetables</td>
<td>27,799,000</td>
<td>41%</td>
<td>5%</td>
<td>50</td>
<td>13</td>
</tr>
<tr>
<td>Pineapple</td>
<td>39,340,000</td>
<td>100%</td>
<td>0%</td>
<td>1,000</td>
<td>250</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>20,495,000</td>
<td>85%</td>
<td>5%</td>
<td>77</td>
<td>19</td>
</tr>
<tr>
<td>Green Peppers</td>
<td>5,010,000</td>
<td>62%</td>
<td>10%</td>
<td>51</td>
<td>13</td>
</tr>
<tr>
<td>Snap Beans</td>
<td>1,385,000</td>
<td>79%</td>
<td>8%</td>
<td>37</td>
<td>9</td>
</tr>
<tr>
<td>Cantaloupe</td>
<td>9,641,000</td>
<td>0%</td>
<td>10%</td>
<td>688</td>
<td>172</td>
</tr>
<tr>
<td>Honeydew Melon</td>
<td>2,698,000</td>
<td>0%</td>
<td>10%</td>
<td>192</td>
<td>48</td>
</tr>
<tr>
<td>Dry Onion</td>
<td>22,168,333</td>
<td>24%</td>
<td>10%</td>
<td>153</td>
<td>38</td>
</tr>
</tbody>
</table>

**Totals:** 3,639 910

---

24 Based upon increases in local production AND growth in local consumption of 7% over 10 years.
5. Economic Development Implications

In the short run, market opportunities exist for expansion of agriculture in Waialua, but specific constraints must be addressed if this potential is to be realized. Residents and local farmers must work with landowners and local government to address the water issue and land concerns. Business training and supports for local farmers must be available and mechanisms for coordinating production (e.g., increased membership in cooperatives; using distributors to coordinate production; etc.) must be established.

Expansion of the sector will likely be concentrated in the 12 crops identified above and may generate 900 new acres of production on lands currently available in Waialua over the next 10 years. The sector will continue to be dominated by smaller farms (50 acres or less) serving the local market until and unless a large export crop is developed. This level of projected growth could create 70 - 90 new jobs and 15 - 20 new farms that may also create some limited farm ownership opportunities for Waialua residents.

However, as will be further discussed in the following section on “Light Industry,” diversified agriculture will not generate anywhere near the same level of jobs and income for Waialua that plantation agriculture once did. If it turns out that few agricultural lessees are actually Waialua residents, then it is even possible that agriculture could flourish in surrounding acres but Waialua itself could continue to suffer economically. (Of course, agriculture is still important to many Waialua residents for social and symbolic reasons, and a strengthened agricultural sector could help revitalize Waialua community pride and identity even if direct economic benefits are limited.)

C. Education

1. Sector Description

Education is the largest current employer among Waialua’s industries. It is dominated by Waialua High & Intermediate School – the community’s single largest job provider with 110 jobs (out of a total 140 jobs in Education). In addition to being a large part of the Waialua employment base, education was considered an important sector because there was strong resident interest in new education programs and facilities that might support local economic development. At the time of the study, a proposed education and training center – focusing on the areas of technology, entrepreneurship, and agricultural science – was being planned by a community task force (the E³ group), with participation from the Department of Education and Leeward Community College. A new private school was also in planning. Residents were interested in potential linkages between these programs, other workforce development initiatives, and existing employers in Waialua.
2. Supply & Demand Conditions

A need for education, training and job placement services exists in Waialua. As discussed in Part II of this report, Waialua does have significant workforce development needs. Many adult residents require training to enhance their skills and help them move into better jobs. The North Shore has a high proportion of working-age adults that would benefit from additional education – as of the year 2000, 2,659 had a high school diploma but no college degree; another 2,021 had some college but no degree (representing 56% of adults aged 25 or over, as compared to 49% for Oahu as a whole). And, as previously discussed, very few of Waialua’s working adults are employed in managerial, professional or technical positions.

Residents report a need for entrepreneur training, particularly in agriculture. Residents and the owners of agricultural businesses reported the need for agri-business training and entrepreneurship training, particularly for displaced sugar workers and immigrant farmers.

Education providers in the region concentrate on K-12 and degree programs. Existing providers of training and education in the region include Kahuku High School (which provides some technology and entrepreneur training in addition to conventional course work) and Brigham Young University of Hawaii in Laie (which focuses on post-secondary degrees). Gaps exist in professional and para-professional certificate programs (e.g., Certified Nurse Assistant), and training that complements employer-based programs (e.g., computer/software training). For this type of training, North Shore residents go to Leeward Community College or to providers located in downtown Honolulu.

Demand for job training exceeds available North Shore supply. Interviews with staff from Oahu WorkLinks – a provider of case management, referral and job placement services located in Waialua – revealed considerable demand for job training in the North Shore region and beyond. The Waialua Office of Oahu WorkLinks serves 300 to 400 job and training seekers each month. Between 120 and 150 of these are seeking job training. Staff report that clients come from across the North Shore, as well as from Millilani, Wahiawa and Schofield. The office also continues to see regular traffic from displaced Waialua sugar workers. Staff also noted that virtually all clients seeking job training are referred to providers “in town”, as there are no training providers on the North Shore.

Employer workforce needs are mainly outside of Waialua. Oahu WorkLinks reports that demand from employers is concentrated on healthcare professions including Certified Nurse’s Assistants (CNAs) and medical technicians. They also noted that Waialua employers have not actively sought assistance from Oahu WorkLinks to fill vacant positions or train existing employees.

3. Competitive Advantages & Disadvantages

Advantages:

- **Suitable sites exist for education expansion.** Waialua High & Intermediate has some excess capacity. A tentative site has already been selected for a new private school.

- **Waialua already drawing training-seekers from other areas.** As previously noted, Oahu WorkLinks draws job- and training-seekers from areas outside of Waialua including the entire North Shore, Schofield, and Mililani. A training program or facility in Waialua could service this demand, and would be more convenient than programs located in downtown Honolulu.

- **Strong community leadership.** One of the strengths of this industry area is that it has projects with serious community support and leadership. Staff at Waialua High & Intermediate are committed to moving new educational programs forward with assistance from Leeward Community College.

Disadvantages:

- **Site for a new facility undetermined.** The development of a new education and training facility would likely require the support of one of the landowners of the few developable sites. Excess space at Waialua High & Intermediate may provide a more viable location for new education and training programs.

- **Local development capacity for new facility may be limited.** Development of a new education and training facility would also require a developer with experience appropriate for the project. At present, community organizations in Waialua lack this development expertise.

4. Market Feasibility

A need clearly exists for job training services in Waialua and in surrounding communities as far away as Mililani. However, the feasibility of servicing this need in Waialua will depend, in large part, on the ability of training providers to obtain subsidies to offset the cost of providing these services. Though there are dedicated sources of funding for training and workforce development of the type needed in Waialua (e.g., federal Workforce Investment Act funding; the State Employment Training Fund) the availability of these funding streams is dependent upon a variety of fiscal and political conditions. Assuming such subsidies can be obtained and sustained, the client base exists to support expansion of education and training in Waialua.
Building a new facility to house education and training programs would add several risks to sector expansion including: investment/funding risk (e.g., are development funds available?), construction risk (who will manage construction?), and increased loss potential if demand changes in the future (what if demand falls off resulting in an underutilized facility?). Using existing excess capacity at Waialua High & Intermediate or vacant space elsewhere in the town core may be more viable than building a new training center.

5. Economic Development Implications

Expansion in the education industry through new programs and a new private school would create skilled jobs with moderate wages. The expansion could support 20-40 new jobs depending upon the ultimate scope of the program(s). Given that the needs of Waialua employers for workforce development are currently limited, these programs and facilities would likely serve to help Waialua residents obtain better paying jobs with employers outside the community, rather than supporting industry growth in Waialua.

D. Residential Development

1. Sector Description

In Core Group meetings, residents expressed some interest in residential development, provided such development would result in tangible social or economic benefits for residents and businesses in Waialua. However, they also expressed reticence about housing development on a scale that might threaten the rural character of the town. These views are consistent with those articulated in the North Shore Sustainable Communities Plan, which allows for limited residential development (within specific boundaries and design guidelines).

Residential development was not of interest as an economic “growth industry” per se, although housing projects do provide temporary construction jobs. Rather, residents were interested in exploring specific issues related to housing and its impact on economic development. These included:

(1) the potential of residential development (and therefore increased population) to support retail/service business expansion in the town core;

(2) the development of affordable housing for existing Waialua residents;

(3) the need for housing to accommodate and/or attract a workforce to sustain Waialua economic growth;
(4) the prospects for “revitalizing” Waialua vs. impacts on the town’s rural character, open space, and country lifestyle

Reflecting resident interests, our analysis focused on exploring these specific housing-related issues. It did not attempt to draw conclusions about the economic feasibility of new residential development from a developer standpoint.

2. Supply & Demand Conditions

Consistent with the previous comment that we are not assessing Waialua residential development from a developer’s perspective, we simply and briefly note some aspects of the island-wide housing situation, rather than look at supply and demand for the North Shore or for Waialua in particular.

Oahu housing demand is strong. Fueled by low interest rates and low levels of building through the 1990s, the Oahu housing market was booming at the time of the study. Median sales prices for single-family homes were on the rise island-wide and were projected to continue increasing throughout 2003. In the first quarter of 2003, single-family home prices had risen to $350,000, up 12.9% from the previous year. The number of single-family units resold also increased by 9.1% over the same period.26

Building activity is increasing to keep pace with demand. Both the contracting tax base and total private building authorizations increased significantly during the first quarter of 2003. The contracting tax base, which measures construction activity subject to the general excise tax, increased by 22.8% from the first quarter of 2002. The value of residential building permit authorizations was up 70.1% statewide and the number of single-family unit authorizations was up 65.1%.27

Real estate peak forecast within the next 3-5 years. Appreciation in home prices is expected to continue through 2003 and into 2004, fueled by low interest rates and tight inventories. Bank of Hawaii projects the housing affordability cycle will reach an “unaffordability peak” at an Oahu single-family median point of more than $500,000, sometime during 2005 or 2006.28

3. Economic Development Implications

Residential development to support retail and service expansion. Residential development is unlikely to support additional retail or service business unless development of 300 to 600 homes ensues. This estimate is based upon the assumption that approximately $400,000 of local spending is required to support a new small retail

establishment. A new clothing store, restaurant, or convenience goods market would all require minimum sales of about this scale, and retail establishments in other rural Oahu towns average about this level of sales. Increasing Waialua’s household count by 300 would increase local spending on clothes, restaurants, and convenience goods by less than this amount in each retail category, given current patterns of spending and applying the same assumptions about market capture used in the analysis of the retail sector above. Using Restaurants as an example:

- 300 units x $50,000 household income = $15,000,000 total income
- $15,000,000 total income x 80% spent = $12,000,000 total spending
- $12,000,000 spending x 6.7% spent on restaurants = $813,000
- $813,000 x 25% captured by Waialua restaurants = $203,000

$203,000 would be insufficient to support a new restaurant. The same analysis applies to apparel, convenience market, home supplies, and other retail industries. It would thus require more than 300 new homes to support additional retail establishments in Waialua town above and beyond the expansion that is already possible through recapture of existing resident spending (see analysis of retail sector, above).

Residential development to support “affordable” housing. In general, affordable housing development is best pursued when housing markets are depressed. During such times, sites can be acquired on favorable terms from landowners and subsidized projects are more attractive to developers. In a hot housing market, developers and landowners perceive an abundance of options and will focus on projects that offer the highest rate-of-return. Subsidized projects such as affordable, senior, or special-needs housing are less feasible in this climate.

The development of affordable housing also often requires a mission-driven (rather than profit-driven) developer with experience in subsidized projects. Subsidies from Local, State, or Federal sources will be required to fund development. Special programs that provide targeted supports to low-income homebuyers may also be needed. In short, affordable housing development is not likely to be feasible, unless the Oahu housing market cools, a developer with capacity can be identified, and subsidies can be obtained.

Housing to support or attract a growing Waialua workforce. The availability of housing is not a major factor in site selection by companies, particularly if a firm is choosing between neighborhoods that are geographically proximate to existing housing stock. For instance, a firm choosing to locate either in Mililani or Waialua would probably not select one community or the other based upon the availability of housing for its workforce, but on other site-specific and locational advantages. It is therefore unlikely that residential development will drive workforce growth, except for provision of additional customers for retail operations.

29 For purposes of this discussion “affordable” generally means that annual rent or mortgage payments do not exceed 30% of annual resident income.
Residential development – “revitalization” vs. impact on rural character. It should be recognized that, in the absence of market studies for a specific proposed development, these issues in fact have less to do with economics than with social issues and community values. Therefore, what follows is a brief commentary rather than an economic analysis.

In several parts of Waialua, housing stock appears to be deteriorating, and some community residents have told us they believe Waialua’s current housing stock is largely attracting transient renters who have little long-term commitment to the community. Replacing some of these older units, or supplementing them with newer homes, could provide a visual “facelift” for Waialua. Development of market units could attract new residents with a long-term stake in the quality of schools and other community facilities, and their higher income levels could arguably provide more incentive for commercial property owners to upgrade facilities to attract their business.

Two standards can be used to gauge the impact of new residential development on the rural character of Waialua town. The first is historical population levels. Waialua has experienced steady population decline over the past decade – a source of concern for many remaining residents. Restoring population to its 1990 levels (before population decline steepened with the closure of Waialua Sugar Co.) would require construction of 65 new homes with average occupancy of 3.0 persons per household.

A second standard for gauging the impact of housing development on the rural character of Waialua is the North Shore Sustainable Communities Plan. The Plan was developed with substantial input from residents and City planners. It considers both projected housing demand and the desire of residents to keep Waialua “country.” Within this context the Plan aims to “maintain the rural character, agricultural lands, open space, natural environment, recreational resources and scenic beauty of Oahu’s northern coast… In line with the General Plan policies to preserve the open space and country atmosphere of the rural areas, the North Shore Sustainable Communities Plan will limit growth to “infill” areas within or adjacent to built-up areas to accommodate existing and future housing and employment needs.”

With regard to residential expansion, the Plan proposes the following: “In response to housing needs expressed by Waialua and Haleiwa residents and anticipated demand generated by growth in diversified agriculture and other industries, two residential expansion areas contiguous to Haleiwa and Waialua Towns are proposed. In Waialua, the existing Mill Camp between the Mill site and Puuiki Road is designated Residential to reflect its existing use, and new housing will be located mauka of the Mill Camp, between Puuiki and Goodale Avenues.” Within this designated area, an additional 150 units between Puuiki Road and Goodale Avenue are anticipated. This level of housing development is expected to meet housing needs through 2020 and still maintain the rural character of Waialua town.

---

30 City & County of Honolulu, North Shore Sustainable Communities Plan, 1-1.
31 City & County of Honolulu, North Shore Sustainable Communities Plan, 3-47 and 3-48.
assess the economic feasibility of a housing project of this size from a developer’s perspective.

E. Light Industry

1. Sector Description

The smoke stack at the old Mill is a Waialua trademark. Once a symbol of productivity in sugar, it now marks the spot where light industry can happen on the North Shore. Food and agricultural processing, woodworking, printing, boat and car repair, surfboard manufacturing, and other similar activities fall into this category.

About thirty tenants occupy the old Mill buildings spread over twelve acres. Current zoning would allow an expansion of five more acres adjacent to the site. The buildings are old and the roads are in disrepair, but much of the work happening on the site seems productive and promising.

Community reaction to the development of light industry in Waialua might best be described as uncertain. While the sector is mentioned as an area worth exploring, little is known about its potential or about what expansion of this sector might look like and mean for the community. Based on interviews with eight current tenants during March, 2003, a rising demand for industrial real estate in Hawaii and the overall community vision, it appears that limited development of the sector could produce significant community benefits while creating synergies with other sectors of the local economy.

Inquiries on Neighbor Islands established that it is quite common (particularly on Kauai) for old sugar mills or pineapple canneries to be used for light industry – often in conjunction with some services or retail activities (“mixed use”). For example, Kauai’s old Lawai pineapple cannery has two auto body shops, a warehouse, a glass business, a concrete manufacturing plant, a hair stylist, an office, and a convenience store on just a portion of the old cannery site. Other areas feature baseyards for trucks and heavy equipment, and those closest to major residential areas report success in self-storage operations. Most of these former mills and canneries appear to operate on a makeshift, interim basis, sometimes without “official” light industrial zoning. It is more common for “official” (i.e., legal) light industrial projects to sell than to lease lands, but one comparable situation appears to be Grove Farm’s old mill at Koloa. As in Waialua, tenants include some surfboard and small boat makers, but more heavy equipment storage for truckers and contractors, auto repair shops, etc. A few of the tenants include visitor-related businesses, such as a visitor processing center for agri-tourism tours and ATV rides. Thus, light industry could tie in to a visitor industry strategy, should the community be interested in that direction.
2. Supply & Demand Conditions

High Demand for Industrial Space. According to recent studies, industrial real estate is the hottest sector in Hawaii’s commercial real estate market. Occupancy rates are at or near all time highs, demand is way up and undeveloped property is getting scarce. The prime locations for industrial space are in Honolulu closer to other businesses and air and ocean transportation. Other large industrial spaces are available in Leeward Oahu. Location is a critical factor for locating many industrial activities and thus one might not be surprised that demand is higher for space in Honolulu. However, there are at least three reasons why one might locate in Waialua: lower rent, proximity to the North Shore economy, proximity to home. In fact, some current Mill tenants had space in Honolulu but moved to Waialua when the opportunity presented itself because of better rent or proximity to their homes.

Some Export Potential. Current tenants that are producing products such as furniture, ocean sports equipment, and waste management systems, have demonstrated potential to export products to other states and countries. A number of tenants are selling products on websites and others have established contacts in foreign markets. Greater export activity provides opportunities for expansion and job creation in Waialua.

Potential for Effective Mixed-Use Area. One vision mentioned for the Mill site is a mixed used area of small-scale manufacturing and retail. For example, a community kitchen has been established for small-scale food processing activities. The products of this work could be sold on site. The area of the Mill that is nearest the town core could be an accessible location for retail activities to sell products to Waialua residents, residents from neighboring towns and visitors. With some planning, the most noxious activities could be located farther away from the town core, with less intense activities mixed in with retail or a small visitor attraction.

It should be noted that a number of “retail” business uses are already permissible under the area’s current I-2 zoning – e.g., indoor amusement and recreation centers, bars and nightclubs, convenience stores,* eating establishments, financial institutions, neighborhood grocery stores, * plant nurseries, and self-storage facilities. (Items with *’s indicate some level or restriction or additional level of required government review.) Should the owner successfully apply for the official “mixed-use” zoning designation known as IMX-1, additional permitted uses could include cabarets, medical clinics, office buildings, retail establishments, and travel agencies. Many of these would be subject to special density controls under City zoning ordinances.

Limited Agricultural Support Activities Might Follow Agricultural Development. The community has expressed an interest in agricultural support opportunities that might be created by greater agricultural activity. According to experts at the UH CTAHR, and Agricultural Extension Agents, this is likely to be feasible only on a small scale. The

---

new Waialua community kitchen could help create these opportunities by providing a site for entrepreneurs to process foods. Larger scale activity is less likely. Waialua agricultural products that are sold fresh and to local markets do not call for agricultural support services such as large-scale food processing or large food storage facilities. Even if these large-scale activities are needed, experts believe that they are more likely to be located in Honolulu nearer transportation facilities. Diversified agriculture simply does not generally provide the same opportunity for support jobs in nearby towns than plantation crops such as sugar once brought to Waialua.

**Demand for Ocean Sports Equipment.** Many of the Mill tenants are producers of ocean sports equipment—surfboards, sail boards, surfboard fins, etc. Because ocean sports are at the core of the North Shore economy, Waialua presents the nearest legitimate location for this kind of manufacturing. Many tenants reported that sales to both visitors and local residents were promising.

**Competition.** Along the North Shore, the alternative to locating at the Mill site is to operate out of one’s home. However, the dust, noise and fumes from significant manufacturing activity is better located at a site such as the Mill. Alternatively, space for light industry is located in Honolulu or at industrial parks distant from North Shore business owners and the North Shore economy.

**EXHIBIT III-C: Industrial Properties on Oahu**

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of Buildings</th>
<th>Building Area</th>
<th>Vacancy Rate</th>
<th>Weighted Avg. Net Asking Rent (I-1 and I-2 zoned properties only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalihi / Sand Island</td>
<td>714</td>
<td>7,741,975</td>
<td>2.61%</td>
<td>$1.00</td>
</tr>
<tr>
<td>Kapalama Military Reserve</td>
<td>20</td>
<td>1,300,000</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Iwilei</td>
<td>92</td>
<td>2,511,998</td>
<td>5.76%</td>
<td>$0.78</td>
</tr>
<tr>
<td>Airport / Mapunapuna</td>
<td>204</td>
<td>8,103,587</td>
<td>1.64%</td>
<td>$0.79</td>
</tr>
<tr>
<td>Bougainville / Halawa</td>
<td>113</td>
<td>3,056,923</td>
<td>3.84%</td>
<td>$0.65</td>
</tr>
<tr>
<td>Pearl City / Pearl City Industrial / Area</td>
<td>118</td>
<td>2,200,089</td>
<td>6.37%</td>
<td>$0.91</td>
</tr>
<tr>
<td>Waipahu</td>
<td>144</td>
<td>2,009,679</td>
<td>0.49%</td>
<td>$0.83</td>
</tr>
<tr>
<td>Gentry Business Park</td>
<td>95</td>
<td>1,513,874</td>
<td>4.48%</td>
<td>$0.62</td>
</tr>
<tr>
<td>Campbell Ind. Park / Kapolei Bus. Park</td>
<td>109</td>
<td>4,321,031</td>
<td>1.01%</td>
<td>$0.54</td>
</tr>
<tr>
<td>Kailua</td>
<td>48</td>
<td>456,822</td>
<td>0.00%</td>
<td>N/A</td>
</tr>
<tr>
<td>Kaneohe</td>
<td>41</td>
<td>512,187</td>
<td>2.83%</td>
<td>$0.81</td>
</tr>
<tr>
<td>TOTALS</td>
<td>1617</td>
<td>33,728,165</td>
<td>2.59%</td>
<td>$0.80</td>
</tr>
</tbody>
</table>

3. Competitive Advantages & Disadvantages

Advantages. Waialua has several competitive advantages in light industry that will support growth of the sector:

- **Only Legitimate Site on the North Shore.** The most important factor to understand about the old Mill site is that it is the only industrial-zoned area on the North Shore. For entrepreneurs in North Shore communities, the choices other than the Mill site are more distant and often more expensive. Some small scale production can occur in private homes, but for these businesses to grow, larger and more legitimate space is needed.

- **Isolation.** Many current tenants, particularly artisans and craftspeople, mentioned that the isolation of the Mill site was an advantage. The ability to work relatively free from interruption and away from urban life was mentioned as an important reason for locating and staying in Waialua.

Disadvantages. Waialua has some disadvantages that must be mitigated if the potential of light industry in the area is to be realized:

- **Unplanned and Unimproved Site.** Tenants mentioned the need for a plan for the site that would help ensure that various kinds of industrial activities were placed appropriately to facilitate creation of efficient work space. This would be particularly important if the site was transformed into a mixed use area. Tenants also universally mentioned the need for at least modest improvements to the site such as improved infrastructure, better roads, and proper signage. Without these changes, the Mill site will have difficulty attracting and retaining tenants.

- **No Industrial Identity.** Waialua’s Mill site appears to be a secret to most. While this positively adds to the isolation that some tenants desire, it also fails to attract the attention of potential tenants that might help create economic benefits in the community. It will take an appropriate amount of planning and improvement to attract the right mix of businesses to Waialua’s industrial center.

4. Market Feasibility

Waialua will not likely become an industrial town. First and foremost, there is no community desire to transform from a rural neighborhood to an industrial town. But even if it were the centerpiece of a vision for Waialua, the Mill site lacks the location advantage possessed by more established industrial areas that are near airports, ports and Honolulu’s business core.

However, the small area zoned for industrial use can be an asset for the local economy. As the only legitimate industrial site on the North Shore, the Mill site could be the industrial center for all of the North Shore. This is particularly true for small scale
activities that are not dependent on nearness to transportation. Businesses that cater to the broader North Shore economy, or that sell products via the Internet, or that are run by residents of the North Shore are particularly well suited. Given this, the best prospects include ocean recreation, small-scale food processing, artisans and craftspeople, and other businesses that depend on a relatively small quantity of physical transactions.

Development of light industry is not without risks. In particular, careful attention should be given to environmental and visual impacts of a site so closely fused to the town core. Current tenants also mentioned vulnerability to fluctuations in other sectors such as construction, tourism, and the transportation industries.

All told, light industry is not likely a driver of very large-scale economic development in Waialua, but there may be significant economic benefits (described below) that suggest a need to capitalize on existing market opportunities.

5. Economic Development Implications

As is the case now, many of the enterprises that could end up at the Mill site will be owned and operated by people who do not live in Waialua. This is to be expected since light industry is not that common an endeavor and since the Mill site is an attraction to North Shore entrepreneurs because of its unique zoning. The community kitchen presents an opportunity for some local business incubation to occur. But in general, a stronger light industry sector in Waialua will not mean a direct increase in business ownership opportunities for current Waialua residents. However, there is potential for job creation and skill building for Waialua residents. Industrial activity can create a broad range of employment opportunities of various skill levels.

Also, industrial activities that create sellable products or that are interesting to visitors may help increase traffic. Smartly integrated with development of agriculture, retail and/or visitor sectors, light industry could compound benefits to the community.

Finally, there is little interaction at present between current Mill tenants and other local businesses in the community. However, with some effort by business owners and community members, there are numerous opportunities for positive linkages with other businesses and with educational endeavors. Industrial activities can produce learning opportunities, jobs skills training, technological advancements and business partnerships.

Based on availability of about eight zoned but yet-undeveloped light industry acres adjacent to the existing property, we estimate that, over time, simple build-out of the area could generate perhaps 100 additional Waialua-based jobs. (As with all new Waialua jobs, there is no guarantee these would be filled by actual Waialua residents, but it should be noted that more workers in the town core provide more support for Waialua stores and restaurants.) Should the landowner choose to pursue “IMX” zoning
(allowing for a mix of industrial and commercial activities, and to invest in other maintenance and repair activities likely to attract more labor-intensive businesses, the additional job count might eventually rise to something like 200 ... again, over time.34

F. Visitor and Recreation Industries

1. Sector Description

The visitor industry is Hawaii’s most important and well-defined sector. It has several distinct and separate components – e.g., accommodations (hotels or other lodging), attractions, transportation, retail, food services, etc. Additionally, “recreation” implies activities that might draw Hawaii residents from other communities (not just out-of-state visitors) to Waialua for leisure activities such as ocean sports, hiking, golf, etc.

Because of the complexity of this sector, this analysis will be both lengthier and differently organized than foregoing analyses of other sectors. The greater length is due to the fact that we are analyzing a number of potentially distinct and independent activities; it is not intended to suggest that the visitor and recreation industries are more important or better suited for Waialua than foregoing sections.

In terms of organization, we will identify certain individual visitor or recreational activities, and examine each of them separately. First, however, we will explore some “big picture” trends for the visitor industry in particular, to help assess likely overall growth prospects and to identify major structural changes now affecting the industry. We will also summarize our understanding of Waialua community attitudes toward the visitor and recreation industries, because these helped to determine our selection of particular activities for further study.

Overall Growth Prospects. Is there a “rising tide” of tourism on Oahu, such that even out-of-the way locations like Waialua will have an opportunity to capture additional visitor business that does not exist now? The State Department of Business, Economic Development, and Tourism (DBEDT) publishes “official” long-term projections that indicate this may indeed be the case. However, actual recent history and current national and international conditions do not provide much support for these projections, at least in the immediately foreseeable future.

In terms of Average Daily Visitor Census (i.e., the average number of visitors present on any given day in a particular year), the visitor counts for both Oahu and the state as a whole have remained roughly flat since 1989 (see left-hand portion of Exhibit III-D).35

34 Job estimates here are very rough. Comparable Neighbor Island projects are generally smaller and lack an overall manager who has any reason to track jobs per acre on a systematic basis. Available ratios for urban-area “light industrial parks” are higher, but are probably not relevant to rural projects like this.
35 Figures in this and several following exhibits, come from DBEDT’s State of Hawaii Data Book and/or unpublished figures provided by DBEDT’s Research and Economic Analysis Division.
If DBEDT is correct that tourism to Hawaii will continue to grow over the next 20 years, the number of required visitor rooms on Oahu in 2025 is currently projected to be about 55,400, a 53% increase over the year 2000 visitor unit inventory. This means Oahu will need about 18,500 more visitor rooms than it had in 2000. The City and County Planning Department reports that most major land use permits are in place for about 12,250 of those units – including 3,450 new hotel or other visitor units at the North Shore’s Kuilima Resort (Exhibit III-E).

EXHIBIT III-E: “APPROVED” FUTURE OAHU VISITOR UNITS

<table>
<thead>
<tr>
<th>Primary Urban Center</th>
<th>Waikīkī</th>
<th>1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other</td>
<td>2,200</td>
</tr>
<tr>
<td>Ewa</td>
<td>Ko Olina Resort</td>
<td>3,600</td>
</tr>
<tr>
<td></td>
<td>Ocean Pointe</td>
<td>950</td>
</tr>
<tr>
<td>North Shore/Koolauloa</td>
<td>Kuilima Resort</td>
<td>3,450</td>
</tr>
<tr>
<td></td>
<td>Laie</td>
<td>250</td>
</tr>
<tr>
<td>Waianae</td>
<td>Makaha Valley</td>
<td>800</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>12,250</td>
</tr>
</tbody>
</table>

Data from City and County of Honolulu Planning Dept. – includes all types of units except 2nd homes or, of course, unofficial B&Bs or individual vacation rentals.
The difference between the current projected “need” for 18,500 additional units and the “approved” 12,250 is more than 6,000 units – suggesting the possibility of a market for at least one more major Oahu master-planned rural resort such as Kuilima or Ko Olina. Simply based on geography, one of the “least developed” areas of the island (i.e., currently lacking a major designated resort) would be the Haleiwa/Waialua/Mokuleia area.

And yet none of Oahu’s rural resorts has developed rapidly to date; past proposals for Mokuleia went unapproved in the face of community opposition; and visitor industry figures themselves are divided in their public statements about whether they expect DBEDT’s projected growth figures to be realistic. National and international travel patterns have been deeply affected by the aftermath of the September 11, 2001 terrorist attacks and subsequent American military activities (as well as by the SARS epidemic), and it is simply too soon now to say for sure whether they will “snap back” to normal conditions that would foster expansion of the visitor industry on Oahu … or whether there has been a lasting structural change in the factors that encourage overseas travel to Hawaii from the Mainland, Asia, or other source markets.

The Structure of Hawaii Tourism and Expected Changes in That Structure. At least in terms of accommodations, Hawaii may be said to have two primary separate and distinct “visitor industries” (or perhaps “visitor experiences”):

- **Waikiki** – A dense urban leisure experience with substantial nightlife … in recent years attracting a somewhat remarkable mix of budget Mainland travelers and relatively high-spending Japanese … and economically driven by direct visitor expenditures at hotels and nearby restaurant/retail complexes.

- **Large Master-Planned Rural Resort** (e.g., Waikoloa, Kaanapali, Princeville, or, less successfully to date, Kuilima) – Quieter and slower-paced … on average pitched more to the Mainland “carriage trade” … and economically driven by recreational real estate sales. Hotels in such resorts are sometimes even viewed by developers as loss leaders, built to attract a steady stream of potential buyers for condominium or single-family structures that are usually second homes or possible retirement homes (and may sometimes be rented out to other visitors when their owners are not using them).

Oahu’s visitor industry has been dominated by Waikiki and hence by hotels, whereas the Neighbor Island resort model (which would probably apply more to Waialua than would the Waikiki model) features a very different mix of visitor accommodations with a greater share of timeshares, condos, B&Bs, and other unit types in addition to hotels.

In addition to the above-mentioned two primary types of Hawaii tourism, there are other visitor experiences to be had, and some of these are growing or changing in ways that are likely to affect the overall profile of the industry:
• **Timeshare (replacing traditional hotels)** – Few new traditional hotels are now planned anywhere in Hawai‘i because the cost of land and infrastructure demands higher room rates, or investors who are willing to assume the risk of a very long-term payback. By contrast, timeshare sales provide an immediate return on investment. New developments in master-planned resorts today are likely to be timeshare projects rather than hotels (or some combination thereof). One implication for the North Shore is that overall future build-out of Kuilima, if it occurs, will probably provide fewer on-site jobs than had been previously expected … but also more visitors of the type who are likely to explore and spend money in the surrounding community, perhaps even in the Waialua area.

• **Small Stand-Alone Lodges or “Eco-Camps”** – Once the dominant form of tourist accommodations outside Waikiki, the small-scale rural lodge appeared poised to make something of a comeback in the 1990s, but the economic problems of hotel development mentioned above – in combination with government permit conditions that increased economic difficulties – limited actual new projects to a few examples such as the Molokai Ranch eco-lodge or the Waimea Plantation Cottages on Kauai. It remains to be seen if the planned North Shore “eco-camp” at Puaena near Haleiwa will actually be built. This subject will be examined in more depth later.

• **“Little Waikiki’s”** – Some Neighbor Island coastal communities (e.g., Kailua-Kona on the Big Island, Kapaa on Kauai, and Lahaina and Kihei on Maui) have replicated aspects of Waikiki on a small scale. That is, they provide a mix of stand-alone hotels and condos, shopping, restaurants, and some nightlife and daytime ocean-oriented activities in a relatively “urban” area. On Oahu’s North Shore, Haleiwa has increasingly become tourist-oriented in its retail activity, though no hotels currently exist there. For reasons noted above, the hotel components of these “tourist towns” have not been expanding of late, but there has been some expansion in retail, in ocean-oriented recreation, and occasionally in timeshare projects. These communities likely do not offer a viable economic development model for Waialua, where the retail center is removed from the ocean, nor do they represent the sort of transformation in Hawaii’s visitor industry that seems to be the case for the remaining three categories.

• **Cruise Ships** – Although comprising just 3% of Oahu’s visitor count in 2001, the number of cruise ship visitors increased 44% from the previous year. Cruise ships are expected to bring some 400,000 visitors to Hawaii in 2004, and are likely to be a major force for change in the industry. However, the modern cruise ship phenomenon is still too new to permit assessment of implications for communities such as Waialua. Clearly, they may absorb some of the growth that might otherwise have gone into master-planned rural resorts. However, there is not yet sufficient experience to say whether visitors who arrive by cruise ship will different in any clear way from Waikiki hotel visitors in their tendency to explore the rest of the island and/or to be more drawn to “niche” day trip experiences that Waialua might possibly provide.
• **Bed-and-Breakfasts and Individual Vacation Units** – This is the mystery area of Hawaii tourism. The number of Bed-and-Breakfasts (B&Bs – defined as having an on-site residential host) and Individual Vacation Units (IVUs – short-term rentals with no on-site host) known to the State represented just 2% of Oahu’s 2001 visitor unit inventory. However, this figure is generally recognized as considerably under-reported, because most such units are illegal under current Oahu zoning laws.\(^3\) The City and County lacks enforcement personnel for any sort of aggressive control. Meanwhile, the number of B&Bs and IVUs being advertised on the Web – surely a critical factor in their probable growth over the past decade – suggests large numbers of “visitor units” that are neither known to the State nor paying appropriate taxes. Contacts with Oahu Realtors suggest that the North Shore, along with parts of Windward Oahu, are particularly popular with B&B or IVU patrons, whose expenditures may well be very important for the success of many local businesses. This topic will also be further explored for applicability to Waialua, in conjunction with small hotels.

**Vacation Homes** – As previously mentioned, the real economic point of developing master-planned resorts has always been to sell recreational real estate – most often vacation homes. In addition to these resort units, there has also been a recent proliferation of large homes for apparently wealthy buyers or builders in “agricultural subdivisions” in rural parts of Neighbor Islands. There has yet to be much systematic study of these projects, and it is not clear what percentage of them are full-time owner-occupants and what percentage are vacation properties, nor is it clear how many of the buyers are from Hawaii vs. out-of-state areas. But at least some of the purchasers are likely to consist of “spill over” from resort vacation projects. In this respect, Hawaii is following in the footsteps of places like Florida and Arizona, where a certain number of “tourists” have always expressed interest in becoming vacation (and perhaps eventually retirement) property owners. The implications for Waialua will be further discussed later.

**Waialua Community Values and Decisions About Types of Activities to Analyze.** Based on past planning documents, Core Group discussions, and our own community interviews, our understanding is that:

1. A large master-planned resort such as Kuilima would be considered inappropriate and out-of-scale for the Waialua area. However, there may be some community interest in *small-scale* accommodations such as B&Bs or lodges.

2. Waialua does not wish to have as many tourist-oriented restaurants, shops, or attractions as does Haleiwa. A very large attraction (such as the Polynesian Cultural Center or the Dole Plantation) would also be considered out of scale. But

---

\(^3\) The City Council is reportedly considering some form of regulated legalization, as exists on the Big Island. Some existing units are legal because they existed before current prohibitions were enacted in the late 1980s.
the community may be interested in visitor retail or recreational establishments on a more limited scale.

(3) There is tentative interest in a golf course, though with preference for community-oriented play.

Based on these understandings, as well as beliefs about market trends occurring anyway, in the subsequent pages we analyze Waialua prospects for these different aspects of the "visitor and recreation industries:"

- **Small-Scale Visitor Accommodations** – Lodges or larger B&Bs;
- **Very Low-Impact Visitor Retail/Restaurant/Attractions** – Establishments small enough to subsist by capturing existing visitor traffic;
- **Medium-Impact Visitor Retail/Restaurant/Attractions** – Establishments that could attract additional visitor traffic to Waialua but still not affect the "country" ambiance;
- **Second Homes in Agricultural Subdivisions** – Something we believe is likely to increase in the Waialua/Mokuleia area under existing zoning laws;
- **Golf Course** – Looking first at a resident-oriented “stand-alone” course, but also considering possible links to visitor or residential development.

2. Small-Scale Visitor Accommodations

**Existing and Planned Visitor Units.** Exhibit III-F shows all reported visitor units in the North Shore area as of 2001, categorized by price range. The price range percentages are compared to those of the county and the state as a whole, as well as those of the very rural islands of Molokai and Lanai. This comparison shows that North Shore visitor units to date have been targeted to lower-paying clientele. It is highly likely that some untapped demand exists for more upscale units than have yet been created on the North Shore.

Exhibit III-I indicates only a few IVUs (vacation rentals) and no B&Bs on the North Shore, but discussions with Realtors and a quick search of the Web suggested there are in fact many such units. The great majority appear to be located in the Sunset/Pupukea area, and are on or near the beach. The Web search also suggested there are about a half dozen B&Bs or IVUs already existing in the Waialua area, probably all on or near the beach.

---

37 Defined by DBEDT to include Wahiawa and Koolauloa.
### EXHIBIT III-F: NORTH SHORE VISITOR UNIT INVENTORY, 2001

<table>
<thead>
<tr>
<th>Location</th>
<th>No. of Units</th>
<th>Opened</th>
<th>% Budget (&lt;$100/da)</th>
<th>% Standard ($101-$250)</th>
<th>% Deluxe ($251-$500)</th>
<th>% Luxury (over $500)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hotels</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hilton Turtle Bay</td>
<td>Kuilima</td>
<td>485</td>
<td>1972</td>
<td>0%</td>
<td>95%</td>
<td>0%</td>
</tr>
<tr>
<td>Best Inn Hukilau</td>
<td>Laie</td>
<td>48</td>
<td>1964</td>
<td>90%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Inn at Schofield Barracks</td>
<td>Wahiawa</td>
<td>192</td>
<td>1994</td>
<td>50%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Condo/Hotel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turtle Bay Apartments</td>
<td>Kuilima</td>
<td>50</td>
<td>1973</td>
<td>10%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Bed &amp; Breakfasts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(None Reported to DBEDT or HVCB)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Vacation Rentals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[16 properties]</td>
<td>[various]</td>
<td>29</td>
<td>1978-2000</td>
<td>26%</td>
<td>63%</td>
<td>11%</td>
</tr>
<tr>
<td>**“Other” (Hostels, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Backpacker’s Vacation Inn &amp; Plantation Village</td>
<td>Three Tables Beach/Waimea</td>
<td>14</td>
<td>1979</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>[2 properties]</td>
<td>[various]</td>
<td>3</td>
<td>1983</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**All Reported North Shore Visitor Units (821):**

<table>
<thead>
<tr>
<th></th>
<th>20%</th>
<th>77%</th>
<th>0%</th>
<th>3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Reported Oahu Visitor Units (36,269):</td>
<td>25%</td>
<td>47%</td>
<td>25%</td>
<td>3%</td>
</tr>
<tr>
<td>All Reported Molokai Visitor Units (292):</td>
<td>21%</td>
<td>36%</td>
<td>43%</td>
<td>0%</td>
</tr>
<tr>
<td>All Reported Lanai Visitor Units (368):</td>
<td>2%</td>
<td>3%</td>
<td>43%</td>
<td>52%</td>
</tr>
<tr>
<td>All Reported Statewide Visitor Units (70,834):</td>
<td>21%</td>
<td>44%</td>
<td>29%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*a Bed & Breakfasts have on-site hosts.
*b Vacation Rentals (or “Individual Vacation Units”) have no on-site hosts. The percentages shown are based on 12 properties; the other four properties, with nine total units, had no room rate information.

**Source:** 2001 Visitor Plant Inventory, Hawaii State Dept. of Business, Economic Development, & Tourism, Research and Economic Analysis Division

In addition to existing units, planned possible additions to the North Shore inventory include:

1. **Puaena Eco-Camp** – If developed, this would be the first Haleiwa-area visitor lodging created in recent decades. The developer, Destination Villages, received City approvals for a 72-unit project. It is currently unclear whether the project will actually be built. Initial City permits for the project expire in October 2003, though the City Planning Director has the discretion to extend them for one year. If the permits expire, whether in 2003 or 2004, the developer must return to the City Council to keep the project alive.
(2) **Kuilima Resort Expansion** – As previously noted in Exhibit III-E, Kuilima has government permits to create an additional 3,450 units (including both hotel and condominium or single-family resort recreational units, not all of which would necessarily truly become available for visitor use). In reality, Kuilima has seen little actual expansion since the initial Turtle Bay Resort hotel constructed more than 30 years ago. A recent Special Management Area permit for Turtle Bay would allow renovation and expansion of some facilities, but will directly result in construction of only nine additional units at the Ocean Villas.

Of these two, the Puaena project is much closer to Waialua and may be more relevant because of the developer’s stated philosophy of minimizing on-site amenities (such as restaurants and shopping) so that economic benefits could spill over into the surrounding community.

**Feasibility Analysis for Waialua.** As previously noted, economic considerations have resulted in the construction of few new stand-alone hotels in recent times, although timeshare projects have been proliferating (sometimes in conjunction with regular hotels). Therefore, we:

1. Contacted the state’s largest operator of relatively small timeshare projects (located on Kauai, a rural area more comparable to Waialua than Waikiki) for an assessment of the feasibility of a stand-alone timeshare in the 50-unit range for a geographical area such as Waialua; and

2. Surveyed selected small hotels and larger B&Bs to determine characteristics and probable success if built today.

Regarding timeshare for Waialua, Lynn McCrory of PAHIO Resorts Inc. on Kauai informed us (personal communication, March 2003):

“… a 50-unit project by itself is very hard to make work on an ongoing basis, unless it is attached to something else, like a hotel. The management costs for a project manager and the support crew, housekeeping, maintenance, front desk, reservations, accounting, etc. can cost so much [that] the maintenance fees are higher than a moderate timeshare owner will pay …

“… A moderate timeshare resort should have maintenance fees below $500 per interval. That is possible in Waikiki, but I am uncomfortable that this is possible on the North Shore. You add driving distances and training issues, plus. If you had a hotel that could provide the services (housekeeping, maintenance, check-in/out) for the timeshare resort and all they had to do was to handle the accounting, owner/guest services and reservations, it could work. In this way, if it was a small hotel, the two could support each other.

“… If you had told me a 100 or 150 unit project, I would have easily told you it’s possible by itself. The farther under 100 you go, the higher the degree of difficulty in making the numbers work for the Developer and the maintenance fee.”
Thus, a very small, moderately-priced stand-alone timeshare appears unfeasible for Waialua – though a luxury project (which is less likely to fit well with Waialua) or something in conjunction with a small hotel might verge on the possible.

Our survey of small hotels and larger B&Bs was restricted to lodges or hotels under 60 units (or B&Bs of 8 units or more) in rural areas and circumstances reasonably comparable with Waialua. Thus, we excluded hotels in major resort areas or even in Laie, as the hotel there serves a complex of activities (college, Temple, and a major tourist attraction) that are unlikely to be duplicated in Waialua.

Exhibit III-G produces summary results. This suggests:

- Most are fairly low-budget operations providing very few jobs. This is especially true of establishments catering to hikers, backpackers, etc.

- Most of the newer projects are located in buildings that had previously existed and were then converted to other uses. Only a few felt they could succeed if they had to start again today “from scratch.”

Despite these overall negative considerations, we did identify three potentially interesting models for Waialua, indicated by shading on the exhibit:

1. **Akiko’s Buddhist B&B** – This eight-unit B&B is located in a tiny Hamakua village that once served a sugar plantation. The B&B provides little direct employment, but fits with a larger economic redevelopment push to renovate the Hamakua Coast by appealing to culturally-sensitive visitors. While many Big Island B&B operators are (according to various interviews we have conducted) Mainland-born, proprietor Akiko Matsuda is very “local” and highly attuned to consulting with neighbors and village *kupuna*. Her business approach and vision for rural areas include the concept of a very small start and gradual expansion; cooperation and referrals among several local operators; and education of visitors about local values, history, and ecology. (For more information, see: [www.alternative-hawaii.com/akiko](http://www.alternative-hawaii.com/akiko) – note that this website is part of a larger collection of “Alternative Hawaii” visitor referrals that provides a potentially useful resource for small-scale visitor-oriented businesses.)

2. **Kohala Village Inn** – This 17-unit hotel in Hawi (which, like Waialua, is a former Castle & Cooke sugar community) is located in an old structure which has, over the years, several times opened and closed as a community hotel. The current operator, Jonathan Gaines, has a lease with right of purchase. Mr. Gaines intends to integrate the hotel with a 5.5-acre “natural healing arts campus,” to serve workshops related to “healing retreats” and an intended branch campus of the Tibetan College of Medicine. Mr. Gaines is familiar with Waialua and believes a very small Waialua hotel might survive if part of a larger system of cultural and/or eco-tourism attractions – not as a stand-alone business.
### Exhibit III-G: Survey of Selected Small Hotels (60 Units or Less), Larger B&Bs, Hostels, Etc.

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Type</th>
<th>Units</th>
<th>Services Other Than Rooms</th>
<th>Jobs</th>
<th>Range of Rates</th>
<th>Clientele</th>
<th>Year Opened/ Previous Use</th>
<th>“Succeed if had to build today?”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpackers Vac. Inn &amp; Plantation Village</td>
<td>Waima Bay, North Shore, Oahu</td>
<td>Hostel, some private cabins</td>
<td>23</td>
<td>None</td>
<td>3-4 family members</td>
<td>$15 - $20 (more for cabins)</td>
<td>Hikers, surfers, budget-conscious, nature-oriented</td>
<td>1979 / Private home</td>
<td>“Probably not”</td>
</tr>
<tr>
<td>Arnott’s Lodge &amp; Hiking Adventures</td>
<td>Keaukaha (Hilo)</td>
<td>Hostel</td>
<td>32</td>
<td>Nature tours</td>
<td>7 full-time</td>
<td>$17 - $57</td>
<td>Low-budget international backpackers</td>
<td>1982 / Apartment building</td>
<td>“Yes”</td>
</tr>
<tr>
<td>Hotel Honokaa Club</td>
<td>Honokaa, Big Island</td>
<td>Hotel</td>
<td>24</td>
<td>None</td>
<td>One (owner)</td>
<td>$15 - $70</td>
<td>Hikers – 50% local</td>
<td>1908 - built as hotel</td>
<td>“Don’t know”</td>
</tr>
<tr>
<td>Shirakawa Motel</td>
<td>Waiohinu, Kau, Big Island</td>
<td>Motel/ Hotel</td>
<td>12</td>
<td>None</td>
<td>Owner + 1 P.T.</td>
<td>$30 - $50</td>
<td>Old-timers, retirees, repeat customers</td>
<td>1960s – built as hotel</td>
<td>“Don’t know”</td>
</tr>
<tr>
<td>Akiko’s Buddhist Bed &amp; Breakfast</td>
<td>Tiny village near Hakalau, Hamakua, Big Island</td>
<td>B&amp;B</td>
<td>8</td>
<td>None, but has helped start eco-tour</td>
<td>Owner + 1 P.T.</td>
<td>$40 - $50</td>
<td>Mainland/international; people attracted to quiet/cultural experiences – many then buy land in area</td>
<td>1995 / long-abandoned houses and service station</td>
<td>“Forget it! Have to work with what you have!”</td>
</tr>
<tr>
<td>Kohala Village Inn</td>
<td>Hawi, Kohala, Big Island</td>
<td>Hotel</td>
<td>17</td>
<td>Restaurant; plans 5-acre “healing arts” retreat</td>
<td>1 F.T. + 4 P.T.</td>
<td>$58 - $98</td>
<td>About ¼ local; rest tourists looking for “old Hawaii,” wanting to see all Big Island</td>
<td>2002 reopening of old hotel that has faded in and out of operation</td>
<td>“Not unless other eco-tourism attractions too”</td>
</tr>
<tr>
<td>Kamuela Inn</td>
<td>Kamuela, Big Island</td>
<td>Hotel</td>
<td>32</td>
<td>Coffee lanai, art gallery</td>
<td>10 full-time</td>
<td>$59 - $185</td>
<td>Mixed: Europeans visiting observatory, HPA parents, many repeat guests</td>
<td>1960 – built as hotel</td>
<td>“No”</td>
</tr>
<tr>
<td>Waimea Country Lodge</td>
<td>Kamuela, Big Island</td>
<td>Hotel/Motel</td>
<td>22</td>
<td>None</td>
<td>6 full-time</td>
<td>$80 - $130</td>
<td>Some local, mostly visitors</td>
<td>1985 / Ranch building</td>
<td>“Yes”</td>
</tr>
<tr>
<td>Hana Kai Maui Resort Condo</td>
<td>Hana, Maui</td>
<td>Condo/ Hotel</td>
<td>16</td>
<td>None</td>
<td>6 full-time</td>
<td>$65 - $200</td>
<td>“Average typical visitor”</td>
<td>1970s – built as condomotel</td>
<td>“Don’t know”</td>
</tr>
<tr>
<td>Harbor Shores Apartment Hotel</td>
<td>Aiea, Oahu</td>
<td>Condo/ Hotel</td>
<td>12</td>
<td>None</td>
<td>6 full-time</td>
<td>$75 - $200</td>
<td>Military, contractors, Pearl Harbor visitors (retired military)</td>
<td>1964 / Condo</td>
<td>“No”</td>
</tr>
<tr>
<td>Waimea Plantation Cottages</td>
<td>Waimea, Kauai</td>
<td>Hotel consisting of old plantation cottages</td>
<td>60</td>
<td>Restaurant, gift shop, art gallery, coffee shop</td>
<td>“About 30, mostly full-time”</td>
<td>$99 up to $725 for 6-bdrm cottage</td>
<td>About 20% local; some military (for PMRF); visitors wanting quiet “old Hawaii” experience</td>
<td>1986 / renovated 20 on-site old plantation cottages; brought in 40 more over time</td>
<td>“Developer would have to own land; need some kind of water/swim feature”</td>
</tr>
<tr>
<td>Silver Cloud Ranch</td>
<td>Kula, Maui</td>
<td>B&amp;B</td>
<td>12</td>
<td>None</td>
<td>6 part-time</td>
<td>$110 - $195</td>
<td>1/3 local, 1/2 mainland, 1/6 internat’l; “educated, well-read”</td>
<td>1989 / Family ranch</td>
<td>“Depends”</td>
</tr>
</tbody>
</table>
(3) **Waimea Plantation Cottages** – This is one of the few relatively new upscale small hotels erected in rural Hawaii in the past few decades. It consists of authentic converted plantation cottages from the western part of Kauai. The *kama`aina* Faye family, owners of the surrounding old plantation area, began with 20 cottages in 1986, working with an initially dubious local community to develop community acceptance for gradual expansion to the current level of 60 units today. The Faye family is also involved in other economic development efforts in the community, including a tech park and a planned marina/recreational community. The hotel clientele reportedly includes many local residents, military families (visiting the Pacific Missile Firing Range at Barking Sands), and visitors wanting a taste of the quiet “old Hawaii.” The manager believes a similar operation, based on a similar philosophy of slow expansion, might work in Waialua – but only if the developer already owns the land and is either located on a good swimming beach and/or could develop some form of water feature.

These are three different levels of “small-scale” lodging, but they share in common:

- Grounding in a clear *values-based* approach, both in terms of community heritage and of ongoing community involvement.

- Owners or developers willing to take the risk of a small start and gradual expansion, as the result of working to increase community trust.

- Integration with a broader economic development agenda, not limited to the visitor units alone.

- Targeting a very select clientele that values a peaceful atmosphere and a taste of “old Hawaii.” (A lingering question is the extent to which that sort of clientele is drawn to the island of Oahu, since attractions spotlighting agricultural history have generally struggled on this island.)

The conclusion must be that a simple, stand-alone, “low-impact” small hotel would be economically very risky in Waialua – but there may be some prospects for the sort of values-based culturally-oriented projects described above.

### 3. Very Low-Impact Visitor Retail/Restaurant/Attractions

The intent here is to look at possible Waialua visitor activities that could exist simply by capturing existing vehicle traffic passing through the North Shore – without depending on any new visitor accommodation units in Waialua itself, and without creating a higher-impact single “magnet activity” (e.g., a Polynesian Cultural Center) that would generate spin-off visitor business at the expense of transforming the nature of the community. Thus, we are examining the prospects for things like a little museum, an arts-and-crafts...
gift shop, a restaurant or coffee shop appealing to visitors – businesses with very low community impact, but also low ability to draw visitors on their own.

This particular analysis is deliberately limited to a “no Waialua hotel or major attraction” scenario, as we believe this sort of very limited development is of potential interest to some residents, especially those who prefer no hotels. Subsequent discussions will consider the implications of more significant attractions and/or synergy with possible Waialua visitor accommodations.

Potential Market. The potential market would be visitors passing through the North Shore (or staying there and venturing forth on day trips). Unfortunately, there are no solid data on the level of this visitor traffic, and available indicators vary widely:

- Attendance at Waimea Falls Park was around 240,000 for the years from 1999 through 2001, according to various Hawaii State Data Books.

- Dole Plantation, on the circle-island route to and from the North Shore, drew 870,000 visitors in 2002 – about 37% in tour buses and the remainder in individual cars. (Personal communication, Susan Harada, Dole Plantation Operations Manager).

The distinction between tour bus and individual vehicles is a critical one for Waialua, because tour buses are likely to extend their routes only for major attractions, not for the sort of small businesses being discussed here. Implicitly, this restricts the potential market to Mainland visitors, rather than the higher-spending Japanese, who are far less likely to explore the island in rental cars.

Practical Constraints (Competitive Disadvantage for Waialua). Even though substantial visitor traffic appears to flow through the North Shore as a whole, Waialua’s particular location means it has little access to that traffic. Not only is it off the main highway, but the town core is even off the road for people visiting small attractions at Mokuleia, Dillingham, or Kaena Point.

It is important to note that past visitor-oriented attractions of a relatively small scale have not succeeded in Waialua, including (1) Dole’s coffee processing attraction at the Mill site and (2) the Oils of Aloha retail outlet (which was sited on the relatively better-traveled Kaukonahua Rd.).

Feasibility (without adding larger attractions). There are certainly some things that might be done to divert at least a little more visitor traffic to Waialua:

- **Signage** – One community interviewee proposed designating Kaukonahua as a “scenic highway,” and this could be further augmented by markers pointing the way to “historic Waialua.”
• **Partnership with Dole Plantation** – Responding to community concerns that its expansion may siphon off visitor dollars from Haleiwa, Dole has offered to promote North Shore businesses (especially those compatible with its own nature as an agri-tourism attraction).

• **Partnership with Kamehameha Schools** – KS is the landowner for the Puaena Eco-Camp, and its North Shore land managers envision a future in which limited tourism and agricultural activities support each other. Although the Waialua community has historically been somewhat apprehensive about tourism development, KS is interested in the possibility of some sort of trolley (perhaps eventually a train) system that could take Puaena guests and other North Shore visitors around the Haleiwa and Waialua areas.

While some or all of these actions could help, the fundamental fact remains that just a few isolated small “visitor attractions” are unlikely to actually pull many visitors off the beaten track. Given the history of such efforts, it is unlikely that many entrepreneurs would risk investing start-up capital on hopes that signs and brochures in busier areas would attract traffic into Waialua not already coming there. Just as tour buses do not find it economical to take groups to out-of-the-way places with limited shopping opportunities, it may also be questioned whether trolleys from Haleiwa would come to Waialua for only two or three visitor-oriented shops. Finally, successful small-scale restaurants or shops benefit from people getting out of their cars to wander around an area with distinctive ambiance. Waialua has the potential for restoration of a unique village atmosphere, but there is little incentive for major landowners to make the major investments needed for a Waialua facelift in order to benefit only a few shops.

The idea of “critical mass” – a sufficient level of activity to attract visitors and investment capital alike – can be somewhat vague and hard to measure, but it is a definite market reality. The available evidence suggests that a larger complex of activities, not just a very few low-impact ones, would be required for visitor-oriented shops or attractions to succeed in the exceptionally off-the-road location of the Waialua commercial core.

### 4. Medium-Impact Visitor Retail/Restaurant/Attractions

For the most part, this analysis again assumes no significant visitor accommodations are developed in Waialua. It addresses the question: Could Waialua attract a moderate number of additional visitors (not just capture passing traffic) without actually building hotels? As will be seen, we cannot provide a simple “Yes” or “No” answer to this question, but can look at some of the likely factors and models from elsewhere.

**Framework and Potential Visitor Activities.** The key challenges include (1) Developing a “critical mass” of activities without overwhelming Waialua’s current character; and (2) Getting landowners or new long-term lessees to invest.
General visitor interest in different types of activities can be inferred from the State DBEDT’s Visitor Activity Survey, the most recent (selected) results of which are included in Exhibit III-H. These results indicate that, particularly for Mainland visitors, Polynesian-oriented entertainment and shopping at discount/outlet stores are significantly more popular than are outdoor activities such as hiking, golf, or vigorous ocean-oriented sports like jet-skis. Nevertheless, numerous visitor industry sources report a growing market in “adventure” or “eco-tourism,” and these sorts of niche activities might theoretically fit well with a smaller rural community.

EXHIBIT III-H:

Both because of the differing nature of these activities, and also because this analysis is intended to feed into a physical master plan focusing on the Waialua town core, it may be valuable to consider two possible strategies that vary by location: (1) outside the town core; and (2) inside the town core.

Outside the Town Core. Three general types of activities suggest themselves for the more rural parts of Waialua:

- **Sports or physical activities** – hiking, horse-riding, skydiving, water sports, etc.
- **Campus for cultural attraction** – e.g., a cultural theme park or a luau facility.
- **On-site agri-tourism** – tours or retail outlets for farms around Waialua.

Waialua is nestled between several other communities associated with certain physical activities – Haleiwa, with water sports (or at least surf shops), and Mokuleia, with equestrian activities and Dillingham Field skydiving. With one or two exceptions, Waialua’s coastline is generally not considered well suited for ocean sports and there is
a strong community tendency to regard surfing as the economic and cultural _kuleana_ of Haleiwa and other parts of the North Shore. If skydiving expands as a sport, it may provide a little more passing traffic for in-town activities, but there is no reason to associate it with Waialua per se. Hiking and equestrian activities, however, may be activities that could expand in the immediate Waialua areas.

In the 1998 white paper on possible Waialua economic activities appended to this report, Decision Analysts Hawaii Inc. suggested the possibility of pulling together outdoor activity “elements similar to those which make Kualoa Ranch successful” – a range of activities from hiking, all-terrain vehicles (ATVs), and equestrian sports to ocean sports and skydiving. The paper then noted that such an operation would require strong leadership and the participation of many entrepreneurs, and asked “Is there a group of qualified entrepreneurs who want to form a _hui_ to operate a complex visitor-activity center?”

The question of entrepreneurial skills is likely central to the prospects for either a coordinated outdoors-oriented project or a variety of independent businesses in Waialua. While no firm data exist, interviews we have conducted on the Neighbor Islands suggest that the people most likely to seize entrepreneurial opportunities associated with “adventure tourism” or “eco-tourism” tend to be Mainland-born residents, albeit those who have lived many years in Hawaii. Thus, supports for local entrepreneurs may be required to ensure ownership opportunities and economic benefits accrue to Waialua residents.

Similarly, a “campus” with some sort of cultural basis – luau facility or cultural theme park – could depend as much on cultural values and entrepreneurial determination as any economic factor. Waialua lacks any known native Hawaiian archaeological feature sufficient to become a “must-see” visitor attraction (at least any that the native Hawaiian community is both willing to acknowledge and to allow tourist use of). Thus, a more purely commercial activity would be required. Because it would have to be located on what is now agriculture-zoned land, lessees or purchasers would have to risk considerable funds to secure community support and government permits. A cultural or historic theme park would be particularly difficult to do on a small to moderate level. The Polynesian Cultural Center has succeeded on a much larger level, utilizing student employees from the adjacent college campus, and a smaller college-cultural park complex is now proposed for the Big Island – but this scale of development appears unacceptable in Waialua. Smaller projects such as the Waipahu Cultural Garden Park, located much closer to the Waikiki hotel complex, have struggled greatly in recent years. Arguably, a relatively small luau facility that serves as a “satellite” to an expanded Kulilama Resort might someday succeed in rural Waialua.

Agri-tourism activities on or by Waialua farms would also face considerable government permitting obstacles that may discourage investors. This form of tourism is being encouraged by the Hawaii Tourism Authority and in some ways seems a natural fit for the Waialua area. But a number of competitive disadvantages must be noted: (1) Visitors tend to be more interested in “exotic” (to them) export crops, rather than the sort
of truck crops characterizing much of Waialua's current and likely future activities; (2) Dole Plantation is already capturing much of the agri-tourism market, and is sited in a far better location; and (3) also, Kamehameha Schools is already crafting a strategy to develop a coordinated system of farming, tourism, and farmers' market activities. However, possible activities open to Waialua could include (1) cooperation with the Kamehameha Schools system or persuasion of Castle & Cooke to initiate a similar “stewardship” vision integrating small-scale tourism and agriculture; (2) farm-stay B&Bs, if these are culturally acceptable to farmers; and/or (3) tours of Waialua-area taro farms, subject to the usual considerations of cultural values and entrepreneurial know-how.

On some Neighbor Islands, agricultural operations are now blending with some of the more “wilderness” (or at least pastoral) adventure activities (e.g., ATV tours) mentioned above. Depending on location and terrain, some Waialua-area agricultural landholders may end up in the visitor business on a de facto basis, though, as previously noted, success depends on entrepreneurial and marketing skills.

**Inside the Town Core.** It is possible that the Mill or commercial area could house some sort of office support services or be the visitor admission point for the foregoing “out-of-the-town-core” tourism activities. A visitor admission center in town would be more likely if it serves a number of coordinated activities (i.e., a single operator or a *hui* of entrepreneurs), rather than if each outdoor activity is independent and free-standing, as is more typically the case. An independent agri-tourism operator or outdoor adventure operator would be more likely to have visitors come directly to the out-of-town activity site, rather than to a town location. And a town location for support offices also makes sense only if the activity is fairly large-sized or if the office is serving a number of different activities; otherwise, administrative support would usually be handled on site.

**Retail** (visitor-oriented shopping) is the most likely in-town visitor-oriented activity. Several possible scenarios suggest themselves, although all of these have qualifications:

- **Some commercial or industrial space (most likely at the Mill) is re-oriented to appeal at least in part to a visitor market** – This implies planning to designate a particular complex of buildings for retail, restaurant, possible future agricultural processing activities of visitor interest, and highlighting those industrial activities that also interest visitors … with surfboard manufacturing being the most likely such activity at the present time. However, it is doubtful that a “critical mass” can be achieved through development alone, unless a very major project indeed were to be developed. Given Waialua’s distinctly out-of-the-way location, a more moderate-sized complex of visitor-oriented retail and restaurant would need to be well promoted and publicized. It would be more likely to succeed if it were part of a regional plan that involved integration with other activities outside the Waialua area. In the foregoing section, we noted the possibility of partnership with Dole Plantation and/or Kamehameha Schools, but cautioned that this was still unlikely to provide results for a very “low-impact” level
of visitor-oriented development. However, it is somewhat more likely that such a partnership could bear fruit for a “moderate-level” complex of activities.

- **The community, merchants, and landowners adopt an historical theme (probably “old plantation village”) for the entire commercial core** – If Waialua were to market itself in a way unique to Hawaii, providing an experience visitors could get virtually nowhere else, this would greatly add to the drawing power of any complex of retail activities. The discussion of community redevelopment “object lessons” appended to this report contains a number of examples of very small Mainland communities that have adopted design themes (sometimes though not always extending to costumed store employees) leading to great success in attracting visitors to local stores and restaurants:

  - Solvang, California – Danish village theme
  - Leavenworth, Washington – Bavarian village theme
  - Both Snoqualmie, Washington and Hardin, Montana – historical railroads

Some Hawaii communities have attempted such themes – e.g., Lahaina, with a whaling history, and even Haleiwa, with a somewhat puzzling mix of historic design and modern surf culture – but none has yet achieved the sort of understated charm that might actually be possible in a small community such as Waialua. However, such an effort requires widespread and enthusiastic support not just by merchants, but also by the general residential population. There would have to be a sense both of pride and of participation in the theme. Our discussions with community leaders suggest very ambivalent attitudes about Waialua’s plantation connections and about the visitor industry in general. For social more than economic reasons, we believe this sort of approach is not likely to succeed in Waialua, unless a strong community-based effort materializes to promote the concept internally.

- **Establishment of a discount store or factory outlet in Waialua** – As previously noted in Exhibit III-H, these are strong visitors draws (especially though not only with the Japanese market). However, Waialua’s off-the-beaten-track location again raises serious obstacles to economic feasibility. Visitors would likely only come to Waialua for a discount shopping experience they could get nowhere else, and so there is little incentive for merchants to site such a facility in Waialua – unless something very famous is actually being made or produced in Waialua. At the present time, that is simply not the case.

**Ulupalakua Ranch – One Model for Waialua?** In our search for a possible model of successful visitor attractions in out-of-the-way Hawaii locations (and not involving any visitor accommodations), we ended up focusing on upcountry Maui’s Ulupalakua Ranch.38 This is toward the small end of the “moderate-impact” spectrum, and

---

38 Information for this discussion obtained through personal interviews in March 2003 with Tony Durso, Ulupalakua Ranch’s resource manager, and Paula Hegele, winery owner.
something like it might fit in a town core, though an out-of-town location perhaps feels more appropriate.

Despite being sited at an “end-of-the-road” location far from other attractions, Ulupalakua today attracts 300 to 500 visitors a day on average (up to 1,000 during peak seasons), many coming in tour buses. The cattle ranch provides a scenic backdrop for a store/deli, an all terrain vehicle tour company, sporting clay (i.e., skeet shooting), a little museum, and a winery retail outlet.

Some key “lessons learned” from the Ulupalakua experience:

- The visitor complex developed slowly, based on lots of trial-and-error attempts to determine what would really work, with many failures along the way. Said the Ranch’s resource manager: “I couldn’t paint an optimistic picture for people trying to do what we’ve done. This is like the restaurant businesses, where 50% fail right away.” He said that finding the right operator is one key to success – “If you don’t have somebody absolutely dedicated to making it work, forget it!”

- Over time, the winery has proven the most successful draw for the overall complex. It is not a winery for connoisseurs, but rather a deliberately “fun” and frivolous store featuring unusual things like pineapple wine that goes against expectations. The winery owner felt that being a small business, with employees vested in the store’s success, had been a critical factor, as similar corporate-led efforts on Maui did not seem to have the same staying power or tolerance for risk – e.g., the decline of C. Brewer’s Maui Tropical Plantation in Wailuku and the fall-through of a Kaanapali coffee-tasting venture.

- There was a realistic assessment of the fact that Ulupalakua currently provides the only real shopping/snacking experience and even the only bathroom break for people cruising that part of the slopes of Haleakala.

Realistically, the Ulupalakua experience may stand a better chance of replication not in Waialua, but at the Dillingham Ranch in nearby Mokuleia, where it still might provide a few jobs for area residents.

5. Second Homes in Agricultural Subdivisions

We touch upon this subject briefly, not so much because we see this as an economic development strategy for Waialua, but because we believe this is a likely force for change in the future of the Waialua/Mokuleia area. Any contemplation of the economic future of the area should be informed by these issues:

39 Waialua might try something like this with products made from coffee or cacao.
• As previously noted, most rural parts of Hawaii, especially on the Neighbor Islands, have witnessed growing numbers of agricultural subdivisions in which large upscale homes have been developed after subdivision. Some unknown portion of these are vacation or retirement homes. Thus, the distinction between “tourist” and “resident” is becoming blurred.

• In the City and County of Honolulu, agricultural subdivisions involving no commercial or other unusual aspects can be routinely created on an administrative basis (i.e., with no public hearings or legislative action) in AG-1 agriculturally-zoned areas for five-acre minimum lots. Two-acre minimum lots can be done administratively in AG-2 zoned areas.

• It is highly probable that Metropolitan Mortgage & Securities, the new owner of Dillingham Ranch, will proceed under existing zoning laws to create a number of “gentleman’s ranchette” agricultural subdivision lots in the Mokuleia area.

• Castle & Cooke has now assumed responsibility for assessing development prospects for Waialua lands owned by its sister corporation, Dole. It is highly probable that Castle & Cooke will sell scattered smaller noncontiguous parcels to other developers for subdivisions. The company’s plans for larger parcels in the mauka and western parts of Waialua are not yet formulated or announced. It is entirely possible there will be some subdivision of these lands.

• Perhaps worth noting is that one area landowner very unlikely to sell agricultural subdivision land is Kamehameha Schools, which is concerned about losing its land base. It may even risk loss of land through possible condemnation if it permits any residential use on leased properties.

• However, it will be recalled that sale of recreational real estate has been the actual economic engine for development of lodging in rural Hawaii areas. In our survey of small hotels, even the owners/managers of small lodges or B&Bs not associated with real estate development told us they were aware that many of their guests became interested in buying land in the surrounding area.

Upscale vacation or other rural home development is becoming a source of increasing controversy in rural Hawaii. These homes contribute heavily to county tax bases and have been supplying significant construction employment in the past few years. However, residents worry about implications for actual farming in the area and for the cost of rural-area housing for longtime local people. There are obviously important trade-off decisions to be made.

40 More complex government approval and public input processes are required for agricultural subdivisions in the Special Management Area (SMA). However, Waialua’s SMA is restricted to the shoreline area below Waialua Beach Road for most of Waialua, though it does extend up Ki‘i Ki‘i Stream in eastern Waialua.
One indicator\(^{41}\) of second home development (though not retirement homes or other normally-occupied houses on agricultural subdivisions) is the U.S. Census data on homes held “for seasonal, recreational, or occasional use” (SROU). As of 2000, SROU units were relatively rare on Oahu, comprising just 2.2% of the total housing unit inventory, but they were much more common in Hawaii County (8.1% of all housing units), Kauai County (15.2%), and Maui County (17.3%). These Neighbor Islands are actually more likely to provide indications for North Shore development trends than are overall Oahu figures.

Statewide, the total housing unit inventory increased by just 18% from 1990 to 2000. During the same period, the statewide SROU unit count increased 100%. The individual county increases were 54% for Oahu; 63% for Maui County; 149% for Hawaii County; and a startling 1,056% for Kauai County (though this figure would be particularly confounded by the inclusion of timeshare units, since so many Kauai hotels were redeveloped as timeshare in the 1990s).

Given these trends, we believe some additional degree of agricultural subdivision development – whether used as second homes or full-time residences – is going to occur in the rural parts of Mokuleia and/or Waialua. This additional population will increase the potential base of customers for retail and light industrial activities in Waialua, at some possible cost of changes in community character and implications for land values for full-time farmers.

Community decisions about future planning options need to be made in light of these considerations:

(1) Any visitor development of visitor accommodations will increase the supply of potential agricultural subdivision buyers by some factor. If a small hotel were to be developed by a major landowner such as Castle & Cooke, recreational real estate sales are likely part of the financial plans underlying such development.

(2) On the other hand, “no hotel” does not equate to “no market” for the area agricultural subdivision real estate. And the sorts of community-values-based small projects discussed previously (i.e., Waimea Plantation Cottages, etc.) arguably could help filter for land buyers who appreciate the lifestyle and values of the existing community. There may be a case for working with a hotel-and-subdivision developer to help target the sort of new neighbors the community would prefer.

(3) Most agricultural subdivisions provide few direct benefits (other than tax revenues) for nearby communities. But larger projects – with some commercial aspects or those being of significant size to require government approvals – may have a reason to seek community support through provision of jobs or selected amenities for the wider region.

\(^{41}\) It is an “indicator” rather than a direct “measure” because it also includes timeshare units, which are of course rarely single-family structures.
Castle & Cooke or successor owners/lessees may propose only limited subdivisions, with relatively limited impacts but also relatively limited benefits for the community. Or there may be a vision that could bring the company greater profits by appealing to a more upscale market – perhaps an equestrian-themed project that would complement the Dillingham Ranch project and establish this part of the North Shore as the focal point of horse-raising for Oahu. This is a highly speculative statement on our part, as the nature of this study and the timing of Castle & Cooke plans leaves us with little sense as to the economic feasibility of such an idea.

Our purpose is not to promote agricultural subdivision projects in Waialua. Rather, our point is simply to emphasize to the community that landowners will certainly be looking at this option, and that it will probably occur to some degree whatever the community may think of it. The question for both the community and the landowners is whether there is a possible larger project outside the town core that might involve on-site employment benefits or off-site economic investments sufficient to win community support … or if the community’s interest is better served by working to minimize such subdivisions. This is an issue that extends beyond our scope, but may represent one of the most important questions for the area’s economic and social future.

6. Golf Course Development

While golf courses can draw visitor play, our initial direction was to explore the feasibility of a “stand-alone” golf course – unconnected to hotels or even to residential development – that could (1) probably draw more resident than visitor players; (2) provide some jobs in Waialua; and (3) perhaps also provide a community amenity in the form of a clubhouse restaurant and/or meeting area.

Feasibility of Stand-Alone Golf Course. Oahu currently has 36 golf courses or golf course complexes, although only two of these serve the North Shore/Koolauloa area (see Exhibit III-I, following page). These courses are of the following types:

- 4 resort courses (the nearest to Waialua at Turtle Bay / Kuilima Resort);
- 6 military courses (the nearest being Kalakaua and Leilehua in the Wahiawa area);
- 7 private courses (none nearby Waialua);
- 5 semi-private courses (none nearby);
- 8 public courses (the nearest being Mililani’s Hawaii Country Club and the Royal Kunia Country Club); and
- 6 municipal courses (nearest to Waialua being the Kahuku course).

Based on discussions with managers of stand-alone golf courses in relatively rural Oahu areas (Makaha, Kunia, and Olomana in Waimanalo), as well as golf course managers at the Turtle Bay and Makaha Resorts and several planning consultants, we can share these findings with the Waialua community:
EXHIBIT III-I: OAHU GOLF COURSES AND LOCATIONS


(1) Our interviewees all doubted the feasibility of a Waialua stand-alone golf course, due to cost, distance from the main Honolulu golfing market, the number of competing Oahu courses, and the fading of the market for wealthy Japanese golf tourists (which gave rise in the first place to what several of the managers now think is an oversupply of courses for the Oahu market).

(2) With a clubhouse, expected job counts could range from 35 to 70, depending on how many are part-time.

(3) A golf clubhouse would provide a community function only if specifically designed to have room for it – many are not so designed.

Golf course economics are characterized by these features:

- Exact costs for any particular site are determined by the particular topography and infrastructure features of that site. However, construction costs generally average about $1 million per hole. With a clubhouse, costs reach the $22 million to $25 million range.
• Based on attainable revenue flows, the present value of a newly-completed facility today is perhaps just $15 million. (It was significantly higher about 15 years ago, when affluent Japanese would pay large membership and/or greens fees.)

• Hence, new golf courses on Oahu now tend to make sense only if part of a residential or large resort project.

Size of Residential Project Needed for Golf Course. Residential development often includes a golf course because of the increased selling price for golf course frontage homes. But how large a project is required for a developer to find it worthwhile to create a golf course as part of the housing package (assuming the golf course is desired by the larger community)?

Discussions with planning consultants and real estate developers established that there is no clear “rule of thumb” for determining this. Again, this depends entirely on situation-specific economic factors (infrastructure, topography, site development costs). However, several felt that probably a few hundred units would be needed – far short of a “Mililani-sized” development, but enough to have a clear effect on the size of Waialua.

Conversely, if the community decides it would value some level of residential growth in Waialua (to attain the economic benefits previously discussed for retail expansion, or simply as a way of revitalizing the community in and of itself), a golf course could provide an incentive for a developer, as profits are generally not large for “affordable” housing projects and a golf course assures premiums for the homes fronting the course.

Our study did not extend to any detailed analysis of exact economics for a residential/golf course project in Waialua. The landowner(s) would be in the best position for that sort of analysis. But just as we note that the community may have a decision point in regard to any discussions with the area’s major landowner about possible agricultural subdivisions, so may golf enter the long-range picture. Indeed, the landowner is likely to consider residential housing in the Waialua town core and possible subdivision activities in the mauka areas as an overall package – and golf could be a logical part of that overall package, increasing the value of mauka areas as well. A golf course could thus play a major role in giving Waialua a new face – and it is a matter of community values and possible discussions with landowners as to whether this particular type of new face is acceptable.

7. Potential Synergy Among the Pieces

For the most part, the foregoing analyses have examined separate and independent components of the visitor and recreation industries. With some qualifications, we have found significant reasons to doubt the feasibility of small-scale visitor accommodations
(alone), of low- or even moderate-impact retail/restaurant/attractions (alone), or of a golf course (alone).

However, a whole can be greater than the sum of the parts, and the feasibility of a variety of activities can be greater than the feasibility of separate components alone. Indeed, our interviews with visitor industry managers suggest that a package of visitor industry activities – accommodations, retail, outdoor activities, restaurants, probably golf, and recreational real estate sales – is probably the only feasible approach to visitor-related development.

Based on these discussions, we believe an integrated package of such activities might be economically feasible in Waialua … but it would be a risky venture because of fundamental uncertainties about likely growth in Oahu tourism and because of the need to strike a delicate balance between the community’s desired scale and the economics of development. It could only occur through a strong and committed collaboration between the community and the landowner, in which community values are clearly articulated and honored by the developer. It could probably only occur as part of a regional economic development plan, with conscious ties to tourism and/or land development in Haleiwa (involving trolley or train connections with Waialua) and in Mokuleia. It could only occur with community enthusiasm for a unique history-based design theme in the town core and an acceptance that recreational real estate sales in the surrounding region is part of the package.

Community feedback to date has been very tentative and apprehensive about a visitor-oriented economic future. That may change. But our current sense is that Waialua would prefer to have only a few of the “pieces” of visitor-related development, when it is only the whole that has some realistic chance to work. Thus, perhaps more for social than for economic reasons, we are uncertain whether the promise of a “village-level” visitor industry for Waialua is likely to be realized.
IV. Summary Conclusions and General Economic Scenario

This closing chapter provides:

(1) Summary conclusions about each of the sectors discussed at length in the previous chapter, and

(2) General points for an “economic scenario” for future Waialua town planning.

A. Summary Conclusions

Exhibits IV-A to IV-F reproduce summary discussion slides as presented to the community in meetings held in Waialua during spring 2003.

Each exhibit consists of two parts – “General Comments” and a “Summary” which attempts to provide a very succinct overview of the previous chapter’s discussion in regard to the dimensions of:

- **Economic feasibility**
- **Economic development benefits**
- **Physical feasibility**; and
- **Risk factors**

As the community evaluates how and whether to pursue each of these sectors, we urge consideration of two other dimensions that we feel are usually best left to local – rather than outside consulting – decision making:

- **Community vision** – Does the initiative create non-economic costs and benefits that are relevant to the community’s vision/values?

- **“Championship” and/or organizational capacity** – Is there a champion/leader to drive the initiative? Is there capacity within community?

Our “Education” summary notes that the E\(^3\) movement in Waialua does provide such a champion for that sector. Otherwise, the challenge for the community will be in deciding whether it makes sense, or is possible, to establish a partnership with a major landowner to become a “champion,” or whether the community itself prefers to forge ahead independently by establishing Community Development Corporations or similar nonprofit organizations.
1. Retail Summary

Exhibit IV-A: Retail

General Comments

- Waialua positioned to recapture leakage of about $7 million from the $22+ million in groceries/convenience items, restaurant, auto service, health services.

- Future demand projection flat/decreasing unless visitors increase or large residential development occurs.

- Recapture could aid commercial revitalization of town core, enhance mix of retail/service establishments.

- Waialua must compete with Haleiwa (esp. for visitors), retail “power centers” and big box retail.

Retail SUMMARY

<table>
<thead>
<tr>
<th>Economic Feasibility</th>
<th>Market opportunities exist, mainly through servicing unmet local demand from Waialua and Mokuleia.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Feasibility</td>
<td>Existing space is in poor condition. Physical improvements, signage, required. Shopping Center property manager potential barrier.</td>
</tr>
</tbody>
</table>

Bottom Line: Opportunities in local convenience goods & services; physical improvements needed
2. Agriculture Summary

Exhibit IV-B: Agriculture

General Comments

- Large agri-business exporting crops unlikely in short term except for seed corn
- Market potential exists for diverse truck crops serving local demand = small farms
- But works only with solving land/water issues plus entrepreneur supports:
  - Coordinated production
  - Coordinated marketing & distribution

Agriculture

SUMMARY

<table>
<thead>
<tr>
<th>Economic Feasibility</th>
<th>Market potential in several crops driven by import substitution opportunities and Waialua’s competitive advantages.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Dev. Benefits</td>
<td>70-90 new jobs created (small farms) and possible but limited supporting business development. Wages and skill levels low to moderate.</td>
</tr>
<tr>
<td>Physical Feasibility</td>
<td>Prime ag land available, however lease terms, long-term availability of ag land, and availability of affordable, clean water are major constraints.</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>Water and land issues could seriously limit potential. Landowner long-term intentions and commitment to ag unclear. Farmers must be trained/coordinated. Global prices could threaten commodity producers.</td>
</tr>
</tbody>
</table>

BOTTOM LINE: Good local market potential – need to address land/water & add entrepreneur supports
3. Education Summary

Exhibit IV-C: Education

General Comments

- Strong need for education and job training – adult education low; large school-age population; HS seniors plan to work.

- Waialua draws training/job seekers from Schofield, Mililani (O‘ahu Worklinks). Little competition for adult education/job training on the North Shore.

- Feasible expansion will depend on availability of ongoing subsidies (tuition scholarships, training vouchers, state and federal funding).

Education SUMMARY

<table>
<thead>
<tr>
<th>Economic Feasibility</th>
<th>Substantial need for services, concentrated in job (re)training for adult new entrants and incumbent/displaced workers; But not feasible w/o operating subsidies; Projects must scale to demand.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Dev. Benefits</td>
<td>Creates skilled jobs with moderate wages; A new program center at WI&amp;HS and new private school could together support 50 new jobs; Limited direct support to new industries in Waialua.</td>
</tr>
<tr>
<td>Physical Feasibility</td>
<td>Sites exist for education industry expansion—WI&amp;HS selected as one project site; private school planned at another site; Less clear where another new facility might be placed.</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>Availability of operating subsidies may change (e.g., Dept. of Labor, WIA moneys); Future demand difficult to project; Building a new facility adds considerable economic risks without assured demand.</td>
</tr>
<tr>
<td>Champion/ Org Capacity</td>
<td>Key strength of this industry area is that it has projects with serious community support and leadership</td>
</tr>
</tbody>
</table>

BOTTOM LINE: High need; requires subsidies to operate; more a support service than economic driver
4. Residential Development Summary

Exhibit IV-D: Residential

General Comments

- Supply of housing on North Shore still relatively affordable – median price $243,000 North Shore vs. $360,000 O‘ahu.
- Increasing supply in Central O‘ahu and existing supply in other North Shore communities.
- Island-wide demand remains strong with median home prices steadily increasing.
- The real estate market is cyclical – some project a peak within the next 2 years.

Residential

SUMMARY

<table>
<thead>
<tr>
<th>Economic Feasibility</th>
<th>Overall market demand strong at present. Local Waialua demand is small with adequate North Shore supply. Current demand for affordable/senior housing limited.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Dev. Benefits</td>
<td>New housing supports additional workforce (as needed). Local retail and service sector growth possible w/larger-scale expansion (400-500 units).</td>
</tr>
<tr>
<td>Physical Feasibility</td>
<td>Infill parcels available, but developer needed. 500 units over 20 years could increase NS population near City’s Population Guideline level (1.8% Oahu)</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>Landowner interest may be in high-end, not affordable units. Real estate market may experience downturn just as housing is completed.</td>
</tr>
</tbody>
</table>

OUTLOOK

- Key challenge
- Some challenges
- Key advantage

BOTTOM LINE: Economic benefits for retail require larger scale development; some ag lot development will happen
5. Light Industry Summary

Exhibit IV-E: Light Industry

General Comments

- Only site on North Shore is at old Mill
- About 30+ tenants light industry/commercial businesses on current 10-12 acres
- Zoning exists for an additional 5-7 acres beside the current Mill facilities
- Best growth prospects include recreation equipment manufacture/repair & individual artisans – probably not much more ag processing or other ag support

Light Industry SUMMARY

<table>
<thead>
<tr>
<th>Economic Feasibility</th>
<th>Only industrial option for North Shore. Particular promise in ocean sports manufacturing and applied tech. Ag support activities are possible in conjunction with greater NS Ag activity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Dev. Benefits</td>
<td>Potential for good jobs &amp; workforce development. Potential increase in visitor traffic and economic exchange with neighboring towns. Good potential linkages to technology, retail, education.</td>
</tr>
<tr>
<td>Physical Feasibility</td>
<td>30 acres zoned I-2. Mill site could be transformed into a more attractive industrial park, but requires a plan and improvements.</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>Dole/Castle&amp;Cooke plans for site are up in the air. Potential environmental degradation. Upstream and downstream fluctuations such as in construction, tourism, delivery.</td>
</tr>
</tbody>
</table>

Outlook

**BOTTOM LINE:** Big advantage because only site on North Shore; needs improvement and plan to realize full potential
6. Visitor Industry/Recreation Summary

Exhibit IV-F: Visitor Industry/Recreation General Comments

Golf — Stand-alone golf course (not as part of resort or residential) not feasible

Low-Impact Small Shops/Museum Dependent on Passing Traffic — Unlikely to be feasible, based on location and past experience

Small Stand-Alone Inns/Hotels — Provide very few jobs by themselves

Most Likely to Work — Integrated approach involving small-scale accommodations, community design theme, attractions relevant to area culture/history … and best if links with recreational community development nearby (Mokuleia and/or Haleiwa)

Positive Models — Research has identified several comparables of potential interest that have won community acceptance due to sensitivity to area culture and history. Some common attributes include (1) developer vision that is highly principled and coordinated with community; and (2) gradual change, long-term view, tolerance for risk

Visitor/Recreation SUMMARY

<table>
<thead>
<tr>
<th>Economic Feasibility</th>
<th>Some capturable demand in lodging. Visitors in nearby areas, but getting them to Waialua still a challenge. May take significant initial investments &amp; coordination to be economically feasible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Dev. Benefits</td>
<td>Potential for small business ownership. Potential increases in traffic that could aid retail. Job creation dependent on activity</td>
</tr>
<tr>
<td>Physical Feasibility</td>
<td>Land for large attractions/transportation projects available but depends on landowner plans. Small attractions possible but unlikely to be feasible on own. Obstacles to new B&amp;Bs</td>
</tr>
<tr>
<td>Risk Factors</td>
<td>Landowners may not invest in needed beautification efforts. Lack of directed transportation such as busses or trolleys would hinder efforts. “Foreign” economic slumps and shocks affect overall arrivals.</td>
</tr>
</tbody>
</table>

BOTTOM LINE: Limited prospects except as part of regional plan w/ Haleiwa/Mokuleia
B. Economic Scenario(s) for Planning Purposes

This study has uncovered no sure-fire “silver bullet” for economic change in Waialua, no single sector or project which appears to be a sure bet for transforming and revitalizing the town. That does not mean it is impossible for such a single-factor transformation to take place, driven by a particular project and/or a visionary leader. By its nature, an economic study looks at the odds, at the general trends, at likely or unlikely futures. But in a small place such as Waialua, a determined entrepreneur, landowner, or community group can make its own future. Sometimes sheer determination and persistence can defy the odds and change the world, or part of it – and that tends to happen most often in small corners of the world such as Waialua.

That having been acknowledged, our task has been the more humdrum one of weighing probabilities and attempting to chart some sort of likely economic future that corresponds to our understanding of community values, as noted in Chapter I.

Based both on our analysis and on our discussions with community and economic stakeholders, we can envision a “core” Waialua scenario that we suspect will have general community support, plus several additional scenarios that would likely be more feasible to the extent the community chooses to work in partnership with major landowners.

Core Economic Scenario: The core scenario for Waialua is one of real but limited change, staking hopes for revitalization primarily on small-scale expansion and renovation of retail and light industrial activity in the town center, along with the possibility of educational activities and/or agricultural diversification in surrounding areas. The elements of this scenario are therefore:

- Retail expansion, based on capture of existing leakage of expenditures and an expected small expansion of the regional population as anticipated agricultural subdivisions build out;

- Improvements to the Mill, possibly including changes that would support a mix of retail with the very lightest of the “light industry” activities nearest Goodale Ave.;

- Educational expansion that could include a “campus” for a new facility somewhere in the region – though this would be a community support activity rather than an economic “engine;” and

- Successful agriculture in surrounding areas – though we reiterate that the links between agricultural prosperity and businesses in nearby towns are much weaker for diversified agriculture than for plantation or other types of corporate agriculture.
This scenario is one of limited economic growth – relatively few additional jobs in the
town center (though with the possibility of some in agriculture), but nevertheless a
“revitalization” of Waialua in the sense of a facelift for the commercial core and a certain
amount of additional local employment opportunity. Though we use the phrase “limited,”
we note that the number of estimated new jobs for such a scenario (220 - 370)\(^{42}\) would
be more than enough to compensate for the decline in Waialua’s job count since the
sugar plantation closure (125 - 150 – see pp. 8-9 of this report). Waialua had been
losing jobs from some time prior to the closure, and so this growth is “limited” to re-
establishing something like the employment level during the plantation’s heyday, though
the wage level for new jobs would not necessarily all match those of the largely
unionized former plantation jobs and there can be no guarantee that all jobs would go to
current residents.

Physical planning implications would be centered on things like access, visibility,
parking adjustments, and possible zoning actions to permit an industrial/retail mix.
Agricultural expansion would require attention to water barriers, as well as the social
planning issues of entrepreneurial supports and coordination.

In addition to this core scenario, we can project several “expanded” scenarios that
would involve additional economic and/or population growth. If they are consistent with
community values, they may have the additional benefit of being of greater interest to
the major landowners, who may in turn be more likely to invest in the “core scenario”
due to the promise of greater growth and hence less investment risk.

“Expanded” Scenario 1 – Coordinated Tourism-Related Growth: This was
discussed at the close of Chapter III. We concluded that, subject to some question
about the likely overall growth prospects for Oahu tourism, small- to moderate-scale
tourism-related activities could be feasible for Waialua and could integrate with the “core
scenario” described above – but only if conceived as part of a larger regional integrated
package. This implies a community commitment to work with major landowners not only
in and around Waialua, but also one of those in at least one of the two adjacent
communities, Mokuleia or Haleiwa. (See preceding discussion, very end of Chapter III.)

“Expanded” Scenario 2 – Waialua Residential Development: In Chapter III, we
concluded that some amount of de facto residential development will occur in future
agricultural subdivisions in both Waialua and Mokuleia. Of more immediate and
significant impact for Waialua, we also noted the possibility of ordinary residential
subdivision within Waialua itself. We concluded that it would probably require at least
300 new units\(^{43}\) in Waialua to provide a customer base for retail and residential
expansion (above and beyond expansion that could be supported by recapturing

\(^{42}\) Based on adding up estimates from Part II for Retail (30 - 40), Light Industry (100 - 200), Education
(20 - 40), and Agriculture (70 - 90). The Light Industry figures are particularly rough and would probably
take the longest to materialize, except for portions associated with any new mixed-use zoning.

\(^{43}\) Whether a developer would find it economically profitable to build 300 units, or any other given amount,
is something that would depend on many site-specific factors, such as infrastructure availability.
resident expenditures), although this is somewhat greater than amounts explicitly envisioned in the North Shore Sustainable Communities Plan.\textsuperscript{44}

We also noted that residential development in Waialua would provide the community with another type of revitalizing “facelift,” though it may depend on the market level of the housing as to whether the new population would match, complement, or in any way socially conflict with current residents. In part for economic reasons (injection of new customer base for commercial operations) but perhaps even more for social reasons, a moderate and appropriately-sized expansion of the residential base could provide Waialua with one of the clearest possible forms of “renewal,” and help re-establish its traditional role as the North Shore’s most important residential community.

\textit{While this is appropriately a matter of community values and philosophy as it talks with the landowner, it seems clear that one or both of these “expanded” scenarios would provide the sort of significant economic growth prospects likely to motivate landowner investment in the town’s commercial core.}

Perhaps both of the expanded scenarios might be simultaneously pursued, though there may be some difficulties in doing so. The visitor orientation would best be served by a conscious effort to maintain a “quaint village” atmosphere that could be difficult to reconcile with significant numbers of nearby homes. Residential growth, in combination with light industrial expansion, would tend to solidify Waialua’s identity as the North Shore’s support community – a “back-of-the-stage” residential community with services primarily for residents of the overall region. While we expect community debate over the appropriate size of residential expansion, our current sense from meetings and interviews is that some form of the residential “expanded” scenario is more in tune with current community preferences than the visitor-oriented one.

\textbf{Summary Vision for Waialua:} Because the most immediate opportunities and decision points are in the town core, Waialua’s revitalization would begin with retail and light industry expansion there, combined with agricultural and educational expansion in the surrounding areas. Over time, moderate residential growth would continue to provide both a sense of renewal and an economic rationale for ongoing investment in the town core. Waialua is unlikely again to be the job center it was during plantation days, but it will be a better place to live due to more conveniences and gradual growth of services and business opportunities. Though Waialua would grow, it would remain very much a “country town” – with more and better jobs to support its residents, but off the beaten track and willing to remain that way.

\textsuperscript{44} This level of expansion compares to the number of housing units in the Waialua Census Designated Place as of the 2000 Census – 1,219 units. We additionally noted in Chapter III that a golf course, if desired by the community, might be economically feasible with a larger residential development, as it would definitely be infeasible as a stand-alone economic activity.
APPENDIX A:

POSSIBLE PROJECTS FOR WAIALUA (1998 STUDY)

As noted in the Introduction to this study, The City and County of Honolulu (Office of Special Projects) in 1998 contracted with another consultant to recommend possible economic development projects or entrepreneurial activities for Waialua. This approach complements the “sector analysis” approach taken in the current 2003 study. The report has been re-typed from a hard copy supplied by the City.
PROMISING VENTURES FOR WAIALUA
Prepared by Decision Analysts Hawai`i, Inc.
June 1998

1. INTRODUCTION

Listed below are promising ventures for Waialua; based on: (1) expressed interest by members of the Friends for Waialua Town and/pr entrepreneurs in the community, (2) expectations of an unmet market demand, (3) competitive advantages of locating in Waialua over other areas, (4) likely profitability in a rural location (assuming a well managed operation), and (5) affordable investment requirements.

2. COMMERCIAL KITCHEN/INCUBATOR

a. Components

A commercial kitchen has facilities approved by the State for preparing food for sale or distribution to the public: floors and floor coverings that are durable and easily cleanable (e.g. sealed concrete, terrazzo, ceramic tile, quarry tile, durable linoleum, etc.); a three basin sink for washing, rinsing and sterilizing kitchenware; a separate sink for hand washing, hot and cold potable running water; temperature control for the hot water; sewage disposal via a public wastewater system; acceptable plumbing, lighting, garbage refuse facilities, and vermin and animal control; and refrigerator(s), freezer(s); stove(s); oven(s); and kitchen equipment.

b. Economic Functions

1) To serve as an “incubator” kitchen to allow entrepreneurs to explore producing and marketing new food products.
2) To produce higher-value food products from crops being grown in Waialua, thereby creating additional jobs and income.
3) To provide meals in support of other economic activities, such as day care centers, ecotours etc.
4) To provide a kitchen to prepare food for community functions.
5) To provide a place to teach cooking for commercial markets.
c. Market Study/Entrepreneurial Interest

The focus of the market study currently being conducted by DAHI is intended to determine if there is sufficient interest by entrepreneurs to warrant the development of a commercial kitchen on the North Shore. That is, will enough hours be sold to budding entrepreneurs to cover anticipated costs?

3. ORNAMENTAL FISH

a. Concept

Raise ornamental fish in tanks for the overseas aquarium market.

b. Entrepreneurial Interest

How many people are interested in growing ornamental fish? Initially, about 6 to 8, but it could be more than this.

c. Market Study

The focus of the market study would be on, (1) what varieties of fish should be grown, (2) where and how the fish should be sold, (3) whether markets will have to be developed in order to absorb additional supplies, etc.

4. TROPICAL FLOWERS

Similar to ornamental fish.

5. TRUCK FARMING

Written guidelines would be prepared to help truck farmers identify seasonal niche opportunities to help them decide which crops to plant.

6. FARM SUPPORT

a. Promising Activities

1) Equipment rental and/or Repair (e.g. tractors)
2) Consolidation and Distribution
3) Processing and Packaging
4) Farm Supplies (fertilizers, pesticides)
b. Entrepreneurial Interest

Is there a group of entrepreneurs who want to pursue a common venture related to farm support, or a collection of closely related ventures?

c. Market Study

The nature of the market will depend on the nature of the expressed interest of the entrepreneurs. Note, that the market for farm goods and services will grow as plantation lands are replanted with new crops, but the specific needs remain uncertain. Also, many of the larger operations will provide their own support functions.

7. TECHNOLOGY SUPPORT CENTER/INCUBATOR

a. Components

1) Office space with good security, separate office areas, meeting area, etc.
2) Computers, scanner, copier, fax, telephones, digital camera, etc.
3) High-capacity connection to the internet, internet searches, e-mail, etc.
4) Computer programs having a business orientation: word processing, accounting, spreadsheet, database, statistical, graphics, web-page design, etc.
5) Support and training staff.

b. Economic Functions

1) To serve as an “incubator” that offers modern office equipment and services so that entrepreneurs can explore new services, products and markets.
2) To support other businesses, such as producing web pages to market crafts, foods, B&Bs, ecotours, etc.
3) To provide a place to teach about business, use of computer programs, development of web pages to market goods and services, etc.

c. Market Study/Entrepreneurial Interest

The focus of the market study would be to determine if there is sufficient interest by entrepreneurs to warrant the development of a technological support center. That is, will enough office space be rented and enough services be sold to budding entrepreneurs to cover anticipated costs?
8. SENIOR AND/OR CHILD DAY CARE CENTER

a. Type of Center

Should the focus be a child-care, senior-care, or combined facility?

A senior care facility has a number of advantages as a business venture: (a) the market is growing, (b) seniors have more money to spend on care than do parents of young children, (c) supplemental government funding may be available, and (d) less competition form subsidized programs (e.g., A+ program).

b. Entrepreneurial Interest

Is there a group of entrepreneurs who want to operate a day care center as a business in Waialua?

c. Market Study

The focus of the market study would be on determining whether the unmet demand is sufficient to warrant a new daycare center? That is, would participation be sufficiently high to cover the anticipated costs?

9. WILDERNESS TOURS AND ACTIVITIES

a. Concept

1) Pull together elements similar to those which make Kualoa Ranch successful.
   a) Activity center (e.g., combine with the cabin operation planned for Puaena Point).
   b) Hikes and bike rides – mountains and Kaena Point.
   c) Trail rides, paniolo events.
   d) All terrain vehicles.
   e) Target shooting, archery.
   f) Kayaking – rivers and along the shore in the summer.
   g) Sailing, whale watching.
   h) Fishing.
   i) Surfing.
   j) Diving, snorkeling.
   k) Glider rides, sky diving.
l) Cultural tours.
m) Shopping.
n) Lunch services.
o) Train ride if developed.

2) Offer a full day of activities with many options for activities, all for a single price, and market the activities as a single package.

3) Comment: Such an operation would require a strong leadership, the participation of many entrepreneurs, and a complex agreement which addresses shared revenues, costs, management, liability, etc.

b. Entrepreneurial Interest

Is there a group of qualified entrepreneurs who want to form a hui to operate a complex visitor-activity center?

c. Market Study

The focus of the market study would be to estimate visitor participation and revenues.
APPENDIX B:

COMMUNITY/STAKEHOLDER INTERVIEW SUMMARY

The following informal summary was presented to the Waialua Community Core Planning group in February 2003. It was prepared by John M. Knox & Associates, Inc.
WAIALUA COMMUNITY INTERVIEW SUMMARY  
(Feb. 12, 2003)

**Purposes**

1. Help consultants put economic research/planning in a larger community context.
2. Identify key underlying questions that Core Group might try to answer to make sure the Master Plan work is as relevant and useful as possible.

**Methods**

Unstructured or semi-structured interviews with Core Group members, other leaders suggested by them, and people usually considered to be knowledgeable about communities (e.g., ministers, elected officials). We necessarily talked to different people for different lengths of time, about somewhat different subjects, some in person and some by phone, and going to different levels of depth. Initial talks were very loose; then we developed an interview guide; but we changed, added, or dropped questions as we learned more – an “organic” process.

Appended at end is a list of our interviewees. We also had access to interview notes from the prior consultant, and we benefited from Group 70’s experience as well.

**Limitations**

This was a very informal and subjective process. It was not “scientific” in any sense. Our conclusions should all be considered tentative, based on our own interpretations of other people’s personal opinions. Remember – our purpose here is not to tell residents of Waialua some truths about Waialua they don’t already know. It’s to surface perceptions that can help us do better planning, and to point out decisions the community may need to make in that process.

**Things We Think We Heard** (yes, we’re being very tentative about this!)

**General Community Background Conditions**

We were frequently told that –

Since the plantation closure, many people (especially younger people) have left. There are still tight family networks, but there are also many new faces brought in by relatively cheap housing – people with fewer ties to the past plantation-based socio-economic structure and/or to “old-time” families.
Waialua has become a bedroom community, with lots of problems. Drug abuse and (probably drug-related) property crimes have grown rapidly in recent years. The community has become run-down physically; social agencies like QLCC are closing shop; and community groups like Friends for Waialua Town – which naturally wax and wane in small places – seem to be on the wane right now (i.e., newsletter discontinued and fewer people coming to meetings).

On the bright side, the schools and the library remain vibrant institutions; the new bandstand is (somewhat tentatively) seen as a potential symbol of renewal; and there is recognition of and appreciation for determined “sparkplug” individuals who are pushing ideas like the community kitchen and the technology/education center. There was some feeling that more positive things are happening than the community is aware of, and better PR/communication could help community morale.

Missing in Action: Waialua’s young people. They do not participate much in community affairs … thus, the values brought to community discussions are those of older people (arguably, those of “the past”) … and there is not a good sense of the goals and values of the upcoming generation that supposedly will benefit from the plans being made today. Some people believe the more motivated youth have left the community, and remaining ones are less likely really to know what they want.

**Perceptions of Waialua’s Major Land Owners or Landlords**

This is our impression based on interviews to date –

- **Dole**: Frustration over lack of communication about any future plans; some concerns about possible large-scale sale of landholdings; doubts about commitment to diversified agriculture due to Dole’s own withdrawal and to its standard ag lease conditions (i.e., short-term leases and/or two-year relocation clauses).

- **Castle & Cooke**: Many people unfamiliar with this company, but some concern that, following the privatization of Dole, ag lands could be transferred to Castle & Cooke for residential or tourist developments of type/size unacceptable to community.

- **Industrial Area at Old Mill (Dole)**: Possibly due to lack of visible physical improvements, and/or to the fact that most businesses came from outside Waialua and have yet to employ many Waialua residents, there is a sense of disconnect from the expanding industrial activities there – interviewees themselves did not know everything happening there, or thought most other Waialuanans did not. (The smokehouse is reportedly patronized by Waialuans, but still struggling financially.)

- **Waialua Shopping Center (Sugar Pine)**: The management company has a local board, but many interviewees still felt the center is somewhat run-down and could provide more services. At the same time, there is a recognition that commuters now do much of their shopping elsewhere, so that local demand has grown more limited.
Attitudes Toward Developers/Landowners in Adjacent Communities

This is something that did not begin to emerge until later interviews, so we really don’t have as good a feel for it as we perhaps should. But we did detect some mixed feelings about emerging plans for Mokuleia (Metropolitan Mortgage) and Haleiwa (Kamehameha Schools). That is, there seems to be some interest in establishing potential linkages but also a certain sense that Waialua may be reluctant to explore partnerships with these communities (especially with Haleiwa). If so, that may be due to longstanding historical and demographic differences. (Comment: Kamehameha Schools is sending a lot of signals about interest in Waialua’s future, which is of interest in light of their ongoing communications with Dole and Castle & Cooke.)

Social (Non-Economic) Facilities Most Often Mentioned as Community Needs

- A real senior center.
- Police sub-station or more police presence; better drug prevention/treatment.
- Teen center and/or more youth-oriented programs.

Attitudes Toward Potential Forms of Economic Development

- Overall: Mixed feelings/ambivalence about staying a “country” bedroom community vs. creating more jobs in Waialua. Some people passionately feel that social problems are rooted in unemployment; others passionately feel that any significant economic development would destroy the current lifestyle with limited benefit to the most needy group; other interviewees torn and undecided.

- Diversified Agriculture: Most people’s first choice of what “fits” with Waialua, but sharply divided perceptions about whether this will really provide many jobs. Some see even a thriving diversified ag economy as requiring only a relative handful of fairly low-paid workers, while others have visions of high-skilled tech support jobs, along with distribution and processing activities at the Mill. General recognition that only a few individual farmers (as opposed to larger agri-businesses) are doing well, and these generally do not include former plantation workers.

- Small-Scale Tourism: General agreement that large resorts would not “fit” Waialua, but divided feelings about smaller-scale tourism (B&Bs, perhaps cottage-style small hotel, attractions like sugar museum, etc.). It seemed a majority of our interviewees cautiously favored such ideas – even while wondering about feasibility due to Waialua’s out-of-the-way location – but some people fervently opposed them. Probably some form of agri-tourism would seem most appropriate to interviewees.

- Golf Course, Housing, Real Estate Development: Potential for significant controversy, especially if something more for affluent and/or has “urban” feel. But general support
for residential housing and even a fair amount of cautious interest in golf and/or things like equestrian subdivisions – if not too large or clearly a foot in the door for ongoing urbanization. Still, any of these would be red flags for a few people.

- **Light Industrial Support Activities:** As noted, there is not much awareness of, or sense of connection to, current businesses at the Mill. They struck many people as small operations struggling to survive in an out-of-the-way location.

- **Retail/Office:** Many would love to see more commercial, restaurants, professional services, etc. But uncertainty over market feasibility, or if there is any location outside the shopping center (which seems “locked up”).

- **Aquaculture, Education, Technology:** A few enthusiastic proponents, but not on most radar screens yet.

**Implications for Planning: Questions for the Core Group**

The interviews suggest some general policy questions for the Core Group, the answers to which might help subsequent research and planning –

1. **How much emphasis should go on economic vs. social/physical revitalization?** Should we make Waialua the best bedroom community it can be, perhaps with a few new economic activities, or should we really push for job and/or business creation? (Or, of course, something in the middle, but with emphasis one way or the other?) Consideration of this question may start us on the road to “scenario” creation.

2. **Economic priorities and purposes: Jobs, business development, agriculture?** Are we more concerned with employing people (in or out of Waialua) or with generating new Waialua businesses (whether or not they serve the currently unemployed)? Is agriculture more important because of employment potential or as a bulwark against urbanization of otherwise unused lands (even if provides few jobs)?

3. **Links with key landowners?** Most community economic development plans assume that market opportunities will naturally find “takers” among a variety of independent businessmen and/or landowners. But in Waialua, there are only two major landowners; any entrepreneurs have to deal with them or their agents. How far can or should we go either to involve them in planning, or else to limit plans to short-term opportunities that may or may not survive “big surprises” from landowners?

4. **Links with economic activities on rest of North Shore?** Shall we actively explore possible links with Haleiwa (e.g., Waialua-Haleiwa railroad scenario) or Mokuleia (e.g., synergies among equestrian activities) as part of economic planning, or is that better done – if at all – only after Waialua has its own vision? Is it OK to think in ways that might make Waialua more interdependent with a regional plan and a regional economy, or should we give first priority to a “Waialua-only” approach?
APPENDIX: ADDITIONAL INTERVIEWS FOR THIS REPORT

(As noted, we had access to earlier interview notes by the previous consultant, and also Group 70’s perspectives and experiences. Interviews with landowners and development proponents separately listed also occasionally fed into the tentative conclusions above.

(Individual or small-group discussions with the people below were held between the fall of 2002 and January 2003.)

Jimmy Awai (Longtime resident)
Aloha Coleman (Principal, Waialua High School)
Carol Collins (Oahu WorkLinks)
Councilman Donovan Dela Cruz
Cipriano Erice (former Waialua Filipino Community Assn.)
Kalani Fronda (Chair, North Shore Chamber of Commerce)
Dan Gora (Haleiwa resident with Waialua ties, Hui Kalo ‘O Waialua)
Joe Green (Surf ‘n’ Sea, Haleiwa)
Juliette Hirayama (Waialua Senior Center Kupuna Housing)
John Hirota (Core Group)
Tim Littlejohn (Waialua Public Library)
Oliver Lunasco (former state representative)
Rep. Michael Magaoay
Rev. David Milotta (United Church of Christ)
Ted Nagata (Waialua High School, Robotics)
Sharon Nakagawa (former principal, Waialua Elementary School)
Jacob Ng (Core Group)
Lloyd O’Sullivan (Core Group)
Kathleen Pahinui (Neighborhood Board Chair, Core Group)
Isabelo Palalay (Waialua Filipino Community Association)
Rev. Joffrey Rabanal (Waialua Assembly of God)
Stewart Ring (Core Group)
Eileen Stuart (Oils of Aloha)
Sati Ulii (Queen Liliuokalani Childrens Center)
Jenny Vierra (Core Group)
George Williams (Core Group)
APPENDIX C:

REVIEW OF COMMUNITIES WITH ECONOMIC “LESSONS LEARNED” FOR WAIALUA

John M. Knox & Associates, Inc.
with assistance from 3Point Consulting LLC and Valerie L. Song
(Prepared for Waialua Town Master Plan project)
January - April 2003
EXECUTIVE SUMMARY

I. METHODS

We reviewed information on 18 community revitalization efforts being conducted in communities comparable to Waialua. Comparable communities were identified based upon similar population size, rural character, economic conditions (typically a recent plant closure), and rural development goals. The types of economic development initiatives reviewed included rural tourism strategies, agriculture and agriculture-related industries, and rural technology development. Detailed findings on 17 community initiatives are detailed in the full report. This summary provides an overview of “Key Lessons,” and adds information on an 18th comparable following completion of the other case studies. This 18th area and two of the other community studies are felt to be particularly relevant to Waialua, and so are highlighted for special attention in the Summary.

II. KEY LESSONS

- Most successful rural development efforts we studied focused on a combination of agriculture- and tourism-driven economic development.
- Proximity to major population or visitor centers is a major advantage in rural development, particularly those plans focused on tourism and agriculture.
- For efforts focusing on agri-tourism or cultural tourism, aggressive marketing and promotion are required. Visitor info centers, visitor maps, a web presence, and regular community events are common marketing mechanisms.
- Leadership capacity at the community level is essential – often a Community-Based Organization or Community Development Corporation with full-time staffing and a committed Board of Directors plays a key leadership role.
- The typical sequence of development funding starts with planning funds that lead to a plan, that allow funding for staffing or organizational development, that leads to fundraising for implementation of specific projects.
- Implementation often requires a combination of public and private subsidies and the cooperation of large public and private interests in the community (landowners, government agencies, corporations, etc.)
- In most cases, a combination of funding was used to implement plans, commonly including federal funding through the Community Development Block Grant Program, other HUD programs, the USDA, or the Economic Development Administration.

APPENDIX C: Review of Communities with Economic “Lessons Learned” for Waialua
III. PROFILES OF COMMUNITIES PARTICULARLY COMPARABLE TO WAIALUA

Hamakua Coast, Hawaii (Additional Profile Added for Executive Summary Purposes)

The Hamakua Coast stretches from Hilo to Honokaa and includes a dozen towns with populations ranging from a few hundred to a few thousand. The region experienced a dramatic increase in unemployment and growing economic distress following the closure of Hamakua Sugar in the early 1990s. Since that time, community-based efforts have worked to create new business activity, employment opportunities, and economic development in the region.

Industry Focus
- Agriculture
- Food Products
- Agri-Tourism
- Historic Tourism

Interventions
- Incubator Kitchen – the Pauuilo Certified Incubator Kitchen provides affordable access to certified kitchen and food processing facilities for over a dozen businesses. Another incubator – the Honokaa Ohana Kitchen houses a few businesses, but also runs its own community-based business with training and employment programs for local residents.
- Agri-business Marketing/Promotion – local nonprofits, in cooperation with the Hawaii Island Economic Development Board and the County Office of Economic Development have helped market and promote the Hilo-Hamakua Agricultural Corridor with a website and promotional materials marketing agricultural products and businesses.
- Agri-tourism Marketing/Promotion – the same parties have worked together to create Agri-tourism maps, increase signage and develop promotional materials for the Hamakua Heritage Coast, highlighting historic sites and agri-tourism attractions (farm or ranch visits, pick-your-own tours, horsepacking tours, farm-related bed and breakfasts).

Leadership
- Nonprofit Hilo Hamakua Community Development Corporation
- Nonprofit Hawai’i County Economic Opportunity Council
- State Legislator

Funding
ACE Net, Ohio

Southeastern Ohio has languished for years as the coal-mining industry there has declined. Unemployment is stuck at double-digit levels and about one-third of the people have incomes below the poverty level. Representatives from several rural counties in the region came together in the 1980s to create the Appalachian Center for Economic Networks (ACEnet). ACEnet uses a “sectoral” strategy, focusing on a few industries or sectors at a time to promote rural economic development.

Industry focus

- Specialty Food Products
- Value-Added Agricultural Products
- Technology (mainly to enhance existing businesses)

Interventions

- Worker Owned Network – provides technical assistance to help low-income entrepreneurs start and grow worker-owned businesses.
- Food processing incubator – a licensed facility where entrepreneurs rent the use of ovens, stoves, and food-processing equipment to develop food product lines.
- Technology assistance – ACEnet sponsors a local e-mail list called Foodnet, which local food processors, food services, restaurants and others use to exchange info.
- Marketing & Promotion – ACEnet operates an online farmer’s market and publishes a “buy local” map that shows residents of southeastern Ohio where they can purchase locally-made food products.
- Technology education program – offers computer training classes in area high schools and operates its own community technology center for people who don’t have computers at their homes or offices.
- ACEnet venture fund – assists food and technology sector businesses in the region by providing access to venture capital and technical assistance for start-up or expansion.
Leadership
- ACEnet organizers
- Ohio Department of Development

Funding Sources
- Ohio Department of Development
- 10 private foundations
- Several state and federal funding programs
- Incubator rent

Key Lessons
- Concentrating on just one or two sectors (in this case, food and technology) has proven an effective strategy.
- Using information technology to help companies network, reach new markets, and increase efficiency has been key.
- Constant re-examination and analysis of what programs work and why.
- People/organizations are empowered to carry on the programs even after initial organizers of ACEnet leave.

Hardin, Montana

Hardin, Montana is a former agricultural and coal strip mining town which has seen major economic and population decline over the past decade. Only 13 miles from the site of the Battle of the Little Big Horn, tourism is also a source of some current and potential income. Hardin has a historic train depot in its town core, vacant for 25 years, and owned by the Burlington Northern Railroad. During the last ten years, there have been several failed efforts to acquire and redevelop the depot by the community. The Burlington Northern Railroad was initially opposed to acquisition of the depot by the community. Some of community’s initial plans for its use were too costly and too ambitious.

Industry Focus
- Historic Preservation/Historic Tourism
Initiatives
- Community economic development plan. A state grant supported 10 months of planning assistance that included a tourism market assessment, a resident survey, and community forums. A plan was developed with one project selected as a catalyst to encourage historic tourism development.
- Community organization – an organization – the Tourism Assessment Committee (TAC) – was formed to spearhead implementation. The TAC consisted of representatives from 20 entities, including business, government, and non-profits, local Native American tribes, and the Little Big Horn College.
- Acquisition and redevelopment of historic site. The TAC raised funds to restore the historic depot and create a facility that would serve as a community and visitor center with area-wide information on local businesses and attractions.

Leadership
- Tourism Assessment Committee (representative community committee)
- Economic Development Department of the City of Hardin

Funding Sources
- City of Hardin
- State of Montana Community Tourism Assessment Grant
- Montana Community Foundation

Key Lessons
- Tourism Assessment Committee worked to secure cooperation of Burlington Northern Railroad and the City of Hardin.
- An achievable and affordable plan was required to get community and owner buy-in.
CONTENTS

I. MODEL TOWNS/CITIES ........................................... C-1

Tourism ..................................................................... C-2

Hardin MT .............................................................. C-2
Leavenworth WA ..................................................... C-4
Snoqualmie WA ........................................................ C-6
Solvang CA ............................................................. C-8

Economic Development .......................................... C-10

Council ID ............................................................. C-10
Port Henry NY ....................................................... C-12
Waimea, Kauai HI ..................................................... C-14

Main Street Initiatives .............................................. C-16

Hilo HI ..................................................................... C-17
Haleiwa HI ............................................................. C-19
Wailuku HI ............................................................. C-22

Technology ............................................................ C-25

Douglas WY .......................................................... C-25

II. MODEL COUNTIES ............................................ C-27

Tourism ...................................................................... C-28

Abbeville County SC .............................................. C-28

Economic Development .......................................... C-29

Dimmit County TX .................................................. C-29
Southeastern Ohio ................................................... C-30
Tamaqua Borough PA ............................................. C-32

Technology ............................................................ C-34

Miner County SD ..................................................... C-34
Silbey County MN ................................................... C-36

APPENDIX C: Review of Communities with Economic “Lessons Learned” for Waialua C-vi
WAIALUA ECONOMIC DEVELOPMENT

MODEL TOWNS/CITIES

APPENDIX C: Review of Communities with Economic “Lessons Learned” for Waialua
**TOURISM**

**Hardin, MT**

**DESCRIPTION**
Hardin, Montana (pop. 3,385) sits alongside one of two Indian reservations in the county and is next to Interstate 90. Over half of the population in the county is Native American. Agriculture and coal strip mining have been two of the major sources of economic activity in the county; however, both endeavors have seen major declines. Only 13 miles from the site of the Battle of the Little Big Horn and at the exit to the Yellowtail Dam, tourism is also a source of some current and potential income.

The historic train depot has been vacant for 25 years. The depot and the entire downtown have been on the National Register of Historic Places since 1985.

**Project Summary**
During the last ten years, there have been various efforts to acquire the depot and different visions for what it could be, none of which had materialized. The railroad’s demands created barriers to acquisition, and once, when a deal was imminent, the railroad was bought by another company. Some of the plans for its use were too costly and too ambitious.

In 1998, a Tourism Assessment Grant for $20,000 was awarded, providing 10 months of assistance in assessing the community’s potential for tourism growth as well as an additional $20,000 in assistance if a project is chosen.

A resident survey provided insight into local sentiment regarding tourism. With the assistance of a group of business and tourism experts, one project was selected to increase tourism and serve as a catalyst for other projects. The group, called the Tourism Assessment Committee (TAC), consisted of representatives from 20 entities, including business, government, and non-profits as well as both tribes and the Little Big Horn College.

The committee realized that there were numerous little known attractions that had not been properly publicized. The decision was made to create a facility that would serve as a much-needed community center and a source for area wide information on local businesses and attractions. This depot is the centerpiece of a plan. Beginning with $33,000 cash and $16,000 in volunteer pledge labor, renovation was scheduled to be completed in spring of 2002.

**Key Players**
- **Project Organizers**
  The project was organized by the Economic Development Department of the City of Hardin.
- **Others Who Helped**
  - The Hardin Area Chamber of Commerce;
  - Big Horn County Historical Society
  - Hardin School Districts
Community members, including farmers and ranchers; local business owners, local non-profits, students
- Montana Dakota Utilities
- Montana Community Foundation

Other Benefits
Benefits include:
- $24,000 in volunteer labor pledges for the renovation and other donations
- A craft co-op on the depot grounds will be developed with the Crow reservation.
- The volunteer Chamber, which had been inactive, has become stronger and more active with plans to hire a full-time staff position.

Lessons Learned
♦ Keys to Success
- This project began over ten years ago, and many attempts to acquire the depot were made. The key to the community support was adapting each of these previous ideas into the project.
- Positive marketing of related issues and progress is necessary to keep the community involved. Sell the project every step of the way.
- An achievable and affordable plan
- A spirit of volunteerism
- Inclusion of the native American tribes in the planning stages
- More than one use for the building. It will serve as a visitors center; community center; Chamber office; and provide additional office and shop space.

♦ Obstacles to Success
The major obstacles in this project have been dealing with Burlington Northern Railroad, which owns the depot. Changes in management structure, a merger, and a switch to a management company to manage their leases, made acquiring the lease the biggest hurdle.

Project Costs/Source of Funds
The City of Hardin has donated over $2,000 to cover the application fee, the first year of the lease, and materials for the renovation. The $20,000 State of Montana Community Tourism Assessment Grant supplied the bulk of the cash. Other donations include $500 from the local Historical Society, $1,500 from Montana Dakota Utilities, $10,000 from the Montana Community Foundation in the form of a Renaissance Grant, and donations from local residents.

CONTACT:
Pam Clark
Hardin Economic Development Director
406 North Cheyenne
Hardin, MT 5034
(406) 665-2014 ext. 4
Email cityofhardin@netscape.net

Source: National Center for Small Communities and the Thriving Hometowns Network, www.smallcommunities.org/ncsc/THN.htm
Leavenworth, WA

**DESCRIPTION**

Leavenworth is located 118 miles east of Seattle and 22 miles northwest of Wenatchee. The town is billed as an authentic Bavarian village. In 2001, it had a population of 2,500.

The Wenatchee River, flowing east flowing through Leavenworth, is the most popular rafting river in the state. Other recreational activities include fishing, hiking, climbing, biking, backpacking, skiing and horseback riding.

**Economy**

A sawmill and the logging industry fell apart, when the Great Northern Railway Company pulled out of Leavenworth. The re-routing of the railroad and the subsequent closure of the sawmill brought the community to near extinction, where it languished for 30 years.

In the early 1960’s, in order to bring tourism to their area, Project LIFE (Leavenworth Improvement for Everyone) decided to remodel the hamlet in the form of a Bavarian village. Besides the complete renovation of the downtown area, the community also hosts a series of festivals. In 2001, approximately 1,500,000 tourists visited the town.

*Source: [www.leavenworth.org/history.html](http://www.leavenworth.org/history.html)*

**INTERVIEW NOTES**

Mr. Taylor strongly suggests purchasing the primer, “Miracle Town: The Story of Leavenworth” written by the two men who started the transformation. The book reviews the process in depth, giving a complete description of the struggles, politics, and infighting.

Leavenworth was a potential ghost town. Businessmen’s wartime experiences served as the inspiration when they noted the similarity of the town setting with the landscape in Germany.

**Lessons Learned**

- **Reasons for success**
  - Start with unanimity. Individuals within the community were willing to change and make sacrifices.
  - People reached in their own pockets.
  - Proximity to Seattle is key.
  - The town has 23 weekends of events; there is something going on almost all the time.
  - Money is central to success. Washington State allows 2% of sales tax to be used by communities for local tourism – i.e., promotion, advertising. It also allows an extra 3% lodging tax that can be allocated for tourism.

**CONTACT:**

Bill Taylor, Director
Leavenworth Chamber of Commerce
taylorbillcw@leavenworth.org
P.O. Box 327
Leavenworth, WA 98826
Telephone (509) 548-5807/ Fax (509) 548-1014
This percentage is a local option that not all communities exercise. Revenues from these taxes contribute about $600,000 annually to Leavenworth.

The Chamber of Commerce expends about $450,000 per year. Consider this amount in relation to the population of 2,000. Dues for the Chamber account for about $110,000 annually.

Heavy promotion. Tourism generates about $100 million per year. The town sends out more than 150,000 brochures on an annual basis. Its website gets about 1,000,000 hits monthly. The Leavenworth Area Promotions Committee expends $380,000 annually on advertising. The combination of different types of advertising keeps the town thriving.

$50,000 was spent on market research to see what type of tourist they are attracting—about 53% are daytrippers; 47% stay overnight or longer.

The town offers something unique and different. Events such as Christmas lighting festivals are held over 3 separate weekends and draw thousands.

Lodging, dining and retail are about equal in sales. The town is now promoting agricultural tourism and birdwatching. They have held 3 wine festivals. Birding is huge in other areas of the country as well (Texas receives about $7 million per year from birdwatching related tourism.) The Audobon Society will co-sponsor a birding festival. The Cascade Foothills Farmland Association had its first wine festival, which was combined with the arts – i.e., art on the farm or at fruit stands and wine tasting at fruit stands. The arts, agriculture and nature tourism are a natural combination and seem to feed on each other.

Some local resident resentment towards tourism also exists, but it is a small contingent. Considering the funds received from tourism, grumblings are minimal.

The town has produced an Economic Development Plan for the future and trying to get the city to adopt it. Jobs tend to be mainly in service; property values are high; young people are moving out; and much of the population consists of Microsoft employees and retirees.

Other Recommendations
Mr. Taylor can be contacted again for further information, but recommends that staff also look at Port Townsend, WA as a good example of revitalization, an ex-Main Street program.
**Snoqualmie, WA**

**DESCRIPTION**
Snoqualmie is located about 28 miles east of Seattle. The population of Snoqualmie as of April 1, 2001 was 3,410. Historically, growth in the City has been limited because of its location in the floodplain and regulations that limit new residential construction in flood prone areas. In 1990, the City annexed about 1,300 acres of undeveloped land out of the floodplain. The City has projected its population to be about 8,000 by the year 2014.

**Economy**
Logging and Weyerhaeuser were key to the local economy until 1989, when the company downsized to a much smaller mill operation. Although dairying was a significant local industry into the early 1950’s, agriculture is no longer a major economic force in the community.

With the completion of I-90 in the 1970’s, more residents began working in communities closer to Seattle. In addition, the Snoqualmie Ridge Business Park now employs close to a thousand people and continues to expand.

Currently, the City’s scenic and recreational attractions are fostering the growth of a significant local tourism economy. Along with Snoqualmie Falls, a natural landmark and one of the most visited tourist sites in the State of Washington, the City is home to the Puget Sound Railway Historic Association that owns a historic depot and operates a historic tourist train in the City.

*Source: www.ci.snoqualmie.wa.us*

**Regional Information**
The 1985 King County Comprehensive Plan designated the Snoqualmie Valley community planning area as Rural Area and Resource Lands, including agriculture, forestry, rural residential development and rural activity centers. This plan, covering 400 square miles, recognized five towns in this planning area as Rural Activity Centers: Carnation, Duvall, Fall City, North Bend, and Snoqualmie.

**Development Process and Issues**
In the late 1980’s, the Snoqualmie Valley Community Plan was developed with the assistance of a Citizens Advisory Committee. Adopted in 1989 by the King County Council, the Plan’s main concerns are: preservation of the rural character; protection and preservation of natural resources; continued economic vitality for the valley cities; preservation of resource lands, open space, historical and archaeological resources; and accommodation of projected population growth.

Preliminary development issues identified include:
- Sewer extensions
  - Continued reliance on septic systems or explore if there is a need and local support for the development of a public sanitary sewer system.
  - Re-evaluation of zoning in light of infrastructure and natural constraints. Consider flood plain restrictions and changing the amount of commercial zoning and Urban Reserve area.
- Preservation of the rural character
- Transportation

*Source: www.metrokc.gov/ddes/lusd/fallcity.htm*
CONTACT:
Richard Anderson, Director
Northwest Railway Museum
PO Box 459
Snoqualmie, WA 98065-0459
(425) 888-3030
Email: richard@trainmuseum.org

INTERVIEW NOTES
One of the first steps was the development of a Recreation and Rural Economy plan. Success was a combination of accident and community effort.

The mill operation will be completely shut down at the end of January 2003; however, they are now developing the tree farm into residential housing. Snoqualmie’s population was 1,500, but has grown rapidly.

The Snoqualmie Comprehensive Plan that is supposed to guide growth is now being developed. In addition, a Corridor Plan is in the works to recommend infrastructure changes for the downtown state highway.

Lessons Learned
There is continuing resentment from part of the community about tourism, traffic, restaurants, etc. The railway museum alone attracts 80,000 visitors annually.

Other Recommendations
Mr. Anderson can be contacted again for further information, but recommends that staff also contact Nancy Tucker, Director of Planning for Snoqualmie (who previously worked on a Retail Study and now heads the committee to develop a Corridor Plan) at (425) 888-5337 and Lisa Schaffer, Director, Snoqualmie Chamber of Commerce at (425) 888-6362, www.snovalley.org.
Solvang, CA

**DESCRIPTION**
Solvang (pop. 4,600) is located in central California, close to Santa Barbara and 2 ½ hours north of Los Angeles. It was founded in 1911 as an authentic Danish settlement and is known as “The Danish Capital of America.” The town capitalizes on a quaint, old world theme and the Santa Ynez wine industry.

**Regional Information—Santa Ynez Valley Planning Area**
The Santa Ynez Valley rural region consists of the unincorporated towns of Santa Ynez, Ballard and Los Olivos, the cities of Buellton and Solvang, and the surrounding rural and agricultural lands and encompasses approximately 361 square miles.

**Economy**
Valley tourism includes:
- 3 million visitors annually
- 29 hotels and motels
- 1,376 rooms

Valley agriculture includes:
- $8.5 million in output
- 19 wineries

The retail and service sectors are by far the Valley’s largest employers and employ 28% and 32% respectively. Other major employment areas include agriculture, construction and real estate. Of 10 largest employers of the Valley, four are hotels and restaurants. The majority of the Valley’s hotels are located within Buellton and Solvang, providing these cities with substantial transient occupancy tax revenue ($2,126,330 in 1999/2000).

**Development Issues**

- **Jobs/Housing imbalance**
  - Rising home prices and rapidly falling housing affordability in the Valley
  - The lack of high wage jobs in the Valley and the still relatively lower cost of housing in Santa have led to increased commuter traffic on highways.
  - The economy depends not only on tourist income, but also on a large number of families living in the area who derive the majority of their income from outside the region (retirement, investment income, etc).

- **Accommodating population growth and housing needs**
  - By 2030, the Valley may face a population increase of 6,000 or more residents, requiring up to 1,900 new housing units. At typical Valley urban densities of 3 to 4 units per acre, 440 acres or more of land would be needed to meet demand. At estate or ranchette densities far more land would be needed. Additional land would be needed for schools, parks, roadways, and other supporting uses.

- **Preservation of the rural character**
  - There is relatively little undeveloped residential land remaining in either the cities or the unincorporated urban areas of the Valley. Therefore, local government, responding to pressure to meet future housing demand, will have to consider increasing housing densities or expanding urban development into agricultural and open space lands, or both.
SOLVANG, CA

**APPENDIX C:** Review of Communities with Economic “Lessons Learned” for Waialua

- **Sewer extensions**
  - Existing septic problems and increasing water quality concerns will most likely generate demand to sewer the remaining parcels in Santa Ynez and the surrounding Inner-Rural lands.

- **Large ranch subdivisions**
  - Many of the large ranches at current zoning densities could cumulatively result in hundreds of new residential units through the subdivision process. While many of these ranches will likely remain in agricultural production on large parcels, the potential for subdivision into smaller ranchettes will be studied in the community planning process for the Valley.

- **Balancing growth with resource protection**
  - Growth will increase pressure to convert open space and agricultural lands to other land uses. Areas of the Valley where agricultural lands are scheduled to leave the protection of the Agricultural Preserve Program will increase the potential for land conversion to nonagricultural development.

- **Expanding wine industry**
  - The rapid expansion of the wine grape industry, while benefiting the Valley’s economy by boosting tourism, poses a whole set of new issues for the area—from visual alteration of the natural landscape to increased traffic on narrow rural roads.

- **Transportation**
  - Increasing regional traffic through the Valley will create strong pressure to accommodate highway traffic flow and speed by widening highways.

**Source:** Santa Ynez Valley Newsletter
www.countyofsb.org/plandev/comp/planareas/santaynez/newsletter/

**CONTACT:**
SolvangCVB@cs.com
(sending information packet)
Solvang Chamber of Commerce
Dalena Gregory, Executive Director
P.O. Box 465
Solvang, CA 93464
(805) 688-0701
ECONOMIC DEVELOPMENT

Council, ID

DESCRIPTION
Historically, the area around Council in the central highlands part of Idaho has been resource dependent—gold mining originally and since the 1930s, timber production. The population (979 in 1991) is aging with younger people leaving and the presence of a retirement-age population seeking the lower cost of living and the scenic beauty. The downtown is historic, with a square and about 26 businesses.

The Boise-Cascade sawmill suddenly closed in 1995 and put about 55 people out of work. In such a small community, that was a major impact because the mill was the last major private employer. Within 30 days of the closing, the mill itself was razed, leaving a 75-acre site and the mill office building.

Project Summary
Over a period of six months, the mayor at that time, a volunteer group, the Adams County Economic Development Corporation, and a staff member with the regional planning agency held a series of meetings with the community to discuss what to do. Many of the unemployed mill workers attended and brought the message that business diversification was important so they would never again be dependent on just one employer. Following a state-developed program for community planning, the volunteers strategized and created committees to take action steps. Several strategies were developed, including the creation of a business park. After extensive media exposure concerning the mill closure, the owner of a call center in Boise contacted the town and wanted to expand his business. He agreed to open a satellite location in Council in return for tax breaks.

Using HUD’s Community Development Block Grant funds as a match for federal Economic Development Administration funds and the value of the land, which Boise Cascade had agreed to donate, the community secured $1.5 million to create a business park whose first leasee was the call center. Park development included constructing two new buildings, refurbishing two former mill buildings, installing utilities and roads, and 15 acres of land that could be subdivided into lots.

Other Benefits/Results
- The business park has created the same number of jobs that were eliminated by the sawmill.
- Public investment has increased. A new, multi-million dollar county jail facility was also built in the business park, and the city hall and city shop moved into renovated mill buildings on the property.
- The state’s GEM program and a Kellogg Foundation program have both taught and empowered many people in the community. Volunteers have been taught such skills as facilitation, decision making, group process, and project development and management.
- With Kellogg grant money, a small technology center was created that offers technology training twice a year.
Key Players
♦ Project Organizers
  Community volunteers, which included laid-off workers, and local elected officials
♦ Others Who Helped
  The state’s GEM community program which teaches community volunteers how to develop a plan for the community and implement it.

Lessons Learned
♦ Keys to Success
  ‣ A state program that teaches people how to organize themselves for community planning.
  ‣ Newspaper coverage that the community could capitalize on.
  ‣ The sawmill layoffs were so sudden and so quick, that it motivated and galvanized the community.
♦ Obstacles to Success
  There was some contamination at the site, which would have cost an enormous amount of money to clean up because the state had not enacted the federal Environmental Protection Agency’s more reasonable standards for clean up of contaminated sites. The city and Boise Cascade teamed up to write and get passed state enabling legislation that allowed for clean up to less stringent standards.

Project Costs/Source of Funds
♦ Boise Cascade cleaned up and donated the sawmill site to the city for the business park.
♦ HUD’s CDBG funds and federal EDA funds paid for utilities, roads, and two new buildings on the site.
♦ Two small technical assistance grants from USDA funded a part-time economic development coordinator for the city to oversee park development.
♦ The city served as its own general contractor on the project and formed a temporary work crew using some of the unemployed mill workers, and subbed out other aspects.

Contact: Francee Wassard
Economic Development Coordinator
P. O. Box 606
Council, Idaho 83612
(208) 253-4201

Source: National Center for Small Communities and the Thriving Hometowns Network,
www.smallcommunities.org/ncsc/THN.htm
PORT HENRY, NY

DESCRIPTION
The town of Moriah and the village of Port Henry (pop. 1,294 in 1999) are located in the Adirondack Mountains and perched on the shores of Lake Champlain, which is the border between New York and Vermont. The area was one of the preeminent producers of iron ore in the United States; however, the end came in the early 1970’s when the mines shut down. A community of 5,000 that had been completely dependent on the mines lost not only primary jobs but secondary jobs in the retail and service industries.

Shortly after the mines closed, the last owners, Republic Steel Corporation, sued the town and won a reduction in its assessment, which cost the town over 51 percent of its tax base. The resulting tax shift meant that the newly unemployed had to pick up the taxes formerly paid by the company. Republic Steel then sold off its land holdings and other remaining assets and left the community forever.

The legacy of the era of the company’s domination of the community’s economic life was an inadequate and deteriorating infrastructure. Typical of a company town, the services and facilities provided were not designed for the long-term welfare of the community but rather to sustain the workers while they worked the mines. By the 1970’s, the community was faced with not only economic restructuring but also with the necessity of making a major investment in infrastructure and housing rehabilitation.

To date, approximately $8.1 million has been spent in water and sewer improvements in both town and village. The process has taken over 25 years and is still in progress. Concurrent with infrastructure rehabilitation has been housing rehabilitation. Over $2 million of Community Development Block Grant funds have been spent on housing. Most of the last 30 years has been a rebuilding while trying to create the next economic engine. In the meantime, most people commute elsewhere for employment.

Project Summary
In 1988, in recognition of the economic devastation, the state designated the area an Economic Development Zone, which enabled the community to hire an economic development consultant to develop an EDZ Plan. A major section of the plan is devoted to development of the Port Henry waterfront.

The plan envisioned the creation of a mixed-use, linear park system with an access plan and development suggestions for specific sites. The state funded a “Waterfront Coordinator” who has since been promoted to EDZ executive director. With this staff capacity, the town and village have been involved in the funding and implementation of various projects to stimulate waterfront revitalization for tourism and recreation. The town has focused on developing “Countryside Tourism,” which is defined as a combination of recreational/green tourism and heritage tourism.

Key Players
♦ Project Organizers
  ♦ Village of Port Henry
  ♦ New York Council on the Arts
  ♦ Other state and federal economic development officials
Other Benefits

- New small businesses have opened in recent years.
- State funds were used to rehab an old industrial pier.
- Federal, state and private funding enabled the renovation of an old industrial building into an interpretive visitors center called The Iron Center.
- Development of a strategic plan to increase the use and economic return of two publicly owned campground and beach facilities, and federal funding to upgrade campground utilities.

Lessons Learned

♦ Keys to Success

- The Port Henry site is prime for rehabilitation because of ample lakeside land availability and complementary regional zoning through the Adirondack Park Agency.
- Port Henry can draw tourists enroute to Fort Ticonderoga and the Lake Champlain Maritime Museum as well as tourists from Vermont and New York using the lake.
- Funding sources for both heritage tourism and waterfront revitalization are plentiful.

♦ Obstacles to Success

- Lack of professional capacity – There’s plenty of money to draw from but administering the programs and projects is problematical. Port Henry and Mariah, like most rural towns, don’t have the staff to access the money and then administer the money, which requires someone to solicit public participation, develop budgets, write proposals, coordinate work with agencies and planners, and administer projects over several years.
- Lack of matching funds – Most grant programs require a 20-50 percent match. Even when this can be partially met with “in-kind” services, it can be difficult for a small municipality to fund and coordinate.

Project Costs/Source of Funds

The state EDZ program funds one staff person and funded the strategic plan. State and federal funds were used to improve a state boat launch and improve the town beach and campground. The New York Council on the Arts funded design improvements to a public park. Federal, state and private funds have been used to compile historic information on the community. A private foundation funded various individual projects such as adaptive reuse of buildings and park redesign. A state waterfront revitalization program funded a strategic plan just for the waterfront. Federal transportation funds were used in the development of the first phase of The Iron Center.

Contact:

Marcy Neville, Director
Mariah/Port Henry Economic Development Zone
38 Park Place, Suite 5
Port Henry, New York 12974-1324
(518) 546-3606
edz@porthenry.com

Source: National Center for Small Communities and the Thriving Hometowns Network,
www.smallcommunities.org/ncsc/THN.htm
Waimea, Kauai, Hawaii

DESCRIPTION
Waimea community on the west side of Kauai has a population of 1,787 (2000 Census). Situated 25 miles west of Lihue Airport and Lihue, the town contains significant historic structures in Waimea, including the Russian Fort Elizabeth State Historic Park, a historic sugar mill and multicultural mill camp, one of the few camps still serving as a residential community.

The U.S. Navy’s Pacific Missile Range Facility (PMRF), eight miles west of Waimea at Barking Sands, is the island’s largest employer. It is reported that PMRF contributes over $8 million annually to the economy of the greater West Kauai area.

Constrained by steep, State-owned property to the north the Waimea River to the east, and the Pacific Ocean to the south, the town of Waimea can grow only in a westerly direction, on Waimea Plantation land.

As the owners of Waimea Plantation, the Fayé family has been an integral part of West Kauai for more than 100 years. Through its Kikiaola Land Company, a conceptual master plan for the area has been prepared for a mixed-use community.

The new Kauai County General Plan has designated portions of Waimea Plantation land as “Resort” and “Urban Community” which will enable the plan to incorporate a resort, a private marina and a golf course as well as a variety of commercial and housing opportunities.

The Waimea Plantation Heritage Center is being developed around the historic Waimea Sugar Mill and smokestack at the gateway to Waimea Canyon, Kauai. The Waimea Mill will be reconstructed as part of the historic commercial complex. The site of the original smokestack will be preserved and a replica constructed adjacent to it. Other projects include reconstruction of the Japanese School and Tinsmith Shop buildings, the renovation of Mana Store, after it was moved from Mana to save it from demolition, and moving the historic Kruse House from Kekaha to the Center. The Mill House Museum, which originally housed mill employees, will be restored as the Camp House Museum.

Kikiaola also participates in Hale Wa’a, a traditional Hawaiian canoe project, which is repairing a five year old, traditionally built Hawaiian canoe house. The company has partnered with the two programs at Kauai Community College, Aston Resorts, Na Kalai Waa O Kauai, Wright Bowman Sr., Makaweli Poi Mill, a guild of canoe carvers, and the west side community.

Kikiaola began implementing its master planning with the construction and operation of the Waimea Plantation Cottages, an 82-unit oceanfront hotel and conference center. The facility has gained wide acceptance for its environmental and cultural sensitivity. In addition, two residential subdivisions have been developed and sold. The community has also been enhanced by Kauai County’s new Technology and Visitor Center that is situated on former Kikiaola land at the base of the Waimea Canyon Drive. Phase II on a nine-acre parcel will provide additional commercial development.
Kikiaola is offering development opportunities to investors, either as a leasehold developer or joint venture partner. Also, selective parcels of Waimea Plantation are offered for sale.

**CONTACT:** Linda Faye Collins, President  
Kikiaola Land Co., Ltd.  
Post Office Box 367  
Waimea, Kauai, Hawaii 96796  
(808) 338-1900  
Email: info@kikiaola.com

[www.kikiaola.com/heritagecenter/Heritage.pdf](http://www.kikiaola.com/heritagecenter/Heritage.pdf)
Main Street Initiatives

The Hawaii Main Street Council supports the network of Hawaii's small towns in their pursuit of economic development and community revitalization within the context of historic preservation. The program's four-point approach of organization, promotion, design and economic restructuring helps stimulate business activity to complement cultural traditions and lifestyles and assure the future of local communities.

For a town or community to participate in the Hawaii Main Street Program, some of the required elements include:

- a well-defined, centralized business or residential district with discernible boundaries, creating an area that is marketable and manageable in terms of achieving the Main Street program objectives;
- substantial historic fabric within its program boundaries as evidenced by an inventory listing the town's history, its landmarks, archaeological sites, unique architectural features and structures, and other historically or culturally significant resources of national, state or local prominence;
- existence of community interest in, and support of, preservation as a tool for economic revitalization;
- an interest in networking with existing business and/or community entities, or in organizing a new entity, specifically for this revitalization effort;
- a minimum of 10 businesses or similar activities located within program boundaries.

Source: www.state.hi.us/dlnr/hpd/hpmainst.htm
**Hilo, HI**

**DESCRIPTION**
Hilo, a former sugar town, has a population of 40,759 (2000 Census) and is the center of retail activities of more than 75,000 people.

**INTERVIEW NOTES**

*History of the Main Street Program in Hawaii*
In the mid-1980’s, Hawaii County Planning Department, Historic Hawaii Foundation, and DBEDT contacted the National Main Street Office. With limited county funding, Hawaii County was the first to commit to program. Since initial funding was insufficient, DBEDT agreed to provide additional funding from the State. This funding provided the impetus for other programs to start statewide.

A dissatisfaction with DBEDT as the host State Agency emerged, so in the late 1980’s, the program was transferred to DLNR’s Historic Preservation Department. The Main Street Program was administratively tied to the national organization, but no actual funding was given. The national office instead provided expensive and extensive training sessions for program managers.

The State was unable to continue funding, leaving programs with the dilemma of securing funds from either the private sector or directly from the Counties. Hawaii County was then able to find some money in the form of federal HUD Community Development Block Grants.

When State subsidies for the program ended in 1995, the Downtown Improvement Association assumed control to revitalize Downtown Hilo.

**CONTACT:**
Russell S. Kokubun
Program Manager
Hilo Main Street Program, 1992-1995
(Also Member, National Board of Advisors, 1996 to 2002 National Trust for Historic Preservation and Trustee, 1995 to 2002, Historic Hawaii Foundation)
586-6760 or on the Big Island at 867-7292

*Lessons Learned*
The program became a stepchild – pushed from one entity to another. Difficulties arose because it relied totally on soft money.

Its strength was organizational. Once leadership was established, individuals were able to assume many hats and foster the program.

Hilo became the resource center for other small communities that retain the Main Street program title: however, the program has become more like a Community Association. Pahoa (pop. 962) still calls it Main Street, as does Naalehu (pop. 919). Also, Waimea (pop. 7,028) did have a Main Street program.
A rural time warp exists, whereas Honolulu is more progressive. Because of Hilo’s rich cultural and historical resources, the Main Street program struck the right chord…

**Other Recommendations**
Senator Kokubun is willing to serve as a resource for further information, but also suggests that staff look at Haleiwa’s program which seems to be successful and if interested, contact John Ray, the last Executive Director of the Waimea program at 885-5875. Jocelyn Perreira is the contact for the Tri-Isle Main Street Resource Center.
Haleiwa, HI


DESCRIPTION

Haleiwa Main Street - Waialua Courthouse Restoration
The Waialua Court House had been abandoned for several years when the Haleiwa Main Street association began to look for funding to restore the structure and a tenant that would add a new dimension to the community.

The Court House restoration was completed in 1997. During the restoration process, Haleiwa Main Street determined that they would like to have a tenant which could provide unique services to the community. Services that were not currently available in Haleiwa. The Office of Hawaiian Affairs agreed to lease the building, provide space to service organizations and share the conference room for community meetings and functions. The community gained a renewed building, a new partner and services not previously available within the community.


Haleiwa Art Festival
Another vital community event is the Haleiwa Arts Festival. The festival’s non-profit organization was selected as one of eight North Shore organizations to participate in and receive funding under the Empower Oahu and Empower North Shore Oahu Community Investment Fund Program.

Funding and monitoring for these activities is provided by the Hawaii Alliance for Community-Based Economic Development, through a partnership between the City and County of Honolulu and Oahu citizen-run community-based organizations such as ENSO.

The primary purposes of the Community Investment Fund Program are: to help implement the North Shore's strategic action for community economic empowerment; to establish a strong, viable and on-going partnership with the City and County of Honolulu to sustain investments in community-based economic development initiatives; and to create economic opportunities for all communities on Oahu, especially those that are economically disadvantaged.

Source: www.haleiwaartsfestival.org/2000/investment.shtml

CONTACT:  Joe Lazar
Past President Haleiwa Main Street Program
637-8005

INTERVIEW NOTES
The Haleiwa Business Association chose to participate in the Main Street program when members realized that they could obtain funding to hire a program director for marketing, administration, etc. From 1991-1992, funding also was available for historical restoration and sponsored the development of a master plan.

The program went without State and County funding for about 5 years. The Main Street program ended in 2002 but has been reincarnated as the Haleiwa Chamber of Commerce.

APPENDIX C: Review of Communities with Economic “Lessons Learned” for Waialua C-19
Other Recommendations
Ms. Lazer is willing to serve as a resource for further information, but recommends that staff also contact Kalani Fronda – Property Manager for Bishop Estate and President of the Haleiwa Chamber of Commerce.

CONTACT: Antya Miller
Haleiwa Main Street Program
P. O. Box 867
Haleiwa, Hawaii 96712
info@HaleiwaMainStreet.com

INTERVIEW NOTES
A coalition of business and community members began as the North Shore Business and Professional Association in 1985. In 1989, it changed its name to become the Haleiwa Main Street Association. Around August—September, 2002, the group voted to continue business as the North Shore Chamber of Commerce to address the fallout from 9/11 and market the town to greater Oahu.

In 1991, with initial funding of $30,000, the town plan called Community by Design was formulated. The town has been trying to follow this plan since its inception. The value of the plan was the 30-40 in-depth interviews with key people and a series of community-wide workshops which drew about 340 community members. Key players were Norm Fujioka of Fujioka’s Store, Meryl Anderson, and Peggy Paty (wife of Bill Paty).

Lessons Learned
One of the biggest mistakes was the 30-year lease to OHA as tenant of Waialua Courthouse. By doing so, the town was unable to create its own visitors center. Afraid of making the financial commitment, the Association did not keep the resource within the community and is still paying rent for its office. The plan for a town museum is also unfulfilled. OHA does make rooms available to the community on a limited basis and by appointment only.

Although the group had good planning, they were short on execution – with no paid staff, follow through, and members, as businessmen, had no time. In addition, portions of the plan have encountered difficulty—already $3.2 million has been allocated for sidewalks, but some members don’t like the plan.

Advice for Waialua – take on manageable, executable projects that are tangible – e.g., Weed Circle project. The group landscaped the traffic roundabout, raising about $40,000. Partners included the Outdoor Circle and the City which donated most of the trees. A good example is the gazebo at Waialua; Ken Martyn has been working on this since 1999.

Waialua should look at the possibility of special district zoning, or make an improvement district. She would like to see more collaboration between Haleiwa and Waialua efforts—explore the possibility of utilizing the Cane Haul Road between the two towns or a possible train project.

Other Recommendations
Ms. Miller is willing to serve as a resource for further information, but recommends that staff contact Bob Agres, 550-2662 at the Hawaii Alliance for Community Based Economic Development for information on the Molokai Main Street Program. An even better contact might be Kalani Fronda – Property Manager for Bishop Estate, as well as President of the Haleiwa Chamber of Commerce – 523-6244 (dir)/265-5902
(cell); he is also a Property Manager for Molokai. She also has a copy of the community plan if needed.
**Wailuku, HI**

**DESCRIPTION**

**Wailuku Main Street Program**
The Wailuku Main Street Association Inc./Tri-Isle Main Street Resource Center was established in 1986. The Association has successfully implemented programs or participated in activities that enhance Wailuku's identity and heritage and ensure its economic stability. The Tri-Isle Main Street resource Center evolved from Wailuku Main Street Association when in 1989, Historic Hawaii designated it as a "graduate" Main Street town. The State Department of Land and Natural Resources recognizing the "graduate" town status placed on the Wailuku Program has designated the Wailuku Main Street Association as the official Tri-Isle Main Street Resource Center for associate towns of Makawao, Paia, Kaunakakai, Molokai and its affiliate in Lanai City. Other small towns receiving the assistance of the Tri-Isle Main Street Program on an as needed basis are Hana, Keokea and Waiakea in Kula and Maalaea.

Wailuku Main Street Association projects have included:
- IAO theater acquisition and renovation
- 2000 updated Wailuku Redevelopment Plan
- Provided design reviews for building rehabilitations and renovations (332 projects)
- Established Small Town Design Awards - 10 categories
- Town beautification gateway demonstration planting project
- 1998 Market Street Beautification Plan (PBS)
- Traffic and parking study - Wailuku town
- 2000 design charrette - municipal lot
- Planned and conducted economic development conferences (11)
- Established a $10 million loan pool program
- Harbor's Task Force Committee - Master Plan 2025
- Cultural events/festivals

*Source: [www.mauitowns.org/main.htm](http://www.mauitowns.org/main.htm)  
[www.mauitowns.org/wailuku.htm](http://www.mauitowns.org/wailuku.htm)*

**Office of Economic Development, Mayor’s Office—Wailuku Redevelopment**

With the support of Senator Daniel K. Inouye, the County of Maui received a $462,500 Housing and Urban Development grant to be used specifically for the revitalization of Wailuku. These funds are designated for an infrastructure study of the commercial core areas of Wailuku town and to build and develop the Iao Theater community park with an ADA compliant bathroom and police kiosk.

The Public Works Department and Planning Departments were successful in securing $3.6 million in ISTEA funds to develop the Market Street Beautification plan.

*Source: [www.co.maui.hi.us/mayor/economic/wailuku.htm](http://www.co.maui.hi.us/mayor/economic/wailuku.htm)*

**CONTACT:**

Jocelyn Perreira  
Tri-Isle Main Street Resource Center  
2035 Main Street, Suite 1  
Wailuku, Maui, HI 96793  
Telephone (808) 244-3888  
Fax (808) 242-2710  
Email: wmsa@maui.net
INTERVIEW NOTES
The Wailuku Main Street Association Inc./Tri-Isle Main Street Resource Center has not evolved like the Haleiwa and Hilo Main Street programs. With its “graduate” status, the Resource Center addresses the needs of 7 eligible towns in Maui County. It maintains a strong presence within the community. Haleiwa never achieved the level of development as Hilo and Wailuku.

Main Street programs are all different. Some focus on marketing alone; this program, however, is very oriented towards planning and other activities. The Director serves on the Mayor’s Smart Growth Committee. Moreover, the program has always functioned under the auspices of the Downtown Improvement Association (DIA); the DIA is a 501(c)6, while Main Street is a 501(c)3.

The program initiated the Wailuku Redevelopment Plan. The County website fails to mention Main Street’s role. The HUD monies referred to are not all in hand and are subject to each phase being completed; then, an application can be submitted for subsequent allocations.

The community partnership began in 1986, when Hannibal Tavares was Mayor; he strongly supported Main Street to revitalize Wailuku. Linda Lingle did not have this focus as a priority. The program also benefited from support from Joe Souki and Mamoro Yamasaki.

Market Street Beautification and Iao Theater constitute Main Street’s signature project. The mini park is in progress, and Lokahi Pacific is developing the remainder for the Weinberg Market Business Center which will focus on business incubation.

Lessons Learned
Maui Main Street receives County and Federal (HUD) funding along with major private and professional sector (in-kind and services) contributions, i.e., pro bono work from architects and engineers. In addition, Maui has benefited from earmarked Community Block Development Grant funds. It is important to keep a balance and cultivate each sector for support.

The other programs were too dependent on getting funding from the County and State. Hilo had the Hawaii Housing Authority program dedicated to them and had some revenue generating mechanisms, such as parking lots.

Since Lingle’s administration, it has been a struggle. The program is no longer a favored group. Politics plays a major role. Hilo Main Street had great difficulty, as one staff person was in conflict with the Mayor. The challenge is to find the greater good and take personalities out of the arena. It is also important to educate legislators on the need for funding.

The program acts as an extension of the County planning staff. Much of the raw data for County reports is generated here through the services of the professionals. Because information comes from a community-based organization, there is no worry about conflict of interest. Professionals can put forth their best ideas for the betterment of the community. They are able to speak freely, and their statements are based on fact. The idea is to creatively put together projects that will be acceptable to the County and will further the County’s mission and growth.

Success hinges on dedication, persistence, and commitment to
program principles. Then, talk to the County Council to make them understand how the program is heavily supported.

The Main Street program has also been very frugal and shares resources. They have survived through the goodwill of the community and professionals. In-kind contributions and services have kept them afloat.

Funds can be found through hard work. When funding sources were no longer available, other Main Street programs folded, but Maui rolled up its sleeves and went the extra mile and a half and jumped through the hoops. They were the beneficiaries of a dedicated staff that just stayed with them, as well as an outstanding Board of Directors who were movers and shakers and kept them alive.

They now see some good things happening. Persistence pays off. The question is of core needs taking precedent over other programs. A lot of discussion is necessary.

The program works and offers a level playing field. It is not just a rubber stamp. It speaks from the heart of the people, from which the community can benefit and gain.

The County also has benefited from the program’s plans. Benefits are derived from good consultants, grassroots efforts, and good partnerships. The County can mesh with a community-based effort that has received wide acceptance and reflects integrity. Grassroots efforts have the vision, but need the expertise to bring it all together and fashion it into a project to access funding.

Other Recommendations

Ms. Perreira is willing to serve as a resource for further information and can share packet of information for other Main Street programs that it assists.
TECHNOLOGY

Douglas, WY

DESCRIPTION
For generations, the economy of this Douglas, Wyoming (pop. 5,677) was focused entirely on agriculture, mining and the railroads. In the early 1990’s, while much of the country grew through enhanced technology, Douglas remained tied to its historic roots. Along with a widening digital divide, Douglas experienced the mass exodus of local youth and a faltering business community that was barely competitive or prosperous. The downward slide reversed in 1995 with the advent of Internet access. In 1997, local economic development leaders recruited CommuniComm Services, a national ISP, to locate their regional headquarters in Douglas.

Project Summary
Douglas’ achievements in youth-centered, technology-led economic development focus on three initiatives: the Summer Youth Leadership Training Program; Project CREATE; and, the Home-to-Careers Project. All three initiatives were launched by the Converse Area New Development Organization (CANDO), a local non-profit corporation formed in 1995. Its mission is to encourage new and existing business growth, with the least amount of disturbance to the area’s quality of life. The CANDO Tech Center, opened in 2000, has trained more than 400 local youth and low-income families.

Through the Summer Youth Leadership Training Program, CANDO has engaged local youth in community problem-solving projects. High school students worked in teams identifying and researching grassroots problems, then devising and communicating solutions to local decision-makers. Project CREATE (Creating Real Experience with Advanced Training and Education) affords youth with technology training and real work experiences. After completing an initial training program, students became part-time technology consultants to local government and businesses. The Home-to-Careers program offers new Gateway computers and intense workforce technology training to low-income families, and, upon completion of training, places these computers in the families’ homes, along with one year of prepaid Internet access.

Key Players
♦ Project Organizers—Converse Area New Development Organization (CANDO)
♦ Others Who Helped
  ◆ CommuniComm Services, Inc.
  ◆ Converse County School District #1
  ◆ eTRAIN West
  ◆ Glenrock CERA
  ◆ University of Wyoming, Cooperative Extension Service
  ◆ Wyoming Department of Employment
  ◆ Wyoming Department of Family Services
  ◆ Wyoming Small Business Development Center

Other Benefits
♦ Forged a unique, collaborative effort in the arenas of technology training, youth leadership, business assistance and workforce development.
DOUGLAS, WY

- Created a critical asset (CANDO Tech Center) for recruiting new businesses, upgrading technology skills of local workforce, and aiding local businesses with e-commerce solutions and other technology applications.
- Furnished local youth with paid part-time technology employment and a grounding in the “soft skills” (good work habits).
- Advanced 75% of Home-to-Careers participants into better jobs, or back to school to prepare for better jobs.
- Established a local Youth Council to advise Douglas’ policymakers, and appointed two students to be non-voting members of the city council.
- Broadened youth leadership offerings.

**Lessons Learned**

- **Keys to Success**
  - CANDO’s economic development leadership and innovation skills
  - Open-mindedness among local elected officials who embraced technology early on and listened to and acted on youths’ ideas about solving community problems.
  - Expert technology training instruction invented and delivered by eTRAIN West, a local firm specializing in technology training to teachers.
  - Use of new, high-end computers so that participants are training on state-of-the-art equipment.
  - Technology leadership among local education leaders.
  - Readiness of local businesses to hire student technology consultants.
  - Crafting youth-adult partnerships so that young people have concrete input, but they are not expected to lead independently. Originally, students were to direct Project CREATE, but the program faltered with only youth leaders. The move to youth-adult partnerships was an important shift.

- **Obstacles to Success**
  - Despite CANDO’s many achievements in youth development, young people are still leaving the region for better opportunities in California, Colorado and elsewhere.
  - Difficulty in acquiring the necessary funding (especially large grants) to purchase and maintain computers and other equipment.
  - Challenge of accommodating the many learning styles and schedules of youth and adult trainees at the CANDO Tech Center.

**Sources of Funds**

City of Douglas, Converse County, Converse County School District #1, School to Careers Program (Federal funds funneled through state and local partnerships), Wyoming Business Council, Wyoming Department of Employment, Wyoming Department of Family Services (TANF funds), Workforce Investment Act youth funds, private donations/corporate grants, and other community-based youth service organizations

**CONTACT:**  
Joe Coyne, CANDO Executive Director  
121 Brownfield Road  
P.O. Box 593  
Douglas, WY 82633  
(307) 358-6520  
CANDO@netcomander.com

**Source:** National Center for Small Communities and the Thriving Hometowns Network,  
www.smallcommunities.org/ncsc/THN.htm

**APPENDIX C:** Review of Communities with Economic “Lessons Learned” for Waialua
Waialua Economic Development

Model Counties
TOURISM

Abbeville County, SC

***Recognized as a success story by the National Association of Counties, Rural Governance Center—Economic Development

DESCRIPTION
The destruction of a traditional, popular tourism attraction in Abbeville County, South Dakota (pop. 24,258 in 1995) was a devastating blow to the local tourism industry. Revenue generated from tourism fell quickly, forcing the county to consider alternatives ways to revitalize its tourism industry.

Community leaders developed a strategy to recapture lost tourism revenue. These efforts sparked an interest in other, nearby communities to join in creating a Heritage Corridor, a regional strategic approach to stimulating and promoting tourism.

Representatives from the communities applied to and received from the South Carolina Department of Transportation a $300,000 grant to create a tourism corridor running the entire length of the state. The South Carolina Department of Parks, Recreation and Tourism financially supported the project as well. Developers of the Heritage Corridor are now seeking a "national corridor" designation from the U.S. National Park Service which will enable it to receive additional support. Only a small number of designated corridors exist around the nation.

CONTACT: Office of the County Clerk
102 Court Square
Abbeville, SC 29620

Source: www.naco.org/programs/comm_dev/rural
Dimmit County, TX

***Recognized as a success story by the National Association of Counties, Rural Governance Center—Economic Development

**DESCRIPTION**
Dimmit County (pop. 10,508 in 1995) is experiencing an economic decline with a loss of population and the unpredictable volatility of the agriculture markets.

In order to address this problem and provide more of a stable outlet for the sale of certain form of farm produce, Dixondale Farms has lead the way in creating a processing and distributing center in the county for regional farm produce, particularly fresh vegetables.

After laying down the plans for the organization of the center, the county was able to secure a $244,126 grant to help support the project. Moreover, the positive impact the center is having on the local economy is expected to help create twelve new businesses and add sixty to seventy new jobs to the region. Finally, enough revenue has been generated to allow the county to hire an economic development specialist to package Small Business Administration loans, rural development IRP loans and offer financial advice to farmers and other local residents.

**CONTACT:**
Mr. Manuel Estrada
NHS
301 Pena
Carrico Springs, TX 78834
Phone: (830) 876-5295
Fax: (830) 876-3941

Source: www.naco.org/programs/comm_dev/rural/
Southeastern Ohio

Description
Twenty-seven rural counties, ranging in size from a population of 300 to 20,000, but many with less than a population of 2,500, combined efforts to create a community economic development organization that used a “sectoral” strategy, focusing on food and technology sectors of the economy.

Southeastern Ohio has languished for years as the coal-mining industry that once fueled the regional economy has declined. Unemployment is stuck at double-digit levels and about one-third of the people in this area have incomes below the poverty level.

Project Summary
The Appalachian Center for Economic Networks (ACEnet) was formed in 1985 by a small group of community members who spent a year studying successful models of community economic development around the world. Inspired by model initiatives in Spain and Italy, ACEnet organized the Worker Owned Network, which focused on helping low-income people start worker-owned businesses, and established a small business incubator, which provided below market-rate space and services and encouraged businesses to network.

Concentrating on the specialty food sector, ACEnet raised funds for a licensed facility where entrepreneurs could rent the use of ovens, stoves, and food-processing equipment to develop and produce their product lines, rather than make a risky initial investment in expensive equipment.

At the same time, ACEnet became increasingly involved in technology and the Internet. To encourage more extensive networking among area businesses, ACEnet sponsors a local e-mail list called Foodnet, which local food processors, food services, restaurants and others use to exchange ideas and develop common strategies. Technology also makes it possible for them to learn from experts outside their region and share information about micro-enterprise and food marketing.

ACEnet publishes a “buy local” map on its website that shows residents of southeastern Ohio where they can purchase locally-made food products. In addition, it helps Rural Action, another non-profit organization, operate an online farmer’s market.

ACEnet’s SET program offers computer training classes in area high schools. ACEnet also operates its own community technology center for people who don’t have computers at home or in their offices.

In January 2000, ACEnet began a venture fund to assist food and technology sector businesses that have the potential to create wealth for low-income owners and jobs for low-income residents. This fund can provide capital to meet needs where risk is too high for banks and loan funds.

Key Players
♦ Project Organizers
  A core group of founders launched the first project.
APPENDIX C: Review of Communities with Economic “Lessons Learned” for Waialua

- **Others Who Helped**
  Ohio Dept. of Development, numerous state and federal agencies, educational institutions, and 10 private foundations

**Lessons Learned**

- **Keys to Success**
  - Studying and learning how other struggling regions in other countries have been successful.
  - Concentrating on just one or two sectors, in this case, food and technology.
  - Grassroots networking.
  - Information technology helps companies network with each other and learn from experts outside the region.
  - ACEnet acts as a role model, showing its clients the advantages of being computerized.
  - Dispersing computer knowledge to the community through a school-based program and a community-based computer center.
  - Having a source of venture capital funds for small businesses with no ready access to banks or other sources of loan funds.
  - Constant re-examination and analysis of what programs work and why.
  - Other people must be empowered to carry on the programs.

- **Obstacles to Success**
  - Initially, the lack of on-line access by rural residents was an obstacle.
  - The lack of computer skills initially slowed the networking attempts but that is being remedied by educational efforts.

- A lack of capital from ordinary sources is being addressed by a new non-profit subsidiary called ACEnet Ventures.
- Reluctance or not understanding by some on how to collaborate effectively by using such tools as meeting management, planning tools, decision making, listening skills, etc.
- A tendency in some rural areas to be suspicious of outsiders and new ideas.

**Project Costs/Source of Funds**

Ohio Department of Development, private foundations, numerous state and federal departments, and partnerships with educational institutions. More than a quarter of the annual budget is earned through incubator rent, a retail store with food products, publication sales, and some consulting. The annual budget currently is over $1 million, and includes about $800,000 for 22 staff people. Staff training is also an important budget item.

**Contact:**

June Holley, President
94 North Columbus Road
Athens, OH 45701
(740) 592-3854
juneh@acenetworks.org

**Source:** National Center for Small Communities and the Thriving Hometowns Network,
www.smallcommunities.org/ncsc/THN.htm
Tamaqua Borough, PA

**DESCRIPTION**

In 1994, Tamaqua (pop. 7,875) joined with four surrounding townships—Rush (pop. 3,464); Walker (pop. 3,136); West Penn (pop. 5,286); and Schuylkill (pop. 1,154) to create a ten-year plan for improving a region that had suffered from decades of economic and social decline since the collapse of the anthracite mining industry in the 1930s.

**Project Summary**

In 1994, one downtown businessman enlisted the help of his state representative to help “save the town.” The two recruited twelve more people, and eventually, it was suggested that the surrounding communities be included. The Tamaqua Area 2004 Partnership was created, wherein the original group of 12 increased to 100.

Progress was slow until they the Countryside Exchange, a program run by Glynwood Center, a nonprofit based in New York (www.glynwood.org) was hired. Based on a community’s stated needs, the Exchange assembles a volunteer team of professionals from the U.S., Canada, and the United Kingdom who visit a community for a week of meetings and tours, followed by an assessment. The 10-year strategic plan was completed in preparation for the visit. Following the Exchange team’s well-publicized visit, more people and organizations stepped up to become part of the Partnership. One of the key suggestions made by the Exchange team during their 1995 visit was the need to hire staff. State grants funded a part-time project director position for the Partnership for the first two years as well as a portion of the salaries for the downtown manager and a director for the recreation commission for four years.

As of April 2000, the following aspects of the 10-year plan have been implemented.

- **Economic development**
  - Under professional management, the local industrial park has completed its fifth consecutive year of expansion.
  - The park’s volunteer board has also approved an innovative approach to wetland challenges in the park. They are seeking grant funds to create a wetland banking area, which will then allow the remaining vacant lots with small wetlands to be developed.

- **Downtown Revitalization**
  - Tamaqua is in its third year as a Main Street community. The state has awarded several grants for historic preservation projects and streetscaping while local government has contributed funding and in-kind labor for several public areas, including a downtown park and a new parking lot.
  - Many local businesses have matched façade grants to improve the appearance of downtown buildings.
  - The downtown development director and various committees have spearheaded marketing efforts such as brochure creation, shopping promotions and a market assessment.

- **Historic Preservation and Tourism**
  - Marketing, renovation of the train station, train excursions, and various historical parades and celebration represent some of the efforts.
Other Benefits/Results
♦ Won three awards, including The Governor’s Award for Excellence in Local Government Service; Countryside Exchange Award for Implementation; Pocono-Northeast Award for Community Partnerships
♦ Grant money totaling over $3 million since 1994

Key Players
♦ Project Organizers
  Tamaqua 2004 Area Partnership, a volunteer group of 25 that serve on a steering committee with about 40 more serving on various task forces, committees, and sub-committees.
♦ Others Who Helped
  The local industrial development authority, the Chamber of Commerce, the downtown development organization, various historic societies, various civic groups, individual small and large businesses, local government, state and federal government, The Countryside Exchange at The Glynwood Center in New York, The Center for Rural Pennsylvania

Lessons Learned
♦ Keys to Success
  ‣ Willingness of community volunteers to devote over a year of intensive work to create a vision, which helped create buy-in from all the diverse community groups
  ‣ Validation of the viability of vision by outside experts (The Countryside Exchange)
  ‣ The commitment and credibility of the local state representative who helped to drive the process
  ‣ No one was excluded from the effort; every effort was made to include everyone.
  ♦ Early apprehension was overcome by starting with small, achievable projects first.
  ♦ Funding has been successful because of linkages between the communities and between the areas of recreation, downtown development, tourism, and historic preservation.
  ♦ Creation of a regional commission for recreation
  ♦ Boosterism; celebration of every success, small and large
  ♦ Obstacles to Success
    Long-standing depressed regional economic conditions and limited funding sources

Project Costs/Source of Funds
Volunteer contributions, volunteer labor for events, façade grants funded by local government, historic building renovations funded by state historic preservation grants, pooled resources of local governments, corporate donations, other grants and local government.

CONTACT: Pat Freeh-Stefanek, Chairwoman
Tamaqua 2004 Partnership
108 E. Broad Street
Tamaqua, PA 18252
(570) 668-6899
tamaqueen@hotmail.com

Source: National Center for Small Communities and the Thriving Hometowns Network,
www.smallcommunities.org/ncsc/THN.htm
TECHNOLOGY

Miner County, SD

DESCRIPTION
All of the land in Miner County (pop. 2,684 in 1999) was once devoted completely to agriculture. Between 1990 and 1998, the population declined 14.5%, the greatest decline of any county in the state. Behind the population decline is the decline in the number of farms and businesses. Full-time farms decreased 21% between 1992 and 1997. At the same time, the average size of farms increased, with a significant amount of land being purchased by out-of-county owners. Local land ownership in the county decreased 15 percent between 1992 and 1999.

Over 50% of residents work in wage and salary employment. The largest business is a game-card packaging firm that employs 350 people at $8 an hour. Holding down multiple jobs and underemployment are considered major problems by many in the county, which has the highest percent of income poverty among surrounding counties. The economy has led to negative side effects, such as a high incidence of drug and alcohol abuse among young people and a decrepit housing stock.

One bright spot is the county’s telecommunications infrastructure, which includes fiber optics, T-1 lines, and satellite cable. The schools in Miner County have all been wired for computers, and the library has Internet access.

Project Summary
In 1995, Howard School District, through the Program for Rural School and Community Renewal at South Dakota State University, began receiving funding from the Annenberg Rural Challenge (totaling $150,000 for four years) for projects to connect rural schools with their communities. Through that program, a rural resource director was hired and a Rural Resource Center created at the school in Howard. Students, staff, and community members worked together on special projects throughout the four years.

Along with several other projects, community vision meetings were also held in 1997. This work came to the attention of the Northwest Area Foundation which is dedicated to eliminating poverty in eight states. With the awarding of a $500,000 planning grant, the Miner County Community Revitalization, a 501(c)3 public charity (MCCR) was formed in March 1999. It began with 22 members and has grown to 100. Since its formation, it has been active in increasing collaboration and community involvement, building leadership, and facilitating new business ventures and social services.

MCCR has four staff members—a full-time director; a full-time administrative assistant; a part-time secretary, and a part-time, temporary strategic planning liaison.

Following two years of planning, MCCR was designated by NWAF in November 2000 as the first community in the United States to be part of their Ventures Partnership Program for ten years. More funding ($5.8 million) will follow so that the lessons learned can be shared with other communities around the country.
Key Players
♦ Project Organizers
  Community members of an earlier project called The Howard Rural Challenge
♦ Others Who Helped
  Program for Rural School and Community Renewal (University of South Dakota), Office of Social and Economic Data Analysis (University of Missouri), and the Director of the Rural Initiative Center

Other Benefits
♦ Start-up advice, analysis and assistance for six new businesses, all of which are locally owned
♦ Facilitated the creation of an industrial park
♦ Small business workshops
♦ Facilitated and funded various beautification projects; park improvements; school programs; and community celebrations
♦ Miner County Bucks, which can be purchased at the local banks, can be used only in local stores. Increasing the awareness of shopping locally

Lessons Learned
♦ Keys to Success
  ♦ The decline has been so profound in a relatively short time that the community is willing to take on the responsibility of charting its own course.
  ♦ An earlier learning opportunity through the Rural Challenge impressed upon members the importance of commitment to meetings and projects.
  ♦ Leadership that knows how to empower local people so they can make a difference, even if they don’t at first think they can
♦ Inclusion of all segments of the community
♦ Having substantial foundation support through two programs
♦ Sound data analysis; for instance, one study showed 42% of the income in the county came through the elderly in the form of transfer payments (Social Security, Medicare, dividends, etc). This was equal to all the personal agricultural income in the county and prompted the project to find ways to help the elderly remain in the community.
♦ Obstacles to Success
  ♦ None of the local governmental entities were communicating with each other
  ♦ Attitudinal change took a while because there had been so much negativity for so long that people felt their fate was in someone else’s hands.

Project Costs/Source of Funds
Purchase of office space, operational expense and 2.5 staff salaries annually, consultants, surveys, and feasibility studies

CONTACT: Randy Parry, Executive Director
Miner County Community Revitalization
P. O. Box 307
Howard, SD 57349
(605) 772-5153
E-Mail: mccr@splitrocktel.net

Source: National Center for Small Communities and the Thriving Hometowns Network,
www.smallcommunities.org/ncsc/THN.htm
Silbey County, MN

***Recognized as a success story by the National Association of Counties, Rural Governance Center—Economic Development

DESCRIPTION
Silbey County, Minnesota (pop. 15,356 in 2000) faced a major decline in the three decades prior to the 1990’s. Many young citizens were leaving the local area in pursuit of better jobs with more pay, and a considerable amount of businesses was lost due to an underdeveloped workforce.

The Sibley County Commissioners implemented an Economic Development Commission to discover new ways of retaining businesses in the area. In 1991, Sibley County began participation in the Business Retention and Expansion Program, administered by the University of Minnesota.

Addressing the needs and concerns of the businesses that were already located in Sibley County, the commissioners realized the need for a focus on a workforce ready to accept the challenge of modern technological advances. One way Sibley County addressed the issue of having skilled workers readily available, was to initiate CALL, the County Alliance for Lifelong Learning. One of the goals of this program is to bridge the generational gap, especially in technology based applications. One of the specific programs, Cooperative Online Learning (COOL) utilized “technomentors,” young people to administer technology based learning to older generations. This also provided a basis for a feeling of community inclusion for the teens, which encourages them to remain in the area. A program called “Operation Back-Home Again” further reinforced the idea of younger people remaining and returning to the area. To further encourage businesses to remain in the area, community leaders met with local industry leaders to discuss their workforce development needs. The community leaders then approached the local high school with this information, and several programs were initiated to provide the students with the training that was needed by the businesses.

The county received a $560,000 grant to set up a community technology center that provides training with an emphasis on life long learning.

CONTACT: Steve Renquist  
P.O. Box 207 Courthouse  
Gaylord, MN 55334  
(507) 237-4106

Source: www.naco.org/programs/comm_dev/rural/