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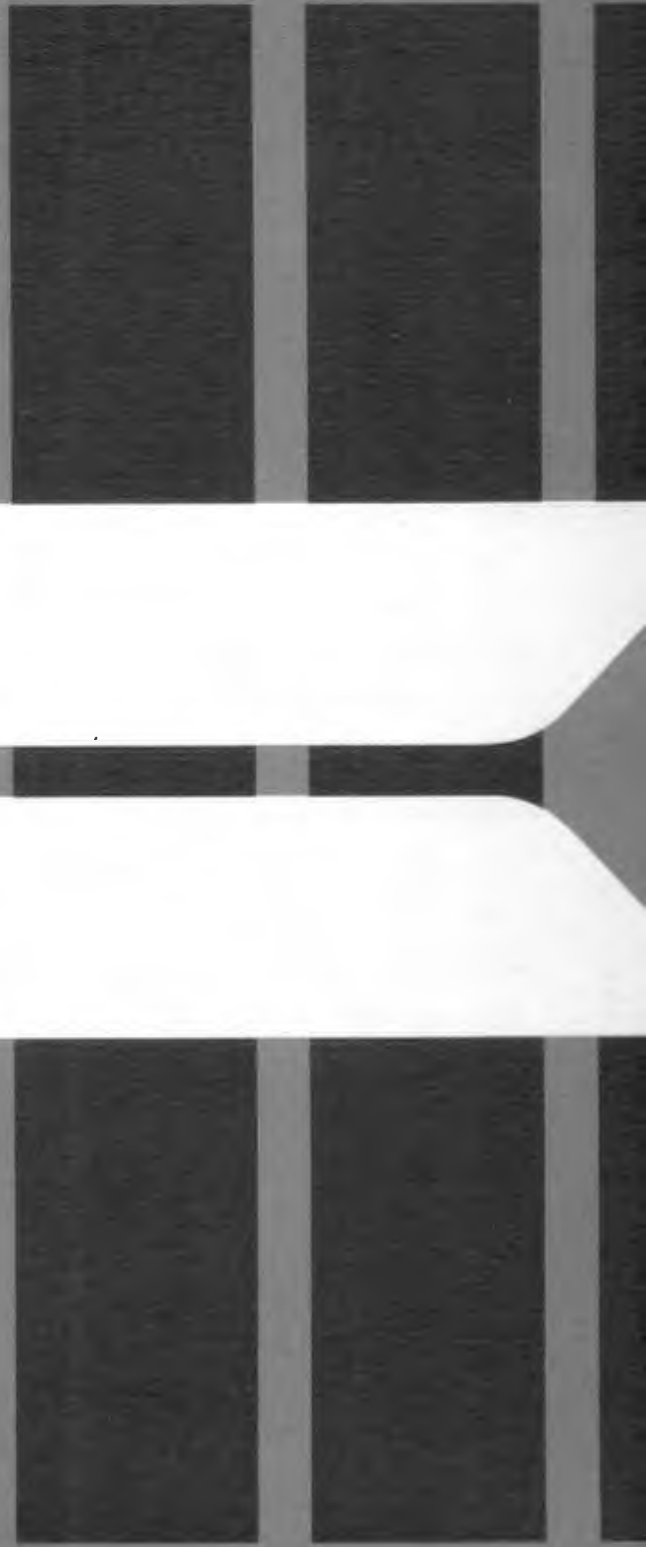
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DEPARTMENT OF AGRICULTURE & HORTICULTURE
Bristol County College

PROJECT:



KAIKO'O



This is a report of the Hawaii Redevelopment Agency as it ends an 11-year program of urban redevelopment for central Hilo, Hawaii.

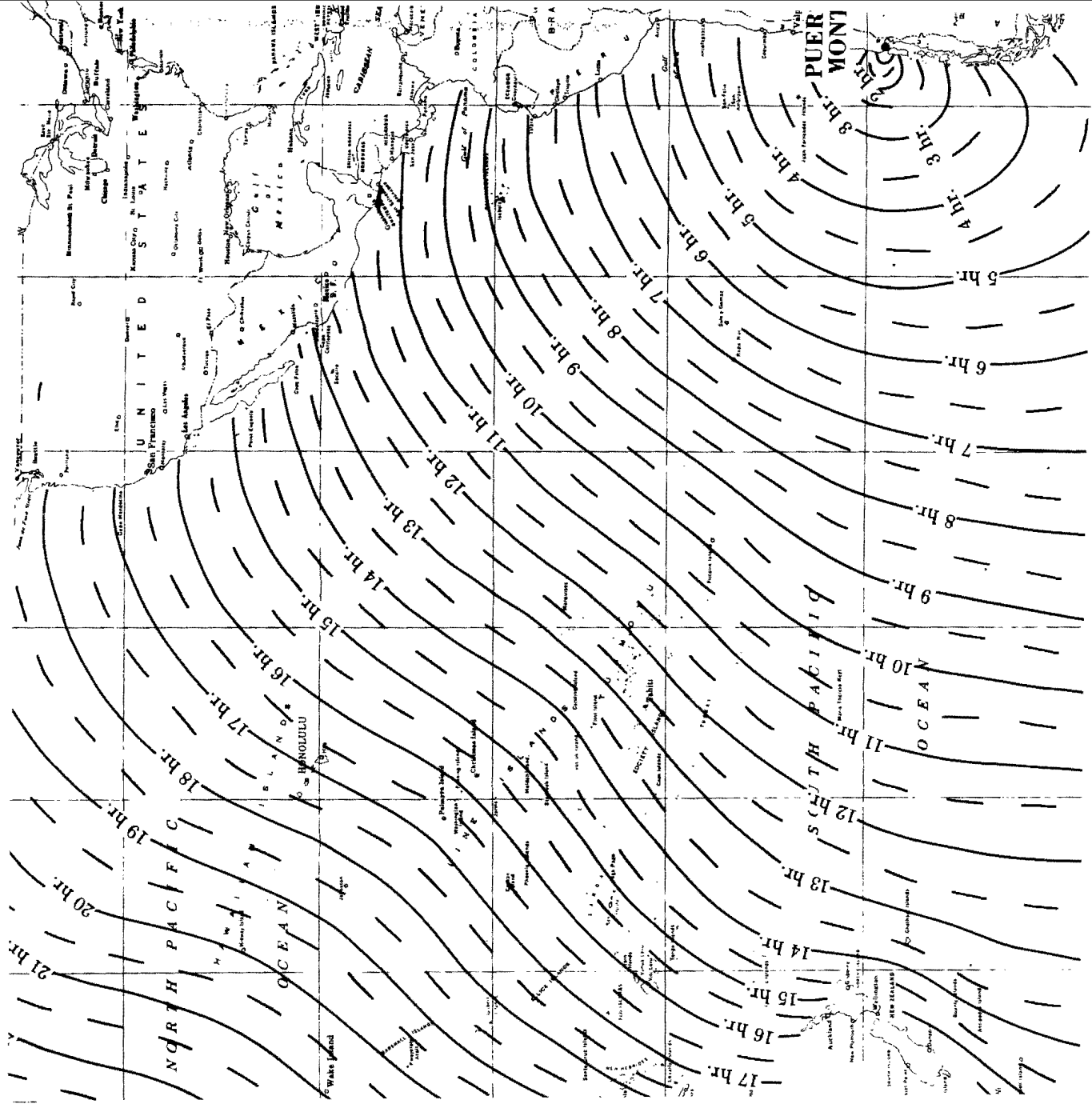
The program was created as a response to the destruction caused by a 35-foot tidal wave that thundered across Hilo Bay early on May 23, 1960. The wave claimed over three-score lives and millions of dollars in losses to homes and businesses in Hilo's central business district.

No one will forget the wave, the agony it caused, the lives it took.

No one will forget, either, the way the tough, resilient citizens of Hilo picked themselves up after the disaster, rolled up their sleeves, and went to work to rebuild their city.

The Hawaii Redevelopment Agency played a significant role in helping central Hilo renew itself, and this is its story.

It is, fundamentally, a story of people helping people.



The Third Wave

An earthquake in Chile triggered a series of seismic waves, or tsunamis, that flashed westward over the Pacific towards Hawaii.

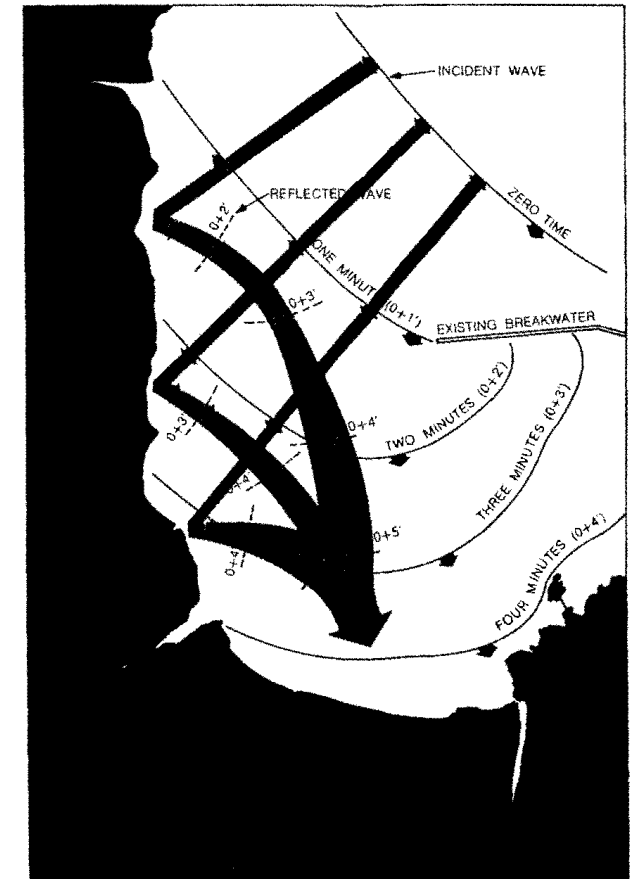
Two small waves lapped innocuously along the shoreline of Hilo Bay in Hilo, Hawaii, just after midnight on May 23, 1960. An hour later a third wave, 35 feet high, roared past the breakwater and slammed into Hilo's central business and industrial district.

The wave killed 61 people. It brought pain, shock, severe injury to another 100 or more. It caused property damage varying in estimate from \$22 million to \$50 million. It demolished 288 structures, damaged another 291.

When stunned Hilo citizens and rescue workers stumbled through the wreckage in the chilly dawn hours, they found themselves ankle-deep in a mud and clay slime that oozed over the entire business district. An acrid stench filled their nostrils as runaway sewage bubbled steadily into the mud and slime.

The cold, merciless light of early morning illuminated old frame buildings that had been reduced to pieces of kindling; twisted and collapsed concrete structures shoved many yards from their gaping foundations; massive, 20-ton boulders that had been flung inland like pebbles from the bayshore revetment; street pavements peeled from their bases like skin from an orange; hundreds of smashed hulks of automobiles — including one that had wrapped itself around a palm tree.

There was more: denuded parking meter stands (the meters themselves had been ripped away and lost in the black night), curled over like so many pieces of cold spaghetti; and — all through the stricken area —





aimless bits of household furniture scattered in forlorn postures along with a bizarre array of industrial machinery and equipment pieces and stock from retail establishments.

Hilo's main generating plant was battered out of commission, communications systems were dead, and transportation was almost at a standstill.

Along the makai side of Kamehameha Avenue most of the buildings were now just mounds of rubble anchored in a sea of mud.

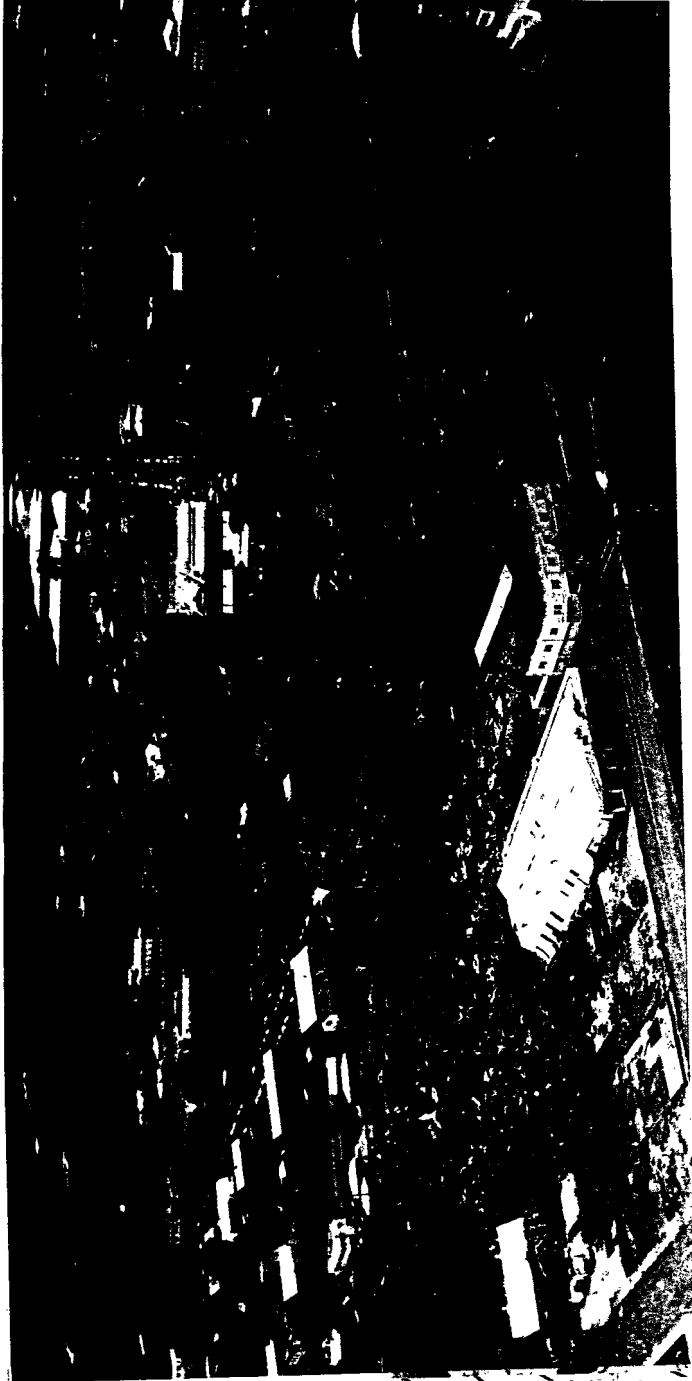
This was Hilo at 5 a.m. on May 23, 1960.

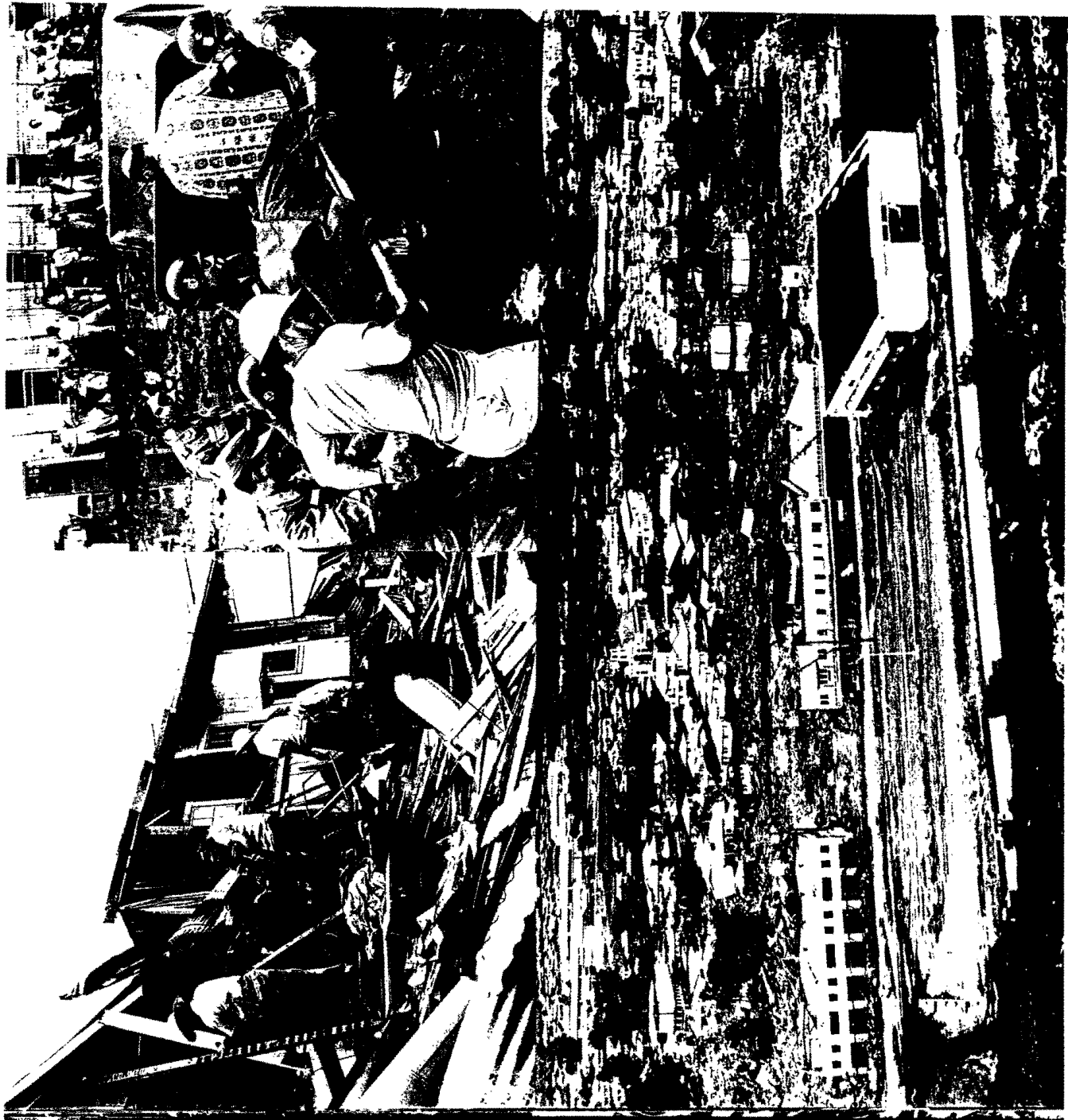
Clean-Up

Volunteers swarmed into the area immediately to help Civil Defense rescue the injured, retrieve the dead. Help also came from the sugar companies, labor unions, civic and fraternal groups, from private business as well as government, from the Armed Forces.

In the ensuing fortnight the area was cleared of debris.









The Aftermath

As cleanup operations picked up momentum, county, state, and federal governments moved into action with, as one newspaper called it, "... ungovernment-like speed . . ."

Homes were gone. Businesses were demolished. People, many of whom had lost every possession, needed help immediately.

"The place was swarming with legislators, reporters, special committees," recalls one knowledgeable Hiloan. "They and the Governor, who came down from Honolulu for a personal look, were getting first-hand information from disaster victims. You knew that everybody was deeply concerned, that we were all pulling together — Republicans, Democrats, state and county people, the Feds — everybody. It was a good feeling."

Also on hand were representatives of the Small Business Administration and the Housing and Home Finance Agency (now known as the Department of Housing and Urban Development) dispatched to the scene to evaluate damage and to meet with tsunami victims.

The Hawaii County Board of Supervisors (now the City Council) launched the Hawaii Redevelopment Agency just eight days after the wave. An ordinance restricting building in the disaster area was passed. And on July 14, 1960 the five-man HRA Board of Commissioners was appointed. Ralph Kiyosaki was the first Chairman.

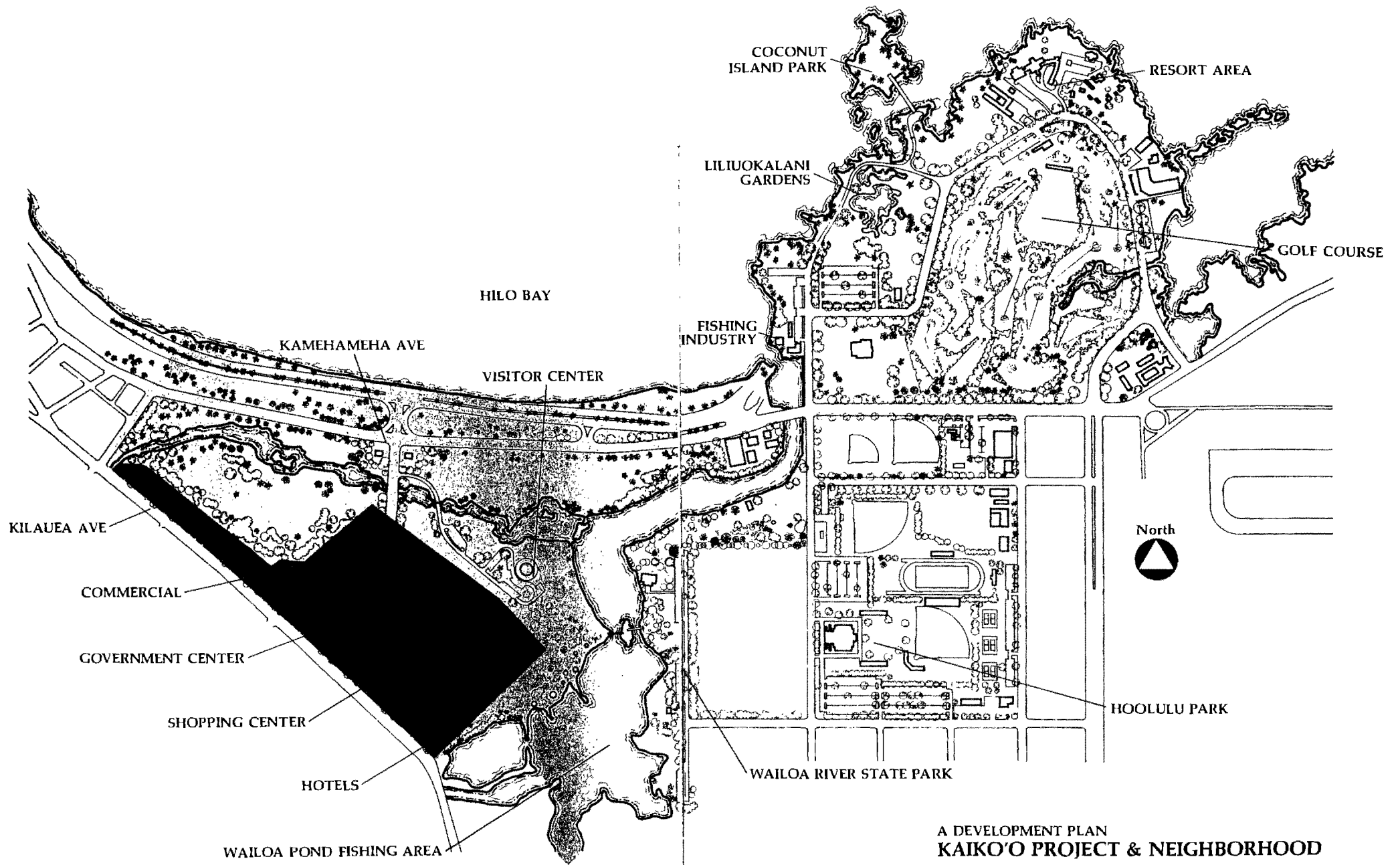
Meanwhile, in response to appeal for quick action from Hilo legislators, county officials and other Big Island leaders and concerned citizens, Governor William F. Quinn called an emergency session of the Hawaii State Legislature on June 13. Working day and night

with business and government representatives from the Big Island, the Legislature pushed through key relief legislation that:

- enabled the County to enter into federally-assisted urban renewal project in disaster areas;
- authorized a \$2.5 million bond issue to cover the local share of a proposed urban renewal project under the disaster provisions of the 1956 National Housing Act;
- made immediately available public lands on which to rebuild and relocate families and light industry;
- provided funds to construct public housing units;
- and set up a program of commercial loans unemployment benefits for disaster victims.

Private industry locally followed suite by opening up tracts in established industrial areas, housing developments, and commercial districts.





A DEVELOPMENT PLAN
KAIKO'O PROJECT & NEIGHBORHOOD

The Plan

The newly created Hawaii Redevelopment Agency immediately set to work with the Honolulu-based planning firm of Belt, Collins and Associates to devise a plan to pump life back into the devastated area.

Two alternatives faced HRA and the planners:

- Tsunami victims could be allowed to return to their damaged or demolished business and home sites to build anew.
- They could be relocated to other favorable areas. But there would almost certainly be resistance, even bitterness.

Looming large in these considerations was the history of Hilo. Since April 12, 1819, 42 seismic waves had buffeted the Hawaiian Islands. One of the worst hit Hilo in 1946, killing 96 and causing some \$26 million (in 1946 dollars) worth of damage.

It seemed highly unlikely Hilo would be immune to another tsunami. Another wave could come any time — and with it more torment and devastation.

Why let this happen again?

Army engineers had been experimenting for years on plans for a "super sea wall" for Hilo Bay. The 1960 wave spurred more design work. Appropriations were voted in Congress. Yet no one could be certain such a man-made barrier would work. And costs were climbing.

HRA and its planners made a decision: clear out the disaster area. Move the people, move the businesses — then rebuild the area. Renew it. Design it to minimize destruction from the next wave. The project was named "Kaiko'o" — "rough seas."

The planners recommended a novel, imaginative restructuring of the devastated area into two starkly

dissimilar zones. Oceanside property would be developed into a luxurious, 300-acre "green belt" of broad lawns, lagoons, gardens, and recreational facilities.

This "buffer zone" was intended to take the brunt of future tsunamis and protect upland sites.

A 40-acre elevated plateau set well back from the sea (at the edge of the 1960 tsunami's high-water mark) would be created. Land fill would raise the plateau 26 feet above sea level, high enough to minimize the brutal impact of a future wave. On this plateau would be new commercial and professional offices, resort hotel, and shopping center. Waiakea Peninsula would continue as a hotel and resort site.

HRA accepted the plan and the Board of Supervisors (now County Council) adopted it immediately.

Federal financial assistance was the key that enabled the County to make the plan a reality. Through the disaster provisions of the Federal urban renewal program, Project Kaiko'o received \$4.6 million in grants to carry out the project.

Relocation

Kaiko'o Project plans developed in mid-1960 were approved by the County in March, 1961. Federal approval was announced in May. Land acquisition and relocation of the Kaiko'o Project inhabitants began immediately.

HRA set up a field office in the midst of the disaster area. The office was to move twice, block to block, before relocation was completed. A small, overburdened staff worked long, weary hours.

"It was absolutely vital for us to work directly in the affected area," one staffer recalls. "This way we got to know the people on a personal, human level, not just figures on a chart. We could help these people far more effectively by living with them day-to-day in their own neighborhood."

Most of the business owners who'd been wiped out agreed to the logic of relocation. Even before HRA began acquisition and relocation, the majority moved to lands provided by the State in a light industrial tract near the airport. Tsunami victims were given preferential treatment in acquiring new property in the industrial area.

Families whose homes had been leveled by the wave usually didn't object to relocation. But as the months wore on and negotiation turned to less damaged and still-populated areas, resistance stiffened, project momentum slowed.

Families and business people didn't want to get out. They weren't at all convinced they were in danger from another wave. Many residents were older families, living in decrepit homes. Some operated small "mama and papa" businesses. Their children were grown. Until the wave came, they had a reasonably comfortable existence, close neighbors, and memories. They despaired at the



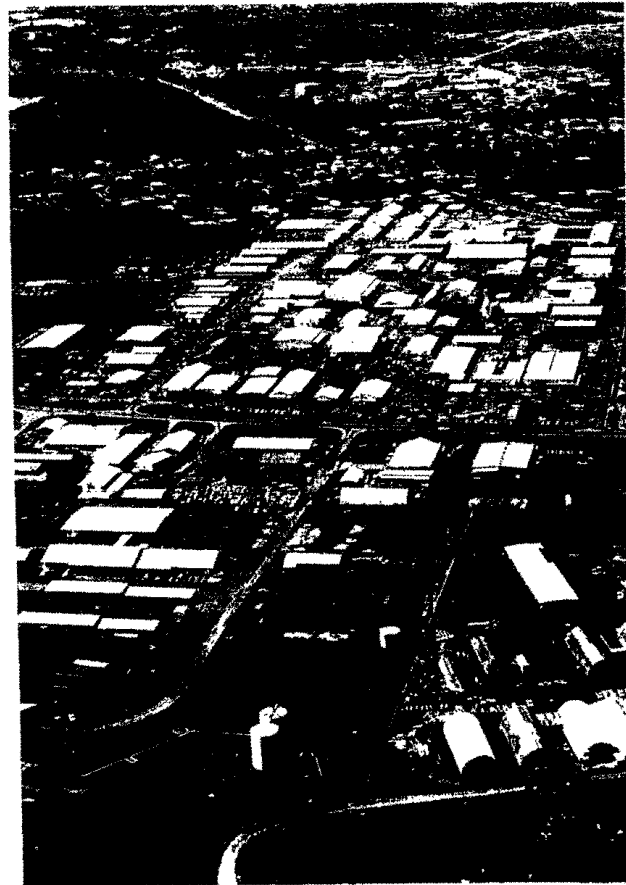
thought of leaving, of starting another business, of living elsewhere.

In some instances, regrettably, condemnation proceedings had to be invoked.

"I remember this old Chinese gentleman," an HRA field office veteran recalls. "We told him he'd have to move, that there was no other way for him. He became infuriated, came at me with a knife. But no harm was done. And I still have that knife . . ."

Working closely with HRA were Small Business Administration representatives from Honolulu and Washington. Together with local banks the SBA made over 200 disaster loans totalling some \$11 million.

By the end of 1965 relocation had been virtually completed.



The Big Buildup: Kaiko'o Takes Shape



As relocation continued, Kaiko'o Project lands underwent a transformation. A volcanic fill — some 600,000 cubic yards of it — was compacted to form a 40-acre plateau averaging 26 feet above sea level. This was the core of a multi-use civic and commercial development.

A major — and badly needed — breakthrough came when the County decided in 1963 to build its impressive new \$1.7 million headquarters complex on the Kaiko'o site. The decision was an abrupt about-face from an earlier plan to locate the building at the Hilo tree nursery.

Community groups clashed sharply on this issue. The Downtown Improvement Association wanted the new building at Kaiko'o, feeling it would give status and prestige to the new area and help bolster business confidence. But key County officials, including several top executives, pressed the tree nursery location. After a number of frequently acrimonious public hearings, the County decided in favor of Kaiko'o.

Soon afterwards the State announced it, too, would build a new \$2.5 million headquarters on land adjacent to the new County complex. The State also planned a Visitor Information Center nearby.

County and State decisions to put up over \$4 million worth of key construction on the Project Kaiko'o plateau gave it the push it needed — as solid a vote of confidence as anyone could want. The handsomely designed government headquarters center would serve as a powerful magnet to attract developer interest throughout the Island, even for that matter, throughout the State.

Project Kaiko'o was on its way.

Still, all problems were far from solved. Many downtown Hilo merchants, established for decades, were still

skeptical of the eventual success of the project. They weren't eager to participate. Why?

Three reasons, as a Hilo banker with a strong interest in the development explains:

"Kaiko'o, in the first place, was a disaster area. There's a natural pessimism about the recovery of a disaster area among investors. Second, many smaller merchants were reluctant to see a highly competitive new shopping and commercial center go up nearby. That's natural. Third, the magnitude — the sheer size — of Kaiko'o intimidated some Hiloans. Hilo never had anything so big before. Many just couldn't believe it would pan out."

Finding the right developer for the proposed shopping mall wasn't easy; it took time. Local merchants didn't want to see a powerful outsider from the Mainland come in to take over what would be Hilo's newest, largest, and most prestigious retail center.

An Oahu developer, Takeshi Yokono, finally came forth to pull the massive, 14.5-acre project together. An air-conditioned, fully enclosed mall was erected and attracted major national chains. These included J. C. Penney, Kress, and Kinney Shoes.

Local merchants soon followed. Among the first were Mall Foods, Evelyn Margolis Fashions, The Men's Shop, and Shiigi Drug. And as confidence rose in the new commercial center many others located at Kaiko'o.

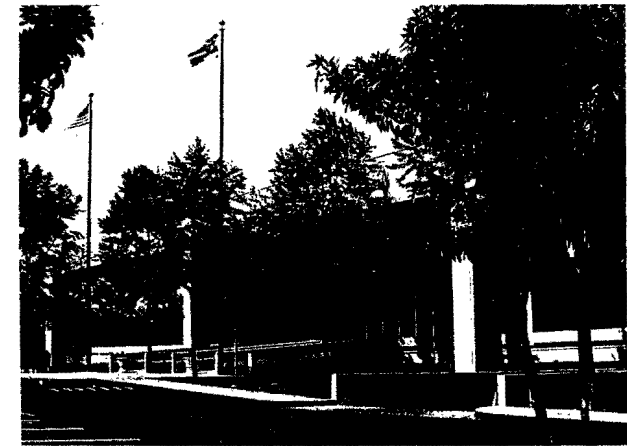
The Small Business Administration and its lease guarantee program played an important role in the successful development of the Hilo mall shopping center. The SBA program guarantees the landlord (the developer) that tenants in the program will pay their lease rents, thus giving the smaller local merchants the

same credit heft as the big department stores and the giant nationwide chains who've powered the initial development of the Mall. (The Mall, incidently, was the second project of its type in the nation to be assisted by the SBA lease guarantee program.)

Inauguration of direct flights to Hilo from the Mainland also stimulated interest in the new shopping-professional complex.

"Investors and developers in New York heard about us as a result of those new, direct air schedules," reminisces an HRA official, "and we found ourselves 'on the map' — literally — in the big financial circles."

Nearby, on the slender, pan-handle shaped third and final increment of project Kaiko'o, the large Consolidated Amusement Company-owned Bank of Hawaii building



has taken shape. The Central Pacific Bank and American Savings and Loans Association were getting ready to move into their buildings. The International Savings and Loan building has opened. Longs Drugs has moved into its new store along with Goodyear and Safeway Market.

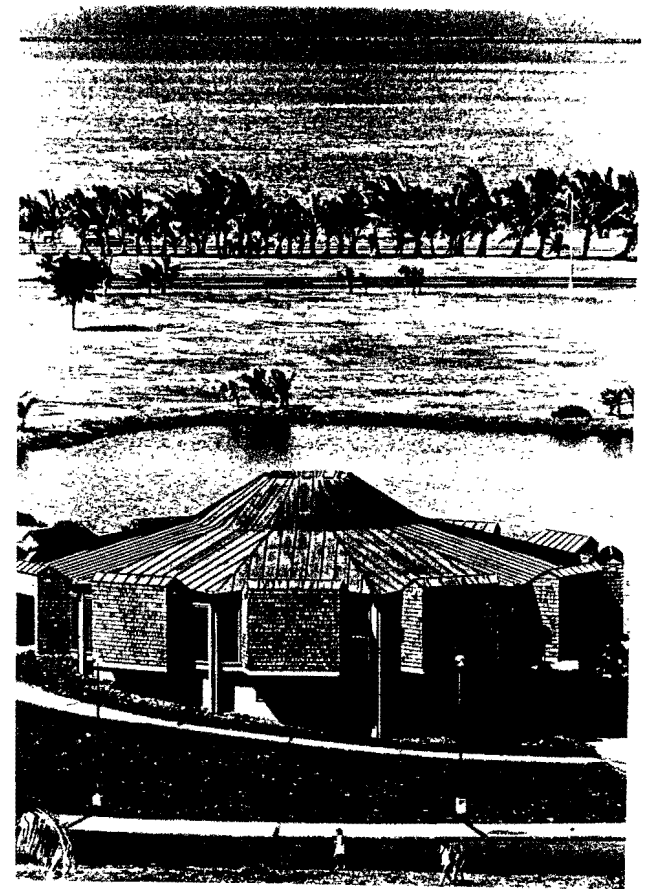
The one-acre and half-acre lots have proved attractive to local businessmen. Architectural plans are cleared through HRA to keep the general "look" of the area spacious and architecturally appealing.

As attractive as these smaller lots are to owners of medium and small businesses, some local people remained apathetic. The wife of the founder of a local electrical parts concern tells this story:

"One day I received a Kaiko'o Project brochure in the mail inviting us to think about taking space in the new increment. Well, it just didn't mean a thing to me. I threw it away and forgot to mention it to my husband. A little later my husband's brother dropped by and said, 'Did you folks see the Kaiko'o brochure? It could be a tremendous opportunity!'

"My husband didn't know what he was talking about so I told him about the flyer I'd tossed in the wastebasket. Well, we did investigate Kaiko'o, and we were impressed, and we purchased a lot and built a building there . . ."

The final big piece in the giant Kaiko'o jigsaw puzzle dropped into place with the construction of the Hilo Lagoon Hotel, a massive, 324-room resort center ideally situated to serve the needs of both large convention groups and independent travelers. The hotel is located on the banks of Waiakea Pond, just across the street from the main shopping center.



As the final phases of the Kaiko'o plateau buildup continued, development of the 300 acre "green belt" seaside zone was begun by the State, which had taken over these open lands from the County. Vast expanses of trimly manicured lawns flanked by rows of coco palms now greet motorists and travelers zipping into Hilo from the airport.

Hilo's eye-catching "front lawn" may well be one of the loveliest in the nation. It's a surprising and welcome relief, many a visitor has remarked, from the grimly industrial, tenement-laden thoroughfares connecting airports with urban centers on the Mainland.

A Japanese garden park on Waiakea Peninsula ruined by the tsunami has been rehabilitated and expanded, and a nine-hole executive golf course is in the construction stages.

A spacious garden and marina recreation area has also been developed by the State of Hawaii at adjacent Waiakea Pond, over which soars the Hilo Lagoon Hotel. Fishing, picnicking, boating are popular year round.

Project Kaiko'o has presented an interesting tax picture. The before and after real property tax levy has increased as the result of more efficient use of land. The tax income in 1960 amounted to \$80,000 for the 350-acre project area. By contrast the 1971 tax income estimate for the 40-acre, elevated re-use area is \$212,500. The remaining 310 acres of open space is a public asset vastly enhancing the beauty of the City of Hilo.

Although Project Kaiko'o renewal required the upheaval and relocation of almost all businesses and of every family group, most Hiloans agree that much good has come of this project. Most of the families have moved

into better homes, safe from the threat of future tsunamis. Home ownership has actually increased.

As for the businesses that had to relocate, many established themselves in State-sponsored industrial areas offering opportunities for growth and upgrading.

The citizens of Hilo and project Kaiko'o have achieved a significant measure of safety and protection, of new economic opportunity, of an immeasurably more wholesome and attractive Hilo Bay environment.



Lessons Learned

In a project the size of Kaiko'o, valuable lessons are learned. Trial and error is a useful teacher, but sometimes an expensive one. Here are some of the lessons HRA has learned and would like to pass on to others who, in the future, may be confronted with a similar challenge:

- It is essential to act immediately after a disaster, and to preserve the initial momentum so that the project continues smoothly and without interruption after the first bright blaze of community spirit begins to flicker.
 - Members of the redevelopment commission, lay people serving without compensation, must be selected with care. It is important to select members representing various groups within the community — labor, the professions, perhaps religions, trades, and so on. Conscientious commissioners (Project Kaiko'o was blessed many times over with these) can provide a focus of community power and collective opinion and pressure to help get the project through.
 - Get a strong, vigorous, "can do!"-oriented staff director. If possible (this is not essential) he should have some expertise in engineering, planning, architecture, real estate or law. He can thus better understand the intricacies of contracts, of proposals, of detailed urban planning procedures.
 - Hand-pick a small, enthusiastic, dedicated staff to carry out day-to-day management of the project. Give free reign to the project director to operate with no strings attached, and to set up realistic work schedules and budgets.
 - Political sophistication is a necessary requirement for the commission members, project director and his key staff people. They must understand the sources of community power. They must be flexible and determined to cope with bias, with deep preconceptions and prejudices basic to human nature. They must learn to "cooperate with the inevitable" in human nature and not be deflected, in the process, from reaching their goals.
 - If the agency is semi-autonomous its members should take special pains to understand and work intimately with local government people. Physical development efforts should be discussed and closely coordinated with planning, public works, parks, and other departments.
- Good communications and a healthy respect for the intricacies of local government can go a long way in assuring project success.
- When an agency is given the responsibility of administering an urban renewal project it must be given appropriate authority and funding. HRA, fortunately, was given freedom, needed powers, and adequate appropriations — all of which proved essential to getting the job done.
 - An incremental approach on a timetable basis is the only logical way to approach any urban reconstruction project of magnitude. Break the project down into pieces small enough to cope with, one by one.
 - Work in the field!! Set up field offices inside the disaster area. Meet the people, work with them, as individuals. This is the only way to service them properly.



- The public must be kept informed of new developments within the project. General meetings, a project newsletter, small meetings involving directly affected groups, and other communications activities should be held well in advance of major decisions of new actions. It is important to gain project participant and lay general public "feedback" before making any final decisions.
- Where expertise in specialty fields is needed, retain qualified consultants to do the job. Don't attempt to do it "in house". This approach obviates the need to increase staff for what essentially will prove to be a one-time or limited-duration requirement.
- Relocation is a human problem that must be dealt with in human terms. People are not statistics; they are not graphs on a piece of paper. "People problems" cannot be evaluated purely in terms of monetary assistance. An effective agency must constantly reach out beyond the sea of paper to the real people and their real problems.
- Final disposition and development of project lands must be succinctly formulated early in the project. Should the lands be put to commercial use? Or mixed residential-commercial? Or professional only? These are questions that must be answered early. Unplanned evolution of a project, despite all good intentions, inevitably results in deterioration of quality, diffusion of goals, and confusion. There must be a positive, well-organized plan. This plan must be fashioned at the very beginning. Yet the plan (and this may sound paradoxical) must be flexible enough to adjust to changing requirements.
- When an owner-participant is directly involved in an urban renewal project, definite agreement should be reached between the owner and the redevelopment agency. This agreement should delineate all responsibilities and obligations of the owner in complete detail. It is vital that the contract be executed before the agency grants the owner the right to remain in the project.
- In a small or medium-sized agency created to handle a specific renewal or redevelopment situation, it is helpful to enlist the services of a real estate development consultant and appraiser. Such a consultant can help the agency formulate a productive program for attracting and evaluating real estate development proposals.
- Land disposition contracts with developers should include provisions for the agency to take corrective action against the developer if the developer fails to live up to his contractual obligations. This corrective pressure should be effective and immediately enforceable without the necessity of resorting to action in a court of law.
- Design criteria for buildings and landscaping within project boundaries must be established early, well before construction starts, even before land sales begin. This is necessary if a firm basis is to be provided for evaluation

- of proposals by interested developers.
- The selection of developers for project lands must be done with care. It is often easy to be carried away by proposals with beautiful designs without giving much thought to the economic feasibility of the proposals or capacity of the developers. Physical design, economic feasibility including financing and capacity of developer should all come up on the plus side for an award to be made.
- It costs money to submit development proposals. Proposal review and decisions must not be dragged out.
- Evaluation of agency performance, staff scheduling, and corresponding budget allocations must be done often, critically, and with a real desire to maintain momentum and quality in the program.
- Be scrupulously honest and forthright with members of the local press. The press is a potent molder of public opinion and demands respectful and considerate treatment at all times.





Project Data

Project Area:	349 acres	
Land Use:	40 acres in general commercial use 2 acres in limited commercial use 7 acres in limited industrial use 300 acres in open space and roadways	
No. of Parcels Acquired:	388 parcels	\$9,566,357
By Negotiation	300 parcels	\$6,469,413
By Court-Stipulation	85 parcels	\$2,796,959
By Court-Trial	3 parcels	\$ 299,985
No. of Parties Relocated:	325 parties	\$ 233,046
Families	228 families	\$ 24,304
Individuals	42 persons	\$ 4,416
Businesses	83 businesses	\$ 204,326
No. of Structures Cleared:	322 structures	\$ 244,532
Project Improvements:		
By Project		\$1,568,296
By County		\$ 148,648
By State		\$ 890,000

**Project Kaiko'o No. Hawaii R-4
Project Expenditures
August 1, 1960 to September 30, 1971**

Survey and Planning Costs	\$ 231,821
Administrative Costs	970,439
Legal Services	33,446
Acquisition Expenses	105,833
Real Estate Purchases	9,566,357
Property Management	75,812
Relocation Expenses	224
Site Clearance	244,532
Project Improvements	1,568,296
Disposition Expenses	77,657
Interest Expense	1,454,204
Other Income	(-) 324,824
Project Inspection	99,156
Total Project Expenditures	\$14,102,953

**Project Kaiko'o No. Hawaii R-4
Project Financing Plan
September 1971**

Total Project Expenditures	\$14,102,953
Non-cash Local Grants-in-aid to project	729,597
Project Improvements	75,833
Public Facilities	653,764
Gross Project Cost	14,832,550
Less: Land Sales Proceeds	5,056,066
Net Project Cost	\$ 9,776,484
Federal Share: 1/4 of Net Project Cost	\$ 2,332,363
Local Share: 1/4 of Net Project Cost	\$ 2,444,121
Local Share Contribution Made	\$ 3,097,885
Cash Grant-in-Aid	2,368,288
Non-cash Grant-in-Aid	729,597
Less Required Local Share	2,444,121
*Credit to County for Future Projects	\$ 653,764

*This credit may be used only toward the payment of local share contribution in future urban renewal projects.

County of Hawaii

Mayor:
Shunichi Kimura

County Council:
Herbert Matayoshi, Chairman
Frank De Luz, Jr.
Dante Carpenter
Richard Edwards
Sherwood Greenwell
Ikuo Hisaoka
James Souza
Josephine Yadao
Robert Yamada

Hawaii Redevelopment Agency

Created on May 31, 1960, the Hawaii Redevelopment Agency is a semi-autonomous County agency charged with the responsibility for administering and executing urban renewal in the County of Hawaii.
Directing its activities is a five-man commission appointed by the Mayor with the approval of the County Council.

Members of the Agency:
Dr. William N. Bergin, Chairman
Isamu Kanekuni, Vice-Chairman
Hiram Hagiwara, Secretary
David De Luz, Member
George Martin, Member

This final project report has been prepared and printed with the financial assistance of the Department of Housing and Urban Development.