



ALEXANDER & BALDWIN
PARTNERS FOR HAWAII

Senator Chris Lee, Chair
Senator Lorraine Inouye, Vice Chair
Members of the Senate Committee on Water, Land, Culture and the Arts

Conference Room 224
State Capitol
415 South Beretania Street

Hearing date: April 8, 2026; 1:05PM

RE: SCR 104/SR 98 – URGING APPROPRIATE AUTHORITIES TO REDEVELOP THE PALI LANES PROPERTY TO PRESERVE ITS HISTORIC MID-CENTURY ARCHITECTURE AND PROVIDE FOR MEANINGFUL RECREATIONAL, CULTURAL, AND COMMUNITY-SERVING USES THAT BENEFIT THE RESIDENTS OF KAILUA AND WINDWARD OAHU.

Chair Lee, Vice Chair Inouye and Members of the Committee:

Thank you for the opportunity to testify on SCR 104/SR 98 regarding redevelopment of the Pali Lanes property in Kailua. Alexander & Baldwin (A&B) is a commercial real estate operator focused on grocery-anchored retail and select commercial assets across Hawai'i. A&B is the State's largest owner of neighborhood shopping centers and is now privately held through a joint venture formed by MW Group, Blackstone Real Estate, and DivcoWest. The company owns and manages approximately 4.0 million square feet of commercial space in Hawai'i, including 21 retail centers, 14 industrial assets, four office properties, and 146 acres of ground lease holdings. In Windward O'ahu, A&B owns and manages Aikahi Park Shopping Center, Kāne'ohe Bay Shopping Center, Kailua Beach Center, and several other properties in Kailua's commercial core, including the Pali Lanes property located at 120 Hekili Street.

A&B respectfully opposes SCR 104/SR 98 because the resolutions urge actions that A&B has already initiated and continues to actively advance. In 2024, A&B commenced a formal process to evaluate redevelopment opportunities for the Pali Lanes property that preserve the building's historic character to the greatest extent feasible and comply with its historic designation. As part of that effort, A&B conducted

preliminary meetings with the Department of Land and Natural Resources' Architectural Branch to identify building features and materials of particular significance. Consistent with A&B's community-focused approach to redevelopment, public spaces that welcome and engage residents while supporting the success of neighboring tenants are prioritized.

As background, in January 2018, A&B announced plans to take back the Pali Lanes property from the bowling operator, which for several years – before and after A&B's acquisition - had operated on a month-to-month lease. At the time, A&B shared guiding principles and a conceptual vision of creating a community gathering area including a "green space" for the farmers' market, cultural programming and community events. Closure of the bowling center was opposed by several organized community groups, so A&B paused redevelopment efforts in order to listen, receive feedback, and reassess potential uses for the property.

In December 2018, the Department of Land & Natural Resources' Hawaii Historic Places Review Board placed the Pali Lanes bowling center on the state Register of Historic Places. The listing occurred over A&B's objection though it was the Board's practice not to list properties on the register over the objection of the owner. In testimony, A&B expressed concern that listing the property could significantly limit redevelopment options and extend timelines due to added regulatory requirements. A&B is familiar with these requirements, as its corporate headquarters in downtown Honolulu is listed on both the State and National Registers of Historic Places. A&B also shared its experience with adaptive reuse of aging buildings including the successful redevelopment of the former Liberty House building in Kailua. Had that building been listed on the historic register, it would have been difficult to turn that structure into something safe, modern and useful for today's purposes.

Pali Lanes closed in 2021 due to financial challenges exacerbated by pandemic-era operating restrictions. When the bowling operators cancelled their lease, A&B took back the property and, for the first time since the bowling center was built in the early 60's, gained unlimited access to the property. A&B immediately undertook preliminary safety and risk assessments, and third-party inspections determined that the building was not suitable for tenant occupancy without significant safety, environmental, and structural improvements. A&B then secured the property and completed limited repairs to the parking lot.

Since that time, A&B has actively engaged with more than a dozen local and national bowling and family entertainment operators. The feedback we've received highlights two key challenges: the substantial

financial investment required, given the building's poor condition and the very large venue size. To better understand what redevelopment options may be feasible within the constraints of the historic designation, A&B conducted a comprehensive review of the property in 2024 and 2025, including assessments of environmental conditions and infrastructure capacity. This information is critical to A&B's feasibility review. Any future steps will include community and tenant outreach and engagement.

Lastly, A&B respectfully wishes to address a misstatement contained in the resolution asserting that "proposals contemplating for-profit redevelopment concepts have faced significant community concern." No redevelopment proposals have been developed or presented to the community since 2018.

For these reasons, **A&B respectfully requests that the Committee hold SCR 104/SR 98.** Thank you for the opportunity to provide testimony.

Dana Harvey
Vice President, Corporate Responsibility