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Target plans Hilo site with Safeway

Retailers' lease deal with Hawaiian Home Lands envisions 2011 openings

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A fourth Hawai'i Target store is expected to open in Hilo in about two years as part of a land lease deal with the state Department of Hawaiian Home Lands that also includes development of a Safeway store.

The roughly 120,000-square-foot Target is projected to open in July 2011, according to the state.

A roughly 60,000-square-foot Safeway is expected to open sometime in 2011 before Target. Both projects are expected to begin construction in January, the state said.

DHHL issued a request for proposals to lease 15.5 acres of agency property near Hilo's largest shopping center, Prince Kuhio Plaza, and adjacent to a Home Depot store that opened in 2004 on land also leased from DHHL.

The agency in October tentatively selected a bid from a partnership between Target and Safeway to lease the mostly vacant site, but details of a 65-year lease still had to be negotiated. A lease was signed yesterday.

"The development of these retail stores goes against the trend in this down economy but it shows that Safeway and Target are confident about their future in Hilo," Micah Kane, DHHL director, said in a statement.

DHHL estimates that the two retailers will collectively invest \$60 million in the project, which will generate construction jobs in the more immediate future, followed by permanent service jobs, new shopping venues for area residents and income for the state agency developing affordable homes for Native Hawaiians.

The agency previously estimated that the lease deal will generate about \$18 million over the first 25 years that will go to build housing for Native Hawaiians.

Target's store is expected to employ about 300 people, and another 200 are expected to be hired by Safeway.

"We have long wanted to develop a store in Hilo, and with DHHL and Safeway we have found the right mix to make this happen," Target representative Gina Pohlabel said in a statement.

Gerry Wolfe, vice president of development for Safeway, said the company looks forward to continuing a long-standing relationship with Hilo residents.

Safeway operates about 20 stores in the state, including one in Hilo at Prince Kuhio Plaza. A company representative could not be reached to comment about whether the existing store would be closed.

Target opened two O'ahu stores in March, and is slated to open a store in Kona on the Big Island next month.
