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## HAWAII NEWS

# YMCA of Honolulu to sell prime property, displacing 11 workers

By [Andrew Gomes](#) • Today • *Updated 10:35 p.m.*

The YMCA of Honolulu has decided to sell what may be its most valuable asset, land on the edge of Waikiki.

The move, announced Friday, comes on the heels of a failed attempt by the nonprofit to build new facilities on the site in partnership with a developer.

YMCA officials said the decision was difficult, in part because 11 employees and low-cost apartment rentals would be displaced by selling the 1.8-acre site at 401 Atkinson Drive across from Ala Moana Center.

“Our Central YMCA facility has been such a mainstay for our community, and we are extremely grateful for the tremendous support we have received from our members over the past decades,” Michael Broderick, YMCA of Honolulu president and CEO, said in a statement.

“While we know that some people will be disappointed that we will not build a new Central YMCA on this site, we are excited and looking forward to reallocating our assets to better serve our community as a whole,” he said. “It has been a long and frustrating journey for our organization and our Y members, but the bright spot during these years has been our ability to provide otherwise unsheltered children, families and individuals with a safe place to live while they are building better futures.”

The Central Y, which included a fitness center, pool, youth program facilities and 115 hostel rooms, opened in 1951.

In 2012 the Y arranged to sell 1.5 acres of the site to a developer for \$19 million. The developer planned to build a 128-unit condominium tower, and sale proceeds were to finance a new Y facility with no hostel rooms on land retained by the nonprofit.

At the time, Broderick said the plan was the best way to deal with Central Y operating expenses that were getting out of hand.

“In the long term, we could no longer support the day-to-day maintenance and overhead costs of the building, and we could not afford to undergo the renovations needed to sustain the facility,” he said in 2012. “At the same time, we wanted to remain in Honolulu’s urban core, where the need is great.”

In 2013 the Y and its development partner obtained a zoning change that increased the site’s building height limit from 150 feet to 350 feet.

In preparation for redevelopment, Central Y health and fitness facilities closed in 2015, but the hostel stayed open. New facilities were expected to be finished in 2016, but the developer failed to complete its purchase.

After an extension in which the Y received \$800,000 from the developer, litigation ensued.

The developer, Aloha Kai Development LLC led by Michael Blumenthal of MB Property Acquisitions LLC in San Francisco and Japan-based Tama Home Co., lost the legal battle. An arbitrator ruled that the Y should receive \$2 million in damages, legal fees and other costs. A judge confirmed the award, but the Y didn’t get paid. A lawsuit over the debt was settled confidentially in November.

Since then, the Y has been contemplating its next step.

Wayne Hamano, chairman of the YMCA of Honolulu Metropolitan Board, said in a statement that the decision to sell the entire Central Y property “was a difficult one and one that the board made only after extensive research and deliberation.”

The Y plans to seek a commercial real estate broker to market and sell the site.

The nonprofit said once a sale is completed it will do its best to accommodate affected employees with possible relocation to other Y branches or severance benefits. It also said its board is evaluating how to use sale proceeds, and that this could include expanding or relocating its Kahala branch where the Y is on a land lease until mid-2026.

Other ongoing Y initiatives include an effort to raise \$15 million to renovate aging cabins at Camp Erdman in Mokuleia, to replace a trailer at the Waianae branch with a permanent building and activity court, and to improve the Nuuanu branch by renovating and reconfiguring space.

The Y also has branches in Kailua, Mililani, Kalihi and Waipahu. It sold its Manoa branch for \$8 million in 2017, and plans to re-establish facilities on the neighboring University of Hawaii campus.



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