

**STATE OF HAWAI'I
OFFICE OF HAWAIIAN AFFAIRS
560 N. Nimitz Hwy, Suite 200
HONOLULU, HI 96817**

**Minutes of the Office of Hawaiian Affairs Committee on Land and Property
Wednesday, March 25 2015 1:00 p.m.**

ATTENDANCE:

LEI AHU ISA, AT-LARGE TRUSTEE
DAN AHUNA, KAUA'I/NIIHAU TRUSTEE
ROWENA AKANA, AT-LARGE TRUSTEE
PETER APO, O'AHU TRUSTEE
HAUNANI APOLIONA, AT-LARGE TRUSTEE
C. HULU LINDSEY, MAUI TRUSTEE
ROBERT LINDSEY, HAWAI'I ISLAND TRUSTEE
JOHN WAIHE'E, IV, AT-LARGE TRUSTEE

ADMINISTRATION STAFF:

KAMANA'OPONO CRABBE, KA POUHANA/CEO
KAWIKA BURGESS, KA POUNUI/COO
LAURA KAMALANI-PAIKAI
ERNEST KIMOTO
MILES NISHIJIMA
ALLEN KAM
MERLYN AKUNA
GRANT MANIKIS
JOHN KIM
DAVID OKAMOTO
LORNA LOBEL

BOT STAFF:

LADY ELIZABETH GARRETT
DAVIS PRICE
LIANA PANG
REYNOLD FREITAS
LOUISE YEE-HOY
LEHUA ITOKAZU
KATHY OWARA-TAKEO
KAMA HOPKINS
KAUI WAILEHUA
DAYNA PA
LAURENE KALUAU-KEALOHA
MELISSA WENNIHAN

GUESTS:

DAN PURCELL
MĀLIA KA'AIHUE
ROB IOPA
CORD ANDERSON
LEHUA KA'UHANE
RUSSELL CHUNG
CATIE CULLISAN
TOM SCHNELL
FRANK BRANDT
TOM HOLLIDAY
MARK HIGA

I. CALL TO ORDER

Committee Chair Hulu Lindsey – Calls the Committee on Land and Property for Wednesday, March 25, 2015 meeting to order at 1:05 p.m.

Committee Chair Hulu Lindsey – Notes for the record there is one (1) excused absence and seven (7) Trustees present constituting a quorum of seven (7) Trustees.

| | | Present | Excused | Comments |
|------------------|-----------------|----------------|----------------|--------------------------|
| TRUSTEE LEI | AHU ISA | X | | |
| TRUSTEE DAN | AHUNA | X | | |
| TRUSTEE ROWENA | AKANA | | | Arrives 1:12 p.m. |
| TRUSTEE PETER | APO | X | | |
| TRUSTEE HAUNANI | APOLIONA | X | | |
| TRUSTEE ROBERT | LINDSEY | X | | |
| TRUSTEE COLETTE | MACHADO | | X | |
| TRUSTEE JOHN | WAIHE'E | X | | |
| CHAIRPERSON HULU | LINDSEY | X | | |
| | | 7 | | |

II. APPROVAL OF MINUTES

A. February 12, 2015 February 26, 2015

Committee Chair Hulu Lindsey – Asks for a motion to approve the meeting minutes of February 12 and February 26, 2015.

Trustee Ahuna – Moves to approve the meeting minutes of February 12 and February 26, 2015.

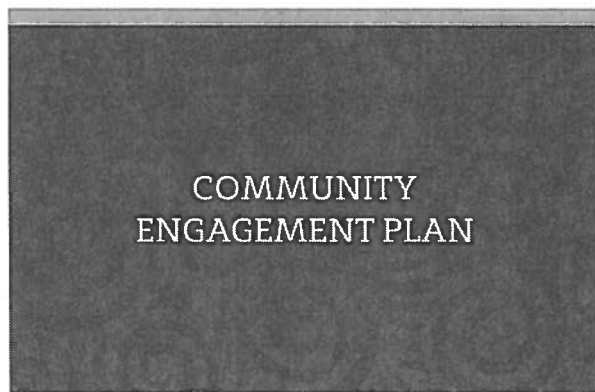
Trustee Apo – Seconds the motion.

Committee Chair Hulu Lindsey – Asks if there is any discussion on the minutes. Hearing none she asks if there is a unanimous vote to approve the minutes. All are in favor and none are opposed.

III. COMMUNITY CONCERNS / BENEFICIARY COMMENTS

Committee Chair Hulu Lindsey – Notes there is no one signed up to speak on community concerns.

IV. NEW BUSINESS



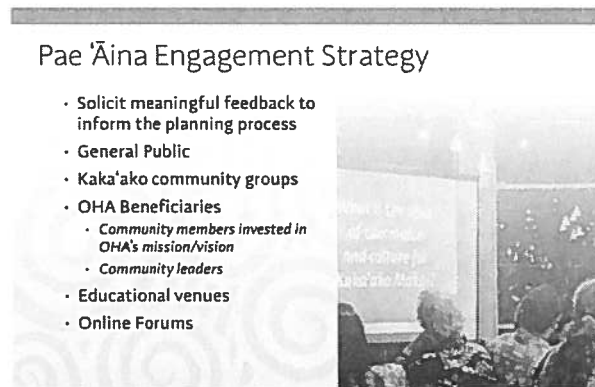
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Community Engagement Timeline

| Quarter 1 - 2015 | Quarter 2 - 2015 | Quarter 3 - 2015 |
|---|---|---|
| February* Pae 'Āina Meetings Round 3* | April-June Ongoing Stakeholder Outreach | July 31 Community Engagement Memorandum |
| March 31 Community Engagement Plan | | September Pae 'Āina Meetings Round 4 |
| * Initially scheduled for April | | |

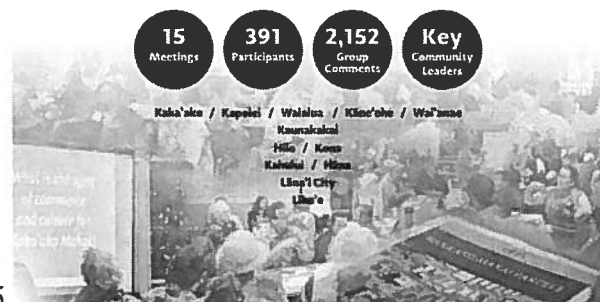
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Malia Ka'aihue – Goes over the Community Engagement Timeline (Slide 4). The Community Engagement Plan will be finalized next week and transmitted over. In quarter 3 will be a summation of all of the community engagement from round 3 and they will create a Community Engagement Memorandum. In September, they will go back out in the community with the Conceptual Master Plan.



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Pae 'Āina Round 3 Re-Cap



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The target audience for community outreach included:

- General Public
- Kaka'ako community groups & stakeholders
- OHA Beneficiaries
 - Community members interested in OHA's mission/vision
 - Community leaders

The other strategy was to create spaces that would encourage high-level discussions; as much as possible using educational venues. They also created an online engagement process for those that choose not to attend community meetings.

Pae 'Āina Round 3 Re-Cap

- 15 Meetings
- 391 Participants
- 2,152 Group comments (through the pae 'āina and with OHA)
- Collected over 2000 comments from individuals that participated
- Special focus on inviting key community leaders at each of the venues

In Hilo there were 27 participants and out of the 27 some prominent community leaders in attendance included:

- Luana Kawelu; QLCC and Merrie Monarch Festivals
- Kalei Nu‘uhiwa; Hawaiian Scholar
- Louis Hao; DHHL
- Kanani Aton; Department of Water Supply
- Herring Kalua; HGEA
- Ron Kodani; Pi‘ihonua Community Association
- Kathy Kawelu; Professor of Anthropology at UHH

Substantive Feedback

“Hawaiians must be present”
 “A hub for the Lāhui” “Sustainability”
 “Perpetuate our culture”
 “A gathering place for ‘ohana”
 “Authentic” “Invest in our keiki”
 “Fund native Hawaiian health programs”
 “Small business & technology incubator”



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Substantive Feedback

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 "Perpetuate our culture"
 "A gathering place for 'ohana"
 "Authentic" "Invest in our keiki"
 "Fund native Hawaiian health programs"
 "Small business & technology incubator"



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Substantive Feedback Collected in Person

- “Hawaiians must be present in Kaka‘ako Makai, whether as business owners or visitors”
- “Kaka‘ako Makai should be a hub for the Lāhui”
- “A gathering place for ‘ohana”
- “An investment for our keiki”
- “Anything built there should be authentic”
- “Fund native Hawaiian health programs”
- “Small business & technology incubator”
- “Sustainability”

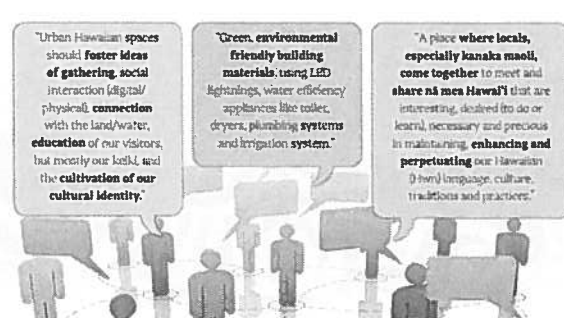
Comment cards are still out at OHA offices across the pae ‘āina and community members are still filling out these cards to share their mana’o.

Online Participation



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Quotes from MindMixer Site



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There is also an opportunity for online participation; they can log on, view the presentation and also submit their comments to the three questions that were asked in the community meetings.

Online Participation

- 3,560 page views
- 583 unique visitors
- Fun fact: Average participant engaging online is a 43 year old female living in the 96813 or 96706 district; Kaka‘ako, Honolulu, and Ewa

The MindMixer site is accessible via www.oha.org. It reaches an audience that physically wouldn't show up to a meeting or a physical meeting wasn't in their area. This opportunity is also available to beneficiaries on the continent and abroad. Another component of the MindMixer and the online engagement is they have the opportunity to continue this discussion via the website. Once they collect all the feedback and submit the memo, they can go back in and continue to inform and engage the community.

Quotes from MindMixer Site:

- “Urban Hawaiian spaces should foster ideas of gathering, social interaction (digital/physical), connection with the land/water, education of our visitors, but mostly our keiki, and the cultivation of our cultural identity.”
- “Green, environmental friendly building materials, using LED lightings, water efficiency appliances like toilet, dryers, plumbing systems and irrigation system.”
- “A place where locals, especially kanaka maoli, come together to meet and share nā mea Hawai‘i that are interesting, desired (to do or learn), necessary and precious in maintaining, enhancing and perpetuating our Hawaiian language, culture, traditions and practices.”

Ongoing - Stakeholder Outreach

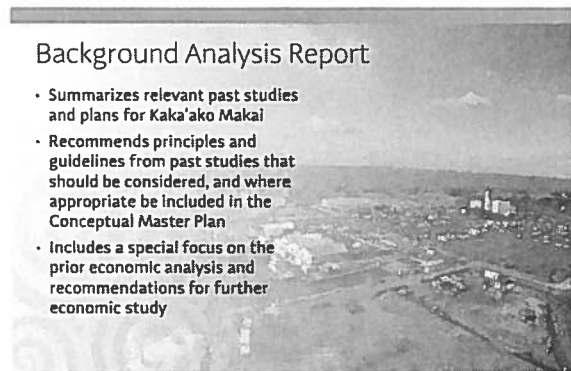
- Neighboring Entities
- Kaka‘ako Community Organizations
- Native Hawaiian Organizations and Institutions
- Ali‘i Trusts
- Elected Officials
- Digital Community via Mindmixer

BACKGROUND ANALYSIS

Ongoing - Stakeholder Outreach: Focused on more selective stakeholders including:

- Neighboring Entities
- Kaka‘ako Community Organizatons
- Native Hawaiian Organizations and Institutions
- Ali‘i Trusts
- Elected Officials
- Digital Community via MindMixer

On July 31st they will finish the completed memo that will include all of the community outreach that they've undergone. Malia begins to talk about the Background Analysis and what to expect.



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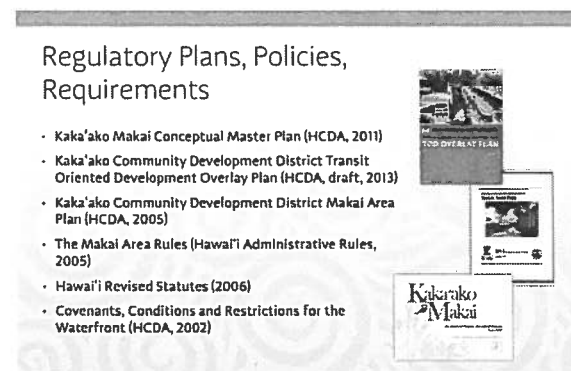
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Background Analysis Report

- Summarizes relevant past studies and plans for Kaka'ako Makai (KM has been intensely studied for the last three decades)
- Recommends principles and guidelines from past studies that should be considered, and where appropriate be included in the Conceptual Master Plan
- Includes a special focus on the prior economic analysis and recommendations for further economic study

Relevant Long-Range Plans and Vision Documents

- Kaka'ako Makai Policy (OHA)
- Kaka'ako Makai Strategic Action Plan ("Framework Plan")(Hui O Kukulu'ae'o for OHA)
 - Cultural Landscape and Connectivity Analysis
 - Charrette Vision & Strategic Priority
 - Master Baseline Infrastructure Review
 - Market Assessment & Land Value Analysis
 - Master Baseline Development Strategy
- Kaka'ako Makai Hazard Assessment (Fletcher for OHA)



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Regulatory Plans, Policies, Requirements

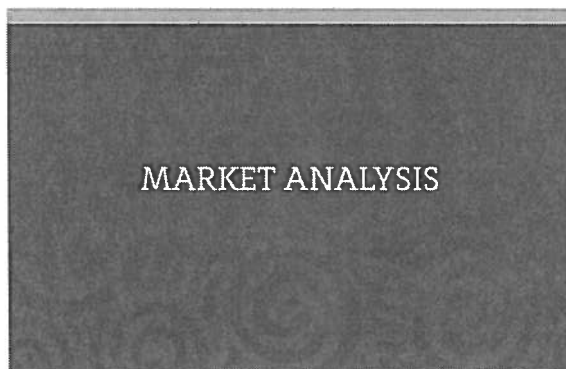
- Kaka'ako Makai Conceptual Master Plan (HCDA, 2011)
- Kaka'ako Community Development District Transit Oriented Development Overlay Plan (HCDA, draft, 2013)
- Kaka'ako Community Development District Makai Area Plan (HCDA, 2005)

- The Makai Area Rules (Hawai‘i Administrative Rules, 2005)
- Hawai‘i Revised Statutes (2006)
- Covenants, Conditions and Restrictions for the Waterfront (HCDA, 2002)

Malia shares some of the common land use themes that are moving to the forefront of all these documents and seeing reiterated.

Common Land Use Planning Themes among Relevant Plans & Policies:

- **Bold, iconic development**-Envisioned by OHA’s Kaka‘ako Makai Policy and 2013 Charrette Vision as well as the HCDA Transit Oriented Development Plan
- **“Live, work, play”**-Essential tenants of OHA’s Kaka‘ako Makai Strategic Action Plan, Charrette Vision & Strategic Priority, Kaka‘ako Community Development District Transit Oriented Development (TOD) Overlay Plan for Kaka‘ako Makai and in the Makai Area Rules (HAR)
- **Energy self-sufficiency & resiliency**-Practical, “no regrets” recommendations from OHA’s Master Baseline infrastructure Review and the 2012 Kaka‘ako Makai Hazard Assessment
- **Completed streets & transit oriented development**-Support OHA’s Cultural Landscape and Ancestral Connectivity Analysis as well as contemporary planning overlays developed by HCDA



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USES & OPPORTUNITIES

| | | | | |
|---|---|--|--|---|
|  |  |  |  |  |
| Medicine | Residential | Commercial | Office | Hospitality |
| <ul style="list-style-type: none"> • John Burns School of Medicine • Cancer Research Center • Modern medical • Traditional medicine • Tourism Medicare | <ul style="list-style-type: none"> • High-end luxury non-vacation • Student housing • Affordable housing | <ul style="list-style-type: none"> • Retail (for neighborhood & residents) • Destination • Visitor vs. residential oriented | <ul style="list-style-type: none"> • Standards business • Medical • Specialized (tech, energy sector, etc.) | <ul style="list-style-type: none"> • Hotel • Extended residence • Mixed Use • Specialized lodging |

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Rob Iopa – The Market Analysis is underway and they have spoken to the Trustees on several occasions of what looks to be potential uses in and around the area currently and potential uses as they move into the planning for Kaka‘ako Makai. The ones showcased here are the ones that people are aware of as they become knowledgeable about the area.

Medicine

- John Burns School of Medicine
- Cancer Research Center
- Modern medical
- Traditional medicine
- Tourism Medicare

Residential

- High-end (mostly non-resident)
- Market (resident)
- Affordable (resident)

Commercial

- Retail (for neighborhood & residents)
- Destination
- Visitor vs. residential oriented

Office

- Standards of business
- Medical
- Specialized (tech, energy sector, sole-proprietor)

Hospitality

- Hotel
- Branded residence
- Mixed Use
- Specialized lodging

APPROACH



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Overview of Work Completed

- Analyzed background material and prepared report for inclusion into Background Analysis
- Reviewed current leases, lease rates, terms, and structure for implications on market analysis
- Explored potential uses on each site from a political perspective
- Initiated market analysis, including review of traditional real estate land uses and evaluation of potential for cultural and attraction uses

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In past presentations they've expressed the approach that they're looking to take on the project. It would include three phases of activities.

Phase 1: Exploration – Complete

- Understand goals, concept, history
- Community input
- Assess site
- Analyze available markets
- Evaluate competitive environment and identify gaps in the market

Phase 2: Idea Development & Estimate of Preliminary Market Support

- Identify and review comparable facilities/conduct case studies
- Develop preliminary demand factors based upon market

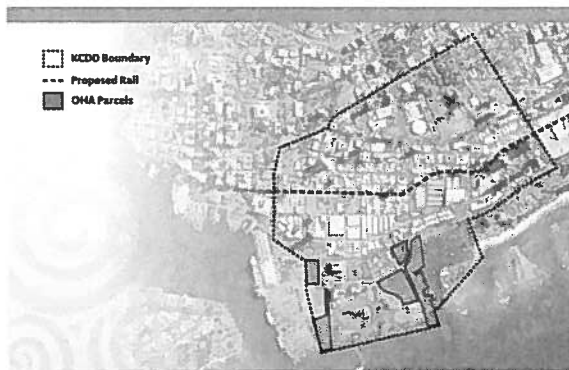
Phase 3: Refinement and Detailed Analysis

- Refine list of ideas based upon evaluation criteria
- Estimate attendance potential
- Develop physical planning parameters

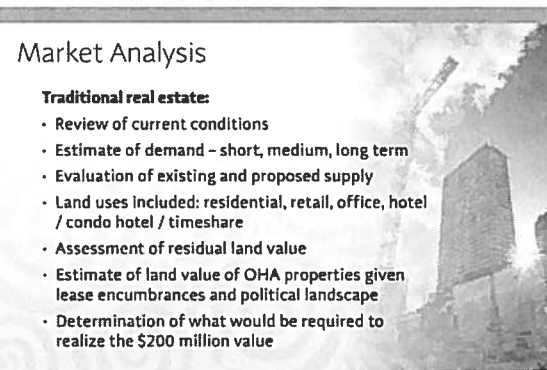
- Conduct financial analysis
- Integrate analysis into larger real estate context

Overview of Work Completed

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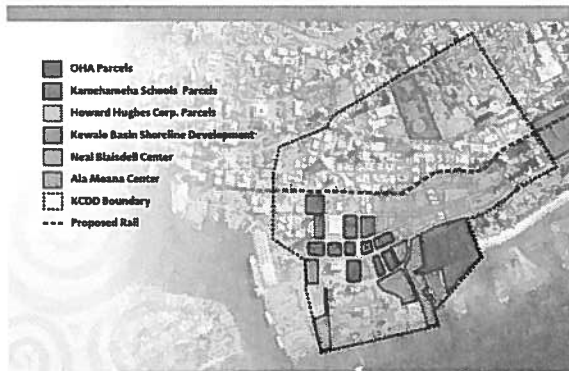
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They started to do an analysis in and around the area of OHA's properties. The enclosed dash represents the boundary of HCDA and the blue dash coming through the middle depicts the the proposed rail.

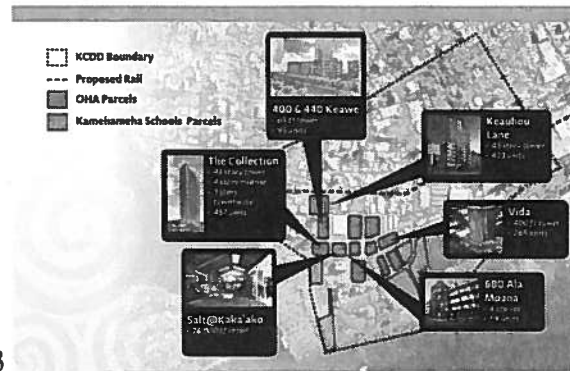
Market Analysis

Traditional real estate:

- Review of current conditions
- Estimate of demand-short, medium, long term
- Evaluation of existing and proposed supply
- Land uses included: residential, retail, office, hotel/condo hotel/timeshare
- Assessment of residual land value
- Estimate of land value of OHA properties given lease encumbrances and political landscape
- Determination of what would be required to realize the \$200 million value



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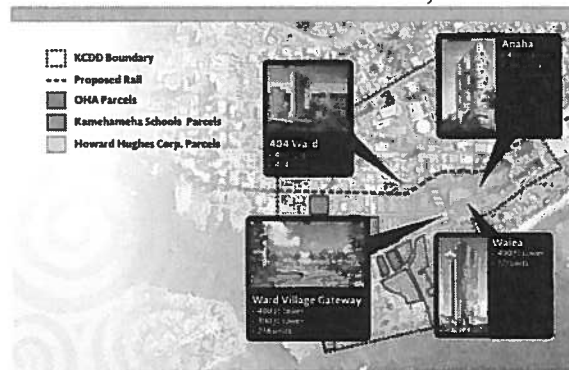


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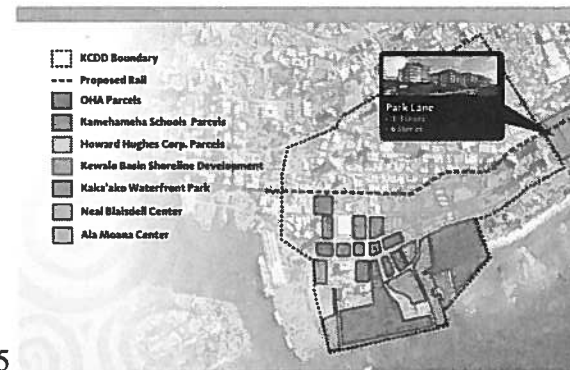
They've identified the major uses in and around the major properties, which are identified in large color coded areas on the map. Some are under construction and some are about to begin construction.

Kamehameha Schools Parcels (navy blue)

- The Collection-43 story tower, 4 story midrise, 3 story townhouse, 467 units
- Salt@Kaka'ako-Major retail; 76,000 sf retail
- 400 & 440 Keawe-65 ft tower, 95 units
- Keauhou Lane-43 story tower, 423 units
- Vida-400 ft tower, 265 units
- 680 Ala Moana-4 stories, 54 units



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Howard Hughes Parcels (orange)-Sixty five acres in the urban core

- Waiea-Ultra luxury units, 400 ft tower, 205 units
- Anaha-Ultra luxury units, 400 ft tower, 171 units
- 404 Ward-Market/affordable units, 400 ft tower, 424 units
- Ward Village Gateway-Ward Warehouse area to close before end of the year. Three acre urban park with ultra luxury towers; 400 ft tower, 300 ft tower, 236 units

Unrecognizable Trustee (inaudible question)

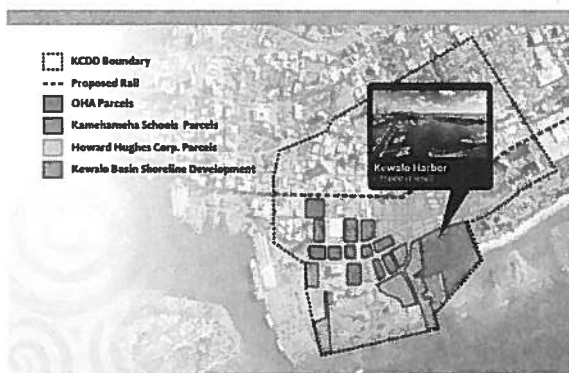
Rob Iopa-Can't answer that question himself. There's a ratio to income level that stipulates affordable. His understanding is that it's in the high \$300k and could go into \$400-\$500k. It's not necessarily affordable for all. It's located in the site of Dixie Grill, Rock and Roll Sushi and Pacific Home. It's also one of the first projects that is traditionally known to be transit oriented development. The rail line comes through Hale Kuwila right through the base of this. There is

good planning going on there where affordable housing is provided in and along connectivity to rail to link one up back with other urban environments. It's a progressive thought and one that's approved.

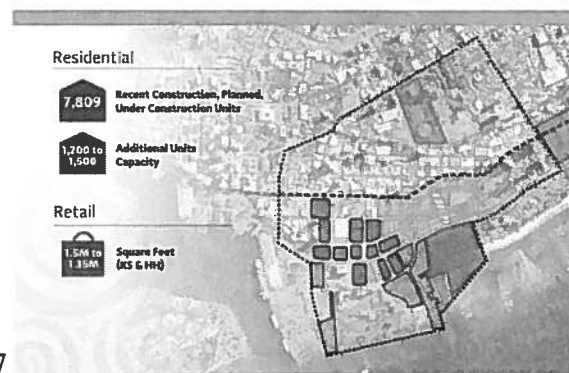
Ala Moana Center (pink)-Significant expansion in retail

- Park Lane-Ultra luxury residential units facing AM Beach Park, 313 units, 6 stories

This is the second residential project that is attached to the retail environment. The first one is on the mauka side and is known as ONE Ala Moana. It's complete, occupied, and very successful as well. We are seeing these inclusions of residential mixing with commercial retail which is otherwise termed as mixed use development. There are mixed used opportunities coming in.



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Kewalo Basin Shoreline Development (green)

- Kewalo Harbor-71,000 sf retail (HCDA looking to receive proposals)

There was a lease agreement in place with one organization that was changed in favor of the Howard Hughes Corporation for the inwater improvements at Kewalo Harbor. It has been augmented by a series of RFP's/RFQ's/exclusive negotiation agreements with various groups looking for commercial development in and along the areas bordering the harbor. The ones on the Ewa side are OHA's properties and is for OHA to determine. Important to realize in the development of Kaka'ako Makai is that the uses looked at here are probably commercial in use, waterfront commercial in use, geared toward food and beverage a lot, and potentially in direct interest in the OHA property surrounding the harbor as well. There will be some kind of market absorption and understanding as they go through the process of planning Lots A through K.

Residential

- Recent construction planned, under construction units-7809 units
- Additional capacity units-1200 to 1500 units technically approved

At the higher levels of these residential unit types, some are being sold for over \$2000/sf. Many are being bought by people that live offshore. They're not quite sure what the impacts on the ground would be as if it were 7800 affordable housing units. They will closely analyze this as they go through the process of the Master Plan.

Retail

- Kamehameha Schools and Howard Hughes: 1.35M to 1.5M sf of commercial retail going into this area.

CULTURAL DEVELOPMENT ECONOMICS

Cultural facilities and expressions of culture can be successfully integrated into and sometimes supported by private real estate, but they need careful planning.

- Yerba Buena Cultural District
- North Vancouver Center of the Arctic & Pacific
- West Kowloon Cultural District in Hong Kong
- World Trade Center Museum & Memorial



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CULTURAL DEVELOPMENT ECONOMICS

Cultural facilities can catalyze development, create value for surrounding uses, and contribute to the development of a destination.



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Cultural Development Economics-Cultural facilities and expression of culture can be successfully integrated into and sometimes supported by private real estate, but they need careful planning. Examples:

- Yerba Buena Cultural District
- North Vancouver Center of the Arctic & Pacific
- West Kowloon Cultural District in Hong Kong
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Cultural facilities can catalyze development, create value for surrounding uses, and contribute to the development of a destination. Examples:

- City Museum, St. Louis
- The High Line
- Durham Performing Arts Center
- Denver Art Museum

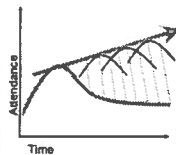
CULTURAL DEVELOPMENT ECONOMICS

Financial viability and success are not the same thing

- Successful balance between mission and money
- Business model is based on earned and contributed revenue
- It's not just about getting it built, but operating it, focus on long term sustainability

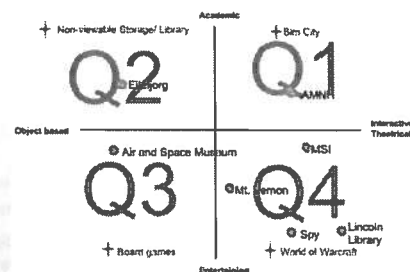
What contributes to financial viability?

- If you build it, they may not come... core visitor experience needs to drive architecture and design, not vice versa
- Signature visitor experience
- Strong governance and management
- Appropriate physical planning parameters
- Adequate marketing
- Minimal or no occupancy / real estate costs
- Endowment... real estate can act like an endowment
- Sufficient budget for operations and regular reinvestment



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CULTURAL DEVELOPMENT ECONOMICS



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CULTURAL EXPRESSIONS

- Arts & Cultural Centers
- Visitor / Interpretive Centers
- Places of Memory
- Living History
- Regional Science
- Garden Attractions
- View Attractions
- New Cultural Concepts



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Market Analysis

Cultural and "Non-Traditional" Real Estate Uses

- Site analysis from market perspective
- Review of available resident and tourist markets
- Analysis of existing supply - cultural and commercial attractions
- Review of key metrics such as attendance per capita compared to other similar sized markets
- Review of comparable facilities nationally and internationally / benchmarking
- Estimate of financial performance, net operating income

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Cultural Expressions-Cultural centers to view attractions to physical environments that actually project as opposed to experiencing one through more tactile natures.

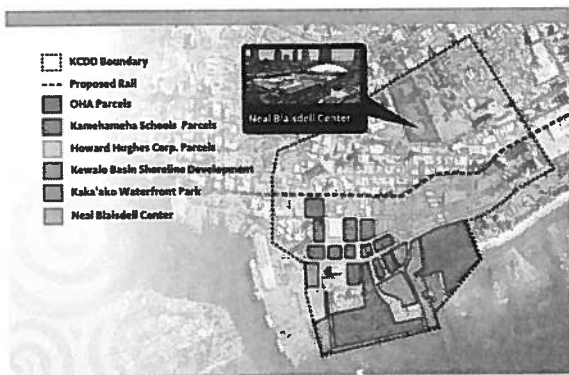
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Market Analysis

Cultural and "Non-Traditional" Real Estate uses

- Site analysis from market perspective
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- Review of key metrics such as attendance per capita compared to other similar sized markets
- Review of comparable facilities nationally and internationally/benchmarking
- Estimate of financial performance, net operating income

They are looking at an analysis and market of what is existing and what is being proposed and how that can be sustained by the residential and visitor markets. In many ways what needs to be tapped in and understood in some sustainable and culturally appropriate nature is how the visitor market can factor into the equation. They know of cultural places that have been sized for the demand they think will occur, but was built too large or vice versa; right sizing is important.



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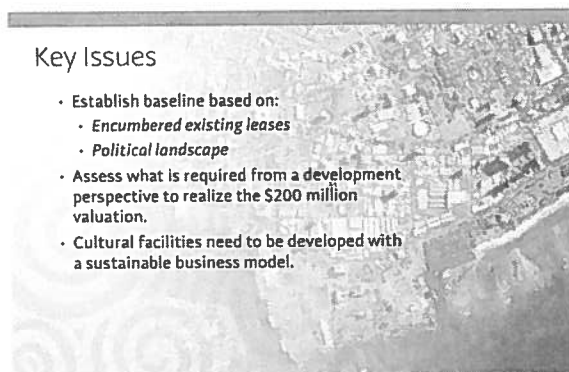


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Rob highlights the City's proposal for the re-development/concept of the Neil Blaisdell Center. There are four major uses there:

- Parking-Necessary
- Concert Hall-How is it currently used? It's sized for only certain types of performances
- Exhibit Hall-Needs understanding in relation to the Hawai'i Convention Center
- Arena-Needs to play into all the same factors as the other facilities

The HCDA is going through an extensive Master Plan for Kaka'ako Waterfront Park. The goal of their Master Plan is to provide some sustainability to the operations of the park. The intended budget for the operations and maintenance of the park is roughly \$1 million dollars. They are looking to develop potential uses in the park that would drive \$1 million of revenue. The team thinks it's important that OHA played a critical role in helping HCDA determine their uses in the park. If for some reason the uses aren't compatible with OHA's, the land values could be affected.



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Key Issues

- Establish baseline based on:
 - Encumbered existing leases
 - Political landscape
- Assess what is required from a development perspective to realize the \$200 million valuation
- Cultural facilities need to be developed with a sustainable business model

Committee Chair Hulu Lindsey—Asks Rob if a copy of his presentation will be available.

Rob Iopa – The presentation is all part of the same package (as Malia’s) and they will provide copies to the Trustees.

Committee Chair Hulu Lindsey – Asks if the Trustees have any comments or questions.

Trustee Lei Ahu Isa – Comments that Mayor Caldwell is looking to do something with the Neil Blaisdell Center. Looking at the MACC and all the activities there and how it is used, OHA could take a look at that too. She asks Rob if WCIT is involved and also asks about Waiea.

Rob Iopa – He and Mayor Caldwell are fellows from the Rose Center Fellowship. He is part of the consultant team led by AECOM. They are the architect on record for Waiea on the Howard Hughes development. The teams are residents and proud community members of Kaka’ako; they have good interest in making sure that Kaka’ako moving forward is done as best as possible.

Trustee Lei Ahu Isa – It’s prime property. With all the high rises and luxury buildings across the street the property value is going to go up.

Rob Iopa – Agrees. The OHA properties are also waterfront.

Trustee Lei Ahu Isa – Notes that things are changing so fast, it’s scary. She wishes OHA bought all the properties that A & B bought; what they bought it for and what they’re making now is amazing.

Trustee Ahuna – How do we make determinations on what is right and what is wrong? How do we look at things? He believes they (Trustees) will be making the decisions in the end. What are they looking for and what is the right way? He would like to learn about the process and he wants to make the right decisions.

Rob Iopa – The decisions you would make with the goals and perspectives of OHA may be different then the ones your neighbors would make. It’s pretty clear in the marketplace what highest and best use is based on what’s being built in the area. Residential leads the way followed by commercial retail. If the goal is highest and best use, that’s where your focus would first start to look at. All the other factors that OHA is trying to achieve would then play in. This probably will be a longer and more arduous process to determine use then if OHA was a for-profit developer that owned land across the street. They’ve done the background analysis and they’ve heard from the lāhui. They’re at the point now that the planners in the group are ready to start putting some ideas on paper. It will be an iterative process and for all intents and purposes they have three intensive months dedicated to that. They are scheduled to be back in front of this committee in mid to late April with the hopes that they can take a deep dive into that process.

Trustee Apoliona (Partially inaudible) – Would like to get a bird’s eye view of some of the things they will be seeing before diving in.

Rob Iopa (Partially inaudible) – asks Tom to speak on the subject of affordable housing.

Tom Holliday – Shares his appreciation for being part of the team. He has learned a great deal from Auntie Pua and the others about how Hawaiian architecture is designed. When determining how to price a unit in affordable housing, it's based on a complex formula that's put out by the Housing of Urban Development (federal) and the County Housing Department. It's based on the family size and median income. Current median income for City and County of Honolulu is \$78,000. Based on family size and percentage of median income they determine how affordable a unit is. Next to him, 801 South Street is about ready to start closing its first units and people will be moving in; it's the largest affordable housing project thus far in Kaka'ako. The price for a studio runs from \$280-\$330k all the way to two-bedroom units just under \$600k. With those type of affordability standards you can actually get a return to the land; they allow greater densities when you meet those affordability standards. They are going to be building a broad section of potential residences throughout the district including those designed for families that make less than 80% of the median income. It goes up every year based on family income increasing every year.

To answer Trustee Ahuna's question on how to move forward with understanding demand, even though it sounds like there will be a lot of units in the area, it's still not enough; from China Town to Kaimuki, It's barely going to keep up with the demand that's created there. Everybody says there is a need for more use than that. It's going to take at least 10-20 years, or 2 or 3 economic cycles to put those units in. They will demonstrate what's called a Demand Pyramid; it's tiered to show that what households can afford. Once you reach the top it blossoms out because there are all the rich offshore investors. In affordable housing units, there is an almost unmet/unlimited demand. As you move up the pyramid there's less *inaudible* that can afford them. If it's priced at \$1.8 million or less, it mostly attracts residents. Anything higher than that, you will see an influx of offshore purchasers. People coming into the neighborhood will create the demand. One million square feet of retail and commercial in Kaka'ako just to service their own neighborhood uses; grocery stores, hardware stores, etc., in addition to the visitors and offshore owners that will create more demand. The area along the waterfront from Kaka'ako to Kaimana Beach is a goldmine to retail; people come here to be on the waterfront and to partake of retail. All those restaurants along the waterfront are doing pretty well. That's how they determine demand. The team will provide more information, with tables, and show how it's calculated based on tourism, employment, and residences. He adds there is a huge demand for hospitalities. Even though that hasn't been traditionally considered for Kaka'ako Makai, it really is one of the hot investment markets and builder markets. It is a great way to lease land and make a good lease hold income from the land. Also, it's a good market time as values are going up strongly on land; it's a favorable time to do the planning. The next time they come back they will walk the Committee through from the high altitude towards understanding more of what's available.

Trustee Ahuna – Asks if there is any insight as to why Aloha Tower did not do to well.

Tom Holliday – There are three reasons 1) Not enough parking; 2) Picked the wrong design a long time ago; and 3) Was depending on lunch/pau hana traffic from the nearby offices.

Something to take from that is two things remain; Gordon Biersch and Hooters, two waterfront businesses, are still doing quite well.

Trustee Ahuna – Questions what Tom meant by the area being a goldmine. He doesn't see Aloha Tower as a goldmine.

Tom Holliday – One thing is the view from the waterfront parcels. They lost one of their main tenants, JAL, who used to bring a lot of people in and they would shop. It was a combination of a lot of factors. OHA is within an existing area that is under development, modernized and not just sitting out there by itself.

Trustee Apo – He's heard other people describe Ala Moana Boulevard as the DMZ and speculate thousands of workers across the street will not walk across the street. Will that be a problem?

Tom Holliday – Several things are being designed to help access. One part of the plan is the gateway corridor will help people get across. A lot of what they'll be dealing with will be residents. It's one thing to live there as opposed to being workers. There will also be synergy with what will be happening at Kewalo Basin. It is always a concern when dealing with a physical barrier so there will be ways to come across that.

Ka Pou Nui Burgess – In a couple of preliminary meetings with KS, that is an area of discussion for them as well. There is potential for OHA to collaborate with them as they have properties makai and mauka. They're also interested in how they can bridge Ala Moana Boulevard to the four makai. Early ideas included a podium level crossing over and how it can tie into the concept in the Kaka'ako Master Plan which has that green gateway going from the Gateway Park up across Kaka'ako Mauka along the corridor. It's a common issue that OHA and other stakeholders can work on together.

Tom Holliday – There will be a whole creation of things makai. At Aloha Tower there is the generating plant on one side and the Department of Transportation Harbors Division on the other side. There's nothing there in that one piece.

Rob Iopa uses the cursor on the monitor to point out the area that Tom is talking about.

Rob Iopa – If you take that area in comparison to Fisherman's Wharf, the Fisherman's Wharf creates a destination that is considerably more sizeable and provides parking. From an urban design perspective, Ward Avenue is the most important mauka to makai corridor in Honolulu. It will become a significant entry point. There is an opportunity for creating a nice thoroughfare across Ala Moana Boulevard.

Trustee Apo (Partially inaudible) – He's become more public about issuing a challenge to the other land owners and the concept of being able to lock in an entire district and be able to work together and signature the district to have a common theme. Two years ago the Trustees issued a challenge through a resolution that asked if they would be interested at looking at Hawaiian botany as a theme that would tie the district together, perhaps by creating a botanical trail. Is that something that we should keep pursuing with the other two developers (KS & HH)?

Rob Iopa – In his opinion, that would be great conversations to have. While it makes sense in many ways just in the creation of place, space, feel, and continuity, he also recognizes that there are competitive advantages that some may feel a certain type of tree reflects their expressions differently than others. In native landscaping it's an interesting opportunity; signage or art are different ways you can do it in a public realm where people traverse. If there is a unified signage package or unified art program it doesn't mean that it has to be the same as HH or KS, but have guidelines that establishes the origin of art and thinking; place-based, historical, and cultural references in the art as a way of unifying the district. He does think there are opportunities that a cultural trail, or cultural path, could be unifying element as well.

Committee Chair – Notes Kawika Burgess will be the last to comment. There is a joint meeting of the Land and Property and Asset and Resource Management committees immediately following the meeting.

Ka Pou Nui Burgess – Informs the Committee that Aloha Tower was recently acquired by HPU and have observed that they plan on incorporating residential there. Also, as Malia mentioned earlier, the public meetings are complete and the next step is to continue with targeted stakeholder meetings. Two of the targeted stakeholders are Kamehameha Schools and Howard Hughes and they can indeed have the aforementioned discussions with those landowners.

Committee Chair Hulu Lindsey – Thanks Rob, Malia, Tom, and the rest of the collaborative for coming and bringing the Committee up to date. They appreciate the work being done.

Rob Iopa – They will provide updates on a monthly basis.

V. ANNOUNCEMENTS

Committee Chair Hulu Lindsey Asks if there are any announcements. None made.

VI. ADJOURNMENT

Committee Chair Hulu Lindsey – Asks for a motion to adjourn

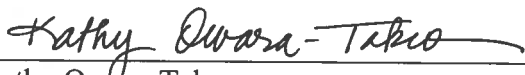
Trustee Apoliona – Moves to adjourn the meeting.

Trustee Akana – Seconds the motion.

Committee Chair Hulu Lindsey – Notes a unanimous consensus and the motion is carried.

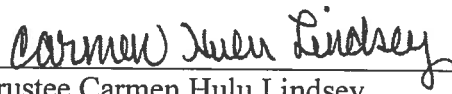
The meeting is adjourned at 2:10 p.m.

Respectfully Submitted,



Kathy Owara-Takeo
Trustee Aide
Committee on Land and Property

As approved by the Committee on Land and Property on April 23, 2015



Trustee Carmen Hulu Lindsey
Chair
Committee on Land and Property

ATTACHMENTS:

- Excuse Memo (1)
- Community Sign-In Sheet