SUMMARY - PUBLIC HEARING
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii
March 19, 2014 – 9:00 a.m.

ATTENDANCE

Members Present:  Mary Alice Evans (DBEDT)
                  Randy Grune (DOT)
                  Scott Kami (DBF)
                  Miles Kamimura
                  Brian Lee
                  Lois Mitsunaga
                  Brian Tamamoto

Members Absent:  Dean Seki (DAGS)

HCDA Staff:  Anthony Ching, Executive Director
             Lori Tanigawa (Deputy Attorney General)
             Lindsey Doi
             Deepak Neupane
             Shelby Hoota
             Patricia Yoshino
             Holly Hackett (Court Reporter)

For the Applicants Keauhou Lane, LP:
    Curtis Tabata
    Wyeth Matsubara

For Kamehameha Schools and GE Hawaii Block A2, LLC:
    William Meheula
    Robert Oda

For Honolulu Authority for Rapid Transportation:
    Gary Takeuchi
    Lisa Hirahara
    Dan Grabauskas
    Scott Hansen

A public hearing of the Kakaako members of the Hawaii Community Development Authority ("Authority" or "HCDA"), a body corporate and public instrumentality of the State of Hawaii, was called to order by Mr. Brian Lee, Chairperson of the Authority at 9:00 a.m. on Wednesday, March 19, 2014, at the Authority’s principal offices at 461 Cooke Street, Honolulu, Hawaii 96813.
Chairperson Lee stated that the public hearing was being held under the provisions of §206E-5.6, Hawaii Revised Statutes, Hawaii Administrative Rules ("HAR") Chapter 219 of Title 15, and vested HAR Chapter 22 of Title 15, to review the development permit application KAK 13-151 ("Application") dated December 20, 2013. The project falls under the Kailaulu ‘O Kakaako Master Plan Permit No. PL MASP 13.2.8, which was approved by the HCDA on September 2, 2009.

The Applicants are Keauhou Lane, LP ("Keauhou") and GE Hawaii Block A2, LLC ("GE2"). The Tax Map Key is (1)2-1-030: 001, and the project location is 500 South Street and 500 Keawe Street. The request is for a joint development permit for two separate mixed-use, residential, commercial/retail development projects simultaneously developed by Applicants Keauhou and GE2 on a single development lot.

The Keauhou portion of the project consists of a mix of 388 residential units in a 400-foot high-rise structure; 2,854 square feet of ground floor commercial space, 1,038 vehicle stalls in a 72-foot high parking structure; approximately 13,000 square feet of open space, and 31,400 square feet of recreation space.

The GE2 portion of the project consists of a mix of 209 residential units in a 65-foot mid-rise structure; 39,145 square feet of ground floor commercial space; 4 loading stalls; approximately 13,600 square feet of open space, and 11,500 square feet of recreation space.

Notice of the public hearings was published on February 8, 2014, in the Honolulu Star Advertiser. The notice was made available for public review at the office of the HCDA and on the HCDA website. The landowners, lessees and other stakeholders in the Kakaako District and surrounding communities, state and county agencies, state legislators, Honolulu City Council Members, and approximately 327 community groups and individuals and organizations were notified of the hearing. Pursuant to HRS 206E-5.6, notice was provided to the President of the Senate and Speaker of the House.

The nature of the public hearing was to allow the Application to be presented to the Authority and to provide the public with the opportunity to present oral and/or written testimony. A second public hearing is scheduled for April 30, 2014, during which the Authority will render a decision on the Application. In addition, the Authority’s hearing officer will conduct supplemental public comment sessions on Saturday, April 12, 2014 at 10:00 am and Tuesday, April 15, 2014 at 5:30 pm. All testimony given at these supplemental public comment sessions will be recorded by a Court Reporter and forwarded to the Authority for their review and placed into the record.

Chairperson Lee also noted the following changes to the Authority’s review of development...
permit applications.

1. To clarify opportunities for the public to participate in our proceedings and in accordance with our Rules of Practice and Procedure, the notice of hearing that was published in the Honolulu Star Advertiser stated that parties wishing to intervene in this proceeding had until February 21, 2014 to file motions to intervene.

2. The Kakaako Authority met on March 19, 2014 at 8:30 a.m. and considered the two motions to intervene that were timely filed with the Authority.

3. To further clarify that development permit application proceedings pursuant to Section 206E-5.6 HRS are in fact contested case proceedings, where separate public hearings are required to be conducted to “determine the rights, duties, or privileges of specific parties”, the Authority, after establishing the parties and the standing of any interveners, will provide “due process” in the manner in which the development permit application is reviewed by the Authority.

4. Accordingly, a record will be compiled, witnesses will be sworn in and examined by the parties, and the applicant will have the burden of proof in presenting its case for the development permit application.

5. Given the specification contained in Section 206E-5.6, public testimony will continue to be solicited and will be included in the record of this proceeding.

6. At the conclusion of its deliberations, the Authority will issue its findings of fact, conclusions of law and decision and order – approving the development permit application, approving with conditions or denying the application.

At the public hearing for decision making on the Application on April 30, 2014, public testimony will also be accepted. Staff will present its recommended findings of fact, conclusions of law and decision and order. The Authority will consider whether to adopt the proposed findings of fact, conclusions of law, and decision and order as its own; deliberate and provide additional findings of fact, conclusions of law and conditions of approval; or set the matter for further hearings.

If the Findings of fact, Conclusions of Law and Decision and Order are adverse to the Applicant, the parties can file exceptions to the Authority’s findings of fact, conclusions of law, and decision and order. The deadline for filing exceptions is May 12, 2014. If exceptions are filed, the Authority will meet on May 28, 2014 to take its Final Action and formally adopt the decision and order.

Chairperson Lee explained that the Honolulu Authority for Rapid Transportation (“HART”) and the Trustees of the Estate of Bernice Pauahi Bishop dba Kamehameha Schools (“KS”) had submitted motions for intervention. A hearing on Petitions for Intervention to establish parties to the hearing was held on March 19, 2014. At the hearing, the Authority accepted the motion for intervention by HART, and KS withdrew its motion to intervene.
STAFF REPORT

Executive Director Anthony Ching provided a geographic orientation of the project with an aerial photo of Kakaako, showing where the project was located.

There were no questions from Members on the staff report.

INTRODUCTION OF THE PARTIES AND RECEIPT OF EXHIBITS TO THE RECORD

Mr. Curtis Tabata and Mr. Wyeth Matsubara were present as counsel for the Applicants. Mr. Tabata presented Exhibits #1-36 to be entered into the record.

HART and KS had no objections to the exhibits.

Chairperson Lee stated that Exhibits #1-36 were entered into the record.

Mr. William Meheula, counsel for GE2, stated that he filed an incorporation by reference to the 36 exhibits submitted by the Applicant and asked that those exhibits also apply to their application.

Mr. Gary Takeuchi and Ms. Lisa Hirahara were present as counsel for HART. Ms. Hirahara stated she had no exhibits or witnesses to offer.

Mr. Tabata made a motion to have the following expert witnesses admitted in their respective fields or expertise: Mr. Michael Kujubu in architecture and design; Mr. Philip Camp in architecture, design and sustainability; Mr. Pete Pascua in traffic engineering; and Mr. Hallett Hammatt, in archaeology and cultural assessment.

There were no objections from HART or GE2.

WITNESSES AND DIRECT AND CROSS EXAMINATIONS

FOR THE APPLICANT:

Mr. Tabata offered the following persons as witnesses:

1. Stanford Carr, president and CEO, Stanford Carr Development, LLC

   Mr. Carr provided a general overview of the Master Plan for Block A and Keauhou Place (see Exhibit A).

   Mr. Ching asked whether there have been discussions with HART and the Department of Transportation Services on a transit station and bus station.

   Mr. Carr replied in the affirmative.
Mr. Ching asked whether there was a likelihood that the additional parking stalls might be used as a park and ride facility for a transit station.

Mr. Carr replied that it could be used for public access or other uses, given the proximity of other projects in the adjacent neighborhoods.

Mr. Ching asked whether there had been outreach with adjacent properties.

Mr. Carr replied that community meetings have been held.

Member Tamamoto asked how many cars might be using the park and ride facility.

Mr. Carr replied that it was still an ongoing collaboration with HART.

Member Tamamoto asked how the building design would integrate with HART.

Mr. Carr replied that they were interfacing with HART’s lead architect and consultants in the designs.

Member Tamamoto asked what kind of community feedback had been received.

Mr. Carr replied that a lot of feedback has been positive, but there were also comments from people who do not want to see any more development.

Mr. Ching asked if the A-2 development would be able to meet the parking requirement.

Mr. Carr replied that they had entered into the framework of a joint development agreement to provide the parking stalls.

A recess was taken at 9:45 a.m.

The meeting was reconvened at 9:50 a.m.

Mr. Ching asked for a summary of the joint development agreement.

Mr. Carr explained that that project would be developed as one cohesive block for efficiency on circulation and utilization of land area and ingress/egress purposes. A woonerf would be created, with reciprocating easements and infrastructure, utilities, sewer, gear stations for electrical power. It would be a pedestrian promenade

2. Michael Kujubu, managing partner, Alakea Design Group, LLC

Mr. Kujubu stated the transit station had not been designed yet, but they have had extensive meetings with HART and HCDA. He reported on their traffic assessment report, wind and shade study, noise mitigation study, sustainability and green features.
They were requesting 3 modifications: increase of podium height for A-1 project from 45 feet to 72 feet; increase of podium for A-2 Project from 45 feet to 65 feet; and encroachment into the view corridor setback for A-2 mid-rise residential building.

Member Tamamoto asked what response would be given to the community if the Authority granted the modifications to allow heights to go beyond the requirement or have sufficient spacing between buildings.

Mr. Kujubu replied that all codes allow for variances because codes are not perfect. Their tower would be 249 feet away from the closest tower. The line of sight between Keola Lai and One Waterfront provided the least amount of impact in the mauka and makai views. Combining the parking into one larger parking structure would make the most efficient use of land area. It would also allow the pedestrian street which is a key element in the Master Plan and would connect the civic station down towards the rest of Kakaako.

Member Tamamoto asked if the requested modifications had been disclosed at the community meetings.

Mr. Tabata stated that the modifications raised certain issues that may be more legal than policy. In final argument, he would address those issues and wrap it up with the technical aspects and larger issues that would be discussed. They would be relying on technical information contained in the exhibits.

Mr. Ching asked the witness about the shadow impact on One Waterfront.

Mr. Kujubu stated that when the study was done in November 2013, there was a shadow at 8:00 a.m. but was dissipated by 11:00 a.m.

Mr. Ching asked what the tower spacing would be from One Waterfront.

Mr. Kujubu stated that there would be no impact and it did not fall within the 300 feet tower spacing.

Mr. Ching asked how many bike slots would be provided.

Mr. Kujubu replied that there would be 50 bike slots on the ground floor and 20 in a secured room.

Mr. Ching asked if a centralized parking structure that accommodates both parcels would be a benefit for pedestrian circulation and minimize noise impacts.

Mr. Kujubu replied in the affirmative.

Mr. Ching asked if the parking structure might also minimize noise levels with respect to the operations of the transit station.
Mr. Kujubu replied in the affirmative.

Mr. Ching asked if the noise study had any findings with respect to the impact upon surrounding activities.

Mr. Kujubu stated they would be following state noise regulations.

Member Tamamoto asked for clarification on the noise mitigation.

Mr. Kujubu stated that the studies developed by HART did not indicate that noise impacts would be detrimental to their building. Any noise emanating from their building in regards to equipment would be addressed as they proceed into the design phase.

A recess was taken at 10:27 a.m.

The meeting was reconvened at 10:38 a.m.

3. Philip Camp, principal, Hawaii Architecture, LLP

Mr. Camp provided additional detail on the site plan for the project (see Exhibit B).

Mr. Meheula noted that Mr. Camp used the terms “variance” and “modification” interchangeably. He stated that the old Mauka Rules in 2005, which apply here, allow for modification but did not allow for variance. He asked if Mr. Camp was familiar with the variance process under the City and County ordinance.

Mr. Camp replied that he did, and they were requesting a modification, not a variance.

Mr. Meheula stated that the Mauka Area Rules have specific modifications allowed under specific circumstances. Section 15-22-120 allows “platform heights may be modified to exceed 45 feet.”

Mr. Camp agreed that the rule applied and both the volumetric study and site plan speak to that.

Mr. Meheula noted also that the KS Master Plan has a provision that “KS may request an increase in the maximum podium platform height above 45 feet as part of the planned development permit application process.”

Mr. Meheula asked if Mr. Camp was familiar with Gerding Edlen and the fact that they were one of the nation’s leading developers for green development.

Mr. Camp replied that Gerding Edlen has over 12 platinum certified project at the highest level of LEED.

Member Evans asked for an explanation of the term “woonerf” and whether it was at grade and enclosed.
Mr. Camp explained that “woonerf” is a term referenced in the Mauka Area Rules and was an active pedestrian urban planning concept that allows primarily pedestrian activity to occur, but also allows for vehicular access if necessary. It was at grade and was not enclosed.

Member Tamamoto asked if HART would be impacted if the modifications were not accepted.

Mr. Camp replied that the question would be better addressed to HART. It would certainly impact their own design.

Mr. Ching noted that a grocery store is a possible use and asked where it might be located.

Mr. Camp explained that that project would need to become a reality before they could engage with tenant assignments. In concept, there was an area that could be a mix of either restaurant or retail. He noted that the project had over 940 square feet of at grade component for a bike repair shop.

Mr. Ching asked if the design of the lobby area would promote pedestrian circulation.

Mr. Camp replied that the lobby would spill right out into the woonerf. The pedestrian way would be activated not only by the residents but the general public as well.

Mr. Ching asked whether centralized parking would benefit the green and sustainable design of the project.

Mr. Camp replied in the affirmative.

Mr. Ching asked if the developer would be pursuing LEED certification.

Mr. Camp replied that the target was LEED Gold certification.

Mr. Ching asked whether the increase in podium height was correlated to the desire to achieve more pedestrian circulation area at the ground level.

Mr. Camp replied in the affirmative.

Mr. Ching asked if there was a possibility for an urban garden to be established on the deck areas.

Mr. Camp responded in the affirmative.

Mr. Ching asked if the woonerf would have a different type of surface treatment.

Mr. Camp replied that it could be textile pavers, but the paving scheme would work with all of the components to be a truly master planned component.
Mr. Ching asked if the project was a good example of TOD.

Mr. Camp replied that it would speak to all the components of a true TOD.

Member Tamamoto asked for a description of the landscaping on the side that would face the transit station.

Mr. Camp replied that they did not have control over what HART would eventually do there. On the side that they do control, the spacing and plant treatment would be in accordance with the Master Plan and the Mauka Area guidelines.

Member Evans asked how high the guideway will be along Halekauwila Street and how far down to the street would rail passengers have to go.

Mr. Camp replied that HART would be setting the platform height, but in general terms, it would be in line with their third level of units.

4. **David Bills, president, Bills Engineering, Inc.**

Mr. Bills summarized the infrastructure synopsis for the project. They have contacted the Board of Water Supply ("BWS") and the Department of Planning and Permitting Wastewater Branch. They also analyzed drainage, and also determined that the project was not in any designated flood plain.

Mr. Ching asked if the BWS has identified any project-specific improvements that should be made.

Mr. Bills stated they provided a complete block of development, and the BWS had identified that they wanted an upgrade of a 6-inch line on Keawe Street and 8-inch line on Halekauwila Street.

Mr. Tabata interjected that there will be future discussions with BWS and there will be a mutually agreeable solution to these repairs.

Mr. Ching added that the HCDA conducts improvement district programs which would include infrastructure improvements such as those described by Mr. Bills. The projects will establish rules and shares for benefiting landowners, which would be discussed with the developer and landowner.

Mr. Ching asked if operational activities for wastewater was different from capacity issues.

Mr. Bills replied that it was different. One criteria was the size of the pipes to make sure it all gets there. If the pipe is too big as compared to the flow going through it and there was not enough velocity in the sewage, it would create odors.

Mr. Ching asked if the capacity of the wastewater system was adequate to accommodate the
project needs. Since there was a 78-inch sewer main on Auahi Street, once reason for odor to occur might be that sewage was passing through too slow.

Mr. Bills agreed that it could be one of the possibilities.

Member Tamamoto asked if they would be complying with the BWS recommendation for replacement of the sewer lines on Keawe and Halekauwila Streets.

Mr. Tabata replied that those are subject to future discussions. They would take care of what is their responsibility, but there may be other parties involved.

Member Tamamoto asked what the remedy would be if the sewage flow was below the required level.

Mr. Bills replied that the Department of Design and Construction was looking into the issue. One suggestion was speeding up the pump cycle exchanges that send wastewater out to the Sand Island Treatment Plant.

Chairperson Lee asked if there were operational issues due to overcapacity for the 78-inch sewer pipe, whether approving more building and having more residents in place would speed up the velocity of the flow.

Mr. Bills responded that wastewater is moving at 2-feet per second to minimize the odors generated by deposition and other issues. Using up the excess capacity in principle would be beneficial.

A recess was taken at 11:32 a.m.

The meeting was reconvened at 11:49 a.m.

5. Pete Pascua, vice president and director of traffic engineering, Wilson Okamoto Corporation

Mr. Pascua summarized the Traffic Impact Assessment Report ("TIAR") to identify potential traffic operational deficiencies to the surrounding roadways as a result of the project.

Member Tamamoto asked if the factors utilized for the TIAR included surrounding buildings that may be built.

Mr. Pascua replied that the TIAR projection to 2016 was to incorporate ambient growth or regional traffic demands that would occur as a result of other projects in the region.

Member Tamamoto asked if a half percent increase per year was conservative.

Mr. Pascua replied in the affirmative.
Member Evans asked for an explanation of the assumption in the report that out of 1,000 parking stalls in the combined development, there would be 319 trips in the morning and 391 in the evening peak hours.

Mr. Pascua explained that the numbers reflected both in and out totals and the combined uses proposed for the project.

Member Evans asked if the assumption was based on his expertise with similar types of development since the number was only about one-third of the total parking spaces.

Mr. Pascua explained that the assumption took into account the worst case scenario of residential use going in and out in their cars. It did not take into account that pedestrian usage would the higher in this area as a result of transit. One-third is generally a rule of thumb in terms of utilization of a parking facility.

Member Evans asked if an assumption were made that all 1,000 stalls would experience ingress and egress over the course of a day, would it change the traffic impact assumptions about the Level of Service on surrounding roads and intersections.

Mr. Pascua replied that it would change the recommendation in the TIAR if they assumed a thousand cars were coming in or leaving at the same time.

Member Kami asked for clarification on the differences in Level of Service for Level A and Level B.

Mr. Pascua explained that level of service is a grade assigned to traffic operations related to its efficiency and is based on the delay that a motorist would experience at an intersection. Level of Service A would be roughly 10 seconds and Level B would be 20 seconds.

Mr. Matsubara asked what would be the likelihood of 1,000 cars coming in at one time.

Mr. Pascua replied that it would be very unlikely.

Mr. Matsubara asked the witness if he was conservative or aggressive in assumptions such as growth rate numbers.

Mr. Pascua replied that he was ultra-conservative. They did not reduce the traffic demand associated with the parking and also employed the growth factor that would account for potential regional increases.

6. Hallett Hammatt, Ph.D., archaeologist and president, Cultural Surveys Hawaii

Dr. Hammatt summarized his archaeological reports for the joint development of Block A. The reports accepted by the State Historic Preservation Division ("SHPD") included an Archaeological Inventory Survey Plan ("AIS"), and Archaeological Inventory
Survey and Report, and Archaeological Monitoring Plan ("AMP").

Member Tamamoto asked if there was anything of significance in the findings.

Dr. Hammatt replied that four historic sites considered "significant" were documented in the AIS. The mitigation for that significance is monitoring to further document the historic properties during the construction, ground disturbance and respond to any new finding that may occur.

Member Tamamoto asked if SHPD required those sites to be kept intact.

Dr. Hammatt responded that SHPD has recommended monitoring and has accepted the historic preservation review for the project.

Member Evans asked if any human remains were encountered in the 78 trenches excavated on the block.

Dr. Hammatt replied there were none.

FOR THE LANDOWNER:

Mr. Meheula stated that the project was a joint project seeking one permit. The witnesses who testified had done their work for the whole project for both Applicants. He was incorporating by reference all of the testimony presented by Mr. Bills, Mr. Pascua, Dr. Hammatt, Mr. Camp, and Mr. Carr.

Mr. Meheula explained that the Applicant for A2 is Gerding Edlen. They created a special purposes entity called GE Hawaii Block A2, LLC who is going to be the developer. KS is going to be a co-owner of that entity, but not the developer. He called his witness to explain how KS believes that the A1 and A2 projects fits into its vision.

#7 Mr. Robert Oda, senior project manager for KS commercial real estate division

Mr. Oda explained that KS is the largest private funder of public education in the state and their mission is to improve the capability and well-being of Native Hawaiians through education. The annual cost is $400 million and 98% is funded by the KS endowment. Two-thirds of the income comes from diversified financial assets portfolio and the remainder comes from their lands, like the 29 acres in Kakaako. They have a fiduciary responsibility to maximize value of the lands to fund its mission for the generations of Native Hawaiian learners to come. Their vision for Kakaako is a vibrant, diverse community fueled by innovation, creativity and grit. Their ability to master plan is an opportunity for smart growth in urban Honolulu.

Mr. Ching asked if the commitment to orienting the buildings in a mauka/makai direction to minimize impacts to views was a driving force for the design of the buildings.
Mr. Oda replied that their blocks are fairly large and the overall master plan concept was to create mid-block crossings to minimize the size of blocks to walk through. The mauka/makai orientation facilitates that ability.

Mr. Ching asked if KS would be making a cash in lieu payment or contribution of existing public facility dedication to satisfy their requirement for dedication of public facilities.

Mr. Meheula replied that it would be cash, and it was clarified in the February 4, 2014 letter in Exhibit A.

REBUTTAL EXAMINATION

Mr. Tabata called Mr. Carr as a rebuttal witness and asked him to explain his position regarding a letter from BWS regarding water main repairs located at Halekauwila Street.

Mr. Carr responded that the letter was the beginning of negotiations and further discussion based on other activities and improvements being proposed, because there may be allocable fair share contributions by others planning to develop within the neighborhood.

PUBLIC TESTIMONY

Chairperson Lee noted that written testimony on the project had been received from the following persons:

1. Lynn Matusow, oppose
2. Dennis Okano, Hawaiian Dredging Construction Co., support
3. Donna Lee, Hawaiian Dredging Construction Co., support
4. Lyn Fermin, Hawaiian Dredging Construction Co., support
5. Paolo Clemente, support
6. Wes Ujimori, support
7. Clayton Ing, support
8. Tyler Dos Santos-Tam, Hawaii Construction Alliance, support

The following persons provided oral testimony:

1. Tyler Dos Santos-Tam, Hawaii Construction Alliance, support
2. Hina Wong-Kalu, Oahu Island Burial Council, support

ADJOURNMENT

Chairperson Lee declared that the evidentiary portion of the proceeding was completed. He directed the parties to draft their individual findings of fact, conclusions of law, and decision and order based upon the record of the proceeding. Any findings are to be tied to the exhibits in the record or to the page and line numbers of transcripts. Any of the parties were encouraged to
stipulate to any portion or to all of the findings of fact, conclusions of law, and decision and order prepared by any of the parties. The deadline to file any exceptions to the proposed order compiled by the Applicants is April 16, 2014.

The public hearing was adjourned at 12:46 p.m.

Attachments: Exhibit A - Keauhou Place
             Exhibit B - Keauhou Lane

Note: The transcript of this meeting contains a verbatim record and should be consulted if additional detail is desired.