

DRAFT

SUMMARY - PUBLIC HEARING  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
State of Hawaii  
October 1, 2014 – 1:33 p.m.

ATTENDANCE

Members Present: Rodney Funakoshi (DBEDT)  
Randy Grune (DOT)  
Miles Kamimura  
Brian Lee  
Lois Mitsunaga  
Luis Salaveria (B&F)  
Dean Seki (DAGS)  
Brian Tamamoto

HCDA Staff: Anthony Ching, Executive Director  
Lori Tanigawa (Deputy Attorney General)  
Lindsey Doi  
Shelby Hoota  
Ann Shimamura  
Holly Hackett (Court Reporter)

For the Applicant Howard Hughes  
Douglas Ing  
Emi Kaimuloa

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 1:33 p.m. on Wednesday, October 1, 2014, at the Authority’s principal offices at 461 Cooke Street, Honolulu, Hawaii 96813.

DEVELOPMENT PERMIT APPLICATION KAK 14-066: The Howard Hughes Corporation

Chairperson Lee stated that the public hearing was being held under the provisions of Act 61, Session Laws of Hawaii 2014, Subchapter 3 of Hawaii Administrative Rules (“HAR”) Chapter 15-219, and vested HAR Chapter 15-22 at the HCDA office, 461 Cooke Street, Honolulu, Hawaii 96813, to allow the Applicant(s) to present its proposed Project and provide the general public with an opportunity to present oral and/or written testimony regarding.

The Applicants is Victoria Ward Limited. The request is for a Planned Development Permit for a mixed-use, residential and commercial, development project submitted by the Applicant on a portion of the parcel identified as TMK: (1)2-3-001: 005. The Project is located at

1050 Ala Moana Boulevard and consists of two high-rise towers with a combined total of approximately 236 residential units combined. The towers will rest on separate platform structures and have a total footprint of approximately: 19,730 square feet of commercial space, 42,178 square feet of ground level open space, 80,242 square feet of indoor and outdoor recreation space, and 548 parking stalls.

The Applicant is also requesting the following four modifications pursuant to the vested HAR Chapter 15-22 Mauka Area Rules:

- Increase the maximum platform height to 65 feet, with an allowance of an additional 15 feet in height for fifteen percent (15%) of the roof area that will be used for accessory uses.
- Eliminate the street front element 1:1 slope setback along Auahi Street and Ala Moana Boulevard.
- Modify the uniform front yard setback from 15 feet to an average front yard setback of 15 feet.
- Increase the allowable pedestrian shade canopy projection into the front yard from 4 feet to 10 feet.

Application date was August 6, 2014. Legal notice of the public hearings was published on in the Honolulu Star-Advertiser on August 12, 2014.

#### PROCEDURES FOR TODAY'S HEARING

Chairman Lee stated that the deadline for interested individuals or organizations to file Motions to Intervene was September 2, 2014. He stated that no one filed a Motion to Intervene for this matter.

Chairman Lee stated that tomorrow, October 2, 2014, at 9:00 a.m. in this conference room, the Authority will be holding a public hearing to allow the Applicant to present the modifications that they are requesting for the Project and provide the general public with the opportunity to present testimony regarding the proposed modifications.

A public hearing for decision making on the Application is scheduled for December 3, 2014. After presentation by staff of its recommended findings of fact, conclusions of law and decision and order, the Authority will take additional Public testimony before engaging into decision making. If the Authority adopts the proposed Decision & Order which is adverse to the Applicant, the Applicant can file exceptions to the Authorities Findings of Fact, Conclusions of Law, and Decision & Order. The deadline for filing exceptions is December 17, 2014. If exceptions are filed, the Authority will meet on January 7, 2015 to take its Final Action and formally adopt the Decision & Order.

#### STAFF REPORT

Mr. Ching explained that the two towers will take place in the area that is now occupied by the Ward Warehouse complex with frontage on Ala Moana Blvd. and Auahi Street.

## PRESENTATION BY THE APPLICANT

Mr. Ing introduced Exhibits A through J2 which were admitted into the record by Chairman Lee. Mr. Ing stated that the following would be offered as expert witnesses:

Michael Palladino, Architect  
Michael Fujita, Civil Engineer  
Pete Pascua, Traffic Engineer  
Paul Brewbaker, Economist

After checking for any objections from the members, Chairman Lee accepted this list of expert witnesses into the record.

Mr. Nicholas Vanderboom, Senior Vice President of Development explained that Howard Hughes Corporation is the parent company of Victoria Ward Limited, the owner and developer of entire 60 acres of Ward Neighborhood Master Plan. On January 14, 2009, the application for the Master Plan Permit was approved by the Authority. He stated that the Master Plan reflect years of stakeholder and community engagement that included organizational and community group briefings, and significant public outreach. In 2010, Howard Hughes assumed responsibility of Ward Village and spent the next couple of years reaching out to the community, studying the Master Plan, understanding the unique contacts and history of the site. Mr. Vanderboom stated that they were inspired by the Ward family's legacy (who were stewards for this area for over 130 years) of keeping Kakaako as a public gathering place for friends and family. Howard Hughes to transform the 60 acres into a vibrant community that will offer something for everyone. It will have unique local retailers, national retailers, complete streets, a four acre park and a revitalized harbor. Major community benefits include:

- Development of a range of housing opportunities which will include reserved housing in the urban core.
- Creation of pedestrian friendly streets with canopy trees. Parking structures that are moved up and away from the street to allow for street level activities and retail opportunities.
- Creation of a smart growth community where residents can live, work and play; where the public can enjoy street level activities close to various modes of transportation.
- Provision of over 5.5 acres of open space and 5.2 acres of public facilities including a Central Plaza that will produce a new Mauka/Makai connection which will be maintained by Ward Village at no cost to the tax payers.
- Infusion approximately \$11.8 billion in economic development activities during the Construction period and over \$700 million in state tax revenues over the course of the 15 year build out of the Master Plan. This project will also provide over 4,000 jobs each year.
- Plan to invest in over \$300 million dollars in street infrastructure and utilities improvements.

- Master Plan will contribute to the preservation and advancement of culture, community and environment in the heart of Honolulu.

Mr. Ing asked Mr. Vanderboom to provide examples of how the Master Plan has and will continue to revitalize the area.

Mr. Vanderboom explained that the Master Plan:

- Launched in January 2014, the Ward Village Foundation made a commitment to donate \$1 million dollars over the next 2 years to local non-profits who will contribute to making this community a better place.
- Sponsored community events such as the Kakaako Farmers' market, the Courtyard Cinema Film series in partnership with the Hawaii International Film Festival, the Art and Creative market and the Ward Village Nightlife.
- Team participation in community activities sharing what they are doing with youth groups and educating them on being responsible stewards of the land in Hawaii.
- Will be working on creating pedestrian friendly streets.
- Invested over \$24 million in renovating the iconic IBM Building and created a Master Plan information center on the ground floor and a multipurpose and functional courtyard for community activities.
- Ward Village will also be the site of the future Whole Foods which is a much needed grocery store in the community who will support local farmers.
- Will revitalize Kewalo Basin Harbor by creating a safe, clean and more accessible waterfront for the community.

Mr. Ing asked Mr. Vanderboom to explain how the Ward Master Plan would be fulfilling its vision of sustainability.

Mr. Vanderboom explained that Ward Village will be one of the most sustainable communities in Hawaii. It has been certified as a Leed Platinum community, the largest in the nation and the only one in Hawaii. He also described in detail the planned implementation of the Ward Master Plan.

Mr. Ching asked Mr. Vanderboom to describe any additional phases he anticipates over the completion of the Ward Master Plan.

Mr. Vanderboom replied that they do not have any future phases planned after the completion of the Ward Master Plan.

Mr. Ching asked Mr. Vanderboom to explain their Leed Platinum rating and the elements of sustainability for this project.

Mr. Vanderboom explained some of the elements of sustainability that are required as part of the Leed Platinum rating include creating complete streets that allow for multi modes of transportation; bike lanes, wide pedestrian sidewalks, creating shade; continuous active street

fronts that have active uses not just for parking; creating opportunities for people to walk and use mass transit.

Mr. Ching asked if they had a plan for an onsite production of renewable energy.

Mr. Vanderboom replied that they did not but are actively evaluating possibilities as they finalize their plans.

Mr. Ching stated that the Master Plan identifies a Central Plaza that will be partially located on this project site and the Decision and Order of this Master Plan permit require that this Commons be dedicated as a perpetual easement for public use gathering areas. He asked if this space indicated in your application for this particular project is a part of meeting this requirement for the Commons.

Mr. Vanderboom replied affirmatively.

Member Funakoshi asked about the reserved housing requirements and how they intend to address it.

Mr. Vanderboom responded that reserved housing requirement will be met in this phase at another site and will be addressed by his colleague.

Member Funakoshi asked about their construction schedule.

Mr. Vanderboom replied that they did not have one at this time.

Mr. David Striph, Senior Vice President for Hawaii Howard Hughes Corporation testified next. He stated with regards to Act 61, they sent notification to all owners and lessees within a 300 ft. radius and reached out to all of their tenants outside of this 300 ft. radius. Mr. Striph stated that the Project is located in the core of Honolulu, in close proximity to the central business district, the government center and commercial and industrial facilities. However the area is still relatively underdeveloped. Mr. Striph continued that the Ward Master Plan area is comprised of 60 acres in the heart of Honolulu but currently does not have any residents. The Project seeks to create a dynamic mixed-use environment envisioned for the district decades ago. This Project, along with other phases of the Ward Master Plan, will bring housing, parks, open space, retail and commercial facilities to the urban core in a compatibly planned, smart growth way, creating a new economic center. He stated that the proposed project will open up the view plane from Auahi Street to Kewalo Basin and promote pedestrian connectivity with walkways to Ala Moana Boulevard. This design was intended to improve synergy with the surrounding fishing, ocean and other recreational uses at Kewalo Basin. He stated that the addition of residences within a few minutes of central business district creates the opportunity to significantly shorten one's daily commute. The nearby shopping district of Ala Moana serves as attractive destination for future residents of the Project who can truly represent the live-work-play vision for the district.

Member Tamamoto asked of 7,200 projected jobs created by this project, how many would be permanent.

Mr. Striph deferred this question to their expert witness on the subject.

Member Kamimura asked if this project would include local union labor.

Mr. Striph replied affirmatively that local union labor will be included on all the projects.

Mr. Ching asked if a certified notice been given to current tenants as the vested rules require that the Applicant notify all tenants by certified mail of effective date of lease termination at least 60 days prior to eviction or termination of lease.

Mr. Striph indicated that they had not as it would be very premature however they have talked to over two thirds of their tenants.

Member Funakoshi asked about the intended market for this development and if the Applicant has consulted with the Department of Education (DOE) for the educational requirements.

Mr. Striph stated that this development is essentially for the local market and that they have not spoken with the DOE but have supported schools in the area voluntarily.

Mr. Ching asked about the status of the 988 Halekauwila project regarding sales, predevelopment and preconstruction activities.

Mr. Striph stated that it was approved as a for-sale project but are currently evaluating if changing it into a for-rent project would make sense. The timing of construction will coincide generally with that of the Gateway towers.

Member Tamamoto asked for clarity on the amount of buildings in the Gateway project area. He asked if there were more than two buildings.

Mr. Striph stated that there may be a third building which is consistent with the Master Plan.

Member Tamamoto asked about the time frame for this third building.

Mr. Striph replied that there was no time frame at this time.

Michael Palladino, principal designer at Richard Meier & Partners, testified next. He explained the inspiration of the design is influenced by the history of this parcel of land. He went into detail of how the design incorporated the surrounding environment and specifics of the various materials that will be utilized.

Member Funakoshi asked if public open spaces would incorporate any low impact development design features.

Mr. Palladino stated that they are working with a landscape architect that is familiar with bio sweeps and estuaries. Part of the planning include shaping of some of the water features that will manage some of the storm run offs.

Mr. Ching asked Mr. Palladino if he had any participation in the street design particularly on Auahi Street.

Mr. Palladino replied affirmatively and explained how the street design will include in addition to parking, bike lanes, landscape strip, and significant pedestrian sidewalk to encourage pedestrian traffic on the South side of Auahi.

Mr. Ching asked about off street and bicycle parking.

Mr. Palladino deferred this question for the Traffic Engineer but mentioned that they have made for bicycle parking in each of the buildings.

Mr. Ching stated that it was a requirement that a wind analysis be conducted for the towers. He asked if this analysis was conducted and if it considered any pedestrian conditions.

Mr. Palladino replied affirmatively and that this analysis is in its final stages by the Structural Engineers.

Mr. Ching stated that an increase in winds could have an impact on the harbor operations and was this considered in the design of the towers.

Mr. Palladino replied affirmatively and that would be a part of the report.

Mr. Ching asked about environmental sustainability elements of the Project.

Mr. Palladino deferred to the Mechanical Engineer on the exact systems in place.

Mr. Ching asked about roof top gardens.

Mr. Palladino stated that there were roof top gardens planned for various areas of the Project.

Doug Johnstone, Director of Development for the Howard Hughes Corporation, was next to testify. He explained that he oversees and coordinates the development of this Project with consultants and contractors that have been retained. He went into detail describing specific components of the Project.

Member Tamamoto inquired if surplus parking stalls would be open to the public.

Mr. Johnstone replied affirmatively and went into detail as to their locations.

Member Tamamoto asked if their reserved housing project would be completed at the same time as Ward Village.

Mr. Johnstone replied that it would be constructed in the same time period as Ward Village.

Member Tamamoto inquired about Howard Hughes having 3 projects being constructed simultaneously.

Mr. Johnstone clarified that there would be 2 projects being constructed simultaneously. Ward Village is considered one project with two towers and the Halekauwila project being the other.

Mr. Ching asked if their offsite parking agreement will be submitted prior to the approval of the foundation permit application.

Mr. Johnstone replied affirmatively.

Mr. Ching asked about the Board of Water Supply's approvals for this project and this question was deferred to the civil engineer.

A recess was taken at 2:53 p.m.

The hearing was reconvened at 3:07 p.m.

Michael Fujita, licensed professional Civil Engineer and Executive Vice President of Wilson Okamoto Corporation (WOC), was the next witness. WOC was retained by Howard Hughes Corporation for the civil design of the Gateway Project. He explained that a letter from the Board of Water Supply confirmed that there is adequate capacity in the municipal system to support this Project. The sewage connection application for both towers was approved on September 30, 2014 by the City's Wastewater Branch. He stated that the Project will comply with best management practice for construction sites, rules relating to soil erosion standards and guidelines, rules of storm drainage standards, grading requirements, rules of water quality standards and rules of water pollution control.

Mr. Ching asked if the letter indicating the City's approval of the wastewater connection been included in the record.

Mr. Ing indicated that they are Exhibits F5 & F6, which are separately approvals for East and West towers.

Pete Pascua, licensed professional Civil Engineer, Vice President and Director of Traffic Engineering at WOC, was the next witness. He stated that WOC was retained by Howard Hughes to prepare a traffic impact report based on Phase 2 of their development plan and identify any mitigating measures and to address any impacts that the Project may cause. Mr. Pascua stated the traffic impact report (TIR) covered beyond the Gateway Project and looked at the entire Phase 2 development of the Victoria Ward Development Plan. He stated



that traffic would obviously be impacted but if the recommendations are followed, traffic would result to similar projected conditions without the Project.

Member Tamamoto asked if Howard Hughes would be implementing the 12 traffic mitigation measures that had been recommended.

Mr. Pascua replied that he believed it would be implemented.

Mr. Ing also replied he will be able to confirm this once a witness is recalled.

Mr. Ching asked if their intended Transportation Demand Management (TDM) program had been prepared and if Mr. Pascua would be responsible for developing this program.

Mr. Pascua stated that he would. He continued that TDM is typically included in a TMP (Traffic Management Plan). A TMP is generally prepared when the types of function is known such as what type of tenant will be occupying the space.

Mr. Ching continued to question Mr. Pascua about details regarding traffic and traffic patterns in Kakaako regarding this Project.

Member Funakoshi stated that the Board just recently taken action to allow the City to relocate their storage facility from Auahi Street to a Kakaako Makai available warehouse. He asked if the opening of Auahi Street affect traffic in the area.

Mr. Pascua responded that it would definitely provide a relief valve to Ala Moana Boulevard. However, he stated that the east west mobility would need to be addressed. He also stated that the report did not include this opening of Auahi Street.

Chairman Lee asked Mr. Ing to recall his witness to address the adoption of the traffic mitigation areas.

Nick Vanderboom was called to address this issue.

Member Tamamoto asked Mr. Vanderboom if Howard Hughes would be executing the 12 recommended traffic mitigation measures that were recommended.

Mr. Vanderboom replied that they would be completing all of the mitigation measures in the traffic study.

Member Tamamoto inquired about the time frame of completion.

Mr. Vanderboom stated that it would be completed in conjunction of the projects.

Matt McDermott, Principal Investigator, Cultural Surveys Hawaii, Inc., provided the next testimony. He stated that he was retained by Howard Hughes to conduct an archaeological literature review and predictive model and cultural impact assessment for the entire 60-acre

Ward Master Plan area, as well as the archaeological inventory survey report and related studies and plans specific to this Project. He stated that the archaeological inventory survey plans was accepted in January and February of this year by the State Historic Preservation Division (SHPD), one plan for the Block B East and one plan for the Block C West, the two components of the Gateway project.

Member Funakoshi asked if the archaeological inventory survey plan been approved by SHPD.

Mr. McDermott replied that it had not been approved by SHPD as of this date. He stated that SHPD had their initial comments and he has responded to their comments for their acceptance.

Member Funakoshi asked about the time frame to receive SHPD's approval.

Mr. McDermott replied that based on his past dealings with SHPD, probably in the next couple of weeks.

Member Tamamoto asked if the comments and response to SHPD were included in the packets to the Members.

Mr. Ing responded that it was not included and explained the process

Mr. Ching questioned Mr. McDermott in detail about the AIS reports and SHPD's comments.

Dawn Chang, Principal, Ku'iwalu Consulting, was the next witness. She stated that she was initially retained by General Growth Properties and then by the Howard Hughes Corporation to provide cultural consultation services for the Ward Master Plan, including this Project. She stated that her role has been to develop a proactive cultural outreach plan with the Hawaiian community, including the Office of Hawaiian Affairs, Hui Malama I Na Kupuna O Hawaii Nei, Oahu Island Burial Council, families who have lineal and cultural connection to the Kakaako Ahupua'a, and then specifically with Recognized Cultural and Lineal Descendants for the Project. Ms. Chang explained in detailed Howard Hughes' proactive engagement with cultural stakeholders who were updated regularly as the various Ward Master Plan projects proceeded.

Mr. Ing recalled Mr. Vanderboom to address the question regarding historic building inventory.

Mr. Vanderboom explained that the buildings on this project were not eligible as historically significant buildings per a study performed by Fung Associates in August 2012 and accepted by SHPD.

Dr. Paul Brewbaker, Economist and Principal, TZ Economics testified next. He stated that he was retained by Howard Hughes to perform an economic impact analysis with respect to this Project. He estimated that this Project economic impact is in the range of \$1.4 billion through its construction duration based upon input-output modeling. This translates to over 7,200 jobs. In addition, State tax revenue is estimated to be \$85 million. He stated that once completed, the Project is also anticipated to contribute over \$3 million annually to the City and County via property tax. He explained in detail the anticipated economic impact.

Member Tamamoto asked about reports stating that 7,200 jobs will be created while Dr. Brewbaker stated that 3,500 jobs that will be created.

Dr. Brewbaker explained how he derived that figure. He stated that on an ongoing process, this project will create 3,500 jobs a year.

The following persons provided oral testimony:

1. Audrey Lee, oppose
2. David Miller, support
3. Cindy McMillan, support
4. John Frigillana, support
5. Dwayne Arelliano, support
6. Troy Miyasato, support
7. Pele Lui-Yuen, support
8. David Pietsch, support
9. Gregg Takeuchi, support
10. Jeff Masatsugu, support
11. Tyler Dos Santo-Tam, support
12. Kika Bukoski, support
13. Jim Russo, support
14. Cindy Kouchi, support
15. Andy Liley, support

The following written testimonies were received:

1. Gordon Lindsey, oppose
2. Ida Teiti, support
3. Jack Tyrrell, support

#### ADJOURNMENT

The public hearing was adjourned at 4:44 p.m.

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