Collaboration Project With the Hawaii Strategic Development Corporation

Information Briefing
May 27, 2015
§206E-31 Kakaako Community Development District – Purposes

“District is Relatively Undeveloped”

“Potential for Increased Growth and Development that can Alleviate Community Needs such as Low-Income Housing, Parks and Open Spaces, and Commercial and Industrial Facilities”

“Due to its Present Economic Importance to the State in terms of Industry and Subsequent Employment, there is a Need to Preserve and Enhance its Value and Potential”

“Shall Respect & Support the Present Economic Function of Kakaako as a Major Economic Center”
Establish Kakaako as an Urban Mixed Use Village Community, Place & Destination

The City’s Premier Live, Work, Play Community

- Live - Diversity of Housing Opportunities
- Work - Preserve & Enhance Existing Small Businesses, Promote Area Economic Activity & Development
- Play – Public Open Space, Waterfront & Community Gathering Places
HSDC Promotes Economic Development & Economic Diversification thru a Return Driven Investment Program in Partnership w/Private Capital

Agency Attached to DBEDT

Operates as a *Fund of Funds*, Investing in Venture Capital Partnerships

These Partnerships Then Makes Direct Investment into HI Based Companies

Emphasis Given to Investment Opportunities that Further Technological Innovation in Hawaii
Preserve & Enhance Small Business

- Vast Majority of Registered Businesses in Hawaii are Small Business
- Over 1,260 Small Businesses in Kakaako

Tough Climate for Small Businesses

- 80% of HI Business Survive the 1st Year
- 70% Survive the 2nd Year
- 50% Are Still in Operation After 5.5 Years
- 24% Survive After 18 Years
HCDA/HSDC Area of Collaboration

- New Business Formation Foundation for HI’s Economy
  - Create New Jobs, Startup Businesses
  - Establish Innovation as New Focus of Jobs & Businesses

- Identify Public Lands & Facilities in Kakaako
  - Where Small Business Might Be Established & Nurtured
  - HSDC Investment & Management is Wielded
  - Private Investment Might Be Encouraged
  - Business Startup Are Encouraged
  - Entrepreneurial Development to Taught
  - Innovation is Fostered
INNOVATION
What is Innovation Technology?

The Process through which new (or improved) technologies are developed and brought into widespread use.
HSDC Strategy

Startup Paradise

A Shared Vision to Brand Hawaii as: the Destination to Live; Collaborate; and Launch Innovative Companies
“Catalyze the Development of an Innovation Ecosystem that Supports Entrepreneurial High Growth Businesses and Creates High Wage Jobs”
Comprised of:

Inspiring Spaces for Co-Working; Meetings; Trainings & Events; Business & Entrepreneurial Development Programs, Workshops; Community Cultivation & Networking; and Global Connectivity to a Network of Business/Impact Hubs
Collaboration to be Explored

- HCDA Staff to Identify
  - Available & Appropriate Public Lands/Facilities in Kakaako for Business Development
  - Potential for Integration with HCDA/HTDC Development of Innovation Block in Kakaako Makai

- Discussion w/HSDC Staff & Board as to Investment Opportunities & Possible Areas of Collaboration

- If Appropriate, Identify Mechanism & Plan for Collaboration

- Return to Authority to Ratify Any Collaboration Plan & Program
Kakaako Makai Innovation Block

Opportunities & Possibilities
Kakaako Makai is Already Planned as a Community Gathering Place
Kakaako Makai Innovation Block
(aka Lot C)

Project Site Specs
Parking Requirement:
One for each ten students of design capacity, plus one per four hundred square feet of office floor area.

Lot Size: Approx. 5.5 acres

Maximum FAR: 1.5

Allow. Floor Area: 360,000 sf

Maximum Height: 100’
Kakaako Makai Innovation Block

Offers Great Synergy and Connection with the JABSOM, UH Cancer Center & the Kakaako Makai Area
Kakaako Makai Innovation Block Principles
Assets & Capacities

• High Tech Development Corporation
  • History of Tech & New Industry Incubation
  • Operator of Manoa Innovation Center
  • Awarded $3M CIP Appropriation for Planning & Design of New Facilities
    • Working in Concert w/HCDA Staff to Implement

• Hawaii Community Development Authority
  • Lot Owner
  • Project Manager for Planning & Design
    • Working w/HTDC, University of Hawaii to Establish Master Plan for Site
  • Lead & Coordinate Execution of Authority’s 2011 Kakaako Makai Conceptual Master Plan
    • Build Community & Place
    • Foster Economic Development and Learning
Kakaako Makai Innovation Block
Where Community Meets Learning!

Junction of Discovery & Enterprise
To Be Constructed in 3 Phases

- Entrepreneur’s Sandbox (Phase 1)
  - Collaboration Space for Tech & Enterprise
- Innovation Hale (Phase 1)
  - Housing Tech & Enterprise Resources

- Kewalo Incubation Center (Phase 2)
  - High Tech Dev. Corp. Business Growth Facilities
- Regional Parking Facility (Phase 2)
  - Currently ≈ 400 parking stalls at grade
  - Future ≈ 600-900 stall parking structure

- Learning Center (Phase 3)
  - Up to 150,000 sf of facilities
- Keawe Courtyard (Phase 3)
  - Outdoor Gathering Place

Discovery & Teaching Haven
Existing Facilities

- John A. Burns School of Medicine (JABSOM)
  - Educating Health Care Professionals
  - Medical Research
  - Pursuing Asia-Pacific Alliance
  - Study of Native Hawaiian Healing Arts
- University of Hawaii Cancer Center
  - Pursuing “Why and Why Not”
  - Clinical Trials & Research
  - HI Cancer Consortium
  - Shared Community Resource Center
Kakaako Makai Innovation Block

One Big Idea Can Lead to Another!

Coffee, Tea or Think!

Talk, Imagine

Might Be As Simple as Sharing a Cup of Coffee

Put Ideas to Pen & Paper

Innovate

Collaborate

Entrepreneur’s Sandbox
EDA Project

Organize & Make It Happen

Incubate

HTDC Business Start-up
Tech & Enterprise Resources/Services

Innovation Makes a Good Bedfellow for Technology and Enterprise/Resource Companies
Entrepreneur's Sandbox

**EDA Grant Program**

- EDA = Federal Economic Development Administration
- EDA Sponsored Grant Program to Spur New Industry, Ideas & Jobs
- FY 15 Grant Program
- Joint Application Submitted
  - High Tech Development Corporation & HCDA
  - MOA Documenting Joint Application Considered Today
- **EDA Has Awarded the Grant to HTDC/HCDA**
  - Construction Award of Up to $3M Match from EDA
- Award Envisions Partnering w/Local Business to Provide Match & Construct Entrepreneur’s Sandbox
  - 13,500 sf Collaboration Center & Hub
What is the Entrepreneur’s Sandbox?

*Kakaako Makai Innovation Block*

- Phase 1 Construction Project
- Similar to the Iolani School Sullivan Center for Innovation & Leadership
  - Innovation Lab
  - Flexible Project Spaces
  - Collaboration Classrooms
  - Digital Media Lab
  - Roof Garden
  - Research Lab
- Final Design For Entrepreneur’s Sandbox Still to be Determined
- What It is NOT:
  - A Replacement for the HTDC MIC Innovation Campus
  - Incubator for New Early Stage Tech Companies
  - Access to Support Facilities and Business Development
Innovation Hale

• Phase 1 Construction Project
• Stand-Alone Commercial Office & Retail Mall Development
• Housing Market Based Tech & Enterprise Organizations
• Anchor Tenants
  • Fisher Hawaii – Office, School & Education Resources & Supply Firm
  • DataHouse - Information Technology Development & Application

• Other Potential Tenants
  • Health Care Services
  • Technology Services
  • Education Resource Services
  • Data Services
Innovation Hale Anchor Tenants

DataHouse Hawaii

• Information Technology Company
  • Software Application Development
  • Host/System Integration
  • Managed Services

• Expertise & Innovation
  • Banking
  • Education
  • Government
  • Healthcare

Fisher Hawaii

• Home & Office Product Supply Warehouse
  • Business Machines
  • Home & Office Furniture
  • Household & Industrial Products
  • Storage & Shelving

• Resource Tool Source
  • Arts & Craft Supplies
  • Educational Tools
  • School Supplies

• ED Resource Center
  • Curriculum Development/Virtual Book Store

• Host Culinary Pop Up Enterprise
Innovation Hale (Low Rise)
Two Levels (+/- 20,000 SF/Level)
Kewalo Incubation Center
A State of Hawaii High Technology Development Corporation Facility

• Phase 2 Construction Project
• HTDC Provides Key Resources to Help Develop & Retain High Tech in Hawaii
• KIC to House Business Growth & Development Program
  • Caters to Start-Ups
  • Space Rents are Back Loaded
  • Customized & Flexible Spaces Available
  • Shared Space & Services
    • Conference Rooms
    • Back of Office Services
  • Other Enterprise Services Available!
• Link/Liaison with Strategic Partners, Networking, Marketing & Business Mentoring Programs
Kewalo Incubation Center
Four Levels (+/- 10,000 SF/Level)

Renderings for Illustrative Purposes Only
Learning Center

• Phase 3 of 3 Stage Construction Timetable

• Stand-Alone Building Site Available
  • Featuring Views of Pacific Ocean, Kakaako Waterfront Park, Diamond Head, and Kewalo Basin Harbor
  • 150,000 sf of Floor Area Allocated
  • Zoned for 100’ Height

• Adjacent to Shared Parking Facility to be Constructed as a Part of Phase 2 of the Kakaako Makai Innovation Block

• Already Incorporated into Parcel Master Plan & Environmental Assessment
Keawe Courtyard

• Phase 3 Construction Project
• A Place to Gather Your Thoughts or
• Outdoor Venue for Music & Presentation
• Great for Sharing Shaved Ice After a Hard Day of Work!
Kakaako Makai Innovation Block Parking Structure

- Phase 2 Construction Project
- Parcel is Currently at-grade HCDA Parking Facility
- Portion of Facility will Service Phase 1 Development
- 600-900 Stall Parking Structure to be Constructed by HCDA as a Part of Phase 2 Construction
- Sufficient to Serve all of Kakaako Makai Innovation Block & Adjacent JABSOM and UH Cancer Center Parking Requirements