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BEFORE THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY
OF THE STATE OF HAWAII

In re Application of

VICTORIA WARD, LIMITED

For a Planned Development Permit for Land
Block 2, Project 3 (Victoria Place).

Application No. KAK 19-069

VICTORIA WARD, LIMITED'S PROPOSED
FINDINGS OF FACT AND CONCLUSIONS
OF LAW, AND DECISION AND ORDER;
CERTIFICATE OF SERVICE

**VICTORIA WARD, LIMITED'S PROPOSED FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND DECISION AND ORDER**

On July 17, 2019, VICTORIA WARD, LIMITED ("VWL") submitted an application ("Application") for a planned development permit pursuant to Hawaii Revised Statutes ("HRS") Chapter 206E, Hawaii Administrative Rules ("HAR") Chapter 15-22 ("Vested Rules") and HAR Chapter 15-219, for a proposed residential high-rise condominium project known as Land Block 2, Project 3 of the Ward Neighborhood Master Plan (Master Permit No. PL MASP 13.1.3) ("Project," or "Victoria Place"), which would replace the currently-approved Gateway Project (KAK 14-066).

Victoria Place is located within the Kakaako Community Development District (“KCDD”) on Land Block 2 bound by Auahi Street, Kamakee Street, Ala Moana Boulevard, and Ward Avenue, further currently identified as Tax Map Key (“TMK”) (1) 2-3-001:131 (the location of the previously-approved Gateway Diamond Head building often referred to as the Cylinder”), and a portion of TMK (1) 2-3-001:130.

A re-subdivision of four TMKs within Land Block 2 (TMK (1) 2-3-001:131, TMK (1) 2-3-001:130, TMK (1) 2-3-001:129, and TMK (1) 2-3-001:128) will be completed to create: 1) a separate TMK parcel of approximately 102,427 square feet for the Victoria Place site; 2) a larger makai Victoria Ward Park area parcel (i.e., larger than the existing TMK (1) 2-3-001:130) ; and 3) a parcel for a future development between the west (‘Ewa) side of the Victoria Ward Park makai area and Ward Avenue.

The Hawaii Community Development Authority (“HCDA” or the “Authority”), having carefully heard, considered and examined the testimony, evidence, related pleadings, and argument of counsel presented during the hearing held on September 4, 2019, along with the agency and public comments submitted to the Authority, hereby makes the following Findings of Fact (“FOF”), Conclusions of Law (“COL”), and Decision and Order (“D&O”).

FINDINGS OF FACT

PROCEDURAL HISTORY

1. On July 17, 2019, VWL submitted its application for a planned development permit for the Project (“Application”). *See generally* Exhibit (“Ex.”) A (Application).
2. On July 23, 2019, HCDA deemed the Application complete.

3. On July 23, 2019, HCDA posted the Application on its website in accordance with HRS § 206E-5.5(2).

4. On July 23, 2019, HCDA published a notice of public hearings pursuant to HRS §§ 1-28.5, 92-41, 206E-5.5, and 206E-5.6, and HAR § 15-219-27.

5. On July 30, 2019, HCDA published an amended notice of public hearings to correct the reference to the TMKs for the Project.

6. In accordance with the provisions of HRS § 206E-5.6, HCDA notified the president of the Senate and speaker of the House of Representatives of the Hawaii State Legislature of the public hearings.

7. HCDA notified the associations of apartment owners of residential buildings in the KCDD adjacent to the Project, surrounding landowners and businesses, the Ala Moana/Kakaako Neighborhood Board, the Kakaako Business and Landowners Association and the Kakaako Improvement Association of the Application and the public hearings. HCDA also notified various elected officials and state and county agencies of the Application and the public hearings.

8. HCDA also notified approximately one hundred and six (106) individuals and organizations that have shown interest in development in Kakaako in the past and who have requested that they be kept informed of development activities in the KCDD.

9. On July 23, 2019, via first class United States mail postage prepaid, VWL notified owners and lessees of record of real property located within a three hundred foot radius of the perimeter of the Project identified from the most current list available from the City and County

of Honolulu Real Property Assessment Division. *See* Ex. B (Victoria Ward, Limited's Certification, Re: Notification to Owners and Lessees of Record of Real Property Located Within a Three Hundred Foot Radius Pursuant to HRS § 206E-5.5).

10. The mailed notifications included, without limitation, (a) project specifications; and (b) procedures for intervention and a contested case hearing. *See* Ex. B (Victoria Ward, Limited's Certification, Re: Notification to Owners and Lessees of Record of Real Property Located Within a Three Hundred Foot Radius Pursuant to HRS § 206E-5.5).

11. The amended notice of public hearings noted that the deadline to intervene was August 19, 2019.

12. No parties sought to intervene in this proceeding.

13. On August 22, 2019, HCDA held a pre-hearing conference at its office at 547 Queen Street, Honolulu, Hawaii 96813.

14. In addition to HCDA's staff, VWL attended the pre-hearing conference.

15. On August 23, 2019, HCDA issued a pre-hearing order, requiring the submission of witness lists, exhibit lists and exhibits by the close of business on August 26, 2019. *See* Application No.: KAK 19-069 Pre-Hearing Order dated August 23, 2019 ("Pre-Hearing Order").

16. On August 26, 2019, VWL submitted its witness list, exhibit list, and exhibits pursuant to the Pre-Hearing Order.

17. On September 3, 2019, VWL submitted its First Amended Exhibit List and four additional exhibits, X, Y, Z and AA, which were submitted in response to an agency comment letter that VWL received from HCDA on August 30, 2019.

18. The following agencies submitted comments regarding the Project to HCDA:
 - a. City and County of Honolulu Fire Department (“HFD”) via its letter dated August 7, 2019;
 - b. State of Hawaii Department of Transportation (“DOT”) via its letter dated August 8, 2019;
 - c. City and County of Honolulu Board of Water Supply (“BWS”) via its letter dated August 13, 2019; and
 - d. City and County of Honolulu Office of Climate Change, Sustainability and Resiliency (“City Office of Climate Change”) via its letter dated August 14, 2019;
19. **September 4, 2019 Hearing.** On September 4, 2019, pursuant to the Notice of Public Hearing as amended, HCDA held the presentation hearing on the Application at its office at 547 Queen Street, Honolulu, Hawaii 96813 (“September 4, 2019 Hearing”).
20. At the September 4, 2019 Hearing, HCDA afforded VWL an opportunity to present information and other evidence regarding the Project. *See generally* Transcript of Proceedings (“Tr.”) (September 4, 2019).
21. At the September 4, 2019 Hearing, HCDA afforded the public an opportunity to present testimony on the Project. *See generally* Tr. (September 4, 2019).
22. At the September 4, 2019 Hearing, the HCDA admitted into evidence all of the following exhibits, including written direct testimony, offered and presented by VWL:

Exhibit	Exhibit Description
A	Permit Application, Exhibits and Appendices
	Appendix A - LEED Checklist
	Appendix B - SHPD Letter
	Appendix C - Traffic Impact Report
	Appendix D - Infrastructure Availability Report
	Appendix E - Shadow & Wind Studies
	Appendix F - Wind Consultant Letter
	Appendix G - Acoustical Consultant Letter
B	Certification Re: Notification to Owners and Lessees of Record of Real Property Located Within a Three Hundred Foot Radius Pursuant to HRS 206E-5.5
C	Public Facilities Agreement for Land Block 2, Project 3
D	Race Randle Written Direct Testimony
E	Todd Apo Written Direct Testimony
F	Lee Cranmer Written Direct Testimony
G	Kimi Yuen, LEED AP BD+C Written Direct Testimony
H	Kimi Yuen, LEED AP BD+C Curriculum Vitae
I	David Akinaka, AIA Written Direct Testimony
J	David Akinaka, AIA Curriculum Vitae
K	Kevin Goto, P.E., LEED AP Written Direct Testimony
L	Kevin Goto, P.E., LEED AP Curriculum Vitae
M	Cathy Leong, P.E. Written Direct Testimony
N	Cathy Leong, P.E. Curriculum Vitae
O	Matt McDermott, M.A. Written Direct Testimony
P	Matt McDermott, M.A. Curriculum Vitae
Q	Chad Takesue Written Direct Testimony
R	Chad Takesue Curriculum Vitae
S	Paul Brewbaker, Ph.D., CBE Written Direct Testimony
T	Paul Brewbaker, Ph.D., CBE Curriculum Vitae
U	Will Serve Letter from Hawaiian Electric Company dated July 29, 2019 (supersedes letter dated May 6, 2019)
V	Victoria Place Planned Development Permit Slide Presentation
W	Paul Brewbaker, Ph.D., CBE Slide Presentation
X	Letter from Howard Hughes Corporation to State of Hawaii Department of Transportation dated February 9, 2015
Y	Letter from State of Hawaii Department of Transportation to City and County of Honolulu Department of Planning and Permitting dated February 25, 2015
Z	Letter from Howard Hughes Corporation to State of Hawaii Department of Transportation dated March 9, 2015

AA	Final Subdivision Map for Lot 39 of Land Court Consolidation 53 (Approved March 13, 2015) (With six foot wide road widening setback highlighted)
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See VWL's First Amended Exhibit List; Tr. (September 4, 2019) at 15-16.

23. At the September 4, 2019 Hearing, VWL presented the testimony of the following witnesses orally and/or through written testimony:

	Witness	Affiliation
1.	Race Randle	Senior Vice President, Development The Howard Hughes Corporation
2.	Todd Apo	Senior Vice President of Community Development The Howard Hughes Corporation
3.	Lee Cranmer	Senior Director, Development The Howard Hughes Corporation
4.	Kimi Yuen, LEED AP BD+C	Principal PBR Hawaii & Associates, Inc.
5.	David Akinaka, AIA	Principal Ferraro Choi and Associates Ltd.
6.	Kevin Goto, P.E., LEED AP	Associate Director of Civil Engineering / Project Manager Wilson Okamoto Corporation
7.	Cathy Leong, P.E.	Associate Director of Traffic Engineering Wilson Okamoto Corporation
8.	Matt McDermott, M.A.	Project Manager / Principal Investigator Cultural Surveys Hawaii, Inc.
9.	Chad Takesue	Partner Locations
10.	Paul Brewbaker, Ph.D., CBE	Principal and Economist TZ Economics

See generally Tr. (September 4, 2019); VWL Exhibits D, E, F, G, I, K, M, O, Q, and S.

24. HCDA qualified the following witnesses as experts in their designated areas of expertise, as follows:

- a. Kimi Yuen, LEED AP BD+C - urban planning;

- b. David Akinaka, AIA - architecture;
- c. Kevin Goto, P.E., LEED AP - civil engineering;
- d. Cathy Leong, P.E. - traffic engineering;
- e. Matt McDermott, M.A. - archaeology;
- f. Chad Takesue - real estate marketing, supply and demand; and
- g. Paul Brewbaker, Ph.D., CBE - economics.

See Tr. (September 4, 2019) at 16-17.

25. At the September 4, 2019 Hearing, five members of the public provided oral comments. *See generally* Tr. (September 4, 2018).

26. At the September 4, 2019 Hearing, HCDA closed the evidentiary record of this proceeding. *See* Tr. (September 4, 2019) at 111.

WARD NEIGHBORHOOD MASTER PLAN OVERVIEW

27. **Approval of the Ward Master Plan.** On April 2, 2008, VWL submitted an application for a master plan permit, pursuant to the Vested Rules, to obtain a master plan permit for approximately 60 acres of land in the KCDD.

28. The master plan provisions of the Vested Rules were intended to “encourage timely development, reduce the economic cost of development, allow for the orderly planning and implementation of public and private development projects, and provide a reasonable degree of certainty in the development approval process.” HAR §15-22-200(a).

29. A further purpose under the Vested Rules was to “derive public benefits, such as affordable housing, relocation assistance, public parking, off-site infrastructure and other public

facility improvements, which are generally provided by government and would not otherwise be required from private developers.” HAR §15-22-200(b).

30. As set forth in the Vested Rules, “[a]n approved master plan will provide assurances to landowners, developers and investors that projects proposed within a master planned area that are in accordance with the applicable mauka area rules in effect at the time the master plan is approved will not be restricted or prohibited at the permit stage by subsequent changes to those rules.” HAR §15-22-200(c). Furthermore, “once [the landowners or developers] have met or agreed to meet all of the terms and conditions of the master plan approval, their rights to development permit approval in accordance with the development rules in effect at the time of master plan approval shall be vested for a specified period.” HAR § 15-22-200(c).

31. The Vested Rules also provide that master planning allows “greater flexibility in the development of lots within master planned areas than would otherwise be possible through the normal lot-by-lot development approach.” HAR §15-22-200(d).

32. On January 14, 2009, pursuant to the Vested Rules, HCDA approved the Ward Neighborhood Master Plan (“Ward Master Plan”), subject to 16 conditions (“Ward Master Plan D&O”). *See* HCDA File No. PL MASP 13.1.3.

33. On May 6, 2009, a Nunc Pro Tunc Order was approved to resolve a clerical error in the Ward Master Plan D&O. Subsequently, and as required by one of the conditions of the Ward Master Plan D&O, HCDA and VWL executed a Master Plan Development Agreement for

the Ward Master Plan, effective December 30, 2010 (“Development Agreement”). *See* HCDA File No. PL MASP 13.1.3.

34. **Ward Master Plan area, vision and flexibility of phasing.** The approved Ward Master Plan and Development Agreement cover approximately 60 acres of land within the KCDD, including the Project area. Development under the Ward Master Plan is to proceed in phases through planned developments. Phases are to occur by and within the various identified Land Blocks, labeled one (1) through six (6), each of which form “development lots” pursuant to the Vested Rules. *See* Ward Master Plan.

35. While the Ward Master Plan identified “potential phasing strategies,” “no specific phasing sequence is defined” in the Ward Master Plan in order to allow development to be “implemented in response to market opportunities.” This was also set forth in the Development Agreement, which provides that “the phasing and timing of development under the Ward Master Plan is intended to be flexible to give VWL the ability to adapt to economic and market conditions.” HCDA File No. PL MASP 13.1.3.

36. On October 10, 2012, HCDA issued the Declaratory Order Re: Applicability of Condition No. 4 of Nunc Pro Tunc Order Re: Hearing Officer’s Proposed Findings of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit, Issued January 14, 2009 (“Declaratory Order”).

37. The Ward Master Plan envisioned the revitalization of Kakaako and the transformation of the Ward Master Plan area into a vibrant, mixed-use neighborhood. The Ward Master Plan offered significant public benefits including:

- a. Development of a range of housing opportunities, including reserved housing, in the urban core, close to the Honolulu business district, the Capitol district, and Waikiki;
- b. Creation of a pedestrian friendly street network, with canopy trees, and re-designed streets as landscaped promenades;
- c. Creation of a smart growth community, where residents can live, work, and play, and where the general public can enjoy street level activities nearby various modes of transportation systems;
- d. Provision of over 5.5 acres of open space and nearly 5.2 acres of public facilities, including the Central Plaza (now known as Victoria Ward Park), which creates open space in the neighborhood, is available for community gatherings and celebrations, will be further defined by appropriate landscaping and walkways, and will be maintained without expense to the public;
- e. An infusion of approximately \$11.8 billion in economic value during development, \$701.1 million of State tax revenues and over 4,250 jobs created;
- f. Investment of approximately \$300 million in street, infrastructure, and utilities improvements; and
- g. Preservation and advancement of culture, community, and the environment in the heart of Honolulu.

See HCDA File No. PL MASP 13.1.3.; Ex. D (Race Randle Written Direct Testimony).

38. **Fulfillment of Ward Master Plan conditions.** VWL has fulfilled the conditions of the Ward Master Plan D&O requiring submission of the following documents prior to its initial development permit application:

- a. The Development Agreement;
- b. Declaratory Order, which fulfilled Condition No. 4 of the Master Plan Permit regarding amendments to the existing Mauka Area Plan;
- c. Historic building inventory (Fung Associates June 2012);
- d. Cultural impact assessment (Cultural Surveys Hawaii May 2012);
- e. Predictive archaeological model (Cultural Surveys Hawaii May 2012);
- f. Archaeological inventory survey plan (Cultural Surveys Hawaii December 2012);
- g. Regional traffic study (Wilson Okamoto October 2012); and
- h. Sustainability guidelines (April 2013).

See PL MASP 13.1.3; Ex. D (Race Randle Written Direct Testimony).

39. In addition to preparing the sustainability guidelines, VWL entered the Ward Master Plan into the US Green Building Council's program LEED for Neighborhood Development ("LEED-ND"). The LEED-ND criteria awards credits for a neighborhood's integration and sustainability through pedestrian orientation, efficient land use, and transportation infrastructure. As a result of its many inherently sustainable attributes and commitments made to make all future projects sustainable, the Ward Master Plan was awarded a

Platinum pre-certification rating, making it the only project to garner this achievement in Hawaii.

Ex. D (Race Randle Written Direct Testimony).

40. The Project site is currently vacant; however, VWL has, and will, continue to fulfill its requirements under the Ward Master Plan D&O regarding tenant relocation. Relocation assistance is required to be provided to affected tenants, first by looking for opportunities within the Ward Master Plan area to the extent feasible, and by working with a commercial brokerage for alternative spaces. Ultimately, the redevelopment of the Ward Master Plan area is intended to benefit existing and future tenants. Ex. D (Race Randle Written Direct Testimony).

41. **Ward Master Plan projects.** To date, the following projects and associated planned development permits have been approved by HCDA under the Ward Master Plan:

- a. Land Block 5, Project 1 (KAK 13-038; July 17, 2013) Ke Kilohana (completed);
- b. Land Block 2, Project 1 (KAK 13-036; August 21, 2013) Waiea (completed);
- c. Land Block 3, Project 1 (KAK 13-037; August 21, 2013) Anaha (completed);
- d. Land Block 2, Project 2 (KAK 14-066; November 25, 2014) Gateway (permitted; will be withdrawn upon approval of the Project);
- e. Land Block 1, Project 2 (KAK 14-074; February 4, 2015) Ae'o (completed);
- f. Land Block 1, Project 3 (KAK 16-075; January 13, 2017) 'A'ali'i (permitted and under construction); and

g. Land Block 1, Project 4 (KAK 18-038; August 9, 2018) Kō'ula (permitted and under construction).

Ex. A (Application) at 10; Ex. D (Race Randle Written Direct Testimony).

42. Advancements under the Ward Master Plan to date also include:

- a. The 2014 completion of the retail construction at Ward Village Shops adjacent to its district parking structure;
- b. The \$24 million renovation of the iconic IBM building to create a master plan information center and courtyard;
- c. The opening of Victoria Ward Park (formerly known as the Central Plaza);
- d. The revitalization of Kewalo Basin harbor, with over \$20 million of improvements; and
- e. The newly-opened Hawaii flagship Whole Foods Market, supporting local farmers and a more sustainable future in Hawaii while also providing a much-needed grocery store in Kakaako.

Ex. D (Race Randle Written Direct Testimony); Ex. E (Todd Apo Written Direct Testimony).

43. VWL is now seeking a planned development permit for Victoria Place, which is the subject of this proceeding.

44. **Floor area ratio.** The following table is a summary of the floor area and floor area ratios ("FAR") under the Ward Master Plan Addendum dated September 12, 2008, and under the Ward Master Plan implementation to date, which includes the proposed Project (but excludes Gateway):

FLOOR AREA							
MASTER PLAN ADDENDUM 9/12/2008	LAND BLOCK / Development Lot 1	LAND BLOCK / Development Lot 2	LAND BLOCK / Development Lot 3	LAND BLOCK / Development Lot 4	LAND BLOCK / Development Lot 5	LAND BLOCK / Development Lot 6	TOTAL
Land Area							
Land Area (acres)	20.93	8.15	6.20	5.30	17.84	1.53	59.96
Land Area (SF)	911,887	355,130	270,159	230,706	777,167	66,626	2,611,675
Existing Streets (SF)	-	-	-	-	155,296	-	155,296
Net Development Area (SF)	911,887	355,130	270,159	230,706	621,871	66,626	2,456,379
ZSF @ 3.8 FAR	3,465,171	1,349,494	1,026,604	876,683	2,363,110	253,178	9,334,240
9/12/2008 Master Plan Addendum							
Planned Gross Building Area (SF)	3,046,296	1,537,651	777,105	1,018,650	2,835,404	119,134	9,334,240
Open Space Required (SF)	91,189	35,513	27,016	23,071	62,187	6,663	245,638
Forecast Public Facilities Required (SF)	104,981	55,391	27,068	37,157	101,580	3,876	330,053
Planned Area Transfer (SF)	(418,875)	188,157	(249,499)	141,967	472,294	(134,044)	-
Planned Area Transfer (%)	-12%	14%	-24%	16%	20%	-53%	
PLANNED FAR 9/12/2008	3.34	4.33	2.88	4.42	4.56	1.79	3.80
MASTER PLAN IMPLEMENTATION	LAND BLOCK / Development Lot 1	LAND BLOCK / Development Lot 2	LAND BLOCK / Development Lot 3	LAND BLOCK / Development Lot 4	LAND BLOCK / Development Lot 5	LAND BLOCK / Development Lot 6	TOTAL
Existing Improvements to Remain							
[LB4] IBM Building	-	-	-	62,500	-	-	62,500
MUZ 16-00 [LB1] Ward Entertainment Cent	213,840	-	-	-	-	-	213,840
MUZ 93-04 [LB3] Ward Village Shops	-	-	129,778	-	-	-	129,778
Approved Development Permits (SF)							
KAK 13-036 [LB2-P1] Waiea	-	522,654	-	-	-	-	522,654
KAK 13-037 [LB3-P1] Anaha	-	-	649,168	-	-	-	649,168
KAK 13-038 [LB5-P1] Ke Kihohona	-	-	-	-	508,829	-	508,829
KAK 14-066 [LB2-P2] Gateway-Towers	-	784,014	-	-	-	-	784,014
KAK 14-074 [LB1-P2] Ae'o	624,748	-	-	-	-	-	624,748
KAK 16-075 [LB1-P3] 'A'ali'i	612,272	-	-	-	-	-	612,272
KAK 18-038 [LB1-P4] Koula	697,570	-	-	-	-	-	697,570
Pending Development Permit (SF)							
KAK 19-069 [LB2-P3] Victoria Place	-	556,305	-	-	-	-	556,305
Subtotal Approved & Pending (SF)	2,148,430	1,078,959	778,946	62,500	508,829	-	4,577,664
Area Planned (SF)							
Residential/Commercial Area Planned (SF)	1,161,494	499,941	-	963,200	1,314,096	80,931	4,019,662
Industrial Area Planned (SF)	-	-	-	-	120,637	19,008	139,645
Area Planned (SF)	1,161,494	499,941	-	963,200	1,434,733	99,939	4,159,307
Projected Total Floor Area (SF)	3,309,924	1,578,900	778,946	1,025,700	1,943,562	99,939	8,736,971
Projected Floor Area Ratio	3.63	4.45	2.88	4.45	3.13	1.50	3.56
Projected Floor Area Transfer	2%	25%	-19%	25%	-12%	-58%	0%
Additional Industrial Area Allowed (SF)							597,269
Total Floor Area Allowed (SF)							9,334,240
FAR Allowed							3.80
Change from 9/12/2008							-

NOTE: KAK 14-066 [LB2-P2] Gateway Towers will be withdrawn upon issuance of the Development Permit for KAK 19-069 [LB2-P3] Victoria Place.

Ex. A (Application) at 30 (Table 5-4).

45. With the Project, which has a floor area of 556,305 square feet, the total floor area approved and pending within the Ward Master Plan area (excluding Gateway) will be 4,577,664 square feet. Ex. A (Application) at 30 (Table 5-4).

46. After the development of the Project, VWL will have projected and planned remaining floor area of 4,159,307 square feet. Ex. A (Application) at 30 (Table 5-4).

47. The industrial area contemplated in the Ward Master Plan is planned to be located in Land Block 5 and Land Block 6. Ex. A (Application) at 30.

PROJECT DESCRIPTION

48. **Project name.** The name of the Project, Victoria Place, pays homage to Victoria Robinson Ward, whose stewardship was instrumental in maintaining her family's lands as a cultural and community oasis in Kakaako. Ex. A (Application) at 1; Ex. E (Todd Apo Written Direct Testimony).

49. **Location.** Victoria Place is located on Land Block 2 of the Ward Master Plan. Land Block 2 is bound by Auahi Street to the north (mauka), Kamake'e Street to the east (Diamond Head), Ala Moana Boulevard to the south (makai), and Ward Avenue to the west ('Ewa). Land Block 2 totals 8.15 acres and comprises one development lot, which is governed by a joint development agreement. Ex. A (Application) at 17; Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

50. The Project site itself is located between Auahi Street and Ala Moana Boulevard, and immediately to the west ('Ewa) of Waiea. The site is on TMK (1) 2-3-001:131 (the location

of the previously approved Gateway Diamond Head building referred to as the "Cylinder"); and a portion of TMK (1) 2-3-001:130. Ex. A (Application) at 17.

51. Re-subdivision of four TMKs within Land Block 2 (TMK (1) 2-3-001:131, TMK (1) 2-3-001:130, TMK (1) 2-3-001:129, and TMK (1) 2-3-001:128) will be completed to create: 1) a separate TMK parcel of approximately 102,427 square feet for the Victoria Place site; 2) a larger makai Victoria Ward Park area parcel (*i.e.*, larger than TMK (1) 2-3-001:130); and 3) a parcel for a future development between the west ('Ewa) side of the Victoria Ward Park makai area and Ward Avenue. Ex. A (Application) at 17 and Exhibit 3.

52. The majority of the Victoria Place site is vacant, except for a temporary parking lot along Auahi Street, which does not provide parking required for any Ward Village development. Ex. A (Application) at 17.

53. **Zoning.** Pursuant to the Ward Master Plan D&O and the Declaratory Order, the Project site has a single mixed-use zoning designation, which allows flexibility in designing and developing the mixed use community that was approved under the Ward Master Plan. *See* Ward Mater Plan D&O; Declaratory Order; Ex. A (Application) at 24 (Table 5-2).

54. **Building.** The building is estimated to include approximately 556,305 square feet of new residential floor area with a tower foot print of approximately 14,500 square feet over a site of approximately 102,427 square feet in compliance with HAR §15-22-116. Ex. A (Application) at 27.

55. The building will be oriented in a mauka-makai direction to preserve public view planes and complies with the guidelines of HAR § 15-22-143(a). Ex. A (Application) at 28.

56. The building complies with the height limit set forth in HAR §15-22-116, with a proposed height of 400 feet (plus rooftop elements). Ex. A (Application) at 27.

57. In total, the building is anticipated to include approximately 350 homes. It will provide approximately 64,105 square feet of indoor and outdoor recreation space, which more than satisfies the 55 square foot per unit requirement set forth in HAR §15-22-65. Ex. A (Application) at 25, 29.

58. VWL is not requesting any modifications to the Vested Rules for the Project.

59. **Comparison with Gateway.** Victoria Place will be in the approximate space of the Gateway Diamond Head building (commonly referred to as the Cylinder). Upon approval of the Victoria Place permit, the Gateway planned development permit (KAK 14-066) will be withdrawn. Ex. A (Application at 29; Table 5-3); Ex. D (Race Randle Written Direct Testimony).

60. Among other changes from Gateway, Victoria Place will include a larger, wider open space connecting Auahi Street to Ala Moana Boulevard, and instead of two residential communities at Gateway over a site area of approximately 191,000 square feet, Victoria Place will have a single residential community over a site area of approximately 102,000 square feet. Ex. A (Application at 29; Table 5-3); Ex. D (Race Randle Written Direct Testimony).

61. In addition, by re-planning the area and the uses within it, VWL has been able to reduce the podium height at Victoria Place to under 45 feet and terrace the podium down to the park. On the 'Ewa side, the podium edge steps down to a lobby structure with a series of single-story amenity spaces, including courtyards and casual meeting spaces that provide a transition of

scale with the public park and merges the indoor and outdoor spaces. Ex. A (Application at 29; Table 5-3); Ex. D (Race Randle Written Direct Testimony).

62. The plan to make the makai section of Victoria Ward Park a passive experience, while focusing the activities on the mauka section of the park, will provide the community with choices in outdoor landscaped experiences. Ex. E (Todd Apo Written Direct Testimony).

63. In contrast to Kō'ula's retail connection, Victoria Place will have a terraced landscaped transition, helping to establish the passive, peaceful park experience. Focusing retail opportunities mauka of Auahi Street, and not in Victoria Place, also creates a better overall retail experience – for shoppers and business owners – throughout Ward Village. Ex. E (Todd Apo Written Direct Testimony).

64. The Gateway project has towers approximately 181 feet apart, while Victoria Place's tower element will be over 300 feet from the future tower on Block B. Ex. A (Application at 29; Table 5-3); Ex. D (Race Randle Written Direct Testimony).

65. In sum, as compared to Gateway, Victoria Place will be on a smaller site, have less floor area, and will include substantially more open space. Ex. A (Application at 29; Table 5-3); Ex. D (Race Randle Written Direct Testimony).

66. **FAR.** The projected FAR and the planned floor area for Land Block 2 is provided in the table below. The FAR for approved permits are subject to revisions as plans are finalized for construction:

Ward Master Plan – Land Block 2	
Land Area	8.15 acres
Projected Floor Area Ratio (FAR)	4.45
Projected Total Floor Area	1,578,900 SF
Projects	
Project 1 (KAK 13-036) Waiea	522,654 SF
Project 2 (KAK 14-066) Gateway Towers*	784,014 SF
Project 3 (KAK 19-069) Victoria Place	556,305 SF
Planned Area for Land Block 2	499,941 SF

*KAK 14-066 will be withdrawn upon the approval of the Project.

Ex. A (Application) at 30.

67. **Tower Spacing.** Pursuant to HAR §15-22-143(b), to the extent practicable, tower spacing should be 300 feet between the long parallel sides of neighboring towers and 200 feet between the short side of towers. The Project complies with HAR § 15-22-143(b) because the long side of the Project is at least 300 feet from the nearest tower (Waiea) and the short side of the Project is at least 200 feet from the nearest tower (Kō‘ūla). Ex. A (Application) at Exhibit 26; Ex. D (Race Randle Written Direct Testimony).

68. **Archaeological and Historic Resources.** Cultural Surveys Hawai‘i (“CSH”) conducted an archaeological inventory survey (“AIS”) for the area of Land Block 2 that includes the Victoria Place site. The State Historic Preservation Division (“SHPD”) accepted the AIS report on October 20, 2014. Ex. A (Application) at 33, Appendix B; Ex. O (Matt McDermott, M.A. Written Direct Testimony).

69. Two historic properties were identified within the Project site:

- a. State Inventory of Historic Places (“SIHP”) # 50-80-14-7655 consisting of subsurface historic salt pan remnants, documented as laminated organic material and associated man-made berms. The historic property reflects land-use activities related to historic salt production; and
- b. SIHP # 50-80-14-7658 consisting of buried historic surfaces, including asphalt, concrete, coral and tar pavement, oil-rolled surfaces, and fence-lines associated with the historic development of the project area.

Ex. O (Matt McDermott, M.A. Written Direct Testimony).

70. Subsequent to the AIS report, CSH prepared an archaeological monitoring plan (“AMP”) addressing the area of the Victoria Place site, combined with the additional area of Land Block 2 that would have comprised the Gateway site. SHPD accepted the AMP on November 18, 2014. On November 19, 2014, SHPD accepted an archaeological data recovery plan (“ADRP”) for the area covering the Victoria Place and including the rest of the Gateway site. The ADRP addresses State Historic Property (SIHP) # 50-80-14-7655 (a historic salt pan complex). Ex. A (Application) at 33, Appendix B; Ex. O (Matt McDermott, M.A. Written Direct Testimony).

71. CSH completed the archaeological data recovery work for SIHP # 50-80-14-7655 on March 4, 2015. SHPD then accepted an End of Fieldwork Letter Report for Archaeological Data Recovery on August 8, 2017. Ex. A (Application) at 33, Appendix B; Ex. O (Matt McDermott, M.A. Written Direct Testimony).

72. In a letter dated July 9, 2019, SHPD formally acknowledged compliance with Chapter 6E, HRS (the State of Hawai'i Historic Preservation Program) for the Victoria Place site. Ex. A (Application) at 33, Appendix B; Ex. O (Matt McDermott, M.A. Written Direct Testimony).

73. **Planned HART Station and Guideway Easement.** The Project is not adjacent to the planned Kakaako HART station and guideway easement. Ex. A (Application) at 18. Victoria Ward Park (mauka and makai) will provide access to the future HART elevated rail line. Ex. A (Application) at 18, Exhibit 1. The Project is also compatible with transit oriented development principles. Ex. A (Application) at 21; Ex. D (Race Randle Written Direct Testimony).

74. **Mid-Block Connectivity.** As desired by HCDA, the Ward Master Plan includes mid-block vehicular and pedestrian access in both the mauka-makai and Diamond Head-ʻEwa directions. Within Land Block 2, Victoria Ward Park makai will provide pedestrian connectivity with the mauka area of Victoria Ward Park and the surrounding residences and commercial areas. Ex. A (Application) at 18, Figure 3-2, Figure 4-1.

75. **Conformance with Urban Design/Planning Principles.** Significant urban design and planning attributes impact the Project site, including the adjacent Victoria Ward Park (makai); the transformation of Auahi Street into a pedestrian promenade (with a realignment to provide a direct connection to Pohukaina Street); preservation of mauka-makai views and existing view corridors on Ward Avenue and Kamakee Street; the creation of a new connective, and non-required view plane through Victoria Ward Park; the enhancement of streetscapes; and

the reduction in the number of towers planned in Land Block 2 (as well as under the Ward Master Plan as a whole), which requires efficient design and location to fully utilize the community benefits of a live-work-play neighborhood. Ex. A (Application) at 5-9, 14; Ex. D (Race Randle Written Direct Testimony); Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. I (David Akinaka, AIA Written Direct Testimony).

76. **Open Space.** Pursuant to HAR §15-22-64, ten percent of the Project site must be designated as open space. The Project triggers an open space requirement of approximately 10,243 square feet. The ground floor of the Project will provide approximately 15,590 square feet of open space, which exceeds this requirement by 52 percent. Ex. A (Application) at 20, 25.

77. **Platform.** The platform height will be 43 feet, 5 inches (plus any permitted building elements or features) and complies with HAR §15-22-62. Ex. A (Application) at 29 (Table 5-3), Exhibits 15-25.

78. **Off street parking.** Pursuant to HAR §15-22-67, the Project is required to provide a minimum of 465 residential parking spaces. The Project will include 593 parking spaces for resident and resident guest use. Ex. A (Application) at 20, 32, Exhibit 7, Exhibit 14; Ex. Q (Chad Takesue Written Direct Testimony).

79. While Kakaako has a number of accessible transit options, the availability and number of parking spaces remains a significant and important factor in a buyer's decision to purchase a unit in the area. Ex. Q (Chad Takesue Written Direct Testimony).

80. While the proposed rail line and other transit options, including driverless cars, ride sharing and other transit services may ultimately come to fruition and may be widely

adopted in 10 to 20 years, today's home buyers are making purchase and lifestyle decisions on what is practical and available now, since they are still faced with immediate transportation needs. Ex. Q (Chad Takesue Written Direct Testimony).

81. The reality in the market is that most Oahu households have two or more cars and will continue to do so for the reasonably foreseeable future, even with the advent of alternate modes of transportation. Ex. Q (Chad Takesue Written Direct Testimony).

82. Accordingly, the number of parking stalls remains a key factor in the purchase of units, particularly for potential local purchasers in the Ala Moana – Kakaako area. Ex. Q (Chad Takesue Written Direct Testimony).

83. The planned total number of parking spaces for Victoria Place is below the market demand of parking spaces for a project of this type, which would require a parking ratio of approximately 1.25 spaces for units between 600 square feet and below 800 square feet, and 2.00 spaces for units greater than 800 square feet, or a total of 674 parking spaces. Ex. Q (Chad Takesue Written Direct Testimony).

84. While the planned number of residential parking stalls in Victoria Place exceeds the minimum requirement under the Vested Rules, the reliable, probative and substantial evidence establishes that these additional stalls are reasonable and necessary for this Project, given the high market demand for units with sufficient parking in this area, particularly for local buyers. Ex. Q (Chad Takesue Written Direct Testimony).

85. **Loading spaces.** The Project is required to provide three off-street loading spaces that meet or exceed the minimum dimensions as provided in the Vested Rules. The

required three loading spaces will share the same access point off Auahi Street as for the Waiea loading area. Ex. A (Application) at 25, Exhibit 7.

86. **Bicycles**. The Ward Master Plan proposes bicycle networks along Pohukaina Street, Ward Avenue, Ala Moana Boulevard, Auahi Street, and Kamakee Street. HCDA File No. PL MASP 13.1.3.

87. Victoria Place will include bicycle parking at the street level in both public areas and within the parking structure. Public short-term bicycle parking will be provided at the street level along Auahi Street. Resident long-term bicycle parking will be provided within the parking structure. Ex. A (Application) at 20, Exhibit 6, Exhibit 7.

88. Victoria Place will provide bicycle parking using the City and County of Honolulu Land Use Ordinance (“LUO”) § 21-6.150, as a general recommendation. Ex. A (Application) at 20.

89. Bikeshare stations are also at various convenient locations throughout Ward Village. Ex. A (Application) at 20.

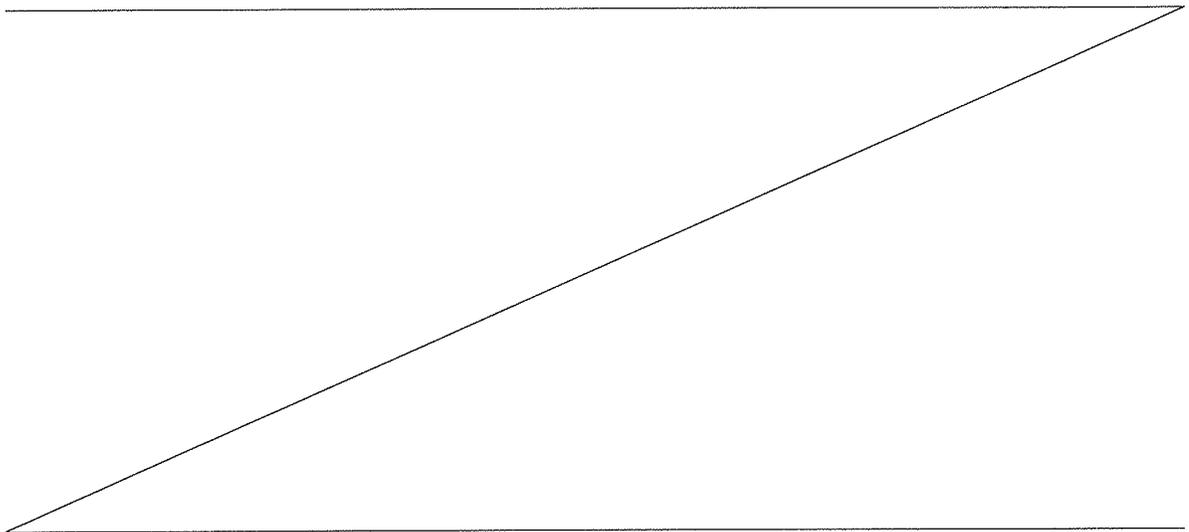
90. **Front yard**. The Vested Rules require a front yard setback of fifteen feet. HAR § 15-22-63.1. Victoria Place is partially bounded by Auahi Street and Ala Moana Boulevard. Both streets are designated front yards and 15-foot setbacks will be provided. Ex. A (Application) at 24, Exhibit 4.

91. **Public Facilities**. Pursuant to HAR §15-22-73, the Project is required to provide four percent of residential floor area for public facilities. Based on the residential floor area of

556,305 square feet, the Project therefore triggers a public facilities requirement of approximately 22,252 square feet. Ex. A (Application) at 26, 31 (Table 5-5).

92. As noted in the public facilities dedication letter dated August 21, 2019, including the foregoing, as well as other public facilities credits and dedications in Ward Village to date (but excluding the dedication for Gateway Towers), VWL will generate public facilities credits in conjunction with the Ward Master Plan, which will be sufficient to meet the public facilities requirement for the Project, and will leave a remaining balance of 35,506 square feet. Ex. C (Public Facilities Agreement for Land Block 2, Project 3); Ex. A (Application) at 26, 31 (Table 5-5).

93. The public facilities credits and dedications are summarized in the following table:



WARD VILLAGE PUBLIC FACILITIES DEDICATION	
Credit from Pre- Ward MP Projects	
Item	Dedication Area
"2003 Credits" from transfer of lands to HCDA	42,564 sf
Ward Village Shops Ph. 1A, 1B, and 2A	(3,893 sf)
Ward Entertainment Center	(142 sf)
Ward Centre	(234 sf)
Ward Village Shops JDA (Jan. 23, 2009) Exemption	571 sf
Queen/Kamakee Intersection Improvements	715 sf
Subtotal - Credit from Pre-Ward MP Projects [a]	39,581 sf
Ward MP Dedications	
Location	Dedication Area
KAK 13-036 [LB2-P1] Waiea [Doc A-52480775]	521 sf
KAK 13-037 [LB3-P1] Anaha [Doc A-52480776]	353 sf
KAK 13-037 [LB3-P1] Anaha [Doc A-52480777]	496 sf
KAK 13-037 [LB3-P1] Anaha [Doc A-52480777]	431 sf
KAK 13-037 [LB3-P1] Anaha [Doc A-52480779]	902 sf
KAK 13-038 [LB5-P1] Ke Kiohaha [Doc A-52480780]	1,785 sf
Halekaunila Street Transfer to HCDA [Doc A-55070352]	37,261 sf
Gateway Plaza [Doc A-60100943]	34,371 sf
KAK 16-075 [LB1-P3] 'Aiea [Doc A-69270954] - Sidewalk Easement	6,034 sf
LB1: 2017/SUB-40 Lot D: Easmt A-7 [Doc A-68720531] - Roadway Easement	53,062 sf
LB1: 2017/SUB-40 Lot B: Easmt P-4 [Doc A-68720628] - Sidewalk Easement	5,773 sf
Subtotal - Ward MP Dedications [b]	140,989 sf
Total Dedications to Date [a + b]	180,570 sf
Required Public Facilities Dedication	
Project	Dedication Area
KAK 13-036 [LB2-P1] Waiea	20,831 sf
KAK 13-037 [LB3-P1] Anaha	25,796 sf
KAK 13-038 [LB5-P1] Ke Kiohaha	3,092 sf
KAK 14-066 [LB2-P2] Gateway Towers	34,163 sf
KAK 14-074 [LB1-P2] 'Aiea	24,119 sf
KAK 16-075 [LB1-P3] 'Aiea	21,653 sf
KAK 18-038 [LB1-P4] Kaula	27,320 sf
KAK 19-069 [LB2-P3] Victoria Place	22,252 sf
Total Required Dedication	145,064 sf
Remaining Balance (exceeding requirements)	
35,506 sf	

NOTE: KAK 14-066 [LB2-P2] Gateway Towers will be withdrawn upon issuance of the Development Permit for KAK 19-069 [LB2-P3] Victoria Place.

NOTE: 2018/SUB-95, Lot D-1, Easement P-8 [CENTRAL PLAZA] has not yet been recorded.

Ex. A (Application) at 31 (Table 5-5); Ex. C (Public Facilities Agreement for Land Block 2, Project 3).

94. **Reserved Housing.** Pursuant to HAR §15-22-115, the Project is required to provide “at least twenty percent of the total number of dwelling units in the development for sale or rental to qualified persons.”

95. Including the Project, and the other projects within the Ward Master Plan approved to date (but excluding Gateway), a total of approximately 3,164 residential units will

be provided in the Ward Master Plan area. Based upon this number, the reserved housing requirement for the Ward Master Plan is 633 reserved housing units. Ex. A (Application) at 20-21 (Table 4-2), 27.

96. Ke Kilohana (KAK 13-038), which included reserved housing units originally required by Gateway, is now open and provides 375 reserved housing units. Ex. A (Application) at 20-21 (Table 4-2); Tr. (September 4, 2019) at 52.

97. 'A'ali'i (KAK 16-075), which is currently under construction, will also include 150 reserved housing units. Ex. A (Application) at 20-21 (Table 4-2).

98. Therefore, consistent with HAR § 15-22-115 and the Ward Master Plan, VWL plans to construct the reserved housing units incrementally required by the Project (and Kō'ula) (a total of 108 reserved housing units) within Ward Village, at a site including, but not limited to, Block F. Ex. A (Application) at 20-21 (Table 4-2); Ex. D (Race Randle Written Direct Testimony); Tr. (September 4, 2019) at 52.

99. The Kō'ula Planned Development Permit (KAK 18-038) ("Kō'ula PDP") requires the provision of 64 reserved housing units; therefore, the Project will require the provision of 44 additional reserved housing units. *See* Kō'ula PDP at 53 (Condition No. 1).

100. The table below summarizes the reserved housing units provided within Ward Village to date and the additional 108 reserved housing units that will be provided:

Reserved Housing		
Project	Residential Units	Reserved Housing Units Provided
KAK 13-036 [LB2-P1] Waiea	177	0
KAK 13-037 [LB3-P1] Anaha	318	0
KAK 13-038 [LB5-P1] Ke Kīlohana	424	375
KAK 14-066 [LB2-P2] Gateway Towers	236	0
KAK 14-074 [LB1-P2] Ae'o	466	0
KAK 16-075 [LB1-P3] 'A'ali'i	751	150
KAK 18-038 [LB1-P4] Koula	570	0
KAK 19-069 [LB2-P3] Victoria Place	350	0
Future [LB5-P2] Block F	108	108
Total Residential Units	3164	633
Reserved Housing Units Required (20%)		633
Reserved Housing Units Balance (exceeding requirements)		0

NOTE: KAK 14-066 [LB2-P2] Gateway Towers will be withdrawn upon issuance of the Development Permit for KAK 19-069 [LB2-P3] Victoria Place.

Ex. A (Application) at 19 (Table 4-2); Ex. D (Race Randle Written Direct Testimony); Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

101. **Flood Hazard District.** Pursuant to HAR § 15-22-82, the applicable provisions of the LUO relating to flood hazard districts apply to all properties within the mauka area.

102. The Project site is located in the Federal Emergency Management Agency Flood Insurance Rate Map as Zone AE, in which the annual chance of flooding for a 100 year flood is determined as one percent. The property's flood base elevation is 9 feet above mean sea level, and the proposed finish floor elevation at Level 1 for the Project is 9.25 feet above mean sea level. Ex. A (Application) at Appendix D, Section I-4 and Figure I-4; Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

HRS CHAPTER 206E REQUIREMENTS

103. Pursuant to HRS § 206E-5.6(j), HCDA is required to consider the following criteria in evaluating whether a developer's proposal to develop lands under HCDA's control is

reasonable and is consistent with the development rules and policies of the relevant development district:

- a. The extent to which the proposed project:
 - i. Advances the goals, policies, and objectives of the applicable district plan;
 - ii. Protects, preserves, or enhances desirable neighborhood characteristics through compliance with the standards and guidelines of the applicable district rules;
 - iii. Avoids a substantially adverse effect on surrounding land uses through compatibility with the existing and planned land use character of the surrounding area; and
 - iv. Provides housing opportunities for all income groups, particularly low, moderate, and other qualified income groups;
- b. The impact of the proposed project on the following areas of urban design, as applicable:
 - i. Pedestrian oriented development, including complete streets design;
 - ii. Transit oriented development, including rail, bus, and other modes of rapid transit; and

- iii. Community amenities such as gathering places, community centers, culture and arts facilities, and the full array of public facilities normally provided by the public sector;
- c. The impact of the proposed project on the following areas of state concern:
 - i. Preservation of important natural systems or habitats;
 - ii. Maintenance of valued cultural, historical, or natural resources;
 - iii. Maintenance of other resources relevant to the State's economy;
 - iv. Commitment of state funds and resources;
 - v. Employment opportunities and economic development; and
 - vi. Maintenance and improvement of the quality of educational programs and services provided by schools;
- d. The representations and commitments made by the developer in the permit application process.

HRS § 206E-5.6(j).

104. **Extent to which the Project advances the goals, policies, and objectives of the applicable district plan.** The Project has been designed consistently with the goals of the Ward Master Plan, the Vested Rules, the Authority's development guidance policies, and the district wide plan for the Kakaako mauka area. Ex. A (Application) at 24-28; Ex. D (Race Randle Written Direct Testimony); Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

105. 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, as well as recreational areas such as Ala Moana Beach Park and Kewalo Basin Harbor. In addition, there is access to mass transit through existing transportation routes throughout the Ward Master Plan area, the Project is consistent with transit oriented development, and the Project has also been coordinated with major existing and contemplated recreational and service areas. *See* Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

106. VWL designed the Project while recognizing the strong potential for increased growth and development in this area. The Project will contribute to the dynamic mixed-use environment envisioned for the district decades ago, and Victoria Place represents the next stage in accomplishing the Ward Master Plan and delivering on VWL's goal to provide housing, open and connected public spaces, mauka-makai view corridors, and smart streetscape design. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. I (David Akinaka Written Direct Testimony).

107. This Project will deliver much-needed new residential development in the urban core, which has been significantly lacking and continues to exhibit strong demand, particularly as the improvements and amenities in Ward Village continue to develop. *See* Ex. Q (Chad Takesue Written Direct Testimony).

108. This new housing supply in urban Honolulu will help to fill a consumer demand that has been largely unserved and that is greater than the current supply of inventory available. Ex. Q (Chad Takesue Written Direct Testimony).

109. Accordingly, this Project, along with other projects in the KCDD, and the additional required reserved housing will help to fill a shortage in housing for Hawaii families. Ex. Q (Chad Takesue Written Direct Testimony); Ex. E (Todd Apo Written Direct Testimony).

110. The goals of Victoria Place include creating a livable, walkable environment envisioned for the district decades ago. Victoria Place, 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. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. I (David Akinaka Written Direct Testimony).

111. **Extent to which the Project protects, preserves, or enhances desirable neighborhood characteristics through compliance with the standards and guidelines of the applicable district rules.** The Project is adjacent to bus and trolley routes, providing excellent connectivity for residents and visitors. The Project will bring housing, parks, open space, and amenities to the urban core in a compatibly planned, smart growth way. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

112. As with all areas of the Ward Master Plan, the Project will be integrated into VWL's existing operations team that professionally oversees management, maintenance, and security throughout the Ward Master Plan area. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

113. As noted above, the Project complies with the Mauka Area rules. Application at 24-28; Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

114. **Extent to which the Project avoids a substantially adverse effect on surrounding land uses through compatibility with the existing and planned land use character of the surrounding area.** Development permits approved under the Ward Master Plan for Waiea, Anaha, Ae‘o, Ke Kilohana, ‘A‘ali‘i and Kō‘ula have brought mixed-use residential buildings, commercial frontage, shopping destinations, and sizeable plazas with outdoor seating along Kamake‘e Street and Auahi Street. Victoria Place integrates with these existing and planned conditions by, among other design strategies, seamlessly transitioning to the ground level open space at Victoria Ward Park Makai, and employing appropriate landscaping to create an interesting and calming streetscape and desired urban form. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Exhibit I (David Akinaka Written Direct Testimony).

115. The decision to replace the Gateway development, which included two residential communities, with the single Victoria Park community is also compatible with the existing and planned land use character of the surrounding area. The reduced site area and floor area for Victoria Place (as compared to the two communities for Gateway) creates an opportunity for additional public open space. Ex. A (Application) at 29 (Table 5-3 and Figure 5-1); Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. E (Todd Apo Written Direct Testimony).

116. Victoria Ward Park Makai adds a significant component to the public open space available at Ward Village and provides a connective view plane from the interior of Ward Village to the waterfront, while also visually and thematically weaving together the surrounding residences and commercial areas. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct

Testimony); Ex. A (Application) at 29 (Table 5-3 and Figure 5-1); Ex. E (Todd Apo Written Direct Testimony); Exhibit I (David Akinaka Written Direct Testimony).

117. Focusing retail and dining opportunities mauka of Auahi Street in this area is based on community input, creates a better overall retail experience for shoppers and business owners throughout Ward Village, and offers the option to enjoy a more tranquil and relaxing setting makai of Auahi Street in this area of Ward Village. Ex. E (Todd Apo Written Direct Testimony); Tr. (September 4, 2019) at 62-63, 66-67.

118. The emphasis on placing retail establishments mauka of Auahi Street in the vicinity of Victoria Ward Park is also consistent with VWL's continuing efforts to carefully plan locations for retailers within Ward Village that will help to provide an environment for those establishments to be successful. Tr. (September 4, 2019) at 39-40.

119. From a neighborhood perspective, VWL seeks to provide a diversity of experiences. The availability of existing and planned retail and dining options near the more active mauka segment of Victoria Ward Park (including in and around the adjacent Kō'ula development) helps to create the necessary foot traffic to support those activities, while still providing the option to experience a more relaxed and peaceful setting on the makai segment of Victoria Ward Park. Tr. (September 4, 2019) at 60-61, 63.

120. These various qualitative experiences are compatible with, and enhance, the land use character and desirable neighborhood characteristics within Ward Village. Tr. (September 4, 2019) at 88-89.

121. Victoria Place also conforms with urban design and planning principles articulated through the Ward Master Plan and the Vested Rules. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. I (David Akinaka Written Direct Testimony).

122. The Ward Master Plan envisions Auahi Street as a pedestrian promenade, which will connect the three major public open spaces within Ward Village, including the former Central Plaza, now known as Victoria Ward Park. *See* Ward Master Plan at 39.

123. While the Ward Master Plan envisions Auahi Street as including retail opportunities, the plan does not limit the promenade only to retail and commercial activities, and envisions pedestrian-friendly landscaping and the use of the promenade to also “help stitch together the urban fabric.” *See* Ward Master Plan at 39; Tr. (September 4, 2019) at 39.

124. The Ward Master Plan also envisions areas on Auahi Street as leading to spaces that will provide “opportunities for respite, conversation or contemplation, as well as aesthetic landscape enhancements.” *See* Ward Mater Plan at 39.

125. Victoria Place, which is designed to seamlessly integrate with the makai portion of Victoria Ward Park, is therefore compatible with the Ward Master Plan’s vision of Auahi Street as a connection to the public open spaces within Ward Village. *See* Ex. E (Todd Apo Written Direct Testimony); Tr. (September 4, 2019) at 40.

126. Victoria Place is also highly compatible with surrounding areas in downtown Honolulu, Kakaako and Ala Moana. The addition of residences from Victoria Place and other existing nearby projects, within a few minutes of the central business district and existing transportation options, creates the opportunity to significantly shorten one’s daily commute,

alleviating traffic in urban Honolulu. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

127. **Extent to which the Project provides housing opportunities for all income groups, particularly low, moderate, and other qualified income groups.** The Project will provide approximately 350 residential units, with a mix of bedroom unit types. Ex. A (Application) at 20.

128. Consistent with the Ward Master Plan, and to meet remaining reserved housing requirements for both Victoria Place and Kō‘ula, at least 108 new reserved housing units will be provided in Ward Village Block F or other sites in Ward Village. Ex. A (Application) at 20-21 (Table 4-2); Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

129. **Impact of the Project on pedestrian oriented development, including complete streets design.** The building location and orientation were carefully chosen to accommodate the pattern of a connected and walkable community coming to life at Ward Village, among other considerations. Ex. D (Race Randle Written Direct Testimony).

130. The Victoria Place design provides an outstanding pedestrian environment by creating and transitioning to street-level public open spaces. All totaled, the Victoria Place ground level will provide approximately 15,590 square feet of open space, which exceeds the requirement of 10,243 square feet by 52 percent. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. I (David Akinaka Written Direct Testimony).

131. On the ‘Ewa side and adjacent to Victoria Place will be Victoria Ward Park, makai. While designed to be more of a tranquil and relaxing area than its more active

counterpart on the mauka side, the makai portion of Victoria Ward Park will have views of both the ocean and the mountains, and will be visually and thematically connected to the mauka side of Victoria Ward Park across Auahi Street. Collectively, Victoria Ward Park will provide a refreshing and open space for the public to use and enjoy, just steps away from the waterfront, residences, restaurants, shops and amenities, and serve as a focal point for Ward Villages. Ex. D (Race Randle Written Direct Testimony); Ex. E (Todd Apo Written Direct Testimony).

132. Victoria Place will be seamlessly integrated with Victoria Ward Park. The scale of Victoria Place has been designed to complement Victoria Ward Park and the frontage with both Auahi Street and Ala Moana Boulevard. On the 'Ewa side, the podium edge will step down to a lobby structure with a series of single-story amenity spaces, including courtyards and casual meeting spaces that provide a transition of scale with the public park and merges the indoor and outdoor spaces. Ex. D (Race Randle Written Direct Testimony); Ex. E (Todd Apo Written Direct Testimony); Ex. I (David Akinaka Written Direct Testimony).

133. Lush landscaping along Auahi Street will further implement the plan to convert Auahi Street into a great pedestrian promenade and lead pedestrians into Victoria Ward Park. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. I (David Akinaka Written Direct Testimony).

134. **Impact of the Project on transit oriented development, including rail, bus, and other modes of rapid transit.** The Project's design has been accomplished in consideration of major existing transportation routes, recreational and service areas. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

135. Victoria Place is designed in consideration of major existing and contemplated transportation routes, recreational and service areas. Consistent with HCDA's transit-oriented development principles, Victoria Place is located within walking distance of the proposed rail station (near Ward Avenue and Queen Street) and adjacent to bus and trolley routes, all of which could provide increased synergy with existing and future transportation systems. Ex. D (Race Randle Written Direct Testimony); Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

136. **Impact of Project on community amenities such as gathering places, community centers, culture and arts facilities, and the full array of public facilities normally provided by the public sector.** Victoria Place offers easily-accessible amenities and social gathering space to encourage interaction within its community of residents and visitors, and within the greater communities of Ward Village, Kaka'ako, and Honolulu. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. E (Todd Apo Written Direct Testimony).

137. According to the Vested Rules, HAR § 15-22-73, Victoria Place triggers a dedication of public facilities amounting to 4 percent of the total residential floor area. Victoria Place's required public facilities are therefore approximately 22,252 square feet. Ex. C (Public Facilities Agreement for Land Block 2, Project 3); Ex. A (Application) at 31 (Table 5-5).

138. Including Victoria Place (but excluding Gateway), the total dedication of public facilities required is 145,064 square feet. The total public facilities provided to date in Ward Village through pre-Ward Master Plan projects and through Ward Master Plan projects is

180,570 square feet, leaving a credit of 35,506 square feet. Ex. C (Public Facilities Agreement for Land Block 2, Project 3); Ex. A (Application) at 31 (Table 5-5).

139. **Impact of the Project on preservation of important natural systems or habitats.** The Project will avoid an adverse impact to the surrounding environment through the Leadership in Energy and Environmental Design-Neighborhood Development (“LEED-ND”) Platinum certification, the highest rating provided, that was awarded to the Ward Village for its efforts in sustainability. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

140. According to the U.S. Green Building Council, LEED developments are designed to deliver the following benefits: lower operating costs and increased value; reduced waste; energy and water conservation; more healthful and productive environments; and reductions in greenhouse gas emissions. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

141. LEED-ND prioritizes the above issues at the neighborhood scale, ensuring the sustainability and well-being of entire communities. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

142. Over the development of the Ward Master Plan, VWL has focused on sustainability through various efforts including restriping Auahi Street to create green bike lanes and make it safer for bicyclists; changing all of the street lights in the neighborhood to LEDs offering reduced energy use for the city and a safer, better lit street at night; and relocating dozens of large, healthy trees throughout Ward Village, Kewalo, and Kolowalu Park to help improve the urban tree canopy and green the neighborhood. Ex. D (Race Randle Written Direct Testimony).

143. VWL will also pursue, at a minimum, LEED certification for new construction (LEED-NC) for the Project. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

144. To achieve LEED-NC certification, VWL plans to employ the following sustainable practices at the Project: planning for a sustainable site; sustainable location and transportation planning; water efficiency; promotion of energy, atmosphere and indoor environmental quality; use of responsibly-managed materials and resources; promotion of indoor environmental quality; and promotion of social sustainability. Ex. A (Application) at Appendix A; Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

145. **Impact of the Project on maintenance of valued cultural, historical, or natural resources.** VWL completed the following studies prior to its submission of the first development permit under the Ward Master Plan:

- a. Historic building inventory (Fung Associates June 2012);
- b. Cultural impact assessment (Cultural Surveys Hawaii May 2012);
- c. Predictive archaeological model (Cultural Surveys Hawaii May 2012); and
- d. Archaeological Inventory Survey Plan (Cultural Surveys Hawaii December 2012).

Ex. D (Race Randle Written Direct Testimony).

146. In addition to the foregoing, VWL has complied with HRS Chapter 6E and SHPD's rules including HAR Chapter 13-284 in preparing the necessary archaeological inventory surveys and mitigation documents specific to the Project. Ex. A (Application) at Appendix B; Ex. O (Matt McDermott, M.A. Written Direct Testimony).

147. VWL's cultural consultation efforts have been robust. VWL has and will continue to engage with state agencies and cultural stakeholders. Ex. O (Matt McDermott, M.A. Written Direct Testimony).

148. Beyond the statutory consultation requirements, VWL has exceeded the legal consultation requirements by proactively and consistently consulting with families who have a connection to the Kakaako area during the planning, designing, and archaeological inventory survey process for the Ward Master Plan. Ex. O (Matt McDermott, M.A. Written Direct Testimony).

149. VWL has demonstrated its commitment to maintaining valued historical and cultural resources, and has complied with applicable laws to ensure that any impacts the Project will have on cultural resources are mitigated in compliance with approved mitigation and protection plans. Ex. O (Matt McDermott, M.A. Written Direct Testimony).

150. **Impact of the Project on maintenance of other resources relevant to the State's economy.** Victoria Place is located in the core of Honolulu, in close proximity to the central business district, the government center, and commercial, and industrial facilities, along with recreational areas such as Ala Moana Beach Park and Kewalo Basin Harbor. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

151. The design of Victoria Place recognizes the strong potential for increased growth and development in this area. There is convenient access to mass transit throughout Ward Village, and Victoria Place has been coordinated with major existing and contemplated

transportation routes, recreational and service areas, and is consistent with transit oriented development principles. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

152. Victoria Place is located near jobs, recreational areas, retail, dining, and transportation services, which are all critical to the State's economy. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

153. **Impact of the Project on the commitment of state funds and resources.** The Project does not require State funds. Existing and planned infrastructure is adequate to support the Project, and will not consume additional State resources. Ex. A (Application) at Appendix C, Appendix D; Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. F (Lee Cranmer Written Direct Testimony); Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony); Ex. M (Cathy Leong, P.E. Written Direct Testimony).

154. **Impact of the Project on employment opportunities and economic development.** Victoria Place will have a direct and major positive impact on the state economy. Ex. S (Paul Brewbaker, Ph.D., CBE Written Direct Testimony); Ex. D (Race Randle Written Direct Testimony).

155. Accounting for additional indirect and induced impacts, in the first two years of construction, Victoria Place is estimated to generate \$772 million in real gross domestic product; \$253 million in workers' earnings; \$49 million in state tax revenue; 1,609 jobs in year one of the construction; and 1,500 jobs in year two of the construction. Ex. S (Paul Brewbaker, Ph.D., CBE Written Direct Testimony); Ex. D (Race Randle Written Direct Testimony).

156. Building operations and maintenance over a thirty year period, are anticipated to generate: \$296 million in real gross domestic product; \$94 million in workers' earnings; \$18 million in state tax revenue; and 29 or more permanent jobs on site at the Project. Ex. S (Paul Brewbaker, Ph.D., CBE Written Direct Testimony); Ex. D (Race Randle Written Direct Testimony).

157. The Project and the Ward Village development as a whole are significant contributors to extending economic expansion on Oahu, as well as a potential countercurrent to incipient cyclical investment decline. Ex. S (Paul Brewbaker, Ph.D., CBE Written Direct Testimony).

158. **Impact of the Project on maintenance and improvement of educational programs and services provided by schools.** Pursuant to HRS § 302A-1601, *et seq.*, the State of Hawaii Department of Education is in the process of implementing a school impact fee district from Kalihi to Ala Moana, an area that includes the Project site. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

159. VWL will comply with all applicable laws regarding school impact fees. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

WIND AND NOISE STUDIES

160. **Wind study.** VWL retained Rowan Williams Davies & Irwin Inc. (RWDI) to conduct wind tunnel studies for the pedestrian wind conditions in and around the proposed Project. Ex. A (Application) at Appendix F.

161. The wind study will focus on frequently-used pedestrian areas such as main entrances, sidewalks, and outdoor seating areas at both street and podium level. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. A (Application) at Appendix F.

162. Wind tunnel measurements for multiple wind directions will be combined with long-term weather data to predict wind speeds and frequencies. This data will then be compared with wind comfort and safety criteria to determine if they are appropriate for the intended use of the pedestrian areas on and around Victoria Place. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. A (Application) at Appendix F.

163. VWL will review the wind tunnel test results and any suggested mitigation measures for areas where higher-than-desired wind speeds are detected. Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony); Ex. A (Application) at Appendix F.

164. **Noise impact analysis.** VWL retained CENSEO AV + Acoustics to conduct a noise impact analysis for the Project. Ex. A (Application) at Appendix G; Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

165. The analysis identified potential noise sources from traffic and transit noise, construction noise, building operational and mechanical noise, parking and loading area noise, and amenity level noise. Ex. A (Application) at Appendix G; Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

166. The noise study recommended various mitigation measures to address the anticipated noise from the Project, and CENSEO will make additional recommendations to address noise throughout the design phases of the Project, as well as during the construction

phase as applicable. Ex. A (Application) at Appendix G; Ex. G (Kimi Yuen, LEED AP BD+C Written Direct Testimony).

CULTURAL AND HISTORIC PRESERVATION

167. VWL retained Cultural Surveys Hawaii to conduct an archeological literature review, predictive model and cultural impact assessment for the entire Ward Master Plan area, as well as the archaeological survey reports and related studies and plans specific to the original Block C West area, which includes Victoria Place. Ex. O (Matt McDermott, M.A. Written Direct Testimony).

168. The State of Hawaii State Historic Preservation Division (“SHPD”) has reviewed and accepted the applicable archaeological inventory survey reports, monitoring plans, and mitigation plans for the Block C West area, including the Project area. Ex. O (Matt McDermott, M.A. Written Direct Testimony); Ex. A (Application) at Appendix B (SHPD Letter dated July 9, 2019).

169. VWL conducted extensive consultation with the State Historic Preservation Division (“SHPD”), recognized cultural descendants, and the Oahu Island Burial Council (“OIBC”) in conjunction with the Project. Ex. O (Matt McDermott, M.A. Written Direct Testimony).

170. On July 9, 2019, SHPD issued its letter confirming that the Project satisfies the SHPD process under HRS § 6E-42, HRS § 6E-43, and HAR § 13-284-3(b) steps one through five through the preparation of the archaeological inventory surveys and mitigation plans, including the archaeological monitoring plans, as well as the preservation plans for the

archaeological and historic properties documented in the Project area. Ex. O (Matt McDermott, M.A. Written Direct Testimony); Ex. A (Application) at Appendix B (SHPD Letter dated July 9, 2019).

171. The July 9, 2019 SHPD letter confirms that SHPD has reviewed and commented on this Project; that there are no historic preservation issues that would preclude the Project from obtaining the necessary permits and agency approvals to begin construction; and the Project may proceed pursuant to the July 9, 2019 SHPD letter. Ex. O (Matt McDermott, M.A. Written Direct Testimony); Ex. A (Application) at Appendix B (SHPD Letter dated July 9, 2019).

TRAFFIC / DOT COMMENTS

172. Wilson Okamoto Corporation prepared a traffic impact report (“TIR”) dated April, 2019 to identify and assess the potential traffic impacts from the project and recommended mitigation measures. Ex. A (Application) at Appendix C; Ex. F (Lee Cranmer Written Direct Testimony); Ex. M (Cathy Leong, P.E. Written Direct Testimony).

173. A TIR analyzes traffic related to a project and recommends project-specific mitigation measures to address traffic impacts. Ex. F (Lee Cranmer Written Direct Testimony); Ex. L (Cathy Leong, P.E. Written Direct Testimony).

174. The TIR concluded that the Project is expected to have an impact on traffic that can be mitigated with the implementation of several recommendations, including maintaining sufficient sight distance for motorists to safely enter and exit the Project, including consideration of visibility of pedestrians and bicyclists traveling along Auahi Street; providing adequate loading areas; providing adequate turn-around areas for project driveways and to facilitate

service vehicles; providing directional signage; considering using on-site personnel to monitor the proposed drop-off area along Auahi Street adjacent to the Project; updating the studies should development phasing, land use intensity or land mix change; and continuing to develop and/or enhance bicycle and pedestrian facilities. Ex. A (Application) at Appendix C; Ex. M (Cathy Leong, P.E. Written Direct Testimony).

175. VWL plans to implement all of the recommended mitigation measures identified in the TIR. Ex. A (Application) at Appendix C; Ex. F (Lee Cranmer Written Direct Testimony); Ex. M (Cathy Leong, P.E. Written Direct Testimony).

176. With the implementation of the mitigation measures identified in the TIR, the level of service operating conditions at the intersections in the vicinity of the Project are, with few exceptions, expected to remain similar to baseline and with and without the Project. Ex. A (Application) at Appendix C; Ex. M (Cathy Leong, P.E. Written Direct Testimony).

177. In other words, with the traffic mitigation measures that VWL plans to implement, there would be no significant impact on traffic from the Project. Ex. A (Application) at Appendix C; Ex. F (Lee Cranmer Written Direct Testimony); Ex. M (Cathy Leong, P.E. Written Direct Testimony).

178. Due to the proposed Project and the upcoming completion of other developments in Ward Village, WOC also did a traffic signal warrant analysis at the intersection of Auahi Street with the driveway that serves the adjacent Ward Entertainment Center, which will also lead to the driveway for Victoria Place to determine if a more extensive traffic signal assessment

would be required. Ex. A (Application) at Appendix C; Ex. F (Lee Cranmer Written Direct Testimony); Ex. M (Cathy Leong, P.E. Written Direct Testimony).

179. Under the Project conditions and considering the eventual modification of Auahi Street to one lane in each direction, the data does not justify a more extensive traffic signal warrant study at this time, but the intersection will be reassessed periodically. Ex. A (Application) at Appendix C; Ex. F (Lee Cranmer Written Direct Testimony); Ex. M (Cathy Leong, P.E. Written Direct Testimony).

180. The City and County of Honolulu Traffic Review Branch confirmed in an email dated July 11, 2019 that the TIR is acceptable to the Traffic Review Branch and the City's Department of Transportation. Ex. A (Application) at Appendix C; Ex. F (Lee Cranmer Written Direct Testimony); Ex. M (Cathy Leong, P.E. Written Direct Testimony).

181. The DOT, in its comment letter to HCDA dated August 8, 2019 ("DOT Comment Letter") concurred with the TIR's findings relevant to Ala Moana Boulevard traffic conditions, and that no mitigation recommendations are warranted or proposed for Ala Moana Boulevard. HCDA Ex. J (Letter from DOT to HCDA dated August 8, 2019).

182. The DOT Comment Letter also requested confirmation that the Project design "accommodates the DOT requirement to provide an increase in the right-of-way for road widening setbacks of eight feet on both the mauka and makai sides of Ala Moana Boulevard." HCDA Ex. J (Letter from State of Hawaii Department of Transportation to HCDA dated August 8, 2019).

183. In connection with the Gateway project, VWL submitted a consolidation and re-subdivision application for Lot 39 within Land Block 2 to create Lots 39A, 39B, 39C and 39D. Following discussions with the State Department of Transportation in 2015, DOT confirmed in a letter dated February 25, 2015 that it had no objections to the proposed subdivision application provided that a *six-foot* road widening setback area from Lots 39A, 39B, 39C and 39D be dedicated to the State prior to issuance of Gateway's certificate of occupancy. *See* Ex. Y (Letter from State of Hawaii Department of Transportation to City and County of Honolulu Department of Planning and Permitting dated February 25, 2015).

184. In its letter dated February 25, 2015, DOT concurred with the *six foot* widening setback along the south property line of the lots for the purpose of future traffic improvement in the area. *See* Ex. Y (Letter from State of Hawaii Department of Transportation to City and County of Honolulu Department of Planning and Permitting dated February 25, 2015).

185. Howard Hughes subsequently confirmed the DOT's position on the six foot widening setback in a letter to DOT dated March 9, 2015. *See* Ex. Z (Letter from Howard Hughes Corporation to State of Hawaii Department of Transportation dated March 9, 2015).

186. Accordingly, the final approved subdivision map reflects a six foot wide road widening setback along the Ala Moana Boulevard side of Lots 39A, 39B, 39C and 39D, and this setback has been recorded on title. *See* Ex. AA (Final Subdivision Map for Lot 39 of Land Court Consolidation 53 (Approved March 13, 2015)).

187. Prior to reviewing the DOT Comment Letter, VWL was not aware of DOT's request for an eight foot widening setback along Ala Moana Boulevard or involved in the discussions between DOT and HCDA on that issue. Tr. (September 4, 2019) at 93-96.

188. While VWL leases land on the makai side of Ala Moana Boulevard in the vicinity of the Project (at Kewalo Basin), HCDA, as the landlord (and not VWL as the lessee), would be responsible for determining the amount of the road widening setback on the makai side of Ala Moana Boulevard. Tr. (September 4, 2019) at 97-98.

189. The Victoria Place site is within the area designated as Lot 39D and a portion of Lot 39C on the March 13, 2015 approved subdivision map. Therefore, Victoria Place is only required to comply with DOT's agreement for a six-foot road widening setback along Ala Moana Boulevard in this area. Tr. (September 4, 2019) at 93.

190. VWL testified at the hearing that, while its understanding is that only a six foot road widening setback is required in the vicinity of the Project, Victoria Place is set back fifteen feet from the current right of way (the mauka side of the sidewalk on Ala Moana Boulevard), and that therefore, the Victoria Place setback is obviously greater than the six foot or eight foot road widening setback at issue. Tr. (September 4, 2019) at 96-98.

191. Accordingly, HCDA finds that although VWL, pursuant to the agreement with DOT, is only required to provide a six foot road widening setback for the Project on the mauka side of Ala Moana Boulevard, the Project's fifteen foot setback can accommodate DOT's revised request for an eight foot setback.

INFRASTRUCTURE

192. Utilities and government agencies have confirmed the availability of infrastructure to support the Project.

193. Potable water service is available from the municipal water system operated by the City and County of Honolulu's Board of Water Supply ("BWS"). The BWS confirmed in its letter dated May 10, 2019 that the existing water system can accommodate the Project. Ex. A (Application) at Appendix D; Ex. F (Lee Cranmer Written Direct Testimony); Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

194. BWS, in its comment letter to HCDA dated August 13, 2019 ("BWS Comment Letter"), provided comments materially similar to those in BWS's letter dated February 6, 2019 and May 10, 2019. HCDA Ex. J (Letter from City and County of Honolulu Board of Water Supply to HCDA dated August 13, 2019). VWL acknowledges the BWS comments and will comply as required. Tr. (September 4, 2019) at 94-95.

195. BWS's comment regarding the unrelated upgrade of the 6-inch water main on Queen Street from Cooke Street up to the existing 12-inch main located between Cummins and Kamake'e Streets is addressed in the Kō'ula PDP, which requires a final design and construction schedule for that upgrade no later than one hundred eighty (180) days from the date of the HCDA staff approval of a foundation permit for Kō'ula. See Kō'ula PDP at 57 (Condition No. 19).

196. Sewer service is available from the municipal sewer system operated by the City and County of Honolulu, Department of Environmental Services. The Sewer Connection

Application for the project was approved by the Department of Planning and Permitting (DPP) on May 24, 2019, confirming capacity for the Project. The project will connect to a proposed 18-inch sewer, which is to be constructed within Auahi Street under the “Auahi Street 18-inch Sewer Line” project. Ex. A (Application) at Appendix D; Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

197. HFD was consulted on May 21, 2019 to discuss the project and proposed fire protection methods for the Project. The Project will be protected by private fire hydrants. A fire sprinkler system will also be provided within the building. Ex. A (Application) at Appendix D; Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

198. HFD, in its comment letter to HCDA dated August 7, 2019 (“HFD Comment Letter) requested compliance with access road specifications; water supply and proximity specifications; and the submission of civil drawings. HCDA Ex. J (Letter from HFD to HCDA dated August 7, 2019).

199. VWL acknowledges the comments in the HFD Comment Letter and will comply as required. Tr. (September 4, 2019) at 94.

200. Drainage runoff from the Project will not increase the peak flow rate and volume. Runoff from the project site will be collected within a private drainage system owned and maintained by Howard Hughes Corporation with a series of subsurface systems that will discharge into a City owned drainage system south of the project site. Ex. A (Application) at Appendix D; Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

201. The City and County of Honolulu Department of Planning & Permitting indicated that the proposed low impact development (“LID”) strategy measures of underground infiltration, vegetated swales and green roof will meet City storm water quality requirements. Ex. A (Application) at Appendix D; Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

202. It was subsequently determined that the Project will meet storm water quality requirements with a green roof without the underground infiltration systems. Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

203. Hawaiian Electric, in a July 29, 2019 letter that supersedes its letter dated May 6, 2019 included in the infrastructure report, stated that it is able to service the project from existing circuits that HECO will extend along Auahi Street to the project. Ex. A (Application) at Appendix D; Ex. T (HECO July 29, 2019 will serve letter); Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

204. Hawaiian Telecom, Charter Communications, and Hawaii Gas have all confirmed that their existing systems have capacity to serve the project. Ex. A (Application) at Appendix D; Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

205. The City and County of Honolulu Office of Climate Change, Sustainability and Resiliency (“Office of Climate Change”) commented in its letter dated August 14, 2019 that the Mayor’s Directive 18-2 (the “Directive”) requires all City departments to use the most current versions of the City Climate Change Commission’s Climate Change Brief and Sea Level Rise Guidance (“SLR Guidance”) adopted June 5, 2018, and the State Climate Change Mitigation and

Adaption Commission's Data Viewer ("SLR Viewer"), dated December 2017, when reviewing permitting requests and assessing project proposals.

206. The Project is not within the coastal zone special management area, and complies with all applicable City and County of Honolulu ordinances. Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony).

207. WOC reviewed the Directive, the SLR Guidance and the SLR Viewer to consider the possible effects of predicted sea level rise by the year 2100 and determined that the proposed Project site does not lie within zones of predicted vulnerability. Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony); Tr. (September 4, 2019) at 99, 101-102.

208. WOC confirmed with the Office of Climate Change that VWL does not need to take any further action with respect to this matter. Ex. K (Kevin Goto, P.E., LEED AP Written Direct Testimony); Tr. (September 4, 2019) at 101-102.

CONCLUSIONS OF LAW

1. If any conclusions of law shall be determined to be findings of fact, it is intended that every such conclusion of law shall be construed as a finding of fact. Conversely, if any of the above findings of fact shall be determined to be conclusions of law, it is intended that every such finding of fact shall be construed as a conclusion of law.

2. Certain facts or findings set forth within the specified criteria addressed herein may apply to one or more criteria, issue, or legal standard under the Vested Rules, HRS Chapter 206E and other applicable law. To the extent such facts or findings are addressed within a particular heading or section herein does not limit it to that heading or section, but instead all

such facts or findings are incorporated by reference for each applicable criteria, issue or legal standard as if specifically set forth within that heading or section.

3. HCDA has exclusive jurisdiction to approve planned development permits and issue planned development permits pursuant to HRS §§ 206E-4 and 206E-5.6.

4. Pursuant to the Ward Master Plan, approved by HCDA on January 14, 2009, the rules applicable to this planned development permit are those contained in HAR Chapter 15-22 (dated June, 2005), also referred to herein as the "Vested Rules."

5. Pursuant to HRS § 206E-5.6(g), proceedings regarding the acceptance of a developer's proposal to develop lands under the Authority's control shall be considered a contested case hearing.

6. Upon consideration of all applicable rules and regulations, the evidence and testimony presented by VWL, the agency and public comments, and all other evidence appearing of record, HCDA concludes that the Project has satisfied the requirements of HRS Chapter 206E, HRS Chapter 6E, the Vested Rules, HAR Chapter 13-284, the Ward Master Plan, the May 6, 2009 Ward Master Plan D&O, and the vision and intent of the applicable Mauka Area Plan for a planned development permit.

7. SHPD has exercised its responsibility and has met its obligations pursuant to HRS §6E-42 and HAR Chapter 13-284 to review and comment on the Project impacts and mitigation of these impacts on significant historic properties and burial sites.

8. Article XII, Section 7 of the Hawaii State Constitution requires the State to protect native Hawaiian traditional and customary rights. The State reaffirms and shall protect

all rights, customarily and traditionally exercised for subsistence, cultural, and religious purposes and possessed by ahupua'a tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778, subject to the right of the State to regulate such rights. Haw. Const. art. XII, § 7.

9. The State and its agencies are obligated to protect the reasonable exercise of customarily and traditionally exercised native Hawaiian rights to the extent feasible. *Public Access Shoreline Hawai'i v. Hawaii County Planning Commission*, 79 Hawaii 425, 903 P.2d 1246 (1996); *Ka Pa 'akai O Ka 'Aina v. Land Use Commission*, 94 Hawaii 31, 7 P.3d 1068 (2000).

10. Through its consideration of the record and the evidence presented by VWL, including, but not limited to, the evidence related to cultural and historical preservation noted in the FOF above, HCDA, through its findings, conclusions and conditions has: a) identified and has determined the scope of valued cultural, historical, or natural resources in the application area, including the extent to which traditional and customary native Hawaiian rights are exercised in the application area; b) has considered the extent to which those resources will be affected or impaired by the proposed action; and c) has considered the feasible action to be taken by HCDA to reasonably protect native Hawaiian rights. *See Ka Pa 'akai*, 94 Hawai'i at 47, 7 P.3d at 1084.

11. The May 6, 2009 Ward Master Plan D & O identified as one of the amendments to the Mauka Area Plan the single "mixed-use" land use designation for VWL-owned lands,

instead of the “mixed-use” commercial (MUZ-C) and “mixed-use residential” (MUZ-R) land use designations.

12. The term single “mixed-use” means that across the Ward Master Plan instead of having a MUZ-C and a MUZ-R land use designation there will be one land use designation.

13. As set forth in the Declaratory Order, the Authority granted VWL’s petition for: (a) deletion of Halekauwila Extension shown in the Mauka Area Plan on the East side of Ward Avenue connecting to Queen Street to be replaced by a street parallel to Queen Street between Ward Avenue and Kamakee Street (Halekauwila Street Extension Deletion); (b) deletion of the park/parking garage facility along the Halekauwila Extension contained in the Mauka Area Plan (Park/Parking Garage Deletion); and (c) a single “mixed-use” land use designation for the Ward Neighborhood Master Plan area, instead of the “mixed-use commercial” (MUZ-C) and “mixed-use residential” (MUZ-R) land use designations, which are inapplicable and are no longer required given the repeal of the 2005 Mauka Area Rules/Plan and the adoption of a new Mauka Area Plan in November 2011.

RULINGS ON PROPOSED FOF AND COL

Any proposed FOF or COL not already ruled upon by HCDA by adoption herein, or rejected by clearly contrary FOF or COL herein, is hereby denied and rejected.

DECISION AND ORDER

Based on the foregoing FOF and COL, and upon consideration of all applicable rules and regulations, the evidence and testimony presented by VWL, the public comments, and all other evidence appearing in the record, the Authority concludes that the Project satisfies the

requirements of HRS Chapter 206E, HRS Chapter 6E, the Vested Rules, HAR Chapter 13-284, the Ward Master Plan, the May 6, 2009 Ward Master Plan D & O, and the vision and intent of the applicable Mauka Area Plan for a development permit.

IT IS HEREBY ORDERED that the planned development permit for the Project is APPROVED, subject to the following conditions:

1. Reserved housing shall be required pursuant to the Vested Rules. To meet the reserved housing requirement for the Project, a minimum of 44 reserved housing units shall be provided off site (currently anticipated to be at Ward Village Land Block 5, Block F), or cash-in-lieu instead of providing the reserved housing units, or a combination of units and cash-in-lieu.

2. Prior to the staff approval of the foundation permit for the Project, VWL shall provide to the HCDA staff: 1) a financial guaranty bond from a surety company authorized to do business in Hawaii; 2) an acceptable construction set-aside letter; or 3) other forms of financial assurance based upon the public disclosure statements of VWL's parent company reasonably acceptable to the HCDA Executive Director, that evidences financing or available funds for the construction of the required reserved housing units for the Project.

3. Prior to the issuance of the initial certificate of occupancy for the Project, VWL shall provide a development plan and program for the sale of the required reserved housing units. The sale of reserved housing units shall be consistent with the Vested Rules. The program for the sale of reserved housing units shall include a statement that the mix of reserved housing units provided by all projects within the Ward Master Plan shall contain a similarly representative mix of market-priced units planned for all projects within the Ward Master Plan. Once a construction

contract and performance and payment bond for the construction of the off-site reserved housing units required for the Project is executed, VWL shall submit a copy of the construction contract and bond to the HCDA staff.

4. VWL may designate more than the required 44 reserved housing units; provided, however, that such additional units shall also be subject to the Vested Rules; and provided, further, that in the event of any such designation, VWL shall submit a program for sale of such additional reserved housing units acceptable to the HCDA Executive Director.

5. As long as the additional reserved housing units comply with the Vested Rules and with this Decision and Order, no amendment of this Decision and Order shall be necessary. VWL shall have the right to utilize any excess reserved housing units as credits to fulfill reserved housing requirements for other planned development projects within the Ward Master Plan.

6. The timing of the commencement of construction of the required reserved housing units for the Project shall be governed by HAR § 15-22-81(a)(4). For avoidance of doubt, and consistent with the definitions in HAR § 15-22-115.1(d), the word “commence” in HAR § 15-22-81(a)(4) means the date of issuance of the initial building permit for the required reserved housing units for the Project, and the word “completed” in HAR § 15-22-81(a)(4) means the date that the initial certificate of occupancy is issued for the Project.

7. Should VWL exercise the option to provide cash in lieu of the required reserved housing units for the Project, VWL shall comply with the timing and requirements set forth in the applicable provisions of the Vested Rules, including, but not limited to, HAR § 15-22-115(c)(3), for the provision of the cash in lieu.

8. VWL shall implement all applicable traffic mitigation measures and recommendations identified in the TIR for the Project.

9. Prior to the HCDA staff approval of a foundation permit for the Project, VWL shall submit for review by the HCDA Executive Director, verification documentation indicating that the VWL has consulted and coordinated with the City and County of Honolulu DTS regarding the public transportation services (inclusive of bus shelters and bus stop locations), bicycle facilities, and pedestrian facilities within the Project vicinity. This requirement shall apply to both private and public streets.

10. Except as otherwise provided herein (and as long as such comments and recommendations are not otherwise in conflict with this Decision and Order, the Vested Rules or other applicable law), VWL (to the extent it has not previously done so) shall address the comments and recommendations provided by the following governmental agencies:

- a. State of Hawaii Department of Transportation;
- b. City and County of Honolulu Fire Department;
- c. City and County of Honolulu Board of Water Supply; and
- d. City and County of Honolulu Office of Climate Change, Sustainability and Resiliency.

11. Pursuant to the DOT Comment Letter, VWL shall provide an eight foot road widening setback for the Project along the mauka side of Ala Moana Boulevard on terms and conditions mutually agreeable to DOT and VWL.

12. VWL shall comply with any applicable school impact fee program adopted by the State of Hawaii Department of Education pursuant to HRS § 302A-1601 to HRS § 302A-1612.

13. Prior to the installation of any photovoltaic panels, or any other components of the Project that have a glint and glare or may emit radio frequency interference to aviation-dedicated radio signals, VWL shall request approval from the State of Hawaii Department of Transportation Airports Division as may be required.

14. Prior to HCDA approval of the foundation permit for the Project, VWL shall submit LEED NC verification documentation indicating that the proposed Project design meets the applicable standards for review and acceptance by the HCDA Executive Director. The HCDA Executive Director's review and acceptance shall be limited to ensuring the proposed design meets applicable LEED standards.

15. Prior to the HCDA staff approval of the foundation permit for the Project, VWL shall submit the wind study required to be conducted for review by the HCDA Executive Director. The wind study shall include impact of wind in the surrounding ground floor public use areas. The HCDA Executive Director's review and acceptance will be limited to ensuring the proposed design does not propose any uncomfortable wind conditions in the ground floor public areas of the Project.

16. Prior to the HCDA staff approval of the superstructure permit for the Project, VWL shall submit proof of compliance with HAR § 15-22-77(a), which provides that, "[n]o building wall shall contain a reflective surface for more than thirty percent of the wall's surface area." Per HAR § 15-22-5, "Reflective Surface means any glass or other surface, such as

polished metal, specified in the manufacturer's literature having reflectance (designed by such terminology as average daylight reflectance, visible light reflectance, visible outdoor reflectance, and comparable terms) of over thirty percent.”

17. VWL shall implement the mitigation measures outlined by the Noise Study for the Project.

18. VWL shall plan, design, implement, and maintain the Project site in accordance with the following City and County of Honolulu and State of Hawaii Requirements and Guidelines, as applicable:

- a. “Best Management Practices (BMP) Manual for Construction Sites,” November 2011;
- b. “Rules Relating to Soil Erosion Standards and Guidelines,” April 1999;
- c. “Rules Relating to Storm Drainage Standards,” effective June 1, 2013;
- d. The Revised Ordinances of Honolulu (ROH) – for grading, specifically Chapter 14, “Public Works Infrastructure Requirements Including Fees and Services,” 1990 as amended;
- e. Hawaii Administrative Rules, Title 11, Chapter 54 (11-54), “Water Quality Standards”; and
- f. Hawaii Administrative Rules, Title 11, Chapter 55, “Water Pollution Control” – for construction runoff, specifically Appendix C, National Pollutant Discharge Elimination System (NPDES) “General Permit Authorizing

Discharges of Storm Water Associated with Construction Activities” (expires February 8, 2024).

19. VWL shall comply with SHPD mitigation plans, and all applicable laws regarding historic and cultural properties and burial sites, including, but not limited to, the provisions of HRS Chapter 6E.

20. In the event any human skeletal remains are inadvertently discovered in the Project area, any activity in the immediate area that could damage the remains or the potential historic site shall cease.

21. The discovery shall be reported as soon as possible to the Department of Land and Natural Resources, the appropriate medical examiner or coroner, and the Honolulu Police Department pursuant to HRS § 6E-43.6. The Department of Land and Natural Resources has jurisdiction over any inadvertent discovery of human skeletal remains over fifty-years old, and the protocol to be followed is set forth in HAR § 13-300-40.

22. VWL shall comply with all material representations and commitments regarding the Project made to HCDA in the permit application process.

23. Infrastructure improvements can be divided into two categories: (1) infrastructure improvements or requirements which are immediately necessary to proceed with the Project; and (2) improvements which are necessary to improve and upgrade the vicinity in total through the HCDA District-Wide Improvement Program as follows:

- a. Improvements Necessary to Proceed with the Project: With regard to infrastructure improvements or requirements that are necessary to proceed

with the Project, VWL shall be responsible for providing necessary developer improvements.

b. Improvements Proposed for the HCDA District-Wide Infrastructure

Improvement Program: A part of the HCDA District-Wide Improvement Program, road and utility improvements are being undertaken in increments throughout the Kakaako Community Development District, financed in part through an Improvement District Program. In this regard, the Project shall be subject to assessments for its pro rata share of the cost of improvements which may, in the future, be necessarily undertaken in the vicinity of the respective projects under the HCDA or other government agencies' improvement programs. The Project will be assessed under the same methods and in the same manner as other properties in the area. In order to ensure the participation of the Project, VWL, and its successors and assigns, shall agree to participate in the HCDA District-Wide Improvement Program at the time said program is implemented. The terms specified in the agreement shall be made a part of all condominium and conveyance documents for the Project and said documents shall be submitted to HCDA prior to submission to the Real Estate Commission and execution.

24. Except as otherwise provided herein, VWL shall comply with all applicable requirements of the Vested Rules.

25. Prior to approval of the foundation permit for the Project, VWL shall record a memorandum of this Decision and Order with the Bureau of Conveyances or the Assistant Registrar of the Land Court as a covenant running with the land. Proof of such filing in the form of copies of the covenants certified by the appropriate agency shall be submitted to HCDA.

ADOPTION OF ORDER

The undersigned Members, being familiar with the record and proceedings, hereby adopt and approve the foregoing ORDER this October 2, 2019. This ORDER and its ADOPTION shall take effect upon the date this ORDER is approved by the Authority.

Done at Honolulu, Hawaii, October 2, 2019.

Hawaii Community Development Authority
(Kakaako Members)

John Whalen, Chairperson

Chason Ishii

Wei Fang, Secretary

David Rodriguez
Designated representative of Director of
Department of Transportation

Robert Yu
Designated representative of Director of
Budget and Finance

Phillip Hasha, Vice Chairperson

Jason Okuhama

Kevin Sakoda

APPROVED AS TO FORM:

Deputy Attorney General

BEFORE THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY
OF THE STATE OF HAWAII

In re Application of

VICTORIA WARD, LIMITED

For a Planned Development Permit for Land
Block 2, Project 3 (Victoria Place).

Application No. KAK 19-069

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document will be served on the parties below by hand delivery.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
547 Queen Street
Honolulu, HI 96813

DATED: Honolulu, Hawai'i, September 11, 2019.

WATANABE ING LLP



J. DOUGLAS ING
BRIAN A. KANG
Attorneys for Applicant
VICTORIA WARD, LIMITED