EMALIA PIETSC DIRECT TESTIMONY

PRESENTATION HEARING

Land Block 2, Project 4 (Kalae) (KAK 22-024)

Q Please state your name, place of employment, and position.
A Emalia Pietsch, Vice President, Retail Services Division, Colliers Hawaii

Q How long have you been working at Colliers?
A I have been with Colliers for almost 15 years.

Q Please describe your educational background and professional experience.
A Please see my resume, which is attached as an exhibit in this proceeding.

Q Please describe Colliers’ experience.
A Colliers is a leading diversified real estate services and investment management company with operations in 68 countries and a network of over 18,000 professionals worldwide. Colliers has roots in Hawaii going back to 1973, and is one of the leading commercial real estate firms in the state and country. We have extensive knowledge and experience of the supply and demand of real estate in Kakaako and the Honolulu urban core, including residential, commercial, and industrial/light industrial uses.

Q What has your firm been retained to do for this project, Kalae (Block B)?
A Victoria Ward, Ltd. (VWL) requested that we provide an analysis and conclusions regarding the benefits of commercial space and kiosks at Kalae to increase pedestrian activation, and the benefits of the strategy to concentrate retail on Mauka side of Auahi Street.

Q Please describe your analysis and conclusions.
A Kalae, bordered by Auahi Street, Ward Avenue, Ala Moana Boulevard, and Victoria Ward Park (makai), will be located at a major entrance to Ward Village. Kalae will provide approximately 536,031 square feet of new floor area, and is currently planned to include approximately: 19,282 square feet of ground-level open space; 71,689 square feet of indoor and outdoor recreational areas; and 2,144 square feet of commercial space.
To create an enhanced street level experience, Kalae will feature extensive landscaping and sculptural hardscape elements, lyric sidewalks, limited curb cuts, public art, visually interesting building materials, and aesthetically pleasing facades that screen the podium and parking garage.

Ground-level retail space with floor to ceiling windows will be prominently located at the Auahi Street / Ward Avenue corner of Kalae, and conveniently accessible to residents and visitors alike. The appropriately-scaled retail space, which I understand will likely be a café or a similar concept, is especially suitable for the “grab and go” lifestyle that has become especially popular following the pandemic, and encourages customers to visit and then interact with others in the spacious outdoor areas, which feature pedestrian walkways and public spaces fronting Kalae, encouraging appropriate pedestrian activation.

In addition, VWL also plans to develop retail kiosks in an area adjacent to Kalae in Victoria Ward Park (makai) and just off of Auahi Street, further encouraging appropriate pedestrian activation and exploration of the park. With increased market demand for efficient and smaller footprint retail spaces, especially for local, specialty businesses, pop up’s, the retail kiosks will add a new offering to enhance the overall retail experience in Ward Village.

In my expert opinion, the moderately sized retail spaces in and around Kalae are appropriately scaled given other planned / existing retail in the vicinity. Specifically, VWL plans to steward a mix of tenants in the retail spaces located on the mauka side of Victoria Ward Park, including within Kōʻula, The Park Ward Village, ‘Aʻaliʻi, and A‘eo. This unique collection of locally owned or one-of-a kind boutiques, small businesses, food and beverage options, and a fitness studio will offer a selection of specialty and every-day items, creating a one-of-a kind destination to live, shop, dine, and explore.

The retail spaces on the mauka side of Victoria Ward Park are seamlessly integrated with active recreation areas and conveniently accessible to pedestrians through a shaded pedestrian promenade with wide walkways, bicyclists through bicycle pathways and bikeshare facilities, and visitors traveling by vehicle through the provision of ample dedicated parking, all of which is intentionally designed to generate sufficient footfall needed for success for the retail and recreational activities in the area.

In contrast, I understand that the 2009 Ward Master Plan indicated that one possible development scenario for Ward Village included retail / commercial spaces around most buildings. As the plan noted, however, the concepts were illustrative and subject to change, and the phasing and mix of uses would depend on changing market and social conditions. The plan also noted that it was important to “remain flexible in how development strategies can be implemented”. Flexibility is especially critical in retail development, because so many factors influence the commercial retail market, including the economy, as well as evolving consumer trends, desires, and lifestyles. While obvious, simply building retail / commercial spaces does not ensure that those
spaces will be leased, much less that those areas will be successful. The Ward Master plan did not include a retail / market study, and in my opinion (and consistent with the plan’s flexibility), it clearly contemplated further consideration and refinement of the placement of the retail areas within Ward Village over the lifetime of the plan to ensure a greater likelihood of overall success for retailers within the community.

Given the ample planned / existing retail offerings and recreational spaces on the mauka side of Victoria Ward Park, VWL’s strategy to complement those active uses with more tranquil, relaxing uses and appropriately-scaled retail spaces on the makai side of Victoria Ward Park, including in and around Kalae, is a well-reasoned, tailored strategy to meet market demand and is responsive to current consumer desires and trends. This holistic strategy for Ward Village, which offers complementary, balanced uses throughout, is essential to encourage sustainable growth and long-term success, and stands to deliver substantial benefit to residents and visitors to the community.

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