

**SUMMARY OF DIRECT TESTIMONY – MATTHEW PENNAZ
PRESENTATION HEARING**

BLOCK I – “ĀLIA AT 888 ALA MOANA”

TMK (1) 2-1-56-14, 15 & 16; DPA No. KAK 22-042

I. Name, Place of Employment, and Position

Matthew Pennaz, Chief Operating Officer of Kobayashi Group, LLC (“KG”), and project manager for Ālia (the “Project”).

II. Kobayashi Group’s Interest in the Planned Development Permit Application

KG is the applicant and developer of the Project, which is located on the parcel identified as Block I within the Kaiāulu ‘o Kaka‘ako Master Plan (“KKMP”). Block I is made up of three (3) separate TMK numbers with the following area :

- (1) 2-1-56-14: 56,106 SQ. FT.
- (1) 2-1-56-15: 52,592 SQ. FT.
- (1) 2-1-56-16: 41,428 SQ. FT.

The project site is presently owned by Kamehameha Schools (“KS”). KG and KS have entered into an agreement whereby title to Block I will transfer to KG prior to commencement of construction on the Project.

III. Kobayashi Group’s Prior Experience Developing Projects in Hawaii

KG has more than forty years of experience developing projects in Hawai‘i, which includes multiple high rise residential condominiums, including Hokua, Capitol Place, One Ala Moana, and Park Lane. KG’s goals for its development projects are to provide world-class solutions for Hawai‘i, thoughtful development with macro and micro perspectives, to remain deeply grounded in the unique landscape of our island home, and to meet the needs of our diverse community. We believe we will further those goals with this Project.

IV. General Nature of Ālia

Ālia is a mixed-use commercial and residential high-rise development on 3.44 acres. The Project site is bordered by Ala Moana Boulevard, the Ewa side by Koula Street, the Mauka side by Auahi Street, and the Diamond Head side by the former Bank of Hawaii property on the corner of Ward Avenue and Ala Moana Boulevard.

In designing the Project our team started with our roots: as Kama'aina residents born and raised in the islands, we believe we have a unique appreciation for local culture and lifestyle that we wanted to bring to the Kaka'ako community. We believe that Ālia at 888

Ala Moana continues that tradition. The design incorporates what we consider to be the best of urban living with the comforts and conveniences of a high-rise, focusing on functionality, activity, and incorporating the unique opportunities that our environment creates.

The Project consists of a 39-story tower at a proposed height of 400 feet with approximately 443 market-rate condominium units and 40 reserved workforce housing units. The Project includes residential amenity spaces, parking, and approximately 3,668 gross square feet of retail. KG's goal in developing this Project is to build the most sustainable high rise in the history of Hawaii. That goal has informed all aspects of the decision-making process, including the orientation of the building and materials used. KG also focused on its roots as kama'aina residents born and raised in the islands to bring its unique appreciation for local culture and lifestyle to the Kaka'ako community.

V. Rules & Requirements Governing Project

The rules that govern this Project include the following:

- Master Plan Permit: Findings of Fact, Conclusions of Law, and Decision and Order for the KKMP, dated September 2, 2009 (File No.: PL MASP 13.2.8), as amended by order dated August 8, 2012;
- Master Plan Development Agreement between HCDA and KS, effective October 6, 2009, as amended June 20, 2011 and June 2, 2021; and
- Mauka Area Rules ("Vested Rules"): Hawaii Administrative Rules Title 15, Subtitle 4, Chapter 22 in effect on September 2, 2009.

The Project must also comply with the State Historic Preservation Review Process and all other applicable statutes, regulations, rules, and codes. As set forth in the attached Rule Compliance Matrix, KG has ensured the Project satisfies the applicable rules and requirements.

VI. Current Use of Project Site and Tenant Relocation Plans

The Project site is currently being used as an auto dealership, storage, maintenance, and related office use. Both KS and KG have been in contact with the Tenants regarding the Project status and schedule, and KS is working with the Tenants to relocate them to another suitable property. The written notice of termination of the tenants must be provided at least 60 days prior to termination under the Vested Rules, HAR § 15-22-85(c), but this requirement will be exceeded by giving the tenants no less than 180 days' notice.

VII. Building Orientation and Height

The building is oriented at 65° west of south to minimize exposing the long side to direct sunlight, in accordance with HAR § 15-22-143(a). This orientation also fits into the envisioned plan for future development in the KKMP, as depicted in Exhibit B-5, and satisfies the tower spacing requirements of HAR § 15-22-143(b).

The height of the tower and mechanical penthouse, 400' and 18' respectively, meet the requirements of HAR § 15-22-116. Exhibit E-14. With respect to the podium height, KG is requesting a modification of the provisions of HAR § 15-22-62 to allow the podium parapet to reach 60' and the elevator overrun to reach 75'. Exhibit E-19.

The reason for this modification request is because of the substantial residential uses being located within the platform along the Ala Moana Boulevard and Auahi Street portions of the Project. KG has dedicated 60,285 SF of recreation space at the ground floor and the podium deck. While many other projects limit their residential uses to amenity decks on the top of the platform, KG's vision for Ālia is to bring many of those residential use down to the street level to improve and encourage the sense of community in the area. Exhibits B-8.1/E-1. The Project also includes forty units of reserved housing that are not required by the applicable rules and regulations because KS has agreed to provide – and has already provided – seventy-one reserved housing units allocated from Block I in another project.

VIII. Open Space and View Corridors

The Project envisions significantly more open space than is required under the KKMP, which is a minimum of 10% of ground floor site area (15,013 SF). KG has dedicated approximately 16%, or 24,010 SF, to open space as shown in Exhibit B-8.1.

A large portion of that open space is dedicated to an archaeological preserve at the Diamond Head side of the parcel fronting Ala Moana Boulevard, which is being established in accordance with rules governing the State Historic Preservation Review process and with the concurrence of the State Historic Preservation Division, Oahu Island Burial Council, and cultural descendants. KG also recognizes the great sensitivity in the greater community to what is being done along Ala Moana Boulevard, so the design proposes setbacks and meandering pedestrian walkways located within a meaningfully-landscaped, pedestrian-oriented setback of 45 feet off of Ala Moana Boulevard. This setback is further than required from the Ala Moana Boulevard side of the Project. Through this design, we are creating an open space of visual and physical relief while encouraging walking and biking for residents and the entire community.

Along Auahi Street, the Project plans for a significant amount of publicly accessible pedestrian features to enhance the streetscape experience on the retail side. KG worked closely with the staff at HCDA to ensure unobstructed pedestrian right of ways through Block I (see Exhibit B-7) and create a pedestrian-oriented plaza on the mauka side adjacent to the visitor parking (see Exhibits B-8.1/E-1). In that area we envision awnings, food trucks, and planted landscaping to encourage this area to be a gathering place for the community as well as residents. To accommodate for this, KG is also requesting a modification of the view corridor setback along Ala Moana Boulevard for 54% of the frontage. Exhibits E-18, E-19.

IX. Bicycle Access

Another central design aspect of the Project was to implement bicycle access for residents and guests in mainstream locations that are both secure and easy to access. Covered residential bicycle parking stalls will be provided at a ratio of at least 15% occupancy, which KG calculated using the standard household occupancy guidelines in HAR § 15-22-185. Exhibit E-1. There will also be covered bicycle stalls to meet public bicycle parking demand, and we envision engaging with an E-Bike sharing program for residents to help encourage neighborhood connectivity and alternate transportation when commuting or running errands.

X. Parking Requirements

The ground floor parking level provides stalls reserved for residential parking, guest parking, loading and unloading, ADA, and retail parking. Exhibit B-8.1. This parking will be located under the cover of the podium and be screened from view from the streets. The Project will reuse two existing curb cuts along Ala Moana Boulevard as right-in and right-out access points, which will be for residents, guests, and loading. The retail, loft, and alternate residential entrance will be via two new curb cuts along Auahi Street. These Auahi Street entrances will be pedestrian-oriented in design, and the commercial and loading activities will have limited hours. Exhibit B-7. The remaining floors of parking in the podium will be reserved for residential uses and have a mix of standard, compact, tandem, and accessible stalls. Exhibit E-2.

KG is again exceeding the requirements under the Vested Rules with the amount of planned parking. Under HAR § 15-22-67, the Project is required to have 597 residential stalls, but we plan to provide 862 stalls, including 20 accessible stalls. There is no requirement for residential visitor stalls, but we are including 39 visitor stalls. We have also provided 3 more stalls than required for eating and drinking establishments, including two accessible stalls.

XI. Reserve Housing & Public Facilities Requirements

Under the KKMP and Vested Rules, HAR § 15-22-15, KS is required to provide a minimum of 20% of the total number of dwelling units in the KKMP as reserved housing units. For Block I, based on the 443 market units proposed, 111 reserved housing units are required. KS currently has a surplus inventory of housing credits that could be applied to satisfy the total requirement for this Project. However, KG is constructing 40 reserved housing units on the street level of Koula Street, in the form of lofts, with the goal of creating a vibrant urban community for Honolulu's workforce. KS will contribute the remaining 71 credits from their surplus inventory to satisfy the remaining requirement, as depicted in Exhibit F-1.1.

KS has informed us that reserved housing units currently make up 34% of Increment 1 of the KKMP, and KS anticipates exceeding the 20% reserved housing requirement for the

entire master plan. KS already has the 71 reserved housing credits associated with this Project in place.

KG is also satisfying the requirements under HAR § 15-22-73 by applying 24,116 square feet of public facilities dedication credits from KS. This amount represents 3% of the total commercial floor area ($3,668 \text{ SF} \times .03 = 110.04 \text{ SF}$) and 4% of the total residential floor area, less the reserve housing area ($600,133 \text{ SF} \times .04 = 24,005.32 \text{ SF}$).

XII. Sustainability

Although not required under the KKMP, KG's key design goals for the Project include environmental sustainability, water reuse, and energy efficiency. We have utilized an integrated design process to develop plans for onsite water retention and reuse of rainwater, drought resistant and native landscaping, sustainable and healthy building materials, an extensive solar power generation system, energy conservation measures, and cross ventilation, with a focus on construction methods to carefully implement these design strategies.

The Project will also implement a storm water quality program in accordance with the City and County of Honolulu's low impact development standards and the State of Hawaii Department of Transportation's Storm Water Permanent Best Management Practices Manual. We will incorporate these best management practices to prevent storm water runoff and pollution during construction, and maintenance procedures such as seepage wells for on-site infiltration and landscaped areas for biofiltration will be adopted by the new homeowner and retail associations.

XIII. Flood Hazard Requirements

HAR § 15-22-82 requires the application of Article 7 of the land use ordinance relating to flood hazard districts to this Project. The Project design accounts for flood hazards based on the latest FEMA flood elevation. Exhibit C-2.