



HAWAII
COMMUNITY
DEVELOPMENT
AUTHORITY

2001 Annual Report



Letter to the Governor



The Honorable Benjamin Cayetano
Governor
State of Hawaii

Dear Governor Cayetano:

It is with great pleasure that we present the Hawaii Community Development Authority's (HCDA) Annual Report for the 2000-2001 Fiscal Year. This report describes the Authority's activities, accomplishments and progress as it continues in its mission to create, in the Kaka'ako District, an urban community where Hawaii's people can live, work and play. The Kaka'ako District has come a long way since the Authority was created in 1976 to bring about the redevelopment of this valuable, but deteriorating, urban area. The HCDA's goal for Kaka'ako remains as clear today—to create a vibrant and attractive urban neighborhood that will meet the many needs of the people of Hawaii.

Infrastructure improvements being planned and constructed in Kaka'ako are vitally important for the State to attain its vision for the District. During the past fiscal year, the HCDA forged ahead with its program to revamp and expand the capacities of the aging network of utilities and roadways in Kaka'ako. These improvements are bringing positive changes to the District and are serving as a strong inducement for private sector development in Kaka'ako.

Development of Kaka'ako Makai continues to be a prime focus of attention for our agency. We see the importance of establishing a premier gathering place in the Makai Area, including a mix of cultural, educational and recreational facilities and services that will complement the central business district and the major retail areas on Victoria Ward, Ltd. lands, at Ala Moana Center and in Waikiki. Kaka'ako Makai could also serve as the home for exciting new industries that will create jobs and strengthen and diversify Hawaii's economy.

HCDA's success to date has been due to the efforts and support of many individuals and organizations. We would like to extend our appreciation to: the State administration; the Legislature; Kaka'ako's landowners, businesses and residents; other government agencies; and community groups and concerned citizens. The continued support of these groups is essential in order to attain our vision for the future of the Kaka'ako District.

Respectfully yours,

Lori Ann C. Lum
Chair
Hawaii Community Development Authority



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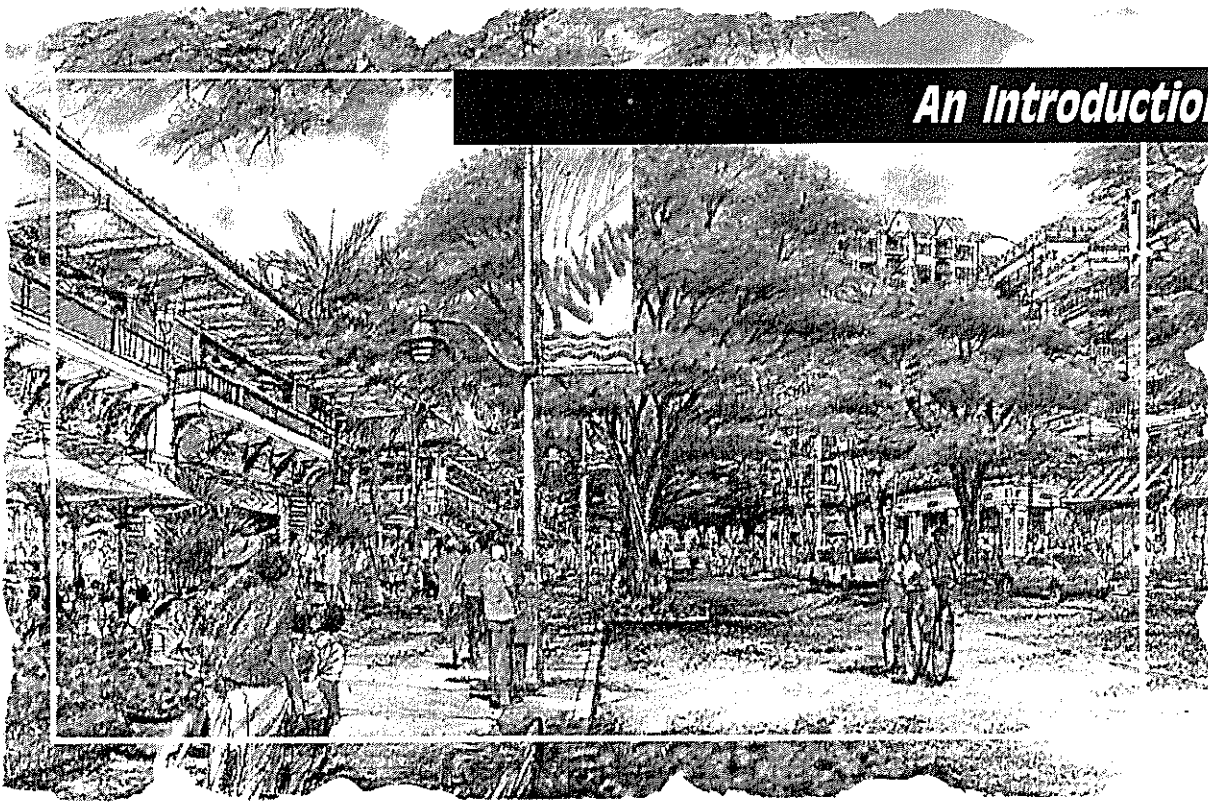
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An Introduction

The Hawaii Community Development Authority (HCDA) works to supplement traditional community renewal methods by promoting and coordinating public and private sector community development. The 1976 State Legislature created the HCDA to plan for and to revitalize urban areas in the State which lawmakers find to be in need of timely redevelopment. These areas, designated as "Community Development Districts", were determined to be underused and deteriorating, but with the potential, once redeveloped, to address the needs of Hawaii's people and to provide economic opportunities for the State.

In creating the HCDA, the Legislature also designated the Kaka'ako area of Honolulu as the Authority's first Community Development District, recognizing its potential for increased growth and development and its inherent economic importance to Honolulu as well as to the State. Lawmakers found that Kaka'ako was significantly underdeveloped and underutilized relative to its central location in urban Honolulu. The Legislature foresaw that the redevelopment of Kaka'ako would offer tremendous opportunities to address the need for more housing, parks, and open areas, as well as new commercial and industrial space near downtown Honolulu.

The Kaka'ako District

The Kaka'ako Community Development District currently includes: 670 acres of land bounded by Piikoi, King, and Punchbowl Streets and Ala Moana Boulevard; the stretch of waterfront from Kewalo Basin to Pier 4 in Honolulu Harbor; and the Hawaiian Electric power plant site in downtown Honolulu. Today, the District is largely composed of retail and commercial businesses, wholesale and semi-industrial companies, and single- and multi-family residences.

By virtue of its legislative mandate, the HCDA is empowered with comprehensive planning, development and financing responsibilities. The HCDA is able to go beyond traditional community renewal methods by facilitating and participating in collaborative community development efforts between the public and private sectors.

In 1982, following an intensive five-year planning process, the Authority adopted the HCDA's Kaka'ako Community Development District Plan. This Plan and associated rules serve as the basis for guiding both public and private development activities in Kaka'ako. The Plan was subsequently amended to include the Kaka'ako waterfront area and is currently comprised of two documents: the Mauka Area Plan (covering the original area) and the Makai Area Plan (covering the waterfront lands).



The Kaka'ako District boundaries.

HCDCA Organization

The HCDCA is established as a public corporate entity attached to the Department of Business, Economic Development & Tourism for administrative purposes. The Authority is composed of 11 voting members from the private and public sectors who oversee HCDCA operations and establish policies to implement its legislative objectives. Four members are ex officio, voting members from the following State departments: Accounting and General Services; Budget and Finance; Business, Economic Development & Tourism; and Transportation. In addition, the Governor appoints three members from a list of names submitted by the Council of the county in which a community development district is situated as well as four members-at-large. The HCDCA Executive Director serves as the chief executive officer and is appointed by the Authority members. The HCDCA staff includes personnel from several professional fields including planning, engineering, architecture, development, finance, public information and administrative services.

A History of Change

Kaka'ako's history during the past century has been one of remarkable and dramatic change. From the early settlement of the area by ancient Hawaiians and the subsequent integration of seamen and whalers, to its residential incarnation and later industrialization, Kaka'ako has been developed and redeveloped to meet the social and economic needs of the larger urban community on Oahu.

In the 1800s, Kaka'ako was called "Kookau Kukui", which translates as "Where the Lights Were Lighted". Kaka'ako has come a long way from being a swampland. This area was filled, developed and redeveloped over the years. From the early 1900s until World War II, Kaka'ako was an important and thriving community with schools, churches, a movie house, public parks, and array of businesses, and other uses typically found in larger neighborhoods. By 1940, Kaka'ako's population had reached about 5,000 residents. However, in the early 1950s, Kaka'ako was rezoned for industrial use, causing a rapid decline in the residential population as manufacturing and industrial activities moved into Kaka'ako. Over the past 50

years, Kaka'ako has changed from a residential neighborhood to a primarily industrial area, and then to an economic center of varied commercial and service activities.

Prior to the creation of the HCDA, Kaka'ako had remained relatively underutilized and underdeveloped. The industrial character of the area belied its economic development potential and it had gained a certain notoriety for its deteriorating conditions. State lawmakers were concerned about the efficient use of existing urban lands in Hawaii, and they recognized Kaka'ako's potential to become an economically and socially viable community providing a range of public benefits.

In creating the HCDA, the Legislature set directions for Kaka'ako's revitalization and development. A mixed-use district was envisioned where residential, commercial, industrial, and public uses would complement each other. Lawmakers also deemed it important to respect and support the present functions of Kaka'ako as a major economic center. The Legislature believed Kaka'ako could provide:

- improved infrastructure and public facilities;
- increased housing opportunities for all segments of the community;
- increased business (commercial and industrial) opportunities;
- increased economic activity; and
- increased public recreation and open space.

Planning for Kaka'ako's Future

The HCDA's overall mission is to ensure the transformation of Kaka'ako into a dynamic urban neighborhood that accommodates a mix of people with a wide spectrum of social and business activities. Kaka'ako's transformation will also improve the State's economy by enhancing new business growth opportunities as well as new job opportunities. Kaka'ako will be a conveniently located community that is attractive and safe, with the ability to provide for housing, recreation, and places to work, shop and to socialize. As envisioned in the Kaka'ako development plan, the District will represent the best of Honolulu's destiny—a bustling residential and business center with additional opportunities for recreation, shopping and education, day or night. The HCDA is working to ensure that the Kaka'ako District accommodates and encourages a combination of open space and parks with well-planned commercial, industrial and residential development, including affordable housing.

Public and private sector investment in Kaka'ako is generating new retail establishments and office space, a variety of restaurants and entertainment, and infrastructure to support the services, growth opportunities and quality of life that are distinguishing Kaka'ako as a desirable urban neighborhood. Kaka'ako is once again becoming a vibrant and cohesive community. To ease traffic congestion and make Kaka'ako an even safer and more attractive environment, the HCDA is improving roadways, constructing new sidewalks and beautifying the streetscape with the planting of trees and landscaping.

The State's ownership and control of the majority of land in Kaka'ako's Makai Area and waterfront give the HCDA the opportunity to create a premier gathering place. On Kaka'ako's Makai lands, the HCDA has provided over 41 acres of new park lands and open space, making miles of shoreline accessible to residents. With the initiation of \$36 million of infrastructure improvements and a proactive strategy to develop new cultural, educational, and recreational facilities, together with new commercial and business opportunities, Kaka'ako Makai is destined to become a popular attraction for residents and visitors, while providing a strong stimulus for the State economy.

Regulatory Functions

Since the adoption of the Kaka'ako Plan in 1982, the HCDA has performed regulatory functions to ensure that any development occurring in the District meets the provisions of the Kaka'ako Plan. The HCDA regulates planning, land use, zoning, and development of land within the Kaka'ako District. The Plan includes specific requirements and restrictions relating to height, density, building setbacks, front yards, open space, view corridors, streetscapes, landscapes and tower footprints. Additionally, the Plan contains schemes for transportation, open space and recreation spaces, public facilities, infrastructure, and relocation. The HCDA processes permits for major planned development projects, as well as for smaller projects and building renovations.



HCDA's Improvement District Program



Infrastructure Enhancements Support New Developments in Kaka'ako

The HCDA's Improvement District (ID) Program is one of its most important functions in the Kaka'ako District. It involves the systematic improvement of Kaka'ako's network of streets and utilities for the purpose of facilitating and encouraging redevelopment. For many years, the District had been afflicted with a deteriorating and inadequate infrastructure system, much of which was installed over 75 years ago. Many streets were narrow and unimproved, and susceptible to serious flooding during times of heavy rainfall. Certain roadways lacked safe pedestrian walkways and were filled with haphazardly parked vehicles. Existing overhead utility poles, cables and equipment gave an unsightly and cluttered character to the Kaka'ako streetscape. Moreover, the District's obsolete infrastructure network was not only detrimental to its businesses, residents and visitors, but it also stymied the timely redevelopment of properties. Many areas just did not have sufficient capacity to support further development.

The ID Program undertaken by the HCDA has proven to be a very effective and successful method of financing and constructing the

massive infrastructure improvements that are necessary for the revitalization of Kaka'ako. For this ambitious program—which has received the financial support of the State Legislature—the HCDA has joined forces with property owners and the public utility companies to ensure that the construction of improvements to Kaka'ako's roadways and utilities are accomplished in a systematic, timely and cost-effective manner. The ID Program is being used to reconstruct and/or widen streets with new street lights, curbs, gutters and sidewalks. Drainage, sewer and water systems are being improved and upgraded. Telephone, electric and cable television systems are also being upgraded and relocated underground.

People passing through Kaka'ako since 1986 have probably become aware of the scale and extent of infrastructure improvements being undertaken in the District. By the close of the 2000-2001 Fiscal Year, the HCDA had completed six Improvement District Projects and construction work on two ID projects (Kamakee Street Improvements and the Ilalo Street Improvements Project) was ongoing. (See the chart in this section for a summary of each project.) To date,

the Hawaii State Legislature has appropriated approximately \$180 million for infrastructure improvements in the Kaka'ako District. The 2001 State Legislature appropriated \$10 million in general obligation bonds to the HCDA to allow additional infrastructure and site improvement work in Kaka'ako Makai. These funds will be used for remediation, demolition and infrastructure work needed to support projects in Kaka'ako's Makai Area, including the recently approved U.H. John A. Burns School of Medicine (JABSOM) Biomedical Research Center.

How Kaka'ako's Improvement District Projects Work

Under the HCDA's ID Program, the total cost of infrastructure improvements made are shared by State government, Kaka'ako property owners and the public utility companies. The State pays for the greater share of the cost because the general public derives benefits from the improvements. For example, a major public cost involves improvements to the drainage system. In the first four ID projects, the majority of the construction cost was for major drainage systems that run through Kaka'ako and serve the Punchbowl and lower Makiki areas. Since these drainage improvements substantially benefit out-of-District as well as Kaka'ako property owners, the cost is distributed accordingly, with State government paying the largest share.

Kaka'ako's landowners are assessed

only for improvements that specially benefit them. To assist landowners in paying assessments, the Authority may arrange for the sale of assessment area bonds to provide financing for property owners who are unable to make a lump sum payment. Through this arrangement, landowners have the option of paying for their assessments (with interest) in installments over a period of up to 20 years.

The massive scale of the ID projects makes it imperative for the HCDA to inform all affected property owners and recorded lessees of the proposed improvements prior to actual construction. This process involves individual meetings, public informational meetings and two public hearings. The entire process, from the preliminary engineering and design work to the completion of the project, typically extends over a two- to three-year period. Throughout the course of any ID project, the HCDA strives to complete construction activities in an expeditious and cost-effective manner as possible, while ensuring public safety and minimizing the disruptions and inconveniences to the businesses and public. The Authority uses flyers, the HCDA newsletter and website, and informational meetings to keep merchants, residents, and landowners informed of construction activities. The HCDA website posts traffic advisories and project updates on all of the Authority's ongoing improvement district projects. HCDA staff is available to address questions and concerns as they arise.



The Ward Avenue Extension now facilitates a connection between the Mauka and Makai portions of Kakaako, and it provides a convenient way into Kakaako's Makai Area.

HCDA'S IMPROVEMENT DISTRICT PROJECTS

IMPROVEMENT DISTRICT 1

Location: About 100 acres bounded by Punchbowl, King, Cooke, Queen, South, Auahi Streets, and Ala Moana Boulevard.
Work: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines.
Cost: \$35.2 million
Completed: September 1988

IMPROVEMENT DISTRICT 2

Location: About 110 acres bounded by Keawe, Auahi, Coral, Pohukaina, Cooke and Ilalo Streets to the ocean.
Work: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines.
Cost: \$36.7 million
Completed: October 1990

IMPROVEMENT DISTRICT 3

Location: About 60 acres involving portions of Cooke Street, Kapiolani Boulevard, Halekauwila, Keawe, Coral, Victoria & Curtis Streets.
Work: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines.
Cost: \$42.4 million
Completed: October 1993

KEWALO BASIN IMPROVEMENTS

Work: Improvements to Kewalo Basin access, interior roadways, grade-separated promenade, bus lanes, and parking.
Cost: \$2.4 million
Completed: August 1995

IMPROVEMENT DISTRICT 4

Location: Kamakee Street (from Kapiolani Boulevard to Queen Street)
Work: Improvements to roadways, drainage, sewers, water systems and the undergrounding of electric, telephone and CATV lines.
Cost: \$12 million
Completed: June 1999

IMPROVEMENT DISTRICT 5 (Kaka'ako Makai Gateway)

Location: Cooke Street (between Ala Moana Boulevard and Ilalo Street); block bounded by Ala Moana Boulevard, Cooke, Ilalo and Ohe Streets and block immediately Makai of Ilalo Street and Ewa of Ohe Street
Work: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines; development of two-acre passive park and four-acre play field.
Cost: \$6.7 million
Completed: June 1998

IMPROVEMENT DISTRICT 6 (Ward Avenue Extension)

Location: Ward Avenue (from Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets)
Work: Construction of a new roadway from the intersection of Ward Avenue and Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets and roadway and utility system enhancements.
Cost: \$8.2 million
Constr. start: May 1999
Est. completion: November 2000

IMPROVEMENT DISTRICT 7 (Kamakee Street Extension)

Location: Kamakee Street, between Queen Street and Ala Moana Boulevard
Work: Realignment of Kamakee Street and creation of a four-way signalized intersection at Ala Moana Boulevard and Ala Moana Park Road.
Cost: \$11 million
Est. start: November 1999
Est. completion: December 2001

IMPROVEMENT DISTRICT 9 (Ilalo Street Improvements)

Location: Ilalo Street, between Ahui and South Streets
Work: Widening and enhancements to Ilalo Street, from Ahui to South Streets; installation of new water, sewer and drainage systems; construction of new roadways; new driveways, sidewalks, curbs and gutters; and installation of new utility lines.
Cost: \$17 million
Est. start: July 2000
Est. completion: December 2002

IMPROVEMENT DISTRICT 10 (Queen Street Extension)

Location: Queen Street, between Kamakee and Waimanu Streets.
Work: Extension of Queen Street, a new 76-foot right-of-way and improvements to the water, sewer, drainage, roadway, and electrical systems.
Cost: \$11.6 million
Est. start: September 2002
Project Duration: 24 months

Ward Avenue Extension Project (Improvement District 6)

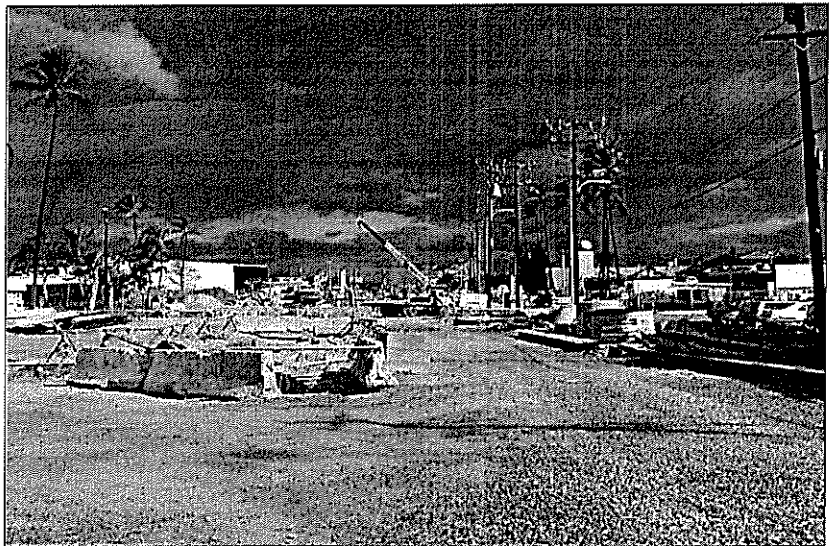
In November 2000, the HCDA held a dedication ceremony to commemorate the completion and opening of the Ward Avenue Extension Project—the first phase in the development of new and enhanced roadways and utility systems in Kaka'ako's Makai Area. For this \$8.2 million public works project, a new roadway was built from the intersection of Ward Avenue and Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets. The

roadway and utility system improvements constructed for the Ward Avenue Extension will facilitate the redevelopment of Kewalo Basin's Ewa edge and the surrounding area, playing a crucial role in the State's plan to transform Kaka'ako's Makai Area and waterfront into a world-class center of commercial, cultural and recreational activities to be enjoyed by Hawaii's families and visitors. The Ward Avenue Extension Project has significantly improved vehicular and pedestrian access and circulation in the area,

and it has established a distinctive streetscape theme for Kaka'ako Makai. The project also improved approximately 150 feet of Ahui Street, Makai of Ilalo Street.

Kamakee Street Improvements Project (Improvement District 7)

Construction work on the second phase of infrastructure improvements on a portion of Kamakee Street (from Queen Street to Ala Moana Park Road) continued during 2000 and 2001. Now substantially completed, this \$11 million project, called ID-7, will complete the installation of the last major drainage system in the Mauka portion of Kaka'ako. It has realigned Kamakee Street (between Auahi Street and Ala Moana Boulevard) and created a four-way signalized intersection at Ala Moana Boulevard and Ala Moana Park Road. The ID-7 Project has already improved traffic circulation through the Kaka'ako District and created a new, direct link between Ala Moana Beach Park and Kaka'ako. Construction is expected to be completed in late 2001.



Ilalo Street Improvements (Improvement District 9)

In July 2000, the HCDA began infrastructure construction work on a roadway that will serve as the main thoroughfare of Kaka'ako's waterfront area. This \$17 million project involves the upgrading of roadways and utility systems on Ilalo Street, from Ahui Street to Forrest Avenue (South Street).

Currently, infrastructure in Kaka'ako's Makai Area is inadequate and improvements are required to support development of the area. To facilitate development of Kaka'ako Makai Area lands and redevelopment of the Kewalo Basin waterfront area, the HCDA is widening and improving Ilalo Street and creating an extension to Forrest Avenue (South Street). The 1997 State Legislature appropriated \$36.3 million to the HCDA to construct infrastructure improvements in Kaka'ako Makai. Ilalo Street, together with the Ward Avenue Extension, is planned to be a beautifully landscaped boulevard that would serve as the principal collector street for the Makai Area.

When these improvements are completed, Ilalo Street will offer an attractive and comfortable pedestrian environment. Improvements under construction include: the installation of new water, sewer and drainage systems; construction of the new landscaped roadway; new driveways, sidewalks, curbs and gutters; and the installation of new underground utility lines. Construction of the Ilalo Street Improvements is set for completion in December 2002.

Queen Street Improvements (Improvement District 10)

The 1999 State Legislature appropriated \$9.6 million to the HCDA for infrastructure improvements on a portion of Queen Street.

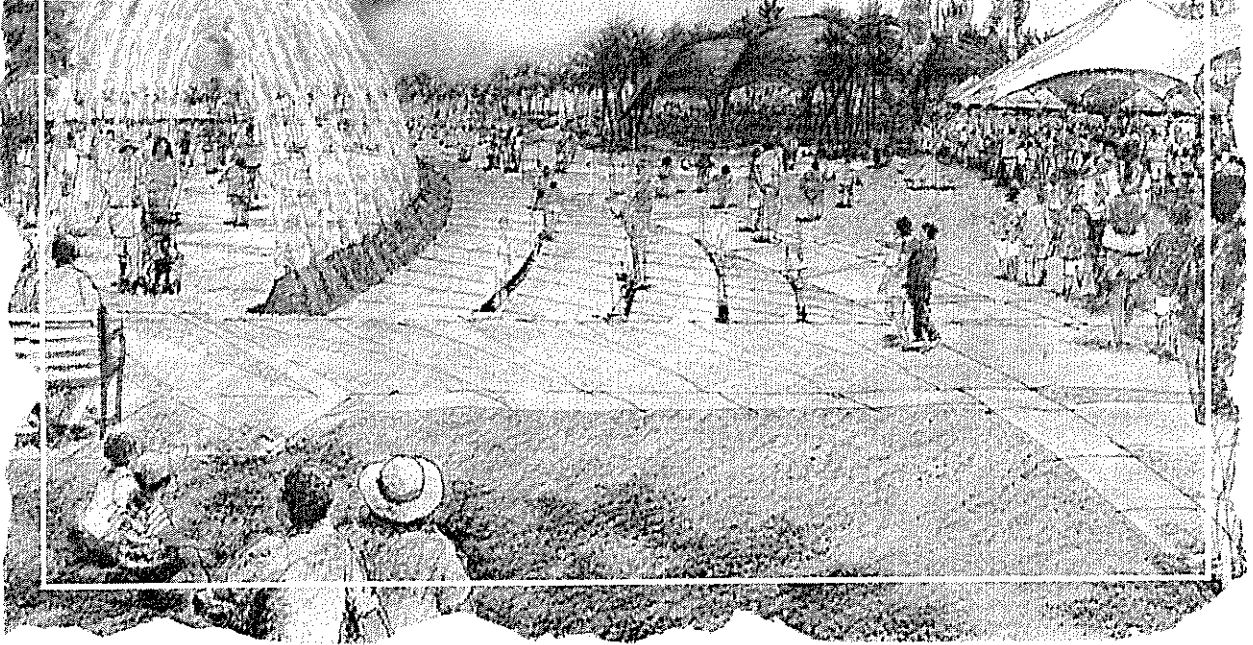
The HCDA's long-term plan for Queen Street is to improve the water, sewer, drainage, roadway, and electrical systems in Queen Street between Ward Avenue and Waimanu Street. Initially, the \$9.6 million appropriation, along with \$2 million of HCDA revolving funds, will allow the HCDA to design and construct an extension of Queen Street from Kamakee Street to Waimanu Street. The new infrastructure will improve services to property owners in the area and provide added capacity for future private development.

The HCDA has long designated Queen Street as an alternate route to Kapiolani and Ala Moana Boulevards. Currently, sidewalks, curbs and gutters are needed to accommodate both vehicular and pedestrian traffic safely through the District. The proposed roadway will make the area safer and more accessible, and enhance its development potential. The City is currently reviewing the construction plans for the new roadway and the first of two public hearings will be held in early 2002.

During the 2000-2001 Fiscal Year, the HCDA completed negotiations with Victoria Ward, Limited (VWL) and the Nauru Phosphates Royalties Trust (Nauru) to finalize a land exchange agreement that will allow the Authority to proceed with its proposed Queen Street Extension Project and to develop a new park area in Kaka'ako. Because the planned Queen Street Extension right-of-way will be located on land owned by the HCDA, as well as by VWL and Nauru, the Authority needed to obtain ownership of the land with a minimum of land acquisition costs. The land exchange creates two park sites totaling 108,000 square feet along both sides of the Queen Street Extension. (See the chapter on Development in Kaka'ako Mauka for more details on the proposed new park.)



Kaka'ako Makai Development



A Promising Vision for Urban Honolulu

The facts. Kaka'ako's Makai Area lands and waterfront are widely acknowledged as Honolulu's last remaining crown jewel, an extraordinary place that offers exciting development potential. These waterfront lands, the majority of which are owned by the State of Hawaii, have the potential to accommodate the recreational, cultural, educational and commercial needs of Hawaii's people, while playing a significant role in the State's economic future. This is an unprecedented development opportunity, and the HCDA will continue to work towards reclaiming and transforming Kaka'ako's waterfront lands into a magnificent new public place.

The vision. When fully developed, Kaka'ako Makai is certain to be a major gathering place for Hawaii's residents and visitors. It will provide a beautiful locale for socializing, dining, learning, rest, and recreation. It will also be the incubator for business ideas, research and breakthroughs in technology and medicine, while providing educational opportunities for students. Kaka'ako's waterfront lands will be transformed into a contemporary "urban village", a walkable and self-contained community that could accommodate the lifestyles of workers in the growing industries that represent Hawaii's

economic future. Kaka'ako Makai would serve as a symbol of Hawaii's new economy—an attractive assemblage of activities, structures and facilities that represent the community's achievements, hopes and dreams.

Kaka'ako Makai Today

Currently, Kaka'ako Makai is composed of 227 acres of land Makai of Ala Moana Boulevard, from Kewalo Basin to Aloha Tower. About 200 acres of the land is owned and controlled by the State of Hawaii. It contains an abundant, scenic stretch of ocean frontage and is centrally located between downtown Honolulu and Waikiki. Kaka'ako Makai could provide substantial amenities through the development of civic, cultural and recreational facilities. The lands also have the potential to generate sufficient revenues to support the maintenance of common areas in Kaka'ako Makai. The HCDA is working towards creating an economically viable strategy consistent with the vision for Kaka'ako Makai that will balance private and public facilities, and will accommodate new and expanded technological, medical, financial and educational industries.

The Development Plan for Kaka'ako Makai

Adopted in 1998, the Kaka'ako Makai Area Plan and Rules provide the framework for development of Kaka'ako's Makai Area (including the Kaka'ako waterfront) into a vibrant, exciting and attractive "gathering place" for Hawaii's residents and visitors. The Plan emphasizes the creation of remarkable public amenities in Kaka'ako Makai, including an abundance of parks and open spaces anchored by the Kaka'ako Waterfront Park, spacious tree-lined streets, and sidewalks, all of which enhance and enrich Kaka'ako's outdoor environment.

Under the Plan, a variety of new facilities could also be developed including: a Science and Technology Center, showcasing Hawaii's expertise in astronomy, oceanography, and other sciences; an Ocean Research Center (most likely in combination with other research or museum facilities); medical education and research facilities; technology, and biotechnology and commercial areas; a retail complex along Kewalo Basin; and parking facilities to accommodate increased activity in the area. The public open spaces, cultural facilities and amenities, and commercial areas planned for Kaka'ako Makai will provide new industries and opportunities for Hawaii's residents.

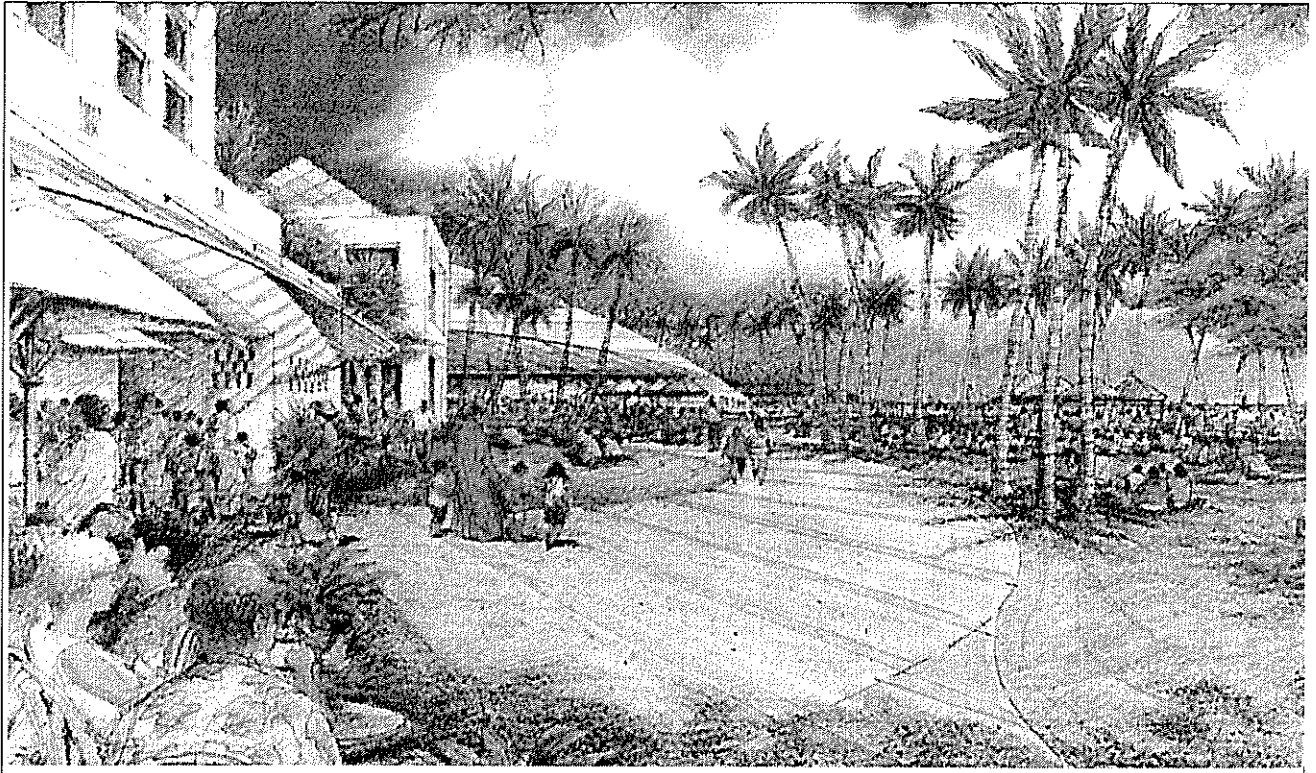
The intent of the Makai Area Plan is to diversify Hawaii's economy while, at the same time, establishing a special people-oriented place.

Under the Plan, a substantial portion of the Makai Area is reserved for public enjoyment and access to the waterfront. A smaller portion of State-owned lands is earmarked for commercial development. The revenues generated from such development would help support the public parks and other amenities. The Plan emphasizes the mutual benefits and importance of combining new development with ample public spaces.

The Plan's land use directives maintain a central corridor of park lands in Kaka'ako Makai. The Kaka'ako Waterfront Park has been extended to Ala Moana Boulevard to enhance its visibility and reinforce its prominence as a major public park that will serve as a centerpiece for adjacent commercial developments. Public access to the Kaka'ako waterfront is a high priority and one mile of shoreline is dedicated to park use.

Park, commercial, industrial, waterfront commercial, and public activities are allowed in land use zones established in the revised Makai Area Plan. A *park zone* accommodates a variety of park environments, including cultural, educational and active recreational activities.

The *commercial zone*, encompassing about 54 acres of land, permits a wide range of commercial land uses such as high technology offices and retail establishments. The *industrial*



mixed-use zone, covering 62.3 acres, supports maritime activities and facilities within Honolulu Harbor as well as limited commercial activities. The *waterfront commercial zone*, encompassing 22.7 acres, allows commercial activities and fishing and boating services along the edges of Kewalo Basin. The *public zone* sets aside land for existing public uses such as the U. S. Immigration Station, the Department of Health and the current Ala Moana Pump Station.

In keeping with the vision of the Kaka'ako waterfront as a people-oriented place, the Makai Area Plan emphasizes pedestrian movement through the area. Pedestrian promenades would run along the waterfront and along Cooke Street. Ilalo Street is designed to be a major strolling and shopping corridor with large shade trees, generous sidewalks and street furnishings. To increase non-vehicular access to Kaka'ako Makai from downtown Honolulu, Ala Moana Park and Kaka'ako's Mauka Area, the Plan includes a shared use path within the Makai Area that will ultimately connect the Kaka'ako Waterfront Park to Ala Moana Beach Park and the Aloha Tower Marketplace.

CURRENT AND FUTURE KAKA'AKO MAKAI DEVELOPMENTS

Kaka'ako Waterfront Park Improvements

Enhancements to the Kaka'ako Waterfront Park are being planned by the HCDA. The goal of the Kaka'ako Waterfront Park Master Plan, adopted in February 2000, is to create a one-of-a-kind urban park that will feature a unique blending of cultural and recreational activities for Hawaii's residents and visitors. This is a long term plan that the State can implement over time. The plan provides an overall structure or thematic framework for the Kaka'ako Waterfront Park so that new amenities, facilities and enhancements can be developed there in the coming years. The plan supports the future development of recreational attractions in the waterfront park, along with the enhancement of pedestrian circulation, active and passive park use and the waterfront promenade. It envisions the creation of a "heart" of the Kaka'ako Waterfront Park through the development of attractions such as an interactive water feature, a children's play plaza, and a new amphitheater in the area surrounding the Children's Discovery Center.

The HCDA on July 5, 2000 granted approval to proceed with design development of a first phase project, which is an interactive fountain and play plaza. The objective of the first phase project was to create a one-of-a-kind feature that would generate activity and interest in the Kaka'ako Waterfront Park. One concept explored for the interactive fountain is a series of interactive jets simulating a wave set through

which children and adults can actually walk. In addition to the interactive water feature, a passive seating area is planned within the plaza area. Modular, internally lit fiberglass seats have been suggested for the seating, which is intended for play as well. The project aims to establish the character of the Park, with the goal of attracting both families and children. The HCDA anticipates the start of construction on Phase 1 improvements to the Kaka'ako Waterfront Park in 2002.

Kaka'ako Makai Shared Use Path

In coordination with the City and County of Honolulu's Bicycle Master Plan, the HCDA plans to develop a shared use path through Kaka'ako's Makai Area and waterfront. This shared use path will be designed as a bicycle facility and will also be used by other recreational users such as pedestrians, joggers, persons in wheelchairs, and skaters. The path will provide a safe and outstanding environment for cyclists and pedestrians to enjoy the various amenities in Kaka'ako Makai.

The shared use path will connect Aloha Tower with Kewalo Basin. From Aloha Tower Drive, near the existing Coast Guard Station, the path will proceed along Ala Moana Boulevard toward Keawe Street. The existing sidewalk will serve as the shared use path along Ala Moana Boulevard. At the intersection of Keawe Street and Ala Moana Boulevard, the path would proceed in the makai direction along Keawe Street, through the Kaka'ako Waterfront Park, and to the Kaka'ako Waterfront Park promenade. The existing promenade will function as the shared use path along the waterfront edge. At the East end of the promenade, the path will proceed on Ahui Street, entering Kewalo Basin from the new access driveway being constructed as part of HCDA's Ward Avenue Extension Project. The path would then connect to the existing promenade at Kewalo Basin that encircles the Basin. The shared use path will be a 12-foot wide path with a textured concrete surface, similar to sidewalks that will be constructed for the Ward Avenue Extension and Ilalo Street improvements projects.

The estimated cost of the project is \$2.2 million. The Federal government will pay 80 percent of the total cost and the State will fund the remainder of the cost. Currently, this project is on hold pending possible revisions to the roadways in the Kaka'ako Makai Area.

UH JABSOM Biomedical Research Center

The University of Hawaii (UH) administration has announced its intention to pursue the development of a new medical complex on State-owned land in Kaka'ako's Makai

Kaka'ako Makai Projects

Kewalo Basin Park

A five-acre scenic shorefront park located in Kewalo Basin. Includes a pedestrian promenade, observation areas, trellised picnic area, reconstructed seawall, comfort station and shower facilities and a new net shed. Completed in 1990.

Kaka'ako Waterfront Park/Phase 1

Thirty acres of passive recreational park space built on a former landfill site. Includes contoured rolling landscaped mounds, a scenic pedestrian promenade spanning the length of the park, comfort stations and picnic areas, five oceanfront observation areas, a community amphitheater, and two protected water access points. Completed in 1992.

Kewalo Basin Harbor & Park Improvements

Improvements facilitate and enhance access, traffic circulation and parking within the Kewalo Basin harbor area. Includes a pedestrian promenade along the Mauka and Diamond Head pier face. Completed in July 1995.

Children's Discovery Center

HCDA completed remediation and structural stabilization of the former Kewalo Incinerator for use as a children's museum. The Children's Discovery Center (CDC) completed extensive construction work, additional structure work, tenant improvements, exhibit fabrication and landscaping work. HCDA's work was completed in September 1995. The CDC opened in December 1998.

Kaka'ako Makai Gateway Project

Creation of a scenic gateway to, and extension of, the Kaka'ako Waterfront Park with the addition of an attractive six-acre park. Also involves infrastructure improvements on a portion of Cooke Street, including roadway, drainage, sewer and water system enhancements, and relocation of electric and telephone lines underground. The project also includes a two-acre passive park and a four-acre play field. Completed in mid-1998.

Kaka'ako Aquarium Study

A study of the feasibility of developing a world-class aquarium facility in the Kaka'ako Makai Area near Kewalo Basin and the Kaka'ako Waterfront Park. Initial feasibility study released in late 1998.

Kaka'ako Brownfields Project

A "brownfields" environmental study of lands in Kaka'ako's Makai Area to evaluate whether contamination exists on State-owned parcels in Kaka'ako Makai. Completed in late 1999.

Kaka'ako Waterfront Park Enhancements

A new master plan for the Kaka'ako Waterfront Park that could accommodate new cultural attractions and a broad range of amenities such as water features, works of art, interpretative walks and gardens, a carousel, and innovative children's play areas. Adopted in February 2000.

Kaka'ako Makai Shared Use Path

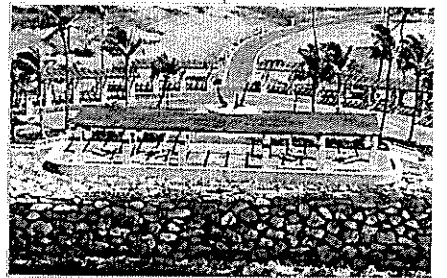
The HCDA is planning the development of a \$2.2 million shared use path through Kaka'ako's Makai Area and waterfront. This shared use path will be designed as a bicycle facility and will also be used by other recreational users such as pedestrians, joggers, persons in wheelchairs, and skaters. Project has been put on hold pending changes to roadways in the Makai area.

UH JABSOM Biomedical Research Center

The University of Hawaii has proposed the development of a new \$230 million medical complex on about 10 acres of State-owned land in Kaka'ako's Makai Area. Preliminary plans call for a new medical complex that would house the John A. Burns School of Medicine, a Cancer Research Center and a new biotechnology center. The Hawaii legislature has authorized the issuance of \$150 million in revenue bonds, backed by tobacco settlement funds. The UH is in the process of raising the balance from private contributions.

Bernice P. Bishop Museum Makai

The Bishop Museum plans to develop a new \$36 million museum/Science Learning Center complex in Kaka'ako's Makai Area. The project is envisioned to include one or more of the following elements: Hawaii Explorations Center; amphitheater; planetarium; theater; Garden of Discovery; and Peoples of Hawaii Gallery.





Kaka'ako's Makai Area

Area. The UH plans to build a new medical complex that would house the John A. Burns School of Medicine (JABSOM), as well as a Cancer Research Center and a new biotechnology center. The UH is planning to develop the complex on about 10 acres of land Makai of the former Gold Bond Building and Ilalo Street. In January 2001, the HCDA expressed its support on a conceptual basis for the development of the medical facility in Kaka'ako Makai.

The UH wants to replace its outdated facility at UH-Manoa with a new state-of-the-art biomedical campus in Kaka'ako that will help to establish JABSOM as an internationally recognized center of excellence in the field of medical education and biomedical research. The School's administration believes the facility will attract top educators, researchers and students that in turn will bring significant economic investment and diversification to the State of Hawaii.

UH officials noted that Kaka'ako was ideal for the complex because of its proximity to area hospitals and ability to accommodate future

expansion and growth. The fact that the availability of the land and sufficient infrastructure and proposed bus rapid transit stations are located nearby were other factors that weighed in favor of the Kaka'ako site.

Conceptual plans for the proposed landscaped campus include up to four new buildings for research, administration, a visitor's center and medical museum, and parking. The UH is proposing to pay for the \$230 million price tag for the new medical complex by using funds from the State's tobacco settlement as well as from private fundraising. The Hawaii legislature has authorized the issuance of \$150 million in revenue bonds, back by tobacco settlement funds. The University of Hawaii is in the process of raising the balance from private contributions.

Bernice P. Bishop Museum Makai

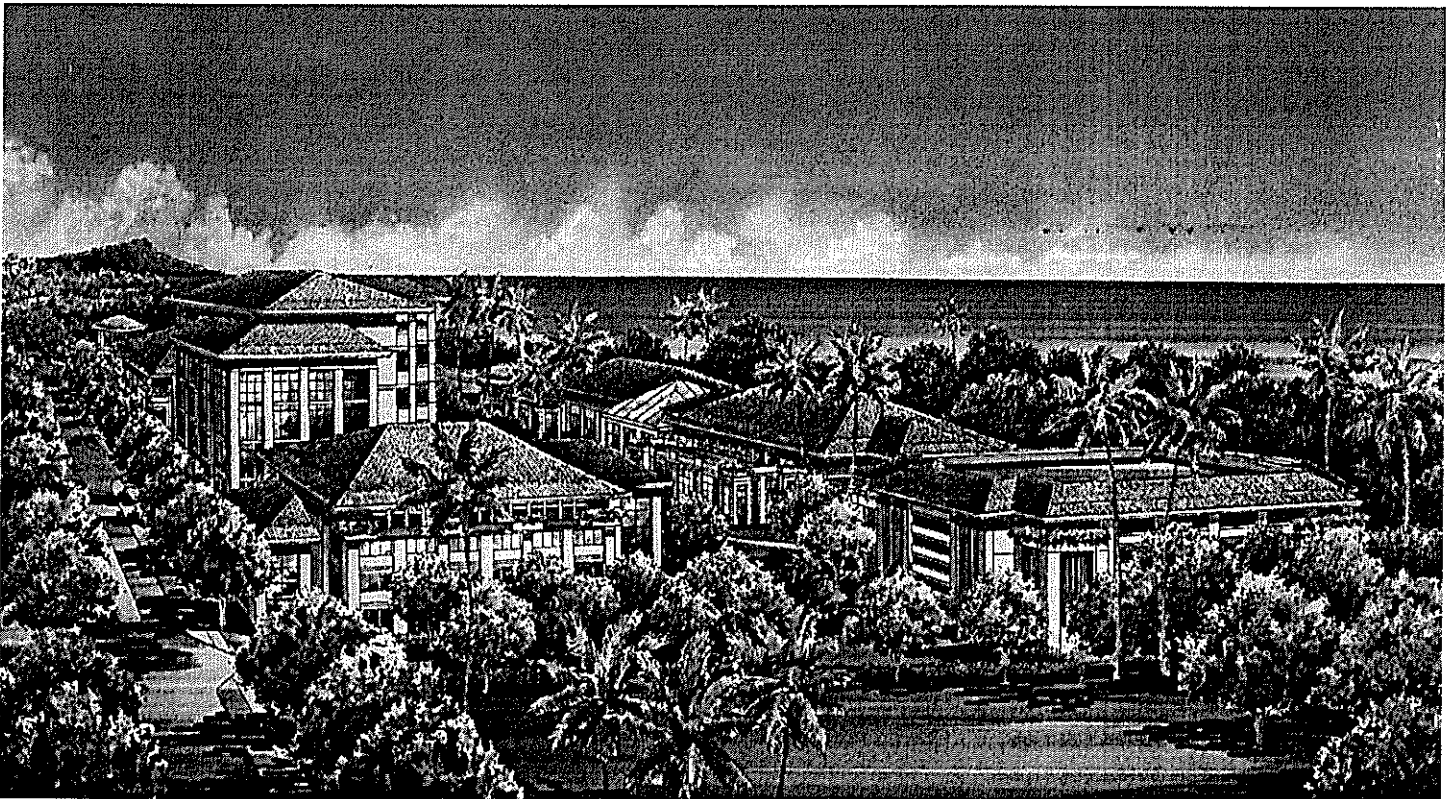
In February 2001, the Bishop Museum announced its desire to develop a new museum / Science Learning Center complex in Kaka'ako's Makai Area. The project is planned as an interac-

tive learning center that will focus on Hawaii's excellence in cutting-edge science and technology. At that time, the HCDA adopted a resolution expressing support on a conceptual basis for the Museum's proposal.

The new facility would focus on increasing scientific literacy and interest among children and would inspire innovation in developing technologies for the future. The center would complement and strengthen existing Kaka'ako Makai attractions such as the Children's Discovery Center and the Kaka'ako Waterfront Park.

The project is envisioned to include one or more of the following elements: a Hawaii Explorations Center; an amphitheater; a planetarium; a theater; a Garden of Discovery; and a Peoples of Hawaii Gallery. The HCDA has preliminarily earmarked a 10-acre site Makai of the Children's Discovery Center and Diamond Head of

the Kaka'ako Waterfront Park. The estimated cost of the first phase of the project is \$36 million. State lawmakers in the 2001 legislative session appropriated \$5 million in general obligation bonds for the new Bishop Museum center. When combined with Federal funds and private contributions, this appropriation will allow the Bishop Museum to move forward with the project. Further studies and review and HCDA approval will be needed for the Bishop Museum Makai project to proceed.



*Preliminary rendering of the proposed
UH JABSOM Biomedical
Research Center*



Development in Kaka'ako's Mauka Area

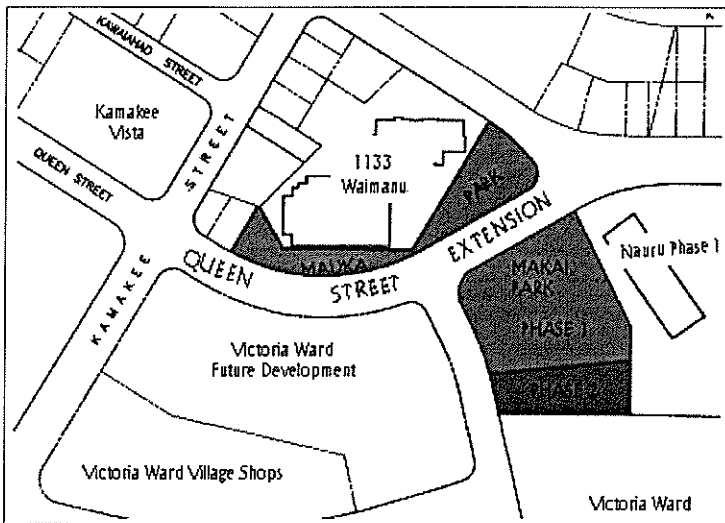
Since the HCDA came into existence, Kaka'ako has evolved into a vibrant, attractive and diverse community of people from all walks of life, coexisting with the neighborhood businesses and recreational facilities that serve both Kaka'ako and the larger community. To maintain and further revitalize this community, the HCDA has tried to encourage and facilitate development projects in the District. To this end, the Authority has modified and eased development restrictions and fees to stimulate new project construction during the tough economic times. The agency continues to focus in this direction.

In prior years, the State focused on the development of affordable housing in Kaka'ako. To date, more than one-half of the housing units constructed in Kaka'ako under HCDA's guidance have been affordably priced units. The HCDA has developed, through alliances with other government agencies and the private sector, a total of about 1,100 affordable residential units in two family rental projects, three senior citizen rental projects, and a for-sale condominium project. (See accompanying residential projects chart.)

New Park Along Queen Street Extension

The HCDA is currently working on a master plan for the development and design of a new park project in Kaka'ako. The HCDA plans to develop two new small parks (totaling approximately two acres) along both sides of the proposed Queen Street Extension project.

The extension (also known as Improvement District 10 and currently in the design phase) will connect Queen Street with Waimanu Street, establishing Queen Street as an East-West artery that will help to relieve traffic on Kapiolani and Ala Moana Boulevards. Construction work could start in June 2002, and be completed by January 2004. Completion of the park is planned to coincide with the completion of the Extension in January 2004. The tentative budget for the park is \$2 million with approximately \$0.2 million to design and \$1.8 million to build. The design includes the preparation of development plans and construction plans. Public facilities dedication funds will be used to pay for this project. These funds are collected by HCDA from developers to build new parks and community



facilities in Kaka'ako. The plan is to develop a neighborhood park that would provide passive recreation space for residents and others in the area. The park could include park furniture, children's play equipment, a "gateway feature" sculpture, shade trees and an interactive water feature. No parking stalls would be developed within the park site.

About 350 persons responded to an HCDA survey in April 2001 that asked the public for suggestions for the design of two new parks in Kaka'ako. A Park Design Review Committee—composed of property owners, neighborhood businesses and residents, and others—was formed to consider the survey results and comments as it prepared its recommendations for the design of the parks. A recommended plan for the park will be presented for Authority approval in December 2001 and a public informational meeting will be held in early 2002.

Current Private Developments in Kaka'ako Mauka

Victoria Ward, Limited (VWL) held a grand opening of the theater portion of its Ward Entertainment Center in late May 2001. Constructed on a 3.5 acre lot located at the mauka-Ewa corner of the intersection of Auahi and Kamakee Streets, this \$45 million, 156,000 square foot entertainment complex houses Consolidated Theatres' 16-screen megaplex and 450 parking stalls. The two-level structure also contains additional retail uses on the first and second levels. Final construction of the center's shops and restaurants was set for completion by late 2001.

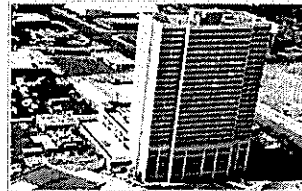
Other noteworthy private sector projects completed and/or under construction in Kaka'ako during the 2000-2001 Fiscal Year include: the BMW of Honolulu new showroom and service center at 777 Kapiolani Boulevard (completed in July 2000); the

Word of Life Sanctuary \$2.6 million renovation project at 544 Queen Street (set for completion in Fall 2001); the Tesoro Gas Express commercial building/convenience store at the corner of King and Cooke Streets (completed in February 2001); and the Altres Building, a \$1.4 million commercial structure at 976 Kapiolani Boulevard (completed in late 2000).

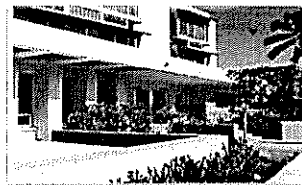
HCDA Affordable Housing Projects and Public Facilities

Project	Units
KAMAKEE VISTA	
Mixed-Use Family Rentals	225

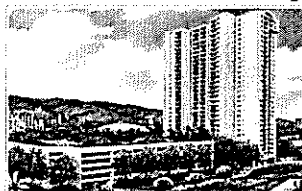
POHULANI	
Mixed-Use Senior Rentals	262



NA LEI HULU KUPUNA	
Senior Rental Housing	75



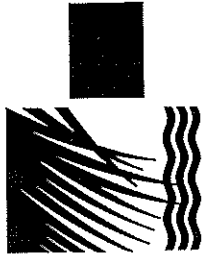
KAUHALE KAKA'AKO	
Mixed-Use Family Rentals	258



HONUAKAHA	
Affordable Senior Rentals & For-Sale Condominiums	243



HONUAKAHA SENIOR CITIZEN/COMMUNITY CENTER	6,800 sf
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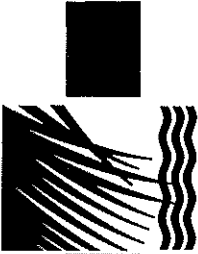


Financial Information

**Hawaii Community Development Authority
STATEMENT OF APPROPRIATIONS, EXPENDITURES,
ENCUMBRANCES AND BALANCES
For Fiscal Year Ended June 30, 2001**

	PRIOR YEAR AVAILABLE FUNDS 7/1/00	APPRN	TRANSFERS	EXPENDITURES	ENCUMBRANCES	ALLOTMENTS	UNALLOTTED	FUNDS	LAPSED
OPERATING FUNDS									
ACT 281, SLH 2000	-	123,729	(1,428)	122,301	-	-	-	-	-
PROJECT FUNDS									
Kakaako Community Development District									
ACT 216, SLH 1987	14,230	-	-	729	13,501	-	-	-	-
ACT 299, SLH 1990	3,846	-	-	-	3,846	-	-	-	-
ACT 296, SLH 1991	502,055	-	-	17,635	484,420	-	-	-	-
ACT 289, SLH 1993	20,000	-	-	20,000	-	-	-	-	-
ACT 252, SLH 1994	132,199	-	-	132,199	-	-	-	-	-
ACT 218, SLH 1995	563,038	-	-	368,411	194,627	-	-	1,487,408	-
ACT 328, SLH 1997	20,411,641	-	-	14,244,497	4,679,736	-	-	1,992,924	-
ACT 116, SLH 1998	16,000,000	-	-	2,174,924	11,832,152	-	-	99,207	-
ACT 91, SLH 1999	26,630,941	-	-	652,811	839,170	-	25,039,753	-	-
ACT 281, SLH 2000	-	1,421,000	-	705,975	-	-	50,425	664,600	-
DELEGATIONS	420,740	-	-	156,810	263,930	-	-	-	-
IMPROVEMENT DISTRICT BOND FUNDS									
REVOLVING FUND	30,336,659	5,609,052	1/	975,099	1,712,746	-	-	33,257,866	-
	<u>95,035,349</u>	<u>7,153,781</u>	<u>(1,428)</u>	<u>19,571,391</u>	<u>20,024,128</u>	<u>-</u>	<u>25,090,178</u>	<u>37,502,005</u>	<u>-</u>

1/ Variance, dedication fees, assessment fees, etc., collected.



Financial Information

**Hawaii Community Development Authority
STATEMENT OF EXPENDITURES
(For Fiscal Years Ending June 30, 2000
and June 30, 2001)**

	JUNE 30, 2001		JUNE 30, 2000
	OPERATING FUNDS	PROJECT FUNDS	TOTAL EXPENDITURES
PERSONAL SERVICES	118,884	1,019,110	1,137,994
OTHER CURRENT EXPENSES	3,417	18,395,086	18,398,503
EQUIPMENT	-	34,894	34,894
TOTAL EXPENDITURES	<u>122,301</u>	<u>19,449,090</u>	<u>19,571,391</u>
			<u>12,478,740</u>



Authority Members (July 1, 2000 - June 30, 2001)

Chair

LORI ANN LUM

Public Affairs Advisor
Watanabe Ing & Kawashima

Vice Chair

MICHAEL K. KAWAHARADA, S.E.

Vice President and Director of
Hawaii Office, The Englekirk Companies

Secretary

DOUGLAS WON

Vice President
Sause Bros.

CHRISTINE H. H. CAMP

Managing Director
Avalon Development Company
(served from February 2001)

MICHAEL GOSHI, NCARB, AIA

Principal
Design Partners Incorporated

KAZU HAYASHIDA

Director
Department of Transportation
(served until December 2000)

AUDREY HIDANO

Secretary and Treasurer
Hidano Construction, Inc.
(resigned in December 2000)

PATRICK K. KOBAYASHI

Vice President
General Services, Inc.
(resigned in April 2001)

JAMES KOMETANI

President and Principal Broker
James Kometani, Inc., Realtors
(served from May 2001)

PATRICK KUBOTA

President, NxTech Development
& Consulting LLC

BRIAN MINAAI

Director
Department of Transportation
(served from December 2000)

NEAL MIYAHIRA

Director of Finance
Department of Budget and Finance

SEIJI NAYA, Ph.D.

Director
Department of Business, Economic Development & Tourism

RAYMOND SATO

Comptroller
Department of Accounting and General Services

Executive Director

JAN YOKOTA



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