

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAII

In re:)
)
The Application of)
)
VICTORIA WARD, LIMITED,)
a wholly owned subsidiary)
of HOWARD HUGHES)
CORPORATION,)
Applicant,)
)
To request a development)
permit, Permit Number)
KAK 18-038, with)
modifications, to develop)
a mixed-use project at)
1020 Auahi Street,)
TMK Nos. (1)2-3-002: 109,)
110 (portion), aka)
"Ko'ula Project.")
_____)

MODIFICATION HEARING
TRANSCRIPT OF PROCEEDINGS

Wednesday, June 13, 2018

Taken at 547 Queen Street, Second Floor
Honolulu, Hawaii 96813
commencing at 12:14 p.m.

Reported by: LAURA SAVO, CSR No. 347

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

John Whalen, Chairperson
Mary Pat Waterhouse, Vice Chairperson
Garett Kamemoto, Interim Executive Director
Deepak Neupane, Director of Planning and Development
Lori Sunakoda, Deputy Attorney General
Max Levins, Deputy Attorney General

BOARD MEMBERS:

Beau Bassett
Wei Fang
Jason Okuhama
Phillip Hasha

ALSO PRESENT:

For the Applicant:

J. DOUGLAS ING, ESQ.
BRIAN A. KANG, ESQ.
Watanabe Ing LLP
999 Bishop Street, 23rd Floor
Honolulu, Hawaii 96813

For HART:

ROZELLE A. AGAG, ESQ.
Department of the Corporation Counsel
City and County of Honolulu
530 South King Street, Room 110
Honolulu, Hawaii 96813

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

PAGE

Call to Order	5
Staff Report	7
Adjournment	89

EXHIBITS ADMITTED FOR THE RECORD:

(None offered.)

WITNESSES FOR THE APPLICANT:

THOMAS WITTEN

Examination by: Mr. Ing	10
Examination by: Member Bassett	21
Examination by: Chair Whalen	26, 31
Examination by: Mr. Neupane	30

DAVID AKINAKA

Examination by: Mr. Ing	32
Examination by: Member Bassett	37
Examination by: Mr. Neupane	37

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X (Cont'd)

WITNESSES FOR THE APPLICANT:

PAGE

CHAD TAKESUE

Examination by: Mr. Ing 41

Examination by: Member Fang 46

Examination by: Chair Whalen 48

RACE RANDLE

Examination by: Mr. Ing 56

Examination by: Chair Whalen 64

Examination by: Member Bassett 68

Examination by: Member Fang 76

PUBLIC TESTIMONY BY:

(None offered.)

1 Wednesday, June 13, 2018, 12:14 p.m.

2 -o0o-

3 CHAIR WHALEN: This hearing is held in
4 accordance with Hawaii Revised Statutes, Chapter --
5 Section 206E-5.6, Hawaii Administrative Rules,
6 Chapter 15-219, and the vested Hawaii Administrative
7 Rules, Chapter 15-22. So the nature of this hearing
8 is to allow the applicant to present the proposed
9 project to provide the general -- and to provide the
10 general public with the opportunity to present oral
11 and/or written testimony. The applicant is Victoria
12 Ward, Limited, a wholly owned subsidiary of Howard
13 Hughes Corporation. Tax map key is 2-3-002, parcel
14 109 and portion of 110. Project location is 1020
15 Auahi Street.

16 The project is a request for a
17 development permit application for a mixed-use
18 development consisting of residential and commercial
19 components at 1020 Auahi Street, tax map key 2-3-002,
20 parcel 109 and portion of 110. The proposed project
21 consists of a 400-foot tower and a 75-foot podium and
22 will house a mix of approximately 570 residential
23 units and approximately 58,300 square feet of
24 commercial space and required parking spaces.

25 The project will provide approximately

1 10,800 square feet of open space and 58,496 square
2 feet of recreational space. The applicant is
3 proposing to provide at least 64 reserved housing
4 units to be located either within the project or
5 off-site.

6 So the modification requested is from the
7 applicable vested Mauka Area Rules, Hawaii
8 Administrative Rules, Chapter 15-22, in order to
9 increase the height of the podium, meaning the
10 structure located at the base of the proposed tower
11 that will house parking stalls, commercial spaces and
12 a portion of the residential units from 45 feet to 75
13 feet -- 45 feet to 75 feet. The application was
14 submitted on April 16th, 2018.

15 A public hearing notice was published in
16 Honolulu Star-Advertiser, Maui News, the Garden Isle,
17 Hawaii Tribune-Herald and West Hawaii Today on
18 Tuesday, May 1st, 2018.

19 So let me explain the procedures for
20 today's hearing. The HCDA staff will first present
21 its report, summarizing the modification request.
22 Following that presentation, we'll receive the
23 presentation of the applicant, and then HART will
24 have an opportunity to make a presentation if it
25 desires. Then we will hear testimony from the

1 public. Only members of the Authority and the
2 executive director will be permitted to ask questions
3 of the staff, applicant or individuals providing
4 testimony.

5 Are there any questions about these
6 procedures? Yes, that would include -- HART, as
7 intervenor, will have an opportunity to ask
8 questions.

9 So we'll begin our proceedings. The
10 Kaka'ako planning and development director, Deepak
11 Neupane, will present the staff's report.

12 MR. NEUPANE: Thank you, Chair. The
13 project is proposing a building platform that's 75
14 feet in height with up to 15 percent of the platform
15 roof area to be built as high as 87 feet for
16 accessory uses.

17 The applicant is requesting the following
18 modifications. Modify section 15-22-62 of the
19 mauka -- the vested Mauka Area Rules to increase the
20 maximum platform height to 75 feet with an allowance
21 of an additional 12 feet in height for 15 percent of
22 the total roof area that would be utilized for the
23 accessory uses.

24 Section 15-22-62 of the vested rules
25 require that building platform heights not exceed 45

1 feet in height.

2 Section 15-22-62(c) of the vested rules
3 does exclude certain building elements or features
4 and associated screening from the height requirement
5 as long as the restrictions of the subsections are
6 met.

7 Section 15-22-120(7) of the vested rule
8 notes that platform height may be modified to exceed
9 45 feet where, A, subsurface constructions is
10 infeasible; B, design requirements for ceiling height
11 clearance require height adjustment; C, industrial,
12 commercial, residential or community services uses
13 are substantially located within the platform,
14 especially along streets or public spaces; or D,
15 significant public facilities or pedestrian features
16 are provided at the street level, especially arcades
17 or publicly accessible open space in excess of the
18 minimum grade level open space.

19 The master plan decision and order
20 indicates that the applicant would be requesting for
21 modification on a project-by-project basis. The
22 Authority shall consider the modification request
23 pursuant to Section 15-22-22 of the vested rules,
24 which notes that in order for the Authority to
25 consider the modification of a specific provision,

1 the applicant must have demonstrated that, 1, the
2 modification would provide flexibility and result in
3 a development that is practically and aesthetically
4 superior to that which could be accomplished with
5 regard -- with the rigid enforcement of the vested
6 rules; 2, the modification would not adversely affect
7 adjacent developments or uses; and 3, the resulting
8 development will be consistent with the intent of the
9 vested Mauka Area Plan.

10 That concludes the staff report, and I
11 can address any questions that members may have.

12 CHAIR WHALEN: Members, questions? Okay.

13 Applicant, the show is yours to present
14 your case for the modification.

15 MR. ING: Thank you, Mr. Chairman. Once
16 again, Douglas Ing and Brian Kang representing Howard
17 Hughes Corporation and Victoria Ward, Limited. We
18 call as our first witness for the modification
19 hearing, Mr. Tom Witten.

20 CHAIR WHALEN: Okay. Tom.

21 THE WITNESS: I swear to tell the truth.
22 My name is Thomas Witten of PBR Hawaii and
23 Associates, and I'm chairman -- currently chairman of
24 the firm.

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

THOMAS WITTEN,

having been called as a witness and being first duly sworn to tell the truth, the whole truth and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. ING:

Q Mr. Witten, could you please describe the modification requested for this project?

A Yes. As staff noted, Ko'ula's design requires one modification under the Mauka Area Rules. The Ward master plan recognized that an increase in maximum podium platform height from 45 feet to 75 feet for all parcels not directly fronting Ala Moana Boulevard would be necessary to achieve the vision of the Ward master plan.

Consistent with the Ward master plan vision, Ko'ula includes a podium platform height of 75 feet to accommodate the mix of uses, provide additional open space, primarily the ground floor, provide street level retail space that will enhance the walkability of the neighborhood, and activate the edge of the Central Plaza that it abuts.

I put together some slides, some of which were -- most of which were reviewed last time in

1 the -- in the overall previous hearing, but let me
2 use these as a way to orient the board again on the
3 attributes of Ko'ula's design and walk you through
4 the resultant benefits that are accrued from the
5 overall project design with the modified podium
6 height to 75 feet.

7 Q So just let the record reflect that
8 Exhibit Z has now been electronically presented on
9 the screen.

10 A Thank you.

11 Again, this is the context slide that
12 shows the Ko'ula proposed project in proximity of the
13 Central Plaza, and the private drive No. 2 or
14 reference No. 2 is -- we've also been referring to
15 that as Halekauwila Street extension, and then
16 there's a service drive between the Ward
17 Entertainment Center and the project and with the
18 primary frontage on Auahi Street on the makai side of
19 the project.

20 At the ground floor, additional open
21 space has been achieved, which is colored in green on
22 this exhibit. Additionally, the front yard setback
23 is highlighted, but you'll see the pedestrian open
24 space on both -- the Halekauwila end of the project.
25 There is a penetration -- as was discussed earlier, a

1 penetration through the central part of the building
2 with an open air/open space that also provides public
3 entry and drop-offs, sort of a public porte cochere
4 with an open space courtyard that feeds into the
5 central core. So those are all key attributes, I
6 think, that have been achieved with the podium height
7 modification.

8 Looking at the Auahi Street and the
9 vision for Auahi Street to be a pedestrian
10 promenade -- major pedestrian promenade throughout
11 Ward Village, this is sort of the existing condition
12 with the proposed site on the left, on the mauka
13 side, and this is the concept or vision for that
14 transformation both with adjustments on Auahi Street
15 and sort of the Complete Streets attributes with
16 pedestrian and bike included within that corridor.

17 Pulling back, looking across Auahi
18 Street, looking mauka at Ko'ula, you'll see the
19 transition with the Central Park -- Central Plaza on
20 the left with the public open space going up to and
21 greeting and interfacing with the commercial uses
22 that are achieved in the ground floor. The green
23 wall section is the parking structure with a podium
24 height of 75 feet to the right, but, again, achieving
25 those mixes of uses --

1 On Auahi Street, there was -- we were
2 able to achieve a step back from the -- at the second
3 level that provides additional recreation open space
4 at that level also on Auahi. Again, the edge -- the
5 activated edge along Ko'ula with commercial space in
6 the ground floor and that flowing out into the
7 Central Plaza area.

8 The podium exhibits showing sort of the
9 Mauka Area Rules as if you didn't have the
10 modification and the resultant vision of the Ward
11 master plan that shows with the modification and the
12 ability to integrate the residential-commercial uses
13 and activate and provide more space for the
14 pedestrians and pedestrian environment along the
15 streets and private lanes.

16 Just another perspective of that, pulling
17 back with -- also with the architecture expressed on
18 Ko'ula.

19 Again, that edge along the Central Plaza,
20 a contrasting example of what it could be if you
21 didn't have the modification and didn't wrap that
22 ground floor with retail space. It could be
23 constructed with parking structures as illustrated.

24 This is a service drive rendering that we
25 didn't have last time, but it looks down looking

1 makai with Ward Entertainment Center on the left and
2 Ko'ula on the right and to the -- to the far right is
3 we're looking across the Halekauwila Street
4 extension. So you're kind of looking down, and along
5 this edge of Ko'ula, you basically have your -- your
6 residential parking entrance. You have where the
7 Ward Village dark brown logo is that pass-through
8 that provides penetration through the project to the
9 Central Plaza with the public porte cochere area, and
10 then there are several service -- service bays beyond
11 that. So a lot of the -- most of the sort of
12 utilitarian, functional access aspects of the
13 building are achieved on this private drive adjacent
14 to the Ward Entertainment Center.

15 And then on the mauka side, we're able to
16 wrap the ground floor with retail uses as
17 illustrated, and above that, there's actually
18 integrated residential uses along that edge.

19 Similar to A'ali'i, immediately across
20 the street, A'ali'i also has residential uses that
21 were integrated into that 75-foot podium in that
22 case.

23 This is a better shot just looking down
24 what's also referred to as Halekauwila Street
25 extension with that activated edge with the retail

1 and the residential above and the edge of A'ali'i,
2 which also has retail -- was able to integrate retail
3 and also has residential integrated at the podium.
4 So you get a very nice streetscape, and there's
5 ample -- ample pedestrian movement area and
6 provisions for landscaping.

7 That concludes the overview of the -- of
8 the related streetscape impacts and how the
9 modification allows for that to be achieved.

10 Q Okay. Thank you. So with regard to the
11 Mauka Area Rules, Section 15-22-62 regarding heights
12 provides that no portion of the building shall exceed
13 45 feet in height provided that additional height is
14 permitted pursuant to plan development portions of
15 subchapter 4. So pursuant to Subchapter 4 of the
16 Mauka Area Rules, Howard Hughes is requesting the
17 modification?

18 A Yes.

19 Q So modification to the podium platform
20 height may be granted under Section 15-22-120,
21 parentheses, 7, which provides that platform heights
22 may be commensurately modified to exceed 45 feet
23 where, A, subsurface construction is infeasible; B,
24 design requirements for ceiling height clearances
25 require height adjustment; C, industrial, commercial,

1 residential or community service uses are
2 substantially located within the platform, especially
3 along streets or public spaces; or D, significant
4 public facilities or pedestrian features are provided
5 at street level, especially arcades or publicly
6 accessible open space in excess of the minimum grade
7 level open space.

8 In the case of Ko'ula, is subsurface
9 construction infeasible?

10 A Yes. The proposed modification for the
11 project consistent with the Mauka Area Plan avoids
12 subsurface excavation activities associated with the
13 underground parking structure. Keeping the parking
14 structure above ground for Ko'ula where there are
15 potential cultural subsurface sensitivities in
16 proximity of the water table is a benefit that
17 accrues from the modification requested herein.

18 In addition, as noted in Appendix D,
19 Figure 1-5, the Ko'ula project is within the FEMA
20 flood insurance rate map zone AE with base flood
21 elevations established at 7 and 8 feet. The proposed
22 -- the proposed finished floor elevation at level 1
23 for Ko'ula is 8.25 feet to stay above that -- that
24 elevation and is also a requirement or also a reason
25 for the -- for the modification.

1 Q Will commercial and community service
2 uses be substantially located within the Ko'ula
3 platform, especially along streets or public spaces?

4 A Yes. As previously illustrated on the
5 presentation I made previously, Ko'ula -- Ko'ula
6 includes a courtyard, a drop-off area, ground level,
7 street front retail and dining access along Auahi
8 Street, and the service drive and Halekauwila
9 extension. And the Central Plaza and residential
10 units have been incorporated into that podium. These
11 uses in the platform displace parking, resulting in
12 additional floors -- parking floors being necessary
13 to accommodate the required parking.

14 Q Will the significant public facilities or
15 pedestrian features be provided at street level,
16 especially arcades or publicly accessible open space,
17 in excess of the minimum grade level open space -- be
18 provided within the podium?

19 A Yes. I think we've illustrated that on
20 the various -- various plans and illustrations on all
21 street frontages and the Central Plaza. The
22 terraced -- as I mentioned earlier, the terraced
23 podium, proposed modification that was achieved off
24 Auahi Street also creates additional open recreation
25 area and provides an aesthetically pleasing

1 pedestrian transition into the retail shops and
2 restaurants within the podium. This is referring to
3 Exhibit A, which is the application at Exhibits 20-F
4 and 20-D as previously illustrated in the slides.

5 The platform modification also allows for
6 interior courtyard, as I mentioned. It provides
7 access to the building, a convenient off-street,
8 drop-off area for the car community and a significant
9 amount of added open space in that courtyard that
10 opens up into the Central Plaza.

11 Q Thank you. Referring now to
12 Administrative Rule 15-22-22, it provides that
13 modifications are permitted if the applicant can
14 demonstrate that, 1, the modification would provide
15 flexibility and result in a development that is
16 practically and aesthetically superior to that to
17 which could be accomplished with rigid enforcement of
18 this chapter; 2, the modification would not adversely
19 affect adjacent developments and uses; and 3, the
20 resulting development would be consistent with the
21 intent of the Mauka Area Plan.

22 In your professional opinion, does this
23 modification provide flexibility and result in a
24 development that is practically and aesthetically
25 superior to that which could be accomplished only by

1 rigid enforcement of the rules?

2 A Yes. As designed, Ko'ula's podium
3 platform height of 75 feet is consistent with the
4 Ward master plan and provides for inclusion of the
5 street level retail space to greatly enhance the
6 streetscape aesthetics and contribute to the walkable
7 neighborhood as we have illustrated in the
8 renderings.

9 Q In your professional opinion, does this
10 modification adversely affect adjacent developments
11 or uses?

12 A No. Consistent with the Ward master
13 plan, the podium platform height and resultant mix of
14 uses will not adversely affect adjacent developments
15 or uses and is consistent with the modification
16 previously approved by HCDA and Ward Village. Ae'o
17 on Land Block 1, Project 2, Anaha, Land Block 3,
18 Project 1, Ke Kilohana, Land Block 5, Project 1, and
19 A'ali'i, Land Block 1, Project 3 have all proposed
20 and had these modifications approved in the past.

21 This proposed modification provides
22 uniformity with neighboring developments. The
23 proposed podium platform height will also create the
24 recreation deck with an overlook and activate a
25 streetscape with convenient access to retail uses at

1 the ground level.

2 Q In your professional opinion, does this
3 modification result in a development that is
4 consistent with the intent of the Mauka Area Plan?

5 A Most definitely. The mixed use, enhanced
6 streetscape, additional open space, recreation deck
7 are all consistent with the intent of the Mauka Area
8 Plan in that they contribute to achieving the vision
9 of the approved Ward master plan.

10 As outlined in the approved Ward master
11 plan, an increased platform height to 75 feet for
12 buildings not directly fronting Ala Moana Boulevard
13 allows for retail, restaurant, offices and
14 residential units to be built within the parking
15 podium. The additional height also provides an
16 opportunity to move parking uses up and away from the
17 street, thereby improving the street environment.
18 The streetscape is greatly enhanced with the
19 ground-level retail and dining along the street
20 frontages.

21 Q In your professional opinion, is this
22 modification necessary to implement the
23 live-work-play vision of the Mauka Area Rules in the
24 Ward master plan?

25 A Yes, most definitely.

1 Q So, previously, I believe you had showed
2 us some slides, and what would this project look like
3 without the requested modification?

4 A There were a few images that we presented
5 that showed the conceptual -- conceptual
6 implementation of the Mauka Area Rules with the
7 45-foot platform height that would consume most of
8 the ground-floor footprint to accommodate the program
9 and number of units proposed. So the -- I think as
10 clearly illustrated and both expressed in the
11 approved Ward master plan, that the intent was to
12 achieve -- integrate those uses into the podium and,
13 thus, the required 75-foot podium height that has
14 been consistently been implemented throughout Ward
15 Village to achieve the desired urban design and
16 streetscape.

17 Q Thank you. This concludes the direct
18 examination of Mr. Witten.

19 CHAIR WHALEN: Board members, questions?

20 EXAMINATION

21 BY MEMBER BASSETT:

22 Q I have a question. So regarding the
23 slides that you added since our last -- the
24 presentation hearing, you did add some of the
25 drawings for the Halekauwila Street view as well as

1 the view that's, like, on the side of the building
2 that's abutting the theater?

3 A Correct.

4 Q That's why I'd like to make sure I'm
5 getting this right. On the service drive rendering,
6 that porte cochere that has the brown above it, is it
7 correct that if I was to stand in front of that and
8 look through, I would see the park?

9 A Yes.

10 Q Okay.

11 A If I could go back to the site plan here,
12 so that -- where it says "Public" -- I'm referring to
13 the detailed site plan of Ko'ula within Exhibit Z,
14 and it's "Public Entry Drop-Off." So that's the
15 driveway and porte cochere area that the public would
16 be able to pull in and drop off, and that green open
17 space is a plaza that connects directly to the
18 Central Plaza.

19 Q Okay. And then the rendering of the
20 Auahi Street side, the one that was available at the
21 last hearing, do you have that second floor there
22 with the glass?

23 A There we go. Oh, this one.

24 Q No. One more. Keep going. One more.

25 A That's the end of it.

1 Q That one there.

2 A Oh, this one?

3 Q Yeah. So behind the "thank you," there's
4 that second story; yeah?

5 A Yes.

6 Q Where people can walk?

7 A Open recreation area.

8 Q Is that for the public or for residents?

9 A I think the access there is primarily for
10 the residents, that additional open recreation area.
11 I'm not certain on what the flexibility on access is.

12 Q Maybe if someone from Howard Hughes could
13 expound upon that.

14 MR. RANDLE: I'd be happy to.

15 MEMBER BASSETT: Maybe just jump in now.

16 THE WITNESS: Tom was saying it's
17 available for second floor dining from the
18 restaurants. So it would be open to the public as a
19 function of the restaurant uses.

20 BY MEMBER BASSETT:

21 Q So it's intended that same tenant would
22 have an upstairs-downstairs space?

23 A Potentially, yes.

24 Q But potentially could also be limited to
25 residents only? Is that another possibility?

1 MR. ING: Mr. Randle can address that in
2 his presentation. He'll be coming on.

3 MEMBER BASSETT: Oh, after?

4 MR. ING: Yes.

5 BY MEMBER BASSETT:

6 Q Okay. Then the other one, try to go back
7 to the slide that had the Halekauwila view.

8 A Got it.

9 Q The thing that I am looking at here is I
10 am concerned about the requirement that the
11 modification be aesthetically superior. That's the
12 one thing that I'm asking about that. So some of
13 these renderings, I like the way it looks. I think
14 it does look better than the counter of just a
15 parking lot; right? Even though it's 45 feet
16 shorter, it looks nicer.

17 A It's not hard to beat the parking lot.

18 Q Right. But you didn't provide that
19 rendering for the Halekauwila Street under the
20 45-foot scenario. So I don't really have anything to
21 look at --

22 A Oh, I see.

23 Q -- regarding, you know, if you didn't do
24 this 75, then it would be this.

25 A Well, I think you could -- I mean, I

1 guess you could assume the -- that would be a 45-foot
2 face of parking structure --

3 Q Okay.

4 A -- without the residential and without
5 the commercial. So I think if you can, you know,
6 visually imagine a parking structure without the
7 retail and residential at a 45-foot height would be
8 the result.

9 Q Yeah. So I do see that in this rendering
10 from the Halekauwila Street view, it is a number of
11 residential floors above the retail floors, and in
12 this rendering, I can see into everybody's living
13 room. So part of that is, like, I like that in a way
14 because it's not just a flat, opaque wall, but I also
15 know that that's likely not realistic, right, that
16 it's going to be that kind of clarity for the
17 windows?

18 A Yeah. I would defer to the architect or
19 Howard Hughes Corporation to address the
20 architectural treatment of those windows and
21 surfaces.

22 Q Is that person available today?

23 A Yeah, they are.

24 ///

25 ///

EXAMINATION

1
2 BY CHAIR WHALEN:

3 Q I'd like to ask, you know, that sort of a
4 simulation of what the podium could look like with
5 the 45-foot height limit from the podium. Are you
6 aware of any project that HCDA has approved that has
7 that kind of condition, I mean, with the parking
8 grade at the ground floor? Other than the parking
9 garage that fronts Queen Street, any other street
10 frontage where HCDA has allowed that condition?

11 A I'm not that familiar with the previous
12 board approvals.

13 CHAIR WHALEN: Staff that's been around
14 here for a while, if you can think of any project
15 where HCDA has allowed that condition?

16 MR. NEUPANE: It's just the parking
17 podium at the ground floor. Kauhale Kaka'ako would
18 be one example of an affordable housing project that
19 has a garage that's kind of a podium garage that's
20 separated from the tower where the parking comes all
21 the way down to the grade ground floor.

22 CHAIR WHALEN: And that was an affordable
23 housing project HHFDC approved?

24 MR. NEUPANE: That is correct.

25 MEMBER FANG: What year was that done,

1 that project?

2 MR. NEUPANE: I don't know the exact
3 year, but it was somewhere around mid '80s to late
4 '80s, around there.

5 MEMBER BASSETT: I have a question for
6 staff. So when it comes to, like, these renderings,
7 right, like, for example, I just mentioned how these
8 windows have a certain kind of clarity where it's not
9 just visually flat, but I can see some depth there,
10 these designs are not locked in at this stage;
11 correct? There can be modification from this?

12 MR. NEUPANE: The design could be
13 modified. There is no specific provision in the rule
14 to control the design except the reflectivity of the
15 glass.

16 MEMBER BASSETT: But they're not bound by
17 the same reflectivity rules that we encountered with
18 the Symphony tower and 801 South Street; correct?

19 MR. NEUPANE: Not exactly, but there is a
20 similar provision in the Mauka Area Rules, the vested
21 rules that controls the reflectivity of the glass.

22 MEMBER BASSETT: I see. What about,
23 like, you know how for the service drive one, how the
24 whole facade of that podium is covered in greenery,
25 are those things that can be decided right now and

1 locked in?

2 MR. NEUPANE: There's really no provision
3 in the rule to allow for those kind of design
4 elements to be controlled. But that said, Howard
5 Hughes has submitted his LEED requirements and all.
6 So they could look at it from that perspective to
7 meet the LEED points and come up with a green wall
8 like that.

9 MEMBER BASSETT: The reason why I ask is
10 for us to determine what is aesthetically superior.
11 It's one thing to be shown a rendering of what is
12 like this beautiful oasis, and then in actuality
13 later on, it would be a flat concrete wall. So
14 that's just the foundation for why I'm asking these
15 questions.

16 MR. NEUPANE: That could be placed as a
17 condition in the permit where, you know, the
18 applicant follows what was presented to the board,
19 and so that would avoid it from being a concrete wall
20 where a green wall is shown. But I'm not sure if,
21 you know, we could especially find what kind of
22 plants and those kind of things, and that probably
23 would be left to their, you know, landscape designer.

24 MEMBER BASSETT: Thanks.

25 BY CHAIR WHALEN:

1 Q Tom, you're a landscape architect. I
2 notice the treatment of sort of the green wall on the
3 side of the parking garage, not all examples of that
4 treatment have worked -- have been all that
5 successful. The green wall on Queen Street for the
6 parking garage, I mean, those plants are struggling.
7 What would you say is the difference between those
8 that are good examples, I guess, of a successful
9 creation of a green wall and what's happened there?

10 A Well, I think -- I can't point to any --
11 I mean, this is -- it's a significant green wall. It
12 will take special design and design attention to make
13 it successful and the choice of plant materials. I
14 do know there are some very hardy vine materials that
15 could achieve that. I recall that there was that
16 condominium there at Punahou that was probably eight
17 or nine stories and ficus pumila covered the whole
18 thing. Eventually, they took it off because of a
19 maintenance issue.

20 MEMBER FANG: It was a maintenance issue
21 because there were rodents that were nesting in
22 there.

23 THE WITNESS: Yeah. So there are issues.
24 In this case, a parking structure with ventilation
25 and that length of plant material, I think it will

1 have to be the actual design solution, which I'm not
2 privy to, will have to be attentive to multiple
3 planter levels to achieve that green wall effect.

4 CHAIR WHALEN: Or possible irrigation.

5 THE WITNESS: Definite irrigation. They
6 would have probably planters on every floor, every
7 other floor that would support the plant growth,
8 whether it's a vine or most likely a vine and a
9 lattice work to carry it, but it can be achieved.

10 CHAIR WHALEN: Any other questions from
11 the board? Because I'll ask staff if you have
12 questions of the witness.

13 EXAMINATION

14 BY MR. NEUPANE:

15 Q Yeah, I have one quick question. What is
16 the width of Halekauwila Street at that location?

17 A It's approximately -- from building face
18 to building face, it's approximately 66 feet. We're
19 not quite sure. I don't think we have it quite
20 accurate on the A'ali'i side. So it may be a little
21 wider than 66 feet. The travel way is about 32 feet,
22 and then on the pedestrian -- pedestrian landscape
23 zones are about 18 feet on the Ko'ula side and
24 16-plus on the A'ali'i side.

25 ///

EXAMINATION

1
2 BY CHAIR WHALEN:

3 Q So with a 16-foot sidewalk area,
4 including furniture zone --

5 A Yeah. Tree wells, you know, tree grades,
6 planters.

7 Q At least a small to medium canopy-size
8 tree?

9 A Within those planting zones, yes, you
10 could achieve that.

11 CHAIR WHALEN: Okay. Is there -- does
12 HART have any questions?

13 MS. AGAG: Please indulge me as I make my
14 appearance for the modification hearing. Rozelle
15 Agag representing Honolulu Authority for Rapid
16 Transportation. No questions for this witness.
17 Thank you.

18 CHAIR WHALEN: All right. I guess your
19 next witness, if you have one. I think Race Randle?

20 MR. ING: We call as our next witness,
21 David Akinaka.

22 CHAIR WHALEN: I don't think you were
23 sworn in previously. So please raise your right hand
24 and swear or affirm to tell the truth.

25 THE WITNESS: I swear to tell the truth.

1 MR. ING: I just want the record to
2 reflect that Mr. Akinaka's direct written testimony,
3 which included his curriculum vitae, was submitted on
4 June 6, and he was at that time qualified as an
5 expert in architecture.

6 CHAIR WHALEN: Right.

7

8

 DAVID AKINAKA,

9 having been called as a witness and being
10 first duly sworn to tell the truth, the whole truth
11 and nothing but the truth, was examined and testified
12 as follows:

13

 EXAMINATION

14

BY MR. ING:

15

 Q For the record, please state your name,
16 place of employment and position.

17

 A David Akinaka. I'm a principal with
18 Ferraro Choi and Associates.

19

20

 Q Going to the modifications for this
21 project, the Mauka Area Rules allow modifications if
22 the applicant can demonstrate that the modification
23 will provide flexibility and result in a development
24 that is practically and aesthetically superior to
25 that which could be accomplished with -- by rigid
enforcement of the rules. Second, the modification

1 would not adversely affect the adjacent developments
2 or uses. And, third, the resulting development will
3 be consistent with the intent of the Mauka Area Plan.

4 In your professional opinion, does this
5 modification provide flexibility and result in a
6 development that is practically and aesthetically
7 superior to that which would be accomplished by rigid
8 enforcement of the rules?

9 A Yes. The increase in podium height to 75
10 feet will allow the volume of parking in the podium
11 along the Central Plaza and Auahi Street be pulled up
12 and away from these pedestrian thoroughfares. It
13 will allow the bulk of the ground floor of the
14 project to be used for street level retail and open
15 space. And making shops, dining and other retail
16 uses accessible from the Central Plaza and nearby
17 sidewalks will make the neighborhood more humanly
18 scaled and more walkable.

19 In addition, because the parking levels
20 will be offset from the lawful setback and located
21 higher up in the podium, the modification will also
22 offer pedestrians much better visual and safer
23 separation from the garage uses.

24 If you look at Exhibit 20-B in the DDP
25 application, there's a very helpful diagram showing

1 the amassing and what's been done to -- what could be
2 done under the Mauka Area Rules and what the building
3 architects have proposed here. So on the very
4 left-hand side of the diagram, this shows what the
5 podium height would be at 45 feet with the tower and
6 built out to the allowable property line and the
7 front yard setback.

8 MEMBER FANG: Can you say that page or
9 table number again?

10 THE WITNESS: Sure. It's 20-B.

11 So you see that 45-foot podium contains
12 all of the parking uses and residential tower uses
13 above. The middle and right-hand diagrams show how
14 that 45-foot-high podium -- the parking uses have
15 been pulled -- actually, the podium itself has been
16 pulled away from the property line to create
17 additional open space at the ground level. It's been
18 pulled back -- set back along Auahi Street. And open
19 space at the ground floor for that public courtyard
20 and drop-off area has been created. And the result
21 is this 75-foot-high podium tower -- podium which has
22 a mix of commercial, residential and parking uses
23 contained within it. And because Victoria Ward,
24 Limited, has -- in response to the prior comments
25 from the HCDA, Victoria Ward, Limited, carved, you

1 know, out allowable building area at the ground level
2 to provide increased open space and additional retail
3 opportunities in this area.

4 This design is particularly significant
5 for Ko'ula because this project faces the Central
6 Plaza. The project also carves out an area for
7 public courtyard and car drop-off that will be used
8 by the entire community.

9 BY MR. ING:

10 Q In your professional opinion, does this
11 modification adversely affect adjacent developments
12 or uses?

13 A No. The 75-foot height -- podium height
14 would be consistent with the Ward master plan and
15 other projects permitted and constructed within Ward
16 Village. Adequate street parking for the commercial
17 and residential spaces contained within the podium
18 are accommodated within the project. The
19 modification does not impact mauka-makai view
20 corridors, the nearby HART guideway nor
21 archaeological resources. In addition, shadows from
22 the 75-foot podium height will not have an adverse
23 affect on the neighboring uses.

24 Q In your professional opinion, does this
25 modification result in a development that is

1 consistent with the intent of the Mauka Area Plan?

2 A Yes. The Mauka Area Rules specifically
3 encourage the development of mixed uses,
4 pedestrian-friendly streetscapes, open space and
5 recreational space.

6 Q In your professional opinion, does this
7 modification -- is it necessary to implement the
8 live-work-play vision of the Mauka Area Rules in the
9 Ward master plan?

10 A Yes. This project and the modification
11 are integral to creating a neighborhood where
12 residential, commercial and retail uses are
13 incorporated to be mutually beneficial to each other,
14 particularly in the vicinity of the Central Plaza.
15 The project will significantly contribute to the
16 public desirability of Ward Village and continued
17 implementation of the live-work-play concepts that
18 are key components of the Ward master plan.

19 MR. ING: Thank you. This concludes his
20 direct examination.

21 CHAIR WHALEN: Board members, any
22 questions of Mr. Akinaka?

23 MEMBER BASSETT: I had some -- you go
24 first.

25 CHAIR WHALEN: No. You go first.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXAMINATION

BY MEMBER BASSETT:

Q I had some questions about the rendering from the Halekauwila Street side. I asked about the window light transmittability (sic) and clarity. Did you look at that?

A I'll defer that to Race Randle.

MEMBER BASSETT: No questions from me.

EXAMINATION

BY MR. NEUPANE:

Q I have a question -- couple questions. What is the required number of parking for the project required by the Mauka Area Rules?

A Let me find the exhibit in the application.

CHAIR WHALEN: 18, isn't it? Or 17.

MEMBER FANG: It should be Exhibit 17.

THE WITNESS: Sorry. Bear with me. So the total parking for the residential parking?

BY MR. NEUPANE:

Q No. The total parking --

A Total parking?

Q -- provided for the project by Mauka Area Rules?

A Okay. Grand total is 782 stalls.

1 Q 782 stalls?

2 A Yes.

3 Q So what is the actual number of parking
4 provided for the project in your design?

5 A Actual parking on-site is 732. There's
6 147 provided off-site for a grand total of 879.

7 Q For the project itself on this location,
8 how many?

9 A On-site parking?

10 Q Yeah. How many stalls?

11 A 732.

12 Q 732.

13 CHAIR WHALEN: Just a couple questions.
14 Is that it? Okay.

15 MEMBER FANG: I have a question for -- I
16 guess it's more for Deepak related to the parking
17 requirement.

18 So this project was presented to us as
19 requiring 64 reserved housing units, and I know that
20 we recently revised reserved housing rules, which I
21 know do not directly affect this project because this
22 project is already grandfathered into a previous set
23 of rules, but in the newly approved reserved housing
24 rules, is there a requirement for reserved -- for
25 parking for reserved housing units?

1 MR. NEUPANE: In the amendment that the
2 board just approved this morning, there is no
3 requirement for parking for reserved housing units.

4 MEMBER FANG: So I think what I'm trying
5 to get at is the trend is now kind of with what we
6 know in the TOD rules that we'd like to really see be
7 put into effect in the neighborhood, in fact, if this
8 project were to come onboard now and not be subject
9 to the -- and be subject to the new reserved housing
10 rules, then the parking requirement would actually be
11 much less?

12 MR. NEUPANE: Well, less by the number of
13 units that's required. So 64. And to give you an
14 example, in A'ali'i project, the board required a
15 condition on the permit saying that the reserved
16 housing units should be -- parking should be
17 unbundled. So we could consider something like that.
18 So that may have reduced the number of parking.

19 MEMBER FANG: Okay. Thank you.

20 EXAMINATION

21 BY CHAIR WHALEN:

22 Q Mr. Akinaka, you didn't really -- the
23 other thing about this Exhibit 17, it refers to
24 market-required parking, and I'm curious about that
25 term. What does "market required" mean, or is that

1 something that's out of your realm and somebody
2 else --

3 A I'd ask -- I think one of the gentlemen
4 following me --

5 MR. ING: We have someone that will
6 address that, Mr. Chairman.

7 CHAIR WHALEN: Thank you. Okay. Are
8 there any questions from the intervenor?

9 MS. AGAG: No questions for this witness.
10 Thank you.

11 CHAIR WHALEN: Okay. So I guess we are
12 ready for your next witness if you have one.

13 MR. ING: Yes. So we call as our next
14 witness, Mr. Chad Takesue.

15 CHAIR WHALEN: Mr. Takesue, raise your
16 right hand and swear or affirm to tell the truth.

17 THE WITNESS: I swear to tell the truth.
18 I'm a senior VP of sales for Locations.

19 CHAIR WHALEN: Thank you.

20

21

CHAD TAKESUE,

22

having been called as a witness and being

23

first duly sworn to tell the truth, the whole truth

24

and nothing but the truth, was examined and testified

25

as follows:

EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY MR. ING:

Q For the record, would you state your name, place of employment and position?

A Chad Takesue, Locations, and senior VP of sales.

Q What is Locations' experience with sales of new developments in the urban core?

A Our firm has had extensive experience and knowledge of the supply and demand of residential units in the Honolulu urban core, and we are currently involved with the sale of numerous new development units in this area.

Q In connection with the sale of residential units in the urban core, does Locations have experience with different parking options and configurations, for example, one parking stall versus two parking stalls per unit and other configurations?

A Yes. We have -- we have been involved in the sale of numerous types of units within the urban core, including studio apartments, one-, two-, and three-bedroom units as well as other types of units and varying types of parking stall assignments and configurations for these units.

Q In your opinion, is the availability of

1 parking a factor and potential -- in a potential
2 buyer's decision to purchase a unit within the urban
3 core?

4 A Yes. While Kaka'ako has easily
5 accessible transit options and is designed to foster
6 a "work, live and play" environment and there's a
7 planned rail station in the area, the availability of
8 the number of parking stalls still remains a
9 significant and important factor in a buyer's
10 decision to purchase a unit in the area.

11 Q Why is parking a significant factor in a
12 buyer's decision to purchase a unit in Kaka'ako?

13 A I think the reality of the market is
14 that, especially for Oahu households, you have two or
15 more cars in a household and will condition to do so
16 for the reasonably foreseeable future even with the
17 advent of alternative modes of transportation. While
18 the proposed rail line and other transit options,
19 including driverless cars, ride sharing and other
20 transit services, it may ultimately come to fruition
21 and it may be widely adopted in the 10 to 20 years,
22 today's homebuyers are still making purchases and
23 lifestyle decisions on what is practical and
24 available now since they're still faced with
25 immediate transportation needs. It's very difficult

1 for households, especially families, to abruptly
2 adjust to single-car households overnight, especially
3 when you have two income households. And in our
4 experience, many families never make the transition
5 to a single-car household because of work
6 commitments, childcare, family activities.

7 Accordingly, the number of parking stalls
8 remains a key factor in the purchase of units,
9 particularly for the potential local purchasers in
10 the Ala Moana and Kaka'ako area. We have seen a
11 significant difference in the sales of units that
12 provide only one parking stall for a two- or
13 three-bedroom unit versus two parking stalls for such
14 units, thus further indicating that parking remains a
15 key factor in their purchasing decisions.

16 Q What is your understanding of the number
17 of residential parking stalls at Ko'ula?

18 A Ko'ula will provide approximately 732
19 residential parking stalls for 570 homes with one
20 parking stall allocated for the studio -- for each of
21 the studio and one-bedroom units and two stalls
22 allocated to each of the two- and three-bedroom
23 units. My understanding is that the number of
24 residential parking stalls in Ko'ula exceeds the
25 minimum requirement under the vested rules by

1 approximately 97 stalls. In my opinion, these
2 additional stalls are reasonable and necessary for
3 this project given the high-market demand for units
4 with sufficient parking in this area, particularly
5 for local buyers.

6 From a marketing and sales perspective,
7 assigning two stalls to the two- and three-bedroom
8 units and one stall to the one bedroom and studio
9 units constitutes the minimum number of stalls that
10 should be allocated to these units.

11 The decision to reduce the total number
12 of parking stalls by assigning only one stall to the
13 studios and one-bedroom units for Ko'ula already
14 constitutes a reasonable, yet somewhat risky,
15 accommodation to reduce the number of stalls in the
16 project since it will likely be challenging to market
17 and sell these units because of the strong demand in
18 area for two parking stalls even for studios and
19 one-bedroom units. We know this because recent
20 projects in the Ala Moana-Kaka'ako area have offered
21 additional stalls for one-bedroom unit owners, and
22 the market demand quickly absorbed those additional
23 stalls.

24 Q In your expert opinion, would the
25 impact -- what would the impact be of reducing the

1 number of parking stalls in Ko'ula to less than the
2 estimated 732 stalls planned for the project?

3 A In my opinion, reducing the number of
4 residential parking spaces at Ko'ula from
5 approximately 732 planned stalls to, for example, the
6 minimum 635 parking stalls under the terms of the
7 vested rules would significantly and adversely affect
8 the marketing and sales of the units at this project,
9 particularly among potential local purchasers.

10 From a real estate marketing and sales
11 perspective, the approximately 732 parking stalls are
12 reasonable and necessary to support the units within
13 this project. And the viability of the project as a
14 whole and our experience has shown that it will be
15 very difficult to meet market expectations in any
16 fewer stalls -- if any fewer stalls are constructed
17 with Ko'ula.

18 MR. ING: Thank you. That concludes the
19 direct examination.

20 CHAIR WHALEN: Board members, are there
21 any questions of the witness?

22 MEMBER FANG: I have a question.

23 CHAIR WHALEN: Yes.

24 ///

25 ///

EXAMINATION

1
2 BY MEMBER FANG:

3 Q So from the counts listed on Exhibit 17,
4 it looks like nearly 70 percent of this project is
5 slated for studios or one bedrooms. What's the
6 typical buyer profile that you're expecting for those
7 studios and one bedrooms?

8 A I can speak to, you know, past projects
9 that have similar types of setups. You know, we do
10 see for the -- for the studios, you might have that
11 single professional, you know, single person. We've
12 actually seen even couples in those spaces.

13 Q What past projects are you thinking about
14 when you're --

15 A Well, there's a variety of -- you have
16 dating back to Honuakaha right here next door to us.
17 They have studio units there, and you have married
18 couples living in those spaces.

19 Q Are you able to speak specifically to
20 recent projects in the Ward Village area?

21 A Well, A'ali'i project is selling those
22 units, and we're seeing, you know, a mix of both
23 single and multiple owners for those types of units.

24 Q What's the price point in the A'ali'i
25 project for studios and one bedrooms?

1 A Price points are -- vary because there's
2 a mix of reserved and market units. So --

3 Q Sure.

4 A -- you know, you're looking at 300 -- 300
5 range all the way up to the mid-four range.

6 Q And what's the percentage of local versus
7 out-of-state buyers -- out-of-state or international
8 buyers, roughly, that you're seeing in --

9 A For --

10 Q -- Ward Village projects?

11 A I think it's a mix. I mean, you know, I
12 don't have that specific number in front of me, but
13 there is a strong demand for the local segment, and
14 they're really just binding to that kind of lifestyle
15 and the convenience factor. You know, that's why we
16 know that they're coming from these two-car
17 households from other locations and migrating into
18 the urban core. It's very difficult. We're finding
19 that consumer it's very difficult to all of a sudden,
20 "Hey, you gotta go to one car just for the
21 convenience."

22 Q And what about the out-of-state and
23 international buyers, what's their demand for
24 parking?

25 A There's still a demand. I wouldn't say

1 that it's less of a demand for additional parking
2 stalls. If they become residents here, they -- they
3 have two cars. And it's just more so for the local
4 market, I definitely see even a higher significance
5 because they're coming from that.

6 EXAMINATION

7 BY CHAIR WHALEN:

8 Q Have you ever done any sales or rental, I
9 guess, for senior housing projects, I mean retirement
10 homes?

11 A We've done resales, yeah.

12 Q Because this is borne out by the actual
13 data. Many people enter retirement homes thinking
14 that they need one or two cars, which they have been
15 accustomed to, but over time, they don't use the cars
16 at all and they become kind of storage yards for
17 cars, the garages, because they find that there's --
18 it's more --

19 Depending on the location, senior homes
20 that are located in urban areas where there's a lot
21 of mobility, pedestrian mobility, there might even be
22 a van that takes people to different locations. They
23 don't really need the cars, but it's sort of like a
24 sense from the buyer initially that they must have
25 this car. It's more of a psychological dependence

1 than anything else.

2 So realizing that people may not
3 initially think or a buyer might not initially think
4 that they need -- that they can do without a car when
5 they actually start living in the area and especially
6 with, you know, a rail transit system coming in 600
7 feet away from this building, it just doesn't seem
8 very likely that people will be as dependent on two
9 cars per household. I mean, that seems -- and it's
10 expensive and adds to the expense of buying the unit.
11 So, you know, I just --

12 It seems like a little bit of a
13 chicken-and-egg situation here. We're planning for a
14 transit-oriented development and still assuming that
15 people are going to be dependent on automobiles to
16 get around. I mean, that's one of the big
17 attractions of Kaka'ako, supposedly. It's a
18 mixed-use area, high density, very convenient to walk
19 around. So why are accommodations made for all this
20 parking which would be very difficult to convert to
21 another use once it's built. You know, it's a big
22 investment when it actually adds to the expense of
23 the unit, and the cars may not be used in the future.
24 I mean, there will be an attrition of the uses of
25 those parking stalls, but they'll be there. So I

1 don't know if there is really consideration of that.

2 I mean, it depends on how you pitch the
3 sales for these units. There seems to be so much
4 demand for middle-income housing right now. Would
5 that really defer the sales of these units if they
6 had less parking and two stalls per unit?

7 A I think there's a couple of things in
8 your question there in regards to the senior housing.
9 If you're talking about ambulatory type of housing,
10 yes, there is not as much of a need for a car for
11 someone living in those types of senior housing
12 projects. There are other senior housing projects,
13 though, that have independent living, and they very
14 much still drive their cars and need that parking
15 stall. So that's two different kind of products.

16 The other thing is on the -- I mean, on
17 the type of buyer that is looking at a project like
18 these Howard Hughes projects and they're working here
19 and two household incomes, while the future of
20 transit and everything that's come into play is going
21 to help alleviate some of that. We're just --

22 From a market perspective and what we've
23 seen on these projects in the whole Ala Moana and
24 Kaka'ako area, there's still a strong demand, which
25 tells you there's a need. When they release

1 additional stalls to the project owners, they're
2 buying up these second stalls because they have a
3 second stall. The option is I park on the street
4 with my second car, or I actually have a dedicated
5 place for it to park. And so if you go to older
6 neighborhoods like Makiki, they're primarily -- you
7 know, you have two bedrooms there with -- a lot of
8 two-bedroom units there with one parking stall. Back
9 in the day, that's how they built them. If you ever
10 drive through the streets in Makiki, it's pretty bad.
11 It's congested. I mean, people are fighting for
12 stalls. I've seen in projects where residents -- two
13 owner residents for the same unit wait for the other
14 person to come home from work, move their car out of
15 the street so they can have a stall, and then they
16 park in their one stall. That's a tough lifestyle
17 choice, but it is a choice some people make. So
18 having that option for that need is definitely still,
19 I think, a viable thing.

20 Q Right. Well, of course, Makiki was built
21 in different periods of time.

22 A Sure, sure, sure.

23 Q There are some buildings that were built
24 without any parking requirements at all. I mean,
25 even in the gold coast, there are buildings that are

1 built there without parking -- any dedicated parking,
2 and, yet, it's an attractive place for people to
3 live. They buy units there, and they pay a lot of
4 money for them. There are just sort of a set of
5 assumptions, I think, that are based on past patterns
6 of behavior that may not bear out in the future, but
7 once you built this parking garage, there it is for a
8 very long period of time, especially in a condo
9 building.

10 MEMBER HASHA: My only statement here is
11 I think going back to your statements as it relates
12 to the senior housing, talking about the
13 psychological effect of they want the parking before
14 they move in. Once they move in, they realize they
15 don't need it.

16 CHAIR WHALEN: Right.

17 MEMBER HASHA: But they wouldn't have
18 moved in if they didn't have the parking, and I think
19 that is part of what you guys are saying. And I can
20 only speak for myself. I live here in Kaka'ako. I
21 had the two-bedroom, two-bath place with two cars,
22 and I walk to work. My wife walks to work. And I
23 keep telling her we should get rid of one of the
24 other cars and she will not allow it. So I think
25 there still is that psychological effect here that we

1 have to have these cars even though we never drive
2 them, and I think that's going to take time before
3 that changes.

4 To your point of what they're saying, I
5 think it is coming, but it's not there yet. And then
6 I think to your other point of once we build it, we
7 can't do anything more with it. I think there are
8 other options for it even if it's turning it into
9 more commercial spaces later on if you were to remove
10 those from being resident spaces.

11 CHAIR WHALEN: Depending on the design,
12 you know.

13 MEMBER HASHA: Correct.

14 CHAIR WHALEN: Parking garages, sometimes
15 it's really difficult to convert or retrofit.

16 THE WITNESS: I can share a similar story
17 to yours. I was a resident in one of these towers in
18 Kaka'ako, and, honestly, we started off just my wife
19 and I. It had two stalls, two-bedroom unit, two
20 stalls. Before we left that place, we had three
21 little ones. And so with the amount of -- our
22 lifestyle didn't allow for us to operate with one car
23 from driving from this activity to this activity. We
24 have -- even today, we still have to split up, you
25 know, and almost play zone defense with the kids and

1 their activities. So could we get around with the
2 current transit system with one car and do all those
3 different obligations that we have, including our
4 occupations? No way. No way. Will there be a time
5 when we get to that? Possibly.

6 MEMBER FANG: It's still a choice,
7 though. I'm sorry. I just have to interrupt. It's
8 still a choice. It's quite -- it's a choice that you
9 guys are fortunate enough to have, but it's a choice
10 that, you know, may make or break somebody's ability
11 to even purchase a home or choose to live in a
12 certain neighborhood. So I think it's just there's
13 value and just acknowledging that privilege of choice
14 there in that statement and it's not a statement of
15 fact that you have to have two cars --

16 THE WITNESS: No.

17 MEMBER FANG: -- but you choose to.

18 CHAIR WHALEN: There are recovery
19 programs for that. Yes. I'm sorry.

20 MR. ING: I just want to note that while
21 I think the discussion is helpful, that the board
22 members have not been sworn and taken the witness
23 stand, and so the comments are the comments. I just
24 want the record to reflect that those are comments
25 from the board members, but it's not evidence in the

1 record.

2 CHAIR WHALEN: Okay. But part of it is
3 to draw out what the witness's response is; right?

4 Staff, do you have any other questions?

5 MR. NEUPANE: No questions.

6 CHAIR WHALEN: Board members, any other
7 questions? Intervenor, any questions? I mean, this
8 is a transit-oriented question.

9 MS. AGAG: For purposes of this
10 modification hearing, I have no questions at this
11 time.

12 CHAIR WHALEN: Okay. Thank you.

13 MR. ING: Thank you. We call as our last
14 witness, Mr. Race Randle.

15 CHAIR WHALEN: I think we can -- in this
16 case, you were sworn in previously. So just continue
17 to be sworn in.

18 THE WITNESS: I swear to tell the truth.

19

20 RACE RANDLE,

21 having been called as a witness and being
22 first duly sworn to tell the truth, the whole truth
23 and nothing but the truth, was examined and testified
24 as follows:

25 ///

EXAMINATION

1
2 BY MR. ING:

3 Q Could you please describe the intent of
4 the Mauka Area Plan and the vested rules under which
5 the Ward master plan was approved?

6 A Yes. Happy to.

7 The Mauka Area Plan and vested rules
8 recognize the need to provide flexibility for large
9 developments and adopt an approach that departs from
10 the rigidities of lot-by-lot development. This
11 allows a community to then receive public amenities
12 that would otherwise not be available.

13 Q What are the express vision and goals of
14 the Mauka Area Plan?

15 A The vision and goals -- the vision is to
16 create this vertical mixing of uses locating
17 commercial at grade, creating pedestrian-oriented,
18 residential, commercial, social and recreational
19 activities.

20 Q I think we covered earlier the
21 modification rule that allowed modified platform
22 heights. What did the Ward master plan say about the
23 platform modification being requested?

24 A The Ward master plan, as we've discussed
25 earlier, did recognize the need for the increased

1 podium heights. Specifically, it called out for
2 65-foot-high podiums along Ala Moana Boulevard and
3 75-foot-high foot podiums mauka of Ala Moana
4 Boulevard throughout the neighborhood. That allowed
5 the building to be built up and away from the street,
6 allowed open spaces that existed and exist in the
7 Ward master plan, and then allowed for the commercial
8 and other uses to be placed at the street level.

9 Q What were the Authority's significant
10 findings and conclusions regarding the platform
11 modification when it approved the Ward master plan?

12 A In finding of fact No. 103 of the
13 decision and order, HCDA determined that increasing
14 the podium height would allow for retail restaurants,
15 offices, residential units all to be built within the
16 podium, and HCDA recognized that additional podium
17 height offers the opportunity to move a parking
18 structure up and away from the street, occupying a
19 smaller floor plate and making the room for
20 alternative uses which can then surround the garages.

21 Q Did the Authority make any determinations
22 regarding the platform modifications?

23 A Yes, they did. Significantly, after HCDA
24 reviewed the modifications to the platform height
25 that were in the master plan itself, the members of

1 HCDA determined that the modifications satisfied the
2 standard for granting modifications under 15-22-22.
3 The HCDA, therefore, determined that modifications
4 which provide flexibility are consistent with the
5 rules.

6 Q Briefly describe the specific
7 modification that is now being requested to
8 facilitate the project's design.

9 A I think as represented and presented by
10 Mr. Akinaka previously and included in the
11 application is the imagery that shows the need to
12 increase the podium height from 45 feet to 75 feet.
13 That modification allows for the parking structure to
14 be moved up and away from the street, providing the
15 spaces as identified, specifically on the first and
16 second floor, for commercial and public access. It
17 also allows for a more aesthetically pleasing facade
18 on its sides. It's wrapped with the green screens
19 that you've seen along the Ward Theater and Auahi
20 Street sides. It's wrapped with commercial space and
21 the tower along the Central Plaza, and it's wrapped
22 with homes along the Halekauwila side.

23 Q Is the requested modification consistent
24 with the vision and intent of the Mauka Area Plan?

25 A Yes, it is. I think, as represented by

1 others, you know, it's actually critical. In
2 order -- we say live, work, play; right, but it's
3 park spaces. It's retail, commercial to work in and
4 the residences. Literally, those are all wrapping
5 this building. And so moving the parking garage up
6 and away from the streets allows for those uses to be
7 expanded and included in this project.

8 It should be noted that, you know, based
9 on the feedback that we received in the last hearing
10 for the A'ali'i project that we had done, we've also
11 looked at all the ways that we can also step the
12 parking garage back from the street. As was noted
13 earlier along Auahi Street, there's an additional
14 terrace where we brought the parking garage back and
15 created a recreational space, one of which is for the
16 residents along Auahi Street, and other primary space
17 is for the public with restaurants and outdoor
18 seating along the Central Plaza.

19 Q What would be the impact on this project
20 if the maximum platform height is increased to a
21 level below 75 feet, but higher than 45 feet, for
22 example, 65 feet?

23 A I mean, simply put, it's a big impact on
24 the number of homes that can be built because we've
25 wrapped the podium itself with homes that front

1 Halekauwila Street. We've seen to date very strong
2 demand for those types of homes at the A'ali'i
3 project and great success in that. So we're eager to
4 continue to bring those to market. It would be about
5 18 homes that you'd lose per floor along Halekauwila
6 Street. And then in addition, the loss of parking,
7 which is represented earlier, would have an impact on
8 the marketability of homes in the building.

9 Q Now I want to follow up with some
10 questions from the Authority members which we had
11 reserved for your testimony. The first relates to
12 the transparency of the window glass along
13 Halekauwila Street. Could you please address that?

14 A Sure. I think, as staff indicated
15 particular to that question, the building does -- is
16 required to meet certain reflectivity requirements
17 that are in the Mauka Area Rules, which we've done to
18 date on all of our projects. The glass probably in
19 that rendering, I will say, may be a little clearer
20 during the daytime than it will be when constructed.
21 Renderings are, especially ones that are created in a
22 week in response to questions, may not be as accurate
23 as we like them to be in regards to details like
24 that; hence, the flexibility for the design to
25 progress. But it is always our intent, and we've

1 seen it in our buildings, to really do two things.
2 You want the glass to be transparent so that people
3 see the natural colors of the outside world, and at
4 night when they're in their home, it's not a mirror.
5 You know, in some buildings that were very opaque and
6 tinted, at night in their homes with their lights on,
7 you can't see out. So it's a balance that we go
8 through to make it as transparent as possible while
9 still giving some level of privacy to the owners when
10 they are in their homes.

11 Q There was another question from Authority
12 Member Bassett with regard to the second story on the
13 Auahi Street side and the corner which showed, I
14 believe, some tables and umbrellas, and he was asking
15 if the public would have access to that level.

16 A Yes. So on the -- on Auahi Street,
17 there's an outdoor seating area on the second level
18 for the commercial spaces, and there's -- as you've
19 seen, there's a significant amount of commercial
20 space located on the second floor. In addition, we
21 were able to terrace the parking garage back on the
22 Ward Theater side where it's shown covered in a green
23 screen, and in that area, we're able to provide a
24 recreational space for the building owners that would
25 be more not in a public -- it's not as easily

1 accessed by the public because it's off the Central
2 Plaza and access by the tower. So that area would be
3 recreation space for the owners.

4 Q Did you have anything else to add,
5 Mr. Randle, with regard to the modification or
6 questions that had come up earlier?

7 A I think the one other comment was about
8 sustainability, I think, from Director (sic) Bassett.
9 So it's a priority for us, in addition to each
10 building, targeting LEED certification. We are
11 targeting a LEED Platinum certification throughout
12 the neighborhood. So questions and comments about
13 things like canopy trees on the sidewalks, those are
14 a requirement that we've placed on ourselves under
15 the LEED Platinum for neighborhood certification. So
16 as we move forward, we do have an additional
17 requirement to ensure there is shading on the
18 sidewalks which encourage people walking throughout
19 the neighborhood.

20 There was another question about market
21 need for parking, and, you know, I'll offer my
22 feedback on that if it's applicable. And simply put,
23 this building is based on one stall for every one
24 studio, for every one bed and one studio, and two
25 stalls for every two bed and three bed. And as we've

1 seen to date with well over a thousand homes sold in
2 the neighborhood and recent sales at A'ali'i, that is
3 in direct response to today what people need in order
4 to make a buying decision.

5 We are in full agreement and, you know,
6 that if the future changes, you know, and we see less
7 demand for parking with the homes, that we would love
8 to respond to that. I think as currently indicated
9 in the rules, the parking requirement by HCDA is a
10 minimum. It's a minimum parking requirement. It's
11 not a maximum. And we are in alignment that we will
12 give -- deliver the right amount of parking to meet
13 the market. We don't want to deliver more, but what
14 we're seeing, as was represented by I think the
15 previous witness, that demand continues to be there
16 and it's really a need for a lifestyle. I
17 personally, again, another example, live in a
18 two-bedroom home with my wife and one child, and I
19 have two cars. It is a privilege, you know, and I
20 wish I used them more by having them, but I also
21 still can't see myself living without them in the
22 near term. But, hopefully, in the coming years and
23 decade, that will change, and with transportation and
24 additional uses like the commercial spaces that we're
25 building -- the pharmacy that's about to open is a

1 perfect example -- when those types of uses are
2 within walking distance and when other forms of
3 transportation can easily get us beyond that, you
4 know, I anticipate that will start to evolve.

5 MR. ING: Thank you. That concludes the
6 direct examination of Mr. Randle.

7 EXAMINATION

8 BY CHAIR WHALEN:

9 Q Thank you. I have a question maybe
10 partly for staff and partly for you.

11 Actually, it looks like the modification
12 request, I mean de facto request is like 87 feet in
13 height because there are some structures that are
14 built on top of the parking roof deck. Is that --
15 the master plan says it can be -- the height can be
16 modified up to 75 feet. So I'm not sure whether this
17 even can be entertained going up to 87 feet. I mean,
18 it wasn't part of the notice. So it may be because
19 there's no roof area there. I think there's a
20 trellis up there. You know, just looking at the
21 plan, I don't really get a sense of --

22 MR. ING: I think Mr. Randle can address
23 the extensions above the 75 feet. They are allowed
24 by rule. There are certain requirements that you
25 have to meet, however.

1 CHAIR WHALEN: Yeah. Okay.

2 THE WITNESS: Yeah. And the easiest way
3 I think to explain is in the projects that have been
4 done to date. So it's mainly triggered by elevator
5 needs. So if you look at -- Anaha is a perfect
6 example where it has a 75-foot-high podium. In order
7 for an elevator to serve that top floor of homes, the
8 elevator needs to then overrun that floor already --

9 BY CHAIR WHALEN:

10 Q Right.

11 A -- and go beyond the 75 foot.

12 In addition, to allow those homes in,
13 say, the Anaha podium to get to the amenity deck,
14 that elevator needs to open on that floor, the
15 75-foot-high level. So as you've seen on Anaha, on
16 Ae'o and you will in A'ali'i, there's a need for
17 certain elements to extend above 75 feet, primarily
18 elevator overruns. But as was brought up earlier,
19 what we've also found is the need for covered areas
20 to protect from the wind. So on all of these decks
21 where you have these amenity levels on the 75th --
22 75-foot-high level, there's a major focus on wind
23 protection and rain protection so that they're
24 functional, recreational spaces.

25 You see them really across all of the

1 buildings that have been built if you look down even
2 on the older buildings that were built in the '90s
3 and early 2000s where on top of the decks themselves,
4 if there's a barbecue area or a kid's play area,
5 there's a covering that is required so that it can be
6 used functionally kind of day and night for its
7 intended purpose. And as we've seen in our projects,
8 it's been very successful encouraging people to be
9 outdoors, using the barbecue, for example, with their
10 friends and family.

11 So those are the elements that are
12 actually above the 75 feet are those limited amount
13 of covered areas as accessory cover to really serve
14 the uses that are sitting on top of the deck that are
15 recreational in nature.

16 CHAIR WHALEN: So, Deepak, I guess the
17 question for you is I'm aware of certain height
18 exceptions, I mean, that's similar to the city's
19 zoning code too. Do these all qualify for those
20 exceptions, all of that -- I mean, I know the overrun
21 is an obvious one. The stairwell opening is another
22 kind of thing. But, really, there's not a lot of
23 detail in the plans. So I'm not trying to get it
24 down to the nitty-gritty, but I just want to make
25 sure that --

1 MR. NEUPANE: Yeah. For the, you know,
2 additional 12 feet that's been asked, we're just
3 looking at the concept in the Mauka Area Rules where
4 Mauka Area Rules currently allows for 75-foot podium
5 height, plus another additional 12 feet for
6 accessory, such as elevator --

7 CHAIR WHALEN: So it's embedded in the
8 rules?

9 MR. NEUPANE: It's embedded in the rules
10 and also allows for trellises and architectural
11 elements that are up to 12 feet from the podium
12 height. So we are just taking that same concept, and
13 the podium height gets raised to 75 feet. Then that
14 additional 12 feet is allowed, but putting a
15 restriction that it shouldn't be allowed for all over
16 the podium, but only limited to a total of 15 percent
17 of the podium area.

18 CHAIR WHALEN: Okay. So there is a
19 standard --

20 MR. NEUPANE: Yeah.

21 CHAIR WHALEN: -- limiting standard?

22 Any questions from staff or board members
23 have questions?

24 MEMBER BASSETT: I have questions.

25 CHAIR WHALEN: Yeah.

EXAMINATION

1
2 BY MEMBER BASSETT:

3 Q So getting back to this idea of aesthetic
4 superiority, the way I see it is back when A'ali'i
5 came before us, I voted against the increase. I was
6 -- I don't know if I was the only one. But as far as
7 meeting the requirements for 15-22-120, subsection 7,
8 because we already approved A'ali'i, I don't see
9 based on those grounds why I can disallow on those
10 grounds. But regarding the aesthetic superiority,
11 that's my concern now. So I know that you provided
12 us some mock-up of a garage at 45 feet and this
13 retail space of 75 feet, which I understand that.
14 Aesthetically, I agree that the retail space of 75
15 looks better than the 45, but, still, the 45 feet,
16 which I understand is like Ko'olani is a condo in our
17 jurisdiction where the rec deck is 45 feet, and then
18 I see the one at Anaha, and I see the one at Waiea
19 where the podium is -- is it 65 feet?

20 A Uh-huh, yes.

21 Q So already when I go to your development
22 and I go to those areas, the 70- -- the 65 feet of
23 Waiea is very imposing. I feel kind of a little bit
24 trapped when I get to that area as opposed to when I
25 go to the park area by Ko'olani and I walk to

1 Foodland over there, it feels more like a community.
2 So when I envision this Halekauwila space with the
3 75-foot podium on one end of A'ali'i and then this
4 sidewalk, road, sidewalk and then another 75-foot
5 podium here, to me, it feels a little bit not
6 welcoming. It doesn't feel like a friendly community
7 vibe. So my question is what is Howard Hughes
8 ensuring will happen to make sure that the 75-foot
9 podium of Ko'ula is going to be aesthetically
10 superior?

11 A The imagery in the -- I think the best
12 way to understand what would need to happen at 45
13 feet and to contrast that with, you know, whether or
14 not it's aesthetically better is the set of imagery
15 that looks at what the building would look like along
16 Auahi Street. With a 45-foot-high podium, literally,
17 to fit the required amount of parking for the market,
18 you'd have a parking garage directly to the street,
19 and that same thing would exist on Halekauwila
20 Street.

21 So, I mean, from my perspective, the
22 measure of whether or not it's aesthetically pleasing
23 is comparing shops at ground floor with homes above
24 it to a parking garage. I mean, that's, at the basic
25 level, the most aesthetically pleasing.

1 In response to the question of what we're
2 doing to make sure the 75-foot-high podium itself is
3 as aesthetically pleasing as it can be, I mean, quite
4 frankly, it's the extent -- the expense and the time
5 and effort that we focus on to make the building
6 beautiful. I mean, we hire and work with some of the
7 best designers in Hawaii and around the world to
8 deliver these buildings, and we also live in the
9 neighborhood. So we're always focused on trying to
10 find a way to make it a place where people want to
11 walk.

12 The green wrap that you see that wraps
13 the parking garage, that's a very complicated, as you
14 heard, and challenging additional expense that we
15 will go through to make sure it's as aesthetically
16 pleasing as it can be at 75 feet. And, in fact,
17 hopefully, it will feel like a more natural
18 environment to have a green wall that high that
19 you're walking down.

20 And then along Halekauwila Street with
21 the homes, the best example is Anaha right now along
22 Kamakee. You know, I personally live there in that
23 podium. So I can say both from inside and out, I
24 think it's -- it is not very imposing and it is very
25 residential in nature. But the primary way we'll do

1 it for those who may not live in the building that
2 may be driving or walking through is the landscaping
3 and focus on the street level. You know, ensuring
4 that we do have the canopy of trees that you can walk
5 under where we can fit larger trees, and where we
6 can't, making sure that first 10 feet of planting is
7 a very welcoming and natural environment.

8 Q So you used the example of Anaha and the
9 podium there, and I agree that that podium, it
10 doesn't look very imposing compared to what I
11 experience when I walk along Waiea, which is just
12 straight parking -- I think it's a parking structure.
13 It's that kind of like meshed grid that you have as
14 the wraparound. But a part of that has to do with
15 how the condos in the podium in Anaha have decks, I
16 believe; right?

17 A Uh-huh.

18 Q So there is a little bit of intrigue and
19 depth in that wall of condos. So I like that. I
20 feel like it does feel more like a community there
21 even though the tinting is very dark. When I look at
22 the mock-up here, I see a sheet of condos, no depth,
23 no decks. And I see clear glass, which to me is
24 unrealistic because it's likely going to have to be
25 tinted because no resident there is going to want me

1 sitting here in my cafe looking at what they're
2 doing. So it's going to be a darker tint. So I'm
3 thinking the darker tint and no depth, it could look
4 like there's a black wall is my concern there, which
5 doesn't really feel like a welcoming, aesthetically
6 superior design. So what is your plan for that to
7 address that?

8 A I mean, the key comparison would be, and
9 I agree with you, the Waiea parking structure, which,
10 say stainless steel, relatively flat surface with --
11 you know, both day and night is very uniform. It
12 is -- it does have a much different feel; although,
13 you know, we attempted to create a design, and the
14 trees haven't yet grown in. The canopy trees are
15 still very small.

16 I think where this project benefits along
17 Halekauwila Street is that you already have an
18 articulation of the facade that may not be
19 appropriately recognized in that rendering, but you
20 can see it in some of the plan views that are
21 included or the elevations where we actually have the
22 structural elements on the outside of the building,
23 which are solid concrete, are going to be a stark
24 contrast to the clear glass.

25 Q There is some depth there.

1 A There's going to be a very big change
2 from whether it's clear glass, or even if it was
3 clear versus an opaque concrete surface, that change
4 as you go down will really help to break it up. I
5 think in the rendering because the glass is shown
6 reflective clear with white walls behind it --

7 Q I see that here now and I like that, but
8 my concern is that what you're providing here is not
9 guaranteed to come out in the final plan; right?

10 A Yes.

11 Q So I'm trying to figure out what kind of
12 certainty can we establish here of its conditions as
13 to what we can impose to make sure that these details
14 that are in these renderings that make them
15 aesthetically pleasing will occur in the final
16 product? And that's the question that I have for our
17 staff.

18 So, Deepak, that's my question.

19 MR. NEUPANE: Yeah. The challenge there,
20 Member Bassett, is that the rule doesn't govern any
21 of the design elements.

22 MEMBER BASSETT: But the rules do require
23 that my decision-making is based on my determination
24 that it's aesthetically superior. How do I deem that
25 superior without having certainty that -- right?

1 MR. NEUPANE: That's a challenge, and I
2 agree with you that the rules don't provide any
3 guideline on that.

4 MEMBER BASSETT: So can we do something
5 as far as -- you mentioned maybe we can make a
6 condition in the permit stage.

7 MR. NEUPANE: I believe we can put a
8 condition saying that, you know, in the final design
9 to be reviewed by the ED, to make sure that the --
10 you know, that the executive director gets to review
11 the design before it gets built and use that as a
12 judgment to see how much it reflects what was
13 presented at the hearing. But more than that, I'm
14 not sure if we can put any condition saying that the
15 design has to meet certain aesthetic criteria.

16 BY MEMBER BASSETT:

17 Q Can't we characterize these aesthetic
18 elements in a way that is broad enough for them to
19 have some flexibility, but to ensure that these kind
20 of details do exist at this stage? For example, you
21 talked about the structural concrete elements that
22 are going to be there no matter what; right?

23 A Uh-huh. And I can actually refer, if I
24 may, to one of the exhibits that was provided that
25 does help. I think it's Exhibit 18-C in the package.

1 This is the elevation along the Halekauwila side of
2 the building. So those white vertical lines --

3 What I think is very innovative on that
4 building is that the architects have actually
5 extended the structure out. So you'll have a nice
6 variety from a white structural column that has
7 movement to it that actually twists and extends to
8 then the flat glass next to it, and that will change
9 as it goes down the street --

10 Q So that's nice.

11 A -- and that's represented here.

12 Q That's something that you would be able
13 to change after we approve this --

14 A Well, I'll tell you --

15 Q -- design?

16 A -- it's in the designs now, and it's, you
17 know, pending approval. Then we'll go to sale of the
18 project with this design included. But we're happy
19 to work, I think, with staff, you know, as we've done
20 in the past to ensure that the condition language
21 accurately reflects what we need to support the
22 design that's been presented.

23 Q Okay.

24 CHAIR WHALEN: All right. If there are
25 no more questions --

EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY MEMBER FANG:

Q I have a couple of questions. So I know we've been hearing a lot about live, work, play, live, work, play, and this -- we're starting to see, you know, some of that as the existing buildings are opened and commercial spaces be put into use. We see a lot of dining, retail. I'm not yet seeing a lot of commercial uses that either provide for childcare for all these gold and young families that are looking for studio and one-bedroom apartments to purchase in the neighborhood and also not seeing a lot of commercial spaces dedicated to the types of uses that would, you know, pay the kinds of salaries to afford mortgages in the neighborhood. So can you talk a little bit about what sort of plans Howard Hughes or what sort of projections you have for any of those types that kind of shift from strict dining, you know, minimum or 15, \$20 an hour jobs to jobs where people really can truly -- the majority of people can walk to work, walk their kids to childcare or their activities in the neighborhood.

A Sure. Couple of questions there. But I think David Akinaka and Joe Ferraro, if I may use them as an example. They actually live -- they work

1 in the neighborhood. They work in our building, our
2 IBM building, which is one of our kind of prime
3 office locations with a little over 50,000 square
4 feet. We are seeing and hopefully will be responding
5 to this additional trend for co-working and more
6 flexible office space uses closer to where people
7 live. I think today, the reality is the price for
8 rents in the central business district here in
9 Honolulu are extremely low by comparison of what it
10 costs to build a building, you know, and that is very
11 much a challenge for those that are looking to
12 develop office space elsewhere because the returns do
13 not support the cost of construction for office
14 spaces. But we're seeing that start to change,
15 especially with people demanding office space very
16 close to where they work. For example, like
17 co-working in the area, I can't say now, but we've
18 had interests from co-working tenants, and we're
19 seeing more of that. We do have one co-working space
20 on property that's been in operation now for a number
21 of years with some success there. But we continue to
22 always look at that.

23 I think for this particular project, you
24 know, our second floor that's shown as commercial
25 space, it could be a prime candidate for co-working

1 or office use, and we're not restrictive in the
2 design. I mean, when we design, as I represented at
3 the last meeting, we design all our commercial spaces
4 to be very flexible because they will change
5 guaranteed. And so we make sure that they can
6 function as an office use or something else if that
7 demand is there.

8 Since I used David and Joe as an example,
9 you know, we have had a number of residents that have
10 moved into just our first two buildings that have
11 approached us with a similar request, "You know, we'd
12 love if there was office space that was in
13 existence." They don't want to move their whole
14 company here yet, but they want something for them
15 and maybe a few employees, and I think that trend
16 will continue to change.

17 What you'll see from us on future
18 projects is a response to that demand. So as that
19 demand starts to increase for people to work closer,
20 we will no doubt come in with modified plans that
21 support delivering that supply.

22 Q But there's no way we can get a
23 commitment to delivering a little bit of that supply
24 now --

25 Or I guess, again, it's a question that's

1 either for both staff and for you, Race.

2 -- as a gesture towards making Kaka'ako
3 more -- or Ward Village more of a work, not just
4 play?

5 A I think the key is flexibility because we
6 don't know how the world of retail continues to
7 change, and specifically with office, you know, I
8 will say again with the current vacancy rates and the
9 rent rates in the central business district, I
10 think -- I don't think it would be appropriate to
11 plan for something that could only be office or only
12 be one use. The key is to design the spaces to be
13 flexible that they could be either, and then we
14 ultimately respond to the market demand for that.

15 We are aligned that we want to provide a
16 place where people don't have to get in their car and
17 drive away because it will be a more desirable place
18 to live, ultimately. And so if there is enough of
19 that demand, especially from residents in the area,
20 to have office space, we'll respond to it. And it
21 may not be in a new project. It may very well be in
22 the IBM building that's completed, right, or it could
23 be in the first floor of Anaha. It could be in
24 another project other than just the new ones that we
25 find the best place to respond to that need.

1 Q What about childcare or education-type
2 uses?

3 A I think that's a good example. We have
4 two preschools; right? We have one at the base of
5 Kauhale Kaka'ako. We have one on Queen Street -- on
6 the mauka side of Queen Street next to Ae'o, and
7 we're actually a big supporter of that one and we've
8 donated in the past to the foundation.

9 I think those are, obviously, good needs
10 for the neighborhood. And, similarly, as we see the
11 people that live in the neighborhood and what their
12 needs are, we will respond to that with services.
13 Whether they already exist outside of our perimeter,
14 that's great, and if they don't exist, we're the
15 first ones to hear about it because the owners are
16 telling us, "I need X, Y and Z," whether it's daycare
17 or preschool. If and when we start to receive those
18 requests, then we respond either repurposing an
19 existing space for it and trying to find a tenant or
20 perhaps building it in a new project.

21 Q So I guess the approach is always going
22 to be reactive instead of being proactive?

23 A I think for certain things, yes. I mean,
24 for some, we obviously knew ahead of time the huge
25 needs, like a grocery store that doesn't exist, a

1 drugstore that didn't exist. You know, for things
2 that may already exist right outside of our
3 boundaries, like you said preschools, those are key
4 things to understand whether the need is really there
5 before we go down and build it from scratch. But,
6 again, some areas will be a little more reactive and
7 some areas where we have a little more information to
8 design and build, we will.

9 Q Okay. My second question is -- goes to
10 back to parking. I think the last time when we
11 looked at A'ali'i, the case for making a modification
12 on the podium height was also driven largely by
13 parking. We hear a lot about parking. You know, the
14 lease that we just went through with the medical
15 schools, also a lot of -- a lot of emotion around
16 parking. So I get it.

17 My question is with this project, at any
18 point did you guys consider alternative types of
19 parking, like stacked parking or other ways of
20 parking giving you the number of parking stalls that
21 you want without having to raise the podium height?

22 A Yes. So -- and we -- we continue to look
23 at whether it's mechanized or other forms of parking
24 to give the amount of parking stalls required in
25 perhaps a different envelope. The ultimate result

1 here is based on that feedback between what the
2 market needs and really what the scale and size of
3 the building will support is that self-parking format
4 at 75 feet. I think we continue to look at it as
5 opportunities for maybe doing more technologically
6 advanced parking structures, and, you know,
7 hopefully, we'll be able to implement one of those in
8 our future projects. It didn't fit for this for a
9 number of reasons, and this is ultimately where the
10 designers landed with something that would meet the
11 needs of the market and the buyers and not provide
12 anything more than necessary, but also do it in a
13 more -- in a way that buyers are used to and
14 accustomed to that will help them make that buying
15 decision to help them live in the neighborhood.

16 Q Is there an opportunity -- not knowing
17 exactly where you guys are in your design, your plans
18 or structural, but is there an opportunity that these
19 parking spaces could be converted to some other use
20 in the future, like an actual opportunity, or is that
21 just a concept at this point?

22 A I think -- you know, we've been through
23 this a number of times with our different garages.
24 You know, there's always the potential that something
25 could be demolished or repurposed. The parking

1 stalls themselves are separate from the tower in some
2 ways, but in many ways, it's integrated. And with
3 residential projects, it's probably the most
4 challenging to repurpose at a later date. However,
5 with our commercial projects, I mean, for instance,
6 the garage over Whole Foods, I mean, that's an area
7 where we will own it and we do own it now. We own
8 that space above the parking -- above Whole Foods.
9 So there's kind of one owner that would be
10 participating in a repurposing.

11 With condominiums, it does become more of
12 a challenge because individual owners own those
13 spaces, which is something they need, as you heard,
14 you know, to feel comfortable with their buying
15 decision.

16 So I don't want to represent that it's
17 very easy. It would be a challenge, but technically,
18 it's possible, and there are a lot of flat areas in
19 the garage that could be repurposed into other uses
20 in that space. What we've seen in garages throughout
21 the neighborhood is sometimes, you know, areas being
22 used as storage as in this garage in A'ali'i. It's
23 very prevalent. At Ae'o throughout the garage, we
24 included storage. So I see personally if that ends
25 up being a demand where people require less stalls,

1 that maybe they can very easily be converted to
2 additional storage area for their own items, either
3 personal or otherwise, within the garage.

4 Q So, currently, what you folks are
5 proposing is instead of the 635 required spaces, that
6 you'd be providing around 732 spaces. Again, you've
7 been telling us that what you'd like to do is provide
8 more spaces than what's required for the residents.
9 That's roughly about 97 extra spaces, which I think
10 when we look at the floor plate of the parking
11 concepts here, there's about 90-some parking spaces
12 on a floor plate. So has there been discussion
13 internally with you guys about maybe not selling
14 those extra 90-some spaces and retaining ownership of
15 them, perhaps unbundling them and renting them, so
16 that later on you have -- you can retain control of
17 that floor space and convert it to something else if
18 we don't need the parking?

19 A I think the short answer is we're going
20 through that process right now on the A'ali'i
21 project. That's a part of that process. We launched
22 sales on the reserved housing. We'll be selling
23 those in the next week, and it does offer the
24 opportunity for those buyers to basically purchase a
25 home without a parking stall, and they're priced with

1 and without the parking stall. And we'll have good
2 information really in the next month of whether or
3 not that's -- you know, even given the opportunity
4 for more income-restrictive buyers to have that
5 choice of whether or not they, in turn, need the
6 stall or not. In that project, if they give those
7 stalls back, you know, we will know kind of the take
8 rate, I guess you can call it, or the need. At this
9 time in this project, we're using the similar ratios
10 as we did with A'ali'i with one for a studio, and
11 that's really where the basis is for the market
12 demand. But we will have more information from
13 A'ali'i soon which could indicate if studio buyers
14 for the more affordable homes, studios and one beds,
15 can live with no stall.

16 Q Another question that may be more
17 directed for Deepak and staff, is there a mechanism
18 or is it possible for us to request or require that
19 some of these excess parking spaces be dedicated
20 towards car share?

21 MR. NEUPANE: There is nothing in the
22 rule right now, you know, in Chapter 22 that was
23 written on car-sharing concept. But because the
24 board is considering modification and cars can
25 certainly be seen as --

1 MEMBER FANG: A condition?

2 MR. NEUPANE: -- I would say, a public
3 facility or a public benefit, so it could certainly
4 be put as a condition.

5 MEMBER FANG: Okay. And then my last
6 question is I know the proposal is to relocate the
7 147-some stalls that are allocated for commercial
8 uses to the parking lot that's at the Whole Foods
9 building right now. I just wanted to bring up a
10 concern that for -- if there's events or things going
11 on in the Central Plaza, then the -- is the
12 expectation that people going to those things or
13 coming from outside of the neighborhood would be
14 parking over in the Whole Foods parking lot or some
15 other parking lot and then making their way over to
16 the Central Plaza for those events?

17 A It's a two-part answer. Number 1, yes,
18 people driving to events would primarily park in our
19 district garages, like Whole Foods where we put in
20 the system that tells them exactly which floor to go
21 to and it makes it very convenient to get vehicles up
22 and away. And then, secondarily, within Block I,
23 Ko'ula, when you look at the first floor, you'll see
24 it's designed as kind of the public drop-off area.
25 We're seeing a lot of people, especially for events,

1 traveling for food and beverage, for movies and for
2 events coming in Uber and Lyft. So it created that
3 gracious drop-off area for the public.

4 So, again, two parts. A lot of people
5 who will be driving will park nearby in one of our
6 district garages, and those that are coming with Lyft
7 and that sort of thing would get dropped off closer.

8 Q What's the approximate distance somebody
9 would travel if they need to park at the nearest
10 parking area -- public parking area to get to the
11 Central Plaza?

12 A I could probably have -- I don't have
13 that off the top of my head unless it's identified
14 in one of the exhibits. But it's within 400 feet or
15 600 feet is the requirement in order to have a
16 parking agreement that has off-site commercial
17 parking.

18 Q Okay.

19 A So I know it's within that requirement
20 under the rules, but the exact number, I don't know
21 off the top of my head.

22 Q Okay. Thanks.

23 CHAIR WHALEN: Any other questions?
24 Staff, do you have any questions of the witness?

25 MR. NEUPANE: No questions, Chair.

1 CHAIR WHALEN: HART?

2 MS. AGAG: No questions. No questions.

3 CHAIR WHALEN: Now we get to -- I guess
4 that's the end of your witnesses?

5 MR. ING: Yes, it is.

6 CHAIR WHALEN: So we get to public
7 testimony. Is there any testimony from the public?

8 Okay. Oh, yes. So before -- actually, I
9 have a question for HART. I did receive or we did
10 receive testimony -- written testimony from HART
11 dated June 7th. So I don't know whether this is
12 their intent to submit this as evidence or part of
13 the intervention or is it just to comment?

14 MS. AGAG: I don't have a copy. I'm not
15 sure what you're looking at. May I approach and take
16 a look at it?

17 CHAIR WHALEN: Yeah.

18 MS. AGAG: Thank you.

19 MEMBER BASSETT: This is not part of the
20 parking notification?

21 MR. NEUPANE: No. That's just for the
22 project itself.

23 (Off-the-record discussion.)

24 MS. AGAG: Chair, are you waiting for my
25 response to this?

1 CHAIR WHALEN: Yes.

2 MS. AGAG: I will just -- I have nothing
3 to add to the comments.

4 CHAIR WHALEN: Okay.

5 MS. AGAG: I will let the comments stand
6 as they are, and I have nothing further to add to
7 this, but I appreciate you bringing this to my
8 attention.

9 CHAIR WHALEN: So you're not submitting
10 that as intervenor?

11 MS. AGAG: No, Your Honor --

12 CHAIR WHALEN: Okay.

13 MS. AGAG: -- or Chair.

14 CHAIR WHALEN: So we'll proceed with
15 closing the record for the hearing unless the
16 applicant's counsel is requesting that the record be
17 kept open.

18 MR. ING: We are not.

19 CHAIR WHALEN: Okay. So the public
20 hearing on the applicant's requested modification is
21 adjourned. The time is now 2:15 p.m.

22 (Hearing adjourned at 2:15 p.m.)

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E .

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

I, LAURA SAVO, a Certified Shorthand Reporter in and for the State of Hawaii, do hereby certify:

That the foregoing proceedings were taken down by me in machine shorthand at the time and place herein stated, and was thereafter reduced to typewriting under my supervision;

That the foregoing is a full, true and correct transcript of said proceedings;

I further certify that I am not of counsel or attorney for any of the parties to this case, nor in any way interested in the outcome hereof, and that I am not related to any of the parties hereto.

Dated this 18th day of June 2018 in Honolulu, Hawaii.

s/s Laura Savo
LAURA SAVO, RPR, CSR NO. 347