

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.")
 _____)

PRESENTATION HEARING

TRANSCRIPT OF PROCEEDINGS

Wednesday, June 6, 2018

Taken at 547 Queen Street, Second Floor

Honolulu, Hawaii 96813

commencing at 1:38 p.m.

Reported by: LAURA SAVO, CSR No. 347

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:

TERENCE J. O'TOOLE, ESQ.
LINDSAY E. ORMAN, ESQ.
Starn O'Toole Marcus & Fisher
733 Bishop Street, Suite 1900
Honolulu, Hawaii 96813

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

RICHARD LEWALLEN
Deputy Director of Right-of-Way - HART

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(None offered.)

1 Wednesday, June 6, 2018, 1:38 p.m.

2 -o0o-

3 CHAIR WHALEN: I'd like to call to order
4 the June 6th, 2018, public hearing of the Hawaii
5 Community Development Authority. The time is now
6 1:38. Thank you for your patience, and thank you for
7 your interest in Kaka'ako. My name's John Whalen,
8 chair of the Authority.

9 Let the record reflect that the following
10 Kaka'ako members are present: Phillip Hasha, Wei
11 Fang, Jason Okuhama, Mary Pat Waterhouse, Beau
12 Bassett and John Whalen.

13 So would counsel for the applicant and
14 counsel for the Honolulu Authority for Rapid Transit
15 please make their appearances at this time?

16 MR. ING: Thank you, Mr. Chairman and
17 members of the board. My name's Douglas Ing, and
18 assisting me today is Brian Kang, and we are here to
19 represent Victoria Ward, Limited, and Howard Hughes
20 Corporation.

21 MR. O'TOOLE: Good afternoon, Mr. Chair
22 and members of the board.

23 I'm not sure this is on. Is that better?
24 Thank you.

25 CHAIR WHALEN: We can hear you up here.

1 MR. O'TOOLE: Okay. All right. Good
2 afternoon, in any event. My name is Terry O'Toole,
3 and with me is my associate, Lindsay Orman, Rozelle
4 Agag from the corporation counsel, and Richard
5 Lewallen, who is the deputy director of right-of-way
6 for HART.

7 CHAIR WHALEN: Thank you.

8 Today's hearing on a development permit
9 under KAK 18-038 is being held in accordance with
10 Hawaii Revised Statutes, Section 206E-5.6, Hawaii
11 Administrative Rules, Chapter 15-219, and the vested
12 Hawaii Administrative Rules, Chapter 15-22.

13 The nature of today's public hearing is
14 to allow the applicant to present the proposed
15 project and provide the general public with the
16 opportunity to present oral and/or written testimony.
17 The applicant is Victoria Ward, Limited, the wholly
18 owned subsidiary of the Howard Hughes Corporation.
19 The tax map key is 2-3-002 of parcel 109 and a
20 portion of 110. The project location is 1020 Auahi
21 Street.

22 The project description is a request for
23 a development application -- permit application for
24 mixed-use project consisting of a residential -- of
25 residential and commercial components at 1020 Auahi

1 Street, TMK 2-3-002, 109, a portion of 110.

2 The proposed project consists of a
3 400-foot tower and a 75-foot podium and will house a
4 mix of approximately 570 residential units and
5 approximately 58,300 square feet of commercial space
6 and required parking spaces. The project will
7 provide approximately 10,800 square feet of open
8 space and 58,496 square feet of recreational space.

9 The applicant is proposing to provide at
10 least 64 reserved housing units to be located either
11 within the project or off-site.

12 The applicant is requesting a
13 modification from the requirements of the applicable
14 vested area -- vested Mauka Area Rules, HAR Chapter
15 15-22, in order to increase the height of the podium,
16 meaning the structure located at the base of the
17 proposed tower that will house parking stalls,
18 commercial spaces and a portion of the residential
19 units, from 45 feet, which is the requirement, to 75
20 feet.

21 The application date was April 16th,
22 2018. Public hearing notice was published in
23 Honolulu Star-Advertiser, Maui News, Garden Isle,
24 Hawaii Tribune-Herald and West Hawaii Today on
25 Tuesday, May 1st, 2018.

1 So let me briefly explain our procedures
2 for today's public hearing. First, the Authority
3 will act on the motion to intervene filed by the
4 Honolulu Authority for Rapid Transit on May 18th,
5 2018. Motions for the intervention are governed by
6 Hawaii Administrative Rules, Section 15-219-49,
7 "Intervention in Contested Case," which provides that
8 a person or a government agency may move to intervene
9 and become a party to a contested case proceeding by
10 filing a timely written motion in accordance with
11 Section 15-219-32.

12 The motion to intervene shall state the
13 following: name and address, telephone number of the
14 applicant and the applicant's legal counsel, if any,
15 which shall be updated by the applicant at all times;

16 The nature of the applicant's statutory
17 or other right to participate in the contested case
18 proceeding;

19 The nature and extent of the applicant's
20 property, financial, or other interest in the pending
21 contested case proceeding;

22 And the other means by which the
23 applicant's interest may be protected;

24 The extent to which the applicant's
25 interest will not be represented by existing parties

1 to the contested case proceeding;

2 The extent to which the applicant's
3 participation can assist in the development of a
4 sound record;

5 The extent to which applicant's
6 participation will broaden the issues or delay the
7 proceeding;

8 Whether the applicant's position is in
9 support of or in opposition to the relief sought.

10 Where the contested case proceeding is to
11 be conducted as a public hearing, a motion to
12 intervene shall be filed by the deadline indicated in
13 the published notice of the public hearing.

14 When the contested case proceeding is
15 initiated by petition pursuant to Section 15-219-46,
16 a motion to intervene shall be filed no later than 20
17 days after the petition is filed.

18 The intervention shall not be granted
19 unless -- except on allegations which are reasonably
20 pertinent to and do not unreasonably broaden the
21 issues already presented.

22 Once the motion to intervene is
23 concluded, the HCDA staff will present its report
24 summarizing the development permit application.
25 Following that presentation, we will receive the

1 presentation of the applicant followed by the
2 presentation from HART and then testimony from the
3 public. Only members of the Authority and interim
4 executive director will be permitted to ask questions
5 of the staff, applicant, intervenor or individuals
6 providing the testimony. I will be acting as the
7 presiding officer for this hearing.

8 Are there any questions as to our
9 procedures?

10 So we'll begin the proceedings. First,
11 will counsel for HART please make your motion to
12 intervene?

13 MR. O'TOOLE: Yes, Mr. Chair, and I think
14 we've submitted our papers, and Howard Hughes has
15 responded. It would not be our intention to repeat,
16 but I think I would like to elaborate a little bit
17 about why we're here and the purpose for intervening.
18 I think it was clear in our moving paper that we're
19 not here to oppose. We're not here to delay or
20 otherwise get in the way of Howard Hughes's
21 development. In fact, the opposite is true, and
22 we've reached out to Howard Hughes's attorney to
23 reconfirm and perhaps disabuse any notion that we're
24 here actually to intervene and create a contested
25 case where we're opposing the project, which we're

1 not.

2 The rationale for being here, and we
3 think the reason that we should be entitled to
4 participate in terms of standing, is very clear.
5 There's a lot going on right now. The Kaka'ako
6 station for HART is -- I won't say imminent, but it's
7 on the way. The project at issue here is in Land
8 Block 1. There are multiple other Howard Hughes
9 projects. It's my understanding and belief that HART
10 and Howard Hughes have both reached out to try to
11 coordinate and communicate with one another to make
12 sure they're working hand in glove and neither gets
13 in the way of the other. And we believe that by
14 intervening here, we will help to facilitate the
15 process, both of the development and perhaps be
16 available to the HCDA as well for any HART-related
17 issues. So it's hard to anticipate at this point
18 because the project is still yet to be fully defined,
19 but it's easy to expect that with the extent of the
20 development and construction, issues can come up
21 about traffic, utilities, any number of things,
22 sequencing of construction. And so it's our belief
23 that being a party to this proceeding, we will be
24 available and hopefully be helpful to both the board
25 and cooperating with Howard Hughes. And I think the

1 only condition that we're asking here is that we
2 simply -- that the order hopefully granting the
3 request to intervene will be simply conditional in
4 the fact that the parties will continue to cooperate
5 and coordinate with respect to this project as well
6 as HART's efforts in that area.

7 We are not submitting any exhibits. It's
8 not our intention to provide any written -- or any
9 testimony today. And Rich Lewallen is here as the
10 deputy director of right-of-way and can certainly
11 answer any questions and I believe will remain here
12 should that be necessary. And that concludes our
13 comments.

14 CHAIR WHALEN: Members, are there any
15 questions of the intervenor?

16 VICE CHAIR WATERHOUSE: This is -- I
17 don't have a legal background. So I don't quite
18 understand exactly what the role is going to be, and
19 maybe I should be asking our attorney this question.
20 You know, vis-a-vis our board, vis-a-vis Howard
21 Hughes, what is HART's role going to be?

22 DEPUTY AG SUNAKODA: If the board should
23 vote to approve HART's motion --

24 THE REPORTER: I'm sorry.

25 DEPUTY AG SUNAKODA: If the board should

1 vote to approve HART's motion to intervene, then HART
2 would be entitled to participate in the contested
3 case hearing concerning the Ko'ula development permit
4 application and request for modification. And the
5 extent of that participation would be, as any other
6 party to the contested case proceeding, is they would
7 be permitted to ask questions of any witnesses
8 presented during the hearing. They are also entitled
9 to present witnesses to the extent that they filed
10 witness lists, exhibit lists.

11 VICE CHAIR WATERHOUSE: Thank you.

12 CHAIR WHALEN: Any other questions from
13 members on the request for intervention?

14 So attorney for the applicant, state your
15 position on HART's motion to intervene.

16 MR. ING: Yes. Thank you, Mr. Chairman.
17 I will confirm that Mr. O'Toole did contact me
18 yesterday, and he did confirm what was indicated to
19 us in the prehearing conference that was held with
20 the Authority staff that they would not be presenting
21 any witnesses and would not be offering any exhibits.
22 And on that basis, we have not objected to their
23 participation as a party.

24 CHAIR WHALEN: So, members, do you have
25 any questions about the applicant's response?

1 Are there any public comments on HART's
2 motion to intervene?

3 Seeing none, does the board need to meet
4 in executive session at this point, or can we just
5 proceed directly to the motion?

6 Okay. We have a motion before us for
7 intervention -- a request for intervention by HART to
8 intervene in the proceeding. The applicant has
9 stated no objection to their intervention. So I'll
10 entertain a motion to allow the intervenor to
11 proceed.

12 MEMBER HASHA: I'll motion.

13 CHAIR WHALEN: Phillip Hasha. Second?

14 MEMBER BASSETT: I'll second.

15 CHAIR WHALEN: Okay. Beau Bassett
16 seconds.

17 Any discussion? I think we can just do
18 an "aye" vote on this. All those in favor, say
19 "aye."

20 (Members voted in the affirmative.)

21 CHAIR WHALEN: Any opposition? Do you
22 have any questions or -- let's see.

23 Okay. We're going down to the staff
24 report, which is Deepak Neupane will present the
25 staff's report. Deepak, where are you? Oh, there

1 you are.

2 MR. NEUPANE: Thank you, Chair. The
3 staff report is in your hearing packet. I'll just --
4 I won't read through. I'll just summarize in the
5 interest of time.

6 The first paragraph on the identity of
7 the applicant and TMKs have already been in the --
8 been said. So I won't go through that.

9 In the completeness review, the
10 application was deemed complete on the day of the
11 publication of the notice. And by the Mauka Area
12 Rules, there's a 160-day time frame by which the
13 Authority will have to make a decision on the
14 application.

15 The public hearing notice was published.
16 You already mentioned that.

17 Just background on Ward Neighborhood
18 Master Plan. Basically, it provides the information
19 that Condition No. 5, 10, 12 of the master plan
20 decision and order that was issued by the Authority
21 has been met by Howard Hughes. Then with the
22 government agency consultation, we have received
23 comments from Department of Planning and Permitting,
24 Department of Transportation Services from the city
25 and county, Department of Education and Board of

1 Water Supply.

2 The state historic property review has
3 been completed, and the HCDA has received a written
4 document from SHPD confirming that the applicant has
5 complied with the requirements of HRS 6E-42 and 6E-43
6 and HAR 13-284.

7 On the project description, the applicant
8 proposes a mixed-use project with 570 residential
9 units and approximately 53,800 square feet of
10 commercial space.

11 On the land use and zoning, it's MUZ-R,
12 but by the decision and order for the master plan,
13 the master plan area has been established as a single
14 mixed-use zone. So the distinction between
15 commercial and residential doesn't apply anymore as
16 per the Mauka Area Rules.

17 The platform height, the applicant is
18 requesting modification from 45 feet to 75 feet with
19 an additional 15 percent of the podium to go 12 feet
20 for accessory architectural elements and that kind of
21 stuff. The density and height, that just describes
22 what is allowable and the description. You have
23 table 2 in the staff report that basically summarizes
24 what is the total FAR allowable for the development
25 of Block 1 and what is the floor area for the

1 project. So with the project, the floor area ratio
2 right now is 3.9 for that lot.

3 Front, side and rear yard setbacks: The
4 application meets all the requirements for that.

5 Open space: There is a summary of open
6 space that has been provided as part of other
7 development permit applications that have been
8 approved by the Authority as well as what the
9 applicant has indicated as open space for the current
10 application.

11 Recreation space: The applicant is
12 providing 55 square foot per unit, which amounts to
13 58,000 -- requiring a maximum of 31,350 square feet.
14 The project is proposing 58,496 square feet of
15 recreation space.

16 INTERIM EXECUTIVE DIRECTOR: That's
17 minimum. Not maximum.

18 MR. NEUPANE: Sorry. Yeah, minimum of
19 31,350. That's required by the rule. And the
20 project is proposing 58,496 square feet.

21 Regarding off-street loading, the project
22 is -- proposes to provide a total of five off-street
23 loading stalls with two large loading stalls and
24 three smaller loading stalls that's allowed by the
25 rule, which is a combination of residential and

1 commercial uses in the project.

2 For off-street parking required -- the
3 total required by Mauka Area Rules is 782 stalls, and
4 the applicant is proposing to provide 879 stalls.

5 View corridors: Because of the location
6 of the project, the project doesn't impact any view
7 corridors.

8 Building orientation: It meets the
9 requirement of the Mauka Area Rules on building
10 orientation.

11 Public facilities dedication: In Table
12 5, there's a summary of public facilities dedication
13 that has been part of other applications -- permit
14 applications that was approved by the Authority and
15 ones that are provided by the applicant and are in
16 the process of being dedicated by the applicant,
17 including the one that's being provided in the
18 current application.

19 Reserved housing: With the -- this
20 project, the total number of residential units that
21 are being considered would be 2,942. So it's 20
22 percent of that total number, which would be 589
23 units. Out of that, currently, the applicant is
24 either partially in the process of developing
25 Ke Kilohana with the 350 reserved housing units and

1 150 units in the A'ali'i project. So the only
2 remaining obligation for reserved housing units is
3 going to 64 units for this project.

4 Relocation assistance: It requires the
5 applicant to work with the tenant in the area for
6 relocation and all that. The applicant, I believe,
7 has submitted the requirement before demolishing the
8 warehouse there for -- actually, for the park, the
9 central plaza.

10 Modification provisions: I already
11 mentioned modification provisions. That's requesting
12 the podium be modified from 45 feet to 75 feet with
13 15 percent of the podium being allowed to go up an
14 additional 12 feet for gazebos and architectural
15 elements and things like that.

16 With that, I conclude my summary of the
17 staff report, and if members have any questions?

18 The applicant will go through a lot more
19 detail on the application.

20 CHAIR WHALEN: So will the applicant
21 state the exhibits that you will submit?

22 MR. ING: So before we proceed with
23 witnesses, I'd like to move our exhibits into
24 evidence.

25 CHAIR WHALEN: Right.

1 MR. ING: In connection with that, we did
2 provide an amended exhibit list where we added four
3 exhibits. Three of those resulted from some
4 dimensional errors in some of the other exhibits and
5 some questions by the staff, and so we will be -- and
6 those exhibits are -- that were added are T-1, T-2
7 and T-3, and we also added a short slide presentation
8 that would assist on the testimony of Paul Brewbaker
9 with regard to economic impacts. And so with that, I
10 would like to move the exhibits on the amended
11 exhibit list as well as the testimonies associated
12 with those, written testimonies, into evidence.

13 CHAIR WHALEN: Okay. Do members have any
14 objections to the applicant's submittal of the
15 amended exhibits -- amended list of exhibits?

16 I take it that, just for clarification,
17 these green -- in this green font are exhibits that
18 had already been submitted. So these under -- in
19 blue and the continuing on the reverse page represent
20 the entire list of exhibits?

21 MR. ING: Yes. I think the green-colored
22 exhibit list includes the application and the
23 application appendices.

24 CHAIR WHALEN: Right.

25 MR. ING: So those were filed previously

1 with copies to the commission.

2 CHAIR WHALEN: Right. And some are
3 testimonies and other supplemental information?

4 MR. ING: Yes. And below that, the list
5 that's in the blue font --

6 CHAIR WHALEN: Uh-huh.

7 MR. ING: -- contains the filed written
8 direct testimonies that were filed a couple of weeks
9 ago as well as the exhibits that were also filed --
10 What was the date?

11 MR. NEUPANE: It's in the binder.

12 MR. ING: May 25th. Sorry.

13 CHAIR WHALEN: Members, any objections to
14 the list of exhibits being submitted -- amended list
15 of exhibits?

16 Staff, do you have any objections to the
17 submitted list of exhibits?

18 INTERIM EXECUTIVE DIRECTOR: No.

19 CHAIR WHALEN: So HART?

20 MR. O'TOOLE: HART has no objection.

21 Thank you.

22 CHAIR WHALEN: So hearing no objection,
23 the applicant, Howard Hughes Corporation, Exhibits A
24 through --

25 What is it now? U?

1 MR. ING: Yes.

2 CHAIR WHALEN: -- A through U are
3 admitted to the record.

4 (Applicant's Exhibits A through U
5 are admitted into evidence.)

6 Will you be establishing any of your
7 witnesses as experts in the subject area?

8 MR. ING: Yes, and I will identify those
9 specifically.

10 CHAIR WHALEN: Okay.

11 MR. ING: First, Thomas Witten, expert in
12 urban planning; Joseph Ferraro, expert in
13 architecture; David Akinaka, expert in architecture;
14 Glenn Kuwaye, expert in civil engineering and civil
15 infrastructure requirements; Pete Pascua, expert in
16 traffic engineering; Matt McDermott, expert in
17 archaeology; Paul Brewbaker, expert in economics,
18 housing supply and demand; and Chad Takesue, expert
19 in real estate marketing, supply and demand.

20 CHAIR WHALEN: All those in the lower
21 part of the first page in blue font.

22 Okay. Members -- do any members have any
23 objections to the list of expert witnesses offered by
24 the applicant?

25 Okay. Staff, do you have any objections

1 to the list of expert witnesses offered by the
2 applicant?

3 INTERIM EXECUTIVE DIRECTOR: We have no
4 objection.

5 CHAIR WHALEN: No objection.

6 And does HART have any --

7 MR. O'TOOLE: No objection from HART.

8 CHAIR WHALEN: Okay. Thank you.

9 So hearing no objections, the list of
10 experts offered by the applicant is hereby accepted
11 and qualified in the subject areas. With a receipt
12 of all exhibits and list of experts being entered
13 into the record, let's proceed with the hearing.

14 So thank you. You may call your first
15 witness.

16 MR. ING: Thank you. I need one other
17 accommodation, Mr. Chairman. One of our witnesses
18 was not able to be present today, Sig Zane Kaiao.
19 His written testimony, however, was filed. I would
20 ask that that be accepted as submitted. He merely
21 testified about the derivation of the name Ko'ula and
22 how that relates to the cultural and historic
23 resources of the area beginning a century ago.

24 CHAIR WHALEN: Okay. So, members, do you
25 agree to accepting that as an entry into the record?

1 Okay. And staff and HART?

2 MR. O'TOOLE: Yes.

3 CHAIR WHALEN: All right. Thank you.

4 MR. ING: We call as our next witness,
5 Mr. Todd Apo.

6 CHAIR WHALEN: So welcome.

7 THE WITNESS: Thank you. Aloha.

8 CHAIR WHALEN: After you state your name,
9 could you raise your right hand and swear or affirm
10 to tell the truth?

11 THE WITNESS: Certainly. Todd Apo,
12 Howard Hughes Corporation. I swear to tell the
13 truth.

14 CHAIR WHALEN: Okay. Thank you.

15

16 TODD APO,

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

21 EXAMINATION

22 BY MR. ING:

23 Q Okay. Just for the record again, would
24 you state your name, place of employment and
25 position, please?

1 A Certainly. Again, aloha, board, staff.
2 Todd Apo, senior vice president of community
3 development for the Howard Hughes Corporation for the
4 Ward Village project.

5 Q Would you please describe the background
6 for this project and how it fits into the Ward
7 Village master plan?

8 A Okay. Certainly, and thank you. I'm
9 going to take a little while to, I think, bring us up
10 to speed a little bit and I think, hopefully, set the
11 stage for this presentation of Ko'ula with our
12 witnesses. Obviously, our expert witnesses will run
13 through the technical aspects in regards to the
14 application, but it's been about a year and a half
15 since we've really been before you. So I realized I
16 think the last time we were in front of you for an
17 application, we were finishing up watching the final
18 innings of the World Series, and I know at 3:00
19 o'clock, Game 4 starts in the playoffs. So there's
20 always something exciting going on around us.

21 But, yeah, lots going on within our
22 master plan within Ward Village since the time we
23 were here, and I think it really sets the stage as to
24 why we're bringing Ko'ula in front of you today.
25 And, again, I think if you remember when we were here

1 last time for A'ali'i, we did say Ko'ula, this
2 location, which was previously called Block I, would
3 be the next project that we came in for.

4 Again, never going to do as much -- as
5 well as Sig Kaiao could do in presenting the name,
6 but the name Ko'ula came from Sig Kaiao and Nalani,
7 Sig's wife. They went on the project for us to
8 determine the name and came up with this name,
9 Ko'ula, which refers to the red sugarcane. But a
10 large part of where this came from also was looking
11 at the land. They went back, as they always do, to
12 do research around this area, and the red highlighted
13 area, you can see Ward Village sort of on the bottom
14 part of that. But as you look up closer to where the
15 old plantation was where the Ward family had their
16 home, there was an area called Ko'ula, and they
17 grabbed onto that as they were doing their research
18 and presented that name to us.

19 They were able to also work with our
20 architects, and I think as you start to see some of
21 the images of the building, we were able to tie in
22 the idea of the red sugarcane, the red sugarcane
23 leaves and sort of the twist of those leaves within
24 the architecture of the building itself. So as we've
25 tried to do with all of our buildings so far is to

1 ensure that it's not just a building. Not only does
2 the name mean something, but working with the
3 architects to try to incorporate some of those
4 elements into what is presented within the building.

5 So the other piece, I just wanted --
6 again, big picture. Obviously, we started -- I think
7 we've now been taking a stronger look at where do we
8 fit in. Where does Ward Village, being the largest
9 master plan within the Kaka'ako-HCDA District, fit
10 with everything else? And so we started off looking
11 at the big picture, seeing what areas fall within
12 HCDA, and then specifically down to where we sit
13 within -- within our 60-acre master plan.

14 As we dive into that, I think a lot of
15 you at this point are familiar, but just to walk us
16 right through it, Ala Moana Boulevard towards the
17 bottom right above the harbor, we're bounded by that
18 boulevard, Queen Street to the mauka side, Queen Lane
19 on the Diamond Head end, and then across Ward Avenue,
20 Ewa direction, the property is what we call west of
21 Ward right now.

22 I'm going to stop a little bit to talk
23 about some of the things going on again just to bring
24 you up to speed since the last time we were in front
25 of you. Last November, we opened up Anaha, which is,

1 again, a great opening. Residents moving into there.
2 Merriman's, which is at the ground floor, will open
3 up this summer. They're probably less than a month
4 away from opening up. They're finishing a few
5 pieces. So right on that corner of Kamakee and
6 Auahi, Merriman's will open.

7 Whole Foods had their big opening last
8 month. I think they continue to see great popularity
9 bringing in that grocery store element to the
10 neighborhood. If you've been through there, Whole
11 Foods has really been designed to not just be that
12 grocery store but also to be a gathering place.

13 So, again, how this community is coming
14 together, if you walk through South Shore Market and
15 see how people are just hanging out there and not
16 just coming through to shop. You have a similar
17 thing in the grocery store element of Whole Foods
18 Market. And that's really what all of this community
19 development really is about is not just the stores
20 and the places. It's about how we're creating that
21 community. It's something that we'll continue to
22 focus on as we move forward.

23 Along with Whole Foods, because we know
24 it's always an issue, the parking structure that
25 opened up above it. So there are six floors of

1 parking there. We've instituted a new technology.
2 So as you drive in, you can see an actual count for
3 the number of stalls that are available on each
4 floor. When you pull up onto each floor, there's
5 lights above every set of four stalls. So you can
6 see if they're green or red and do a quick transition
7 as to whether there's a parking space you can go get
8 or need to move on to another floor. So that
9 technology brings convenience and movement through
10 the parking structure.

11 We are planning or hoping to break ground
12 on A'ali'i by the end of this year. Sales have been
13 going well. I think if you followed us, we were able
14 to launch owner-occupant sales in January. We opened
15 up general sales in March, and those sales continue
16 to move along, and we are expecting to break ground
17 by the end of this year.

18 Central Plaza, which we broke ground on
19 last month, was an exciting time just to get
20 through -- obviously, it was an issue that we all
21 talked about last time we were here before you and
22 the timing of that, assuring that we are committed to
23 delivering that by the January deadline. But to be
24 able to get the buildings taken down and have a
25 groundbreaking, we really work to try to create an

1 experience during that groundbreaking so people could
2 really feel and get a sense of what this open public
3 space is going to be like. All grass in the area
4 that's mauka of Auahi Street and really creating,
5 again, this public gathering space.

6 So the next step that we're working on
7 internally is how do we activate that space? We know
8 that elements like our Kona Nui Nights and Courtyard
9 Cinema and weekly yoga and the farmers' market, all
10 those community activities will take place within
11 there. But what else can we do? What are we going
12 to do during the weekdays? What's going to be there
13 during the week that really activates and makes that
14 a true, great public space for all of us?

15 I think you might have read a week and a
16 half ago about the fact that we're sort of revamping
17 and relooking at our master plan. I'm not going to
18 get into detail about that because it really doesn't
19 impact Ko'ula right now, but just to make you, the
20 board, aware that that is something we're doing. I
21 think through the balance of 2018, we're going to
22 continue to sort of relook at what makes sense given
23 the reality that exists today both from a market
24 standpoint and a community standpoint and, hopefully,
25 either towards the end of this year or early next

1 year, be able to come back and start sharing with you
2 some of those new ideas around the master plan. But
3 we also have a commitment that as part of that
4 process, as much as we're working on it internally,
5 we'll continue to involve the public, take public
6 input into how some of those elements will come
7 together.

8 So, again, the reality of what Ward
9 Village has become, this activation is really
10 happening. I think back to having joined Howard
11 Hughes two and a half years ago, and I would consider
12 just in that two-year time frame, it's really gone
13 from what was Ward Village into what Ward Village is
14 becoming. And we're seeing the activations, these
15 new activations, South Shore Market.

16 New Wave Friday is a picture on the
17 bottom left which is where we just have entertainment
18 and food tents for the community to be able to come
19 down for another free event on Friday nights.

20 Whole Foods Market, again, we've talked
21 about that it's been a huge impact into the
22 community. And then, again, our Central Plaza
23 groundbreaking. So the top two pictures, the before
24 and after of the warehouses and where what we've
25 cleared, but that picture up on the top right also

1 gives you a sense of where Ko'ula will be. So that
2 entire open space, sort of the left half, the Ewa
3 side, will be the Central Plaza. The right portion
4 will be Ko'ula, which will be lined between the
5 Central Plaza and the entertainment center.

6 We talked about the -- again, the
7 activities that will go into the Central Plaza to
8 activate that, and that's where Ko'ula -- start
9 diving deeper into this Ko'ula concept of why Ko'ula
10 is so important. It's almost less about the tower
11 that's up above it and the homes. It's really about
12 the activation at the ground level.

13 I know we'll get into later the podium
14 height, but it's an important part of that element.
15 Being able to create a ground floor experience and
16 not just have parking around the face of the building
17 is really what's going to make the Central Plaza
18 successful.

19 The Central Plaza, again, until Ko'ula is
20 built, it's really just going to be a green field out
21 there that we're figuring out how to activate. But
22 how Ko'ula gets developed and what happens on the
23 ground floor of Ko'ula is really what's going to make
24 the public -- the Central Plaza what it needs to be
25 for the community. And so we're very focused on

1 what's happening really at the ground level and the
2 first two levels of Ko'ula.

3 So, again, the location right next to the
4 Central Plaza, and you start to see, again, these
5 ideas of how Ko'ula will integrate with the Central
6 Plaza. So, obviously, on the left looking from Auahi
7 Street, how Ko'ula will be able to -- it's retail.
8 It's dining. People will be able to grab a plate
9 lunch, grab a meal, step out into the plaza and enjoy
10 Kona Nui Nights or Courtyard Cinema. It's actually
11 one of the downsides of having those elements in our
12 IBM courtyard right now is because there's really no
13 F & B experience for people who want to come to those
14 events. They're able to come and we may be able to
15 have a food truck out in front, but there's no
16 connection to that. So we're really excited about
17 the fact that as these elements are able to move into
18 the Central Plaza and Ko'ula comes up, that true
19 integration of activity and community activation will
20 exist.

21 On the top right is actually the public
22 pedestrian/vehicle entrance into the Central Plaza.
23 So this is part of Ko'ula, and you'll see in the
24 plans a little bit later, but it's really a porte
25 cochere drop-off for the public. So this goes back

1 to some of the discussions we had with A'ali'i. It's
2 sort of what's the future. As we look at the fact
3 that as we move down the road, public access is going
4 to be more about ride sharing and perhaps ultimately
5 driverless cars as opposed to people finding parking.
6 We've taken a portion of Ko'ula at the ground floor
7 and created a public porte cochere purely for
8 drop-offs. And, ultimately, you could potentially do
9 valet parking there, but people are getting dropped
10 off either by Lyft or Uber or, again, down the road
11 perhaps their own car from a driverless car
12 standpoint will have an amazing entrance into Ko'ula
13 and ultimately straight out into the Central Plaza.
14 So as opposed to trying to integrate public parking,
15 which we already have within the Whole Foods
16 structure, we're creating the drop-off element into
17 Ko'ula.

18 MR. ING: Let me just note for the record
19 that the slides that Mr. Apo is referring to are
20 contained in Exhibit O of the exhibits that we had
21 submitted previously. Thank you.

22 THE WITNESS: Thank you.

23 So, again, it gives you a look at the
24 building. This is one place where, again, it reminds
25 you to think about that Ko'ula name and the red

1 sugarcane and how the architects have tried to weave
2 into the structural side and architectural side of
3 the building that idea of sort of the wave of the
4 sugarcane. But the building itself, the tower will
5 sit on the Ewa-makai corner, recreation deck on top
6 of the podium with the pool and recreation areas. On
7 the mauka side along what will be an extension of
8 Halekauwila will be podium homes. So as you've seen
9 us do with Anaha and as we talked about for A'ali'i,
10 the podium height also allows us to put homes along
11 that podium side of the Halekauwila extension.

12 And, again, hard to see in this, but it
13 is in the exhibit. Along the right side, that lane
14 that runs between Ko'ula and the entertainment center
15 will provide not only loading zone and that
16 efficiency for the building itself and then separate
17 entrances for public porte cochere, and then the
18 residential entrance will be separate as well.

19 Another element that I don't know if it
20 shows up in any of our slides, but just to explain,
21 is that the residential lobby will be on the second
22 level. So that entire experience which, if you go
23 through Ward Village where a lot of the other
24 condominiums stay, the entrance is at the ground
25 level. And as we looked at, again, this importance

1 of connecting to the Central Plaza and Auahi Street,
2 we wanted to move that residential lobby up so that
3 the first floor can be completely for the public
4 experience.

5 On the upper sort of left portion of
6 that, it says "Open Area Courtyard," that's where
7 that porte cochere that when you enter on the Diamond
8 Head side, the pedestrians would walk out into that
9 open area courtyard of Ko'ula as they transition into
10 the Central Plaza.

11 Quickly on the facts, again, a lot of
12 this will be covered later, but 570 homes. The first
13 few floors will be commercial retail. 41 floors,
14 400-foot height requirement. Parking will be
15 provided for the residents. The commercial stalls
16 are being handled by the Whole Foods district parking
17 garage as part of the master plan to create those
18 district parking lots.

19 Connectivity to Central Plaza, pedestrian
20 bicycle infrastructure.

21 Reserved homes I just want to touch on
22 briefly here. I know it was discussed in the staff
23 report, but, again, when you talk about the big
24 numbers of the overall master plan, Ko'ula itself
25 with 570 homes will require 114 reserved homes;

1 right? 20 percent. 50 of those, we are counting on
2 using our credits from Ke Kilohana. So, again, a
3 reminder that we overbuilt Ke Kilohana for the
4 requirements and have 50 credits in Ke Kilohana, and
5 then the remaining 64 will either be within Ko'ula,
6 or something that was discussed in one of your early
7 hearings today, if there's other creative ways that
8 we can find to create reserved housing at a better
9 scale within the master plan, we could look to do
10 that and use those credits to establish it.

11 One of the reasons I bring up the
12 credits, one, be upfront with it. Second, as we went
13 through A'ali'i, we ended up in a situation where we
14 weren't allowed to use those credits. And I really
15 want to stress the need from our side, from the
16 developer's side, to be able to use those credits.
17 We will be delivering those Ke Kilohana units next
18 summer when Ke Kilohana is expected to open. So they
19 will be delivered ahead of the building of Ko'ula.

20 Our ability and perhaps willingness to do
21 projects that provide reserved homes ahead of the
22 actual building is obviously dependent on our ability
23 to use those credits. So we're now at the point
24 where we do need to use those credits; otherwise,
25 looking at these other types of opportunities for

1 reserved housing inventory makes it difficult for us
2 to front those ideas if we can't rely on the fact
3 that we're able to use the credits down the road.

4 So the last thing I want to walk through,
5 and I know this is going to be the focus of next
6 week's hearing on the modification. So I'll just go
7 through this very quickly and briefly, and we can go
8 in more depth next week if needed. But, again, why
9 are we asking for this modification? It's to provide
10 the parking for the number of homes that will exist
11 within the building. And, again, if you go into the
12 master plan, we are restricted on the total amount of
13 FAR and what we're able to build within Land Block 1.
14 So we need to be able to fit all of that within our
15 development.

16 So this is a picture of if we stay with
17 the 45-foot podium to obtain the parking requirements
18 that are needed for the homes itself, the entire
19 footprint of that first -- of that podium would have
20 to be parking. By being able to go up to 75 feet,
21 we're able to push the parking to the interior, wrap
22 the outside with commercial on the mauka side. It
23 would be homes as well. And, again, from a community
24 benefit standpoint, a much better community
25 experience to have this type of frontage as opposed

1 to just the parking structure that would exist there.

2 So, again, we can go through these next
3 week, but just examples of being able to make that
4 building look better, feel better, be able to come
5 all the way down to the ground and not just sit on
6 top of a parking structure. And, again, because we
7 sit right next to the Central Plaza, to really create
8 that public space the way it is desired, those are
9 the types of differences that everyone will be able
10 to enjoy as we go through that with the podium
11 modification.

12 Lastly, I want to touch on -- just to
13 fill in what we're doing. If taking the time, as
14 we've started into Ko'ula, to really work on, again,
15 the public interactions, the public input into what
16 we've been doing. In today's world, we're able to
17 gain that, I think, from a broader group because it's
18 not only getting out and talking to stakeholder
19 groups and business leaders and government leaders,
20 but we now have owners within Ward Village. We have
21 brokers who are selling. So we're understanding the
22 market much better, and we're able to take that input
23 and put it into the planning and development of
24 Ko'ula.

25 The other one that I think, to me, worked

1 out really well is with Sharon Moriwaki and her group
2 around Kaka'ako. We've actually been sitting down
3 with them. I think we've had four two-hour meetings
4 with them and just talked through, "Here's our
5 updates to the master plan." One meeting, we walked
6 through Ko'ula's plans. Our last meeting, we walked
7 through sort of this refresh of the master plan and
8 being able to take their ideas because they provided
9 some great input and testimony at our A'ali'i event
10 hearings. And making sure that we took not only
11 feedback from the board, from the public who came to
12 testify and also incorporate that into what we're
13 doing in Ko'ula and the Central Plaza, I think, has
14 helped us come up with a better product to present to
15 you today. So thank you for giving me the time to
16 indulge through that.

17 BY MR. ING:

18 Q You're not done.

19 A Okay. I'll keep the rest short.

20 Q So are you familiar with the comment
21 letters that the Authority, as well as parties, have
22 received from the City and County Department of
23 Transportation Services, in particular the one dated
24 May 16, 2018, and May 18, 2018, regarding the
25 project?

1 A So it's the comment letters both from the
2 Department of Transportation Services as well as
3 Department of Planning and Permitting?

4 Q So do you have any comments with regards
5 to these letters and the content of the letters?

6 A I think some of our expert witnesses will
7 be able to touch into the deeper details of some of
8 those points. I think what I would share in an
9 overview is I think as we looked at the letters, they
10 come in a different form than has come from those
11 departments in the past. I think part of that is
12 because of what the city's doing from a
13 transit-oriented development standpoint and some of
14 the changes they've gone through and looking at their
15 LUO.

16 I do note that some of them are not
17 relevant to -- especially in the DTS letter -- are
18 relevant to your project. So I think it was part of
19 working off of a form for an area that was outside of
20 HCDA that, again, the city controls more. Again,
21 some of our expert witnesses will be able to touch on
22 some of those.

23 But, you know, the main pieces that
24 they're asking for, whether from a transportation
25 standpoint or a zoning standpoint, are all consistent

1 with what we're doing. Being a walkable, bikable,
2 pedestrian-friendly environment is what we are
3 looking to do, and I hope you and the public would
4 agree to something that is being accomplished as Ward
5 Village comes to life and continues to get developed.

6 So, you know, again, as we will always do
7 and I think it's always a condition in our projects
8 that we will continue to work with these agencies to
9 ensure that their requirements and their desires are
10 met and addressed as we work with them through that
11 process. And I think HART is another example of that
12 case that we've continued to work on as we work
13 through the project.

14 I want to take, I guess, my chance to
15 share that we're taking care of those. So the fact
16 that they come in a different form and the fact that
17 there may be some different language in the requests,
18 again, our expert testifiers will be able to
19 hopefully provide the comfort that they're in line
20 with what we're doing and we'll continue to make sure
21 we take care of those things from the agencies.

22 MR. ING: Thank you, Mr. Chairman.
23 Mr. Apo is available for questioning.

24 CHAIR WHALEN: Thank you.

25 Members, anybody want to start? I have

1 some questions.

2 EXAMINATION

3 BY CHAIR WHALEN:

4 Q In the exhibit that -- not sure which one
5 it is, but it's the figure 5.1, I believe, which is
6 comparing what's allowed under 2005 vested rules to
7 what's being proposed. There are a lot of projects
8 that were approved under the 205 -- 2005 rules that
9 do include retail commercial. They're not just
10 straight parking garages, and that's because the
11 Authority required retail commercial at ground level.
12 And in some cases, there was a strong opposition to
13 that from the applicant, for example, a public
14 storage building. They did not want to include
15 retail frontage along Kapiolani Boulevard. But there
16 are several other examples, like Imperial Plaza, that
17 has those features, and I think -- I forget the name
18 of it. The Kapiolani building. The one on Kapiolani
19 and Ward Avenue.

20 So that's not necessarily the case, is
21 it, that the 2005 rules are so literal, especially
22 since there was a master plan approved of Ward
23 Village's that showed exactly the opposite, and there
24 were lots of representations about how the master
25 plan would enhance this area by providing ground

1 floor commercial along street frontages, that Auahi
2 Street would be a major pedestrian way, and the
3 Central Plaza would be activated by uses on either
4 side of the Central Plaza. So I'm not sure really
5 that that's a valid comparison in terms of, well,
6 this is what's allowed because is it really allowed
7 when the master plan has already indicated that all
8 these retail uses would be along street frontages;
9 that there would be pedestrian streets; that there
10 would be a Central Plaza with active spaces? I just
11 have to pose that question.

12 MR. ING: If I may answer that legal
13 question, modifications are indeed allowed if you
14 meet the criteria for a modification and the rules
15 are fully supportive of that. And I can point to and
16 provide you with the rule section on modifications.
17 If there was no section that allowed modifications,
18 then I would say, "Well, perhaps you're right." But
19 in this case, the rules do provide for modifications,
20 but you need to meet certain criteria.

21 CHAIR WHALEN: Right. But the master
22 plan that was issued had all these representations of
23 what this development would be like, and it included
24 the retail uses at the ground level. Auahi Street is
25 a major pedestrian street. That the Central Plaza

1 would be an active space with active uses fronting
2 the Central Plaza. So it didn't really strictly
3 follow the 2005 rules. You know, it was an
4 exception, essentially. The board -- as I see it,
5 the Authority granted an exception in exchange for
6 vesting rights for a 15-year period. So I -- I mean,
7 to me, it doesn't seem like this is what the
8 applicant really wants to do anyway. It doesn't want
9 to do a development, like, represented as conforming
10 to the 2005 rules. I mean, it would defeat the
11 purpose, I think, of what Victoria Ward's vision is
12 for this area.

13 So I think this is something that we
14 really should dispense with. I don't think it's a
15 false comparison between the 2005 paradigm under the
16 2005 rules with what's in place now under the vested
17 master plan. So I'm not sure which the basis is for
18 making that argument.

19 MR. ING: So the master plan that had
20 been approved by the Authority, the Ward Village
21 master plan, certainly this development is in --
22 consistent with that plan and the provisions in the
23 master plan development approval --

24 CHAIR WHALEN: Right.

25 MR. ING: -- authorized by the board.

1 The mauka area plan that you refer to in
2 2005 was very, very conceptual in nature and not
3 detailed at all. So I'd say it would be difficult to
4 find in that mauka area plan the variety of
5 structures that have come up since that time under
6 that plan.

7 CHAIR WHALEN: Yes. I agree. There's
8 lots of modifications. When I'm referring to a
9 master plan, I'm talking about the master plan for
10 Ward Villages, and that was a special approval that
11 was given by the Authority at that time based on all
12 sorts of representations about what this area would
13 look like in terms of active uses at the ground floor
14 level. It certainly didn't characterize this area as
15 towers on podiums without any kind of active use at
16 the ground floor. So that's the reason why I think
17 it's kind of a distraction to show that exhibit, a
18 sort of model of what this area could look like under
19 the 2005 rules.

20 THE WITNESS: Okay. Off the legal side
21 because I don't know enough about the legal side to
22 completely opine, and just a reminder that the great
23 thing about Doug Ing, our attorney, is he was
24 involved in the original approval of this master
25 plan. So that historical knowledge is there even

1 though it wasn't under Howard Hughes at the time.

2 I think I hear and understand the point a
3 bit, and, again, I don't know if I know the depth,
4 but I think what we're really focused on is, number
5 1, we are going to do everything within the rules. I
6 want to make sure we promise that. To the extent we
7 need a modification, we're going to come in for the
8 modification.

9 I think one of the great things -- and
10 I'm sorry for not introducing our team at the start
11 of this. Simon Treacy, our new president, is here
12 standing in the back. Jim Miller is leading the
13 Ko'ula project for us. You know Race. You'll see
14 him in a bit. Andrea Galvin is here who heads up
15 director or media relations.

16 But what we're doing is something that
17 Simon's really driving us on right now as a team is
18 how to do Ward Village as best as can be done. Not
19 just for Ward Village, but for all of Kaka'ako. It's
20 starting to look even outside of our boundaries.
21 It's one of the reasons we sort of take that larger
22 look of what that area is, how do we fit into it?
23 How can we do this best?

24 And so as Doug said, yes, there's going
25 to probably be some modifications and some changes

1 and maybe things a little bit different. That said,
2 we're always going to make sure that they fit within
3 the rules and the master plan requirements that exist
4 and the things we need to come ask permission for,
5 we're in front of you asking permission for.

6 I understand the reason we show those
7 comparisons is not about here's what could have
8 happened in '05 rules versus what we're looking at
9 doing. It's to show that there's a reason why we're
10 asking for that modification. Even though it may
11 have been allowed in order to develop a building with
12 the homes and the parking needed and everything
13 that -- the infrastructure that's needed for that
14 building, those are the two choices you have from a
15 development standpoint. That's at least more my
16 intent of what to show as opposed to how we're
17 changing off the 2005 rules and the master plan
18 approval.

19 BY CHAIR WHALEN:

20 Q Okay. I'm just trying to get a more
21 focused picture about really what this project is
22 intending to do and what's intended by the Ward
23 Village master plan which is --

24 A Certainly. And that's why --

25 Q -- from that 2005 image.

1 A And, again, we really want to make sure
2 we're looking at today and figuring out what goes
3 forward. Because the number of years ago that that
4 master plan was there, you know, there's a number of
5 things that we may not have considered. The market
6 is very different from what we're seeing happening
7 now. This idea of how do you build long term for
8 driverless cars is a question we're facing today that
9 wasn't even thought of back then. So we're going to
10 continue to push through how things need to change
11 and how we need to look at things differently and not
12 rely on, "Well, that was how it was planned on being.
13 Therefore, we have to do it." Let's figure out
14 what's best for today.

15 Q Right. And the nature of retail is bound
16 to shift also and the demand for retail space.

17 Any other questions? Thank you.

18 EXAMINATION

19 BY MEMBER FANG:

20 Q Oh, I have -- I'm not sure if it's --
21 well, just a general question.

22 Is the wind study completed yet? I saw a
23 letter for it here. I haven't seen a finished one
24 yet.

25 A Not my department. Sorry for that

1 answer. But our attorneys will have. So when the
2 right person comes up, I'm sure they will be able to
3 address that.

4 CHAIR WHALEN: Does the intervenor have
5 any questions of the witness?

6 MR. O'TOOLE: I never thought I would
7 have the opportunity to cross-examine my good friend
8 Todd Apo, but we'll politely decline and thank him
9 for his fine presentation.

10 THE WITNESS: My former law firm.

11 CHAIR WHALEN: Oh, I see.

12 Okay. Any other questions? I think
13 staff has an opportunity to question too; right? Any
14 question the staff has?

15 MR. NEUPANE: I don't have any questions,
16 Chair.

17 CHAIR WHALEN: Okay. Thank you very
18 much.

19 THE WITNESS: Thank you very much, board.

20 CHAIR WHALEN: Next witness?

21 MR. ING: We call as our next witness,
22 Paul Brewbaker.

23 CHAIR WHALEN: So welcome. State your
24 name and raise your right hand and swear or affirm to
25 tell the truth.

1 THE WITNESS: My name is Paul Brewbaker.
2 I'm the principal of TZ Economics, and I promise to
3 tell the truth, the whole truth and nothing but the
4 truth.

5 CHAIR WHALEN: Okay.

6
7 PAUL BREWBAKER, Ph.D.,
8 having been called as a witness and being
9 first duly sworn to tell the truth, the whole truth
10 and nothing but the truth, was examined and testified
11 as follows:

12 EXAMINATION

13 BY MR. ING:

14 Q I believe you've put up on the TV screen
15 Exhibit U, your slides. So he'll be referring to
16 that exhibit during response to questions.

17 So, Mr. Brewbaker or Dr. Brewbaker, how
18 is it that you became involved in this project?

19 A Originally, I was retained by the Howard
20 Hughes Corporation to undertake an analysis of the
21 full scope of the Ward Village redevelopment in
22 Kaka'ako. Subsequently, I have been intermittently
23 engaged to extend that economic analysis, and in the
24 current engagement, I have updated my estimates of
25 Ward Village Block I's economic impacts.

1 Q Please describe your analysis and the
2 conclusions you've reached with respect to Block I.

3 A The Block I project generates total
4 development impacts on Hawaii GDP of 950 million as
5 seen in the middle here of highlighted data on the
6 left and illustrated graphically on the right, 302
7 million in earnings, 57 million in state tax
8 revenues.

9 Permanent incremental retail trade
10 impacts are annual values of 17.6 million in GDP,
11 5.2 million in annual earnings, 1 million in state
12 taxes, and these are incremental net of the retail
13 spaces largely replacing retail space that has been
14 taken out of action. These are all in present values
15 along with 122 permanent jobs.

16 Permanent maintenance and operations
17 impacts and present values of future streams include
18 191 million in GDP, 64 million in earnings, 12
19 million in state taxes and 35 permanent jobs.

20 Long-term real present values of City and
21 County of Honolulu property tax revenues are 34
22 million, discounted at 6 percent for 30 years or 44
23 million discounted over 60 years, ignoring
24 "Residential A" property tax surcharges.

25 Oahu housing valuations in the 2018s are

1 rising like an escalator, not a roller coaster.
2 There is no asset pricing bubble in housing in the
3 current economic expansion, and affordability has
4 remained both stable and relatively good in Honolulu.

5 Block I development delivers needed urban
6 core housing at relative prices consistent with its
7 preferred location with a unit count nearly triple
8 its originally planned configuration. Block I and
9 the Ward Village initiative are significant
10 contributors -- contributors to extending economic
11 expansion at a time when tourism has not contributed
12 to economic growth on Oahu since 2012 and, when
13 construction is at risk of receding, helping fulfill
14 state housing needs.

15 The key to sustaining the current
16 economic expansion on Oahu with U.S. expansion
17 marking its ninth anniversary is to maintain recent
18 rates of home building and investment generally.
19 Capital formation is especially important because
20 tourism on Oahu reached its lodging capacity
21 constraint during the 20-teens.

22 Durability of the current expansion
23 requires fulfillment of expectations of continued
24 investment. Ward Village redevelopment was conceived
25 through the business cycle into the next decade, and

1 as the economy moves into the latter phase of its
2 expansion, risks will dampen expectations for future
3 construction activity. The Block I project
4 represents a countercurrent pushing upstream against
5 incipient, cyclical investment decline.

6 That's actually the end of my slides. So
7 you guys left out the good one.

8 Q How will developing condos in the urban
9 core impact home prices and affordability?

10 A The Block I is the first step towards
11 activation of an area of publicly accessible open
12 space in the core of Ward Village which, in
13 conjunction with relocated commercial activities in
14 the city's proposed station location and existing
15 other transportation options, constitutes its heart.
16 It creates a new community and a popular urban
17 destination.

18 Existing home price data for 2017 imply
19 that about half of Block I project units will have
20 intended price points in the middle and upper three
21 of Oahu's five existing home price quintiles.
22 Households balance the negative external costs of
23 congestion against the positive external benefits of
24 urban agglomeration in making their housing location
25 choices. Higher land values in the urban core partly

1 reflect capitalized avoidance of the opportunity
2 costs of longer commuting times. Block I has been
3 scaled to satisfy a wide range of heterogenous
4 investor preferences under varying financial
5 circumstances.

6 Between mid-2011 and early 2018, home
7 price trajectories on Oahu exhibit extremely narrow
8 bandwidth. The pace of appreciation has been steady,
9 not cyclical, not valatile -- not volatile. Adjusted
10 for inflation, rates of nominal existing home price
11 appreciation on Oahu during the 20-teens are
12 consistent with longer term rates of real
13 appreciation of 2.2 percent over the period 1978
14 through 2017.

15 Block I -- Block I notional price points
16 maintain Ward Village's relative position in this
17 dynamic context of price appreciation during the
18 decade to date within the middle and upper three
19 quintiles of the distribution of Oahu home prices.

20 MR. ING: Thank you.

21 Mr. Brewbaker is available for
22 questioning.

23 EXAMINATION

24 BY CHAIR WHALEN:

25 Q I hope this question's not off-topic a

1 little bit because, you know, I don't know whether
2 you really do a lot of work in retail economics per
3 se, or macro economics and housing. But one of the
4 trends that seems to be certainly beyond Hawaii is
5 what the changing nature of retail depends on because
6 the demand for retail stores is being challenged by
7 online marketing and the rest. And there's
8 undeniably been a lot of activity in the Ward
9 Villages. It's a much more vital place than it was
10 just a couple of years ago even with the new
11 developments, but what's the long-term prognosis for
12 that type of retail demand spaces in Kaka'ako or
13 elsewhere, particularly Kaka'ako?

14 A First of all, my impression is that -- or
15 at least when I'm using the term "retail" in this
16 context, it's really the retail slash commercial, I
17 think --

18 Q Right.

19 A -- people have talked about. So a
20 related pattern would be, for example, in large
21 format, you know, shopping malls where, again, this
22 idea of agglomeration where you bring people together
23 and sum of the whole -- well, anyway, you have
24 positive agglomeration externalities. You see a
25 response to the trend to which you are alluding in

1 the provision of more activities, dining and
2 entertainment, for example, as opposed to, you know,
3 just purchases and sales of merchandise, and, indeed,
4 even in evolution towards brick-and-mortar retail
5 establishments as delivery conduits for sales that
6 may have occurred online or for returns that can be
7 submitted. So the nature of retail itself is
8 changing because of online retail, which
9 unquestionably has made inroads. And then this
10 broadening -- this heterogeneity term I used to
11 describe the nature of the housing units intended to
12 be in the Block I tower is also apt for the
13 commercial spaces that I imagine we'll see evolving
14 simply because the nature of the economic landscape
15 has changed in the way that you've described.

16 I would add that if you look at the tail
17 end of this cycle in private building permit
18 issuance, values adjusted for construction cost
19 inflation on Oahu, that arc had a heavy component at
20 the beginning of this investment cycle after the
21 2008-2009 recession involving additions and
22 alterations as opposed to permits for new buildings.
23 And in fact, if I could plug this in, I might be able
24 to show that.

25 For the data that I have, which go back

1 to about 1975, there has never been a time when
2 additions and alterations comprised as much of total
3 of the private building permit total as they did in
4 the early phase of this recent investment cycle. Up
5 to half of all the construction. So that would be,
6 you know, Ala Moana Center built another Ala Moana
7 Center, and International Marketplace has revamped.
8 And it does raise a question in my mind, and when I
9 spend time in commercial real estate circles, people
10 are trying to sort this out of, you know, whether
11 millions of additional commercial retail was actually
12 necessary. I mean, the pattern is that it's not
13 strictly speaking retail, but I believe that's the
14 nature of the evolution that's unfolding before us.

15 I would add quickly that, you know, I
16 mean, I used to go to Spaghetti Factory whatever for
17 40 years, and it's a very different vibe down there
18 if you go to the, you know, Diamond Head end of Auahi
19 Street now, which I walked through the other day to
20 have a drink at Whole Paychecks. Like, I didn't even
21 go -- I mean, I went to the bar at Whole Paychecks.
22 What's wrong with that picture?

23 So, you know, to your point, nothing is
24 really what we thought it used to be, I would say.

25 MEMBER HASHA: John, I know for myself,

1 I've been studying the retail landscape for a long
2 time. I think a large part of what you're saying is
3 true, but it's different than what I see Howard
4 Hughes is planning which is more experiential retail,
5 right, which is what's really kind of happening and
6 taking off. A lot of the retail that's kind of going
7 away is that kind of inline box, big-box retail that
8 you're seeing in strip centers and shopping center
9 malls. So that's really where you're seeing the kind
10 of differentials. So it's different than what you're
11 seeing from a Howard Hughes prospective, especially
12 with Gateway Park and things of that nature.

13 THE WITNESS: That's another example I've
14 been struck -- at the old Liberty House in Kailua,
15 like, the original Liberty House, if I understand
16 correctly just from looking at what's going on there,
17 there's going to be a cafe in one corner where Macy's
18 or Liberty House used to be, and I heard lately,
19 upstairs is going to be like a mixed martial arts
20 gym. What kind of retail space is that? But then
21 Down to Earth, the, you know, natural food store is
22 going to be right behind the bus stop. So it's a
23 changing mix.

24 MEMBER HASHA: It is.

25 CHAIR WHALEN: Any other questions?

1 Thank you. Oh, I'm sorry.

2 VICE CHAIR WATERHOUSE: Well, actually, I
3 have a question for Todd, but I can wait.

4 CHAIR WHALEN: For Todd?

5 VICE CHAIR WATERHOUSE: But you guys have
6 other presenters, yeah?

7 MEMBER HASHA: Might as well ask the
8 question now.

9 CHAIR WHALEN: Yeah.

10 VICE CHAIR WATERHOUSE: Since you're
11 standing up.

12 CHAIR WHALEN: I know from experience, we
13 have to get these things on the record.

14 Do you have any questions of this
15 speaker?

16 MS. ORMAN: Sorry. Mr. O'Toole had to
17 leave. No, no questions from HART.

18 CHAIR WHALEN: Okay. Thank you.

19

20 TODD APO,

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

25 EXAMINATION

1 BY VICE CHAIR WATERHOUSE:

2 Q Can HHC provide us a map of the Central
3 Plaza and the timing of the phases of the Central
4 Plaza and also a table that shows -- and you can do
5 it in a table. It might be easier to do it in a
6 table -- that shows the amount that is going to be
7 provided in the different areas? And, also, if it's
8 open space or if it's public facility.

9 A Okay. So yes. We'll work on getting it
10 hopefully -- it's something that Race and I were just
11 talking about after I sat down. We've got some
12 diagrams that will lay out exactly where the Central
13 Plaza is. I think, as we've mentioned publicly, the
14 area on Land Block I that we broke ground on is a
15 little over 60,000 -- approximately 60,000 square
16 acres. It will be combined with the area that's
17 makai of Auahi Street between Auahi and Ala Moana
18 Boulevard.

19 What we probably won't have in complete
20 detail right now is the timing. So that is something
21 that, again, I go back to is we're relooking at how
22 do you -- how do we best replan not just the Central
23 Plaza area, but that whole makai strip where Ward
24 Warehouse used to be? That's something that,
25 probably from a timing standpoint, we'll have for you

1 later this year, but we'll definitely recognize where
2 things are, sizes right now, and what will be open,
3 public area, I think, is what you're looking for.
4 We'll have that.

5 Q And I'm still going back to the master
6 plan of 150,000 square feet.

7 A And that's right. The private streets,
8 public pedestrian walkways --

9 Q No.

10 A And, again, I'll let Race get into the
11 details of what's all included and not included, park
12 space, plaza space.

13 Q Open space, yeah.

14 A Mass transit.

15 Q Public plaza.

16 A Mass transit.

17 Q Sidewalks, no.

18 A It's all definitions within the master
19 plan.

20 Q No, no. I'm talking about just the
21 Central Plaza.

22 A Okay.

23 Q The Central Plaza, if you look at the
24 nunc pro, it says "open space public facilities." So
25 it focuses on sidewalks, that kind of stuff. But as

1 far as streets, no, that's not included. My
2 understanding is that's not to be counted.

3 A And, again, if you're willing to save
4 that for Race's testimony, he will address that. You
5 can follow up with the questions because he's
6 definitely the expert on what's required and what
7 those definitions are within the master plan.

8 CHAIR WHALEN: And just for
9 clarification, every witness has been sworn in before
10 this continues.

11 THE WITNESS: Understood.

12 CHAIR WHALEN: So your testimony was
13 under oath still.

14 THE WITNESS: Yes. Thank you.

15 VICE CHAIR WATERHOUSE: Thank you, Todd.

16 MR. ING: We call as our next witness,
17 Mr. Chad Takesue.

18 CHAIR WHALEN: I'll ask you to do the
19 same routine. State your name and who you're
20 representing, and raise your right hand and swear or
21 affirm to tell the truth.

22 THE WITNESS: My name is Chad Takesue
23 with Locations. I swear to tell the truth.

24 CHAIR WHALEN: Yep.

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CHAD TAKESUE,

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 Would you state your name, place of employment and position, please?

A Chad Takesue, senior vice president of sales for Locations.

Q Can you describe your firm's experience?

A We've been in business for nearly 50 years. Largest locally owned firm, a real estate company in Hawaii. Full service in terms of providing clients with real estate brokerage, property management and research. We also have extensive knowledge of the supply and demand of residential units in the Honolulu urban core.

Q Did you prepare a market analysis for Howard Hughes?

A Yes. Correct.

Q Okay. Could you please describe the analysis and your conclusions?

A So, first of all, in the resale market --

1 and we've seen condominium sales in the Honolulu
2 urban core remain steady across all price segments.
3 One of the industries' measures of market strength is
4 the months of remaining inventory, and that remains
5 steady at under six months. So from an industry
6 standard, anything below six months we consider a
7 seller's market. Anything above, more of a buyer's
8 market, and we've remained steady there under that
9 six-month benchmark.

10 Our days on market specifically in the
11 Ala Moana and Kaka'ako area have also continuously
12 been decreasing and our sold-to-list price ratio is
13 also increasing as are our bid-ups. And bid-ups are
14 just -- we track bid-ups in the sense of how many
15 units are going into contract over asking price. So
16 high bid-ups indicates high demand.

17 All of these signs, you know, definitely
18 point to a strong condo market, supporting the need
19 for additional inventory. And with new developments
20 planned in the urban core, we estimate that
21 approximately over 3,000 units have come on to the
22 market, but sales of new construction units have not
23 impaired our sales in the resale market.

24 Even with the new construction sales, the
25 absorption and demand trends, such as months of

1 remaining inventory, have indicated that consumer
2 demand is currently greater than the supply of
3 inventory available and, more specifically, in more
4 moderately priced units.

5 Demand for new units in the Kaka'ako area
6 remain strong, running at a ratio of approximately 3
7 to 1, meaning there are approximately three buyers
8 for every unit coming on to the market, and that's
9 what our, you know, data is showing.

10 There are a significant number of
11 eligible buyers to the market and with insufficient
12 inventory to meet the demand, you know. So,
13 therefore, although there have been concerns
14 expressed about an oversaturation of condominium
15 inventory in Oahu area and specifically in this area,
16 you know, the data is pointing to a strong continued
17 demand for condominium units in Kaka'ako, and we
18 continue to anticipate strong demand in Ward Village.

19 Q Thank you. Has the commencement of
20 construction and completion of additional residential
21 units, retail options and other amenities in Kaka'ako
22 and the Ward Village had an effect on the demand for
23 new units in this area?

24 A Yes, definitely. And, you know, I do
25 believe this is another element for a buyer in this

1 market as far as an attraction to the area. From at
2 least in my lifetime, we're seeing this execution of
3 a master plan in the urban core. We've seen that in
4 the suburban core and how, you know, it provides
5 another layer of demand for the product, and I do
6 believe Howard Hughes is successfully executing on
7 this Ward master plan to create a vibrant community.
8 Besides new residential development, you know, very
9 vibrant and important commercial and retail tendency
10 is taking shape. And you've heard the testimony
11 earlier of the new tenants in the area, and the
12 construction of the Central Plaza is underway. All
13 of this furthers the vision of a highly livable and
14 desired community to live in, and potential buyers
15 are now seeing this significant and tangible aspect
16 of Ward Village taking shape and can now better
17 envision owning a home close to work, shopping,
18 recreational amenities. So that lifestyle component
19 is becoming a larger piece as far as a benefit to
20 these new homeowners.

21 All of this has contributed to the
22 increased demand that we've seen for residential
23 units in Kaka'ako and the Honolulu urban core.

24 MR. ING: Thank you.

25 Mr. Takesue is available for questioning.

1 CHAIR WHALEN: Members, questions of the
2 witness? Staff?

3 MR. NEUPANE: No questions.

4 CHAIR WHALEN: HART?

5 Okay. Thank you.

6 MR. ING: We call as our next witness,
7 Tom Witten.

8 THE WITNESS: Good afternoon.

9 CHAIR WHALEN: Do the routine. State
10 your name. Raise your right hand.

11 THE WITNESS: Tom Witten. I swear to
12 tell the truth.

13 CHAIR WHALEN: All right. Thank you.

14

15 THOMAS WITTEN,

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

20 EXAMINATION

21 BY MR. ING:

22 Q Would you state your name again, place of
23 employment and your position?

24 A Certainly. Tom -- Thomas Witten with PBR
25 Hawaii. I'm currently chairman at PBR Hawaii, a

1 landscape, architectural and land planning, urban
2 design firm.

3 Q Would you briefly describe your firm's
4 experience with community planning and land planning?

5 A Yes. PBR Hawaii is approaching our 50th
6 anniversary. We've been practicing our profession in
7 Hawaii since 1970. So approaching 2020 will be our
8 50th anniversary. I've been with PBR Hawaii coming
9 up on almost 40 years, and I've been practicing
10 landscape architecture, land planning, community
11 planning, urban design throughout the state,
12 primarily throughout the state, and we do some
13 overseas work, but our practice has been focused on
14 serving our both public and private clients
15 throughout Hawaii.

16 Q Was PBR retained for this project?

17 A Yes. We were retained to prepare the
18 development application -- the project development
19 application to HCDA, which is -- I think you all have
20 the application as an exhibit.

21 Q Would you describe the attributes of this
22 project?

23 A Certainly. I think some of the basic
24 fundamentals of what's proposed have been covered.
25 So I won't try to dwell on that, but I did put a few

1 slides together to try to give the character of sort
2 of the urban planning elements that provided the
3 framework for Ko'ula in that effort.

4 Q Okay. This would be in Exhibit P as in
5 Papa?

6 A Correct. So this is just -- this first
7 image is a perspective from Auahi Street looking
8 mauka at the edge of the Central Plaza and the edge
9 of Ko'ula with the retail activation on the ground
10 floor.

11 To give some context, the red outline is
12 Block I of the Ko'ula project area. Just mauka of
13 that, which we were here last year or a little over a
14 year ago, is A'ali'i, the project that was previously
15 approved by the board. The --

16 I don't know if this has a pointer. It
17 doesn't work.

18 But, basically, the project, as was
19 framed, is along Auahi Street bounded on one side and
20 the mauka private drive, which is really sort of the
21 ultimate sort of extension of Halekauwila Street,
22 kind of defines the mauka boundary of which just
23 mauka of that is A'ali'i. The Ward Entertainment
24 Center is just on the Waikiki side, Diamond Head
25 side, and the Central Plaza, as noted, is on the Ewa

1 side.

2 The previous slide is sort of the
3 existing condition as you see. The vision of the
4 Victoria Ward, Limited, Ward master plan is
5 illustrated here with the ultimate vision for
6 build-out, including the west-of-Ward land area that
7 is noted there. As was discussed generally, you
8 know, this represents sort of the 16-tower scheme
9 versus, I think, what was originally envisioned was a
10 22-tower scheme. So it has evolved, but within the
11 framework of what was approved as the original Ward
12 neighborhood village plan.

13 Mauka-makai view corridors have been a
14 key element to planning and respecting those as was
15 set out in the mauka rules and the Ward Village
16 master plan. So these are the primary corridors
17 starting on the Waikiki side. Diamond Head side is
18 Kamakee, then the Central Plaza corridor, and then
19 Ward Avenue corridor down towards Kewalos.

20 Zooming in now on the project site, this
21 slide highlights some of the constraints, some of the
22 burial preserve areas that were discovered during the
23 course of development of Ward Village in the
24 highlighted green areas. Some of the connectivity
25 that's been planned with the extension of the private

1 drive, which functions as a Halekauwila Street
2 extension, and then the other mauka-makai private
3 drive between Ward Entertainment Center and Anaha and
4 A'ali'i.

5 There's also -- some of those other
6 colors are infrastructure corridors that are existing
7 in the purple and the blue.

8 Getting down to the site plan, which we
9 were -- which someone noted already, the Central
10 Plaza provides a significant edge to Ko'ula. The
11 building site, this is a site plan that highlights
12 the recreation deck on the top of the podium, and the
13 tower is on the left, and Auahi Street is on the
14 bottom.

15 Again, the site plan at the ground level,
16 the open space, the porte cochere that was discussed
17 as a main feature kind of penetrates the building and
18 provides an open air access and extension into the
19 Central Plaza. And with the transportation modes
20 that are envisioned, we see that as a real asset that
21 has been considered and integrated.

22 As you might have noted in the
23 application, the on-site parking is really for the
24 residential units, and there's a regional parking
25 structure part of Anaha where Whole Foods is that

1 would serve -- serve the requirements for the retail
2 uses here. And, plus, just gaining the overall
3 residential experience and density that's being
4 achieved at Ward Village is becoming a very energized
5 and active zone for the ground floor retail.

6 This kind of shows the land use -- land
7 uses on the ground floor with the yellowish area
8 being the commercial zones, and the blue is at the
9 ground level, but it's sort of the -- as Todd was
10 explaining, the main lobby for the residents is on
11 the second floor. So this is more the
12 back-of-the-house offices and support facilities, the
13 blue area, which is categorized as residential, but
14 not living units.

15 Getting back to the streetscape which, I
16 think, Ward Village has focused a lot of attention on
17 is really seeing -- and part of the master plan
18 wasn't -- was envisioning Auahi Street as sort of a
19 pedestrian promenade and really enhancing the
20 pedestrian experience for all of those edges that
21 abut up to Auahi Street.

22 This is, again, that view. I want to go
23 through some before and after of what's been
24 envisioned, and I think these are -- this is similar
25 to what's been discussed for A'ali'i. This is down

1 by the Ward Entertainment Center looking Ewa,
2 existing condition, and the vision that's being
3 carried out in greater detail as the plans evolve
4 with the more shady, energized pedestrian
5 environment.

6 This is closer to Ko'ula. This is in
7 front of the old Farmers' Market looking back at the
8 site with basically the corner of the project area
9 with the entertainment center behind. So this is
10 Auahi Street, again, looking Diamond Head. And this
11 is the -- this the character sketch that was --
12 that's been envisioned and is evolving but reflecting
13 sort of the intent of what Ward Village is trying to
14 achieve.

15 Again, I mentioned the edge to Central
16 Plaza, and this is more of a detail of that
17 transition and the importance of activating that edge
18 by wrapping the retail around that edge and actually
19 providing additional overflow space that will
20 contribute to the Central Plaza use area that is off
21 to the left of this image.

22 Again, the landscape -- landscape
23 treatment highlighting the porte cochere and
24 penetrating the building and providing that public
25 access that would certainly provide us a mini-gateway

1 into the Central Plaza.

2 And, again, up on the recreation deck and
3 podium level with the tower highlighted in blue. And
4 that gives you a good overview, I think, of the
5 overall context that the project's been planned
6 within.

7 Q Is the design for Ko'ula consistent with
8 the mauka area vested rules and the Ward master plan?

9 A Yes, definitely. The Ward Neighborhood
10 Master Plan identified four principles that have been
11 constant, I think, in all the planning that Howard
12 Hughes Corporation has been doing, and those are:
13 encourage improvements of the street-level experience
14 for residents and visitors, promote the development
15 of exceptional public spaces, provide distinctive
16 retail and public realm experiences, and optimize
17 ocean views, thus the mauka-makai view corridors.

18 There's also -- it was brought up earlier
19 this Table 2 in Section 5.1 as far as compliance with
20 the vested rules in the master plan. I think the
21 Chair was, you know, having a discussion on those
22 comparisons. But this has been a helpful format, I
23 think, in identifying or expressing what the mauka
24 rules are within those different categories and a
25 quick -- quick reference to how those -- the Mauka

1 Area Plan rules, as were noted, were pretty
2 conceptual and how they've been translated and
3 expressed in the approved Ward Village Neighborhood
4 Plan, and then implemented as far as how Ko'ula is in
5 compliance and/or implementing those visions.

6 Q Have you reviewed the comment letters
7 from the Department of Transportation Services as
8 well as from the Department of Planning and
9 Permitting submitted with regard to this project in
10 May of this year?

11 A Yes, I have.

12 Q The DPP letter references provisions in
13 the city's land use ordinance. Are you familiar with
14 the LUO, as it's commonly called?

15 A Yes, I am.

16 Q What is your understanding as to how the
17 city's LUO relates to the vested rules?

18 A I think in their letter, they're pretty
19 explicit in the introduction saying that they don't
20 have authority within -- within -- the land use
21 ordinance doesn't really apply or they don't have
22 authority within the Ward Neighborhood Master Plan,
23 but they do go through and identify with their land
24 use ordinance those elements that they feel should be
25 addressed. And I think as Howard Hughes noted, you

1 know, a lot of those elements are addressed or being
2 addressed and are working towards -- towards
3 compliance with the vision of the Ward master plan,
4 but, similarly or most likely, would be in compliance
5 with the city's standards.

6 Q The Department of Transportation Services
7 letter has a number of comments on design issues for
8 the project, including parking, loading zones,
9 circulation, sidewalks and other matters. What is
10 your response to those comments?

11 A Again, I mean, they're applying their
12 standards without recognition of what the standards
13 that have been adopted by HCDA. So there are going
14 to be conflicts as far as aligning those standards,
15 but I think, you know, to the extent that Ko'ula --
16 Ko'ula has been designed to meet the HCDA standards,
17 and the experience of delivering several towers
18 already with that functionality needed is really the
19 -- really the test. And as Ward Village works
20 through the details of the project, I think all those
21 elements can be addressed.

22 Q I would like you to address some of the
23 key attributes and community benefits from this
24 project. First, how does the project advance the
25 goals, policies and objectives of the design

1 district?

2 A Again, it's really -- as I see it, it's
3 sort of location, location, location. Ward Village
4 has set their vision, has demonstrated and now has
5 delivered on several components of that vision. And
6 that, you know, the proximity in itself with
7 Ala Moana on one end, Ala Moana Beach Park, Kewalo
8 Basin, Kaka'ako Makai Park, the recreation in
9 proximity to downtown Honolulu, employment centers in
10 Waikiki, all -- you know, all are being realized by
11 the marketplace, and I think the local communities
12 are starting to realize that vision and understanding
13 an urban living environment in downtown Honolulu can
14 be very livable and preferred over a suburban
15 environment.

16 Q Okay. Secondly, how does the Ko'ula
17 project protect, preserve or enhance desirable
18 neighborhood characteristics through the compliance
19 with the standards and guidelines of the applicable
20 district rules?

21 A Again, that's probably -- to refer the
22 board to Table 2 on page 24, again, the second column
23 or the standards are described. It's basically the
24 zoning code for Kaka'ako, and each of the standards
25 are described, and then the Ward Neighborhood Master

1 Plan stipulations as far as what was approved there
2 and then compliance as it relates to Ko'olu --
3 Ko'ula -- I'm sorry -- are, you know, explicitly
4 called out there.

5 I think some of the key -- key elements,
6 you know, is open space, providing more open space
7 that is required, but more importantly than meeting
8 the requirement is the functionality and placement of
9 that. So I think the -- besides the sensitivity or
10 meeting the requirements, the sensitivity of how the
11 project's been planned illustrates the successful
12 implementation of that vision.

13 Q So just for reference, you were referring
14 to page 23 of the application and Section 5 of that?

15 A Yeah. In Section 5.1, page 24, it's
16 labeled "Table 5-2: Conformance with Mauka Area
17 Rules/Ward Master Plan," and it's a -- it goes until
18 page 30.

19 Q And so that table sets forth the
20 requirement from the Mauka Area Rules and several --
21 and an explanation of how this project meets those
22 roles?

23 A Exactly.

24 Q Please describe Ko'ula's compliance with
25 the tower spacing rule.

1 A I don't know if I have that exhibit. Do
2 we have that? There is an exhibit -- do you know
3 what exhibit number it is? I think I just saw it.
4 There it is. Okay. This is exhibit -- I don't have
5 the correct reference.

6 Q We'll get it in a second.

7 A Okay. This exhibit highlights Ko'ula,
8 the tower of Ko'ula, and its orientation. There's
9 specific requirements as far as orientation north,
10 south, and it's within that allowable range. And the
11 rules provide that the narrowing of the building
12 should be set back from the adjacent tower by 200
13 feet and the broadside of the building 300 feet.
14 Those blue zones represent those -- those setback
15 areas. So with A'ali'i being on the mauka edge and
16 then the extension of the Central Plaza between the
17 Gateway Towers, the tower's in compliance to those
18 general guidelines.

19 Q We'll get that exhibit number in a
20 moment.

21 Does Ko'ula avoid a substantially adverse
22 effect on surrounding land uses through compatibility
23 with the existing and planned land use character of
24 the surrounding area?

25 A First, I did find the exhibit number.

1 It's Exhibit 21 of the application. Sorry about
2 that.

3 Could you repeat your next query?

4 Q Yes. Does Ko'ula avoid a substantially
5 adverse effect on surrounding land uses through
6 compatibility with the existing and planned land use
7 character of the surrounding areas?

8 A Yes. I think it's been planned integral
9 to the Ward Neighborhood Master Plan, and its
10 location and spacing of towers and requisite open
11 space and amenities all contribute to the successful
12 execution of that vision.

13 Q Does Ko'ula, in the context of Ward
14 Village, provide housing opportunities for all income
15 groups, particularly low, moderate and other
16 qualified income groups?

17 A Yes. I'm not the expert in that area,
18 but I think it's been demonstrated in the summary of
19 the housing and the marketplace that they have been
20 meeting a lot of those segments.

21 Q Does Ko'ula positively impact
22 pedestrian-oriented development, including Complete
23 Streets?

24 A Definitely. The county DPP provided some
25 comments related to Complete Streets and also related

1 to TOD, transit-oriented development. The planned
2 station -- rail station is at the corner -- is within
3 walking distance and is at the corner of Ward and the
4 project area, Ward Village. So it's very close to
5 Ko'ula. And I think within the context of the
6 transportation network and the walkability and the
7 pedestrian and bike facilities have been integrated
8 and planned into the neighborhood, we are seeing a
9 very successful execution of that.

10 Q Does Ko'ula positively impact community
11 amenities, such as gathering places, community
12 centers, cultural and art facilities and a full array
13 of public facilities normally provided by the public
14 sector?

15 A Yes. I think, you know, Central Plaza is
16 a great move to get that implemented and started. I
17 think over the years, the array of public and
18 quasi-public spaces that have been planned within the
19 pedestrian zone and accessible areas along the
20 streetscapes also have been studied and detailed to
21 provide those opportunities of many gathering areas.
22 Plaza areas, the porte cochere and that gateway
23 element into Central Plaza, all of those elements all
24 contribute to, you know, achieving that sort of
25 livable, walkable urban -- urban environment that I

1 think the community's being able to witness and
2 experience and is being attracted to. So positive on
3 all accounts.

4 MR. ING: Thank you.

5 Mr. Witten is available for questioning.

6 CHAIR WHALEN: Any questions? Okay. I
7 have a couple.

8 EXAMINATION

9 BY CHAIR WHALEN:

10 Q It was mentioned of the letter from
11 Department of Transportation Services and Department
12 of Planning and Permitting, and my reading of them,
13 like the DPP, wasn't really concentrating on the LUO
14 standards, or if there are any standards, you know,
15 the master plan or at least the Ward neighborhood
16 plan is not so precise that it creates specific
17 standards.

18 So one of the comments I thought that DPP
19 made that I, you know, think is worth noting is the
20 street tree planting and planting trees along the
21 Auahi Street frontage would be an improvement over
22 what's on the other side along the Waiea frontage,
23 which is pretty sparse in terms of street trees.
24 But, you know, along the Central Plaza and the
25 Halekauwila Street extension or even along that other

1 private driveway, it's pretty -- pretty bare. I
2 mean, it's coconut palms or some kind of palms that
3 are there. Is there any thought about changing those
4 to create more shade? And I think DPP suggested
5 interspersing some coconut palms if you wanted to
6 make a tropical statement, but have more canopy trees
7 to make shade?

8 A Yeah. PBR did provide or did prepare a
9 street tree master plan for Ward Village, I think, in
10 2016, and that vision is being carried out project by
11 project. As you mentioned, Auahi Street is
12 envisioned as sort of a pedestrian promenade, you
13 know, canopy trees as the dominant element there.

14 Back in the -- back on the private drive
15 areas where the streetscape becomes a little more
16 constrained and the -- and also the shade --
17 sun-shade patterns are quite different, we feel the
18 vertical -- vertical elements of a palm treatment
19 work well in that urban environment, and it's not
20 always -- you know, they make the case or they make
21 the statement that they only give shade during the
22 noon hours, but that's not the case. I mean, a
23 coconut palm or a Johannes (phonetic) palm, I mean,
24 it's not as dense a shade as a canopy tree, but it's
25 still in the urban context and in the right

1 environment with the articulation against
2 architecture. I think there's -- you have to look at
3 both material, height, you know, and head of the palm
4 size to really make a judgment.

5 I personally think some -- a little more
6 variety in the treatments and providing some relief
7 to a formal palm-lined treatment could -- could work.
8 But, personally, we're not the landscape architects
9 on this project per se. So I can't go too far to
10 criticize -- criticize what the solution is, but it
11 is consistent with what was expressed in our overall
12 vision of the street tree master plan.

13 Q Okay. I mean, we're not being so
14 specific or precise --

15 A Right.

16 Q -- about anything we decide is permanent,
17 but I just wanted to express that.

18 A But I think if there's opportunities to
19 introduce some variety and if you have seating areas
20 that make sense for smaller canopy trees, I think
21 that we can definitely take a look at that and
22 suggest that that be considered.

23 Q And now that we're on the subject of
24 streets, and maybe there are others -- other
25 witnesses that will comment on this, but these

1 private driveways were actually part of the mauka
2 area master plan to create better connectivity
3 between major streets, and I think those private
4 streets could do that except there is a concern. We
5 have some other private streets in Kaka'ako that
6 don't have any kind of specific traffic controls, and
7 owners have asserted the right to charge for use of
8 the streets and other aspects like that. And I'm
9 still unclear about the status of these private
10 driveways, whether there's any possibility that they
11 might be gated off as private streets. The way that
12 they continue to be public -- continued public use
13 and not closed at certain times except for, you know,
14 when there's a street closure. Sometimes there's
15 special events in streets and things like that.

16 So when you talk about the narrow
17 right-of-way on those private driveways, what is the
18 right-of-way width? Those came up in A'ali'i, but
19 I --

20 A Right. I don't have the specific
21 right-of-way widths. I mean, the traffic engineer
22 can address that, and as far as the disposition and
23 management of those private drives, I think probably
24 Ward Village and Howard Hughes Corporation can better
25 address what their long-term management plan for

1 those -- those important elements of connectivity and
2 infrastructure. I know there has been discussion of
3 having the flexibility that you can have festival
4 space and breakout areas and temporarily close
5 streets and --

6 Q Right, and that occurs on city streets
7 to.

8 A Right.

9 Q But if there is -- and eventually Howard
10 Hughes is -- I don't anticipate they'll be here
11 forever. I mean, there will be some kind of other
12 entity --

13 A Master association.

14 Q -- or some association that would manage
15 the streets. And some of these questions can be
16 addressed in the covenants and that sort of thing,
17 but there may be a point, and this has often happened
18 in the city, where private streets -- the owners
19 along that street have petitioned that private street
20 to be dedicated, and the city won't accept dedication
21 because it doesn't meet certain standards.

22 So that creates a quandary in the future,
23 and I think it would be good to be as responsive, I
24 think, to the Department of Transportation Services
25 concerns as possible so that there isn't some

1 obstacle created at some point in the future where
2 they haven't acknowledged that these are really
3 public streets or may eventually be dedicated
4 streets.

5 So your response to the questions about
6 compliance or responses to the comments by Department
7 of Transportation Services, "Well, that's -- that's
8 not the authority," well, that's not quite true.
9 Actually, the city has a lot of influence over the
10 management of the street system. We're trying to
11 have them take responsibility for all the streets
12 actually in Kaka'ako, including the private streets,
13 like condemnation, if necessary, to clear up some
14 management problems.

15 So I just want to make that statement. I
16 guess you can respond to it, but that's a concern
17 that I think we need to address before, you know, the
18 streets are completed and no one has really thought
19 through what happens at some point 20 years in the
20 future or 30 years.

21 A Yeah, I think probably Race -- Race can
22 give a little more information on what their
23 longer-term plans are for those private lanes and
24 their cooperative efforts with DTS on planning Auahi
25 and existing city streets and that evolution.

1 Q Okay. I just wanted to put that out
2 there.

3 The other thing was that private driveway
4 that runs mauka-makai, the extension of the unnamed
5 street. It doesn't have a name yet.

6 A Next to the entertainment center?

7 Q It's Commerce Street?

8 MR. ING: Cummins.

9 BY CHAIR WHALEN:

10 Q Cummins? Oh, well, it doesn't really
11 connect with Cummins. But okay. Kapakahi, Cummins.
12 But on that, it has another frontage which is where
13 the Ward Entertainment Center is. Is there any
14 expectation that -- you know, there are driveway
15 entrances there, but is there any expectation that
16 some of that frontage might be retrofit as commercial
17 uses?

18 A I wouldn't be the one to answer, you
19 know, if they have any --

20 Q It's for Race?

21 A Probably for Race Randle.

22 EXAMINATION

23 BY MEMBER BASSETT:

24 Q So I have a question. So on the makai
25 side of the Ko'ula building, there's Auahi Street.

1 On the mauka side, I think you were referring to it
2 as a private driveway.

3 A Yeah.

4 Q Is that also Halekauwila Street?

5 A Yeah. We refer to the private drive, but
6 it's functionally sort of the extension of
7 Halekauwila Street.

8 Q Okay. So I can see how, like, a lot of
9 the diagrams that are shown is giving me a sense of
10 the public's experience from the Auahi Street side of
11 the building. What I'm trying to find is if you can
12 point me to some kind of showing of the public's
13 experience from the Halekauwila Street side, how that
14 would look from as far as me looking at Ko'ula.

15 A Yeah. Let me see if we have anything on
16 that. I know we focused a lot of attention on that
17 extension -- on that frontage with A'ali'i because
18 that's where the units are fronting.

19 Q Yeah.

20 A Yeah. The smaller units that are
21 integrated into the parking structure.

22 EXAMINATION

23 BY CHAIR WHALEN:

24 Q It does look like it's going to be a
25 route to a future transit station. You know, a lot

1 of people will be walking along there.

2 A Yeah, I think it is an important
3 connector as far as pedestrian, bike and vehicles to
4 the extent we still have vehicles.

5 Q We may not be driving them.

6 A Okay. On page 9, there's three images
7 there, the upper center image showing the Anaha edge
8 towards Whole Foods, but that is -- that's sort of
9 the Halekauwila Street extension and streetscape
10 envisioned, and that would be continued, you know,
11 back --

12 In the Ewa direction, you'd be hitting
13 what was represented with A'ali'i, and I don't see a
14 specific frontage rendering of Ko'ula along
15 Halekauwila.

16 EXAMINATION

17 BY MEMBER BASSETT:

18 Q So what I'm looking at on that page 9,
19 that image of the street frontage, am I correct by
20 thinking that what I'm looking at here is A'ali'i's
21 commercial space downstairs?

22 A Pardon? No. This is -- this is Ae'o.
23 This is Ae'o -- sorry -- with Whole Foods at the end.
24 So that end block is hitting into Anaha and Kamakee.
25 So behind us is -- we're on the makai side of the

1 street. Behind us would be the future Ko'ula.

2 Q The reason why I'm asking is because it
3 would be helpful for me to see that. One of the
4 things that we're considering is the increased podium
5 height.

6 A Correct.

7 Q And of all of the mock-ups, what I'm
8 seeing is this frontage from Auahi Street looking at
9 Ko'ula. But from what I can tell from the drawings,
10 I'm not experiencing any of the podium 75 foot high
11 from that vantage point because it's terraced in this
12 way, right, or it's terraced up to the large tower.
13 But the 75-foot podium appears to be on the back side
14 and the side that fronts the entertainment center;
15 right? I'm trying to get a sense of what that's
16 going to look like to the public because I remember
17 from A'ali'i, that just across the street of
18 Halekauwila is going to be another 75-foot podium.

19 A Correct.

20 Q So I envisioned this part of the street
21 where it's going to be 75 feet on one side of me and
22 then 75 feet on another side of me, and I'm wondering
23 how that affects --

24 A Spatially and landscape --

25 Q Yeah.

1 A -- and pedestrian.

2 Q Yeah. But nothing here really shows me
3 that.

4 MR. ING: Mr. Chairman, we do have some
5 additional renderings that do show that, and when
6 Mr. Randle testifies, he'll be able to present those
7 to you.

8 MEMBER BASSETT: Okay.

9 CHAIR WHALEN: Okay. At this hearing
10 or --

11 MR. ING: At this hearing. And we could
12 certainly present more of this at the modification
13 hearing.

14 MEMBER BASSETT: Okay.

15 CHAIR WHALEN: Yeah. That might be --
16 that's really pertinent.

17 MEMBER BASSETT: Is this witness going to
18 be present for that hearing?

19 THE WITNESS: Yes.

20 CHAIR WHALEN: Okay. Any other
21 questions? Staff? HART?

22 MS. ORMAN: No questions.

23 THE WITNESS: Thank you.

24 CHAIR WHALEN: Thank you.

25 MR. ING: Let me inquire if you want to

1 take a brief break.

2 CHAIR WHALEN: I'm sure Laura would love
3 that. Thank you for suggesting that. Yes, let's
4 take a brief break.

5 (Recess taken from 3:54 p.m. until
6 4:15 p.m.)

7 CHAIR WHALEN: Going back on the record.

8 MR. ING: Thank you. We call as our next
9 witness, Joe Ferraro.

10 THE WITNESS: My name is Joseph Ferraro.
11 I swear to tell the truth.

12 CHAIR WHALEN: Okay. Thank you.

13

14 JOSEPH FERRARO,

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

19 EXAMINATION

20 BY MR. ING:

21 Q Please state your name, place of
22 employment and position.

23 A My name is Joseph Ferraro. I am
24 principal at Ferraro Choi and Associates.

25 Q Has your firm been retained to do work on

1 this project?

2 A Yes, they have. Our firm provides
3 architectural planning --

4 A background on our firm first: We
5 provide architectural planning and interior design
6 services for commercial and institutional projects
7 for both the federal, the state, municipal
8 governments and private clients. We're a recognized
9 leader in sustainable design in Hawaii for over 30
10 years and are routinely commissioned on unique
11 projects that serve resources, use renewable energy
12 and provide healthy environments for our occupants.

13 What we've been hired to do for Howard
14 Hughes is to provide peer-review assistance relating
15 to its entitlement submission for this project.

16 Q Please describe the vision and
17 inspiration for this project.

18 A Thank you. Yes, I will. The project's
19 vision will help to fulfill the need -- the basic
20 need for housing in our city's urban environment.
21 The project's mixed-use design adds to the city's
22 Complete Streets concept for the Kaka'ako
23 neighborhood where streets are people friendly, safe
24 and convenient for all ages and all modes of
25 transportation, including walking, biking, public

1 transit and automobiles.

2 In addition, the project's location
3 provides convenient access to the city's proposed
4 rail, which the station is just mauka of this site,
5 and will also border and is designed to complement
6 the Ward Village Central Plaza.

7 Q Please describe the components of the
8 project and how these components will protect,
9 preserve and enhance desirable neighborhood
10 characteristics.

11 A Yes. Both the city and HCDA have
12 encouraged the development model of Complete Streets
13 which, in part, moves the building's parking, as we
14 know, inward and, consequently, upward to allow for
15 habitable and friendlier space along the building
16 street front. So this provides space as we've seen
17 for retail shops, commercial services and areas to
18 sit and activate that sidewalk and to encourage
19 community interaction and safer neighborhoods that
20 the design incorporates from an earlier era that we
21 might remember in Honolulu.

22 So Ko'ula's design embodies and
23 implements all these concepts and mixes the uses of
24 residential, commercial and retail, which makes for a
25 friendlier community and a healthier community for

1 its residents who can walk, bike and recreate without
2 commuting, thus reducing the need for automobiles.

3 Mixed use also grows businesses, both
4 local mom and pop shops and national brands, and it
5 provides services and jobs within the neighborhood,
6 as we've seen. Ko'ula's design, therefore,
7 positively, we believe, contributes to the "live,
8 work and play" lifestyle envisioned for Kaka'ako.

9 MR. ING: Thank you. I have no further
10 questions. He's available for questioning.

11 CHAIR WHALEN: Members, any questions?
12 Thank you, Joe.

13 THE WITNESS: Thank you.

14 MR. ING: We call as our next witness --

15 CHAIR WHALEN: Oh, I'm sorry. Do you
16 have any questions?

17 MS. ORMAN: No questions.

18 MR. ING: -- Mr. Pete Pascua.

19 THE WITNESS: My name is Pete Pascua, and
20 I swear to tell the truth.

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PETE PASCUA, P.E.,

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 Can you state your name, place of
employment and position?

A Again, my name is Pete Pascua. I'm a
licensed professional engineer for the State of
Hawaii, registered in the State of Hawaii. I'm vice
president and director of traffic engineering at
Wilson Okamoto Corporation.

Q Did your firm prepare a traffic impact
analysis report for the Ko'ula project?

A Yes, we did.

Q Please summarize the recommendations from
that report.

A The recommendations. Okay. Based on
regional growth and as well as ambient growth in the
area, we conducted a traffic impact analysis and
identified several recommendations for the project.
One recommendation is to maintain sufficient site
distance for motorists who safely enter and exit all

1 driveways, to provide adequate on-site loading and
2 offloading, to minimize off-site loading operations,
3 to provide adequate turnaround for service vehicles,
4 delivery and refuse collection vehicles so it doesn't
5 impact the public roadways, provide sufficient and
6 turning radii at all the project driveways to prevent
7 conflicts with oncoming traffic flow, to modify --
8 and this was based on the earlier plan -- to modify
9 the driveways to which I think as the design evolved,
10 as has already been completed with the porte cochere,
11 but to provide better segregation between entering
12 and exiting traffic at the project driveways, and to
13 consider updating the traffic study should the land
14 use intensities or land use mix change because, you
15 know, different land uses generate different types of
16 traffic. So if that would change, an updated traffic
17 study should be done. Also to consider and develop
18 and enhance bicycle and pedestrian facilities as
19 outlined in the Ward master plan that was approved
20 earlier.

21 Q So are there impacts from the proposed
22 traffic as it relates to traffic?

23 A Oh, absolutely. Any time you develop a
24 project, there's always impact, whether it's one unit
25 of residential or some commercial uses that are being

1 proposed; however, with the recommended improvements,
2 including project roadways that are being proposed,
3 any impact associated with this development should be
4 mitigated.

5 Q Thank you. I want to turn to the DTS
6 letter of May 16, 2018. Did you have an opportunity
7 to review that letter?

8 A Yes, I have.

9 Q And did it appear to be a form or a
10 boilerplate form of letter?

11 A Yes, it appears so.

12 Q So -- and why is it that you say that?

13 A Well, it's similar to -- actually, maybe
14 identical in some respect to other letters received
15 from DTS for other projects within the island. Also,
16 that letter -- if you read that letter carefully, it
17 references an environmental assessment which is not
18 applicable at the matter at hand. It also references
19 streets that are not within the Kaka'ako area. In
20 fact, these streets are in Waikiki, Kuhio Ave, Walina
21 Street as well as Kanekapolei.

22 Q Concerning the scope of the letter, how
23 would you describe it in the areas that it addresses?

24 A Well, as with other projects I mentioned,
25 this form letter addresses four primary areas. It's

1 the use of what they call a TA or transportation
2 assessment versus a TIAR, which is a traffic impact
3 analysis report. It also identifies specific
4 design -- project design issues. That letter also
5 goes into addressing or needing to address
6 construction impacts as well as floodplain issues for
7 the site or the area.

8 Q Okay. Is substituting a TA or traffic
9 assessment for a TIAR consistent with DPP policy as
10 far as you understand it?

11 A No. DPP has always requested a TIAR as
12 well as with other projects within the Ward Village
13 master plan that has already been approved and under
14 construction and/or even occupied.

15 Q Would you briefly explain to the board
16 the difference between a traffic assessment and a
17 TIAR?

18 A Well, a TIAR addresses project-specific
19 impacts related to the various modes of travel, and
20 these modes include vehicular travel as a primary
21 mode, not primary mode, but one of the modes, and
22 bicycle network or bicycle system, the pedestrian
23 system -- the pedestrian circulation system and
24 transit use as well.

25 Q And how is that different from a TIAR?

1 A Oh, I'm sorry. A TIAR identifies
2 project-specific impacts. The TA looks at the
3 regional multimodal -- the regional transportation
4 modal systems, the bicycle network, again, the
5 pedestrian circulation network, the transit network
6 as well, and it doesn't address -- a TA doesn't
7 address project-specific impacts, but more so, on a
8 regional scale, the performance of these different
9 modes of travel.

10 Q As far as you are aware, is Victoria Ward
11 and Howard Hughes addressing the issues covered by
12 the TA?

13 A Yes. Howard Hughes is -- not within the
14 TIAR, but Howard Hughes is preparing updated
15 transportation master plans. When you look at it
16 from -- when you look at the transportation
17 facilities on the regional scale, that component of
18 analysis -- of traffic analysis in the master plan is
19 what DTS is referring to in their letter as a TA.

20 Again, when you look at the different
21 transportation modes of travel, again, bike,
22 pedestrian, vehicular transit, and look at it from a
23 regional scale and how that system fits in within the
24 regional context above and beyond the Ward Victoria
25 area or the Victoria Ward master plan.

1 Q Has Victoria Ward and Howard Hughes
2 requested that you perform a transportation master
3 plan?

4 A Yes. Even in advance of receiving this
5 letter from DTS, Howard Hughes or Victoria Ward,
6 Limited, has requested or are actually under contract
7 to already prepare the updated master plan --
8 transportation master plan which addresses the
9 concerns associated with the TA. I know it's all
10 confusing with all the acronyms, and I apologize for
11 that. But the TA, what's -- basically what's
12 identified as a request from DTS to conduct in terms
13 of traffic analysis is already being covered within
14 the updated, and Howard Hughes or Victoria Ward has
15 already commissioned that study, and that study has
16 already started in advance of receiving this letter
17 from DTS.

18 Q And when do you anticipate completing
19 that?

20 A By the end of this year.

21 MR. ING: That's all the questions I had
22 of Mr. Pascua. He's available for questioning.

23 EXAMINATION

24 BY CHAIR WHALEN:

25 Q I have a question. Your point of having

1 sort of a boilerplate quality of this letter is well
2 taken, but there are a couple of things that refer
3 specifically to Ko'ulu, and probably the most --
4 Ko'ula rather. The most significant, I think, is
5 that Ko'ula provides more parking than required under
6 the Mauka Area Rules. And this is probably a
7 question that's going to come up in the modification
8 hearing, but it does seem to be more parking than is
9 justified by the demand, particularly when we're
10 looking ahead several years in terms of how people
11 get around and the transit station that's going to be
12 built 600 feet away. So driverless cars and a whole
13 bunch of things.

14 Do you -- it's suggested that there be
15 a -- let's see -- an increase in the number of
16 parking spaces should be justified through trip
17 generation as it's identified in Section 1-A(i). I
18 don't know exactly what that references, but -- oh, I
19 guess transit-oriented development numbers. So is
20 this really being designed for the future, or is it
21 something that's being designed because market
22 demand -- present market demand or buyers like to
23 have more parking than they really need?

24 A I would need to -- I believe others would
25 be able to testify to it. I looked at the traffic

1 operations and not necessarily the parking --

2 Q Parking demand.

3 A -- demand, right.

4 Q Thank you. That's fair enough.

5 The other thing is that there's that
6 existing entertainment center on the Diamond Head
7 side of that private driveway and they have exits.
8 So did you look at that as part of your analysis of
9 turning movements and kind of possible vehicle
10 conflicts with cars coming in?

11 A Yes, absolutely. That's what -- one of
12 the recommendations I had made to make modifications
13 to an earlier plan which the designers have already
14 addressed. There were multiple movements in the
15 initial plan that were occurring along that short
16 segment of roadway. So if you separate the
17 movements, you minimize the conflicts, thereby
18 increasing flow through those individual driveway
19 locations.

20 Q Okay. Because I think probably DTS
21 wouldn't necessarily look at that because it's a
22 private driveway, but anyway --

23 A Yeah, but they've been providing comments
24 as well throughout the design process as I
25 understand.

1 Q Okay. Thank you.

2 Any other questions, board members?

3 MEMBER BASSETT: Is that letter in our
4 exhibit?

5 CHAIR WHALEN: Yeah. The DTS letter,
6 it's in this blizzard of paper.

7 INTERIM EXECUTIVE DIRECTOR: It's under
8 Exhibit J.

9 CHAIR WHALEN: Did you have any
10 questions?

11 MR. NEUPANE: Yes, I do.

12 CHAIR WHALEN: Okay.

13 EXAMINATION

14 BY MR. NEUPANE:

15 Q Let me know if you are not the right
16 person to ask this, but referring to Exhibit T, T-1,
17 T-2 and T-3, I just want to understand in the sense
18 of it says -- T-1 says it's the pedestrian promenade
19 around Auahi Street, that's the existing street
20 alignment in Exhibit T-1. I don't know if you have
21 the exhibit, Pete.

22 A No, I don't, Deepak.

23 MR. NEUPANE: Can you give him a copy of
24 it?

25 MR. ING: You're referring to the

1 corrected exhibits, T-1, 2 and 3?

2 MR. NEUPANE: T-1, 2 and 3.

3 THE WITNESS: I have Exhibit T-1 in front
4 of me.

5 BY MR. NEUPANE:

6 Q Okay. The T-1, it says that's the
7 existing straight line. If you look at the exhibit,
8 it shows, I believe, a pedestrian promenade along the
9 building and 8 feet of what looks like to me is the
10 right-of-way on the sidewalk. And if you look at
11 T-2, again, T-2 and the table is referenced as
12 existing street alignment, and I believe if you look
13 on the site plan for the building, a portion of that
14 frontage is landscaped, and it shows under that
15 8-foot strip. And T-3, it just shows -- there's no
16 difference in T-2 and T-3 except on the table, it
17 says it's a narrowed street. Am I understanding this
18 that Auahi Street is being narrowed?

19 MR. ING: The question is does T-3 show
20 that Auahi Street has been narrowed?

21 MR. NEUPANE: Yes.

22 THE WITNESS: Yes. Based on the
23 diagrams, yes. And I understand the plan is to
24 implement road diets on Auahi Street.

25 BY MR. NEUPANE:

1 Q So then the condition shown in T-1 and
2 T-2 would be a temporary condition? I'm trying to
3 understand where are we making the transition. Is
4 the condition T-3 part of the project and it's going
5 to be constructed with the project, or is the
6 condition going to be T-1 and T-2 at the project, but
7 at a later point, there would be improvement made
8 to -- you know, Auahi Street would be narrowed, and
9 then the condition that we're actually looking at at
10 the building frontage is going to be depicted in what
11 is T-3?

12 MR. ING: I believe Mr. Randle can speak
13 to that transition and phasing.

14 MR. NEUPANE: Okay. I mean, you want to
15 do it now or --

16 My questions are related to this T-1, T-2
17 and T-3. I thought Pete might be the appropriate
18 guy, but if he's not --

19 THE WITNESS: Yeah. I apologize. I look
20 at traffic operations as opposed to the road
21 segments.

22 CHAIR WHALEN: Thank you. Moving along.

23 Oh, I'm sorry. HART, do you have any
24 questions?

25 MS. ORMAN: No questions. Thank you.

1 MR. RANDLE: My name is Race Randle. I
2 swear to tell the truth.

3 MR. ING: I'm going to take him out of
4 order for this question, if that's okay, to respond
5 to staff's questions.

6 CHAIR WHALEN: That's good. Yeah.

7
8 RACE RANDLE,
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 THE WITNESS: Okay. So if you're looking
14 at the packets, there are three exhibits that have
15 been provided, and those are meant to correct,
16 basically, the distance from the existing property
17 line to the building and show the existing street
18 condition.

19 So in T-1, if you're looking at the
20 section on the left-hand side of Exhibit T-1, you'll
21 see the existing sidewalk on the left-hand side is 8
22 feet, and the construction of this project would
23 result in a pedestrian promenade from the property
24 line, which is shown in that red No. 1, to the face
25 of the building at the street level of between 15 and

1 30 feet based on the existing property line location
2 and the existing sidewalk that's on Auahi Street
3 today.

4 The other kind of option that is provided
5 is on Exhibit T-2 where the same pedestrian promenade
6 could be provided, that 15 to 30 feet, however, based
7 on the comments and feedback that we received from
8 HCDA staff, and the idea there is we could actually
9 convert that to a landscaped area where the existing
10 sidewalk is. It would require approval from the city
11 for that to happen. It's similar to what we've done
12 in front of the South Shore Market on Auahi Street.
13 If you've walked through that, it does actually allow
14 for more space for planting and additional canopy
15 tree width in the planting area. So that is
16 something that could be accommodated. It would
17 require approval from the city to take out the
18 existing sidewalk and convert it to a planting area.

19 The next section, which is T-3, is -- and
20 you probably saw this in the media over the last
21 couple of weeks, is a concept that we're looking at
22 in order to really widen at a master plan level the
23 promenade along Auahi Street. One of the four tenets
24 of the original GGP master plan is Auahi Street as a
25 pedestrian promenade. So the idea here is to take

1 the mauka side of Auahi Street and actually narrow
2 the street from four lanes down to two lanes and to
3 take the existing lanes that are there today, and
4 imagine it's about a 12-foot lane, and add that 12
5 feet of drive surface up as a pedestrian promenade
6 along the face of this building.

7 It's not currently part of this project.
8 It needs to be done at one time kind of down the
9 length of Auahi Street across a number of projects as
10 a master plan-level improvement, and the designs of
11 that have started with the traffic plan that Pete
12 mentioned that he is working on. It will require
13 additional approvals from the city, but it is
14 something that we would like to do ultimately as part
15 of our master plan.

16 So, again, T-1 and T-2 can be done with
17 this project. T-1 is using the existing sidewalk
18 from the city. T-2 converts that to a landscaped
19 area, and then T-3 is, again, something at the end of
20 the day that's possible for build-out not associated
21 with this project.

22 EXAMINATION

23 BY MR. NEUPANE:

24 Q Thank you. I wanted to understand that
25 and whether it was part of the project or not. But

1 you say you are in discussion with the city and
2 county for the T-3 option?

3 A We are, yes. So we've begun discussions
4 with the city which actually referred us to then meet
5 with you following those initial discussions to
6 confirm, I think, HCDA's feedback about that master
7 plan idea of narrowing Auahi to provide this
8 promenade on the mauka side.

9 Q Yeah, and I did meet with your civil
10 engineers on that. So thank you.

11 EXAMINATION

12 BY CHAIR WHALEN:

13 Q So I just want to comment that DPP's May
14 18th letter seems to indicate they might be favorable
15 to removing that bifurcation of the sidewalk from the
16 terraced level, but we have to provide some
17 transition from the adjoining properties?

18 A Yes, which, in the case of this project,
19 is relatively easy because the streets have to meet
20 the current grade. So if you look on the plan view
21 on the right-hand side of any of these images, both
22 sidewalks ultimately have to meet the level of that
23 existing driveway.

24 Q Right.

25 A So you can do ramps that come up from

1 that driveway in either case.

2 Q So you might have similar treatment on
3 the entertainment center frontage?

4 A With the exception of -- I mean, the
5 existing Ward Entertainment Center is lower. It's
6 almost at current grade. But, yes, the idea is that
7 we would be able to widen that sidewalk. And as Todd
8 showed in some of our renderings, if we're able to
9 take a lane of traffic, it can result in additional
10 planting of canopy trees that can be planted in those
11 locations.

12 Q So it's still undetermined yet?

13 A We're at the beginning of the approval
14 process for that as a separate kind of master plan
15 level improvement, but it's something we're committed
16 to advancing and going through the necessary steps.
17 It may take a series of approvals separate from this
18 project to get there.

19 CHAIR WHALEN: Counselor, since you have
20 your witness there in the chair, do you want to
21 continue questioning?

22 MR. ING: I'd prefer to take the others.

23 CHAIR WHALEN: Before?

24 MR. ING: Yes.

25 CHAIR WHALEN: Okay. Thank you.

1 MR. ING: We call as our next witness,
2 Mr. Glenn Kuwaye. He will be examined by Mr. Kang.

3
4 GLENN KUWAYE, P.E.,
5 having been called as a witness and being
6 first duly sworn to tell the truth, the whole truth
7 and nothing but the truth, was examined and testified
8 as follows:

9 EXAMINATION

10 BY MR. KANG:

11 Q Mr. Kuwaye, can you please state your
12 name and affiliation, please?

13 A My name is Glenn Kuwaye. I swear to tell
14 the truth.

15 CHAIR WHALEN: Thank you.

16 THE WITNESS: My name is Glenn Kuwaye.
17 I'm a licensed professional engineer in the State of
18 Hawaii and director of civil engineering at Wilson
19 Okamoto Corporation.

20 BY MR. KANG:

21 Q And has your firm been retained by Howard
22 Hughes for this project, Victoria Ward and Howard
23 Hughes for this project?

24 A Yes, we have.

25 Q Did your firm prepare an infrastructure

1 availability report for this project?

2 A Yes, we did.

3 Q And that was dated February 2018;
4 correct?

5 A Correct.

6 Q Now, can you confirm that the water
7 service is available from the municipal water system
8 operated by the Board of Water Supply?

9 A Yes. Based on the expected water demand
10 of approximately 257,250 gallons per day for the
11 project, the Board of Water Supply confirmed that
12 there is currently adequate capacity in its system in
13 a March 2017 -- or 2017 letter.

14 Q Let me refer you specifically to the
15 Board of Water Supply's adequacy letter that's dated
16 March 28th, 2017. This is in the application,
17 Appendix D, as part of your report. It mentions that
18 Victoria Ward should proceed with an upgrade of a
19 6-inch water main on Queen Street to a 12-inch main,
20 to be connected to an existing 12-inch main at
21 Cummins and Kamakee Street. Are you familiar with
22 that comment from the board?

23 A Yes, I am.

24 Q Okay. Is Victoria Ward/Howard Hughes
25 planning on proceeding with that upgrade?

1 A Yes. The plans are currently in design.

2 Q And at what point will Victoria Ward
3 proceed with that upgrade?

4 A Further clarified, the Board of Water
5 Supply upgrade is not required as part of this Ko'ula
6 project, but it will be installed and placed in
7 service prior to the phase 3 of the Ward master plan.
8 The Ko'ula project is in phase 2 of the Ward master
9 plan.

10 Q And turning to the sewer service, can you
11 confirm that the sewer service is available from the
12 City and County of Honolulu for this project?

13 A Yes. We've received the approved sewer
14 connection application from the city DPP in April
15 2017.

16 MR. KANG: Mr. Chairman, that's all the
17 questions we have for this witness. We pass this
18 witness for the -- to the board for questioning.

19 CHAIR WHALEN: Questions? I'm sorry.

20 MS. ORMAN: No questions.

21 CHAIR WHALEN: Have any more witnesses?
22 I've lost count. Two?

23 MR. KANG: Mr. Chairman, we call Matt
24 McDermott as our next witness.

25 CHAIR WHALEN: I was wondering if you

1 could ask -- before we receive written testimony,
2 rather than just read the testimony, can they
3 summarize or ask them to summarize?

4 MR. KANG: Sure.

5 CHAIR WHALEN: All right. Thank you.

6 MR. KANG: All right, Mr. McDermott,
7 maybe you can swear to tell the truth.

8 THE WITNESS: My name is Matt McDermott.
9 I swear to tell the truth.

10

11 MATT McDERMOTT, M.A.,

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

16 EXAMINATION

17 BY MR. KANG:

18 Q All right. Can you just describe the
19 archaeological historic properties and burials that
20 the archaeological inventory survey documented in the
21 original Block I project area, briefly?

22 A There were three archaeological historic
23 properties found in the original Block I. All three
24 have been previously documented and studied in other
25 AIS investigations in the surrounding area. The

1 first is state inventory of historic places No. 7655.
2 That's the salt pan remnants that were once there.
3 The next is 7429, which is in the mauka portion of
4 Block I. This consists of former land surface with
5 remains of precontact all the up way into the
6 historic area land use, pits, features, that sort of
7 thing. And then we also have 7659 along the Ewa or
8 western edge of the Block I area, which consists of a
9 concrete drainage channel that originally drained
10 water from the Ward Estate, which is now the
11 Blaisdell down to Kewalo Basin.

12 There are human remains associated with
13 two of these historic properties, the salt pans and
14 the berms and also in the 7429, the sand deposits,
15 but none of these human remains are within the
16 footprint of the current project, Ko'ula.

17 Q So with respect to Ko'ula specifically,
18 did the inventory survey document any of those
19 historic properties within the Ko'ula footprint,
20 specifically?

21 A Within the Ko'ula footprint specifically,
22 portions of 7655, the salt pans were documented.
23 Again, this consists of the higher berms that
24 separated the low-lying areas where the salt
25 evaporation took place to create salt.

1 Q Let me refer you to the application, and
2 this is the letter -- Appendix B of the application
3 refers to a letter dated September 6, 2017, from the
4 State Historic Preservation Division. Can you just
5 describe and summarize that letter briefly?

6 A The historic preservation review process
7 consisted of up to six steps. The importance of the
8 September 6 letter, it basically confirms that the
9 Ko'ula or the Block I project had completed steps 1
10 through 5. That's everything from the initial
11 inventory of historic properties all the way up to
12 the completion of the mitigation plans on any
13 impacts. It also describes the schedule on how the
14 final step, the implementation of those mitigation
15 plans, will take place.

16 Q What is the effect of that letter from
17 SHPD?

18 A Again, it basically states that the
19 project has completed the historic preservation
20 review process up to the extent that's possible, and
21 it means that there's no hindrance as far as historic
22 preservation goes for the project to get its permits
23 and to move forward with construction.

24 MR. KANG: Thank you, Mr. Chairman.
25 That's all the questions we have for this witness.

1 CHAIR WHALEN: Members, any questions?

2 HART, any questions?

3 MS. ORMAN: No questions.

4 CHAIR WHALEN: All right. Thank you,
5 Mr. McDermott.

6 THE WITNESS: Thank you.

7 MR. ING: We call as our last witness for
8 today, Mr. Race Randle.

9 MR. ING: I believe Mr. Randle will be
10 utilizing Exhibit Q for his presentation, and that's
11 a series of PowerPoints. It's included in the
12 exhibit list as well.

13 CHAIR WHALEN: Okay. Do you want to
14 do --

15 THE WITNESS: Race Randle again. I
16 continue to swear to tell the truth.

17 CHAIR WHALEN: Okay. Welcome back.

18 THE WITNESS: Thank you.

19

20 RACE RANDLE,

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

25 ///

EXAMINATION

BY MR. ING:

Q Please state your name, place of employment and position.

A My name is Race Randle, senior vice president of development at the Howard Hughes Corporation, Ward Village.

Q Now, taking the chairman's request to heart that we summarize as much as possible rather than read, could you please summarize your oral testimony?

A Sure. Yeah, there are questions regarding the master plan and really the comparison of this project to the master plan, and I think they were pertinent questions. This is the first time we've been asked, I think, more to compare the project to the master plan than the eight prior projects we've been through, which have all really been asked to -- and I think it was before many of you were board members, but to compare the project to the 2005 Mauka Area Rules. It's a great suggestion because if you look at the master plan that was approved in -- in 2010, what it did is it specifically asked for many of the modifications that we continue to ask for in each of the projects, the

1 65-foot podiums along Ala Moana Boulevard, the
2 75-foot-high podiums mauka of Ala Moana Boulevard and
3 the justification for them because of the placement
4 of retail and other open space areas at the ground
5 level were really the justification for that request
6 at the time.

7 When the master plan was approved, it did
8 not grant those modifications and, rather, required
9 us to continue to show how the design is still
10 aesthetically better than the 2005 rules would allow
11 by the granting of those modifications. But in
12 general and in summary, you know, it's a great idea,
13 I think, on behalf of the board to continue for us
14 moving forward to compare our project and really show
15 how it complies with the approved master plan and
16 then also to justify the modification based on it
17 looking better than what the rules would otherwise
18 allow.

19 To date, we've had a lot of progress on
20 the master plan. I think as you drive through the
21 area, you see it. We have a lot of projects that
22 have been completed already at a very high level.
23 We've completed development on approximately 50
24 percent of the land. That includes some of the
25 demolition that's occurring. So across the 60 acres,

1 we've now touched about 29 acres of the property.
2 We've now dedicated or are in the process of
3 dedicating in this project about 67 percent of the
4 public facilities that are required under the master
5 plan. Over 80 percent of the open space has either
6 already been provided or is in the process of being
7 constructed. And in total, about 50 percent of the
8 floor area has either been developed, already
9 constructed or is in the project -- process of being
10 sold or ultimately will be developed on an approved
11 project.

12 Q You were going to make a statement about
13 reserved housing.

14 A Sure. I think on reserved housing,
15 there's a table in the document that outlines what
16 has been -- what we're required to deliver based on
17 the projects that have been approved to date, and
18 then what's either under construction or will be
19 built. What it shows, and that's in -- I think it's
20 Table 19 of the application. It basically shows that
21 with the six projects that have been approved, the
22 residential projects to date, we're committed to
23 providing 525 reserved housing units. With this
24 approval, we'll have to develop another 64, resulting
25 in 589 residential reserved housing units. I mean, a

1 big number, which is great to see coming from these
2 projects that are approved. And as mentioned
3 earlier, at least 64 of those units will be provided
4 either within the Ko'ula project or off-site within
5 Ward Village.

6 Q Could you summarize your testimony with
7 regard to the project's compatibility with the TD --
8 TOD overlay plan of the Authority?

9 A Sure. You know, and I'll try to
10 summarize out of the request from the Chair to be
11 brief, but, ultimately, as you know, in 2015, the EIS
12 was completed for the TOD overlay plan, and on page 9
13 of that EIS, HCDA identified a major goal, right, and
14 that was transit use by placing relatively
15 high-density developments adjacent to or within
16 walking distance of major transit facilities. So,
17 obviously, at a high level, this project meets that
18 goal; right? We're creating 570 homes within walking
19 distance of the rail transit station that's in
20 planning at the moment.

21 Q Finally, with regard to the comment
22 letters from the city and county, could you please
23 summarize your testimony with regard to those?

24 A And I think you've heard the testimony
25 from the engineers responding to the individual

1 comments, and I just will echo Todd Apo's summary
2 that while using different acronyms, we are already
3 proceeding with the studies, I think, that are
4 requested, and we're in complete agreement with the
5 goals, I think, of especially DTS and DPP, for
6 Complete Streets and for multimodal transit, kind of
7 a transportation shift from cars to bikes, walking
8 and transit. It's one of the reasons that we spent
9 the funds ourselves to design and construct bike
10 lanes down Auahi Street over a couple years ago. It
11 was something that wasn't required of us, but we
12 wanted to start to see that modal shift.

13 Following that, we donated -- we're one
14 of the founding sponsors of the Wiki Bikes, if you've
15 seen those, obviously, going around. The ones with
16 the white -- or yellow stickers on the side are the
17 ones that we sponsored, and that's been very
18 successful. It's part of your continued focus on
19 investing in multimodal transportation.

20 The Complete Streets, obviously, mimics
21 some of the discussion we just had about narrowing
22 streets and making them more than just places for
23 cars, but also places for pedestrians, bikes, and if
24 plaza spaces can be made large enough next to them,
25 there can be promenades and areas for sitting and

1 gathering.

2 Q Finally, Race, the Chairman commented on
3 private drives 1 and 2 and whether or not the access
4 to those drives would change over time. Do you
5 have -- I know you haven't had a chance to research
6 that, but if you have comments on that, could you
7 please provide them?

8 A Yeah. And I'll pull up -- this is the
9 image I can grab at the moment to help us walk
10 through that, but you can see the project site in
11 blue and some of the private drives shown as separate
12 parcels. And there are really two key answers to
13 what we do with our common areas, and the first one
14 is a master association. So when we started the
15 development of Ward Village, we created a master
16 homeowner's association, and, specifically, one of
17 its primary goals is it can take on public areas,
18 common areas that otherwise can't be dedicated to the
19 city or to HCDA. And it can own and maintain those
20 in perpetuity.

21 One of the requirements of our master
22 plan, especially with plaza spaces, is Howard Hughes,
23 as a developer, maintains those areas in perpetuity.
24 So the master association is how that occurs. The
25 Central Plaza is one of them and the roads are

1 another one. So we have driveways that may not be
2 designed for city standards that are more driveways
3 rather than roads. We've created an entity, a
4 nonprofit and a perpetual, the master association,
5 that can own those and maintain them forever.

6 The second answer, I think, in regard to
7 that is just how we control it. I think it was who
8 can own it, maintain it and then how its access is
9 controlled was the other question. You know, by
10 dedicating specifically roads as public facilities,
11 when we do that dedication, it includes language in
12 those dedications about use for the public. And as I
13 think the Chair mentioned, we often reserve the right
14 for special events for closures. The roads would be
15 the same way. So as we build private facilities like
16 roads which are represented as one of the public
17 facility dedications in the master plan, in that
18 dedication document like we've done already to date,
19 it actually states kind of what the areas can be used
20 for and access for the public.

21 Do you want me to repeat some of the
22 questions that were answered earlier and --

23 Q Yes. If you have the information, and if
24 you don't, we'll ask the Chair if we could present
25 that next week.

1 A Sure. I can answer some of the questions
2 that were asked earlier for follow-up for me, and
3 then there was one in particular regarding a plan
4 view that's being worked on that can be provided at
5 next week's hearing. But the first question, I
6 think, was in regards to what we're doing for retail,
7 you know, as retail is changing.

8 CHAIR WHALEN: Yeah.

9 THE WITNESS: I think Board Member Hasha
10 nailed it with the move towards experiential retail
11 as kind of the shift in retail, and Ward Village is
12 exactly that. I think as you see our retail, the
13 focus is on smaller spaces. It's on food and
14 beverage. It's on experiential, meaning food and
15 beverage and entertainment. And the Ward
16 Entertainment Center is still the top theater in the
17 state. We're drawing -- I'm waiting on the number,
18 but hundreds of thousands of visitors and locals come
19 to that theater. We just had two big showings this
20 year with the Avengers and Star Wars, but it's still
21 a place the community goes for entertainment. Dave &
22 Busters is a big element of that.

23 Then I mentioned smaller spaces. So as
24 we move forward, it's really about flexibility in our
25 retail layouts. So all the ground floor of this

1 project contains a large volume of retail. When we
2 move forward with actually cutting it up for leasing,
3 oftentimes we'll create smaller spaces within a
4 larger bay of retail so that smaller tenants have an
5 opportunity to come in. A lot of the transition
6 from -- you'll see from online to brick-and-mortar
7 sales, they need a small space first like at our
8 South Shore Market, and then as their business grows,
9 they'll take on more and more size. So as we develop
10 our retail, it's all about creating the kind of
11 spaces for them to start small and grow as their
12 business grows or shrink as they may shift to online
13 or other types of sales.

14 CHAIR WHALEN: Any more questions?

15 MR. ING: I have no more questions, but I
16 want to note that there are three areas we want to
17 cover next week. The first is the question regarding
18 wind that was asked by Board Member Wei, the table
19 regarding open space and some plan views associated
20 with that requested by Board Member Waterhouse, and,
21 finally, better visuals along the Halekauwila
22 extension asked by Board Member Bassett.

23 EXAMINATION

24 BY VICE CHAIR WATERHOUSE:

25 Q And, also -- my question was also as far

1 as public facilities in regards to -- I just want to
2 focus on the Central Plaza. So how is that going to
3 be put together? And I know on some of the pictures
4 that you have that some is open space, some is public
5 facilities from the master plan. So I just want to
6 see how that is all put together and the square
7 footage.

8 MR. ING: So you want to distinguish
9 between open space, public facilities as it relates
10 to the Central Plaza?

11 VICE CHAIR WATERHOUSE: Right, right,
12 right.

13 THE WITNESS: Yes. So we'll be ready to
14 provide that next week Wednesday. They're working on
15 the plan images right now. They weren't able to
16 execute it between the start of the meeting and now,
17 but they're also going to include all of Land Block 1
18 and 2 in the imagery because --

19 BY VICE CHAIR WATERHOUSE:

20 Q That's fine.

21 A -- it helps to understand where all the
22 areas come from.

23 Q Yeah, because I know it's from -- the
24 nunc pro combines the Central Plaza. It's supposed
25 to go through then Block 1 and then Block 2?

1 A Correct. So we'll provide that for those
2 two land blocks.

3 Q But not -- Mr. Apo had mentioned streets,
4 and I'm thinking, no, that doesn't -- my reading of
5 the nunc pro is that streets cannot be included in
6 the Central Plaza. It can be included for other
7 public facilities, but it can't be included in the
8 Central Plaza?

9 A Yes. So we'll segregate the two so we
10 have areas of both the streets and then the nonstreet
11 public facilities and open spaces.

12 Q Right, right, right.

13 A That's actually what they're working on
14 in the moment because in the master plan approval,
15 they're blended a little bit --

16 Q Yeah, and I notice --

17 A -- and we'll make it a little clearer for
18 the board --

19 Q Good, good, good.

20 A -- and the members to understand.

21 Q I think one of the pictures, the diagram
22 on page 18, I think the color's a little off of the
23 master plan addendum -- on the master plan addendum.
24 I think it should have said "pedestrian walkways" in
25 light color and "Complete Streets," and maybe that's

1 why Todd was thinking the same thing.

2 A Yes. Based on your --

3 Q Not the red.

4 A If I may, based on your request, we'll
5 use that image to help explain the colors and where
6 they're coming from from the new master plan and
7 laid-out central plaza space.

8 Q Okay. That would be terrific.

9 EXAMINATION

10 BY CHAIR WHALEN:

11 Q I'd like to add to that list for
12 consideration and perhaps submittal of additional
13 information. Just on the cover letter, the
14 clarification of how you described the housing
15 market. "From a housing perspective, will it fill
16 the void in Ward Village housing spectrum that
17 resulted from the wide acceptance of Waiea and Anaha?
18 Will it avoid overlapping with home offerings at Ke
19 Kilohana, Ae'o and A'ali'i?"

20 What does that actually mean in terms of
21 target marketing in higher end?

22 A It really means -- I mean, as outlined in
23 the master plan approval, it's about providing a
24 variety of housing. And A'ali'i, as Todd Apo
25 mentioned, is selling very well. Ae'o, as of

1 recently, leases that have been made available for
2 brokers or buyers that have now come in is now sold
3 out. So the 466 homes adjacent to this building are
4 no longer available for sale. So when we talk about
5 specifically how it avoids overlapping, the homes in
6 this building are really a follow-on to the Ae'o home
7 size and type, you know, which saw great response, is
8 now sold out. So the timing of really bringing this
9 to market follows a home -- a building that is now no
10 longer available for purchase.

11 Q Okay. So you're talking about
12 overlapping marketing periods; right?

13 A Precisely. So the things that we modify,
14 right, the home sizes, the finishes and the timing.
15 So this one is able to follow on the sales of Ae'o,
16 and the home sizes themselves are designed so that
17 there's not a lot of overlap with the A'ali'i
18 building that's near it as well.

19 Q And then the other thing of which I don't
20 expect an answer at this moment, but since the way to
21 satisfy reserved housing is somewhat undefined still,
22 if the applicant would consider land dedication to
23 satisfy -- which would actually be formulated by the
24 in-lieu fee, but translated in terms of the assessed
25 appraised fair market value of the land as a means to

1 satisfy that. It could actually satisfy some future
2 reserved housing. I mean, it's just a thought to
3 bring back. You know, I don't expect an answer
4 today.

5 A No, but I will point out that the
6 development agreement that was executed between HCDA
7 and Howard Hughes in 2010 outlined dedication of land
8 as one of the potential methods for meeting the
9 reserved housing requirement. So I think it was
10 addressed at that time, and I think we'd be open to
11 the idea as well. I think that's -- again, as we
12 mentioned, there's 64 that will be provided either
13 within the building or somewhere within the Ward
14 Village site.

15 Q Yeah. This might be in lieu of that
16 depending on the location and other things.

17 VICE CHAIR WATERHOUSE: I have a
18 question.

19 CHAIR WHALEN: Yes.

20 EXAMINATION

21 BY VICE CHAIR WATERHOUSE:

22 Q One other comment. On page 35 of Ko'ula
23 plan, there's the facility dedication table and open
24 space table.

25 A Uh-huh, yes.

1 Q Okay. So on both, there's -- okay.
2 We'll just go with Table 5 for the facility
3 dedication. Under the dedications, the very last one
4 is "Central Plaza, pending, 53,251" --

5 A Correct.

6 Q -- right?

7 A Yes.

8 Q If you go over to open space under
9 "Pending Development Permits," you have Central Plaza
10 there also, the same square footage. And I don't
11 know if that means, which is great, you're going to
12 put 106,000 square feet there, or there was a mistake
13 there, but you can let me know later.

14 A Yeah, if I can research that.

15 Q Okay. When you come back with the map.

16 A On Wednesday, I think I can help identify
17 that area on the plan. There is -- and if possible,
18 I'd also like the opportunity to speak with staff
19 between now and then on that to help --

20 The definition of open space and public
21 facilities is often a little confusing. So I'd like
22 the opportunity to get some help on that in the
23 presentation to the board and how that meets the
24 Mauka Area Rules' consideration of those spaces.
25 Simply put, oftentimes open spaces are also counted

1 as public facilities if they are dedicated. So an
2 open space can be just an open space if it's not
3 dedicated. But if it is dedicated as a perpetual
4 public easement, it can be considered as both. It
5 has to meet certain requirements, and that's why I'd
6 ask the permission for potentially staff to assist
7 with that -- me with that presentation.

8 CHAIR WHALEN: If there are no more
9 comments or questions. I think I can ask HART if
10 they have any questions.

11 MEMBER FANG: Oh, I have a couple
12 questions.

13 CHAIR WHALEN: Oh, Wei.

14 EXAMINATION

15 BY MEMBER FANG:

16 Q Following Chair Whalen's question about
17 the reserved housing that goes along with this
18 development permit application, my question is if you
19 guys have a sense of when you'll have some more
20 information for us about whether the reserved housing
21 will be included in the building, located elsewhere,
22 where will it be located, or if you're leaning
23 towards some other form of satisfying the reserved
24 housing requirement?

25 A I think the short answer would be if

1 there's a potential desire from HCDA to look at,
2 like, a land in lieu, I can't speak on the timing of
3 that at the moment because that -- I just don't know
4 how that would work. It's off of my head how long
5 that would take to result in a housing unit with a
6 land-in-lieu transaction. If it's included within
7 the building, you know, our anticipation is,
8 hopefully, following approval to get this project out
9 to sale, as soon as the end of this year, early next
10 year, and it would have, following the start of
11 construction, a two and a half to three-year
12 build-out. So if you think about that, you're
13 looking at about four years before homes in this
14 building would be available for move in.

15 Q Right.

16 A So if reserved housing is provided in
17 it -- sorry -- it would be about four years.

18 Q By the end of the year.

19 If the land in lieu is not being
20 considered, then by the end of the year -- are you
21 saying by the end of the year, you'd know whether the
22 64 units would be included in the building or located
23 elsewhere?

24 A I think we'd like to work on the specific
25 language of that, but, again, if there are two

1 options, whether it's in the building or it's
2 somewhere else, I think we should probably
3 collaborate on the language of that in the decision
4 and order so that it meets the expectations of HCDA
5 and it's something flexible enough for us to execute.
6 I can't speak right now of kind of the timing if it
7 is not in the building because I don't know what
8 other building it would go in off the top of my head
9 at the moment.

10 EXAMINATION

11 BY MEMBER HASHA:

12 Q Are you anticipating it to go into the
13 building?

14 A It can. We're about to launch sales
15 soon. I can't say exactly when, but for reserved
16 housing across the street at the A'ali'i project,
17 which has 150 homes that are in that building, so
18 following the release of those homes and the
19 absorption of that, we'll have more information, I
20 think, at that time about demand and the specific
21 home types of demand that people are looking for in
22 the reserved market. This project does include some
23 smaller home sizes similar to the A'ali'i which we
24 anticipate will have a lot of demand. So I think
25 we'll have more information following that sale to

1 understand where best to place them, and specifically
2 more, it's about what home sizes and types folks are
3 in most need of.

4 EXAMINATION

5 BY MEMBER FANG:

6 Q Then my other question actually has to do
7 with I think either in Exhibit Q or in the T-1, 2 and
8 3. Just out of curiosity, why is there a 4-foot to
9 4-foot, 6-inch height difference between the sidewalk
10 and the pedestrian promenade? Is there --

11 A Sure. It's a flood elevation.

12 Q It's what?

13 A Flood elevation. So following -- in
14 2011, they modified the flood map for this area which
15 required us to raise the bottom floor of all of our
16 buildings to that elevation, and, unfortunately, the
17 existing roads and sidewalks are much lower. So that
18 creates a lot of these separations between the
19 existing sidewalks and what we build.

20 CHAIR WHALEN: I think someday, we're
21 going to have to think about elevating streets, I
22 mean, with sea level rise.

23 MEMBER FANG: We're not building then.

24 CHAIR WHALEN: We're not building then?

25 MEMBER FANG: There's lots of options in

1 that spectrum.

2 MR. ING: Creating a lake instead of a
3 park.

4 CHAIR WHALEN: Any other questions or
5 comments?

6 Okay. Now I'd like to -- so that
7 basically concludes your presentation?

8 MR. ING: Yes, it does.

9 CHAIR WHALEN: Okay. Thank you.

10 Turning to the intervenor, I think you
11 mentioned earlier that you had no witnesses or
12 exhibits to present. Do you have any statement to
13 make or presentation to make?

14 MS. ORMAN: Yes. I'll be very brief. As
15 you said, we're not presenting any witnesses or
16 exhibits, and I don't need to repeat what was in our
17 motion or what Mr. O'Toole already said. We
18 understand that the Ko'ula footprint is not
19 overlapping with the intended HART easement areas,
20 but there may be some other impacts as a result of
21 the construction of the Ko'ula project that should
22 require communication and coordination with HART, and
23 our interest is keeping the projects from running
24 into each other, basically.

25 So our ask would be that the final

1 decision and order incorporate a requirement for
2 communication and coordination with HART. And what
3 we would anticipate there is stuff like schedule
4 sequencing, access, traffic, utilities. There was a
5 mention of a potential upgrade to the Queen Street
6 water main, if that would be under the guideway area.
7 Nothing -- nothing intended to delay or cause any
8 issues, but just coordination and communication on
9 things like future subdivisions of the TMK parcels,
10 street closures related to construction, if they've
11 got Auahi Street closed and we've got Queen Street
12 closed, stuff that can create issues like that. So
13 that's the intent.

14 CHAIR WHALEN: Construction management it
15 sounds like mostly.

16 MS. ORMAN: Yeah, exactly. Thank you.

17 CHAIR WHALEN: Okay. Does the applicant
18 have a response to that?

19 MR. ING: We'll take a look at that, and
20 what we think is appropriate for communication and
21 coordination, we would probably like to include that.
22 We don't want a wide-open condition that just --
23 where we have to run everything through them for
24 their approval. That would just slow us down
25 forever. So I think something reasonable can be

1 worked on, and we hope HART would agree to that.

2 MS. ORMAN: That's the intent.

3 CHAIR WHALEN: Nuanced language. I'm
4 sure the attorneys can work on that.

5 Okay. So is there any public testimony?
6 I think we've completely worn out the public. Anyone
7 here, you're welcome to testify. I don't see any
8 hands being raised.

9 Okay. Then I think without further
10 public testimony -- if there's no further public
11 testimony, then on behalf of the HCDA Authority
12 members and staff, thank you for your attendance, and
13 this public hearing on the applicant's request for a
14 development permit for Ko'ula now stands adjourned.
15 The time is now only 5:17? 5:17 p.m.

16 (Hearing adjourned at 5:17 p.m.)

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

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;

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.

s/s Laura Savo_____