

ORDER  
OF THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
OF THE STATE OF HAWAII

In re Application of	)	APPLICATION NO. KAK 19-069
	)	
Victoria Ward, Limited,	)	
	)	
Applicant	)	
	)	
For a Planned Development Permit for Land	)	
Block 2, Project 3	)	

---

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER**

On July 15, 2019, VICTORIA WARD, LIMITED (“VWL”) submitted an application (“Application”) for a planned development permit pursuant to Chapter 206E of the Hawaii Revised Statutes (“HRS”), Chapter 15-22 (“Vested Rules”) and Chapter 15-219 of the Hawaii Administrative Rules (“HAR”) for a proposed residential high-rise condominium project known as Land Block 2, Project 3 of the Ward Neighborhood Master Plan (“Project”), which will replace the currently-approved Gateway Project (KAK-14-066). The Project is located within the Kakaako Community Development District (“KCDD”) on in the middle of Land Block 2, bound by Auahi Street on the Mauka side, Kamakee Street on the Diamond Head side, Ala Moana Boulevard on the Makai side, and Ward Avenue on the Ewa side and further identified as Tax Map Key Nos. (1) 2-3-001:131, and a portion of 130 (por.).

The Hawaii Community Development Authority (the “HCDA” or “Authority”), having heard and examined the testimony, evidence, and argument of counsel, which were presented during the hearings of September 4 and October 2, 2019, along with their respective pleadings filed herein, along with public comments submitted to the Authority, hereby makes the

following Findings of Facts (“FOF”), Conclusions of Law (“COL”), and Decision and Order (“D & O”).

## **FINDINGS OF FACT**

### **PROCEDURAL HISTORY**

1. On July 15, 2019, VWL submitted its Application for the proposed Planned Development Permit.
2. On July 23, 2019, the Application was deemed complete by Hawaii Community Development Authority staff (“HCDA staff”).
3. On July 23, 2019, the Application was posted on HCDA’s website in accordance with HRS § 206E-5.5(2).
4. On July 23, 2019, the Notice of Public Hearing was published in accordance with HRS § 1-28.5, 92-41, 206E-5.5, and 206E-5.6, and HAR § 15-219-27.
5. On July 30, 2019, an amended Notice of Public Hearing was published in accordance with HRS § 1-28.5, 92-41, 206E-5.5, and 206E-5.6, and HAR § 15-219-27.
6. In accordance with the provisions of HRS § 206E-5.6, the President of the Senate and Speaker of the House of Representatives were notified of the posting of the Notice of Public Hearing.
7. Associations of apartment owners of residential buildings in the KCDD adjacent to the Project, surrounding landowners and businesses, the Ala Moana/Kakaako Neighborhood Board, and the Kakaako Improvement Association were notified of the Application and the public hearings.

8. Various elected officials and State and County agencies were also notified of the Application and the public hearings.

9. The Notice of Public Hearing was also provided to approximately one-hundred six (106) individuals and organizations that have shown interest in development in Kakaako in the past and who have requested that they be kept informed of development activities in the KCDD.

10. On July 23, 2019, notifications by first class United States mail, postage prepaid, were made to owners and lessees of record of real property located within a three-hundred (300) foot radius of the perimeter of the proposed Project identified from the most current list available from the Real Property Assessment Division of the Department of Budget and Fiscal Services of the County of Honolulu.

11. The mailed notifications included, without limitation, (a) project specifications, and (b) procedures for intervention and a contested case hearing.

12. The Amended Notice of Public Hearing noted the deadline to intervene was August 19, 2019.

13. On August 22, 2019, a pre-hearing conference was held at HCDA's office at 547 Queen Street, Honolulu, Hawaii 96813.

14. The pre-hearing conference was attended by HCDA staff, and VWL.

15. On August 23, 2019, HCDA issued its Pre-Hearing Order requiring the Applicant to submit witness lists, exhibit lists, and exhibits by August 26, 2019.

16. In compliance with the Pre-Hearing Order VWL submitted its witness list, exhibit lists, and exhibits on August 26, 2019.

17. On September 3, 2019, VWL submitted its First Amended Exhibit List and four additional exhibits, X, Y, Z and AA, which were submitted in response to an agency comment letter that VWL received from HCDA on August 30, 2019.

18. Prior to the September 4, 2019 Hearing, the following comments were submitted by government agencies in regard to the Project:

- City and County of Honolulu Fire Department (“HFD”) - Letter dated August 7, 2019;
- State of Hawaii Department of Transportation (“DOT”) - Letter dated August 8, 2019;
- City and County of Honolulu Board of Water Supply (“BWS”) via its letter dated August 13, 2019; and
- City and County of Honolulu Office of Climate Change, Sustainability and Resiliency (“City Office of Climate Change”) via its letter dated August 14, 2019;

19. Prior to the hearing of October 2, 2019, comments regarding the Project were received from the following agencies:

- City and County of Honolulu Department of Transportation Services (“DTS”) via its letter dated September 9, 2019;

20. **September 4, 2019 Hearing.** On September 4, 2019, pursuant to the Notice of Public Hearing, the Presentation Hearing on the Application (“Presentation Hearing”) was held at the HCDA Board Meeting Room located at 547 Queen Street, Honolulu, Hawaii 96813

21. At the Presentation Hearing, VWL presented oral argument in support of VWL’s Application.

22. At the Presentation Hearing, VWL was afforded the opportunity to present information relating to the Project.

23. At the Presentation Hearing, the public was afforded the opportunity to present comments on the Project.

24. At the Presentation Hearing, the Authority admitted into evidence all of the following exhibits, including written direct testimony, presented by VWL:

<b>Exhibit</b>	<b>Exhibit Description</b>
A	Permit Application, Exhibits and Appendices
	Appendix A - LEED Checklist
	Appendix B - SHPD Letter
	Appendix C - Traffic Impact Report
	Appendix D - Infrastructure Availability Report
	Appendix E - Shadow & Wind Studies
	Appendix F - Wind Consultant Letter
	Appendix G - Acoustical Consultant Letter
B	Certification Re: Notification to Owners and Lessees of Record of Real Property Located Within a Three Hundred Foot Radius Pursuant to HRS 206E-5.5
C	Public Facilities Agreement for Land Block 2, Project 3
D	Race Randle Written Direct Testimony
E	Todd Apo Written Direct Testimony
F	Lee Cranmer Written Direct Testimony
G	Kimi Yuen, LEED AP BD+C Written Direct Testimony
H	Kimi Yuen, LEED AP BD+C Curriculum Vitae
I	David Akinaka, AIA Written Direct Testimony

J	David Akinaka, AIA Curriculum Vitae
K	Kevin Goto, P.E., LEED AP Written Direct Testimony
L	Kevin Goto, P.E., LEED AP Curriculum Vitae
M	Cathy Leong, P.E. Written Direct Testimony
N	Cathy Leong, P.E. Curriculum Vitae
O	Matt McDermott, M.A. Written Direct Testimony
P	Matt McDermott, M.A. Curriculum Vitae
Q	Chad Takesue Written Direct Testimony
R	Chad Takesue Curriculum Vitae
S	Paul Brewbaker, Ph.D., CBE Written Direct Testimony
T	Paul Brewbaker, Ph.D., CBE Curriculum Vitae
U	Will Serve Letter from Hawaiian Electric Company dated July 29, 2019 (supersedes letter dated May 6, 2019)
V	Victoria Place Planned Development Permit Slide Presentation
W	Paul Brewbaker, Ph.D., CBE Slide Presentation
X	Letter from Howard Hughes Corporation to State of Hawaii Department of Transportation dated February 9, 2015
Y	Letter from State of Hawaii Department of Transportation to City and County of Honolulu Department of Planning and Permitting dated February 25, 2015
Z	Letter from Howard Hughes Corporation to State of Hawaii Department of Transportation dated March 9, 2015
AA	Final Subdivision Map for Lot 39 of Land Court Consolidation 53 (Approved March 13, 2015) (With six foot wide road widening setback highlighted)

25. At the Presentation Hearing, the Authority admitted into evidence the following exhibits presented by HCDA staff:

<b>Exhibit</b>	<b>Exhibit Description</b>
A	Completeness and Automatic Approval Letter
B	Notice of Public Hearing
C	Amended Notice of Public Hearing
D	Ward Neighborhood MP, Nunc Pro Tunc, Findings of Fact, Conclusions of Law, and Decision and Order
E	Master Plan Development Agreement
F	Declaratory Order Relating to Condition No. 4

G	HCDA's Letters of Receipt for Documents in Satisfaction of Condition No. 6 of the WVMP D & O <ul style="list-style-type: none"> <li>• Historic Building Inventory</li> <li>• Cultural Impact Assessment, and</li> <li>• Archeological Inventory Survey</li> </ul>
H	HCDA's Letters of Receipt for Documents in Satisfaction of Condition #10 of the WVMP D & O <ul style="list-style-type: none"> <li>• Regional Traffic Study and Individual Traffic Impact Assessments</li> </ul>
I	HCDA's Letters of Receipt for Documents in Satisfaction of Condition #12 of the WVMP D & O <ul style="list-style-type: none"> <li>• Sustainability Guidelines</li> </ul>
J	Comments from Government Agencies
K	Written Confirmation from SHPD
L	Joint Development Agreement approved by the HCDA Executive Director and filed with the Bureau of Conveyances as a covenant running with the land (DOC A-56090748)

26. At the Presentation Hearing, VWL presented the testimony of the following witnesses orally and/or through written testimony:

	<b>Witness</b>	<b>Affiliation</b>
1.	Race Randle	Senior Vice President, Development The Howard Hughes Corporation
2.	Todd Apo	Senior Vice President of Community Development The Howard Hughes Corporation
3.	Lee Cranmer	Senior Director, Development The Howard Hughes Corporation
4.	Kimi Yuen, LEED AP BD+C	Principal PBR Hawaii & Associates, Inc.
5.	David Akinaka, AIA	Principal Ferraro Choi and Associates Ltd.
6.	Kevin Goto, P.E., LEED AP	Associate Director of Civil Engineering / Project Manager Wilson Okamoto Corporation
7.	Cathy Leong, P.E.	Associate Director of Traffic Engineering Wilson Okamoto Corporation
8.	Matt McDermott, M.A.	Project Manager / Principal Investigator

		Cultural Surveys Hawaii, Inc.
9.	Chad Takesue	Partner Locations
10.	Paul Brewbaker, Ph.D., CBE	Principal and Economist TZ Economics

27. The following witnesses were offered by VWL as experts in their respective areas of expertise, and were qualified as such by the Authority:

- a) Kimi Yuen, LEED AP BD+C - urban planning;
- b) David Akinaka, AIA - architecture;
- c) Kevin Goto, P.E., LEED AP - civil engineering;
- d) Cathy Leong, P.E. - traffic engineering;
- e) Matt McDermott, M.A. - archaeology;
- f) Chad Takesue - real estate marketing, supply and demand; and
- g) Paul Brewbaker, Ph.D., CBE - economics.

28. At the Presentation Hearing, five members of the public provided oral comments.

29. Prior to the Presentation Hearing, four written comments were received from the public.

30. On September 11, 2019, in accordance with HRS § 206E-5.5, HCDA transmitted to the Hawaii State Legislature's Presiding Officers (the President of the Senate, Ronald D. Kouchi and the Speaker of the House of Representatives, Scott K. Saiki), summaries of the Presentation Hearing.



### **ORDERS PREVIOUSLY ISSUED BY THE AUTHORITY**

31. “Development rights under a master plan permit and a master plan development agreement issued and approved by the authority are vested under the community development district rules in effect at the time of initial approval by the authority and shall govern development on lands subject to such permit and agreement.” HRS § 206E-7(b)

32. As set forth in the Nunc Pro Tunc Order Re: Hearing Officer’s Proposed Finding of Fact, Conclusions of Law, and Decision and Order for the Ward Neighborhood Master Plan Permit issued on May 6, 2009, for the effective period of the Master Plan, the Authority’s Mauka Area Plan and Mauka Area Rules applicable to development shall be those plans and rules in effect on January 14, 2009.

33. The October 10, 2012 Declaratory Order Re: Applicability of Condition No. 4 of Nunc Pro Tunc Order Re: Hearing Officer’s Proposed Findings of Fact, Conclusion of Law, and Decision and Order for a Master Plan Permit, Issued by the Authority on January 14, 2009, amended Condition 4 issued by the Authority and granted VWL’s petition for: (a) deletion of Halekauwila Extension shown in the Mauka Area Plan on the East side of Ward Avenue connecting to Queen Street to be replaced by a street parallel to Queen Street between Ward Avenue and Kamakee Street (“Halekauwila Street Extension Deletion”); (b) Deletion of the park/parking garage facility along the Halekauwila Extension contained in the Mauka Area Plan (“Park/Parking Garage Deletion”); and (c) a single "mixed-use" land use designation for the Ward Neighborhood Master Plan area, instead of the "mixed-use commercial" (MUZ-C) and "mixed-use residential" (MUZ-R) land use designations, which will allow more flexibility in

designing and developing the mixed use community that was approved under the Master Plan (“Single Mixed-Use Designation”).

### **WARD NEIGHBORHOOD MASTER PLAN OVERVIEW**

34. On April 2, 2008, VWL submitted an application to obtain a master plan permit for approximately sixty (60) acres of land in the KCDD.

35. The master plan provisions of the Vested Rules were intended to “encourage timely development, reduce the economic cost of development, allow for the orderly planning and implementation of public and private development projects, and provide a reasonable degree of certainty in the development approval process.” HAR § 15-22-200(a)

36. “A further purpose and intent” contained in the 2005 HCDA Mauka Area Rules is to “derive public benefits, such as affordable housing, relocation assistance, public parking, off-site infrastructure and other public facility improvements, which are generally provided by government and would not otherwise be required from private developers.” HAR § 15-22-200(b)

37. The purpose and intent of an approved master plan is to “provide assurances to landowners, developers and investors that projects proposed within a master planned area that are in accordance with the applicable Mauka Area Rules in effect at the time the master plan is approved will not be restricted or prohibited at the permit stage by subsequent changes to those rules. The purpose of this subchapter is to provide landowners and developers assurances that once they have met or agreed to meet all of the terms and conditions of the master plan approval,

their rights to development permit approval in accordance with the development rules in effect at the time of master plan approval shall be vested for a specified period” HAR §15-22-200(c)

38. The Vested Rules “allow greater flexibility in the development of lots within master planned areas than would otherwise be possible through the normal lot-by-lot development approach. Such flexibility is intended to encourage integrated developments and secure better overall planning for extensive land holdings, while recognizing that full development of the area over time would occur incrementally in accordance with the planned development and base zone development requirements in effect at the time of master plan approval.” HAR § 15-22-200(d)

39. On January 14, 2009, the Authority approved the Hearing Officer’s Proposed Finding of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit, subject to sixteen (16) conditions in the Decision and Order for the Ward Neighborhood Master Plan (hereafter the “January 14, 2009 WNMP D & O”).

40. On May 6, 2009, the Authority approved a Nunc Pro Tunc Order to resolve a clerical error in the January 14, 2009 WNMP D & O.

41. Subsequently, as required by Condition No. two (2) of the May 6, 2009 WNMP D & O, HCDA and VWL executed a Master Plan Development Agreement for the Ward MP, effective December 30, 2010 (hereafter the “Development Agreement”).

42. **Ward Master Plan.** The approved Ward Master Plan and Development Agreement covers approximately sixty (60) acres of land located within the KCDD, including the Project.

43. Per the May 6, 2009 WNMP D & O, FOF No. 46, “The master plan proposes a mixed-use development including residential, retail, office, commercial, and industrial uses for a total floor area of 9,334,240 square feet, with a floor area ratio (“FAR”) of 3.8. It is a long-range plan that would span over more than 20 years, potentially including 10-15 different phases. The phasing and mixed uses developed under the Master Plan will depend on changing market and social conditions.”

44. Page sixty-two (62) of the WNMP Application (dated April 2, 2008) identifies “potential phasing strategies” for the Ward MP. Page twenty-one (21) and twenty-two (22) of the WNMP Application Amendment (dated September 12, 2008) identify possible development lots for Phase 1 of the Ward MP. However, no specific phasing sequence is identified in the May 6, 2009 WNMP D & O adopted by the Authority.

45. The phasing of development was also set forth in the Development Agreement, which states that “the phasing and timing of development under the Ward MP is intended to be flexible to give VWL the ability to adapt to economic and market conditions.”

46. The graphic representation and tables in the Ward Neighborhood Master Plan Application (hereafter the “WNMP Application”), dated April 2, 2008, identify land blocks labeled one (1) through six (6), which in combination form a development lot. Pursuant to HAR § 15-22-5, “Development lot means any lot or a combination of lots developed in accordance with the provisions of these rules.”

47. On October 10, 2012, the Authority issued the Declaratory Order Re: Applicability of Condition No. 4 of Nunc Pro Tunc Order Re: Hearing Officer’s Proposed

Findings of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit, Issued January 14, 2009 (hereafter the “Declaratory Order”).

48. **Ward Master Plan Conditions.** VWL has fulfilled the conditions of the May 6, 2009 WNMP D & O requiring the submission of the following documents:

- Development Agreement,
- October 10, 2012 Declaratory Order Issued by the Authority Re: Applicability of Condition No. 4 of Nunc Pro Tunc Order,
- Historic Building Inventory (Fung Associates - June 2012),
- Cultural Impact Assessment (Cultural Surveys Hawaii - May 2012),
- Predictive Archaeological Model (Cultural Surveys - Hawaii May 2012),
- Archaeological Inventory Survey Plan (Cultural Surveys Hawaii - December 2012),
- Regional Traffic Impact Study (Wilson Okamoto - October 2012),
- Sustainability Guidelines (The Howard Hughes Corporation - April 2013).

49. In addition to preparing the sustainability guidelines, VWL submitted the Ward MP to the U.S. Green Building Council’s (“USGBC”) Leadership in Energy & Environmental Design (LEED) for Neighborhood Development Program (“LEED-ND”). The LEED-ND Program awards credits to VWL for a neighborhood’s integration and sustainability achieved through pedestrian orientation, efficient land use, and transportation infrastructure.

50. The majority of the Project site is vacant with the exception of temporary parking. Regardless, VWL needs to fulfill its requirements under the May 6, 2009 WNMP D & O regarding tenant relocation. Relocation assistance is required to be provided to affected tenants,

first by looking for opportunities within the Ward MP area to the extent feasible, and by working with commercial real estate firms, or brokers for alternative spaces.

51. One of the visions for the Ward MP as set forth in the WNMP Application (dated April 2, 2008) to provide open spaces, parks, plazas, and public facilities. The WNMP Application (dated April 2, 2008) identifies the following:

- a) Central Plaza located on Land Block 1 and 2,
- b) Ewa Plaza to be located on Land Block 5, and
- c) Diamond Head Plaza located on Land Block 4.

52. The May 6, 2009 WNMP D & O stated that VWL proposed 9,334,240 square feet of floor area on approximately 59.96 acres of land (The total land area available for floor area allocation is 56.39 acres and excludes existing streets that are owned by VWL but cannot be considered development lots.) This results in a density of 3.8 Floor Area Ratio (“FAR”), including a bonus of 0.3 FAR for industrial use.

53. HCDA has issued Planned Development Permits for the following seven (7) development projects pursuant to the May 6, 2009 WVMP D & O:

- (a) Waiea (KAK 13-036) – Completed,
- (b) Anaha (KAK 13-037) – Completed,
- (c) Ke Kilohana (KAK 13-038) – Completed,
- (d) Aeo (KAK 14-74) – Completed,
- (e) Gateway (KAK 14-066) – permitted and to be withdrawn if Application No. KAK 19-069 is approved,

(f) Aalii (KAK 16-075) – permitted and under construction, and

(g) Koula (KAK18-038) – permitted and under construction.

54. HCDA has issued Base Zone Development Permits for the following three (3) projects: Renovation of the IBM Building (KAK 12-137), Ward Entertainment Center (MUZ 16-00), and Ward Village Shops (MUZ 93-04).

55. VWL is seeking its eighth (8<sup>th</sup>) Planned Development Permit for the Victoria Place Project (KAK 19-069), considered herein.

56. **Floor Area Ratio.** The following table is a list of currently permitted projects, including the proposed Project, excluding Gateway Towers that is proposed to be withdrawn upon the approval of the Project:

Currently Permitted & Proposed Floor Area (FA) & Floor Area Ratio (FAR) by Land Blocks							
Projects	Land Block 1 (911,887 SF)	Land Block 2 (355,130 SF)	Land Block 3 (270,159 SF)	Land Block 4 (230,706 SF)	Land Block 5 (777,167 SF)	Land Block 6 (66,626 SF)	Total (2,611,675 SF)
IBM	-	-	-	62,500 SF	-	-	62,500 SF
Ward Entertainment Center	213,840 SF	-	-	-	-	-	213,840 SF
Ward Village Shops	-	-	129,778 SF	-	-	-	129,778 SF
Waiea	-	522,654 SF	-	-	-	-	522,654 SF
Anaha	-	-	649,168 SF	-	-	-	649,168 SF
Ke Kilohana	-	-	-	-	508,829 SF	-	508,829 SF
Aeo	624,748 SF	-	-	-	-	-	624,748 SF
Gateway	-	784,014 SF	-	-	-	-	784,014 SF

Aalii	612,272						612,272 SF
Koula	697,750 SF						697,750 SF
<b>Total</b>	<b>2,148,430 SF</b>	<b>522,654 SF</b>	<b>778,946 SF</b>	<b>62,500 SF</b>	<b>508,829 SF</b>	<b>-</b>	<b>4,021,358 SF</b>
<b>FAR</b>	<b>2.35</b>	<b>1.47</b>	<b>2.88</b>	<b>0.27</b>	<b>0.82</b>	<b>0</b>	<b>1.54</b>
<b>Proposed Project for Development Permit</b>							<b>-</b>
Victoria Place	-	556,305 SF	-	-	-	-	556,305 SF
<b>Total</b>	<b>2,148,430 SF</b>	<b>1,078,959 SF</b>	<b>778,946 SF</b>	<b>62,500 SF</b>	<b>508,829 SF</b>	<b>-</b>	<b>4,557,664 SF</b>
<b>FAR</b>	<b>2.35</b>	<b>3.04</b>	<b>2.88</b>	<b>0.27</b>	<b>0.82</b>	<b>0</b>	<b>1.75</b>

57. With the proposed Project, which has a floor area of 556,305 square feet, the total floor area approved to be developed within the Ward MP will increase to 4,557,664 square feet after the withdrawal of the Gateway Project.

58. After the completion of the Project, VWL will have a remaining floor area of approximately 4,159,307 square feet, without utilizing a 0.3 FAR industrial bonus as contemplated in the Ward MP.

59. As set forth under FOF Nos. forty-six (46) and sixty-eight (68) of the May 6, 2009 WNMP D & O there is a requirement to provide 736,914 square feet of industrial floor area within the Ward MP to take advantage of the 0.3 FAR industrial bonus.

60. To date VWL has not utilized the 0.3 FAR industrial bonus for its approved planned development permits for the completed developments.

61. VWL is required to provide a development program for providing industrial floor area within the Ward MP prior to the HCDA approval of a certificate of occupancy as required by Condition No. 5 of the Decision & Order for Aalii (KAK 16-075).



62. The industrial area contemplated in the Ward MP is planned to be located in Land Block 5 and Land Block 6.

## **PROJECT DESCRIPTION**

63. **Project Name.** The name of the Project is Victoria Place.

64. The name “Victoria Place” honors Victoria Ward, who was born in 1846 and was a champion of Hawaii. Under her leadership, her family’s lands became a cultural and community oasis in Kakaako.

65. **Location.** Victoria Place is located on Land Block 2 of the Ward Master Plan. Land Block 2 is bound by Auahi Street to the north (mauka), Kamakee Street to the east (Diamond Head), Ala Moana Boulevard to the south (makai), and Ward Avenue to the west (Ewa). Land Block 2 totals 8.15 acres and comprises one development lot, which is governed by a joint development agreement.

66. The Project site itself is located between Auahi Street and Ala Moana Boulevard, and immediately to the west (Ewa) of Waiea. The site is on TMK (1) 2-3-001:131 and a portion of TMK (1) 2-3-001:130.

67. Re-subdivision of four TMKs within Land Block 2 (TMK (1) 2-3-001:131, TMK (1) 2-3-001:130, TMK (1) 2-3-001:129, and TMK (1) 2-3-001:128) will be completed to create: 1) a separate TMK parcel of approximately 102,427 square feet for the Victoria Place site; 2) a larger makai Victoria Ward Park area parcel (*i.e.*, larger than TMK (1) 2-3-001:130) ; and 3) a parcel for a future development between the west (Ewa) side of the Victoria Ward Park south (makai) area and Ward Avenue.

68. The majority of the Victoria Place site is vacant, except for a temporary parking lot along Auahi Street, which does not provide parking required for any Ward Village development.

69. **Zoning.** Pursuant to the Ward Master Plan D&O and the Declaratory Order, the Project site has a single mixed-use zoning designation.

70. **Building Description.** The Project is anticipated to include approximately three-hundred fifty (350) residential units.

#### **COMPLIANCE WITH MAUKA AREA RULES**

71. The building complies with the height limit set forth in HAR § 15-22-116 with a proposed height of 400 feet (plus rooftop elements of 18 feet).

72. The building complies with front, side, and rear yard requirements as set forth in HAR § 15-22-63.1 and 15-22-63.2. There are front yard setbacks of 15-feet along Auahi Street and Ala Moana Boulevard. No side or rear yards are present in the project.

73. Pursuant to HAR § 15-22-64, ten percent of the Project site must be designated as open space, equating to 10,243 square feet of open space. The Project proposes to provide approximately 15,590 square feet of open space, equating to roughly 15-percent of open space.

74. The building is anticipated to include 350 units. HAR § 15-22-65 requires 55 square feet of indoor and outdoor recreation space per unit, which totals 19,250 square feet of recreation space. The Project proposes 64,105 square feet of recreation space.

75. Pursuant to HAR § 15-22-67, the Project is required to provide a minimum of 465 residential parking spaces. The Project will include 593 parking spaces for resident and resident guest use.

76. Kakaako has a number of accessible transit options such as ride sharing. In the future, rail transit, driverless cars and other options could lead to a lower demand for parking spaces.

77. Pursuant to HAR §15-22-68, three off-street loading spaces are required that meet or exceed the minimum dimensions provided in the vested rules.

78. The planned number of residential parking stalls in Victoria Place exceeds the minimum requirement under the Vested Rules.

79. The WNMP proposes a shared parking concept which allows for various stalls to be shared among residents and commercial uses, however, the Project does not incorporate shared parking concept.

80. Act 97, Session Laws of Hawaii 2015 established clean energy goals for the State.

81. Pursuant to HAR §15-22-73, the Project is required to provide four percent of residential floor area for public facilities. Based on the residential floor area of 556,305 square feet, the Project therefore triggers a public facilities requirement of approximately 22,252 square feet.

82. As noted in the public facilities dedication letter dated August 21, 2019, including the foregoing, as well as other public facilities credits and dedications in Ward Village to date (but excluding the dedication for Gateway Towers), VWL will generate public facilities credits

in conjunction with the Ward Master Plan, which will be sufficient to meet the public facilities requirement for the Project, and will leave a remaining balance of 34,506 square feet.

83. The public facilities dedication for projects in the Ward MP is summarized in the table below:

<b>WNMP Public Facilities Dedication</b>	
Credit from Pre-WNMP Projects	39,581 (SF)
<b>Public Facilities Dedications Provided After WNMP (To Date)</b>	
<b>Projects</b>	<b>Area (SF)</b>
Land Block 2-Project 1 (Waiea): Sidewalk along Ala Moana Boulevard	521
Land Block 2-Project 2 (Gateway): Central Plaza	34,371
Land Block 3-Project 1 (Anaha): Sidewalk along Queen Street	353
Land Block 3-Project 1 (Anaha): Sidewalk along Auahi Street	496
Land Block 3-Project 1 (Anaha): Sidewalk along Auahi Street	431
Land Block 3-Project 1 (Anaha): Midblock	902
Land Block 5-Project 1 (Ke Kilohana): Right-of-way along Ilaniwai Street	1,785
Halekauwila Street Dedication to HCDA	37,261
Land Block 1-Project 3 (Aalii): LB1 Street Easement	53,062
Land Block 1-Project 3 (Aalii): Aalii Sidewalk Easement P3A	6,034
Land Block 1-Project 3 (Aalii): WEC Sidewalk Easement P4	5,773
Subtotal of Public Facilities Dedication Provided to Date	140,989
<b>Proposed (Pending) Public Facilities Dedications (To Date)</b>	
<b>Projects</b>	<b>Area (SF)</b>
Land Block 1-Central Plaza	53,251
Subtotal of Pending Public Facilities Dedication	53,251
<b>Required Public Facilities Dedication (To Date)</b>	
<b>Project</b>	<b>Area (SF)</b>
Land Block 1-Project 2 (Aeo)	24,052
Land Block 1-Project 3 (Aalii)	21,653
Land Block 1-Project 4 (Koula)	27,320
Land Block 2-Project 1 (Waiea)	20,831
Land Block 2-Project 2 (Gateway)	31,163
Land Block 2-Project 3 (Victoria Place)	22,252
Land Block 3-Project 1 (Anaha)	25,796
Land Block 5-Project 1 (Ke Kilohana)	3,092

Subtotal of Required Public Facilities Dedication to Date	145,063
<b>Remaining Balance Not Including Dedication of Pending Public Facilities</b>	<b>34,506</b>

84. In accordance with HAR § 15-22-76, all utilities serving the Project will be underground and the existing overhead utilities along the Project's Auahi Street frontage will be placed underground.

85. HAR § 15-22-77 requires that no building shall contain a reflective surface of more than 30 percent of that wall's surface area. The glass area of the project is greater than 30 percent, however the glass reflectance will not exceed thirty percent.

86. The project complies with the height limit set forth in HAR §15-22-116, with a proposed height of 400 feet (plus rooftop elements).

87. The podium height will be 43 feet, 5 inches (plus any permitted building elements or features) in compliance with HAR §15-22-62.

88. The building will be oriented in a mauka-makai direction to preserve public view planes and will comply with the guidelines of HAR § 15-22-143(a).

89. Pursuant to HAR §15-22-143(b), to the extent practicable, tower spacing should be 300 feet between the long parallel sides of neighboring towers and 200 feet between the short side of towers. The Project complies with HAR § 15-22-143(b) because the long side of the Project is at least 300 feet from the nearest tower (Waiea) and the short side of the Project is at least 200 feet from the nearest tower (Koula).

90. The WNMP Application (dated April 2, 2008) includes the development of two (2) public plazas that are connected to Auahi Street.

91. Pursuant to the Vested Rules, the Project, which has a development lot area of approximately 102,427 square feet, requires that VWL provide an open space of approximately 10,243 square feet for the Project.

92. The Project will provide approximately 15,590 square feet of open space within the Project site, which translates to fifteen percent (15%) of the Project site.

93. The table below shows the proposed open space to be provided per the Ward Neighborhood Master Plan Application Addendum (hereafter the “WNMP Application Addendum”), dated September 12, 2008:

<b>WNMP Proposed Open Space</b>				
Land Block	Land Area	Required Open Space at 10 %	Proposed Open Space	Percentage of Proposed Open Space
1	911,189 (SF)	91,189 (SF)	29,965	3%
2	355,130 (SF)	35,513 (SF)	68,158	19.2%
3	270,159 (SF)	27,016 (SF)	35,087	13%
4	230,706 (SF)	23,071 (SF)	34,245	14.8%
5	621,871 (SF)	62,187 (SF)	43,365	7%
6	66,626 (SF)	6,663 (SF)	7,951	11.9%
In Future Phases	-	-	26,867	-
<b>Total</b>	<b>2,456,379 (SF)</b>	<b>245,638 (SF)</b>		<b>10%</b>

94. Page nineteen (19) of the WNMP Application Addendum (dated September 12, 2008) indicates that a total of 245,638 square feet of open space will be provided for the Ward MP, which is ten percent (10%) of the land area covered under the Ward MP.

95. A portion of the Central Plaza on Land Block One (1) will have a land area of 53,251 square feet and a portion of the Central Plaza on Land Block Two (2) will have a land

area of 34,371 square feet. The portion of the Central Plaza on Land Block Two (2) has been perpetually dedicated for public use.

96. A summary of open space provided by VWL to date except for Gateway Towers (which is expected to be withdrawn) for the Ward MP is provided in the table below:

<b>SUMMARY OF WNMP Open Space (OS)</b>	
<i><b>OS for Existing &amp; Under Construction Projects (To Date)</b></i>	
Land Block 1- (Ward Entertainment Center)	2,859 (SF)
Land Block 1-Project 2 (Aeo)	5,047 (SF)
Land Block 2-Project 1(Waiea)	13,667 (SF)
Land Block 3- (Ward Village Shops)	32,988 (SF)
Land Block 3-Project 1 (Anaha)	10,907 (SF)
Land Block 4- (IBM)	9,695 (SF)
Land Block 5-Project 1 (Ke Kilohana)	1,323 (SF)
Subtotal of OS for Existing & Under Construction Projects	76,486 (SF)
<i><b>OS For Projects per HCDA Approved Development Permits (To Date)</b></i>	
Land Block 1-Project 3 (Aalii)	17,000 (SF)
Land Block 1-Project 4 (Koula)	9,905 (SF)
Land Block 2-Project 2 (Gateway)	7,907 (SF)
Subtotal of OS For Projects Per HCDA Approved Development Permits	26,905 (SF)
<i><b>OS For Projects Per Pending Development Permits (To Date)</b></i>	
Land Block 2-Project 3 (Victoria Place)	15,590 (SF)
<i><b>Total of Existing, Under Construction, &amp; Approved OS per Land Block (To Date)</b></i>	
Land Block 1	28,611 (SF)
Land Block 2	29,257 (SF)
Land Block 3	43,895 (SF)
Land Block 4	9,695 (SF)
Land Block 5	1,323 (SF)
Land Block 6	0 (SF)
Total of Existing, Under Construction, & Approved OS	112,781 (SF)

97. **Archaeological and Historic Resources.** Cultural Surveys Hawai‘i (“CSH”) conducted an archaeological inventory survey (“AIS”) for the area of Land Block 2 that includes

the Victoria Place site. The State Historic Preservation Division (“SHPD”) accepted the AIS report on October 20, 2014.

98. Two historic properties were identified within the Project site:

- a) State Inventory of Historic Places (“SIHP”) # 50-80-14-7655 consisting of subsurface historic salt pan remnants, documented as laminated organic material and associated man-made berms. The historic property reflects land-use activities related to historic salt production; and
- b) SIHP # 50-80-14-7658 consisting of buried historic surfaces, including asphalt, concrete, coral and tar pavement, oil-rolled surfaces, and fence-lines associated with the historic development of the project area.

99. Subsequent to the AIS report, CSH prepared an archaeological monitoring plan (“AMP”) addressing the area of the Victoria Place site, combined with the additional area of Land Block 2 that would have comprised the Gateway site. SHPD accepted the AMP on November 18, 2014. On November 19, 2014, SHPD accepted an archaeological data recovery plan (“ADRP”) for the area covering the Victoria Place and including the rest of the Gateway site. The ADRP addresses State Historic Property (SIHP) # 50-80-14-7655 (a historic salt pan complex).

100. CSH completed the archaeological data recovery work for SIHP # 50-80-14-7655 on March 4, 2015. SHPD then accepted an End of Fieldwork Letter Report for Archaeological Data Recovery on August 8, 2017.



101. In a letter dated July 9, 2019, SHPD formally acknowledged compliance with Chapter 6E, HRS (the State of Hawaii Historic Preservation Program) for the Victoria Place site.

102. **Planned HART Station and Guideway Easement.** The Project is not adjacent to the planned Kakaako HART station and guideway easement.

103. **Bicycles.** The Ward Master Plan proposes bicycle networks along Pohukaina Street, Ward Avenue, Ala Moana Boulevard, Auahi Street, and Kamakee Street.

104. The Project will include bicycle parking at the street level in both public areas and within the parking structure. Public short-term bicycle parking will be provided at the street level along Auahi Street. Resident long-term bicycle parking will be provided within the parking structure.

105. The Project will provide bicycle parking using the City and County of Honolulu Land Use Ordinance (“LUO”) § 21-6.150.

106. **Reserved Housing.** Pursuant to HAR §15-22-115, the Project is required to provide “at least twenty percent of the total number of dwelling units in the development for sale or rental to qualified persons.”

107. Including the Project, and the other projects within the Ward Master Plan approved to date (but excluding Gateway), a total of approximately 3,164 residential units will be provided in the Ward Master Plan area. Based upon this number, the reserved housing requirement for the Ward Master Plan is 633 reserved housing units.

108. Ke Kilohana (KAK 13-038), which included reserved housing units originally required by Gateway, provides 375 reserved housing units.

109. Aalii (KAK 16-075), which is currently under construction, will also include 150 reserved housing units.

110. The Koula Planned Development Permit (KAK 18-038) (“Koula PDP”) requires the provision of 64 reserved housing units; therefore, the Project will require the provision of 44 additional reserved housing units.

111. Therefore, consistent with HAR § 15-22-115 and the Ward Master Plan, VWL plans to construct the reserved housing units incrementally required by the Project and Koula (KAK 18-038) (a total of 108 reserved housing units) within Ward Village Block F.

112. A running total of the reserved housing requirements by project in the Ward MP is provided in the table below.

<b>Reserved Housing Requirement</b>		
<b>Projects</b>	<b>Residential Units</b>	<b>Reserved Housing Provided to Date</b>
Land Block 1-Project 2 (Aeo)	466	0
Land Block 1-Project 3 (Aalii)	751	150
Land Block 1-Project 3 (Koula)	570	-
Land Block 2-Project 1 (Waiea)	177	0
Land Block 2-Project 2 (Gateway)	236	0
Land Block 2-Project 3 (Victoria Place)	350	
Land Block 3-Project 1 (Anaha)	318	0
Land Block 5-Project 1 (Ke Kilohana)	424	375
Land Block 5-Project 2 (Future Project)	108	108
<b>Total Residential Units</b>	<b>3,164</b>	<b>-</b>
<b>Reserved Units Required (20%)</b>	<b>633</b>	
<b>Total Reserved Units Provided to Date</b>	<b>-</b>	<b>525</b>
<b>Reserved Housing Required</b>	<b>108</b>	

113. **Flood Hazard District.** Pursuant to HAR § 15-22-82, the applicable provisions of the LUO relating to flood hazard districts apply to all properties within the mauka area.

114. The Project site is located in the Federal Emergency Management Agency Flood Insurance Rate Map as Zone AE, in which the annual chance of flooding for a 100-year flood is determined as one percent. The property's flood base elevation is 9 feet above mean sea level, and the proposed finish floor elevation at Level 1 for the Project is 9.25 feet above mean sea level.

#### **HRS 206E REQUIREMENTS**

115. **Extent to which the Project advances the goals, policies, and objectives of the applicable district plan.** The Project has been designed consistently with the goals of the Ward Master Plan, the Vested Rules, the Authority's development guidance policies, and the district wide plan for the Kakaako mauka area.

116. This Project, along with other projects in the KCDD, and the additional required reserved housing will help to fill a shortage in housing for Hawaii families.

117. **Extent to which the Project protects, preserves, or enhances desirable neighborhood characteristics through compliance with the standards and guidelines of the applicable district rules.** The Project is adjacent to bus and trolley routes, providing excellent connectivity for residents and visitors. The Project will bring housing, parks, open space, and amenities to the urban core in a compatibly planned, smart growth way.

118. **Extent to which the Project avoids a substantially adverse effect on surrounding land uses through compatibility with the existing and planned land use**

**character of the surrounding area.** Development permits approved under the Ward Master Plan for Waiea, Anaha, Aeo, Ke Kilohana, Aalii and Koula have brought mixed-use residential buildings, commercial frontage, shopping destinations, and sizeable plazas with outdoor seating along Kamakee Street and Auahi Street. The Project integrates with these existing and planned conditions by, among other design strategies, seamlessly transitioning to the ground level open space at Victoria Ward Park Makai, and employing appropriate landscaping to create an interesting and calming streetscape and desired urban form.

119. The decision to replace the Gateway development, which included two residential buildings, with the single Victoria Place building is also compatible with the existing and planned land use character of the surrounding area.

120. While the Ward Master Plan Application envisions Auahi Street as including retail opportunities, the plan does not limit the promenade only to retail and commercial activities.

121. The Ward Master Plan Application also envisions areas on Auahi Street as leading to spaces that will provide “opportunities for respite, conversation or contemplation, as well as aesthetic landscape enhancements.”

122. Finding of Fact No. 48 of the May 6, 2019 WVMP D & O states: “Major design objectives of the Master Plan include connected public spaces, a pedestrian supportive environment including the redesign of Auahi Street as a landscaped promenade, preservation of Mauka-Makai view corridors and an enhanced roadway network with canopy trees and pedestrian amenities.”

123. Finding of Fact No. 48 of the WVMP D & O further states: “To mitigate the unsightliness of structured parking, the Plan anticipates extensive use of ‘liners’ which are buildings designed to have aesthetically pleasing facades and to provide interaction with pedestrian traffic at ground level.”

124. Community outreach conducted by the applicant showed the community wanted to see more green space.

125. The current application proposes to facilitate more green space that will help activate the makai side of Auahi Street, however it does not specifically provide the green space provided by the makai Central Plaza.

126. **Extent to which the Project provides housing opportunities for all income groups, particularly low, moderate, and other qualified income groups.** The Project will provide approximately 350 residential units, with a mix of bedroom unit types.

127. Consistent with the Ward Master Plan, and to meet remaining reserved housing requirements for both Victoria Place and Koula, at least 108 new reserved housing units will be provided in Ward Village Block F.

128. **Impact of the Project on pedestrian oriented development, including complete streets design.** The building location and orientation was chosen to accommodate the pattern of a connected and walkable community coming to life at Ward Village, among other considerations.

129. While designed to be more of a tranquil and relaxing area than its more active counterpart on the mauka side, the makai portion of Victoria Ward Park will have views of both

the ocean and the mountains, and will be visually and thematically connected to the mauka side of Victoria Ward Park across Auahi Street. Collectively, Victoria Ward Park will provide open space for the public to use.

130. Currently, the makai portion of Victoria Ward Park has not been constructed.

131. **Impact of the Project on transit oriented development, including rail, bus, and other modes of rapid transit.** The Project's design has been accomplished in consideration of major existing transportation routes, recreational and service areas.

132. The Project is designed in consideration of major existing and contemplated transportation routes, recreational and service areas. Consistent with HCDA's transit-oriented development principles, Victoria Place is located within walking distance of the proposed rail station (near Ward Avenue and Queen Street) and adjacent to bus and trolley routes, all of which could provide increased synergy with existing and future transportation systems.

133. **Impact of Project on community amenities such as gathering places, community centers, culture and arts facilities, and the full array of public facilities normally provided by the public sector.** The Project offers easily-accessible amenities and social gathering space to encourage interaction within its community of residents and visitors, and within the greater communities of Ward Village, Kakaako, and Honolulu.

134. A public amenity that would create a social gathering space is the Victoria Ward Park, part of the Central Plaza.

135. **Impact of the Project on preservation of important natural systems or habitats.** The Project will avoid an adverse impact to the surrounding environment through the

Leadership in Energy and Environmental Design-Neighborhood Development (“LEED-ND”) Platinum certification.

136. To achieve LEED-NC certification, which covers new construction, VWL plans to employ the following sustainable practices at the Project: planning for a sustainable site; sustainable location and transportation planning; water efficiency; promotion of energy, atmosphere and indoor environmental quality; use of responsibly-managed materials and resources; promotion of indoor environmental quality; and promotion of social sustainability.

137. **Impact of the Project on maintenance of valued cultural, historical, or natural resources.** VWL completed the following studies prior to its submission of the first development permit under the Ward Master Plan:

- a) Historic building inventory (Fung Associates June 2012);
- b) Cultural impact assessment (Cultural Surveys Hawaii May 2012);
- c) Predictive archaeological model (Cultural Surveys Hawaii May 2012); and
- d) Archaeological Inventory Survey Plan (Cultural Surveys Hawaii December 2012).

138. **Impact of the Project on the commitment of state funds and resources.** The Project does not require State funds.

139. **Impact of the Project on employment opportunities and economic development.** Accounting for additional indirect and induced impacts, in the first two years of construction, Victoria Place is estimated to generate \$772 million in real gross domestic product;

\$253 million in workers' earnings; \$49 million in state tax revenue; 1,609 jobs in year one of the construction; and 1,500 jobs in year two of the construction.

140. Building operations and maintenance over a thirty-year period, are anticipated to generate \$296 million in real gross domestic product; \$94 million in workers' earnings; \$18 million in state tax revenue; and 29 or more permanent jobs on site at the Project.

141. **Impact of the Project on maintenance and improvement of educational programs and services provided by schools.** Pursuant to HRS § 302A-1601, *et seq.*, the State of Hawaii Department of Education is in the process of implementing a school impact fee district from Kalihi to Ala Moana, an area that includes the Project site.

142. VWL will comply with all applicable laws regarding school impact fees.

143. **Wind study.** VWL retained Rowan Williams Davies & Irwin Inc. (RWDI) to conduct wind tunnel studies for the pedestrian wind conditions in and around the proposed Project.

144. The wind study will focus on frequently-used pedestrian areas such as main entrances, sidewalks, and outdoor seating areas at both street and podium level.

145. Wind tunnel measurements for multiple wind directions will be combined with long-term weather data to predict wind speeds and frequencies. This data will then be compared with wind comfort and safety criteria to determine if they are appropriate for the intended use of the pedestrian areas on and around the Project.

146. VWL will review the wind tunnel test results and any suggested mitigation measures for areas where higher-than-desired wind speeds are detected.



147. **Noise impact analysis.** VWL retained CENSEO AV + Acoustics to conduct a noise impact analysis for the Project.

148. The analysis identified potential noise sources from traffic and transit noise, construction noise, building operational and mechanical noise, parking and loading area noise, and amenity level noise.

149. The noise study recommended various mitigation measures to address the anticipated noise from the Project, and CENSEO will make additional recommendations to address noise throughout the design phases of the Project, as well as during the construction phase as applicable.

#### **CULTURAL AND HISTORIC PRESERVATION**

150. VWL retained Cultural Surveys Hawaii to conduct an archeological literature review, predictive model and cultural impact assessment for the entire Ward Master Plan area, as well as the archaeological survey reports and related studies and plans specific to the original Block C West area, which includes the Project.

151. The State of Hawaii State Historic Preservation Division (“SHPD”) has reviewed and accepted the applicable archaeological inventory survey reports, monitoring plans, and mitigation plans for the Block C West area, including the Project area.

152. VWL conducted consultation with the State Historic Preservation Division (“SHPD”), recognized cultural descendants, and the Oahu Island Burial Council (“OIBC”) in conjunction with the Project.

153. On July 9, 2019, SHPD issued its letter confirming that the Project satisfies the SHPD process under HRS § 6E-42, HRS § 6E-43, and HAR § 13-284-3(b) steps one through five through the preparation of the archaeological inventory surveys and mitigation plans, including the archaeological monitoring plans, as well as the preservation plans for the archaeological and historic properties documented in the Project area.

154. The July 9, 2019 SHPD letter confirms that SHPD has reviewed and commented on this Project; that there are no historic preservation issues that would preclude the Project from obtaining the necessary permits and agency approvals to begin construction; and the Project may proceed pursuant to the July 9, 2019 SHPD letter

**TRAFFIC / DOT COMMENTS**

155. Wilson Okamoto Corporation (“WOC”) prepared a traffic impact report (“TIR”) dated April, 2019 to identify and assess the potential traffic impacts from the project and recommended mitigation measures.

156. The TIR concluded that the Project is expected to have an impact on traffic that can be mitigated with the implementation of several recommendations, including maintaining sufficient sight distance for motorists to safely enter and exit the Project, including consideration of visibility of pedestrians and bicyclists traveling along Auahi Street; providing adequate loading areas; providing adequate turn-around areas for project driveways and to facilitate service vehicles; providing directional signage; considering using on-site personnel to monitor the proposed drop-off area along Auahi Street adjacent to the Project; updating the studies should

development phasing, land use intensity or land mix change; and continuing to develop and/or enhance bicycle and pedestrian facilities.

157. VWL plans to implement all of the recommended mitigation measures identified in the TIR.

158. Due to the proposed Project and the upcoming completion of other developments in Ward Village, Wilson Okamoto Corporation (“WOC”) also did a traffic signal warrant analysis at the intersection of Auahi Street with the driveway that serves the adjacent Ward Entertainment Center, which will also lead to the driveway for Victoria Place to determine if a more extensive traffic signal assessment would be required.

159. The City and County of Honolulu Traffic Review Branch confirmed in an email dated July 11, 2019 that the TIR is acceptable to the Traffic Review Branch and the City’s Department of Transportation.

160. The Hawaii State Department of Transportation, in its comment letter to HCDA dated August 8, 2019 (“DOT Comment Letter”) concurred with the TIR’s findings relevant to Ala Moana Boulevard traffic conditions, and that no mitigation recommendations are warranted or proposed for Ala Moana Boulevard.

161. The DOT Comment Letter also requested confirmation that the Project design “accommodates the DOT requirement to provide an increase in the right –of-way for road widening setbacks of eight feet on both the mauka and makai sides of Ala Moana Boulevard.”

162. In connection with the Gateway project, VWL submitted a consolidation and re-subdivision application for Lot 39 within Land Block 2 to create Lots 39A, 39B, 39C and 39D.

Following discussions with the State Department of Transportation in 2015, DOT confirmed in a letter dated February 25, 2015 that it had no objections to the proposed subdivision application provided that a *six-foot* road widening setback area from Lots 39A, 39B, 39C and 39D be dedicated to the State prior to issuance of Gateway's certificate of occupancy.

163. In its letter dated February 25, 2015, DOT concurred with the *six-foot* widening setback along the south property line of the lots for the purpose of future traffic improvement in the area.

164. The Applicant subsequently confirmed the DOT's position on the six-foot widening setback in a letter to DOT dated March 9, 2015.

165. Accordingly, the final approved subdivision map reflects a six-foot wide road widening setback along the Ala Moana Boulevard side of Lots 39A, 39B, 39C and 39D, and this setback has been recorded on title.

166. Prior to reviewing the DOT Comment Letter, VWL was not aware of DOT's request for an eight-foot widening setback along Ala Moana Boulevard or involved in the discussions on that issue.

167. In an email to the Applicant dated September 6, 2019, the DOT confirmed its position that it is requesting an 8-foot setback, though it stated there are no immediate plans for the setback.

168. The Project site is within the area designated as Lot 39D and a portion of Lot 39C on the March 13, 2015, approved subdivision map.

## **INFRASTRUCTURE**

169. Utilities and government agencies have confirmed the availability of infrastructure to support the Project.

170. Potable water service is available from the municipal water system operated by the City and County of Honolulu’s Board of Water Supply (“BWS”). The BWS confirmed in its letter dated May 10, 2019 that the existing water system can accommodate the Project.

171. BWS, in its comment letter to HCDA dated August 13, 2019 (“BWS Comment Letter”), provided comments materially similar to those in BWS’s letter dated February 6, 2019 and May 10, 2019.

172. BWS’s comment regarding the unrelated upgrade of the 6-inch water main on Queen Street from Cooke Street up to the existing 12-inch main located between Cummins and Kamakee Streets is addressed in the Koula PDP, which requires a final design and construction schedule for that upgrade no later than one hundred eighty (180) days from the date of the HCDA staff approval of a foundation permit for Koula.

173. Sewer service is available from the municipal sewer system operated by the City and County of Honolulu, Department of Environmental Services. The Sewer Connection Application for the project was approved by the Department of Planning and Permitting (DPP) on May 24, 2019, confirming capacity for the Project. The project will connect to a proposed 18-inch sewer, which is to be constructed within Auahi Street under the “Auahi Street 18-inch Sewer Line” project.

174. The City and County Honolulu Fire Department (“HFD”) was consulted on May 21, 2019 to discuss the project and proposed fire protection methods for the Project. The Project

will be protected by private fire hydrants. A fire sprinkler system will also be provided within the building.

175. HFD, in its comment letter to HCDA dated August 7, 2019 (“HFD Comment Letter”) requested compliance with access road specifications; water supply and proximity specifications; and the submission of civil drawings

176. VWL acknowledges the comments in the HFD Comment Letter and will comply as required.

177. Drainage runoff from the Project will not increase the peak flow rate and volume. Runoff from the project site will be collected within a private drainage system owned and maintained by Howard Hughes Corporation with a series of subsurface systems that will discharge into a City owned drainage system south of the project site.

178. The City and County of Honolulu Department of Planning & Permitting indicated that the proposed low impact development (“LID”) strategy measures of underground infiltration, vegetated swales and green roof will meet City storm water quality requirements.

179. It was subsequently determined that the Project will meet storm water quality requirements with a green roof without the underground infiltration systems.

180. Hawaiian Electric, in a July 29, 2019 letter that supersedes its letter dated May 6, 2019 included in the infrastructure report, stated that it is able to service the project from existing circuits that HECO will extend along Auahi Street to the project.

181. Hawaiian Telecom, Charter Communications, and Hawaii Gas have all confirmed that their existing systems have capacity to serve the project.

182. The City and County of Honolulu Office of Climate Change, Sustainability and Resiliency (“Office of Climate Change”) commented in its letter dated August 14, 2019 that the Mayor’s Directive 18-2 (the “Directive”) requires all City departments to use the most current versions of the City Climate Change Commission’s Climate Change Brief and Sea Level Rise Guidance (“SLR Guidance”) adopted June 5, 2018, and the State Climate Change Mitigation and Adaption Commission’s Data Viewer (“SLR Viewer”), dated December 2017, when reviewing permitting requests and assessing project proposals.

183. The Project is not within the coastal zone special management area, and complies with all applicable City and County of Honolulu ordinances.

184. WOC reviewed the Directive, the SLR Guidance and the SLR Viewer to consider the possible effects of predicted sea level rise by the year 2100 and determined that the proposed Project site does not lie within zones of predicted vulnerability.

185. WOC confirmed with the Office of Climate Change that VWL does not need to take any further action with respect to this matter.

186. **Pedestrian Environment.** In accordance with the Ward Master Plan Application, Auahi Street is proposed to be a major landscaped, pedestrian friendly street. Retail and Commercial liners have been proposed that would hide the parking structures behind them. The buildings and public plazas are proposed to be linked by a street system that is designed to accommodate pedestrians.

187. VWL represents its proposed Makai area park will activate the sidewalk on Auahi Street fronting the Project, fulfilling the goals of the Mauka Area Plan and Rules and the Ward Master Plan..

188. **Ward Neighborhood Commons.** Condition number eight (8) of the WVMP D&O mandates at least 150,000 square feet of land in perpetual easement for public use gathering areas.

189. The Central Plaza contemplated in the Ward Neighborhood Commons is designed to provide more green space in the area.



### **RULINGS ON PROPOSED FINDINGS OF FACT**

Any of the findings of fact submitted by Petitioner not already ruled upon by the HCDA by adoption herein, or rejected by clearly contrary finding of fact herein, are hereby denied and rejected.

Any conclusions of law herein improperly designated as a finding of fact should be deemed or construed as a conclusion of law; any finding of fact herein improperly designated as a conclusion of law should be deemed or construed as a finding of fact.

## **CONCLUSIONS OF LAW**

1. Pursuant to HRS § 91-10(5), as the Applicant, VWL carries the burden of proof, by a preponderance of the evidence, including burden of producing evidence as well as the burden of persuasion.
2. HCDA has jurisdiction to approve planned development permits and issue planned development permits pursuant to HRS § 206E-4 and 206E-5.6.
3. Pursuant to the May 6, 2009 WNMP D & O, approved by the Authority, the rules applicable to this Planned Development Permit are those contained in HAR Chapter 15-22, also referred to herein as the “Vested Rules.”
4. SHPD has exercised its responsibility and met its obligations pursuant to HRS § 6E-42 and HAR Chapter 13-284 to review and comment on the Project’s impacts and mitigation of these impacts on significant historic properties and burial sites.
5. Article XII, Section 7 of the Hawaii State Constitution requires the State to protect native Hawaiian traditional and customary rights. The State reaffirms and shall protect all rights, customarily and traditionally exercised for subsistence, cultural, and religious purposes and possessed by ahupuaa tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778, subject to the right of the State to regulate such rights. The State and its agencies are obligated to protect the reasonable exercise of customarily and traditionally exercised native Hawaiian rights to the extent feasible. Public Access Shoreline Hawai’i v. Hawaii County Planning Commission, 79 Hawaii 425, 903 P.2d 1246, cert. denied, 517 U.S.

1163, 116 S. Ct. 1559 (1996); Ka Pa‘akai O Ka ‘Aina v. Land Use Commission, 94 Hawaii 31, 7 P.3d 1068 (2000).

6. In the event any human skeletal remains are inadvertently discovered; any activity in the immediate area that could damage the remains or the potential historic site shall cease. The discovery shall be reported as soon as possible to the Department of Land and Natural Resources (“DLNR”), the appropriate medical examiner or coroner, and the Honolulu Police Department, HRS § 6E-43.6. The DLNR has jurisdiction over any inadvertent discovery of human skeletal remains over fifty-years old, and the protocol to be followed is set forth in HAR § 13-300-40.

7. The May 6, 2009 WNMP D & O identified as one of the amendments to the Mauka Area Plan the single “mixed-use” land use designation for VWL-owned lands, instead of the “mixed-use” commercial (MUZ-C) and “mixed-use residential” (MUZ-R) land use designations.

8. The term single “mixed-use” means that across the Ward MP instead of having a MUZ-C and a MUZ-R land use designation there will be one land use designation.

9. As set forth in the Declaratory Order, where the Authority granted VWL’s petition for: (a) deletion of Halekauwila Extension shown in the Mauka Area Plan on the East side of Ward Avenue connecting to Queen Street to be replaced by a street parallel to Queen Street between Ward Avenue and Kamakee Street (Halekauwila Street Extension Deletion); (b) Deletion of the park/parking garage facility along the Halekauwila Extension contained in the Mauka Area Plan (Park/Parking Garage Deletion); and (c) a single "mixed-use" land use

designation for the Ward Neighborhood Master Plan area, instead of the "mixed-use commercial" (MUZ-C) and "mixed-use residential" (MUZ-R) land use designations, are inapplicable and are no longer required given the repeal of the 2005 Mauka Area Rules/Plan and the adoption of a new Mauka Area Plan in November 2011.

10. As set forth under HAR § 15-22-77(a) "No building wall shall contain a reflective surface for more than thirty percent of the wall's surface area."

11. Per HAR § 15-22-5, "Reflective Surface means any glass or other surface, such as polished metal, specified in the manufacturer's literature having reflectance (designed by such terminology as average daylight reflectance, visible light reflectance, visible outdoor reflectance, and comparable terms) of over thirty percent."

12. As set forth under Subchapter 4, Planned Development, HAR § 15-22-119 Conditions, the Authority may attach to a planned development permit conditions which may concern any matter subject to a regulation under the Vested Rules.

13. The Project complies with HAR § 15-22.

## **DECISION AND ORDER**

Upon consideration of all applicable rules and regulations, the evidence and testimony presented by VWL, the public comments, and all other evidence appearing in the record, the Authority concludes that the Project has satisfied the requirements of HRS Chapter 206E, HRS Chapter 6E, the Vested Rules, HAR Chapter 13-284, the May 6, 2009 WNMP D & O, and the vision and intent of the applicable Mauka Area Plan for a development permit.

IT IS HEREBY ORDERED that the Planned Development Permit for the Project is hereby APPROVED subject to the following conditions:

1. Within ten (10) days of the adoption of this ORDER, VWL shall withdraw its permit for Gateway Towers (KAK 14-066).
2. Reserved housing shall be required pursuant to the Vested Rules. VWL shall provide a minimum of one hundred eight (108) reserved housing units off-site within Ward Village for satisfaction of the outstanding reserved housing requirement for Koula (KAK 18-038) and Victoria Place (KAK 19-069). Within three hundred sixty-five (365) days of the approval of this development permit, VWL shall inform the executive director of the specific land block that VWL will use to develop the reserved housing pursuant to this condition.
3. In accordance with §15-22-81, construction shall commence on the reserved housing requirement for Koula and Victoria Place within two years after the development is completed on the Project, provided that the executive director may grant up to three (3) extensions if the developer can demonstrate that building the reserved housing units will be satisfied without commencing construction within two years.

4. As long as any additional reserved housing units comply with the Vested Rules and with this Decision and Order, no amendment of this Decision and Order shall be necessary. VWL shall have the right to utilize any excess reserved housing units as credits to fulfill reserved housing requirements for other planned development projects within the Ward Master Plan.

5. No foundation permits shall be approved for future projects on Land Block 2 of the Ward Neighborhood Master Plan until and unless construction commences on the reserved housing requirement for Koula and Victoria Place in accordance with HAR §15-22-81.

6. Within one hundred and eighty (180) days from the date of this development permit or prior to HCDA staff approval of the foundation permit for the Project, whichever occurs first, VWL shall submit, for review and approval by the HCDA Executive Director, detailed bicycle facilities plan for the Project in accordance with the approved Master Plan.

7. Prior to approval of the foundation permit by the HCDA staff, VWL shall provide to the HCDA staff: 1) a financial guaranty bond from a surety company authorized to do business in Hawaii; 2) an acceptable construction set-aside letter; or 3) other forms of financial assurance based upon the public disclosure statements of VWL's parent company reasonably acceptable to the HCDA Executive Director, that evidences financing or available funds for the construction of the required reserved housing units for the Project.

8. Prior to the HCDA staff approval of the foundation permit, VWL shall submit a parking program consistent with the City and County of Honolulu Department of Transportation Services letter dated September 9, 2019 requiring a shared parking analysis that may include the unbundling of parking.

9. Except as otherwise provided herein (and as long as such comments and recommendations are not otherwise in conflict with this Decision and Order, the Vested Rules or other applicable law), VWL shall address the comments and recommendations provided by the following governmental agencies:

- State of Hawaii Department of Transportation;
- City and County of Honolulu Fire Department;
- City and County of Honolulu Board of Water Supply;
- City and County of Honolulu Office of Climate Change, Sustainability and Resiliency; and

- City and County Department of Transportation Services.

10. Pursuant to the DOT Comment Letter, VWL shall provide an eight-foot road widening setback for the Project along the mauka side of Ala Moana Boulevard on terms and conditions mutually agreeable to DOT and VWL.

11. VWL shall implement all traffic mitigation measures and recommendations identified in the TIR for the Project.

12. VWL shall implement all traffic mitigation measures and recommendations identified in the Transportation Master Plan for the Ward MP that are applicable for the Project.

13. Prior to the HCDA staff approval of a building permit for the Project, VWL shall submit for review by the HCDA Executive Director, verification documentation indicating that the VWL has consulted and coordinated with the City and County of Honolulu DTS regarding the public transportation services (inclusive of bus shelters and bus stop locations), bicycle

facilities, and pedestrian facilities within the Project vicinity. This requirement shall apply to both private and public streets.

14. Prior to the HCDA staff approval of a building permit for the Project, VWL shall submit for review by the HCDA Executive Director, a plan for bicycle lanes/facilities, public bicycle racks, and pedestrian walkways that have been reviewed and accepted by the DTS. The design layout of the bicycle lanes should follow the Honolulu Complete Streets Design Manual.

15. No later than one hundred eighty (180) days from the date of HCDA staff approval of the foundation permit for the Project, VWL shall submit for review by the HCDA Executive Director, a final design and construction schedule for improvement of Auahi Street including the realignment to provide a direct connection to Pohukaina Street.

16. Prior to the HCDA staff approval of the foundation permit for the Project, VWL shall submit for review by the HCDA Executive Director, a landscape plan for the Project.

17. Prior to the HCDA staff approval of the foundation permit for the Project, VWL shall submit for review by the HCDA Executive Director, a final site plan that clearly depicts and provides for pedestrian circulation areas and the respective dimensions of those areas including sidewalk dimensions.

18. Prior to the HCDA staff approval of a building permit for the Project, VWL shall submit to the HCDA Executive Director documentation verifying that VWL has met with the DOE and will satisfy state statutory school impact fee requirements.

19. VWL shall comply with any future applicable school impact fee program adopted by the DOE pursuant to HRS § 302A-1601 to HRS § 302A-1612.



20. Prior to the installation of any photovoltaic panels or any other components of the Project that have a glint and glare or may emit radio frequency interference to aviation-dedicated radio signals the VWL shall request approval from the DOT Airport Division.

21. Prior to the HCDA staff approval of the building permit for the Project, VWL shall submit LEED-ND and LEED-NC documentation showing the proposed design meets the applicable standards for review by the HCDA Executive Director. The HCDA Executive Director's review will be limited to ensuring the proposed design meets applicable LEED standards.

22. Prior to the HCDA staff approval of the foundation permit for the Project, the VWL shall submit the wind study required to be conducted for review by the HCDA Executive Director. The wind study shall include impact of wind in the surrounding ground floor public use areas. The HCDA Executive Director's review and acceptance will be limited to ensuring the proposed design does not propose any uncomfortable wind conditions in the ground floor public areas of the Project.

23. Prior to the HCDA staff approval of the superstructure permit for the Project, the VWL shall submit proof of compliance with HAR § 15-22-77(a), which provides that, "[n]o building wall shall contain a reflective surface for more than thirty percent of the wall's surface area." Per HAR § 15-22-5, "Reflective Surface means any glass or other surface, such as polished metal, specified in the manufacturer's literature having reflectance (designed by such terminology as average daylight reflectance, visible light reflectance, visible outdoor reflectance, and comparable terms) of over thirty percent."

24. VWL shall implement the mitigation measures outlined by the Noise Study for the Project.

25. VWL shall plan, design, implement, and maintain the Project site in accordance with the following City and County of Honolulu and State of Hawaii Requirements and Guidelines, as applicable:

- “Best Management Practices (BMP) Manual for Construction Sites,” November 2011;
- “Rules Relating to Soil Erosion Standards and Guidelines,” April 1999;
- “Rules Relating to Storm Drainage Standards,” effective June 1, 2013;
- The Revised Ordinances of Honolulu (ROH) – for grading, specifically Chapter 14, “Public Works Infrastructure Requirements Including Fees and Services,” 1990 as amended;
- Hawaii Administrative Rules, Title 11, Chapter 54 (11-54), “Water Quality Standards”; and
- Hawaii Administrative Rules, Title 11, Chapter 55, “Water Pollution Control” – for construction runoff, specifically Appendix C, National Pollutant Discharge Elimination System (NPDES) “General Permit Authorizing Discharges of Storm Water Associated with Construction Activities” (expires February 9, 2024).

26. Prior to HCDA staff approval of a foundation permit, VWL shall provide a plan to activate the sidewalk fronting the Project on Auahi Street to meet the goals outlined in the Vested Rules. VWL shall provide a building frontage design that incorporates landscaping, tree canopies and/or awnings or other architectural features to provide shade for pedestrians on Auahi Street.

27. VWL shall comply with the SHPD approved mitigation plans and all applicable laws regarding historic properties, aviation artifacts, and burial sites, including but not limited to the provisions of HRS Chapter 6E.

28. In the event any human skeletal remains are inadvertently discovered in the Project site, all activity in the immediate area shall cease and the discovery shall be immediately reported to the DLNR, the appropriate medical examiner or coroner, and the Honolulu Police Department pursuant to HRS § 6E-43.6. The DLNR has jurisdiction over any inadvertent discovery of human skeletal remains over fifty-years old and the protocol to be followed is set forth in HAR § 13-300-40.

29. VWL shall comply with all material representations and commitments regarding the Project made to the Authority in the permit application process.

30. Infrastructure improvements can be divided into two categories: (1) infrastructure improvements or requirements which are immediately necessary to proceed with the Project; and (2) improvements which are necessary to improve and upgrade the vicinity in total through the HCDA District-Wide Improvement Program; as follows:

- A. Improvements Necessary to Proceed with the Project: With regard to infrastructure improvements or requirements that are necessary to proceed with the Project, VWL shall be responsible for providing necessary developer improvements.
- B. Improvements Proposed for the HCDA District-Wide Infrastructure Improvement Program: A part of the HCDA District-Wide Improvement

Program, road and utility improvements are being undertaken in increments throughout the Kakaako Community Development District, financed in part through an Improvement District Program. In this regard, the Project shall be subject to assessments for its pro rata share of the cost of improvements which may, in the future, be necessarily undertaken in the vicinity of the respective projects under the HCDA or other government agencies' improvement programs. The Project will be assessed under the same methods and in the same manner as other properties in the area. In order to ensure the participation of the Project, VWL, and its successors and assigns, shall agree to participate in the HCDA District-Wide Improvement Program at the time said program is implemented. The terms specified in the agreement shall be made a part of all condominium and conveyance documents for the Project and said documents shall be submitted to HCDA prior to submission to the Real Estate Commission and to execution.

31. Prior to the HCDA staff approval of a Certificate of Occupancy, or in the alternative, a Temporary Certificate of Occupancy, VWL shall submit, to the satisfaction of the HCDA Executive Director, a plan that anticipates the effects of global warming on the Project, including its effects on insurance premiums. The plan shall anticipate the effects 10, 20, and 30 years in the future.

32. Prior to the HCDA staff approval of a Certificate of Occupancy for the Project, VWL shall complete the construction of the Central Plaza on Land Block 2 of at least 34,371

square feet, which shall be substantially similar to the “Victoria Ward Park (Makai)” represented on page fifteen (15) of the Application.

33. Except as otherwise provided herein, VWL shall comply with all applicable requirements of the Vested Rules.

34. Prior to the HCDA staff approval of the foundation permit, VWL shall record a memorandum of this Decision and Order with the Bureau of Conveyances or the Assistant Registrar of the Land Court as a covenant running with the land. Proof of such filing in the form of copies of the covenants certified by the appropriate agency shall be submitted to HCDA.

**THIS PAGE IS LEFT INTENTIONALLY BLANK**

**ADOPTION OF ORDER**

The undersigned Members, being familiar with the record and proceedings,  
hereby adopt and approve the foregoing ORDER this October 2, 2019. This ORDER and its  
ADOPTION shall take effect upon the date this ORDER is approved by the Authority.

Done at Honolulu, Hawaii, October 2, 2019.

**HAWAII COMMUNITY DEVELOPMENT  
AUTHORITY (Kakaako Members)**

_____	Wei Fang
_____	Robert Yu Designated representative of Director of Department of Budget and Finance
_____	Kevin Sakoda
_____	Jason Okuhama
_____	David Rodriguez Designated representative of Director of Department of Transportation
_____	Chason Ishii
_____	Phillip Hasha, Vice Chairperson
_____	John P. Whalen, Chairperson

APPROVED AS TO FORM:

\_\_\_\_\_  
Max Levins, Deputy Attorney General

BEFORE THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY  
OF THE STATE OF HAWAII

In re the Application of

VICTORIA WARD, LIMITED

Applicant

for a Planned Development Permit for Land  
Block 2, Project 3.

APPLICATION NO. KAK 19-069

**CERTIFICATE OF SERVICE**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the Findings of Fact, Conclusions of Law, and the  
Decision and Order was served upon the following by hand or by certified mail with return receipt  
requested as noted:

CERTIFIED J. DOUGLAS ING, Esq.  
MAIL: BRIAN A. KANG, Esq.  
Watanabe Ing LLP  
First Hawaiian Center  
999 Bishop Street, Suite 1250  
Honolulu, Hawaii 96813

CERTIFIED RACE RANDLE  
MAIL: Senior Vice President, Development  
The Howard Hughes Corporation  
1240 Ala Moana Boulevard, Suite 200  
Honolulu, Hawaii 96814

HAND: MAX LEVINS, Esq.  
Deputy Attorney General  
425 Queen Street  
Honolulu, Hawaii 96813



Honolulu, Hawaii, October 2, 2019.

---

Aedward Los Banos  
Executive Director