

KA'IULANI SODARO DIRECT TESTIMONY

PRESENTATION HEARING

Land Block 5, Project 3 (The Launiu) (KAK 23-001)

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

A Ka'iulani Sodaro, Senior Vice President, Planning and Development, Victoria Ward, Limited ("VWL").

Q What is VWL's interest in the Planned Development Permit application currently before the Hawaii Community Development Authority ("HCDA")?

A VWL is the owner and developer of the lands comprising The Launiu and the 60-acre Ward Neighborhood Master Plan (the "Ward MP") area. VWL's team in Hawai'i consists of over eighty members, some of whom have worked at Ward Village for decades.

Q Please briefly describe the Ward Master Plan.

A Consistent with the legislature's vision to "join the strengths of private enterprise [and] public development" to create a new form of long-range planning and improved development in Kaka'ako, HCDA approved the Ward MP on January 14, 2009, pursuant to Hawaii Administrative Rules ("HAR") Title 15, Chapter 22 (the "Vested Rules").

The Ward MP is the largest master plan in Kaka'ako and reflects years of stakeholder and community engagement that included charettes, organization briefings, cultural descendant consultation, and public outreach.

In recognizing the need to maintain flexibility under the Ward MP, HCDA determined in the Ward MP Decision and Order that "[a]pproving the Master Plan will provide greater development flexibility for the purpose of attracting investment capital into the area and encouraging timely redevelopment and better overall planning for the area."

Consistent with the flexibility to respond to evolving market and social conditions in Ward Village, VWL (after its parent corporation transitioned from General Growth Properties to The Howard Hughes Corporation in 2010), spent two years studying the history of the Ward Neighborhood, reaching out to the community, to our tenants, to the cultural descendants and to other stakeholders for their input on the plan. We wanted to ensure that we advanced the master plan properly, listening to the community, and honoring and considering the important history of this area.

As a result of those efforts, VWL, with the support of HCDA, made a number of adjustments in the approach under the Ward MP, which are now coming to fruition. These included re-orienting the towers to ensure a primarily mauka-makai orientation to significantly improve public view planes; refining the orientation of the Central Plaza

(now known as Victoria Ward Park) to provide an additional view plane, as well as enlarging the park and providing green, pervious open space in lieu of the original vehicle-centric, hard-scaped plaza design; and providing additional improvements to create comfortable pedestrian walkways and open public space.

Q Please describe major community benefits of the Ward MP.

A The Ward MP is a primary component of HCDA’s larger goal of revitalizing Kaka’ako and transforming the district into a cohesive community. The Ward MP has transformed Ward Village into a vibrant neighborhood offering something for everyone: multi-modal streets, Victoria Ward Park (mauka and makai), unique local retailers and neighborhood services, a variety of residences, and a revitalized Kewalo Basin harbor.

The Ward MP is designed to significantly enhance the quality of life for residents, visitors and the general public in Honolulu’s urban core. Major community benefits include:

- **Parks, open space and public facilities in Kaka’ako:** Approximately eight acres of existing, under construction, and approved open space, with approximately seven acres of completed and pending public facilities, which have created new open spaces in the neighborhood for community gatherings and events – all secured and maintained without expense to the public.
- **Realignment of Auahi Street:** As envisioned by the Mauka Area Plan and the Ward MP, VWL’s fulfillment of the Master Plan condition to realign Auahi Street to connect with Pohukaina street is underway, and when completed in approximately 2024, will be a key milestone in the creation of the Auahi Street pedestrian promenade. The promenade, a major component of the Ward MP, will increase pedestrian and vehicle connectivity and circulation throughout Ward Village and beyond.

The mauka side of The Launiu will be adjacent to the open area created through the realignment of Auahi Street, and this area will be repurposed as an active, landscaped space with pedestrian and bicycle throughways and other improvements. This space will complement the 30,000 square foot Ka La’i o Kukuluāe’o Park currently under construction in connection with Ulana Ward Village, as well as the planned green space across Ward Avenue on the Mauka side of the recently-approved Kalae (Block B).

- **Extension of Halekauwila Street:** In conjunction with The Park Ward Village, VWL will complete the extension of Halekauwila Street to provide an additional east-west connection within Ward Village and improve pedestrian circulation and walkability along a landscaped, tree-lined sidewalk with retail opportunities.

- **Range of housing opportunities:** Development of a range of housing opportunities, including reserved housing in the urban core, close to the Honolulu business district, the Capitol district, and Waikiki.
- **Pedestrian friendly streets:** Creation of a pedestrian friendly street network, with canopy trees, re-designed streets as landscaped promenades, and parking structures that are screened, landscaped and activated for street level experiences.
- **Investment in Kewalo Harbor:** \$24 million in improvements to over 30 acres of urban waterfront at Kewalo Harbor, including upgrades to the piers, docks, security, restrooms, a life-guard response station and landscaping at this important community facility, which also includes VWL’s support for Ho’okupu Center, a green-jobs training facility and community space used by Kupu Hawai’i.
- **Investment in our economy:** An infusion of approximately \$11.8 billion in economic output during development, and the generation of \$701.1 million of State tax revenues while creating of over 4,250 jobs.
- **Investment in infrastructure:** Investment of approximately \$300 million in street, public infrastructure, and utilities improvements.
- **A smart growth community:** Creation of a smart growth community, where residents can live, work, and play, and where the public can enjoy shopping, dining and neighborhood activities all accessible through multiple modes of public transportation.
- **Preservation of culture and our environment in urban Honolulu:** The preservation and advancement of host and local culture, community, and the environment in the heart of Honolulu.

Q Please describe the conditions of the Ward MP and VWL’s satisfaction of those conditions.

A The Ward MP approval required VWL to prepare and submit to the Authority various agreements, surveys, assessments, and studies. VWL completed all of those requirements prior to the 2013 submission of the first development permit application under the Ward MP, which included:

- Master Plan Development Agreement for the Ward MP, by and between HCDA and VWL (December 30, 2010);
- 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 (October 10, 2012),

which fulfilled Condition No. 4 of the Master Plan Permit regarding amendments to the existing Mauka Area Plan;

- 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 study (Wilson Okamoto October 2012); and
- Sustainability guidelines (April 2013).

Q To date, what development has occurred under the Ward MP?

A We have received planned development permits (“PDP”) for projects on Land Blocks 1, 2, 3 and 5 of the Ward MP. These include:

- PDP No. KAK 13-038 (Ke Kilohana), approved July 17, 2013, and amended on July 22, 2015, for 424 residential units, of which 375 are reserved housing;
- PDP No. KAK 13-036 (Waiea), approved August 21, 2013, for 177 residential units;
- PDP No. KAK 13-037 (Anaha), approved August 21, 2013, for 318 residential units;
- PDP No. KAK 14-074 (Ae’o), approved on February 4, 2015 for 466 residential units;
- PDP No. KAK 16-075 (A’ali’i), approved January 4, 2017 for 751 residential units, of which 150 are reserved housing;
- PDP No. KAK 18-038 (Kō’ula), approved August 9, 2018 for 570 residential units;
- PDP No. KAK 19-069 (Victoria Place), approved October 2, 2019 for 350 residential units;
- PDP No. KAK 21-001 (Ulana Ward Village), approved May 5, 2021 for 697 reserved housing units;
- PDP KAK 21-002 (The Park Ward Village), approved May 5, 2021 for 546 residential units; and
- PDP KAK 22-024 (Kalae), approved August 26, 2022 for 330 residential units.

Six mixed-use projects (Waiea, Anaha, Ae’o, Ke Kilohana, ‘A’ali’i and Kō’ula) have been completed, and three projects (Victoria Place, The Park Ward Village, and Ulana Ward Village) are currently under construction and are currently expected to be completed in 2024 (Victoria Place) and 2025 (The Park Ward Village and Ulana Ward Village).

Interest in, and sales of, VWL’s projects continue to be very strong through the recovery period after the pandemic. The Ulana Ward Village reserved housing lottery in March, 2022 generated extremely high interest in the 697 reserved housing homes, and Ulana is approximately 97 percent pre-sold. As of the fourth quarter of 2022, approximately 96 percent of all units in the projects completed or currently under construction in Ward Village were sold or under contract.

In addition, the iconic IBM building has been renovated and preserved, Ward Village Shops and Auahi Shops were completed as home to national tenants and unique local shops, and Victoria Ward Park is now open, which brings an important component of the Ward MP (and a significant community amenity) to fruition, with an additional renovation and expansion to come.

Q Please provide an update on the Ward Village community and some examples of how the Ward MP has and will continue to revitalize the area.

A The safety and well-being of our community remains VWL’s priority. We have resumed many of our popular community events within Ward Village, including our farmer’s market, Kona Nui Summer Nights, First Saturdays, Happy Aloha Friday Music Series, Read Aloud Series, recreational activations, and holiday events. These events provide much-needed opportunities to gather, connect and rejuvenate with others in Ward Village’s public open spaces, including at Victoria Ward Park.

VWL continued to strengthen our community through its corporate citizenship efforts, with a particular focus on assisting those in need. To date, VWL has contributed over \$3.8 million and hundreds of volunteer hours to over 180 local community partners, including the Hawai’i Community Foundation, Hawai’i Foodbank, Blood Bank of Hawaii, HomeAid Hawai’i, Trees for Honolulu’s Future, Boys and Girls Club of Hawai’i, Child and Family Service, Historic Hawai’i Foundation, Hawai’i Youth Symphony, Friends of the Library of Hawai’i, and many more.

As the neighborhood continues to mature, we are continuing to plan and organize the commercial tenant mix with residential and community use. Special attention is being paid to the mix and proximity of these uses, to ensure a healthy balance between live, work, shop, dine, and play. Ward Village is currently home to 39 restaurants, cafes and entertainment venues, 36 retail shops and 37 specialized neighborhood services.

Certified as the first LEED Neighborhood Development Platinum Certified Project in Hawai’i (and the largest Platinum certified neighborhood in the United States), and recognized by Architectural Digest as the “Best Planned Community in America,” and by

the National Association of Homebuilders as the “Master Planned Community of the Year” in 2018, Ward Village has been a driving factor in transforming Kaka’ako into a dynamic, thriving and vibrant urban community in the heart of Honolulu.

We’re also especially excited about elements of the Ward MP that are being implemented with the current construction of The Park Ward Village and Ulana Ward Village. The Park Ward Village will seamlessly integrate with a major expansion of Victoria Ward Park Mauka of over 37,000 square feet, and construction of the de facto Halekauwila Street extension (which will connect Halekauwila Street from Ward Avenue to Kamakee Street) is also planned in conjunction with the The Park Ward Village, providing an additional shaded, walkable area with local retail shops.

The Park Ward Village will also feature a unique and extensive “wraparound” shaded ground floor retail experience that will significantly enhance street and park-level activation and will facilitate access to Victoria Ward Park, the Auahi Street promenade, and other areas within Ward Village.

Ulana Ward Village will be adjacent to the new Ka La’i o Kukuluāe’o Park (formerly known as the Ewa Plaza), which will add 30,000 square feet of green, open park space in the heart of Kakaako.

Q Please provide an update on the planned Auahi Street realignment with Pohukaina Street.

A As noted, VWL’s progress to realign Auahi Street to connect with Pohukaina street is well underway pursuant to HCDA’s prior decision and orders.

The Park Ward Village Decision and Order (KAK 21-002) provides that the realignment of Auahi Street will be completed as part of Phase 2 of the Auahi Street pedestrian promenade design and phasing plan submitted to HCDA in connection with Condition No. 13 of the Kō’ula Decision and Order (KAK 18-038), which required the submission of a final design and construction schedule for improvement of Auahi Street, including the realignment, to HCDA.

The timing of the completion of the realignment is governed by the Ulana Ward Village Decision and Order (KAK 21-001), Condition No. 19, which provides that prior to the HCDA staff’s initial residential temporary certificate of occupancy for Ulana, VWL is required to complete the construction of the realignment.

The realignment will create a remnant area that VWL plans to extensively renovate and improve in parallel with Kalae’s development. This area will include lush landscaping, seating areas and attractive streetscape design.

Q How are the public facilities requirements being fulfilled under the Ward MP?

A Under the Ward MP and Hawaii Administrative Rules (HAR) § 15-22-73, VWL is required to provide public facilities equal to three percent (3%) of the total commercial and community service floor area and four percent (4%) of the total residential floor area (excluding reserved housing) of each project. Under the Ward MP, this was estimated to be approximately 330,053 square feet of land, based on the most likely mix of residential and commercial uses, at full build-out.

The public facilities provided and proposed / pending to date under the Ward MP are shown on Table 5-4, page 44, of the Application (which is Exhibit 1 in this proceeding).

With the ten projects that have been approved by the Authority under the Ward MP to date, and inclusive of the proposed / pending and pre-Ward MP dedications, VWL has committed to providing approximately 364,725 square feet of public facilities in the form of parks, sidewalks, driveways and roadways. With The Launiu's approval, the public facilities commitments to date will exceed the amount required under the Vested Rules by approximately 147,013 square feet, which serves as a credit for future projects.

Q How are the reserved housing requirements being fulfilled under the Ward MP?

A Consistent with HCDA's 2005 Mauka Area Plan and the Vested Rules, the Ward MP envisioned reserved housing in Ward Village to help meet the needs of a substantial number of households in Honolulu that earn incomes greater than the maximum limits for government affordable housing programs, but insufficient to buy a new home in the open market without assistance.

In furthering this vision, HCDA and VWL agreed through the 2010 Ward Master Plan Development Agreement to "encourage the early delivery of reserved housing within the Kaka'ako Community Development District in advance of market housing" by establishing the reserved housing credit account process, in which HCDA agreed that if VWL constructed more reserved housing for any planned development than required for that project, VWL "may use [its] reserved housing credits to satisfy all or part of the Ward MP reserved housing requirements," which "shall be applied on a one-for-one basis."

HCDA's agreement to create and implement the reserved housing credit process has resulted in significant reserved housing in Kaka'ako for local families prior to the completion of additional market housing in Ward Village. Instead of incrementally developing additional reserved housing units over several years, for example, VWL made a commitment through Ulana Ward Village (which HCDA approved in 2021) to continue to prioritize the construction of reserved housing in Ward Village for local families well in advance of the development of additional market housing.

As noted in Table 4-2 of the application, upon the completion of Ulana Ward Village, combined with reserved housing homes at 'A'ali'i and Ke Kilohana, approximately 1,222 reserved housing homes will be available in the heart of Kaka'ako for local families to own a market home in Honolulu's urban core. These reserved housing homes (which comprise an increase of 42 percent over the number of reserved housing homes originally proposed in the Ward MP) represent a substantial investment in the future of local families in Ward Village, and will also provide significant shared equity to HCDA to subsidize future affordable housing projects in Kaka'ako.

Consistent with the promises made in the Development Agreement, and as confirmed through decisions and orders for prior projects, after satisfying the reserved housing requirement for The Launiu, approximately 199 reserved housing units will remain available at VWL's option to satisfy all or part of the requirements for future projects in Ward Village on a one-to-one basis.

Q How is the Ward MP fulfilling its vision of sustainability for Ward Village?

A As a result of its many inherently sustainable attributes and commitments made for future projects, the Ward MP was awarded a Platinum pre-certification rating by the U.S. Green Building Council's program LEED for Neighborhood Development ("LEED-ND"), making it the largest LEED-ND Platinum project certified in the United States, and the only project to garner this achievement in Hawaii. This is a significant achievement for the urban core of Honolulu, which will benefit Hawaii statewide and provide a useful example of ways in which Hawaii can encourage "green" building through creating a livable, walkable and sustainable mixed-use urban neighborhood. In 2021, Ward Village was featured as a case study development by the World Green Building Council for providing social value with resilience and sustainability.

VWL continues to focus on sustainability. We restriped Auahi street to create green bike lanes and make it safer for bicyclists, which was followed by our founding sponsorship of Biki and the installation of bike share locations and bike racks throughout the neighborhood. We also changed out all of the street lights in the neighborhood to LEDs offering reduced energy use for the city and a safer, better lit street at night. During redevelopment of each project, we have relocated dozens of large, healthy trees throughout Ward Village, Kewalo, and even Kolowalu Park to help improve the urban tree canopy and green the neighborhood.

Victoria Ward Park, a vibrant centerpiece of Ward Village that will eventually replace three and a half acres of former buildings and paved parking, will provide ample green space in the heart of urban Honolulu for residents and visitors to relax, play and enjoy cultural and social activities. The park's design and landscaping will provide natural stormwater filtration, as well as a reduction in soil erosion and urban heat impacts. As is the case throughout Ward Village, lighting and irrigation technology within the park will support energy and water efficiency.

Each of our prior projects implemented a number of sustainability strategies. The mixed-use and urban quality of the area exceeds the community connectivity and public transportation access criteria for sustainable sites. Bicycle storage for residents and visitors will continue to be conveniently located for easy access. Extensive use of indigenous vegetation in open areas provides improved storm water management, reduced local heat island effect and increased opportunities for comfortable recreation and socialization. Drip irrigation system and water efficient plumbing fixtures will continue to substantially reduce water use.

The buildings typically use passive strategies to increase energy efficiency. This includes pursuing highly efficient glass on the façade, high efficiency lighting, operable windows and doors and enhanced commissioning and refrigerant management.

Recycled and renewable materials, use of regional resources, and reduction of on-site waste are all considerations for the selection and specification of materials for building structure and envelope, for exterior and interior finishes, and for the site development. Large windows will provide abundant daylight and views to normally occupied spaces. Material selections will aim to reduce, or to eliminate, volatile organic compounds.

Q Please describe the background for The Launiu, how it fits into the Ward Village Master Plan, and how it was shaped by community input.

A The Launiu will significantly advance many of the strategies discussed in the Ward MP as informed by the Board's prior decisions and orders.

Situated at the Ewa gateway to Ward Village at the corner of Ala Moana Boulevard and Ward Avenue, The Launiu features extensive pedestrian activation on the ground floor and a signature tower that maximizes mauka-makai views with an elegant, undulating building design that evokes a mid-20th century Honolulu international coastal style.

With approximately 21,725 square feet of contiguous indoor and outdoor ground floor commercial space along Ward Avenue, which extends and gracefully wraps around the corners facing Ala Moana Boulevard and the publicly-accessible, redeveloped area of Auahi Street, The Launiu provides a convenient and active commercial area that welcomes pedestrians to Ward Village.

The commercial space at the corner of Ala Moana Boulevard transitions into a broad, meandering sidewalk along the boulevard, which also features extensive landscaping, sculptural hardscape elements, seating areas, public art and liner facades, and provides a pleasant, shaded pedestrian experience screened from both the parking podium and the traffic along Ala Moana Boulevard.

The space created by the realignment of Auahi Street on the mauka side of The Launiu also focuses on providing convenient, accessible and active pedestrian experiences. Vehicles are deemphasized but acknowledged as a means of entry to the site with a

mid-block driveway leading to a sheltered pick-up and drop-off area thoughtfully integrated into the ground floor of the building, minimizing pedestrian conflict and facilitating active, public green space within the repurposed portion of Auahi Street. Access to above-grade resident parking is from the same driveway, minimizing disruption to pedestrians and bicyclists in the area.

The off-site improvements to the former Auahi Street parcel provides a convenient and active pedestrian connection to Ward Avenue. Improvements include extensive landscaping, a bike path and bike racks, specialty paving, and areas for public art, outdoor dining, seating, and retail kiosks.

These areas transition into a light and spacious residential lobby that includes a feature backwall that pays homage to the rise and fall of waves. Ground floor outdoor residential amenities include a dog run and a parklet area.

The Launiu and the planned off-site improvements will complement the pedestrian experiences along the Auahi Street Promenade, the Ka La'i o Kukuluāe'ō Park across Auahi Street, as well as at the recently-approved Kalae project across Ward Avenue, including Kalae's extensive landscaping, public art, pedestrian-friendly streetscape designs on the Mauka and Makai corners along Ward Avenue, the ground floor commercial space, and the retail kiosks along Victoria Ward Park.

The name The Launiu evokes the serenity of the lush and sprawling coconut groves that graced the Ward family estate, which provided shade and respite from the sun and comforting sounds caused by the cooling trade winds. The Launiu respects and embodies the history and sense of place at this key gateway to Ward Village.

As with all of our projects, community feedback and input are key elements of our planning and design process for The Launiu. The Launiu is responsive to community feedback to provide quality homes, ample green, spaces in an urban setting, ground floor retail, and shaded and active pedestrian experiences for residents and visitors to the Ward Village community.

Q Please describe this Project's anticipated impact on transit oriented development, including rail, bus, and other modes of rapid transit.

A Multiple opportunities for public transit will be available from The Launiu. Bicycle facilities will be provided on-site, and The Launiu is adjacent to the realigned Auahi Street, which will facilitate pedestrian access to other areas of Ward Village and various modes of transit.

Q Please describe the economic impacts anticipated from the Project.

A The Launiu will provide significant economic benefits for our state, city and community. Our VWL team remains committed to doing our part to assist local residents and contribute to Hawai'i's economy, job growth, and tax base.

Similar to the other projects that are part of the Ward MP, The Launiu will make significant positive economic impacts to the new housing supply, job creation, spending, property tax receipts, retail sales, and ongoing building operations and maintenance.

The Launiu's approximately 486 homes will provide market priced residences in Honolulu's urban core, and residents will have convenient access to area employment, retail and industrial services, and all of the amenities of Ward Village and beyond.

Beyond enhancing the lives of its residents and the Ward Village community, The Launiu will have a direct, positive impact on the State and the City and County of Honolulu economy. Accounting for additional indirect and induced economic impacts, the construction of The Launiu is estimated to generate:

- \$691 million in output;
- \$233.4 million in workers' earnings;
- \$42.4 million in state tax revenue (income, GET, and other);
- 565 annual average jobs, 2022-2028;
- 781 jobs in year one of construction;
- 967 jobs in year two of construction;
- 920 jobs in year three of construction; and
- 636 jobs in year four of construction.

The Launiu operations and maintenance over a 30-year period are anticipated to generate, in present value of constant 2022 dollars, approximately:

- \$189.2 million in output;
- \$62.7 million in workers' earnings;
- \$11.4 million in state tax revenue (income, GET, and other);
- 22 permanent jobs; and
- \$123.4 million in real property tax.