

KA'IULANI SODARO DIRECT TESTIMONY

PRESENTATION HEARING

Land Block 1, Project 6 (Mahana Ward Village) (KAK 23-027)

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 Mahana Ward Village 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 eight and a half acres of completed and pending public facilities (both more than required under the Ward MP), which have created new 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.
- **Extension of Halekauwila Street:** In conjunction with The Park Ward Village, VWL will complete the extension of Halekauwila Street. Mahana Ward Village will be along the mauka side of this driveway extension, which will 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 1,222 reserved housing homes 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.
- **Preservation of Historic Architecture:** VWL preserved and renovated this iconic, mid-century modern building by renowned architect Vladimir Ossipoff, which now includes more than 62,000 square feet of zoned office space and areas for community events, ensuring that this historic part of the Honolulu skyline will remain for future generations.
- **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;

- PDP KAK 22-024 (Kalae), approved August 26, 2022 for 330 residential units; and
- PDP KAK 23-001 (The Launiu), approved June 7, 2023 for 486 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 99 percent pre-sold. As of the first quarter of 2023, the two other developments currently under construction, Victoria Place and The Park Ward Village, were 100 percent and 93 percent pre-sold respectively.

In addition, 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 approximately \$4 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, which will be across from Mahana Ward Village, will seamlessly integrate with a major expansion of Victoria Ward Park Mauka of over 37,000 square feet. Construction of the de facto Halekauwila Street extension will be completed in conjunction with The Park Ward Village, providing an additional shaded, walkable area with local retail shops steps away from Mahana Ward Village.

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, Mahana Ward Village, 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 Kaka'ako, featuring a keiki play area, grass lawns, landscaped walkways, and shaded seating areas.

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 on the Diamond Head side of Ward Avenue that VWL plans to extensively renovate and improve in parallel with the Kalae's

development. This area will include lush landscaping, seating areas and attractive streetscape design. The realignment will also create an area adjacent to the recently-approved The Launiu development, which VWL plans to improve into an active, urban park.

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

A VWL is planning to provide more public facilities in Ward Village than originally contemplated in the Ward MP. 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 40, of the Application (which is Exhibit 1 in this proceeding).

With the eleven 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 Mahana Ward Village's approval (and planned developments on Blocks D and E of the Ward Master Plan), the public facilities commitments will exceed the amount required under the Vested Rules by approximately 92,094 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, Page 21, 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 nearly 35 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 an estimated \$162 million in 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 Mahana Ward Village (and planned developments on Blocks D and E of the Ward Master Plan), approximately 53 reserved housing unit credits 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 Mahana Ward Village, how it fits into the Ward Village Master Plan, and how it was shaped by community input.

A Situated at the intersection of Ward Avenue and the de facto extension of Halekauwila Street, Mahana Ward Village will significantly advance many of the strategies discussed in the Ward MP as informed by the Board's prior decisions and orders.

Mahana Ward Village achieves the placemaking and pedestrian activation envisioned in the Ward MP through various approaches, including ground floor commercial space, podium level homes, wide sidewalks, shade trees and landscaping, minimal curb cuts, public art, and aesthetically interesting liner facades to screen the podium and parking garage.

Featuring nearly 17,000 square feet of ground floor commercial space along Halekauwila and Ward Avenue, including landscaped outdoor plazas and seating areas, Mahana Ward Village will welcome pedestrians and activate this mauka gateway to Ward Village. Halekauwila, in addition to improving east-west connectivity through Ward Village, will serve as an additional retail corridor for the community, allowing

pedestrians to leisurely shop, dine, and conveniently experience all the amenities that Ward Village has to offer, including the expanded Victoria Ward Park. Mahana Ward Village's ground floor commercial space will complement the ground floor commercial area across Halekauwila at The Park Ward Village, as well as the retail spaces along Halekauwila at 'A'ali'i, Kō'ula, and A'eo. A public plaza at the corner of Ward Avenue and Halekauwila is adjacent to the HART station easement and accommodates pedestrian access to the area proposed for the station.

The retail and outdoor areas of Mahana Ward Village transition into a unique, triple-height porte cochere that provides a grand entrance surrounded by windows to facilitate a lobby space filled with natural light. A colonnade matching the height of the porte cochere wraps around the platform, providing a protected walkway between parking, retail and residences, while also providing shade for the ground floor outdoor seating areas adjacent to the platform.

The sleek residential tower and setbacks preserve the additional view corridor planned for Ward Village between Ward Avenue and Kamake'e Street, while also providing expansive vistas for residents and visitors.

The name Mahana, meaning warmth or warm feeling, and that exuded by the rising and setting sun, evokes the warmth and hospitality of the Ward Estate. Mahana Ward Village respects and embodies this history and sense of place through its pedestrian-friendly design and features, and various architectural elements including those inspired by the natural light and warmth of the sun, native palm motifs, and natural materials.

As with all of our projects, community feedback and input are key elements of our planning and design process for Mahana Ward Village. Mahana Ward Village is responsive to community feedback to provide quality homes, ground floor pedestrian activation and retail in an urban setting, and walkable 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 Mahana Ward Village. Bus stops are conveniently located on and near Ward Avenue, short and long-term bicycle facilities will be provided on-site, and Mahana Ward Village is also adjacent to, and accommodates access to, the proposed HART rail station.

Q Please describe the economic impacts anticipated from the Project.

A Mahana Ward Village 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, Mahana Ward Village 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.

Mahana Ward Village's approximately 340 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, Mahana Ward Village 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 Mahana Ward Village is estimated to generate:

- \$433.7 million in output;
- \$146.4 million in workers' earnings;
- \$26.7 million in state tax revenue (income, GET, and other);
- 396 annual average jobs, 2022-2028;
- 424 jobs in year one of construction;
- 446 jobs in year two of construction; and
- 625 jobs in year three of construction.

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

- \$115.8 million in output;
- \$38.4 million in workers' earnings;
- \$7.0 million in state tax revenue (income, GET, and other);
- 13 permanent jobs; and
- \$72.7 million in real property tax.

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