

TOM SCHNELL DIRECT TESTIMONY

PRESENTATION HEARING

Land Block 4, Project 2 (Block E) (KAK 23-038)

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

A Tom Schnell, PBR HAWAII & Associates, Inc., Principal / Planner

Q How long have you been in this position?

A I have been a principal of PBR HAWAII for 10 years. Before becoming a principal, I was a Senior Associate for 7 years, an Associate for 5 years, and a Planner for 2 years. In total, I have over 24 years of experience as a professional planner with PBR HAWAII.

Q Please describe your educational background and experience.

A Please see my resume, which is marked as an exhibit in this proceeding. Among other professional affiliations, I am accredited by the American Institute of Certified Planners, and I am a member of the American Planning Association, Hawai'i Chapter, Lambda Alpha International, Aloha Chapter, and the Urban Land Institute.

Q Please describe your firm's experience.

A PBR HAWAII & Associates, Inc., based in Hawai'i for over 50 years, is active in all aspects of land planning, environmental studies, landscape architecture, and graphic design. PBR engages in a variety of projects ranging from specific site designs to regional and community plans, urban design studies, environmental assessments and impact statements, and large-scale resource inventory and land management projects. Our multi-disciplined expertise and overall experience allows us to provide clients and end users with successful plans that are functional, sustainable, cost effective, and at the same time, culturally and aesthetically relevant.

Q What has PBR HAWAII been retained to do for this Project?

A Victoria Ward, Ltd. ("VWL") retained PBR to prepare and process a planned development permit application for Block E, Land Block 4, Project 2 of the Ward Neighborhood Master Plan ("Ward MP"). In the context of the greater Ward Village community, PBR has also prepared planned development permits for 'A'ali'i, Kō'ula, Victoria Place, The Park Ward Village, Ulana Ward Village, Kalae, The Launiu, Mahana Ward Village, and Block D. In addition, PBR prepared the Ward Village Street Tree Masterplan and provided landscape architectural design services for the Central Plaza (now known as Victoria Ward Park), the 'A'ali'i recreation deck, the Ulana Ward Village grounds and recreation area, and Ka La'i o Kukuluāe'o Park.

Q Please provide a summary of the Project.

A Block E will include approximately 148 homes in a podium and tower with ground floor commercial, open and recreation space. The development complements and is integrated into the comprehensive design and planning of Land Block 4 within the Auahi neighborhood, Mauka Area of the Kaka'ako Community Development District (KCDD), Honolulu, Hawai'i. Block E will be between Auahi Street to the north, Block D to the west, the IBM Building to the east, and Ala Moana Boulevard to the south. The Diamond Head Plaza Park is on the 'Ewa end of Land Block 4 adjacent to Kamake'e Street.

Block E will provide approximately 489,800 square feet of new floor area, and is currently planned to include approximately:

- 482,339 square feet of residential floor area;
- 7,461 square feet of commercial space; and
- 709 square feet of open space onsite, as well as effectuating the 35,278 square feet of open space at the off-site Diamond Head Plaza Park on the 'Ewa end of the land block;
- 81,077 square feet of indoor and outdoor recreational areas;
- A projected maximum height of approximately 400 feet, plus 18 feet for rooftop elements.

The design of Block E is consistent with the Vested Rules, which are applicable to the Ward MP, and the proposed development is informed by (and effectively implements) several major principles in the Ward MP:

- Encourage improvements in the street-level experience for residents and visitors;
- Promote the development of exceptional public spaces;
- Provide distinctive retail and public-realm experiences; and
- Optimize ocean views.

The building location and orientation were carefully considered to preserve and enhance mauka-makai views and integrate Block E within the pattern of a connected, walkable, and active community at Ward Village.

The street level experience will be enhanced for residents and visitors through a variety of approaches previously approved and employed throughout Ward Village. The ground

floor includes nearly 7,500 square feet of contiguous ground floor commercial space within an arched covered retail pedestrian colonnade along Auahi Street.

The colonnade offers shade and shelter while enlivening the retail spaces, and leads to the adjacent Block D retail colonnade on the 'Ewa side. Block E's ground floor spaces also feature broad sidewalks, berms, planters, seating niches, and extensive landscaping inspired by the native palette of shoreline and lowline indigenous flora, while complementing the existing native botanical garden at the IBM Building.

The smaller-scale architectural character of the podium created through a design that creates the appearance of a series of smaller, linked stone masonry buildings reminiscent of early 20th Century Honolulu continues along Ala Moana Boulevard, where the streetscape environment encourages walking, strolling, and gathering through an interesting and varied podium façade, lush landscaping, planted berms, pocket parks, and sidewalk seating. The ground floor of Block E is designed to complement and act as a visual extension of Ala Moana Regional Park across the street.

Using similar materials and architectural elements as the podium, Block E's tower provides a continuation of Block E's street architecture. The tower also features an angled, L-shaped design and a mauka-makai orientation to maximize views. Block E's tower is designed to complement its neighboring tower on Block D, creating an iconic pair of buildings along Ala Moana Boulevard.

Vehicle and bicycle access to Block E will be from Auahi Street. Block E includes a residential drop-off and pick up area tucked within the building, minimizing pedestrian conflict while enabling more active, open space at ground level. Resident long-term bicycle parking will also be on the ground level to the side of the drop off area, avoiding the need for bicyclists to enter the upper parking structure, and further minimizing potential bicycle, vehicle, and pedestrian conflicts.

Block E will have approximately 400 off-street parking spaces for resident and guest use, and two off-street loading spaces. As part of an area-wide parking strategy, approximately 20 commercial parking spaces for Block E will be fulfilled off-site at the Ward Village Shops / South Shore Market District Parking Garage across Auahi Street and/or another Ward Village facility.

Q Please describe how the components of the Project will fulfill the provisions of Hawai'i Revised Statutes ("HRS") 206E-5.6(j).

A In considering a proposed development, Hawai'i Revised Statutes § 206E-5.6 requires HCDA to determine that the proposed project is reasonable, is consistent with the development rules and policies of the relevant development district, and complies with the criteria listed in HRS § 206E-5.6(j).

Table 5-2 of the Application summarizes Block E's conformance with the Vested Rules and the Ward MP. The following exhibits in the Application show plans for Block E:

- Exhibit 3 – Proposed subdivisions;
- Exhibit 4 – Detailed site plan;
- Exhibit 5 - Landscape plan;
- Exhibit 6 – Landscape species;
- Exhibit 7 – Circulation plan
- Exhibits 8 to 21 – Floor level plans;
- Exhibit 22 – Roof plan;
- Exhibit 23 – Summary sheet of planned open space, recreation space, off-street parking and loading, residential unit matrix, and floor area;
- Exhibits 24 to 27 – Project elevations;
- Exhibits 28 to 30 – Building and podium sections
- Exhibit 31 – Tower massing
- Exhibit 32 – Orientation and tower spacing
- Exhibit 33 to 36 – Design allowed v. proposed with modifications; and
- Exhibits 37 to 39 – Roadway sections.

Block E also fulfills the specific criteria of HRS § 206E-5.6(j) as follows:

HRS § 206E-5.6(j)(1)(A): Advances the goals, policies, and objectives of the applicable district plan:

The applicable district plan is the Mauka Area Plan adopted by HCDA in June 2005. The Mauka Area Plan provides a framework for public-private sector cooperation to develop the Mauka Area into a vibrant, mixed-use community with a variety of housing types in Honolulu's urban core.

Block E is in the core of Honolulu and Kaka'ako, in close proximity to the central business district, the government center, and commercial, and industrial facilities, along with recreational areas such as the Diamond Head Plaza Park, Victoria Ward Park, Ala Moana Beach Park, and Kewalo Basin Harbor. Its central location provides convenient

access to the services and amenities throughout Kaka‘ako and Ward Village, including through the Auahi Street pedestrian promenade.

A key aspect of the Mauka Area Plan is its open space and recreation plan, which prioritizes the creation of open space systems, as well as on-site recreation and open spaces. This “systems” approach recognizes that residents benefit from community-wide as well as site-specific open space and recreational spaces.

Block E will include 81,077 square feet of indoor and outdoor recreation space on site (exceeding requirements), 709 square feet of open space, and is within Land Block 4, which includes the Diamond Head Plaza Park, with nearly 36,000 square feet of ground level open space.

With the open space associated with Block E’s development, and including existing, approved, and planned developments, Ward Village is projected to have a total of 428,962 square feet (17 percent of the Ward MP area, or nearly ten acres) of open space, which significantly exceeds the 245,638 square feet of open space originally projected under the Ward MP.

From the housing perspective, Block E will add approximately 148 homes in the urban core. The design of Block E is supported by current sales trends in surrounding Ward Village communities.

In addition, Block E has been coordinated with major existing and contemplated transportation routes, recreational and service areas, and is consistent with HCDA’s transit oriented development principles. Block E will provide excellent pedestrian and multi-modal connectivity for residents and visitors, and is located near jobs, recreational areas, retail, dining, and transportation services.

The goals of Block E include significantly advancing the livable, walkable environment envisioned for Kaka‘ako.

HRS § 206E-5.6(j)(1)(B): Protects, preserves, or enhances desirable neighborhood characteristics through compliance with the standards and guidelines of the applicable district rules:

The applicable district rules for Block E are the Vested Rules, and Table 5-2 of the Application summarizes Block E’s conformance with the Vested Rules and the Ward MP. VWL is requesting two modifications to the Vested Rules for Block E (for the platform height and setback), which were proposed and considered as part of the approval of the Ward MP.

As with all areas of the Ward MP, on completion, the Block E site will be integrated into VWL’s existing operations team that professionally oversees management, maintenance, and security throughout the Ward MP area at no cost to the public.

HRS 206E-5.6(j)(1)(C): Avoids a substantially adverse effect on surrounding land uses through compatibility with the existing and planned land use character of the surrounding area:

The surrounding uses and urban areas were taken into careful consideration during the planning of Block E. In particular, Block E is carefully designed to complement and be compatible with the approved designs for the areas and developments in the vicinity of the project, including along Auahi Street and Ala Moana Boulevard.

Block E integrates with these existing and planned conditions by, among other design strategies, providing ground-floor commercial space, thus activating a key gateway into Ward Village; providing landscaping, outdoor seating areas, art, and other pedestrian activation in and near the development.

Block E is also specifically designed to complement the other projects on Land Block 4, including Block D, the Diamond Head Plaza Park, and the IBM Building. Among other design strategies, a harmonious linear botanical garden pathway along the entire length of Land Block 4 with more than 14 species of native Hawaiian plants will unify the IBM Building, Block E, Block D, and the Diamond Head Plaza Park.

Block E is also highly compatible with surrounding areas in Kaka'ako the Ala Moana area, and downtown Honolulu. The addition of residences from Block E and other existing nearby projects, within a close proximity to the central business district and existing transportation options, creates the opportunity to significantly shorten one's daily commute (by car, transit, biking, or walking), alleviating traffic in urban Honolulu.

HRS 206E-5.6(j)(1)(D): Provides housing opportunities for all income groups, particularly low, moderate, and other qualified:

Block E will help to fulfill a continued market demand for residential housing in urban Honolulu close to employment centers, commercial services, entertainment options, and open spaces as envisioned by both the Mauka Area Plan and the Ward MP.

The Ward MP establishes a reserved housing requirement of 20 percent of the total number of residential units within the Ward MP area. The Vested Rules permit the construction of reserved housing incrementally with new developments. With Ulana Ward Village, however, VWL has already committed to satisfy all remaining reserved housing requirements for Ward Village well in advance of the completion of future projects, including Block E.

In total, and including Block E and planned developments, 1,169 reserved housing homes will be required in Ward Village, and VWL will provide 1,222 reserved housing homes. Approximately 53 reserved housing unit credits will remain available to satisfy the requirements of future projects. See Section 4.10 and Table 4-2 of the Application. Upon completion of Ulana Ward Village, VWL will provide nearly 35 percent more

reserved housing units in Ward Village for local families than originally envisioned in the Ward MP.

VWL's commitment to prioritize the construction of reserved housing homes in Ward Village prior to the construction of future developments helps to meet a present, critical need to provide timely housing opportunities for local reserved housing purchasers in urban Honolulu.

HRS 206E-5.6(j)(2)(A): Positively impacts pedestrian oriented development, including complete streets design:

Block E's location, orientation, and design were carefully chosen to advance the pattern of a connected, active and walkable community at Ward Village.

Block E, located between Block D and the IBM Building, will provide a welcoming pedestrian environment through the gracious shaded retail colonnade along Auahi Street, along with outdoor spaces with landscaping, walkways, and architectural elements. These elements are all integrated into the overall the design of the project, which will provide convenient, welcoming, and active pedestrian access to and from the Auahi Street Promenade, Ala Moana Boulevard, the IBM Building, and beyond.

Block E also facilitates the complete streets design features of Ward Village by accommodating bicycle parking in both public areas and within the parking structure. Public short-term bicycle parking will be provided at street level along Auahi Street, and resident long-term bicycle parking will be provided within the ground floor of the parking structure, thus minimizing potential bicycle / vehicle conflicts. Exhibit 7 of the Application illustrates the short- and long-term bicycle parking areas, as well as the pedestrian and vehicle access points and circulation plan. Bikeshare stations are also situated at various convenient locations throughout Ward Village. In addition, Block E's ground floor design prioritizes pedestrian access, and minimizes potential conflicts, by providing a pickup / drop-off area that is integrated into the podium.

HRS 206E-5.6(j)(2)(B): Positively impacts transit oriented development, including rail, bus, and other modes of rapid transit:

Block E is designed in consideration of major existing and contemplated transportation routes, recreational and service areas. Consistent with HCDA's transit-oriented development principles, Block E accommodates, and is located within walking distance of, the proposed rail station, and is also near bus stops.

HRS 206E-5.6(j)(2)(C): Positively impacts 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:

Block E offers easily-accessible amenities and social gathering spaces to encourage interaction within its community of residents and visitors, and with the greater communities of Ward Village, Kakaʻako, and urban Honolulu.

As noted, Block E is designed to integrate with, and complement, the Diamond Head Plaza Park, Block D, and the IBM Building. The architecture of Block E emphasizes this location as the gateway to Ward Village along Auahi Street, as Block E will provide convenient access to the Auahi Street promenade; entertainment, shopping, and dining venues in and around Ward Entertainment Center and Ward Village Shops; Victoria Ward Park, and other areas throughout Ward Village and beyond.

These improvements, among others, realize the vision of the Mauka Area Plan to encourage public-private sector cooperation to develop the Mauka Area into an active, mixed-use community with a full array of public and community amenities in Honolulu's urban core, all without cost to the community.

HRS 206E-5.6(j)(3)(A): Positively impacts preservation of important natural systems or habitats:

Consistent with the Sustainability Framework set out in the Ward MP, Ward Village holds Leadership in Energy and Environmental Design-Neighborhood Development (LEED-ND) Platinum certification, the highest rating provided. Ward Village is the largest community in the United States (and the only community in Hawai'i) with this designation.

According to the U.S. Green Building Council, Leadership in Energy and Environmental Design (LEED) developments are designed to deliver the following benefits:

- Lower operating costs and increased value;
- Reduced waste;
- Energy and water conservation;
- More healthful and productive environments; and
- Reductions in greenhouse gas emissions.

The project team for Block E is using an integrative design process to identify and use opportunities to employ sustainable strategies across disciplines and building systems. VWL plans to employ the following sustainable practices at Block E:

Location and Transportation: There are community services within walking distance of the property, and multiple opportunities for public transit. Bike facilities will be provided on site. Block E is on Auahi Street, which will provides a key east-west corridor through

Ward Village, and will significantly enhance the pedestrian experience through accompanying landscaping and shaded walkways.

Sustainable Sites: To foster a healthy outdoor environment, VWL is committed to minimizing erosion and sedimentation during construction. Landscaping will encourage time spent outdoors and cool outdoor spaces. Block E will feature indigenous and/or ethnic plantings to embrace Hawaiian ecosystems and avoid contributing to invasive plant populations.

Water Efficiency: A number of water-conserving measures will be employed at Block E, with the goal of at least a 50 percent reduction in potable water use for landscaping irrigation and a 20 percent savings in indoor water through the use of low-flow fixtures.

Energy and Atmosphere, Indoor Environmental Quality: Block E will optimize energy performance and air filtration equipment will exceed performance standards. Outdoor airflow will be monitored, and mechanical systems will be kept clean.

Materials and Resources: Block E will responsibly manage construction waste, recycling at least as much waste as possible at the construction site. The building itself will have recycling facilities and recycling will be encouraged.

Indoor Environmental Quality: Block E will create sensitive indoor environments with adjustable lighting and cooling systems and will provide substantial outdoor views. The building will use materials that meet requirements for indoor environmental air quality and will be designed for acoustic performance.

Innovation: Block E is considering a range of sustainability measures that fit the LEED Innovation criteria, which are intended to support creative approaches to green building.

Regional Priority: Block E will pursue sustainability opportunities that specifically address local priorities with regard to environment, social equity, and/or public health. Block E will address LEED-designated Regional Priority issues, including responsible waste management and strategies for energy performance.

The Application at Appendix B contains the LEED-NCv4 checklist.

HRS 206E-5.6(j)(3)(B): Positively impacts maintenance of valued cultural, historical, or natural resources:

Block E will avoid a substantially adverse effect on the area's archeological and cultural resources. The letter from the State Historic Preservation Division (SHPD) dated May 9, 2023 confirms that SHPD has no objections to HCDA proceeding with permitting for Block E subject to the stipulations detailed in the letter, which VWL will comply with.

HRS 206E-5.6(j)(3)(C): Positively impacts maintenance of other resources relevant to the State's economy:

The design of Block E facilitates access for residents, locals, and visitors alike, by providing connection to critical centers of commerce, industry, employment, and tourism.

Block E is in the core of Honolulu, in close proximity to the central business district, the government center, and commercial, and industrial facilities, and recreational areas.

The design of Block E recognizes the strong potential for increased growth redevelopment, and revitalization in this area. There is convenient access to mass transit throughout Ward Village, and Block E has been coordinated with major existing and contemplated transportation routes, recreational and service areas, and is consistent with transit-oriented development principles. In short, Block E is located near jobs, recreational areas, retail, dining, and transportation services, which are all critical to the State's economy.

HRS 206E-5.6(j)(3)(D): Positively impacts commitment of state funds and resources:

Block E does not require State funds, and the substantial amenities and public facilities developed in and near the project, including the Diamond Head Plaza Park, the preservation and renovation of the IBM Building, the renovation and expansion of Victoria Ward Park, and the realignment of Auahi Street, will be constructed, maintained, and secured without government funding and at no cost to the public. Existing and planned infrastructure is adequate to support the project, and Block E will not consume additional State resources.

Wilson Okamoto Corporation (WOC) prepared a Traffic Impact Report (TIR) for Block E and D dated March, 2023. Appendix E of the Application contains: (1) the TIR; and (2) an email from the City and County of Honolulu Department of Planning and Permitting Traffic Review Branch accepting the TIR.

WOC also prepared an Infrastructure Availability Report (IAR) for Block E, Block D, and the Diamond Head Plaza Park dated February, 2023. WOC anticipates that available or planned infrastructure will be adequate to accommodate Block E (as well as for Block D and the Diamond Head Plaza Park) and has taken steps well ahead of the PDP application to confirm availability of utilities. Section 6.3 and Table 6-1 of the Application shows a list of utility providers that WOC contacted to confirm infrastructure availability. Appendix F of the Application contains the IAR.

HRS 206E-5.6(j)(3)(E): Positively impacts employment opportunities and economic development:

Beyond enhancing the lives of its residents and the Ward Village community, Block E will have a direct, positive impact on the state economy at a time when private investment is needed to help sustain Hawai'i's economy. The substantial project economic stimulus, including approximately \$692.1 million in economic output and an estimated annual average of 506 jobs during construction, is discussed in detail in Paul Brewbaker's testimony and report.

HRS 206E-5.6(j)(3)(F): Positively impacts maintenance and improvement of the quality of educational programs and services provided by schools:

HRS §§ 302A-1601 to 320A-1612, regarding School Impact Fees, establish a structure for assessing school impact fees for residential development. Pursuant to this law, the State of Hawai'i Department of Education is administering a school impact fee district from Kalihi to Ala Moana, an area that includes the Block E site. VWL will comply with all applicable laws regarding school impact fees.

Q Please describe the Shadow and Wind Studies for this Project.

A In compliance with the Vested Rules and the Ward MP, Block E is designed and sited to preserve Mauka-Makai views and minimize shadow effects on neighboring buildings.

A shadow study is included in the Application as Appendix G. The shadow study indicates that there will be no substantially adverse impacts upon adjacent buildings from Block E.

Rowan Williams Davies & Irwin Inc. ("RWDI") will prepare a detailed wind analysis study for Block E. Wind tunnel measurements for 36 wind directions will be combined with long-term weather data to predict wind speeds and frequencies around Block E. This data will then be compared with wind comfort and safety criteria to evaluate the intended use of the pedestrian areas in and around Block E. Following RWDI's study and analyses, RWDI will recommend any necessary wind control strategies for areas where higher-than-desired wind speeds are predicted. VWL plans to incorporate RWDI's recommendations into the design of Block E as appropriate. The Block E application contains an incorrect version of the RWDI letter; accordingly, the correct version is marked as Exhibit E-31 in this proceeding.

Q Please describe the environmental noise study for this Project.

A Salter, Inc. prepared an environmental noise study for Block E. The study involved two long-term noise measurements along Ala Moana Boulevard and Auahi Street and a 3-D noise model to calculate noise levels at the building façade. Salter recommended potential mitigation measures involving window sound transmission class ratings to mitigate noise. VWL plans to incorporate noise mitigation measures into the project and will comply with HAR § 15-22-77 on project performance standards, including noise control. The Block E application contains an incorrect version of the Salter

environmental noise study; accordingly, the correct version is marked as Exhibit E-32 in this proceeding.

Q Does the development comply with the tower spacing guidelines of the Vested Rules?

A Block E complies with HAR § 15-22-143(b), which provides that, to the extent practicable, developments should be at least 300 feet between the long parallel sides of neighboring towers, and at least 200 feet between the short sides of the towers. As shown in Exhibit 32 of the Application, there are no towers within 200 feet of the short side of Block E, and no existing towers 300 feet from the long side of Block E. To the west, the long side of Block E is, to the extent practicable (given the size and shape of the project lot caused by various site constraints, including the existence of the IBM Building and the Diamond Head Plaza Park within Land Block 4) separated from the Block D tower by 300 feet, except for a portion of the makai corner of that tower.

Q In accordance with HRS §206E-5.5, was notification by mail of this hearing provided to owners and lessees of record within a 300-foot radius of the proposed project?

A Yes. VWL complied with the notification requirements for all owners and lessees of record within a 300-foot radius of the perimeter of the proposed project. The certification of the required notice is included as an exhibit in this proceeding.

#