Kaka‘ako Community Development District

Makai Area Plan

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Hawaii Community Development Authority

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1.0 INTRODUCTION

The Kaka‘ako community occupies a very prominent location in the center of urban Honolulu, lying strategically between the downtown area, the densely populated Makiki district, Waikiki, and Honolulu Harbor (see Figure 1).

Recognizing Kaka‘ako for what it is today, and what it could be in the future, the State Legislature created the Hawaii Community Development Authority (HCDA) in 1976. As codified in Chapter 206E, Hawaii Revised Statutes (HRS), the Legislature found the need for a mechanism or methods that could initiate and guide the timely revitalization of underdeveloped urban communities in the State. The Legislature named Kaka‘ako as HCDA’s first Community Development District (CDD).

In 1982, the Legislature amended the Kaka‘ako Community Development District boundaries to include a portion of the Kaka‘ako Peninsula, makai of Ala Moana Boulevard. This area, which is referred to as the Makai Area, was assigned to HCDA for planning and redevelopment. Since then, the designated boundaries of the Makai Area have been modified several times and plans have been adjusted accordingly. Today, the Makai Area extends from Kewalo Basin to Honolulu Harbor and to the ocean. Also included is the parcel bounded by Nimitz Highway, Bishop and Richards Streets, and Aloha Tower Drive that contains the HECO Honolulu Power Plant, which was deactivated in 2014.

The majority of the Makai Area was historically used for bulk loading maritime and light industrial warehouse use, and included an incinerator and waste landfill along the shoreline. Given the redevelopment potential for this area, previous HCDA Makai Area plans proposed extensive programs of parks, waterways, and other public amenities that would be funded largely from revenues derived from the on-site development of mixed-use commercial space and residential uses.

A 2005 proposal for a commercial mixed-use residential development around Kewalo Basin, however, was met with strong community opposition and the Legislature subsequently banned residential development and the sale of public land in the Makai area via Act 317 (2006). The Authority subsequently formed the Kakaako Community Planning Advisory Council (CPAC) and conducted an extensive planning and community outreach effort. The Kaka‘ako Makai Conceptual Master Plan was adopted by the Authority in 2011 as the guiding document for reviewing and approving plans for any state-owned lands in Kaka‘ako Makai.

This update of the Makai Area Plan is intended to formally reflect the Legislature’s ban on residential uses and incorporate the recommendations of the CPAC and the Conceptual Master Plan.

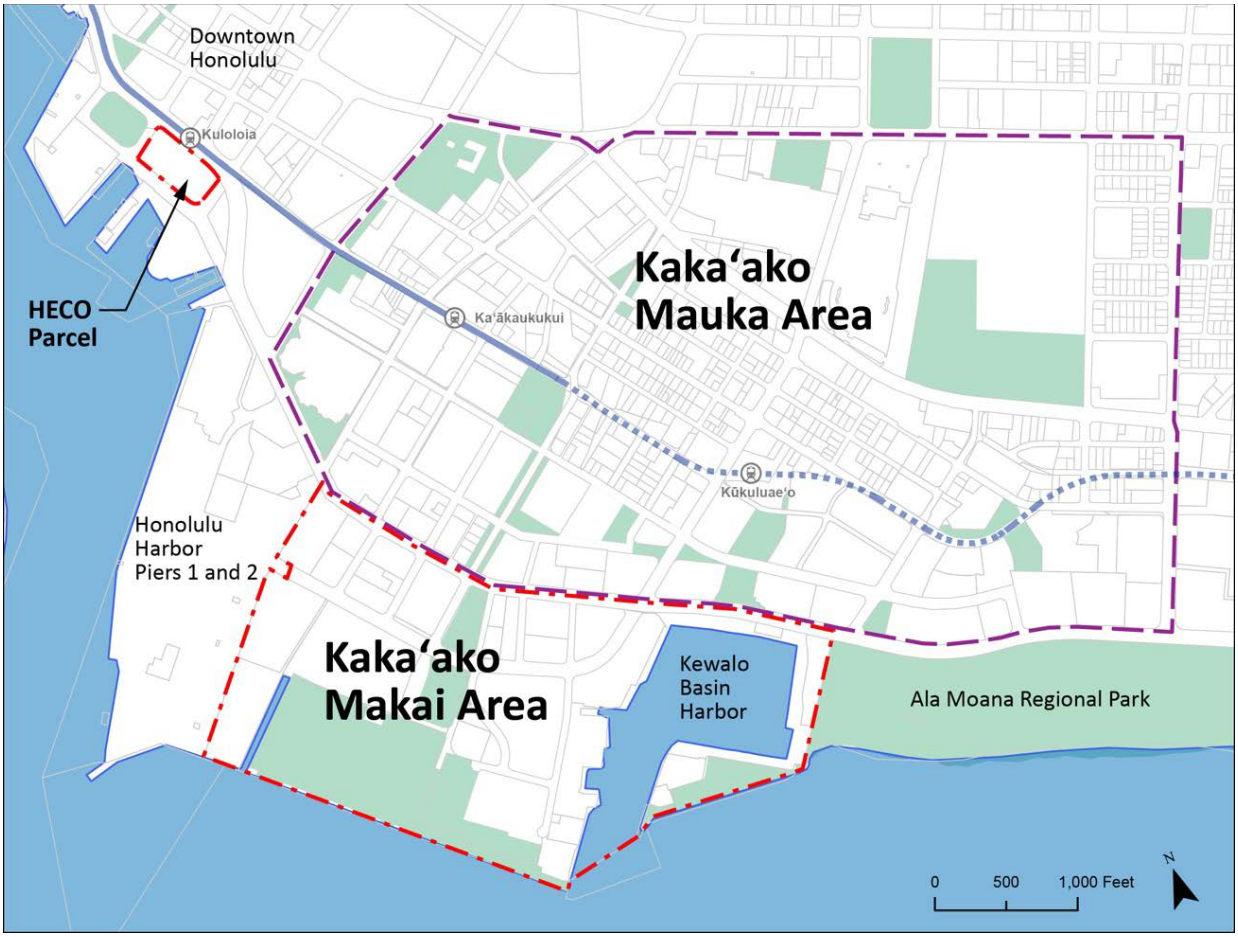

Figure 1: Makai Area Location and Context

1.1 Makai Area History and Existing Conditions

The area currently known as Kaka'ako was formerly known as Kukuluāe'o in the east and Ka'ākaukukui to the west.[1] The trail to Waikiki ran along a sand dune which is currently the location of Ala Moana Boulevard.

Honolulu harbor originally consisted of a small reefed basin, and the shoreline in what is now Kaka'ako was approximately where Auahi Street is today. What is now known as the Kaka'ako Peninsula was a shallow reef area. The fast land was characterized as a marsh and was used for the collection of thatch.

However, after 1819 the market was open for sandalwood and the need for mooring led to the first man-made reconfiguration of the harbor. Following the exhaustion of the sandalwood trade, the Hawaiian mercantile system shifted to the whaling industry. From 1843 - 1860, the

[1] Pukui et al. 1974

whaling industry was at its peak and the need for more harbor space developed. Harbor modifications began in 1848 in what is now the downtown area.

These modifications greatly affected Kakaʻako and highlights of the changes are as follows:

1900 - Piers 1 and 2 are documented as in use and the Ala Moana area was converted into a dump site. The Ala Moana Sewage Pump Station, designed by O. G. Traphagen, is constructed.

1920 - A concrete wharf is built at Pier 2.

1921 - Kewalo Basin is established as a dock facility for lumber schooners but, as the industry fades, the newly developing fishing industry takes over.

1928 - A permit is issued to dredge a channel from Kewalo to Waikiki.

1934 - The U. S. Immigration Administration Building near Fort Armstrong designed by C. W. Dickey and Herbert Cayton is completed.

1947 - By 1947, approximately 110 acres of the Kakaʻako peninsula have been filled with coral landfill.

1948 - A seawall is built 500 feet out from and parallel to the shoreline, and runs from the edge of Kewalo Channel, parallel to the coast to Fort Armstrong. This wall defines the edge of the landfill.

1977 - The refuse landfill site is closed permanently.

One of the first major economic successes in the area was the Honolulu Iron Works, begun in 1853 by David M. Weston, one of the first industrialists to foresee the benefits of a sugar mill, metal and machine shop in growing Honolulu. Other facilities, such as the Leper Hospital at Fisherman's Point, developed along with a growing residential community. The early 1900s shantytown of immigrant laborers continued to grow, eventually reaching about 5,000 people by 1940. The post-World War II era changed the area from a residential to a commercial and industrial district, transforming the character of Kakaʻako to industrial and service industries. Since the early 1980's, portions of Kakaʻako has increasingly transformed into a dynamic urban community that accommodates a mix of commercial, residential and industrial uses. In addition, open space and parks have been provided to enhance recreational opportunities in the urban core.

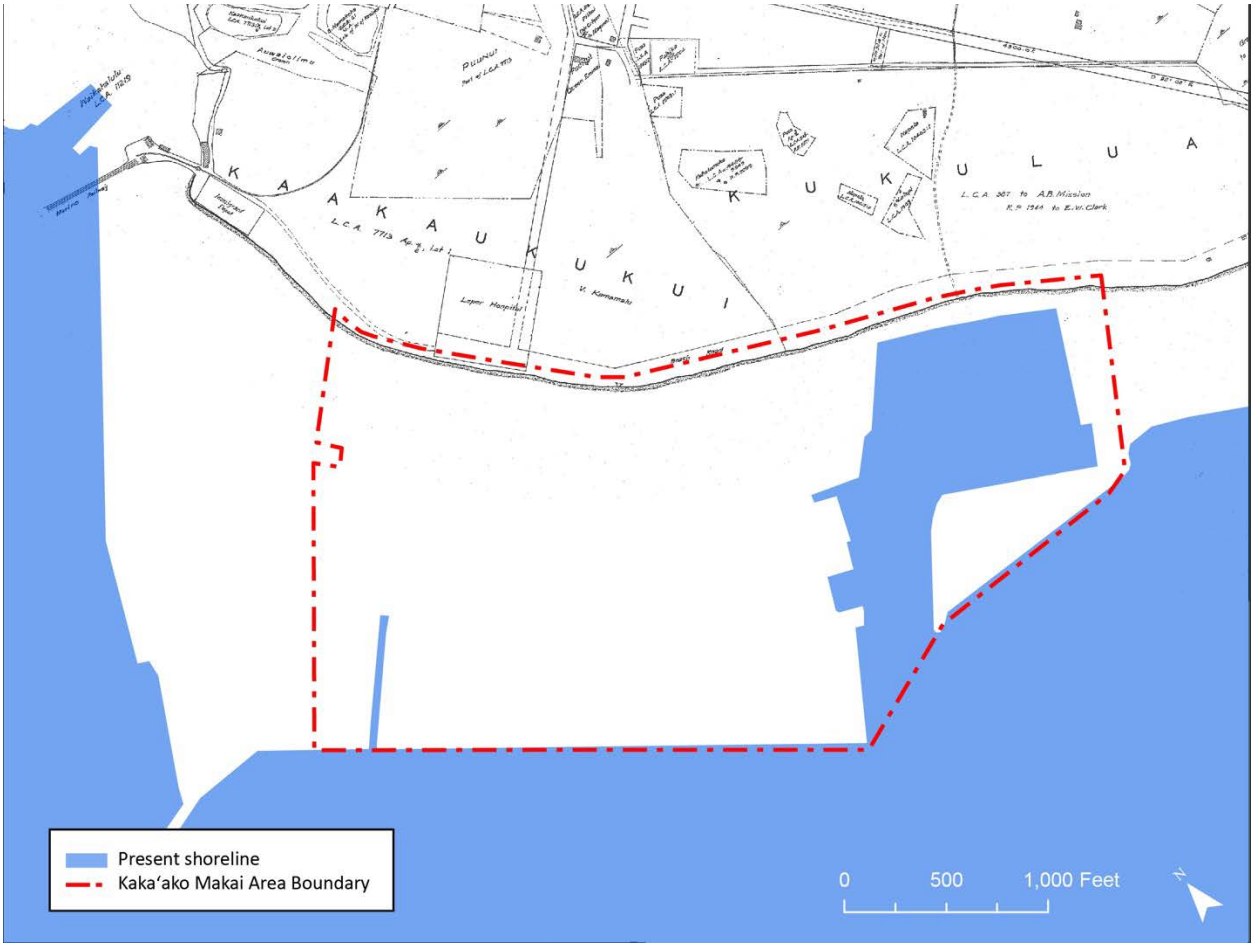

Figure 2: Makai Area and Current Shoreline on 1884 Bishop Map (Hawaii Territory Survey)

Figure 3: View of Kaka‘ako Makai looking towards Diamond Head on October 31, 1942.

Figure 4: View of Kaka‘ako Makai looking Ewa on November 8, 1943.

1.2 The Physical Environment

1.2.1 Climate

The climate of the Makai Area, similar to that of other coastal areas in Honolulu, is characterized by abundant sunshine, persistent trade winds, relatively constant temperatures, and moderate humidity. The mean temperature in Honolulu ranges from 73 degrees Fahrenheit (˚F) in winter to 81 F in the summer. The mean annual rainfall is approximately 23 inches with most of the rainfall occurring between the months of November and April. Relative humidity ranges between 56 and 72 percent. Cooling trade winds from the northeast prevail throughout most of the year; occasionally Kona winds from the southwest bring warm, humid air.

1.2.2 Geography, Soils and Topography

The Kakaʻako Peninsula lies on the Honolulu coastal plain, an emerged fossil reef formed approximately 120,000 years ago (MacDonald and Abbott, 1970). The Makai Area is underlain by a coral layer between 5 and 20 feet below mean sea level (*Figure I-2*). Soft lagoonal deposits made of sand, silt, and clay are found above the ancient reef, mainly in a buried stream channel which extends below Ala Moana Boulevard between Keawe and Ohe Streets to the ocean. Soft alluvial soils within the channel area extend to depths of 50 to 65 feet below sea level. These deposits are covered by 5 to 10 feet of dredged coral fill.

The substrata conditions of the Makai Area are rated "average" for development purposes in all areas except in the general area of the buried stream channel where the substrate condition is "poor." The terrain of the Makai Area is generally at an elevation of 14 feet above mean sea level and flat, except for the debris mound formed between 1927 and 1977. Originally rising 15 to 55 feet above sea level, the 1,700 feet x 400 feet mound was resculptured in conjunction with Phase I of the Kakaʻako Waterfront Park, and has become one of its most prominent features. The highest point is currently 53 feet above mean sea level.

1.2.3 Hydrology and Drainage

Southern Oahu's coastal plain, which includes the Kakaʻako Peninsula, is underlain by sedimentary deposits that form a caprock which retards the seaward movement of fresh ground water from the basal aquifer. The caprock extends along the coastline about 800 to 900 feet below sea level.

Urbanization of the Kakaʻako District has increased runoff to the nearshore coastal waters. Although roadway and drainage improvements have been undertaken, much of Kakaʻako is still subject to localized flooding due to flat topography and inadequate drainage facilities. The runoff from the Makai Area flows into the ocean

via the Keawe Street open channel, Kewalo Basin and Honolulu Harbor. The Keawe Street open channel is lined and is approximately 30 feet wide, 15 feet deep and 650 feet long, and is located between the Foreign Trade Zone and the Kaka'ako Waterfront Park. Figure shows flood zones in the Makai Area.

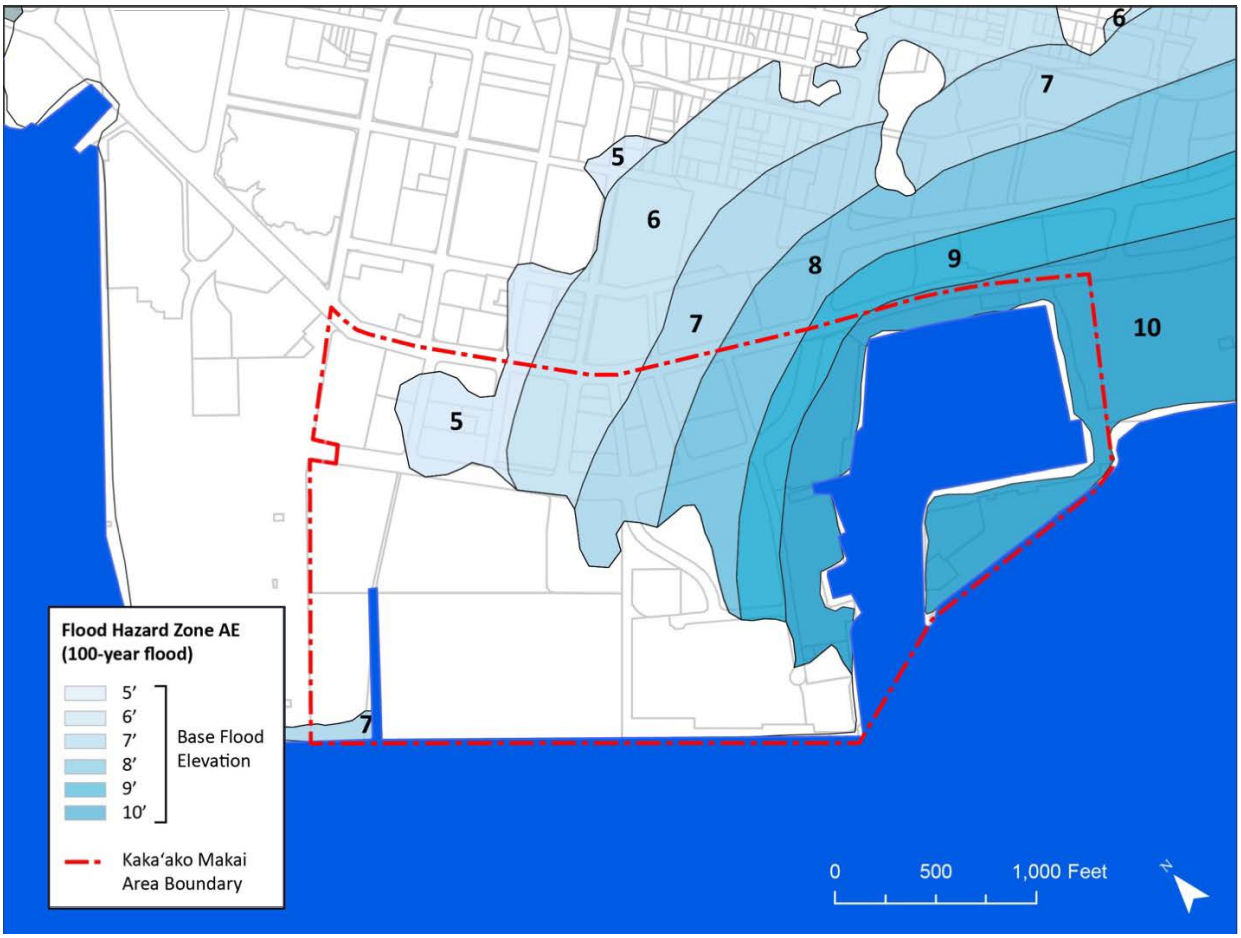

Figure 5: Flood Hazard Map

1.2.4 Climate Change, Sea Level Rise, and Climate Resilient Development

Climate change and sea level rise pose significant, dangerous, and imminent threats to the State's social and economic well-being, public safety, nature and environment, cultural resources, property, infrastructure, and government functions and will likely have a disproportionate impact on low-income and otherwise vulnerable communities.

A 2017 report by the National Oceanic and Atmospheric Administration projected that 3.2-feet of global mean sea level rise will occur by 2100 in an intermediate scenario and could occur as early as in the 2060s in an extreme scenario. Current

State of Hawai‘i planning guidance is based on the Sea Level Rise Exposure Area with 3.2-feet of sea level rise (SLR-XA), which for Oahu is based on models of passive inundation, coastal erosion, and annual high wave runup.[2]

It should be noted that the 2022 guidance from the City and County of Honolulu Climate Change Commission recommended that 3.8-feet of sea level rise should be used as a minimum for all planning and design, although the 3.2-foot SLR-XA could be used until updated data is available.[3] The commission has also recommended that planning and design of public infrastructure projects and other projects with low tolerance for risk should be based upon 5.8-feet of sea level rise, although the 6-foot NOAA passive flooding map can be used until updated data is available.

The City and County of Honolulu has also prepared a summary of climate adaptation design principles that could be applied for urban development projects here in Kaka‘ako Makai.[4] These describe international, national, and local best practices on how to make buildings and sites more climate-resilient. These strategies include managing stormwater using low-impact development.

Incorporating accessible transitions between pedestrian zones and considering Design Flood Elevations (DFE) that address the flood and sea level rise inundations that are potentially greater than traditional Base Flood Elevations (BFE) that are prepared for the Federal Emergency Management Agency‘s (FEMA) Flood Insurance Rate Maps (FIRM).[5]

Dry, wet, and elevated floodproofing are also other design strategies. The design principles also includes design recommendations to mitigate against extreme heat, which is another impact of climate change.

[2] https://climate.hawaii.gov/wp-content/uploads/2020/12/Guidance-for-Using-the-Sea-Level-Rise-Exposure-Area.pdf
[3] https://static1.squarespace.com/static/5e3885654a153a6ef84e6c9c/t/62f46b3fff589f651af14410/1660185409937/HonoluluClimateChangeCommission-SeaLevelRiseGuidance_Updated-July2022.pdf
[4] https://www.honolulu.gov/rep/site/dpptod/climate_docs/Climate_Adaptation_Design_Principles.pdf
[5] Note that the FIRM maps are based on local tidal datum near the Mean Sea Level (MSL), while the SLR-XA is mapped against Mean Higher High Water mark (MHHW). In Honolulu, this means that the BFE is about a foot lower than than if it were based on the MHHW.

Figure 6: Sea Level Rise Estimates

1.2.5 Solar Orientation and Prevailing Winds

In Kaka'ako, the streets are generally oriented southeast to northwest (Ewa-Diamond Head) and southwest to northeast (mauka-makai). Prevailing winds are from the northeast.

1.2.6 Offshore Conditions

The south shore of Oahu is sheltered from the predominant northeast tradewind-generated waves as well as the winter North Pacific swell. Wave activity at the shore is relatively mild, except during the summer months when southern swell can produce moderately high surf conditions. The south shore is also exposed to infrequent Kona storms and hurricane waves approaching from the southeast through southwest directions. Shallow fringing reefs once protected the natural shoreline from deepwater wave energy. However, the present shoreline has been created by

filling seaward over the shallow reefs, requiring shore protection measures to stabilize the existing shoreline.

Three surf sites front the Kakaʻako Peninsula, "Flies," "Incinerators," and "Point Panic," the names of which are reflective of the former adjacent land uses and the proximity of the wave break to the shore. The nearshore currents are predominantly driven by the tides and winds and in general are weak.[6]

The Kakaʻako nearshore reef is relatively flat, consolidated limestone rubble bottom. The reef is of marginal aesthetic appeal and supports only limited benthic and reef fish communities. The greatest diversity and abundance of fish occur offshore the east sector near the Kewalo Basin channel, where a total of 65 species of fish have been noted.

Nearshore coastal waters from Ala Moana Beach to the easterly entrance channel of Honolulu Harbor are designated "Class A" State waters by the State Department of Health (DOH), while Honolulu Harbor and Kewalo Basin are designated "Class A" embayments. According to DOH, waters classified "A" are to be protected for recreational uses, aesthetic enjoyment, and propagation of marine life.

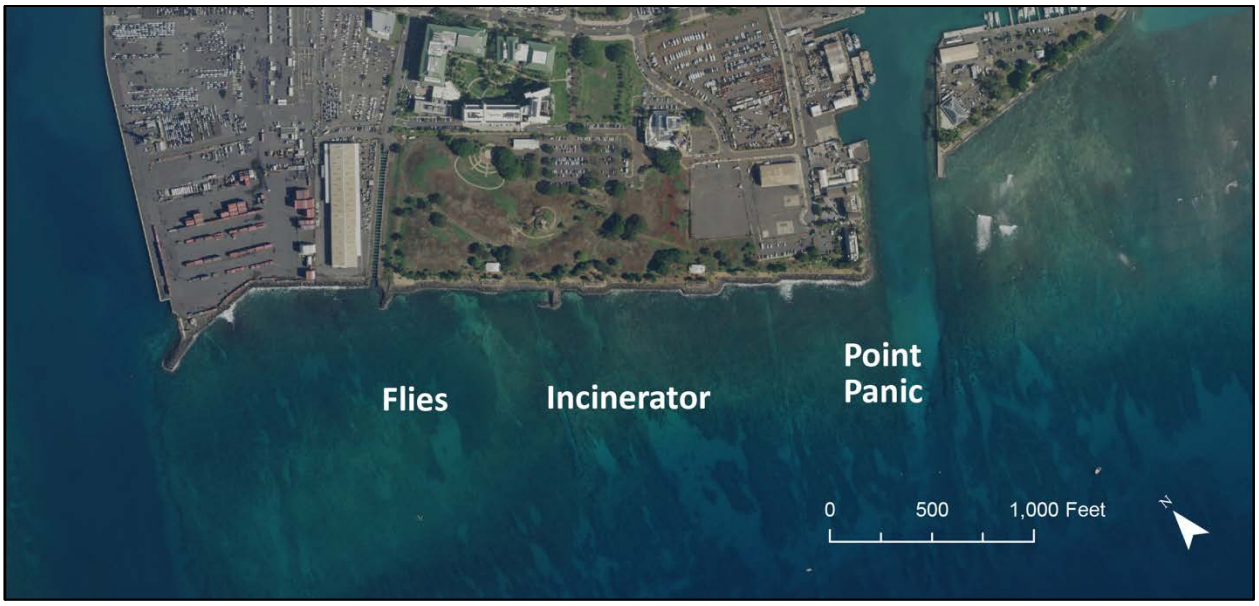

Figure 7: Surf spots fronting Kakaʻako Makai

1.2.7 Views

Existing views in the Makai Area are limited due to the large warehouses and the land form at the Kakaʻako Waterfront Park. There are very few views of the ocean

[6] Technical and Environmental Studies for the Kakaʻako Beach Park

from the existing interior streets. Dramatic views are from Ala Moana Boulevard to Kewalo Basin, from Kewalo Basin Park along the shoreline, from Kakaʻako Waterfront Park along the shoreline, from the Kakaʻako Waterfront Park lookout point in all directions, and on local streets toward the mountains.

An enhanced mauka-makai view corridor along Cooke Street will also be created with the implementation of a promenade and generous setbacks. It should also be noted that site demolition along the Kewalo Basin waterfront has opened up a new long view corridor from Ilalo Stret to Diamond Head. Consideration should be given towards preserving this view corridor in order to provide enhance orientation, wayfinding, and reinforcing a sense of place along the waterfront.

1.4 Land Ownership

Ownership of the approximately 170 acres in Kakaʻako Makai is illustrated in Figure 8 and includes the following areas:

Table 1: Landowners in Kakaʻako Makai

Landowner	Acres
Office of Hawaiian Affairs	29.0
Hawaii Community Development Authority Keawe Street parcels (6.6 acres) Kewalo Basin Harbor (shoreside – 10.9 acres) Kewalo Basin Harbor (underwater – 30.6 acres)	48.1
University of Hawaiʻi John A. Burns School of Medicine and Cancer Center (HCDA lease)	9.9
City and County of Honolulu Kakaʻako Waterfront and Gateway Parks (46.8 acres) Kewalo Basin Park (4.7 acres) Ala Moana Wastewater Pump Station (HCDA lease – 1.2 acres) Roadways (approximate – 15.1 acres)	67.8
Kamehameha Schools	11.4
Hawaiian Electric Company (Honolulu Power Plant)	3.4
TOTAL	169.6

Prior to the conveyance of the Makai Area to HCDA in 1982, various land uses were permitted through executive order, general lease, or revocable permit. Executive orders are issued by the Governor and allow government agencies to utilize State-owned land for a specified public purpose. General leases and revocable permits were issued by the

Department of Land and Natural Resources, Department of Transportation, Department of Business, Economic Development & Tourism and allow tenants to occupy State-owned land for a specified purpose and term, not to exceed 65 years. Revocable permits allowed tenants to occupy State-owned land for a specified purpose on a month-to-month basis.

Figure 8: Land Ownership Map

1.4 Current Land Uses

At present, the general mix of land uses in the Makai Area consists of: maritime industrial, cargo and warehousing operations at Fort Armstrong; car dealerships, light industrial, public facilities, and commercial office activities in the central portion of the peninsula; and the Kaka'ako Waterfront Park. The Kewalo Basin area provides a berthing location for Oahu's commercial fishing fleet, excursion boats, and charter fishing boats. Landside activities surrounding the harbor include maritime support operations, marine research, and commercial restaurant operations.

Kaka‘ako Peninsula

The Kaka‘ako Peninsula lies between Kewalo Basin and Honolulu Harbor, on largely man-made land. Maritime industrial uses occupy the Fort Armstrong area at Piers 1 and 2. This area, once the primary container cargo facility on Oahu, is currently dedicated to maritime break-bulk and limited container cargo operations, ship maintenance operations, cruise ship facilities and the Foreign Trade Zone warehouse and offices.

Commercial uses occupy much of the central portion of the peninsula and include new and used car sales businesses and offices. Recreational uses include the 30-acre waterfront park located adjacent to Point Panic, a popular site for body surfers. Marine research activities include the Pacific Biosciences Research Center Kewalo Marine Laboratory, located adjacent to the ocean channel entrance to Kewalo Basin. The John A. Burns School of Medicine and the University of Hawaii Cancer Center are also located in the central portion of the peninsula. The Children’s Discovery Center is located in the former Kewalo Incinerator, adjacent to the Makai Gateway Park.

The City and County of Honolulu’s Ala Moana Wastewater Pump Station (WWPS) is located along Keawe Street. The facility receives wastewater from about half of metropolitan Honolulu, and conveys it under Honolulu Harbor to the Sand Island Wastewater Treatement Plant. Two 63-inch force mains were completed in 2015 in order to handle an average flow of 45 million gallons per day (mgd) and up to 225 mgd during peak storm events.

Kewalo Basin

Kewalo Basin includes 29 acres of land and 30 acres of water area. Existing uses include the National Marine Fisheries Service research laboratory and the Kewalo Basin Park.

HECO Parcel

The Hawaiian Electric Company, Inc. (HECO) parcel, TMK: 2-1-14: 4, includes 3.4 acres. The parcel is bounded by Nimitz Highway, Bishop and Richards Streets and Aloha Tower Drive, and is occupied by the Honolulu Power Plant. This facility is eligible for the National Register of Historic Places.

1.5 Review of Development Concepts

Plans Prior to 1982

In 1982, the Kaka‘ako Community Development District boundaries were expanded to include land makai of Ala Moana Boulevard. Prior to this time, development for what is now the Makai Area was regulated by the City and County of Honolulu. Zoning for the area was divided into public open space and industrial use, with smaller areas designated for housing/commercial use along Ala Moana Boulevard and commercial development along

Kewalo Basin. The height limit was restricted to 200 feet, with an emphasis on preserving mauka-makai sight lines, as well as integration with the surrounding areas of Kaka‘ako.

1982 – 1985 HCDA Plans

With the 1982 expansion of the Kaka‘ako Community Development District to include approximately 133 acres of land makai of Ala Moana Boulevard, HCDA developed more specific, in-depth plans for the entire District, issuing a revised Plan in October 1983.

Concerns unique to the Makai Area were further articulated in additional revisions to the Plan in 1985, and included:

- Recognition of harbor uses at the Fort Armstrong area.
- A central residential area.
- The preservation of scenic views.
- A 30-acre proposed waterfront park at the end of the Kaka‘ako Peninsula.
- The Makai Area as a potential relocation site for displaced Kaka‘ako Mauka Area businesses.

With this Plan, HCDA began to differentiate the Makai Area planning needs as separate from, but integrated with, the larger picture of Kaka‘ako.

1986 – 1990 HCDA Plans

The next major change occurred in 1987, when the Kaka‘ako District boundaries were again amended to include all lands makai of Ala Moana Boulevard from Ala Moana Park to Aloha Tower. This expanded the Makai Area from 133 acres to 227 acres. However, in 1990, the lands between Piers 4 and 8 were reassigned to the Aloha Tower Development Corporation, except for the property occupied by HECO makai of Nimitz Highway. This change in the Makai Area boundaries, to 221 acres, also brought revisions to the Makai Area Plan.

The major change that continues to guide development in this area today occurred in 1987 when the State, under the auspices of the Governor’s Office of State Planning, launched a major “waterfront reawakening” effort. This effort resulted in the publication in 1989 of the Honolulu Waterfront Master Plan, a comprehensive, long-range development program for the revitalization of the Honolulu urban waterfront, a six-mile coastal stretch extending from Honolulu International Airport to the Ala Wai Small Boat Harbor on the outskirts of Waikiki. The redevelopment of the Makai Area was viewed as an integral part of the State’s waterfront revitalization program.

Residential and industrial uses were eliminated in the Makai Area Plan. This zoning change stemmed from recommendations in the Honolulu Waterfront Master Plan of 1989 which concluded that the waterfront area would be better utilized as a major recreational, people-oriented activity area with a significant amount of commercial development. Other major ideas added to the original development concepts of 1982 – 1985 included the:

- Relocation of many existing uses to Sand Island, Kapalama, and Honolulu Harbor.

- Revision of the roadway system to include a Cooke/Ohe couplet of one-way streets.
- Expansion of Ala Moana Park into Kewalo Basin.
- Creation of an inland waterway system.
- Provision for cultural and educational facilities within the waterfront park.\
- Passenger cruise ship terminals at Piers 1 and 2.

These refinements to the Plan were based on updated market, traffic engineering and port planning studies conducted by HCDA in association with the Office of State Planning as part of the larger Honolulu Waterfront Master Plan program.

1993 – 2002 HCDA Plans

While the 1990 Makai Area Plan incorporated the broad ideas of the Honolulu Waterfront Master Plan and encoded them in zoning for the Makai Area, more in-depth, site-specific analyses on the various features had not yet been conducted. Between 1991 and 1993, HCDA conducted feasibility studies on many of the ideas, such as the inland waterways, revised traffic circulation and proposed cultural facilities. These studies reaffirmed the validity of many ideas, such as the cultural facilities, and led to the elimination of others, such as the inland waterways.

In 1994, changes to the Makai Area Plan and Rules were proposed that reinstated residential use based on the continuing demand for urban core housing as well as the need for commercial activity to fund public amenities. The proposed 1994 amendments were not adopted, but many key concepts were incorporated in the 1998 Makai Area Plan and Rules. Key concepts of the Makai Area Plan and Rules remain based on HCDA's legislative mandate to redevelop the district so that industrial, commercial, residential and public uses may coexist in consonance with surrounding urban areas.

In 1994, HCDA embarked on a comprehensive revision of its development strategy for the Makai Area in response to changes in the State's economy and a reassessment of land uses, urban design and transportation systems in the area. Since that time, additional studies have been conducted to fine-tune the proposed Plan. Overall, there was the desire to carefully balance public costs with revenues from private development and, at the same time, to create a more lively urban environment and improve vehicular and pedestrian flow through the area.

2005 HCDA Plans

In October 2002, the HCDA adopted a Waterfront Business Plan to establish a specific vision, mission and strategy for future development of the Makai Area. The Waterfront Business Plan envisioned the area as a gathering place that should accommodate a mix of retail, recreational, commercial and residential activities. The residential component was intended to provide the economic and social basis for a desirable urban live, work and play community. This was also consistent with the concepts of "livability" and "sustainability," since it would promote the development of walkable, mixed-use communities that would reduce dependence on automobiles. These concepts were codified into the 2005 Makai Area Plan and Rules, which would allow about 5 million square feet of residential and commerical

development in a mixed-use zone, and another 1 million square feet of waterfront commercial uses.

In September 2005, the HCDA selected Alexander and Baldwin to develop 36.5 acres in Kakaʻako Makai. The $650-million proposal initially included about 220,500 square feet of new retail and dining attractions, three 20-story residential towers and about 2,900 parking stalls.[7] The plan also incorporated a 10-acre hula ampitheater. Lands would be leased from HCDA for about $600,000 per year.

In November 2005, the Ala Moana-Kakaʻako Neighborhood Board passed a resolution to request the project be studied further, and the developer subsequently revised its plan to include 947 condominium units in two towers.[8] The Legislature subsequently passed House Concurrent Resolution (HCDR) 30, HD 1 (2006), which urged the HCDA to terminate the project, and House Bill 2555 HD2 SD2 CD1 (2006), which banned HCDA from selling land or approving any residential development in Kakaʻako Makai. In May 2006, the developer terminated its project.[9] In July 2006, Act 317 became law, which banned the sale of public land and residential development in the Makai area.

Makai Conceptual Master Plan

In 2007, the Authority established the Kakaako Community Planning Advisory Council (CPAC), which conducted an extensive planning and community outreach effort which resulted in the Kakaʻako Makai Conceptual Master Plan. The CPAC worked with community stakeholders including the Native Hawaiian community, the Office of Hawaiian Affairs, and the Friends of Kewalo Basin Park Association, and held many public meetings to develop guiding principles and the conceptual master plan for the redevelopment of Kakaʻako Makai. CPAC analyzed the physical area, reviewed the local economic influences, market demand and viability of commercial and other land uses. Eventually, the group codified 14 guiding principles for the area.

The Conceptual Master Plan identified community-desired public benefit uses in Kakaʻako Makai, including a performing arts center, museum, community center, farmers market, or fish market. On May 18, 2011, the Authority unanimously adopted the 2011 Conceptual Master Plan as the guiding document for reviewing and approving any state-owned lands in Kakaako Makai.

The plan recognized that the cost to complete this plan could range from $350 Million to $490 Million dollars.[10] The plan did not include any significant revenue generating uses, however, because of regulatory restrictions or incompatibility with the community's vision. It was also recognized that it private investment (other than private philanthropy) was unlikely to offset the costs of implementing the Conceptual Master Plan.

[7] Schaefers, Allison and Stewart Yerton, "$650M Kakaako project unveiled," Honolulu Star-Bulletin, September 15, 2005. https://archives.starbulletin.com/2005/09/15/news/index.html
[8] Yerton, Stewart, "Neighborhood board seeks delay to Kakaako project," Honolulu Star-Bulletin, November 30, 2005, https://archives.starbulletin.com/2005/11/30/business/story01.html.
[9] "A&B's Kakaako project killed by Legislature," Pacific Business News, May 1, 2006, https://www.bizjournals.com/pacific/stories/2006/05/01/daily46.html
[10] Escalated from 2010 estimates ($250 to $350 million).

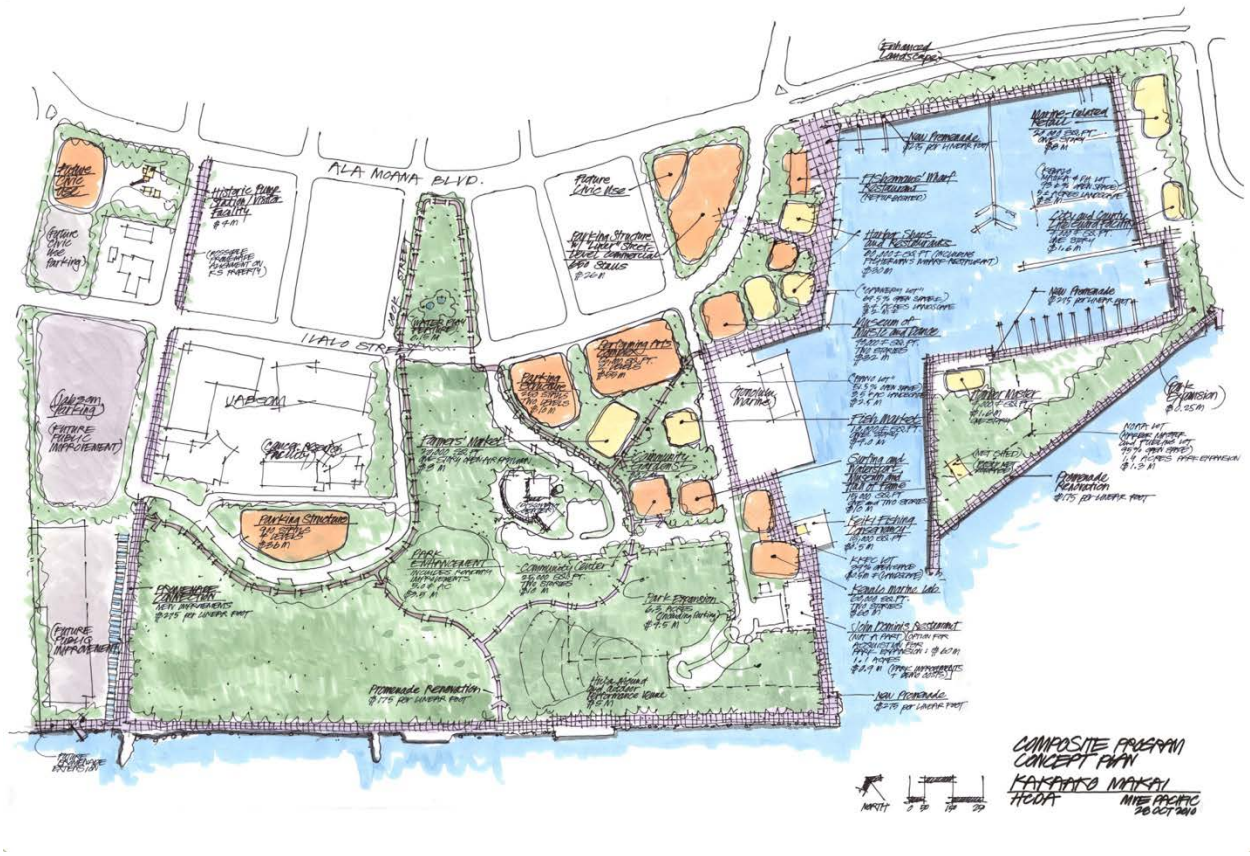

Figure 9: Kaka'ako Makai Conceptual Master Plan

Planning and Development Since 2011

In 2012, the Legislature transferred approximately 30 acres of land from HCDA to the Office of Hawaiian Affairs (OHA) under Act 15. The land transfer was intended to resolve claims regarding OHA income from public trust lands between 1978 and 2012. In 2013, OHA conducted a two-day charette with representatives from Ali'i Trusts and Native Hawaiian service organizations, cultural practioners, community leaders, and other stakeholders in order to identify the desired vibrancy of this asset and the balance between commerce and culture. The resulting Kaka'ako Makai Strategic Management Plan[11] identified key themes of creating a kīpuka (cultural oasis), a cultural marketplace such as a hālau ola (center of life and healing), and a live-work-play community.

A market assessment estimated that on a per square-foot (sf) basis, that the estimated residual land values for residential condominium uses ($219/sf) were dramatically higher than other uses such as commercial retail or industrial ($72/sf), rental residential ($20/sf), hotel (-$71/sf), and office (-$245/sf). These estimates were used to assess 9 different land development scenarios, including ones with taller building heights and residential uses. The

[11] https://www.oha.org/wp-content/uploads/2014/12/EXHIBIT-D-Framwork-Plan.pdf

total estimated residual land values ranged from $61 million (existing zoning with office) to $212 million (300' residential on lot L with increased park uses).

In 2023, OHA released its Hakuone development proposal, which included 2100 residential units on parcels E and F/G along with 250,000 square feet of commercial retail, 3600 parking spaces, and 10 acres of open space. Given the HRS §206E-31.5 bans on selling land and residential development, however, this plan has not advanced.

HCDA also completed the Kaka'ako Makai Area Parks Master Plan in November 2017. This planning effort was intended to identify park development alternatives that could support gathering spaces that were lively and sustainable, despite the transfer of adjacent revenue-generating lands to OHA. Prior to 2012, parking receipts and lease revenue from the makai parcels had partially subsidized the operations and upkeep of the Makai Gateway and Waterfront Parks.

The master plan included ideas such as recontouring the landfill to create a visual connection from Cooke Street to the waterfront, new food and beverage pavillions, a gateway plaza, community centers, and new comfort stations. In November 2019, however, the City and County of Honolulu took ownership of the Makai Parks in order to help manage a growing population of houseless individuals and families at these parks.

Also in 2019, the Hawai'i Technology Development Corporation (HTDC), an agency attached to the State of Hawaii Department of Business, Economic Development, and Tourism, opened the Entrepreneurs' Sandbox on an HCDA-owned parcel at 643 Ilalo Street. The 13,500-square foot facility provides event spaces, co-working and collaboration spaces, meeting rooms, small offices, and production studios. This facility was intended to be the first phase of the Kaka'ako Innovation Block and home of the State's planned high-tech corridor.

Figure 10: Kaka‘ako Makai Area Parks Master Plan, 2017

1.6 Summary of Plan Elements

The overall vision for the Makai Area is to create an active, vibrant area through a variety of new developments, including an expansive waterfront park, maritime uses along the harbor, restaurants, markets and entertainment along Kewalo Basin, a children’s museum, educational and research facilities, residential and commercial developments. In addition, the provision of public open spaces, cultural facilities and amenities will distinguish the Makai Area as a place dedicated and attractive to the people of Hawaii.

2.0 LAND USE

The 2011 Conceptual Master Plan represents the desires and recommendations of CPAC and other interested stakeholders, and depicts a general framework of access and circulation, land uses with respective intensities, open space networks, and areas designated for future improvements. The Conceptual Master Plan identified community-desired uses for selected state-owned parcels and recommends improvements to park and public facilities. Properties controlled by other stakeholders, including Kamehameha Schools, were not included in the plan.

This revision of the Makai Plan accommodates the vision identified in either the 2011 Conceptual Master Plan, except that the allowable land uses are adjusted to reflect the Legislature’s ban on residential uses.

2.1 Land Use Principles

The Land Use Plan is intended to reflect the create a balanced and workable community that reflects the development guidance policies enacted by the State Legislature and refined by subsequent analyses. The following are the major principles that have driven the priorities reflected in the Land Use Plan.

A Gathering Place

The redevelopment of the overall Kakaʻako Community Development District is based on the principle that people need to be able to live, work and play in close proximity. As envisioned by the Legislature in HCR 30, HD 1 (2006), the "live and work" land uses of Kakaʻako Mauka can be complemented by the "learn and play" land uses of Kakaako Makai. As such, the parks, educational and cultural facilities, commercial and office uses in Kakaʻako Makai would be considered in support of the residential and urban activity in Kakaʻako Mauka, rather than as a separate community by itself.

Public Access

The basic land use premise of the Makai Area Plan is that substantial portions of the Makai Area be set aside for public enjoyment and access to the waterfront. Community feedback during the development of the Makai Conceptual Master Plan indicated an importance to provide open and full public access to recreational, cultural and educational activities within and around Kakaako Makai's parks and ocean shoreline---including drop off accommodation of ocean recreation equipment and connections to public transportation. The Honolulu community felt very strongly that the shoreline should be accessible to the public and not sold to, or controlled by, private entities for their sole rights of use.

Focus on Park Lands as a Centerpiece

The land use pattern in the Makai Area is strongly influenced by the desire for a central corridor of park lands. The purpose of this configuration is to extend the Kakaʻako Waterfront Park to Ala Moana Boulevard, to enhance its visibility and reinforce its prominence as a major public park. In addition, the park will serve as a centerpiece for the adjacent commercial developments.

Appropriate Use of the Waterfront

The Makai Area is surrounded by water: Honolulu Harbor, Kewalo Basin and Malama Bay. It is obvious that appropriate use of the waterfront is a key to the overall land use pattern. Public access to the waterfront in the Makai Area is a priority of the Land Use Plan, and that is reflected in approximately one-mile of shoreline dedicated to park use. At the same time, the maritime activities which provide vital functions for the community are also a priority.

Kewalo Basin

Whereas the park lands are dedicated to recreational uses and Fort Armstrong is dedicated to maritime use, Kewalo Basin has been set aside for the public to view and enjoy the working wharf aspect of the waterfront. Both fishing and tourist-related activities will remain at Kewalo Basin. Entertainment, restaurants, residential and retail establishments could be developed along the west edge of Kewalo Basin, and tourism-related boating activities will be accessible from there as well.

A summary of the various land uses is presented in Table 2 and shown in Figure 11. The maximum allowable building floor areas are presented with each land use zone. The Makai Area could have a total potential floor area of 6.1 million square feet with an overall average floor area ratio (FAR) of 1.06 for the total land area.

Table 2: Makai Area Land Use Zones

Land Use Zone	**Land Area* (acres)**	**Gross Building Area** (million s. f.)**
Makai Urban Zone (MUZ)	48.8	4.9
Waterfront Community (WC)	21.6	0.8
Park (P)	51.4	0.4
Aloha Tower Special District	3.4	NA
Circulation/Miscellaneous	9.9	NA
TOTAL	**135.1**	**6.1**

*Excludes water; **Land area times maximum allowable FAR.

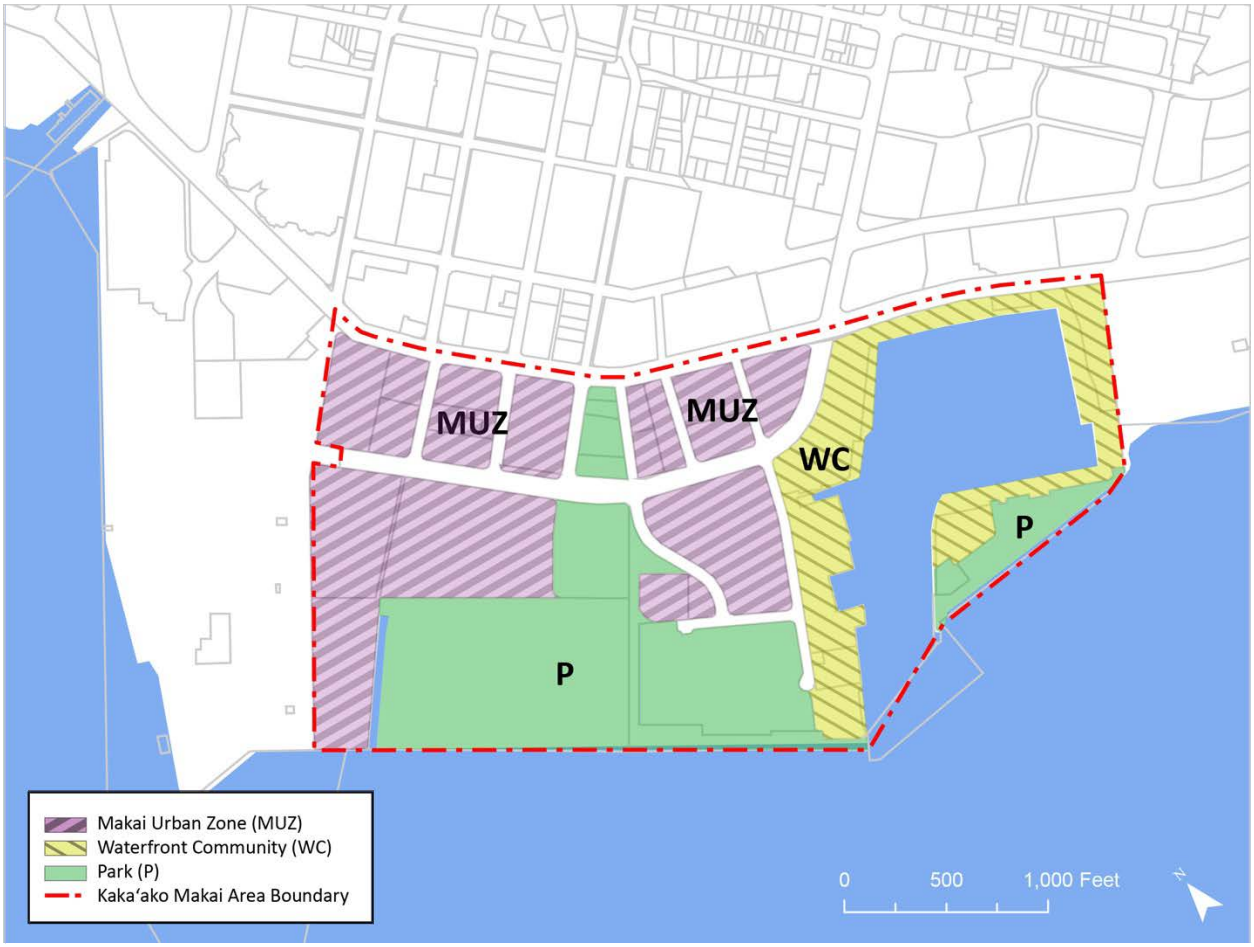

Figure 11: Land Use Zones

2.2 Land Use Zones

Makai Urban Zone (MUZ)

The Makai Urban Zone allows for the development of commercial and other uses, such as offices and retail establishments. It is anticipated that different types of commercial uses will coexist within the same development, and the purpose of this zone is to foster a wide range of development options.

The Makai Conceptual Master Planning effort did not result in any community consensus for the parcels between Forrest Avenue and Keawe Street. A parking structure with ground-floor commercial liner spaces could be developed on HCDA-owned land adjacent to the Entrepreneur's Sandbox at 643 Ilalo Street.

The "MUZ" zones encompass approximately 49 acres. Buildable area varies according to parcel location with floor area ratios (FAR) from 1.5 to 3.5, with a maximum total floor area of 4.9 million square feet.

Waterfront Community Zone (WC)

The purpose of this zone is to allow commercial uses as well as fishing and boating services along the edges of Kewalo Basin. From an urban design as well as a market standpoint, the best use of these waterfront areas is a complex of shops, restaurants, and entertainment, adjacent to existing fishing and maritime operations with other uses at the upper levels. Kewalo Basin will retain its working harbor character, while the public will be able to live, shop, dine and stroll along portions of the waterfront in these areas.

Programmatic uses for the Cannery Lot identified in the 2011 Conceptual Master Plan included a Hawaiian music and dance facility with shops, restaurants, and open-air retail kiosks. The plan would also incorporate a pedestrian promenade between Ala Moana Park and the Kakaʻako Waterfront Park that will activate the "lei of green" along the City's waterfront.

The Conceptual Master Plan envisioned other public benefit uses for the Piano Lot, such as a performing arts center, museum, community center, farmers market, and fish market. To support these uses, a parking structure with mixed-use liners along the ground level would be developed. Community gardens would be interspersed among the buildings.

The WC zone includes 21.6 acres with a development potential of approximately 797,000 square feet of building area.

Park (P)

Generous park lands with direct access to the waterfront remain the centerpiece of the Plan for the Makai Area. Within this zone (P), a variety of park environments will be accommodated. The existing Kakaʻako Waterfront Park provides a passive park for walking, picnics, and quiet contemplation.

Within the park zone, cultural and educational uses along with a variety of active recreation activities will be allowed and encouraged, to provide additional public resources.

Aloha Tower Special District

The Aloha Tower Special District consists of 3.4 acres and is bounded by Aloha Tower Drive, Bishop Street, Nimitz Highway and Richards Street. The site currently houses the HECO downtown power plant, and is adjacent to Irwin Park, the Downtown Financial District and the Aloha Tower development area. HCDA designation of the site as a Special District is based on the recognition that the area is not only distinct from other lands in the Kakaʻako District, but also has strong and direct association with the downtown waterfront. The Makai Area Rules established for the area are purposefully broad, recognizing the need for new development to be compatible with the surrounding area.

2.4 Historic Resources

In establishing the Hawaii Community Development Authority and the Kakaʻako Community Development District, the State Legislature articulated that "historic sites and culturally significant facilities, settings or locations shall be preserved." The preservation of such resources is, therefore, an integral part of the Makai Area Plan.

The proposed use of the historic structure is for a commercial development. To ensure that the historic structure be preserved, any new development will be required to integrate the historic and architectural significance of the existing buildings with any new structures.

Situated on the Kakaʻako Peninsula is the historic Kakaʻako Pumping Station, which was building in 1900 in an industrial romanesque design with rusticated locally-cut stone. This The structure was refurbished and has been housing the Nā Kūpuna Makamae Community Center, since 2016.

3.0 TRANSPORTATION SYSTEMS

The Makai Area Plan includes provisions for different modes of transportation designed to move people and goods safely and efficiently, and to service the demands of the proposed land use activities. The transportation system includes improvements for cars and public transportation, bicycles and pedestrians. In general, there is an emphasis on pedestrian movement through the area, in keeping with the waterfront as a people-oriented place.

3.1 Roads

Roadway improvements include upgrading existing roads and constructing new roads to meet or exceed City and County standards. The identified rights-of-way have been analyzed and determined to be sufficient to accommodate anticipated traffic generated by the ultimate development of the Makai Area.

Ilalo Street

Ilalo Street is the principal collector street for the Makai Area. The west extension begins at the present Punchbowl-Ala Moana Boulevard intersection, and connects to the existing Forrest Avenue-Ilalo Street intersection. This extension is anticipated to create a through street.

Ala Moana Boulevard

Ala Moana Boulevard provides the primary regional access to Kakaʻako. Currently, there are seven lanes of traffic, including six through lanes and a central left turn lane. The State Department of Transportation (DOT) has identified Ala Moana Boulevard as a Priority 1 in its development of bike lanes along the roadway. Other proposed improvements include minor realignments and intersection improvements to provide for additional turning lanes. These improvements are expected to occur in conjunction with adjacent redevelopment activities.

Other Side Streets

Ahui, Coral, Cooke, Koula, Ohe, Olomehani and Keawe Streets will remain open for traffic use, and South Street will be extended makai along its present alignment. These streets will provide one through-lane in each direction and where appropriate, curb parking.

3.2 Parking

Currently, the Kakaʻako Waterfront Park has 300 spaces. It is anticipated, however, that the development of the cultural facilities within the park will increase parking demand. Based on the illustrative program of uses for the state-owned parcels included in the Conceptual Master Plan, approximately 980 parking stalls are needed. In addition, another 900 spaces would be needed for the existing park uses as well as the John A. Burns School of Medicine and the Cancer Research Center, for a total of 1880 parking spaces.

In general, off-street parking requirements will be analyzed in conjunction with each development project. This parking will serve each project, with portions accessible to the general public. The parking demand will generally be accommodated by a combination of on-street, surface lot, and off-street parking facilities.

3.3 Public Transportation

Public transportation will be provided primarily by the Cityʻs public transportation system. At present, TheBus serves the general area with routes along Ala Moana Boulevard. Planned Skyline Rail stations near Kakaʻako Makai include the Kaʻākaukukui station (Civic Center) along Halekauwila Street at South Street, and the Kūkuluaeʻo station (Kakaʻako) at Ward Avenue and Halekauwila Street. Both stations are within 0.4-miles of Ilalo street, and are thus within a transit-oriented walking distance of Kakaʻako Makai.

A community circulator or trolley service, however, could connect the Makai Area with the rail stations, elsewhere within the Kakaʻako Mauka Area, downtown Honolulu and Aloha Tower. The new development within the Makai Area could add approximately 2,200 passenger boardings and alightings to the routes serving this area.

3.4 Bikeways

An important objective of the Plan is to increase non-vehicular access to the Makai Area from Downtown, Ala Moana Park and the Mauka Area. The planned bicycle system within the

Makai Area was designed in conjunction with the Bike Plan Hawaii 2003 and bikeway standards established by the City and County Department of Transportation Services.

The bicycle facilities are based on DOT's hierarchical system with: "bike lanes" as striped lanes for the exclusive use of bicycles; "bike routes" as widened roadways which are shared by bicycles and automobiles; and "bike paths" which are separate paths for the use of bicycles. Plans include a facility that will transport bicyclists in the mauka-makai direction along Keawe and Cooke Streets to the Kakaʻako Waterfront Park. In the east-west direction, the bikeway will traverse along the waterfront promenade at Kakaʻako Waterfront Park and Kewalo Basin. The bikeway will connect to Ala Moana Park at the east end of Kewalo Basin. DOT has planned a regional bikeway network that designates a bike lane along Ala Moana Boulevard.

To encourage use of bicycles, bicycle racks, bicycle storage areas, and other bike accessories shall be provided within development projects. These facilities will be located in accessible areas which are well-lit and secure.

3.5 Pedestrianways

An outstanding pedestrian environment throughout the Makai Area is a major objective of the Plan and provisions include several different types of pedestrianways. Pedestrian promenades are the most prominent features and include the waterfront promenade and the mauka-makai promenade along Cooke Street. Also important is Ilalo Street, which is envisioned as a strolling and shopping street.

Waterfront Promenade

The waterfront promenade began with a small segment along the ocean at Kewalo Basin and now includes a 1/2-mile stretch along the water at Kakaʻako Waterfront Park. This pedestrianway offers splendid views to the ocean, Diamond Head Crater, Waikiki, and the Ewa coast of the island. The waterfront promenade also provides for a variety of activities such as roller-blading, picnics and fishing.

Mauka-Makai Promenade

Originally envisioned as a small extension of park across Ala Moana Boulevard, the mauka-makai promenade strengthens the original concept with a landscaped pedestrianway that links the Kakaʻako Waterfront Park with Mother Waldron Playground. With the support of adjacent landowners, this urban design element will form a linear spine, promoting the reintegration of the City and waterfront. The promenade will be created by increasing the building setback requirement on the Ewa side of Cooke Street, with a commensurate building setback reduction on the Diamond Head side of Coral Street.

Ilalo Street

The Ilalo Street pedestrianway runs in the Ewa-Diamond Head direction, and is designed to be a major strolling and shopping street. The pedestrian environment is envisioned to be outstanding, with closely spaced, large shade trees, generous sidewalks and carefully

designed street furnishings. Retail areas on the ground level will provide visual interest as well as merchandise, and will form a consistent edge in the manner of outstanding retail streets in many other urban areas.

Side Street Environments

In contrast to the wide street and sidewalks along Ilalo Street, the side streets and sidewalks will be narrow in width. Street trees will provide shade for pedestrians and adjacent yard plantings, along with street lights and furnishings, will ensure that these streets are attractive pedestrianways.

3.6 Land Acquisitions

In order to implement the Plan, the acquisition of limited amounts of additional land within the Makai Area may be necessary. With the exception of Ala Moana Boulevard, all improved roads are expected to be owned and maintained by the City and County of Honolulu.

4.0 URBAN DESIGN

4.1 Urban Design and the Makai Area

Contemporary cities have developed in response to the objectives of two primary forces: private development interests seeking the creation of unique and financially successful projects; and government, seeking the creation of a beneficial public domain and a logical, coherent city. Individual developers exercise control over building style, form and materials, while government regulates height, density and other broad parameters.

In many cities over the last 40 years, development has not resulted in outstanding urban environments. More recently, both public and private interests have been trying to rediscover the art of building cities that produced numerous outstanding examples before 1950, including parts of Honolulu. A number of new strategies have been developed that utilize both traditional planning methods as well as concepts tailored to contemporary lifestyles.

Most of the Makai Area is publicly owned, and is therefore a unique opportunity to create an outstanding urban environment and serve as an example of excellence. With an emphasis on the pedestrian environment, block after block can be linked with comfortable, shady walks connecting buildings that are attractive and relate to the land.

Development of these lands represents a tremendous social and economic opportunity. Recognizing that inappropriate development could seriously compromise this opportunity, the Makai Area Plan balances public and private interests by carefully prescribing ground level requirements while encouraging a variety of building forms, land uses, and architectural styles.

4.1 Urban Design Principles and Elements

4.2.1 Principles

The following urban design principles and elements are intended to strengthen the overall concept of the Makai Area Plan. Each principle and element will function together to form a physical environment that is suitable to live, work and play.

Strong Linkage of the Kakaʻako Waterfront Park to the City

A generous waterfront park is the centerpiece of the Makai Area Plan. Constructed in 1992, the Kakaʻako Waterfront Park assists in the recapture of the Honolulu waterfront for public use, and provides a key link in a continuous system of parks extending from Waikiki to the airport. In addition, the park is a unifying urban design element that extends up through the Kakaʻako Peninsula and across Ala Moana Boulevard, creating a strong physical and visual link to the urban fabric of Honolulu.

Flexibility of Building Form

Within certain basic parameters, such as height and view corridors, building form and architectural style should be flexible. Allowing for a variety of forms sets the stage for both creativity and easy accommodation of a variety of uses. Ultimately the view of the skyline as well as the view from a pedestrian's perspective benefit from a variety of forms.

Outstanding Pedestrian Environment

The pedestrian environment, sometimes considered last, should be of primary concern. Clear, unimpeded sidewalks with consistent street trees closely spaced for shade, as well as a lack of randomly located driveways and a plethora of interesting activities, are all critical to a pedestrian-friendly environment. Carefully considered site furnishings, such as benches and light poles, along with public art on the street, sends the message that the pedestrian is important.

4.2.2 Site-Specific Elements

Variety of Park Environments

Additions to the existing Kakaʻako Waterfront Park would add a variety of spaces for public enjoyment. In addition to the areas for walking, fishing and picnicking currently available;Park enhancements identified in the 2011 Conceptual Master Plan and the 2017 Waterfront Parks Master Plan included:

- Rehabilitation and extensions of the existing waterfront promenades to form a continuous route through the Kakaʻako Peninsula as well as a mauka/makai route.
- Relocation of the amphitheater and creation of a hula mound

- Creation of a visual connection from Cooke Street to the waterfront by recontouring and filling the central portion of the Waterfront Park
- Food and beverage pavilions
- New comfort stations and community centers
- Space for food trucks, farmer's market, and other activities
- Plaza with lahui sculpture
- Relocation of the existing surface parking lots to provide additional park uses, such as an urban plaza with an interactive water feature

Kewalo Active Waterfront

The Kewalo Waterfront area, which includes both sides of Ahui Street, is envisioned to be an active waterfront commercial and residential area with a promenade along the harbor edge as well as plazas where people can congregate and enjoy the ocean view.

Active Ground Floor Uses

While all the streets in the Makai Area should comfortably accommodate both autos and pedestrians, certain streets will have a distinctly active, pedestrian-oriented character. Ilalo Street will be the premier strolling and shopping street with active ground floor uses along both sides of the street.

Ground floor frontages along the mauka-makai promenade will be encouraged to be active and relate positively to the public realm with a broad range of uses such as banks, lobbies, and exhibits, as well as shops and restaurants.

View Corridors

The Makai Area will preserve important views of Ala Moana Park, Diamond Head, and the mauka/makai corridor along Cooke Street. In addition, the existing view corridor down Ala Moana Boulevard will be maintained.

Cultural and Educational Facilities

Cultural and educational facilities have always been a fundamental element in HCDA's evolving community development plans and objectives.

Facilities such as the Children's Discovery Center and the University of Hawaii John A. Burns School of Medicine have been integrated into the urban fabric, much as cultural events are perceived as an integral part of city life.

Public Art

The placement of public art in the Makai Area is intended to reinforce the concept of the continuous public realm. Instead of more typical monumental art programs that place large works at key intersections and squares, public art here will strive to

support numerous smaller pieces integrated with the landscape in all types of open spaces.

4.3 Building Envelope Definition

As with the land use, the urban forms included in this plan are identified in either the 2011 Conceptual Master Plan or the 2005 Makai Area Plan.

4.3.1 Development Provisions

All development proposals are required to obtain an improvement or development permit. Permit procedures are outlined in the Makai Area Rules.

A typical vertical mix within a development on Mixed-Use Zone lands would be retail and other commercial uses on the lower floors, with other uses within the towers. Towers would be spaced to provide sufficient light and air between them and to minimize the obstruction of views from within and outside the Kaka‘ako District. Parking will be obscured within the interior sections of development parcels; curb-side parking along streets and surface parking adjacent to parks will also be provided, where appropriate.

4.3.2 Density and Building Height

The urban form in the Makai Area will be diverse, with a mix of structures rising to levels of 200 feet in the Mixed-Use Zone, and stepping down to 65 feet and 45 feet along the waterfront (see Figure 12).

Gradually decreasing building heights are associated with densities from a higher intensity zone fronting Ala Moana Boulevard to the lower intensity parcels fronting the Waterfront Park.

4.3.3 Building Form

The Makai Area presents the opportunity to display a variety of building forms. The platform level extends to a maximum of 65 feet and can be lower. Towers along Ala Moana Boulevard must be stepped back 75 feet from the property line (*Figure IV-2*). In general, towers are encouraged to be oriented with the long axis in the mauka-makai direction, with a maximum dimension of 110 feet permitted in the Ewa-Diamond Head direction.

In general, buildings will be required to be set back 15 feet from the property line and the setback area must be landscaped. If ground floor windows facing the street are provided, however, the setback may be reduced to 5 feet and paved. This provision will encourage active ground floor uses instead of blank walls along the streets. The maximum building envelope is indicated in *Figure IV-2*.

4.3.4 Number and Location of Tall Buildings

One tower will be permitted for each development project on a lot of 80,000 square feet or less. For lots greater than 80,000 square feet, additional towers may be allowed and the spacing between towers is predicated upon distances to neighboring towers. In general, towers should be at least 200 feet between the long side of the towers and at least 150 feet between the short side of the towers. Final tower location will be determined by the developer in consultation with HCDA.

Figure 12: Maximum Height and Density

4.4 Pedestrian Environment

As stated previously, the Makai Area Plan places high priority on the creation of an outstanding pedestrian environment. The provision of public parks, as well as active ground floor uses along key frontages, will support this goal. Similarly, appropriate design of public sidewalks and privately owned open space is also critical to the establishment of an outstanding pedestrian system.

4.4.1 Streets and Sidewalks

Ilalo Street will become a premier shopping street linking the Makai Area in the Ewa-Diamond Head direction. The sidewalks and planting strips will be broad, up to 20 feet, with generous planting and seating areas. Monkeypod trees will line both sides of Ilalo Street. Curb cuts, driveways, or service areas will be limited to maintain continuity of the sidewalks. Side streets will have narrower sidewalks with street trees planted in tree wells at the curb.

4.4.2 Open Space

Each development within the Makai Area is required to provide open space, and the Conceptual Master Plan even did identify a vision for a "park-like" landscaped setting with ample room for passive enjoyment. In order to be a successful component of the pedestrian environment, however, it is important that such open space be safe, attractive, and useful. Arcades are also viewed as a complement to open space. Special incentives are provided in the Makai Area Rules to substitute arcades for required open space.

Open space that is merely the result of an increased setback or an amorphously shaped field is not desirable. In order to feel safe, open space must have clear edges and boundaries, preferably lined with active ground floor uses. Incentives will also be provided in the Makai Area Rules to achieve well-proportioned open space.

5.0 INFRASTRUCTURE SYSTEMS

For the most part, the existing infrastructure in the Makai Area is inadequate to support any sizable development and, before new developments can occur, it must be improved. All existing infrastructure systems in the Makai Area are proposed to be upgraded to meet the maximum potential demands and will be coordinated with the broader region, including the Mauka Area.

Prior to the initiation of any new development, the utilities expected to serve it will have adequate capacities to meet the needs and demands to be generated. All utilities will be designed in accordance with appropriate City and County and utility company standards and established engineering principles. Infrastructure plans are presented as concepts in order to understand the magnitude of costs needed. Final design will be based on subsequent detailed engineering analyses.

Roadways, water, wastewater, drainage, street lighting and traffic signalization systems are generally maintained and operated by public agencies while power and communication systems are maintained and operated by privately-run public utility companies.

5.1 Water Supply System

To meet water demands expected from proposed land use activities, the water system will be upgraded in accordance with the standards of the City Board of Water Supply. Developers will be encouraged to consult with the Board of Water Supply on ways to reduce fresh water consumption. In addition, HCDA will explore the potential for alternative water systems, such as a non-potable source for irrigation purposes, thereby reducing water requirements.

5.2 Power

The electrical power utilities serving Kakaʻako are privately owned by HECO. All overhead lines will be placed underground in concrete ductlines. Design of the improvements will conform to the standards of the utility company that owns the system. Construction of proposed underground power and communication lines on Ala Moana Boulevard will be accomplished as a Mauka Area project, and the cost to underground existing overhead utilities will be assessed to adjoining Makai Area properties in accordance with improvement district rules.

In the event that demands within the Makai Area warrant it, a new substation (funded by HECO) may be required to meet projected power requirements. HECO's policy is to increase system service capacity only when the need arises or when future loads can be anticipated with reasonable certainty. HCDA will coordinate the timing and location of the substation with HECO.

Costs for modifications to existing substations and costs associated with adding and extending lines from the substation due to increase in loads are to be paid by HECO. The existing overhead and underground facilities that are in conflict with the Plan will be removed or relocated to conform to the new layout. New construction cost will be shared for conduits and other appurtenances to relocate existing overhead facilities to new underground systems within the public rights-of-way. The funding will be shared between the government, HECO, and the property owner or developer. The property owner or developer will be responsible for HECO's service charges to individual lots. Developers will be encouraged to consult with HECO on energy saving design.

5.3 Support Services

Police and Fire

Police protection services are provided by the Honolulu Police Department. The Makai Area is located within the Metropolitan Police District 1 which extends from Hawaii Kai to Pearl City. District 1 headquarters is located on Beretania Street between Halemakai and Alapai Streets. Fire service is provided through the Honolulu Fire Department's Kaka'ako, Pawaa, and Central Stations.

Medical Services

Major medical services in the vicinity of Kaka'ako include Queen's Medical Center located on Punchbowl Street, Straub Clinic and Hospital located on King Street and Ward Avenue, and the Kaiser Permanente Medical Center's Honolulu Clinic on Pensacola Street. The proximity of these major medical facilities indicates that adequate medical service will be available.

5.4 Kewalo Basin Harbor Infrastructure

The bulkhead and wharf along the Ewa side of Kewalo Basin harbor in front of the Cannery parcel are in disrepair. Necessary repairs to the bulkhead are estimated at $65 million, while the wharf would cost another $25 million.

6.0 MAKAI AREA FINANCIAL PROGRAM

6.1 Economic Development

The Makai Area of Kaka'ako has the potential to generate tremendous public benefits for the community. The land is largely owned by the State, it contains substantial ocean frontage, and is centrally located between downtown Honolulu and Waikiki. While the overriding vision is to create an active, people-oriented place with generous public amenities, it is also important to recognize the potential of the Makai Area to contribute to economic development by facilitating the growth of new businesses and jobs.

The Makai Area must be seen as an opportunity to lead the State in new economic directions. A total of 5.7 of the 7.5 million square feet of building area allowed in the Makai Area is allocated to State-owned lands. This represents a considerable amount of building space to be absorbed. Development of these lands will require a public/private partnership that combines the resources, creativity, and expertise of both to determine the appropriate new uses for the available building density and to optimize economic development.

In order to implement the Makai Area Plan and to attract the requisite private development, substantial initial expenditures will need to be made by the public sector. The expenditures will be for infrastructure and public facilities that make it possible for private development to

follow. Development of new roads and utilities at the interior of the Makai Area will allow land use densities to be increased; development of public facilities, such as parks and waterfront promenades, will attract private development to adjacent parcels. The result will be increased economic activity, increased rent revenues to the State, and increased tax revenues to both the State and county.

6.2 Public Costs

Considerable public expenditure has already occurred in the Makai Area, principally for park construction and infrastructure improvements.

6.3 Public Returns

The direct return to the State on public expenditures in the Makai Area includes increased ground rents, development fees, and excise taxes. There are also considerable indirect returns that are more difficult to measure, such as job creation, public amenities, and recreation opportunities. Unlike traditional development projects, it is difficult to weigh public investment against returns or investment. Nevertheless, it may be helpful to review the relationship of public construction costs and increased ground rent.

Rents can be anticipated from retail, restaurants, commercial, entertainment, and office space. The major public attractions, however, are expected to pay only nominal rents, and the park and public parking garages are not expected to carry their cost of maintenance and debt. DOT-Harbors will continue to receive rents from piers, wharves, and the Fort Armstrong area in exchange for managing the maritime activities in those areas.

6.4 Public Financing Alternatives

To the extent that HCDA may not be able to capture and pledge a predictable and established revenue flow for a bond issue, or use special assessment bonds, it must rely on State general obligation bond funding, pay-as-you-go financing from project area revenue flows, and/or private funds to pay for public improvements. To reduce dependency on general obligation bond financing, several options are possible:

- Coordinating with the City and County with respect to sharing the increment of increased property tax revenues from the planning area.

- Utilizing ground lease rentals for the following purposes: pay-as-you-go financing (thereby reducing future bonding requirements); broadening the revenue base of a public agency with existing bonding capabilities; or reimbursing a revolving fund, if one is established.

- Adopting legislation to increase the flexibility of levying special assessments or special taxes on the basis of more general benefit.

Pursuing the alternatives listed above will not completely eliminate the need for general obligation bond financing. However, HCDA may eventually be able to limit the use of

general obligation bonds to those facilities which provide a more regional benefit, such as parks, or which have no other financing alternative.

6.5 Cost/Benefit

In spite of the fact that new development in the Makai Area requires relocation and upfront costs, such as infrastructure improvements, the long-term benefits are substantial. Construction expenditures for infrastructure and other development and public amenities translate into significant construction jobs. The shift from large, land-intensive uses to more productive development brings with it a dramatic increase in permanent jobs supported by the land. In addition to the direct economic benefits, development provides an opportunity to attract new, diversified markets to Honolulu and to build an outstanding public environment with parks and open space. The land value is potentially tremendous, the site is ideally suited for the proposed new use, and the area can act as a catalyst for the development of urban Honolulu and the State economy in the 21st century.

7.0 PUBLIC FACILITIES PLAN

Chapter 206E, Hawaii Revised Statutes, mandates that ". . . Public facilities within the district shall be planned, located and developed so as to support the redevelopment policies for the district . . . ." Therefore, to implement the redevelopment policies of the Makai Area Plan, a broad range of public facilities will be necessary.

The public facilities necessary to implement the redevelopment policies of the Makai Area Plan are detailed in the Transportation Systems, Urban Design and Infrastructure sections of the Plan. Public facilities by definition include streets, utility and service corridors, utility lines, sites for schools, parks, parking garage, sidewalks, pedestrianways, community facilities, public highways, storm drainage systems, water systems, street lighting systems, off-street parking facilities and sanitary sewerage systems.

The Public Facilities Plan anticipates providing for such public facilities through the following means:

- The district-wide improvement or "Improvement District" program. The Improvement District program provides a method whereby public facilities development costs are shared among government, private property owners, and public utilities that receive special benefits from such public facilities. This funding mechanism may be used for all public facilities, although its focus has traditionally been on transportation systems and infrastructure.

- Government-funded construction of public facilities. Direct funding of certain public facilities by government can be provided through several means including the State of Hawaii's Capital Improvement Program, public facilities revenue bonds issued by HCDA, and/or rental revenues generated through property leasing by HCDA. These funding mechanisms are intended to provide for major parks and public activity areas, and other public facilities that generate direct revenues to support bond financing.

- Assessment of developers for the costs of certain public facilities that have a direct relationship or benefit to such new development. Chapter 206E-12, Hawaii Revised Statutes, mandates that ". . . The authority shall establish rules requiring dedication for public facilities of land or facilities, or cash payments in lieu thereof, by developers as a condition of development . . . ." This funding mechanism is intended to provide for public facilities needs that are generated by new development as established by the policies of the Makai Area Plan. These public facilities may include certain improvements to parks, public plazas and walkways, public activity areas and public parking.

- Private development of public facilities through development rules and incentives. Development rules and incentives that provide for certain public facilities include provisions regulating urban design, public open space and activity areas, arcades and pedestrianways.

In order to achieve the objectives of the Public Facilities Plan, the redevelopment policies of the Makai Area Plan as detailed in the Transportation Systems, Urban Design and Infrastructure sections and the means discussed above to provide for public facilities shall serve as a guide for implementation of the Public Facilities Plan. All agencies of the State of Hawaii or county shall consult with the Authority at the project planning stage prior to the construction, renovation or improvement of any public facility within the Makai Area.

8.0 IMPLEMENTATION

8.1 Relocation

The size and nature of relocation services and payments are regulated by HCDA in accordance with Chapter 15-24, Hawaii Administrative Rules. Guiding principles are summarized below:

- Minimize disruption caused by redevelopment.
- Ensure that businesses are, to the extent possible, properly relocated before permitting displacement by new development.
- Minimize or ameliorate serious negative impacts on displacees, such as loss of employment, business, or monetary losses.
- Provide counseling, information and referral services to displacees affected by private sector actions, induced or stimulated by governmental planning decisions.

8.2 Project Implementation

There are several types of projects that will be implemented in the Makai Area. All projects will be coordinated so that the sequence of development is logical and that the public benefits are balanced with private development activity.

8.2.1 Infrastructure

Infrastructure will be developed according to methods previously used in the Kakaʻako Community Development District for Improvement District construction. Improvements to the infrastructure will be undertaken in increments that are cost-efficient, on a scale large enough to be of significant benefit to the properties they serve. All infrastructure improvements will be coordinated to minimize disruptions to the area. For example, the construction of a roadway segment also will include the construction of drainage, wastewater, water, and other improvements required along the roadway. New development will follow the upgraded infrastructure.

8.2.2 Privately Initiated Projects for the Public

A number of projects that will benefit the public are anticipated to be initiated by community non-profit organizations. Appropriate proposals for cultural and educational uses will be reviewed and supported by HCDA as possible in order to increase the public activities available in the Makai Area. Funding for these projects is assumed to be from private sources, but may also include governmental support where deemed appropriate.

8.2.3 Public and Private Development Projects

Construction of private development projects on private land are required to conform to appropriate Makai Area Plan and Rules, and will require HCDA approval.

Projects that are privately financed and developed on public lands are likely to include the following steps:

- Solicitation of Interest and Qualifications. Projects are announced publicly with attendant requests for expressions of interest which describe planned public improvements, types of private developers sought, and development schedules. Qualified respondents are then sent a request for qualifications, asking them to describe the project team, their relevant experience and their financial strategy.

- Request for Proposals. After further evaluation, a request for proposals (RFP) is issued. While requirements for proposals vary, the most successful include a detailed program, a conceptual design, proposed terms, and a financial statement.

- Proposal Review. Proposals are then reviewed, and a developer is selected pending agreement on final terms and conditions. Fulfillment of pre-construction conditions will then secure a lease for the property, and construction can begin.

Private projects developed on public lands are also required to conform to the Makai Area Plan and Rules.

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The Makai Area Plan was adopted on _____, following a public hearing held on _____, after public notice was given in the Honolulu Star-Advertiser, West Hawaii Today, Hawaii Tribune-Herald, The Maui News, and The Garden Island, on _____.

This plan shall take effect upon approval.

CHASON ISHII
Chairperson
Hawaii Community Development Authority

JAMES TOKIOKA
Director
Department of Business, Economic Development & Tourism

APPROVED AS TO FORM:

Deputy Attorney General

JOSH GREEN, M.D.
Governor
State of Hawaii

Date: