

## FOR ACTION

### I. REQUEST

Consider Authorizing the Executive Director to 1) Execute a Purchase and Sale Agreement with Block G Ward Village, LLC (“VWL”) or a Designee for the parcels located at 952 Kawaiahao Street and 955 Waimanu Street, Honolulu, HI 96813, Described by Oahu Tax Map Key Nos. 2-3-003:065 and 093 (collectively “Block P-2”) at a Purchase Price of \$6,000,000, Plus HCDA Giving VWL Industrial Floor Area Credit in the Amount of \$8,757.72 square feet of industrial floor area, and Other Customary and Standard Terms and Conditions Applicable to Commercial Real Estate Acquisitions, and 2) Do Any and All Things Necessary to Complete the Purchase Transaction, Provided that the Executive Director is Satisfied with the Due Diligence for the Parcels.

### II. BACKGROUND

The 2023-2025 Capital and Operating Budget for the State of Hawaii, Act 230, (SLH 2024), appropriated \$5,000,000 to HCDA, as further described below (the “Appropriation”):

#### **Community Facility in the Kakaako Community District**

#### **Plans, Design, and Construction for a Community Facility to House Social Programs and Community Activities in the Kakaako Community Development District, Kakaako, Oahu**

The intent of the Appropriation was for HCDA to find a location for a community facility that serves the Kakaako community development district. Community facilities are an important part of building a community.

One of the Agency’s one-year goals is to “plan, design, and construct [a] new community facility in Mother Waldron Park”. See, June 5, 2024 HCDA Strategic Plan. Initially, we thought that a community facility could be planned, designed, and built at Mother Waldron Park using the Appropriation.

The feasibility of planning, designing, and constructing a facility at Mother Waldron was examined internally. It was determined to be infeasible for many reasons, including: timeframe, infringing on park open space, historic preservation considerations, and compatibility with surrounding uses.

The Block P-2 parcels and the improvements thereon became available for purchase. Block P-2 is owned by Block G Ward Village LLC, a wholly owned subsidiary of Victoria Ward, Ltd. Block P-2 consists of two approximately 10,000 square foot parcels

and an approximately 6,800 square foot industrial building; the building is currently occupied by a tenant.

### **III. DISCUSSION**

The appraisal determined fair market value of the Block P-2 parcels is \$7,500,000. HCDA retained Timeless Appraisal Partners, an independent appraiser, to determine the fair market value of the Block P-2 parcels.

HCDA and VWL, however, negotiated and agreed to a purchase price of \$6,000,000, plus non-cash consideration of 8,757.72 square feet of industrial floor area credit, and other standard and customary terms for an acquisition, subject to approval by HCDA's Kakaako board. See, Victoria Ward, Ltd.'s Letter dated March 19, 2025, attached hereto as Exhibit "A".

The kind of community facility that staff is contemplating to occupy the Block P-2 parcels and the industrial building is the organization called, "Honolulu Kupuna Shed". Known formerly as "Men's Shed", the organization had its roots in Australia in the late 1990s as a way to improve the health and well-being of older men by providing a community space for interaction, skill sharing, and community engagement. The movement has grown worldwide and in the United States. The Honolulu Kupuna Shed is open to men and women of all ages. The activities and contributions of The Honolulu Kupuna Shed is described in its 2024 Annual Report and is attached hereto as Exhibit "B".

Staff would like to locate, in the near term, the Honolulu Kupuna Shed in the industrial building space on a triple-net basis at a nominal rent. The Honolulu Kupuna Shed is fundraising, increasing dues, and seeking grant funds to support their operations and especially, to support their anticipated lease obligations.

In the longer term, staff would like to develop an affordable housing project on the Block P-2 site with Honolulu Kupuna Shed occupying and activating ground floor space. Especially if the affordable housing project is targeted to the elderly, the mission of Honolulu Kupuna Shed could have synergies with the residential component of the project.

The Honolulu Kupuna Shed is actively seeking new members. Since moving to Kakaako in 2024, their membership has increased from approximately 120 to 176 members. Of their 176 members, about 36 live in the Kakaako and Downtown areas, indicating the level of interest in a community facility such as this one among Kakaako and Downtown residents.

### **IV. RECOMMENDATION**

It is recommended that the Board Authorize the Executive Director to 1) Execute a Purchase and Sale Agreement with Block G Ward Village, LLC ("VWL") or a Designee for the parcels located at 952 Kawaiahao Street and 955 Waimanu Street, Honolulu, HI

96813, Described by Oahu Tax Map Key Nos. 2-3-003:065 and 093 (collectively “Block P-2”) at a Purchase Price of \$6,000,000, Plus HCDA Giving VWL Industrial Floor Area Credit in the Amount of 8,757.72 square feet of industrial floor area, and Other Customary and Standard Terms and Conditions Applicable to Commercial Real Estate Acquisitions, and 2) Do Any and All Things Necessary to Complete the Purchase Transaction, Provided that the Executive Director is Satisfied with the Due Diligence for the Parcels.

Attachments: Exhibit A: VWL Letter dated March 19, 2025  
Exhibit B: Honolulu Kupuna Shed 2024 Annual Report

Prepared By: Craig K. Nakamoto, Executive Director *Craig K. Nakamoto*

Reviewed By: Garet Sasaki, Chief Financial Officer *Garet Sasaki*



# WARD VILLAGE

HONOLULU, HI

March 19, 2025

Mr. Craig K. Nakamoto  
Executive Director  
Hawai'i Community Development Authority  
547 Queen Street  
Honolulu, Hawai'i 96813

Re: Proposed Block P-2 (TMK: 2-3-003-065 and 2-3-003-093) Transaction

Dear Mr. Nakamoto:

On behalf of Block G Ward Village, LLC ("Block G Ward Village") (a wholly owned subsidiary of Victoria Ward, Ltd. ("VWL")), thank you for the discussions regarding the proposed sale of the real property and related improvements located at 955 Waimanu Street, Honolulu, Hawai'i 96814, TMK: 2-3-003-065 and 2-3-003-093 ("Block P-2") of Ward Village to the Hawai'i Community Development Authority ("HCDA"). Block G Ward Village is pleased to be able to work with HCDA to obtain approval of a mutually-agreeable transaction that will result in additional affordable housing in Kaka'ako.

Block G Ward Village takes this opportunity to briefly summarize the parties' discussions and its current understanding of the principal material terms of a proposed purchase and sale agreement for Block P-2 (the "PSA") as follows:

1. The fee simple conveyance of Block P-2 from Block G Ward Village to HCDA for HCDA's development of affordable housing.
2. The payment of \$6 million in cash from HCDA to Block G Ward Village.
3. Excluded from the sale of Block P-2 shall be 8,758 square feet of industrial floor area for Block P-2 incorporated into the Industrial Floor Area Accounting (and calculations and terms related thereto) for all purposes pursuant to the Amended and Restated Master Plan Development Agreement for the Ward Neighborhood Master Plan effective January 13, 2025. The 8,758 square feet is based on the HCDA building floor area for the warehouse currently on the parcel (which was constructed, and may be used in the future, for industrial use) as follows:

Floor 1:	6,869.17 sf
Floor 2:	2,584.42 sf
Restricted headroom:	-695.87 sf
Total HCDA Building Floor Area:	8,757.72 sf

4. Excluding the cost of the property appraisal, HCDA and Block G Ward Village shall share equally in the remaining due diligence costs, including the property condition report, ALTA survey / report, and the phase 1 environmental site assessment. Block G Ward Village shall coordinate the preparation of, and provide to HCDA, the foregoing three reports.

5. Standard and customary representations, warranties, conditions, terms, and agreements for transactions of this nature, and other terms and conditions mutually agreed to by the parties in writing. The parties currently anticipate a closing date of on or about August 1, 2025.

Please let us know if the foregoing summary of the parties' discussions and principal material terms is inconsistent with your understanding. This letter serves solely as a summary of the discussions held and the principal terms outlined between the parties to date on the proposed transaction. It is intended for informational purposes only and shall not be construed as a binding agreement, nor an offer or obligation by any party for any purpose. No binding obligation or agreement shall be deemed to exist between the parties unless and until a formal PSA is duly executed by all parties, which shall replace and supersede all prior discussions and terms, both oral and written, related to this proposed transaction.

Thank you again for the opportunity to work with HCDA on this matter, and we look forward to finalizing the transaction for the benefit of future residents of Kaka'ako.

Sincerely,

Block G Ward Village, LLC

By: \_\_\_\_\_

  
Doug Johnstone  
Vice President

## 2024 Financial Summary

Sources of Funds	2024
Membership fees	\$17,019
Bicycle sales/services	\$20,396
Product sales	\$8,857
Cash Donations	\$1,704
Wood sales	\$3,430
Other income	\$1,138
<b>Total Income</b>	<b>\$52,545</b>

Uses of Funds	2024
Professional services	\$11,703
Utilities	\$9,160
Moving expenses	\$10,000
Supplies	\$8,279
Insurance, taxes & licenses	\$6,733
Office supplies & software	\$2,147
Advertising & marketing	\$1,128
Equipment/building maintenance	\$983
Other expenses	\$2,851
<b>Total Expenses</b>	<b>\$52,984</b>

Net Operating Income	2024
Net of Sources & Uses	-\$439
Account Balances	
2023 Ending Balance	\$57,225
2024 Net operating income	-\$439
Atherton Grant expenditures	-\$10,751
<b>2024 Ending Balance</b>	<b>\$46,035</b>



## Mission

*To provide a location for seniors (kūpuna) to find companionship, well-being, and purpose in retirement, to share experiences, and work on projects to be donated to the community.*



## Annual Report 2024



**Honolulu Kūpuna Shed 2024 Board of Directors**  
 Bob Speer (President), Jim Maskrey (Vice President), Nam Vu (Treasurer),  
 Bill Chismar (Secretary), Rick Hobson, Lori McCarney, Tim O'Donnell,  
 Colin Porner, Frank Smith, Jeff Stephanic, Keith Zeilinger

## President's Message

2024 was an exceptionally successful year for the Shed due to the contributions of so many. We started the year by moving to Lana Lane, making major renovations to allow for a safe, inviting environment. Our success was evident by our 50% growth in membership, a tripling of participation in Shed activities and projects.

As the year progressed, we participated in two Honolulu Night Markets in Kaka'ako, the Mayor's Craft & Country Fair and the Downtown Arts Center Holiday Extravaganza. As noted on the next page, we completed a record number of community projects and had a record number of bicycle sales.

Looking ahead, in 2025 we face two significant challenges.

1. In May we must move out of our Lana Lane location. Accordingly, we must find a new location, preferably for 3 years. Then we need to pack up, move and setup operations at the new location.
2. We need to plan for the Shed's longer term future. This involves finding a permanent location and developing a plan to keep the Shed financially self-supporting.

Aloha,  
Bob Speer



## Move to Lana Lane

On January 20th, after months of hard work, our move to Lana Lane culminated in a grand opening with a blessing and party!



With the reopening, to improve safety we instituted two-tiered required machine safety training and a shop supervisor procedure, and installed a shop-wide dust collection system.

The new location facilitated our receiving donations of machinery, which significantly upgrade the shop, including a new CNC machine, and donations of wood, which greatly expanded our inventory. We also started a monthly *Personal Enrichment Seminar Series* to facilitate discussions on topics of interest to our members.



## 2024 Highlights

### Community Projects

Driven by a grant from the Atherton Foundation, 2024 was a record year for community projects. Members generously contributed their time to make items donated to local community organizations, including benches, picture frames, potting tables, a potting shed, picnic tables, picket fences, a reading tree, and conference tables.



Organizations served in 2024 include:

- DoE Honolulu District Plant Nursery
- Hawai'i Agricultural Research Center
- Leeward Community Church
- Lanakila Senior Center
- Liliha Public Library's Children's Section
- Mō'ili'ili Japanese Cemetery
- Multiple elementary schools
- Pearl City High School Community Garden
- Surfrider Foundation
- Tripler VA Community Living Center
- UH Urban Garden Center
- Waikikī Community Center



### Classes

Opportunities to learn new skills are in high demand by our members. After completing our move, in 2024 classes were offered in a variety of areas, including our first jewelry making class. The following is a sample of the classes offered:

- Charcuterie boards
- End-grain cutting boards
- Laser cutting and engraving
- CNC trays
- CNC inlays
- Bowl turning
- Jewelry wire work & wrapping

