

SUMMARY - MEETING NO. 288  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

October 6, 2004 – 9:00 a.m.

Hawaii Community Development Authority  
677 Ala Moana Boulevard, Suite 1000, Conference Room  
Honolulu, Hawaii 96813

ATTENDANCE

Members Present: Barry Fukunaga (for Rodney Haraga); Michael Goshi; Paul Kimura; James Kometani; Gary Kondo; Jonathan Lai; Theodore Liu; Stanley Shiraki (for Georgina K. Kawamura); Katherine Thomason (for Russ Saito); Warren Wegesend, Jr.

Kalaeloa Members: William Aila, Jr.; Eric Crispin; Evelyn Souza; and Maeda Timson

Members Absent: Allan Los Banos; and Micah Kane

Others Present: Daniel Dinell; Melvin Nishimoto; Teney Takahashi; Cal Machida; Matthew Akamu; Neal Imada; Chris Kempner; Miko Dargitz-Hallett; Stanton Enomoto; Susan Tamura; and Jill Sugihara (also, see Meeting Attendance Record).

I. ROLL CALL

The meeting of the Hawaii Community Development Authority (HCDA) was called to order on October 6, 2004, by Chairperson James Kometani at 9:03 a.m. with the following roll call:

Chairperson Kometani	Present
Member Fukunaga	Present, Left at 12:30 p.m.
Member Goshi	Present
Member Kimura	Present
Member Kondo	Present, Left at 10:35 a.m.
Member Lai	Present, Arrived at 9:07 a.m., Left at 12:30 p.m.
Member Liu	Present, Arrived at 9:13 a.m.

Member Shiraki	Present, Arrived at 9:07 a.m.
Member Thomason	Present
Member Wegesend	Present
Member Aila	Present, Left at 9:55 a.m.
Member Crispin	Present, Arrived at 9:17 a.m.
Member Souza	Present, Left at 9:55 a.m.
Member Timson	Present, Arrived at 9:07 a.m., Left at 9:55 a.m.

## MATERIALS DISTRIBUTED

1. Agenda for October 6, 2004 Meeting;
2. Summary Minutes of Regular Meeting of September 1, 2004;
3. Summary Minutes of Workshop of September 24, 2004;
4. Report of the Executive Director;
5. Kalaeloa Status Report;
6. Ward Centre Auahi Street Retail Shops Project Proposed by Victoria Ward, Limited Informational Item;
7. 909 Kapiolani Planned Development Project Proposed by POSEC Hawaii, Inc. Informational Item;
8. Presentation of Public Storage Project;
9. Third Amendment to the Agreement for Exclusive Negotiations Between HCDA and University of Hawaii;
10. Kapolei Magazine; and
11. Public Storage PowerPoint Handout.

## II. APPROVAL OF MINUTES

### 1. Minutes and Summary

Chairperson Kometani asked if Members had any corrections to the minutes of the September 1, 2004 meeting and summary of the September 24, 2004 workshop. There were no corrections and it was moved by Member Kondo and seconded by Member Souza that the minutes of the regular meeting of September 1, 2004, and summary of the workshop of September 24, 2004, be approved. The motion passed 12 to 0 with 2 excused (Members Liu and Crispin).

### III. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Dinell noted that the Executive Director's report was enclosed in the packet distributed to the Authority Members and reported on the following additional items:

- Mr. Dinell noted that the revised HCDA bylaws were included in the Authority packets and that they should be inserted into their binders.
- Mr. Dinell thanked all the members for participating in the Workshop, held on September 24, 2004. As a follow up to the Workshop, staff decided that it would be a useful reminder to post the vision and mission for the Kakaako Community Development District in the conference room. Based on Members' input, the vision statement was slightly expanded by acknowledging that Kakaako should not only be the most desirable urban place, but a sustainable one as well. Relative to the mission, a line was added including "be sensitive to and support existing businesses and residents." These posters were made internally by Cal Machida and Mr. Dinell stated that staff hopes that they will provide the Members, the public, and applicants with a visible reminder of HCDA's strategic direction and serve as a guide in the Authority's decision making process. The pictures have been chosen to illustrate the text.
- Notices of ID-11 assessments were sent to landowners and tenants via certified mail on Monday, October 4, 2004. A public hearing is scheduled at the Authority's November 3, 2004 meeting. Public Informational meetings are scheduled for October 14, 2004, in the afternoon and evening to allow property owners to discuss the project with staff. Mr. Dinell reported that the median dollar assessment for those 25 parcels using the Original Method was \$113,797; the Final assessment with the cost cap has a median of \$49,705 or \$400 a month if financed for 20 years at 7.5 percent interest.
- Mr. Dinell reported that he, Member Liu and Teney Takahashi attended the University of Hawaii Board of Regents meeting where its Kakaako subcommittee report was presented. The objective of the task force was to: 1) identify key academic, financial and operational issues related to the John A. Burns School of Medicine (JABSOM) and the Kakaako Biomedical Complex; 2) determine appropriate form of governance and reporting; and 3) develop a process to respond to development inquiries.

There were seven recommendations presented. The key recommendation pertaining to HCDA, was the idea of a system-wide Vice-President for Health Sciences reporting directly to the UH President. JABSOM, the Cancer Research Center (CRC) and the Pacific Basin Research Center (PBRC) all would report to this person who would become the point of contact for all UH development

projects in the health sciences arena. There was acknowledgement that strong collaboration and communication is necessary to turn JABSOM from a mere building into a complete life sciences contributor to our economy.

Chairperson Kometani asked if there were any questions for the Executive Director. There were none.

#### IV. ITEMS FOR INFORMATION

##### A. Kalaeloa Status Report and Informational Presentation on the History and Future Planning of Kalaeloa

Director of Planning and Development for Kalaeloa Stanton Enomoto presented the status report.

Mr. Enomoto presented the overview and history of Kalaeloa located in Ewa which is currently surrounded by industrial businesses and residential users.

The early Hawaiian use of Kalaeloa dates back to the 1400's. It was located within the ahupuaa of Honouliuli, an area rich in traditional history and cultural significance. There are references in myths to places in the area with symbolism relating to renewal and life.

In 1877, James Campbell purchased 12,000 acres of the Ewa plain. The area was used for some sisal cultivation and not typically used heavily for sugar cultivation. Since then, Kalaeloa has remained relatively undeveloped.

The military history started in the 1930s with the leasing of 3,000 square feet for stationing an air ship into the 1940s. With the attack on Pearl Harbor, the military presence increased and in 1942 the former Barbers Point Naval Air Station was commissioned. Since that time through the 1990s, it was used primarily for anti-submarine warfare and airborne early warning squadrons, providing support in the Korean War, the Vietnam War and the Cold War. It served as a base for the US Coast Guard, a function that still remains.

In 1993, the base was placed on the Base Realignment and Closure (BRAC) list, and in 1999 it was officially closed. In the early 1990s the Barbers Point Naval Air Station Redevelopment Commission was created by the State to oversee the transition of the closure and return of the former base to the community. The Commission completed its redevelopment plan in 1997, which has subsequently been amended several times. In 2002, the Commission sunsetted and its responsibilities were transferred to HCDA.

HCDA was charged through Act 184 of the 2002 Legislative Session to complete pending conveyances, implementing the reuse plan, and begin economic development of the area, as well as protect the area's natural and cultural resources. Act 184 established the Kalaeloa Community Development District and incorporated development guidance policies which are established by statute. According to the development guidance policy, Kalaeloa needs to be redeveloped in a manner that is consistent or in accordance with the community redevelopment plan. The development guidance policy requires the promotion of economic development and employment; allows HCDA to engage in planning and construction within and outside the district; and acknowledges that planning and development are public uses and therefore public funds can be used and private property can be acquired. It also highlights the significance of cultural sites and endangered species and requires that they be preserved and protected.

The Kalaeloa Community Development District encompasses approximately 3,700 acres, about 1,051 of which have been retained by the Navy, 1,334 acres which have been conveyed, 838 acres which are pending conveyance, and 281 acres which remain unallocated.

Mr. Enomoto pointed out that the Redevelopment Plan may be amended as changes occur on the site and as times change. Issues that are currently affecting the plan are: possible stationing of an aircraft carrier airwing at Kalaeloa; impending change in City administration; deteriorating infrastructure; on-going surrounding development; and the fact that 43 percent of intended conveyances are still pending.

Given the changing conditions and variables, staff is looking at making amendments to the Redevelopment Plan. The process would require public hearings and input, concurrence by the Navy and approval of the Governor. In that regard, some of the actions staff is exploring are: 1) establishment of a subcommittee of the Authority members to start strategic planning which would result in an articulated vision and clearly-defined mission for Kalaeloa; 2) integration of land users and community into the planning process; and 3) utilization of the Economic Development Administration (EDA) grant to amend the Redevelopment Plan.

HCDA has secured a \$450,000 EDA grant that must be expended by September 2005. HCDA also received \$450,000 in matching funds from the State Legislature. The grant funding will be utilized to hire a consultant to review the 1993 BRAC conveyance process to determine what opportunities may be available to bring about some economic development, and also to do

the strategic planning. Funds will also be expended for an infrastructure improvement study and development of a Geographic Information System (GIS) for Kalealoa.

HCDA will reinstitute property assessments which are allowed pursuant to HCDA's statute. Although it specifically excludes the federal government, staff is reviewing the applicability to tenants of the federal government. Meanwhile, additional grant funding is being pursued through the EDA with a \$400,000 Comprehensive Economic Development Strategy (CEDS) grant application, and through the US Environmental Protection Agency with a \$50,000 smart growth grant application.

Mr. Enomoto indicated the operating budget for this year is \$207,000, and includes the hiring of a Project Manager.

Chairperson Kometani asked if there were any questions.

Member Timson commented that she thought it was a comprehensive report. Regarding the amendment of the Redevelopment Plan, she would like to see health and safety issues added as one of the changing conditions. She reported that a family was moving out of Kalaeloa because they had been burglarized, and added that homeless people on the beach are also an issue.

Chairperson Kometani stated that based upon Stanton's report relative to the strategic planning, it became clear during the recent workshop that even with the uncertainty regarding the possible homeporting of an aircraft carrier in Hawaii, it is imperative that a vision and mission for this community development district is set forth. Chairperson Kometani appointed Members Aila, Crispin, Goshi, Kane, Los Banos, Souza, Timson and Wegesend to a subcommittee which would be staffed by Stanton Enomoto to come up with a vision and mission and report back to the Authority.

B. Presentation by Campbell Estate and Horton Homes (formerly Schuler) on Pending City and County of Honolulu Zone Change for Lands Directly Mauka of Kalaeloa Community Development District

Stanton Enomoto introduced Donna Goth from Kapolei Property Development LLC (Campbell Estate) and Bob Gruel, Director of Land Acquisition of DR Horton (Schuler Homes) to make a presentation on their planned development at Kapolei. Mr. Enomoto pointed out that given the project's proximity to Kalaeloa, staff felt that it was appropriate that the

Authority be briefed on this project for informational purposes only. No action is required.

Ms. Goth reported that, in the beginning of the year, both Kapolei Property Development and DR Horton applied to the City for a zoning variance because it gave them an opportunity to look at both zoning variance applications simultaneously.

Responding to a City request for input on the zoning variance application, HCDA sent a letter commenting on vehicular and pedestrian connectivity and the proposed drainage solution.

During the presentation, Ms. Goth indicated that there was a tremendous amount of activity going on. She stated that an estimated \$3 billion has been invested in the region so far. In the City of Kapolei, Kapolei Property Development has completed or has contracted to build 2 million square feet of office or retail space. In its zoning variance application, an additional 2 million square feet is identified.

Since Campbell Estate is not involved in developing residential units, DR Horton/Schuler Homes was contracted to develop the Mehana project. Its zoning variance application includes: the Mehana property in the City of Kapolei (zoned BMX3 commercial and residential), land at the corner of Fort Barrette Road and Makakilo Drive, and land across the street from the Hawaiian Waters Adventure Park. Kapolei Property's application represents 207 acres for office, retail and residential.

Mr. Gruel stated that the Mehana project comprises a total of 134 acres. The lands, currently zoned AG-2, would be rezoned to support the development of 1,150 single/multi-family homes which will be targeted to first time buyers. Mr. Gruel said he expects 30 percent of those units to be offered as affordable housing units.

Mr. Gruel said the main features of the development include a new 12 acre elementary school site and a public park (Kapolei Green) featuring a ball field, playground, picnic area, and onsite parking, which is adjacent to the proposed commercial center. The center is zoned BMX3 because it is commercial but it is mainly meant to offer small neighborhood conveniences for the residents in the area. There will be a homeowners association, a planned community center with a pool, and an extensive and interconnected system of pedestrian walking and jogging paths that will travel throughout the entire project, unifying the west end to the east end by the civic center, to the east end school,

and then the mauka border along the village walk with the Kapolei Property Development to the north.

Mr. Gruel emphasized that the important part is the connectivity; there are six proposed pedestrian connections to the makai border which will offer people the opportunity to transfer north and south between Kalaeloa and Kapolei. DR Horton will also be extending and completing the City of Kapolei roadway grid which will include improvements to Wakea Street from the mauka border to the makai border of the development, offering a possible connection to Roosevelt Avenue. In the future, Wakea Street will connect to the Kapolei interchange. Fort Barrette Road would connect to the Makakilo interchange, as would Kamokila Boulevard and Kalaeloa Boulevard providing three access points to this interchange.

Ms. Goth stated that the drainage and the village walk were two of the most discussed projects that they worked on with the City's Department of Planning and Permitting (DPP) and both incorporated numerous "smart growth" elements.

Kapolei Property Development was required to do a drainage plan when it completed the zoning application for the original phase of the City of Kapolei. The drainage was approved based on existing city policies and included a typical deep concrete channel. However, the feeling from DPP was that it created a dividing factor between the City of Kapolei and Kalaeloa which didn't contribute to creating the feeling that all the various developments are of the same community.

As a result, the applicants redesigned the drainage into a broad, shallow grass-lined channel with landscaping providing the opportunity for connectivity between Kalaeloa, the Mehana project and the City of Kapolei. The grass-lined linear park-like drainage would extend along the makai boundary and include bicycle paths, pedestrian and vehicular connections.

Member Timson commented that she also serves as Chair of the Makakilo/Kapolei/Honokai Hale Neighborhood Board which has also been working very closely with both the Estate of James Campbell and DR Horton on this project, and passed a resolution approving the project. She noted that these developers have been in the community for quite a while; they have been collaboratively working with the community on different projects; and they have always kept the community informed of any changes. Member Timson commended them for doing a good job in helping to make Kalaeloa a part of the community.

Member Souza agreed with Member Timson. She also stated that it was the first time that she had heard about plans for an elementary school. She asked how many homes are being built around the school.

Mr. Gruel responded 1,150 homes.

Member Souza stated that assuming every home had one child that went to that school; whether the school would be overcrowded.

Mr. Gruel responded that the generally-accepted ratio for determining the number of school children is one child per four units. Since the development is geared to first time buyers, there will be single people, newlywed couples, and some older folks, so not every house would have a child.

Ms. Goth added that there is a formula that the Department of Education (DOE) uses. She said that they were discussing adding another elementary school, however, the DOE said that an elementary school already exists in the area; and therefore, asked them to provide an additional middle school instead, between Koolina and the City of Kapolei.

Mr. Gruel said that DR Horton is working in partnership with Campbell Estate to provide the land for the school, which is in DOE's valuation, would be worth about \$1.2 million. DR Horton will also pay its fair share for construction of the school, which is currently estimated to be about \$2 million.

Member Souza commented that the drainage solution was wonderful and asked how much water it is expected to drain.

Ms. Goth said that it is supposed to handle a 100-year flood. DR Horton had its engineer redesign the original drain to handle the requirements based on City standards.

Member Souza asked whether it would overflow to surrounding areas.

Member Crispin commended DR Horton and Campbell Estate for working in collaboration to create a cutting-edge design. The old mindset was for the water to drain as quickly as possible into a concrete-lined channel to get the water to the ocean, which creates pollution by washing away the topsoil and dirt. Campbell and DR Horton's engineers have been able to meet the City's criteria through creative thinking. They've solved the drainage requirement through retention basins within the property itself by fixing the grade to create pockets. The park, for example, and other areas within the property can accommodate the retention portion and allow the water to flow in a slow way,

which also helps to recharge the aquifer in that area. Not having a concrete-lined channel allows the seepage to go back into the ground and replenishes the water supply, which is badly needed in that area. Member Crispin said the drainage corridor has the potential of being one long linear park all the way from the Pearl Harbor Historic Trail, to the west and making it into an integrated part of the community.

Member Souza thanked DR Horton for also being active in the schools.

Member Wegesend asked who would retain ownership of the drainage corridor.

Ms. Goth replied that the intent is to dedicate it to the City and County, who would then maintain it.

Mr. Dinell asked if the applicants were going to build the connections across the drainage corridor and how many would be pedestrian and vehicular.

Mr. Gruel responded that there are a total of seven connections, six pedestrian and one vehicular, and they would all be built to the mauka side of DR Horton's property line.

Mr. Dinell asked if the cost of crossing the drainage corridor would then be borne by somebody else.

Ms. Goth responded that when DPP started working with Campbell Estate and DR Horton on the connectivity, they were not just doing it for the application but looking at making the development in the entire region more friendly. DPP asked them to provide the opportunity for connectivity, and that is what they've done.

Chairperson Kometani thanked Kapolei Property Development and DR Horton for their presentation and called a short recess to allow Kalaeloa members to depart, since the remaining agenda items pertained to Kakaako. Members Timson, Souza and Aila departed at 9:55 a.m.

Chairperson Kometani reconvened the meeting at 9:59 a.m. and asked Matthew Akamu to address the next agenda item.

C. Presentation by Victoria Ward on its Modification Request for the Ward Centre Parking Structure Retail

Member Crispin asked Chairperson Kometani for permission to remain at the meeting as Director for the City and County Department of Planning and Permitting. Chairperson Kometani concurred.

Mr. Akamu provided a brief summary and overview of the project to provide background information on a request that will be coming up for public hearing in November.

The project is located on Auahi Street at the site of the Ward Centre parking structure. Victoria Ward will be renovating the existing parking structure into an active pedestrian-friendly environment with shops and seating areas. It will also relocate some shops from the nearby Ward Village Shops into new retail spaces.

The project will add 11,000 square feet of new commercial area by converting 72 parking stalls into retail shops and also building new one story structures at both ends of the parking structure. There will be other improvements such as landscaping along the frontage of the property as well as open outdoor seating areas. The setback of the existing building is approximately 8 feet at the minimum and to about 18 feet at the maximum.

The modification proposal is to reduce the existing front yard from the 8 - 18 feet dimension to 5 – 15 feet.

Mr. Akamu stated that the criteria for approval of the modification are: 1) it should provide flexibility and result in a development that is practically and aesthetically superior to the rigid enforcement of the rules; 2) it should not adversely affect neighboring developments or uses; and 3) it should be consistent with the intent of the Mauka Area Plan.

Mr. Akamu introduced Steven Marlette the architect of the project to provide additional details.

Mr. Marlette stated that Victoria Ward is using this project to solve a couple of existing problems. The first is the issue of connectivity associated with allowing people to exit of the existing parking structure to the other Ward retail shops across Auahi Street without having to walk down the driveways. This modification will solve some of the safety issues by providing an extra pedestrian connection. The project also provides the opportunity to

“extrovert” the retail by bringing street-front retail to Auahi Street to mimic the activity directly across the street at the Ward Village Shops.

In order to create a viable retail environment, Victoria Ward will remove a portion of the first level parking deck which is currently occupied by valet parking. Therefore, no public parking stalls will be lost, only the number of valet parking stalls will be reduced. Two free-standing elements will be added on each end of the parking structure, and are anticipated to house restaurants and various other retail shops.

Currently, the parking structure is non-conforming and because of the geometries of the street, the yard setback varies from 8 feet to 18 feet. In the areas that are being extended, the face of the building will protrude into the yard, reducing the setback to between 5 and 15 feet. The five foot setback occurs only in two spots. Victoria Ward would like to create and emphasize the space between the face of the retail and the street as an urban mall, creating a strong pedestrian environment, playing off of the redevelopment of the Ward Village Shops.

Member Fukunaga asked whether the width of the sidewalk would be adequate for the amount of pedestrian activity that would be generated.

Mr. Marlette answered that the public sidewalk is about seven feet with the minimum dimension to the face of the retail approximately 11 – 12 feet and then goes up to almost 20 feet in width.

Member Crispin commented that it was fantastic to see a retailer, on its own, turning the street back into what hasn't been developed in the United States for about 50 years, which is a Main Street, getting people to actually celebrate the street. With respect to the street width, DPP has been in discussions with Victoria Ward in looking at the overall regional transportation grid and how the street works. DPP is entertaining the possibility of allowing Victoria Ward to narrow Auahi Street by about four feet or so in order to create a wider sidewalk. The Bus Rapid Transit (BRT) line will go through this alignment and there is a possibility of accommodating regional traffic and circulation in a way that might actually work better. Nothing has been finalized or discussed in a serious way, but if anything, DPP is looking at widening the pedestrian sidewalk not widening the street.

Member Fukunaga inquired about where the service delivery was located and the hours of its operation.

Mr. Marlett responded that currently the service delivery for Victoria Ward is on the two sides in a loading area that comes in behind the retail. The retail spaces on the end will be serviced from the back, the retail spaces on the frontage that are 18 feet deep will be serviced from the loading zone on the side and just down the street. Most of the deliveries occur between 6:00 a.m. – 8:00 a.m. before the center opens for business. There is a trolley stop and a BRT stop that has already been constructed in the area with a landing pad for a BRT shelter.

Chairperson Kometani asked if there would be underground utilities.

Mr. Marlette responded affirmatively. He explained that Victoria Ward's engineer is working in conjunction with the Victoria Ward Village Shops redevelopment which will place all of the lines underground. Hokua has an electrical circuit that feeds the Hokua tower through an underground vault that is currently being accessed in the middle of the road. Victoria Ward is going to tap into that process, which allows them to install the transformers that are located there, and at the other end of Ward Centre.

Member Goshi asked if there was a signal for crossing.

Mr. Marlette responded that there is a signal in front of the Starbucks area for crossing. They are expecting to relocate that to match up with the Ward Village Shops project's vehicular entrances and exits.

Member Goshi asked if the City had any plans to provide traffic calming in the street.

Member Crispin responded that the whole circulation pattern is under discussion in the context of the redevelopment of the Ward Village Shops. Part of what makes the crossing of Auahi dangerous is the width and the hook that eventually becomes perpendicular to Ala Moana, DPP is looking at realigning the street so that it becomes a true perpendicular intersection rather than a racing blind corner. Right now the street is wide enough and the radius is such that you can get through it at a high speed but if it becomes a true perpendicular intersection, it allows it to be signalized and allows crossing to happen in conjunction with the crosswalk at that location.

Mr. Dinell commented that this is a perfect time for Members to provide input so that when projects come in for public hearing, issues have been ironed out and staff can direct the projects accordingly.

Member Crispin mentioned that this is a great opportunity for other projects such as Moana Pacific to see projects that are creating street level activity and use it as inspiration for developing their own projects.

Chairperson Kometani thanked Mr. Marlette and announced the next agenda item to be introduced by Matthew Akamu.

D. Presentation by POSEC Hawaii on its Planned Development Application for 909 Kapiolani

Mr. Akamu provided the overview of the project. The project will be located on the corner of Ward Avenue and Kapiolani Boulevard across from the Neal Blaisdell Center. It is called 909 Kapiolani, and will be developed by POSEC Hawaii. It is a mixed use planned development, as well as a joint development between POSEC Hawaii and the Musician's Association, which is located next door.

The 29-story project will consist of residential, commercial and industrial users. There will be 225 residential units, 10,000 square feet of commercial floor area, 12,000 square feet of industrial area and 457 parking stalls. The industrial area is going to be a rehearsal room for a sound studio for the Musician's Association members and guests. The existing Musician's Association building will remain; it is a two story building with parking on the first floor and offices and rehearsal rooms on the second floor. The new rehearsal room will be situated on the ground floor of the new building.

Commercial spaces will be along Kapiolani Boulevard and Ward Avenue as well. They will also have about 7,000 square feet of open space located at the corner of Kapiolani and Ward.

The modification requests a reduction of the Waimanu Street front yard to five feet. POSEC is also requesting encroachments into the Kapiolani view corridor and front yard, and addition of two feet to the podium height. Another modification request is to include storefront overhangs as part of the open space. These are areas that either have eaves over the open space plaza or are parts of the main structure where the open space will be designed with indentations into the building. Finally the applicants are requesting reduction of the size of the loading spaces.

The project team from Durrant/Media Five, Michael Leineweber and Karl Ermanis, was introduced by Mr. Akamu to provide additional details.

Mr. Leineweber stated that the project architects are trying to bring life to Kapiolani Boulevard with the Musician's Association rehearsal space which will activate Kapiolani Boulevard, day and night. With DPP and HCDA's encouragement, they have developed more retail on Kapiolani that will also help to activate the Boulevard and at the same time provide extensive landscaping on Kapiolani and around the corner of Ward. This will help open the building to the street and encourage pedestrian and retail activity along Kapiolani Boulevard.

Mr. Ermanis talked about the design concept of a streetscape open area on Ward and Kapiolani with commercial store fronts. The five story parking structure extends across Kapiolani and Ward. The Musician Hall space will consist of painted textured concrete, metal grillwork with a Hawaiian motif, and a large amount of glass. The glass tower will be green tinted glass from table top to ceiling; from the table top down to the floor will be patterned glass. The storefronts are designed to be as open as possible to encourage for pedestrian traffic.

Willard Loui of Durrant/Media Five talked about the modifications they are requesting, which are basically generated from the narrowness of the trapezoid lot. The modification will help to build a parking structure that is efficient enough for storing cars. Mr. Loui stated that Kapiolani Boulevard is not parallel with Waimanu Street, and therefore the tower will encroach a little over three feet into the Kapiolani view corridor.

Under HCDA Rules, the developer is required to provide 7,300 square feet of open space, and they are 411 square feet short of the requirement. By allowing them to include the areas under the awnings as open space, they will gain a little actual open space and also add another 900 square feet towards the 7,300 square feet requirement. It is difficult for the developer to meet the open space requirement because of the joint development with the Musician's Association, and the fact that its front yard on Kapiolani Boulevard is only 8 feet, making it a non-conforming structure.

Another encroachment that is being requested is the canopy that is over the musician's rehearsal hall. The architects are trying to create continuity with the musician's union building and the musician's rehearsal hall. So they are lining up the edge of the canopy with the 909 building to help provide that continuity and a separate identity for the Musician's Association.

The last modification request is for the reduction of the size of a large loading stall. 909 Kapiolani will have two loading zones, one on the Diamond Head side, and one on the Ewa side. Since the zone at the Diamond Head location

will be shared between the residents and the Musician's Association building, the architects reduced the loading zone by 50 percent from three to two stalls. The zone at the Ewa side of the property will accommodate the delivery vans and small trucks for the commercial and retail spaces, therefore the developers are requesting a modification to reduce the size of the required large loading stall.

Mr. Leineweber further added that the Musician's Association driveway is currently along the Diamond Head end of the road, and there also is an exit on Waimanu Street. They are trying to consolidate the three driveways along Kapiolani Boulevard that are already on the sites, two for POSEC and one for Musician's Association, into one driveway for ingress and egress to be shared by both buildings. They are also proposing to close off the Musician's Association's driveway to Waimanu Street to consolidate access into one driveway for ingress and egress on Waimanu.

Chairperson Kometani asked if there were any questions.

Member Wegesend asked if the traffic pattern on the Kapiolani side would be a two-way.

Mr. Leineweber responded that the driveway will be right turn in and right turn out only.

Chairperson Kometani asked if there was a bus stop there.

Mr. Leineweber replied affirmatively.

Member Wegesend asked if any thought had been given to having the driveway be a one way in and keeping the Musician's Association opening as one way out because of the congestion with the bus stop and it being a busy location across from the Neal Blaisdell Center and Ward Avenue.

Mr. Leineweber responded that they examined that carefully and one of the problems with the existing Musician's Association ingress/egress is that it is only 12 feet wide, and as an ingress/egress, it is tight and dangerous. Part of the advantage to consolidating the three ingresses/egresses, is that one of them is unsafe and consolidating to one adequately wide driveway creates a flow with right turn in and right turn out only. He said that there is one bus stop but one existing curb cut closest to the corner will be removed to move the traffic away from the signalized light intersection and thereby improving the traffic flow and safety by combining three entrances into one.

Member Wegesend asked if they are still allowing the building to outflow onto Kapiolani. He suggested having one way in on Kapiolani Boulevard and exiting out on Waimanu Street.

Mr. Leineweber said that one way in on Kapiolani Boulevard and one way out on Waimanu Street would create a problem. He said that if residents wanted to go in the Diamond Head direction, they would have to come out on Waimanu, which is a privately-owned street and not up to city standards, turn right onto Ward Avenue, which is a non-signalized intersection where the traffic tends to stack up to go mauka on Ward then wait for signal and turn right on Kapiolani. Just getting out of the building would be an ordeal for the residents as opposed to simply turning right on Kapiolani.

Member Wegesend asked if they could keep the Waimanu exit from the Musician's Association open.

Mr. Leineweber said that exit is also substandard, noting it is only one parking stall wide.

Mr. Dinell reiterated the suggestion to get people off of Kapiolani with one way in and have residents and visitors exit on Waimanu. He said if they are headed in the Diamond Head direction they can turn left on Waimanu go down to Kamakee and then turn left to access Kapiolani. Mr. Dinell asked what the result of the traffic consultant study was.

Mr. Dinell also commented that the proposed new tower and the Musician's Association building facades are not going to match. The musician's hall facade is 1950s brick, so it will still look like two separate buildings; usually in a joint development the two projects should have a unifying façade design.

Mr. Leineweber responded that they are joining the buildings with a big translucent two story glass lobby that will take the Musician's Association offices and create an active public space in between. He said it would be difficult to make the project absolutely seamless because the 909 Kapiolani required setback and that of the Musician's Association building are different so they would never be able to make a seamless transition between the two projects.

Mr. Dinell asked if the Neighborhood Board had any comments about the driveway.

Mr. Loui responded that the Neighborhood Board really didn't have anything to say about the driveway or traffic.

Mr. Leineweber said that they explored eliminating the Musician's Association in and out and to make it more a joint development that would force the people to use the joint driveway with access to the Musician's Association parking through the joint development.

Chairperson Kometani asked if the entrance could be moved to the east to create more space on Kapiolani Boulevard between the driveway and the Ward Avenue intersection.

Mr. Leineweber said that anything is possible. It would be useful to have a traffic study to show that the current design is a problem and that moving the driveway would alleviate the problem. He said that it may or may not.

Member Fukunaga asked if there were some elements to unify the different facades of the buildings.

Mr. Leineweber replied that the Musician's Association building is a perforated cement block façade. He also added that the Musician's Association chains off its driveway in the afternoons, because people were using it as a short cut, instead of going down Kapiolani and turning left on Ward where it is stacked up, they cut through the Musician's Association's driveway.

Member Crispin commented that the developers have come a long way in the designs and commended them for meeting with DPP early. The initial presentation had the parking podium as a much more massive presence on Kapiolani and lot less pedestrian-oriented. The extension of the retail and other modifications has added a lot to the project, and Member Crispin commended them for trying so hard. One of the points that DPP addressed early on to the developers was that driveway on Kapiolani. From an ideal perspective, the Authority has the opportunity, and one might even argue, the duty, to have the vision for what Kapiolani Boulevard should be. There is an opportunity for having retail predominate, and in fact there are examples on Michigan Avenue, where there is an entire mile of not one single curb cut into the retail spaces so that the entire experience is lined with pedestrian-oriented landscaping with retail on the other side. There is an existing right-in and right-out entry in the existing Musician's Association building that can't be helped. DPP was trying to encourage the developers to look at abandoning that additional driveway, which could pose some problems on Kapiolani Boulevard.

Chairperson Kometani remembered that there was no access from Kapiolani for “The Wedding Ring Shop” which is located on the corner of Pensacola and Kapiolani. Also the Public Storage facility will have no access from Kapiolani.

Mr. Leineweber said that they asked the Musician’s Association and Prudential Locations, the firm marketing the project, if removing all access from Kapiolani was a plus or minus. The Musician’s Association was dismayed that removing its access from Kapiolani would even be considered.

Mr. Dinell asked whether the developer would be amenable to making that driveway an entrance only.

Mr. Leineweber responded that they could ask them that question. They also asked the real estate people if they could sell the property on 909 Kapiolani Boulevard with no access on Kapiolani Boulevard, and they had strong feelings that it wouldn’t be an economically feasible project.

Mr. Dinell commented that there are many projects that have addresses on main streets like Bishop Street that don’t have vehicular access from that street such as American Savings Bank and First Hawaiian Bank.

Mr. Leineweber responded that Bishop is a public right of way and that Waimanu Street is a privately-owned street.

Mr. Dinell responded that HCDA would make it into a nice public street.

Member Crispin commented that there are two schools of thought in integrating the Musician’s Association building: one is to modify the old building to match the new; the other is to make it distinctive and separate. Member Crispin encouraged at least cleaning up the façade to a more pristine condition.

Member Fukunaga suggested a color match.

Mr. Leineweber thought the Musician’s Association might be amenable to that.

Member Crispin asked if a free standing wall could be eliminated to widen the existing entrance in lieu of having to create a new one. By maintaining the existing driveway instead of creating a new one, retail could be expanded. This would send a message that on Kapiolani Boulevard, HCDA and the City are not encouraging any more new driveways.

Mr. Leineweber stated that those were all interesting ideas, but if they had been part of the Mauka Area Plan or articulate to them earlier, there might have been ways in the planning process to integrate those suggestions, but to start now is difficult.

Member Kometani stated that this is the first time the Authority has seen the plan.

Mr. Leineweber commented that there was no reference to having no access from Kapiolani Boulevard in any of the plans or policies or public documents and they weren't sure where the idea came from.

Mr. Dinell replied that the idea came from HCDA's vision and mission statement which is what the agency is trying to achieve, and that these statements are public documents. Mr. Dinell commended the applicant because the project is much better today than when it was originally conceived.

Mr. Leineweber said that he would have liked to see it clearly stated from the beginning. He said it would have made it a lot easier to interpret the planning process if they knew it was a requirement.

Mr. Dinell responded that it was not a requirement but that the developer is being asked to consider it in order to add to the desirability of Kakaako as a whole.

Mr. Leineweber replied that they talked to the Musician's Association and to the realtors. He would provide copies of their responses. He agreed that it would be an enhancement to the avenue but it that it would be at a cost to the Musician's Association and to the residents of the development.

Chairperson Kometani thanked Messrs. Leineweber, Ermanis and Loui for their presentation and asked Mr. Takahashi to introduce the next agenda item.

E. Presentation by Public Storage on its Proposed Kapiolani Boulevard Project

Mr. Takahashi presented an overview of the project. Public Storage Inc. (PSI) purchased a site also known as the Kodak site about two and half months ago. The project is bordered by Kapiolani Boulevard, Kamakee and Waimanu Streets. The aggregate size of the lot is little over 80,000 square feet. The site

qualifies as a planned development with a potential maximum height of 400 feet and Floor Area Ratio (FAR) of 3.5.

Mr. Takahashi stated that PSI has attempted to integrate a retail façade as well as a retail space, in an effort to mitigate the typical Public Storage appearance, in respect for the prominence of the site on Kapiolani Boulevard.

The applicant is requesting modifications for: platform height; reduction of parking stalls; requirement for covered parking; and for setbacks and view corridors.

Mr. Takahashi then introduced Keith Kurahashi of Kusao and Kurahashi and the project team: Glenn Kawamoto, architect with Sueda and Associates; Jim Fitzpatrick of Public Storage Inc.; and Phil Rozwell of Rozwell and Associates.

Mr. Kurahashi stated that PSI is located on Kapiolani Boulevard and Kamakee Street across from McKinley High School. The structure that is being planned is a five story, 174,800 square foot structure with an FAR of 2.184. The floor area allowed on the property is 280,140 square feet with an FAR of 3.5. The land area is little over 80,000 square feet and zoned for mixed-use commercial. The open space being provided would be about 10 percent which is 8,040 square feet.

Mr. Fitzpatrick provided a brief history on PSI. The company started in 1972 and operates in 37 states with 1,410 locations. PSI owns and operates all of its facilities. He mentioned that there were concerns that they might turn the site over, and he stated that is not the case, they own it and will operate it. PSI has six properties in Hawaii. He stated that toward the later part of the 1980s they developed three properties, one each in Kaneohe, Halawa and Waipahu. Toward the later part of the 1990s, PSI developed two additional properties, one in Kahala and one in Kaimuki. Most recently in November 2003, PSI opened a property in Pearl City.

They selected the Kapiolani location because it is a complimentary use to all the residential development that is occurring in the area. The Mauka Area Plan calls for 19,000 residential units to be built. This project would satisfy an additional need for self storage, and is also a low generator of traffic.

Public Storage distributed a traffic study from its Kaimuki facility which has 1,554 units and is very similar to the proposed development on Kapiolani which would have 1,500 units. During the month of June 2004, in 451 one-hour periods, there were only seven one-hour periods where there were

between 20 and 30 people at the property. The most was 29 people at the end of the month. There were only 47 one-hour periods where there were actually 15 or more people on site. There were zero one-hour periods that had 15 or more people during the commuting hours of 7:00 a.m. – 9:00 a.m. and 5:00 p.m. – 7:00 p.m. The number of parking stalls they propose will reflect actual usage.

The next point made by Mr. Fitzpatrick is that there is already a tremendous demand for storage in Hawaii. The six properties PSI currently own operate at 94 percent occupancy which equates to over 5,000 units. When PSI considers new development it looks at 90 percent occupancy as its target. The most recent facility opened in Pearl City less than a year ago and it is already at 91 percent occupancy.

According to Mr. Fitzpatrick, PSI has already met with the Ala Moana/Kakaako Neighborhood Board and received a very positive response. They also met with the Kakaako Improvement Association and had positive feedback there as well. PSI will also do a presentation to the Ala Moana Rotary Club at the end of the month.

PSI has hired an archaeologist to do studies on the property, which are currently underway.

Mr. Kawamoto, architect with Sueda and Associates presented the design of the project. He said the project is at a major intersection within the Kakaako Community Development District and at the entry gateway to the Ward Center area, so the project was designed with an open courtyard at the corner of Kapiolani and Kamakee Street within the setback area. The project includes pedestrian-friendly walkways, umbrella seating, rich landscaping and a series of earth berms, and an open trellis feature at the corner. The rich landscaping will help to soften the edge of the site and new sidewalks shall continue along the roadway around the site.

The sides of the building along Kapiolani Boulevard and Kamakee Street will be terraced and meet setback requirements. Crown moldings, arches and shadow lines will be used to enforce the style of the building. The glass along Kapiolani Boulevard is a standard glass door front with a retail look. The interior walls will be framed with metal framing. The building colors will be earthtone with contrasting trims. Parking for the building will be located toward the rear of the building on the southeast corner of the site with access to the driveway from Kamakee Street. The total building area is approximately 175,000 square feet with 3,600 square feet of commercial/retail space.

The modification proposal requests four items: 1) reduction in parking from 203 parking stalls to 56 stalls; 2) provision of landscape earth berms around the perimeter of the park in lieu of 42 inch high walls; 3) provision of an open parking area with heavy landscaping in lieu of providing a roof over the parking area; and 4) an additional five feet over the permitted platform height for the roof and an additional four feet for the mansard roof treatment at the edge of the roof (nine feet total along the roof edge).

Mr. Philip Rozwell, traffic consultant for the project provided brief comments. He said that the project is a low traffic generator compared to other uses or alternative uses for this site with the same square footage. They did a comparative analysis with an office building which would generate five times the amount of traffic of the Public Storage facility. A medical office building would generate 15 times the amount of traffic of the proposed project.

They are in the process of doing site specific trip generation studies on the public storage facilities here in Honolulu. They've already done a preliminary study at the Kaimuki facility and another in Pearl City. So far, they are coming in about 60 percent of what is recommended as the peak hour trip generation rates.

They completed parking surveys for the Kahala and Kaimuki Public Storage facilities and are coming in at the rate of maximum occupancy of 31 spaces at the Kaimuki facility and that works out to a parking rate of .24 spaces per thousand square feet versus the recommended .4, so the actual usage is very low. Another set of surveys will be done by the end of the month to confirm that data.

In terms of the traffic study, they are waiting for WalMart to open before doing any traffic counts. They want to include that traffic in their forecasts as well as that from other projects in the area. The tentative completion date for the traffic study is December.

Mr. Kurahashi added that this project offers the community traffic relief. The project site was previously planned for a 30-story, 500 unit condominium development which would have created greater traffic amounts. Fortunately, PSI came along and theirs is one of the lowest trip generators that you can find as far as the use because people normally store things that they would access only once even, three months or a couple times a year, some of the things are seasonal items such as Christmas decorations that you pull out once a year.

Mr. Kurahashi stated, there is a very strong need for people that live in apartment condominiums to have storage space. They are offering an

attractive façade for the Kapiolani Boulevard frontage, to give the impression of a commercial space that is desired, as well as to provide commercial frontage along the Waimanu side of the project.

The modification that they are asking for relates to minimizing the bulk of the building, and creating a more open parking area that is nicely landscaped and screened with a 42-inch berm as well as landscaping. The other modifications they are asking for are the additional platform height, as well as another four feet (nine feet total) for the roof design.

The other modification is to allow for a reduction in parking spaces. The general parking requirement is one per 889 square feet. For this type of use, necessary parking is probably closer to 1 per 8,000 square feet, but the developers are proposing to provide 1 per 4,000 square feet. There will be five parking stalls for PSI staff and another 10 stalls for commercial spaces. It allows elimination of a 203 stall parking garage that would rise five or six stories up and create a massive bulky building on the property, when the actual demand for the parking would be significantly less. The other modification request is for the roof over the parking structure and walls on three sides. This again would create structures on the property instead of keeping the parking area open.

Chairperson Kometani asked if there were any questions.

Member Crispin asked about the retail space.

Mr. Kurahashi responded that the proposed retail space is 3,600 square feet located at the south end of the building, near the pedestrian plaza area. Since the intersection is considered a gateway, they wanted to provide umbrella seating, with some nice landscaping, and some berming to soften the edges of the building.

Member Crispin asked if there was an opportunity to put the retail on the Kapiolani Boulevard side.

Mr. Fitzgerald answered that they talked to their architect about it. There was a concern from the owner that there were a number of retail businesses along Kapiolani that were closed. If the retail was successful, then it would generate a substantial amount of traffic and they wouldn't have the area to provide parking for that.

Member Crispin stated that, as in the previous discussions, there was a lot of emphasis toward what the Kakaako vision wants to be. There is a lot of

emphasis to create that whole pedestrian experience on Kapiolani Boulevard. He agreed that businesses are dark on Kapiolani because there hasn't been that critical mass. But on the other hand there is a lot of development that is happening in the area. Member Crispin encouraged PSI that, if they are going to exceed the height limit, anyway that they could add another floor and create an additional retail space on Kapiolani.

Mr. Dinell interjected that there was an article in the morning newspaper on the creative use of space. There used to be a gas station in Manoa that has now been converted into five small businesses. There is a Boston Pizza there that is activated at night and a waffle place that is activated on the weekends, and a boutique operating only on the weekdays during the day. There are diverse activities at different points of time. At night PSI would have lots of parking because there wouldn't be much visitation, so maybe there could be a night-time oriented activity there, and that is the kind of creative use that Member Crispin is talking about.

Member Crispin said an ice cream shop such as Cold Stone Creamery would attract people and link the whole corridor with what is happening on the other end of Kapiolani.

Member Goshi stated that land is very valuable in Hawaii and people need to start thinking about maximizing the use of the land. He requested to see the elevations of the project.

Member Crispin added that there is an opportunity to break up the roof plane so that it is not all at the same level. Since it is a gateway site that signifies entering into the Kakaako area or entering into the whole Ward Entertainment area, a little clock tower or something could be added that signifies it more meaningfully instead of a box all at the same height.

Member Kimura added to Member Goshi's comments about maximizing the use of the land. He stated that Kakaako has a shortage of parking and asked if there was a way that HCDA build a parking structure on the site.

Mr. Dinell clarified that HCDA has public facility funds which would allow HCDA to build parking; it would be possible for HCDA to build a parking structure on the site for use of the neighboring businesses.

Mr. Fitzgerald replied that it was discussed, but ideally they wanted to keep the project moving forward and they would be open to putting land behind PSI that they don't own, for parking.

Mr. Dinell clarified that Member Kimura meant building the structure on PSI site, at HCDA's cost. He asked if PSI was open to the idea of HCDA building a parking structure that would be used by the community.

Mr. Fitzgerald responded that if it went in as a separate project, he didn't think they would be opposed to the idea if it was public funds. They would be open to discuss it.

Member Fukunaga commented that the renderings don't show any signage and asked the applicants if they were planning on putting the identifying features on Waimanu Street.

Mr. Kurahashi replied that visibility on Kapiolani would be key and also maybe on Waimanu as well.

Member Fukunaga commented that PSI has such a distinctive sign in orange, purple, and yellow and asked how would it fit in with the color of the building.

Chairperson Kometani thanked the presenters and stated that before PSI comes back for the public hearing, they should talk to staff about the development, parking and signage.

F. Presentation by KUD International LLC of its Project Master Plan

Chairperson Kometani announced the presentation by KUD International LLC on its Master Plan was deferred.

V. EXECUTIVE SESSIONS

Chairperson Kometani announced that Member Lai will recuse himself, as he has in the past, from discussions relating to KUD International as his law firm has been retained by KUD.

Chairperson Kometani asked for a motion to enter into Executive Session to discuss the following items, which are being taken out of order.

Chairperson Kometani stated that the first Executive Session item is the update on Honuakaha Housing Complex and Na Lei Hulu Kupuna, which is listed as number 4 on the agenda. The second Executive Session item is the update by the University of Hawaii on Conditions Imposed Pursuant to the Third Extension to the Period of

Exclusive Negotiations with the University of Hawaii for a Cancer Research Center on the Kakaako Waterfront and is listed as number 3 on the agenda. The third Executive Session item is the discussion on KUD International, LLC's Project and the last item for Executive Session is the Subcommittee Report on Response to KUD International LLC on its Project Master Plan Pursuant to the Development Agreement of March 25, 2003, listed respectively as numbers 5 and 6 on the agenda. All agenda items except item number 4 are pursuant to Sections 92-5(a)(3) and 92-5(a)(4), Hawaii Revised Statutes. Item number 4 is pursuant to only Section 92-5(a)(4).

Chairperson Kometani requested that Deputy Attorney General Melvin Nishimoto, Executive Director Daniel Dinell and Planning and Development Director Teney Takahashi join the Authority in all the Executive Sessions. Chairperson Kometani also requested the following people to join the discussions on their specific subject matters: Mr. Ron Shiigi from Nishihama & Kishida CPAs on the item regarding Honuakaha & Na Lei Hulu Kupuna; Dr. David McClain and Ms. Jan Yokota of the University of Hawaii to join on the UH item; and Mr. Larry Preble and Mr. Kip Kamoto of KUD International LLC to join the discussion on KUD.

It was moved by Member Thomason and seconded by Member Lai to enter into Executive Session. The motion carried unanimously, 9 to 0 with 1 excused (Member Kondo).

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The Hawaii Community Development Authority entered into Executive Session at 11:30 a.m.

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Member Lai recused himself and left the room when the discussion relating to KUD International was held at 12:30 p.m.

It was moved by Member Goshi and seconded by Member Shiraki to reconvene the regular meeting at 1:28 p.m. The motion passed 7 to 0 with 3 excused (Members Kondo, Fukunaga and Lai).

## VII. ADJOURNMENT

Chairperson Kometani asked if there were any other matters that should be brought up at this time. Member Goshi raised the question whether the Authority could order a parking study for the Makai area. He stated that it doesn't need to be complicated, rather based on the land use and FAR allowed under current zoning.

Member Liu said that he had suggested in the past that the Authority engage the same parking consultant Aloha Tower Development Corporation had so as to capture economies of scale as well continuity in the planning in the Kakaako Waterfront area but he believed that opportunity may have been lost. He went on to state that the Townsend Capital proposal of building two structures in the park just makai of JABSOM was notable because they planned to have the top deck be a park, not parking. He went on by pointing out that the 5.5 acre Cancer Research Center site could have parking underneath the Center or on top of it and if the height limits need to be amended, the Authority could do so.

Mr. Dinell said staff would look at the situation and propose a course of action to the Authority relative to parking in the Makai Area.

There being no further business, it was moved by Member Kimura and seconded by Member Goshi to adjourn the meeting at 1:35 p.m. The motion passed 7 to 0 with 3 excused (Members Kondo, Fukunaga, and Lai).

Respectfully submitted,

/s/

Paul Kimura  
Secretary