

# Kaka'ako Connection

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## 2001 STATE LEGISLATURE SUPPORTS PROJECTS IN KAKA'AKO MAKAI

State lawmakers in the 2001 legislative session passed several bills and funded projects that support the development of Kaka'ako's Makai Area lands. The final version of the budget included appropriations for the proposed University of Hawaii John A. Burns School of Medicine/Biomedical Research Center and the Bishop Science Learning Center, as well as for site improvements in Kaka'ako Makai.

Following is a summary of passed legislation and budget appropriations relating to the Kaka'ako District and the Hawaii Community Development Authority (HCDA).

### Special Facility Revenue Bonds

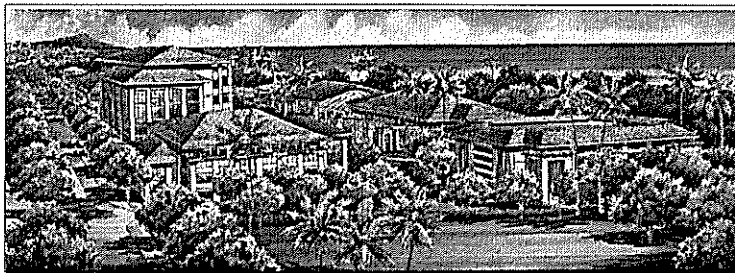
The State Legislature passed a bill (S.B. 1030) that allows the HCDA to issue special "conduit" revenue bonds. This means that the HCDA would issue bonds and transfer the proceeds to organizations that would build and run special facilities, such as an ocean science center. These organizations would be responsible for the payment of all debt service on the bonds. The bill has been signed into law by the Governor as Act 180, SLH 2001.

### Revenue Bonds for Public Facilities

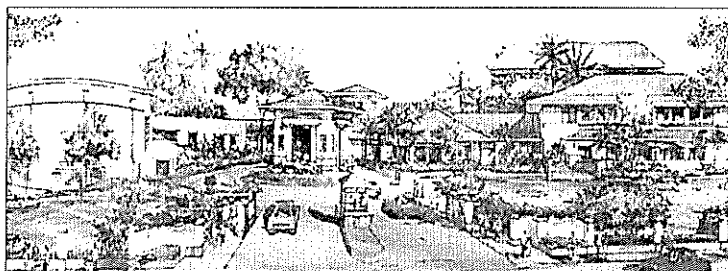
Lawmakers increased the HCDA authorization to issue tax-exempt public facilities revenue bonds from \$35 million to \$150 million. These revenue bonds can be used to fund, for example, central parking structures in Kaka'ako Makai. The Governor signed this bill into law as Act 179, SLH 2001.

### U.H. John A. Burns School of Medicine/Biomedical Research Center

The budget includes \$13 million in general obligation bonds for a



new medical school and research center. The University of Hawaii John A. Burns School of Medicine (JABSOM) has proposed to replace its outdated facility at UH-Manoa with a new biomedical and educational campus in Kaka'ako in the area Makai of Ilalo Street and adjacent to the Kaka'ako Waterfront Park. Conceptual plans for the proposed landscaped campus include up to six new buildings for research, administration, a visitor's center and medical museum and parking. This appropriation was granted for planning and design of this project, as well as for relocation of current uses on the site.

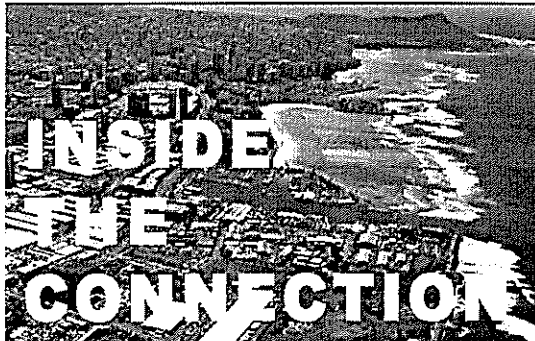


### Bishop Science Learning Center

Bishop Museum envisions the development in the Kaka'ako waterfront area of an interactive learning center that will focus on cutting-edge science and high technology. The Science Learning Center's would focus on increasing scientific literacy and interest among children and promoting innovation in developing technologies for the future. State lawmakers appropriated \$5 million in general obligation bonds for this project. When combined with Federal funds and private contributions, this appropriation will allow the Bishop Museum to move forward with the project.

### Kaka'ako Makai Site Improvements

The 2001 State Legislature appropriated \$10 million in general obligation bonds to the HCDA to allow additional infrastructure and site improvement work in Kaka'ako Makai. These funds will be used for remediation, demolition and infrastructure work needed to support projects in Kaka'ako's Makai Area.



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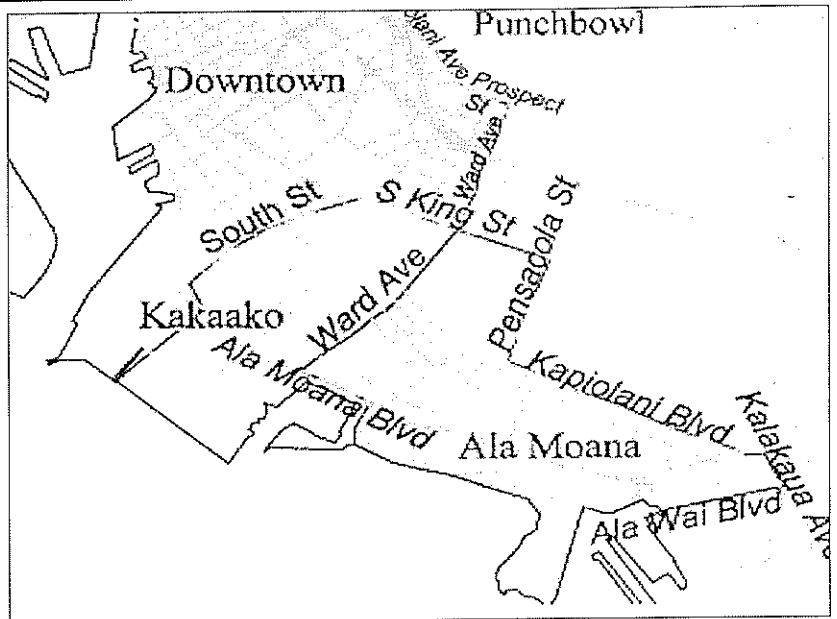
## HAWAII ENTERPRISE ZONE PARTNERSHIP PROGRAM MAY HELP CERTAIN BUSINESSES IN KAKA'AKO

Certain existing and new businesses in specified areas of the Kaka'ako District may benefit from tax benefits and other incentives through a joint state-country program called the Hawaii Enterprise Zone (EZ) Partnership. The aim of this program is to stimulate certain types of business activity, job preservation and job creation in areas where they are most appropriate or most needed. Portions of the Kaka'ako District are included in one of the EZs designated in the City and County of Honolulu. (See map at right.)

If your business (or a branch of your business) is located in the EZ shown below and meets certain eligibility requirements, you could reduce your state taxes and receive other county benefits for up to seven years by satisfying the EZ hiring and gross receipts requirements.

To enroll in the EZ program, *at least one-half of a firm's annual gross income in an EZ must be from one or more of the activities specified.* These activities include: agricultural production or processing; manufacturing; wholesaling/distribution; aviation or maritime repair or maintenance; telecommunications switching and delivery systems; information technology design and production; and medical research, clinical trials, and telemedicine. Other eligible activities are: for-profit training programs in international business management or environmental remediation; biotechnology research, development production, or sales; repair or maintenance of assisted technology equipment; certain types of call centers; and wind energy producers. Almost all other businesses are not eligible, including retailers, professional services and contractors.

All eligible businesses must also increase their average annual number of full-time employees. All businesses must already employ at least one full-time worker at their EZ establishment before beginning participation. (Full-time is 20 or more hours per week.) "Existing" businesses already in an EZ must increase their average annual number of full-time employees by at least 10 percent by the end of the first year. The average annual number of full-time employees must also increase by at least 10 percent annually in years 2 to 7.



"New" businesses that start up in or move to an EZ must increase their average annual number of full-time employees by at least 10 percent by the end of the first year. The average annual number of full-time employees at the end of years 2 to 7 can fluctuate, but cannot be less than the number of employees required at the end of the first year.

Businesses that satisfy all of the program requirements will qualify for state tax benefits for up to 7 consecutive years. These include: 100 percent exemption from the General Excise Tax and Use Tax every year; an 80 percent reduction of state income tax the first year (this reduction goes down 10 percent each year for 6 more years); and an additional income tax reduction equal to 80 percent of annual Unemployment Insurance premiums the first year (this reduction goes down 10 percent each year for 6 more years).

The county in which the EZ is located will offer eligible businesses additional benefits that may include one or more of the following: priority permit processing; zoning or building permit waivers or variances; property tax adjustments; and priority consideration for federal job training or community development funds.

The Department of Business, Economic Development and Tourism (DBEDT) EZ program coordinator for Oahu can be reached at 586-2593. More information on the EZ program and application forms can be found on the "Investing in Hawaii" page of the DBEDT website at: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt).

## KAKA'AKO NEWS BRIEFS

### QUEEN STREET NEIGHBORHOOD PARKS SURVEY

About 350 persons responded to the Hawaii Community Development Authority's (HCDA) recent survey that asked for suggestions for the design of two new parks in Kaka'ako. The HCDA would like to thank those people who took the time to participate in the survey. The HCDA plans to develop two new small parks (totaling approximately 2 acres) along both sides of the proposed Queen Street Extension project. This extension will connect Queen Street with Waimanu Street. A Park Design Review Committee has been formed and will consider the survey results and comments as it prepares its recommendations for the design of the parks. These recommendations will be reviewed by the Ala Moana-Kaka'ako

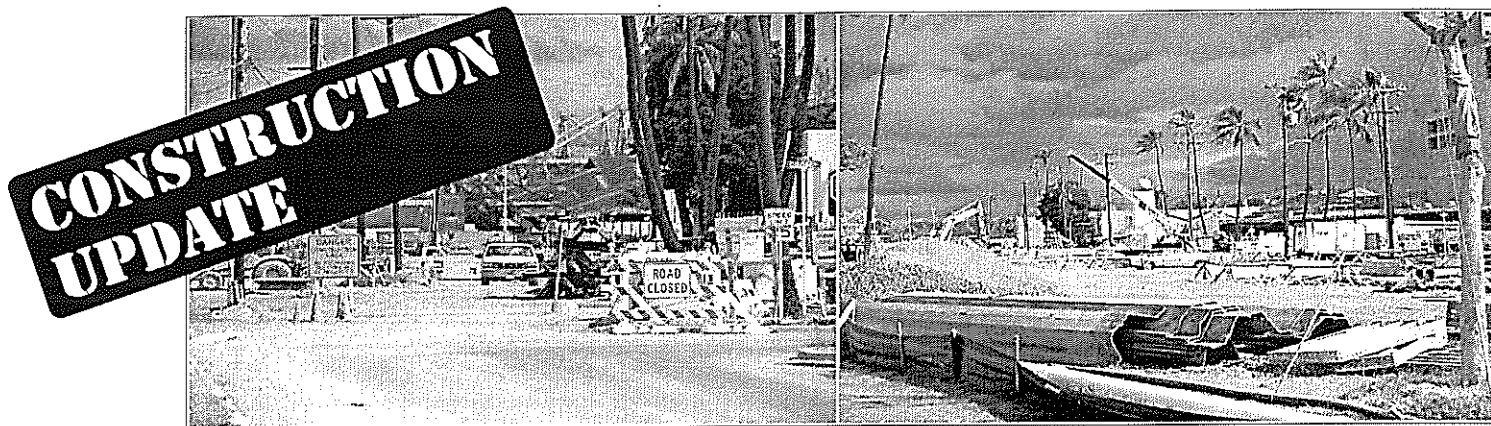
Neighborhood Board and the City and County of Honolulu Departments of Parks and Recreation and Design and Construction. A public informational meeting will follow this review period.

### PUBLIC HEARING ON PROPOSED MAUKA AREA RULE AMENDMENTS

The HCDA will conduct a public hearing on proposed amendments to the Kaka'ako Mauka Area Rules that would allow a waiver, for a specified time period, from the reserved housing cash in lieu payment requirements. The hearing will be held on July 5, 2001, at 2:00 p.m., at 677 Ala Moana Boule-

*Continued on Page 4*

# KAKA'AKO IMPROVEMENT DISTRICT PROJECTS:



The Hawaii Community Development Authority (HCDA) is currently constructing two improvement district projects involving roadway and utility system improvements in the Kaka'ako District. Following are brief summaries and street closures/traffic rerouting advisories for these projects. Motorists and pedestrians are advised to exercise caution and to follow traffic advisory signs in the construction areas.

## **Kamakee Street Improvements (ID-7)**

**Description:** This project involves infrastructure improvements on Kamakee Street (from Queen Street to Kewalo Basin) and a realignment of Kamakee Street (from Auahi Street to Ala Moana Boulevard), creating a four-way signalized intersection at Ala Moana Boulevard and Ala Moana Park Road. This project is tentatively scheduled for completion in June 2001. The contractor is Delta Construction Corporation.

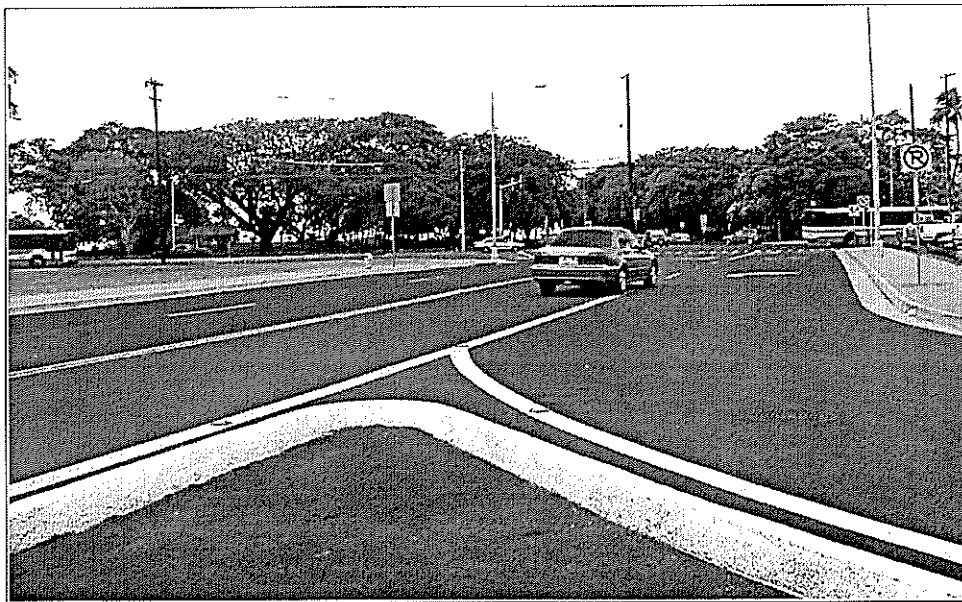
**Street/lane closures:** The portion of Kamakee Street (between Ala Moana Boulevard and Auahi Street) and four-way intersection are now open to traffic. Also, the Ewa side of Kamakee Street (from Auahi Street to Queen Street) is now open to traffic. Please note: The Queen Street/Kamakee Street intersection is closed to traffic for the installation of electrical ducts and a drain line. However, Kamakee Street is open to traffic at this intersection, passing Queen Street on the Diamond Head side and then snaking back to the Ewa side.

## **Ilalo Street Improvements (ID-9)**

**Description:** This \$17 million project will improve the infrastructure of Ilalo Street, from Ahui Street to Forrest Avenue (South Street). Ilalo Street is planned to be a beautifully landscaped boulevard that would serve as the principal collector street for the Makai

Area and would also provide an attractive pedestrian environment. For this project, new water, sewer, drainage and underground utility systems are being installed along with the construction of a new roadway, driveways, pedestrianway, curbs and gutters. Improvements are needed to improve access to the Makai Area and support future development. Construction is slated for completion in December 2002. The contractor is Hawaiian Dredging Construction Company.

**Street/lane closures:** On Ilalo Street, the portion between Keawe and Cooke Streets will be closed for the next 6-9 months. Entrance to the Food Distribution Center has been rerouted to the Kaka'ako Makai Gateway Park Road. Entrance to the Department of Agriculture building has also been rerouted to the Kaka'ako Makai Gateway Park Road.



*Kamakee Street, between Ala Moana Blvd. and Auahi Street, is now open to traffic.*

## TWO NEW AUTHORITY MEMBERS APPOINTED

Governor Benjamin Cayetano has appointed James Kometani and Allan Los Banos, Jr. to serve as new members of the Hawaii Community Development Authority (HCDA). Kometani, who has been involved with the sale and management of numerous residential real estate projects throughout Hawaii over the past 25 years, takes the seat vacated by Patrick Kobayashi, who resigned from the HCDA in April 2001. Since 1984, Kometani has served as the President and Principal Broker of James Kometani, Inc., Realtors, a firm that specializes in residential project sales and represents clients in the sale and leasing of commercial properties. Kometani currently serves as a trustee of Mid-Pacific Institute and as a member of the board of St. Francis Healthcare Enterprises, Inc. He is also a member of the Executive Committee of Friends of Hawaii

Charities.

Los Banos will replace HCDA member Michael Kawaharada, whose second term expires in July 2001. Los Banos will contribute a strong background in construction, community involvement and government operations through of years of service as a member of the Board of Directors of the Housing and Community Development Corporation and its predecessor, the Hawaii Housing Authority. He currently serves a Safety Coordinator/Program Specialist for the Hawaii Masons Union/Hawaii Masons & Plasterers Training Trust. Los Banos is also an instructor at the Honolulu Community College and he also serves as Vice President of the AFL-CIO State Federation. He has received numerous awards for his contributions to the community.

### NEWS BRIEFS (Continued from Page 2)

ward, Suite 1000 Conference Room, Honolulu, Hawaii 96813. Copies of the public hearing item are available for inspection during regular business hours at the HCDA office, 677 Ala Moana Boulevard, Suite 1001 or will be mailed after payment has been made for copying and postage costs to any interested person who requests a copy. Anyone wishing to request a copy of the hearing item or submit written comments/testimony should do so at the HCDA office on or before the date of the hearing. Anyone wishing to testify at the hearing should sign up at the time of the hearing. All speakers are requested to submit 20 copies of their statements.

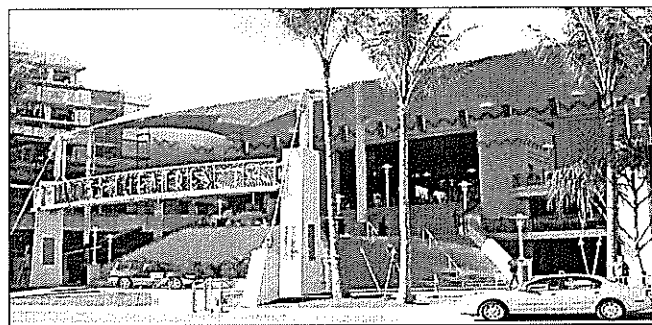
### ADTECH ENDS NEGOTIATIONS WITH STATE

The Adtech Division of Spirent Communications recently announced that it has decided to end discussions with the HCDA regarding the company possibly becoming an anchor tenant in a new high technology park being considered for development in Kaka'ako. Adtech's interim tenancy at the First Hawaiian Center fulfills the company's need for more office space, at least for now, according to Tareq Hoque, Adtech president. Adtech has been searching for consolidated office space for the past several months. In addition to the First Hawaiian Center offices, Adtech will retain its existing offices at 3465 Waiialae Avenue. Hoque also said the recent slow down in the tech sector nationally has caused Adtech to reassess its short-term needs for additional office space.

"Adtech continues to strongly support the state's efforts to create a world-class, high-technology park as a key way to help Hawaii's existing technology companies, as well as to attract other high-technology firms to the state," Hoque said.

### WARD ENTERTAINMENT CENTER OPENS

Victoria Ward, Ltd. held a grand opening of the theater portion of its Ward Entertainment Center on Auahi Street in late May. This \$45 million, 156,000-square-foot entertainment complex houses Consolidated Theatres' 16-screen megaplex and 450 parking stalls. Construction work on the center's shops and restaurants will be completed by the end of summer 2001.



(Visit the HCDA web site: <http://www.HCDAweb.org>)

#### THE KAKA'AKO CONNECTION

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