

Highlights of December 1, 2004 HCDA Meeting

WARD VILLAGE SHOPS PROJECT

Following a public hearing, members of the Hawaii Community Development Authority (HCDA) approved modifications to base zone development requirements to allow the development of Victoria Ward, Limited's (VWL) Ward Village Shops Project. The Authority also authorized the HCDA Executive Director to execute a joint development agreement with VWL and to issue a development permit for the project. Victoria Ward has proposed a commercial/residential development on a 6-acre block bounded by Auahi, Kamakee and Queen Streets and the Queen Street Makai Park site. The project would include a 17-story structure with 165 rental residential units, 224,000 square feet of commercial space, 34,000 square feet of open space and 1,010 parking spaces. VWL anticipates the start of construction on this project in summer of 2005.

Modifications were requested by VWL to promote a pedestrian-friendly environment with storefronts located along public sidewalks. The rental housing units would promote a mixed-use "urban village" with commercial retail activities that provide convenience and variety to the lifestyles of the residents. The modifications approved by the Authority include: additional building height to 220 feet; encroachments of structures into the view corridor setbacks along Queen and Kamakee streets; a reduced front yard along a portion of Auahi Street where the roadway will be redesigned to increase the front yard; and a loading maneuvering area to be located in the Queen Street front yard.

One of the City and County of Honolulu's requirements for this project is that a private street ("Queen Lane") be provided between Auahi Street and the Queen Street Extension. This new roadway would be located between the Ward Village Shops Project and the Queen Street Makai Park site to be developed in 2005-2006. Since "Queen Lane" will be a private road, a portion of the Makai Park site is proposed to be jointly developed by HCDA and VWL. Ultimately, the land for the new roadway will be transferred to VWL for construction and maintenance.

NEGOTIATION OF LAND LEASE OPTION WITH HONOLULU SEAWATER AIR CONDITIONING, LLC

The Authority gave its approval to begin an exclusive negotiations period (to end on January 31, 2004) with Honolulu Seawater Air Conditioning, LLC (SWAC) for the option of leasing a Kaka'ako Waterfront site and easements to establish land-based transmission and pump facilities for a "district cooling" system. SWAC is an affiliate of Market Street Energy Company, LLC, a Minnesota provider of community energy services. District energy systems are a means of providing heating and cooling service over a wide area or "district", serving multiple consumers. SWAC would like to provide cold water for up to 65 building air conditioning systems throughout downtown Honolulu. The cold water source

would be a line about 30 ½ miles long, reaching water that is expected to be about 45 degrees Fahrenheit at a depth of about 1,600 feet. As proposed by SWAC, this line would be partially buried and laid from a facility in the Kaka'ako Waterfront. Through pumps, the land-based system would transmit the cold water to a heat exchange facility and onto the ultimate user facilities through underground transmission lines. This would enable replacement of conventional chillers in an air conditioning system and the heated water would be transmitted back to the ocean. SWAC intends to use the negotiation period to determine project feasibility, including the availability of project financing. If SWAC fulfills its objectives during this period, it will lead to a development agreement and ground lease for further HCDA consideration. SWAC anticipates start-up date for the project in July 2007.

CANCER RESEARCH CENTER OF HAWAII NEGOTIATIONS

HCDA members authorized the HCDA Executive Director to enter into exclusive negotiations for a six month period with the University of Hawaii for leasing of 5.5 acres of Kaka'ako Waterfront land for development of a comprehensive Cancer Research Center of Hawaii (CRCH). The UH has proposed development of the Center, which would include approximately 230,000 square feet of research and clinical components, on land adjacent to the UH John A. Burns School of Medicine (JABSOM) now under construction. The Center would represent a symbiotic use of JABSOM and add to the nucleus of biotechnological space for the Kaka'ako Waterfront, as well as stimulate similar and complementary development in the area. The UH anticipates that a Request for Qualifications process to select a developer for the CRCH will be completed in March 2005 and that actual development of the CRCH could take place by mid-2006. In approving the negotiations, the Authority is requiring that the UH seek funding and initiate plans for the relocation of the Pacific Biomedical Research Center, a Request for Qualifications be issued for Phase II of JABSOM by March 15, 2005, and that the developer for the CRCH be selected by March 31, 2005.

REQUEST FOR PROPOSALS ANTICIPATED FOR KAKA 'AKO WATERFRONT DEVELOPMENT

Early next year, the Authority plans to formally solicit proposals from developers for a master development of multiple parcels in Kaka'ako's Waterfront area. The HCDA will issue Request for and Proposals for a master developer for waterfront lands at Point Panic and fronting Kewalo Basin. It is believed that a master developer can combine the different ideas for Kaka'ako's Waterfront into one coordinated vision that will meet the diverse needs of the community.