Quarter 1 Update
march 25, 2015

kakaʻako makai
# Project Schedule

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<td>Conceptual Land Use Scenarios</td>
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<td>Phasing Strategy &amp; Development Schedule</td>
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<td>Obtain Input From Beneficiaries on CMP</td>
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<td>Kaka‘ako EIS Master Plan</td>
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COMMUNITY ENGAGEMENT PLAN
# Community Engagement Timeline

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<th>Quarter 1 - 2015</th>
<th>Quarter 2 - 2015</th>
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<td><strong>February</strong></td>
<td><strong>April-June</strong></td>
<td><strong>July 31</strong></td>
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<td>Pae ‘Āina Meetings</td>
<td>Ongoing Stakeholder Outreach</td>
<td>Community Engagement Memorandum</td>
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<td>Round 3*</td>
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<td><strong>March 31</strong></td>
<td><strong>September</strong></td>
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<td>Community Engagement Plan</td>
<td>Pae ‘Āina Meetings Round 4</td>
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*Initially scheduled for April*
Pae ‘Āina Engagement Strategy

• Solicit meaningful feedback to inform the planning process
  • General Public
  • Kaka‘ako community groups
  • OHA Beneficiaries
    • Community members invested in OHA’s mission/vision
    • Community leaders
  • Educational venues
  • Online Forums
Pae ‘Āina Round 3 Re-Cap

15 Meetings
391 Participants
2,152 Group Comments
Key Community Leaders

Kakaʻako / Kapolei / Waialua / Kāneʻohe / Waiʻanae
Kaunakakai
Hilo / Kona
Kahului / Hāna
Lānaʻi City
Līhuʻe
Substantive Feedback

“Hawaiians must be present”
“A hub for the Lāhui”

“Authentic”
“Sustainability”

“Perpetuate our culture”
“A gathering place for ‘ohana”
“Invest in our keiki”

“Fund native Hawaiian health programs”
“Small business & technology incubator”
Substantive Feedback

“Hawaiians must be present”

“A hub for the Lāhui”

“Authentic”  “Sustainability”

“Perpetuate our culture”

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“Invest in our keiki”

“Fund native Hawaiian health programs”

“Small business & technology incubator”

SCAN THE QR CODE OR VISIT:
KakaakoMakai.com

KakaakoMakai.com provides a way for the public to engage in discussion before, during and after the meetings. Share your ideas and hear what others have to say, anytime.
Online Participation

Welcome to Kaka’ako Makai: The apex of culture and commerce.

Kaka’ako Makai consists of approximately 30 acres of largely waterfront property that was conveyed to OHA by the State of Hawaii. We seek your input to create a place that will benefit all through income generation and cultural vitality.

How would you describe an urban Hawaiian space?

Description

From the first Hawaiian who bravely stood up on a surfboard and gave birth to a worldwide phenomenon, to Hawaiian kapa makers who crafted the finest bark cloth and blankets...
“Urban Hawaiian spaces should foster ideas of gathering, social interaction (digital/physical), connection with the land/water, education of our visitors, but mostly our keiki, and the cultivation of our cultural identity.”

“Green, environmental friendly building materials, using LED lightnings, water efficiency appliances like toilet, dryers, plumbing systems and irrigation system.”

“A place where locals, especially kanaka maoli, come together to meet and share nā mea Hawai‘i that are interesting, desired (to do or learn), necessary and precious in maintaining, enhancing and perpetuating our Hawaiian (Hwn) language, culture, traditions and practices.”
Ongoing - Stakeholder Outreach

- Neighboring Entities
- Kakaʻako Community Organizations
- Native Hawaiian Organizations and Institutions
- Aliʻi Trusts
- Elected Officials
- Digital Community via Mindmixer
BACKGROUND ANALYSIS
Background Analysis Report

- Summarizes relevant past studies and plans for Kakaʻako Makai
- Recommends principles and guidelines from past studies that should be considered, and where appropriate be included in the Conceptual Master Plan
- Includes a special focus on the prior economic analysis and recommendations for further economic study
Relevant Long-Range Plans and Vision Documents

- Kakaʻako Makai Policy (OHA)
- Kakaʻako Makai Strategic Action Plan (“Framework Plan”) (Hui O Kukuluʻaeʻo for OHA)
  - Cultural Landscape and Connectivity Analysis
  - Charrette Vision & Strategic Priority
  - Master Baseline Infrastructure Review
  - Market Assessment & Land Value Analysis
  - Master Baseline Development Strategy
- Kakaʻako Makai Hazard Assessment (Fletcher for OHA)
Regulatory Plans, Policies, Requirements

- Kakaʻako Makai Conceptual Master Plan (HCDA, 2011)
- Kakaʻako Community Development District Transit Oriented Development Overlay Plan (HCDA, draft, 2013)
- Kakaʻako Community Development District Makai Area Plan (HCDA, 2005)
- The Makai Area Rules (Hawaiʻi Administrative Rules, 2005)
- Hawaiʻi Revised Statutes (2006)
- Covenants, Conditions and Restrictions for the Waterfront (HCDA, 2002)
Common Land Use Planning Themes among Relevant Plans & Policies

**Bold, iconic development**
Envisioned by OHA’s Kaka‘ako Makai Policy and 2013 Charrette Vision as well as the HCDA Transit Oriented Development Plan

**“Live, work, play”**
Essential tenants of OHA’s Kaka‘ako Makai Strategic Action Plan, Charrette Vision & Strategic Priority, Kaka‘ako Community Development District Transit Oriented Development (TOD) Overlay Plan Kaka‘ako Makai and in the Makai Area Rules (HAR)

**Energy self-sufficiency & resiliency**
Practical, “no regrets” recommendations from OHA’s Master Baseline Infrastructure Review and the 2012 Kaka‘ako Makai Hazard Assessment

**Complete streets & transit oriented development**
Support OHA’s Cultural Landscape and Ancestral Connectivity Analysis as well as contemporary planning overlays developed by HCDA
Uses & Opportunities

**Medicine**
- John Burns School of Medicine
- Cancer Research Center
- Modern medical
- Traditional medicine
- Tourism Medicare

**Residential**
- High-end (mostly non-resident)
- Market (resident)
- Affordable (resident)

**Commercial**
- Retail (for neighborhood & residents)
- Destination
- Visitor vs. residential oriented

**Office**
- Standards business
- Medical
- Specialized (tech, energy sector, sole-proprietor)

**Hospitality**
- Hotel
- Branded residence
- Mixed Use
- Specialized lodging
Approach

**Phase 1: Exploration**
- Understand goals, concept, history
- Community input
- Assess site
- Analyze available markets
- Evaluate competitive environment and identify gaps in the market

**Phase 2: Idea Development & Estimate of Preliminary Market Support**
- Identify and review comparable facilities / conduct case studies
- Develop preliminary demand factors based upon market

**Phase 3: Refinement and Detailed Analysis**
- Refine list of ideas based upon evaluation criteria
- Estimate attendance potential
- Develop physical planning parameters
- Conduct financial analysis
- Integrate analysis into larger real estate context
Overview of Work Completed

- Analyzed background material and prepared report for inclusion into Background Analysis
- Reviewed current leases, lease rates, terms, and structure for implications on market analysis
- Explored potential uses on each site from a political perspective
- Initiated market analysis, including review of traditional real estate land uses and evaluation of potential for cultural and attraction uses
Market Analysis

**Traditional real estate:**

- Review of current conditions
- Estimate of demand – short, medium, long term
- Evaluation of existing and proposed supply
- Land uses included: residential, retail, office, hotel / condo hotel / timeshare
- Assessment of residual land value
- Estimate of land value of OHA properties given lease encumbrances and political landscape
- Determination of what would be required to realize the $200 million value
Keauhou Lane
- 43 story tower
- 423 units

The Collection
- 43 story tower
- 4 story midrise
- 3 story townhouse
- 467 units

Vida
- 400 ft tower
- 265 units

680 Ala Moana
- 4 stories
- 54 units

Salt@Kaka‘ako
- 76,000 sf retail

400 & 440 Keawe
- 65 ft tower
- 95 units
Ward Village Gateway
- 400 ft tower
- 300 ft tower
- 236 units

404 Ward
- 400 ft tower
- 424 units

Anaha
- 400 ft tower
- 205 units

Waiea
- 400 ft tower
- 171 units

OHA Parcels
Kamehameha Schools Parcels
Howard Hughes Corp. Parcels
KCDD Boundary
Proposed Rail
Park Lane
- 313 Units
- 6 Stories
Recent Construction, Planned, Under Construction Units

- Residential: 7,809 units
- Additional Units Capacity: 1,200 to 1,500 units
- Square Feet (KS & HH): 1.5M to 1.35M
Cultural Development Economics

Cultural facilities and expressions of culture can be successfully integrated into and sometimes supported by private real estate, but they need careful planning.

- Yerba Buena Cultural District
- North Vancouver Center of the Arctic & Pacific
- West Kowloon Cultural District in Hong Kong
- World Trade Center Museum & Memorial
Cultural districts can catalyze development, create value for surrounding uses, and contribute to the development of a destination.

City Museum St. Louis
The High Line
Durham Performing Arts Center
Denver Art Museum
Cultural Development Economics

Financial viability and success are not the same thing

- Successful balance between mission and money
- Business model is based on earned and contributed revenue
- It’s not just about getting it built, but operating it, focus on long term sustainability

What contributes to financial viability?

- If you build it, they may not come…core visitor experience needs to drive architecture and design, not vice versa
- Signature visitor experience
- Strong governance and management
- Appropriate physical planning parameters
- Adequate marketing
- Minimal or no occupancy / real estate costs
- Endowment…real estate can act like an endowment
- Sufficient budget for operations and regular reinvestment
Cultural Development Economics

Non-viewable Storage/Library

Q2
- Eiteljorg

Object based

Q3
- Air and Space Museum

Interactive/Theatrical

Q1
- Sim City
- AMNH

Academic

Q4
- MSI
- Mt. Vernon

Entertaining

Q2
- Board games

Q3
- World of Warcraft
- Spy
- Lincoln Library
Cultural Expressions

- Arts & Cultural Centers
- Visitor / Interpretive Centers
- Places of Memory
- Living History
- Regional Science
- Garden Attractions
- View Attractions
- New Cultural Concepts
Market Analysis

**Cultural and “Non-Traditional” Real Estate Uses**

- Site analysis from market perspective
- Review of available resident and tourist markets
- Analysis of existing supply – cultural and commercial attractions
- Review of key metrics such as attendance per capita compared to other similar sized markets
- Review of comparable facilities nationally and internationally / benchmarking
- Estimate of financial performance, net operating income
Neal Blaisdell Center
OHA Parcels
Kamehameha Schools Parcels
Howard Hughes Corp. Parcels
Ala Moana Center
Kewalo Basin Shoreline Development
Neal Blaisdell Center
Key Issues

- Establish baseline based on:
  - Encumbered existing leases
  - Political landscape

- Assess what is required from a development perspective to realize the $200 million valuation.

- Cultural facilities need to be developed with a sustainable business model.
What is the apex of commerce and culture for kaka‘ako Makai?