



# KAKA'AKO MAKAI



## QUARTER 2 DELIVERABLES

JUNE 2015



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## Executive Summary

This report represents the second set of deliverables, submitted by the Kuhikuhi Pu‘uone Collaborative. It includes four separate components, including a Market Analysis, Pae Āina Meeting Summary, Draft Conceptual Land Use Scenarios, and a Draft Financial Assessment.

The Market Analysis provides an overview of site analysis, economic uses, market evaluation, the competitive environment, waterfront development case studies, and entertainment development alternatives. The Pae Āina Meeting Summary provides an overview on the multiple community engagement efforts across Hawai‘i and provide common themes that were evident throughout the process. The Draft Conceptual Land Use Scenarios includes 3 primary land use options, providing site plans and slightly modified alternatives for both. The Draft Financial Assessment includes preliminary market indications, market data, and a cultural facility business model.

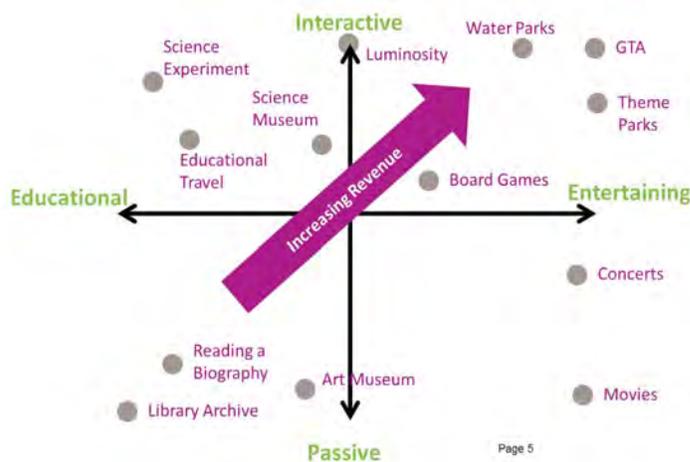
The heart of the Market Analysis is found in Section I, within the Potential Economic Uses. The objective for this specific task was to identify the highest and best use(s) for the sites under prevailing and forecast market conditions and in consideration of their existing zoning and use restrictions. Included are neighboring developments including Howard Hughes Corp.'s Ward Village, Kamehameha Schools' Our Kaka'ako, and the Blaisdell Center Redevelopment and how these planned developments will impact Kaka'ako Makai. The findings suggest considerable growth in the retail/commercial and residential sectors within Kaka'ako. There is a projected shortfall of almost 1.2 million square feet of Gross Leasable Area (retail/commercial) from 2021 – 2025 and a demand of over 1,600 residential units from 2021 – 2030.

The increased demand for residential and retail/commercial lends itself to support a thriving cultural destination that has been included as a key element within the master planning vision. Several strengths and challenges exist. Kaka'ako Makai is well situated with respect to planned residential development, proximity to Waikiki and Ala Moana Shopping Center, and waterfront real estate. Limitations include multiple land uses and a lack of contiguous property ownership throughout Kaka'ako Makai.



The Pae Āina Meeting Summary provides an insight into the opinions and sentiments of various individuals throughout the Pae Āina. This Round 3 of Kaka'ako Makai Community Engagement consisted of 12 public meetings, 3 meetings with OHA staff and trustees, and 5 small-group & individual stakeholder meetings. In addition to these meetings, KKP and OHA established an online engagement forum which received 6,248 views. Education and Cultural Practices for Native Hawaiians were perhaps the most consistent themes repeated throughout the engagement process, followed closely by a Hawaiian Sense of Place, the inclusion of Native Hawaiian Landscaping, and Health Services geared towards the Native Hawaiian community.

The basis for the Draft Conceptual Land Use Scenarios is derived from the 3 main objectives; No residential, Residential, and Residential at a later date. Provided within this report are site plans and explanations of the proposed land use scenarios, along with slight variations that include residential components and a possible marina (expansion of Kewalo Harbor). The No-Residential scenario uses existing zoning, situated in an as-is state with no planned changes or modifications to the current OHA land portfolio. The Residential and Residential at a later date both include Ahui St. and a proposed grand plaza or marina. These components carry with them costs, be it loss of gross leasable area or actual construction and entitlement costs. However, the inclusion of these components result in the increase of land value for adjacent areas. KKP is continuing efforts and exploration of additional wrinkles to these three land use scenarios and will have a further defined vision for the Augsut 31st submittal date.



The final component of this deliverable includes a Draft Financial Assessment which will determine the highest and best use potentials from a financial perspective both in their current condition and within a master planning context. The intention is to provide the OHA Trustees a comparative tool to assist the decision making process. An exercise covered in this report compares the estimated land values of “As-Is” and a master plan approach and the variations

that may impact each respective alternative. The findings result in an estimated current land value for an as-is approach to be between \$218M and \$229M, with the addition of residential to Lots E and I, taking the estimated current value to \$237M and \$249M. Reviewing the findings with a master plan approach, including a newly constructed marina, the estimated current land values are between \$269M and \$293M, a substantial increase to the as-is, justifying the entitlement and construction exercises required in order to bring the proposed master plan land use vision to fruition.

We look forward to obtaining feedback on the included reports. It remains our goal to provide a comprehensive approach to Kaka‘ako Makai with the unique skill set offered through KKP, OHA, and our respective consultant team members.

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KAKA'AKO MAKAI

# I. Market Analysis

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## General and Limiting Conditions

- Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of AECOM and The Hallstrom Group and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by AECOM and The Hallstrom Group from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.
- This report is based on information that was current as of May 2015 and AECOM and The Hallstrom Group have not undertaken any update of its research effort since such date.
- Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by AECOM and The Hallstrom Group that any of the projected values or results contained in this study will actually be achieved.
- Possession of this study does not carry with it the right of publication thereof or to use the name of "AECOM," "The Hallstrom Group," or "Economics Research Associates" in any manner without first obtaining the prior written consent of AECOM and The Hallstrom Group. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of AECOM and The Hallstrom Group. Further, AECOM and The Hallstrom Group have served solely in the capacity of consultant and have not rendered any expert opinions. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of AECOM and The Hallstrom Group. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from AECOM and The Hallstrom Group. Any changes made to the study, or any use of the study not specifically prescribed under agreement between the parties or otherwise expressly approved by AECOM and The Hallstrom Group, shall be at the sole risk of the party making such changes or adopting such use.
- This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

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# MARKET STUDY OF POTENTIAL ECONOMIC USES

## 1.1 ASSIGNMENT

The Hallstrom Group/CBRE was retained to complete a series of market study and financial feasibility analyses as part of the Kuhikuhi Pu'uone Collaborative effort to assist the Office of Hawaiian Affairs (OHA) in their master planning of 30.7 acres of lands at Kaka'ako Makai, Honolulu, Hawai'i. The nine parcels were transferred to OHA in 2012.

The holdings are located along the shoreline and near-waterfront area of central Honolulu, adjacent to Kewalo Basin, mid-way between Downtown Honolulu and Waikiki, in the Kaka'ako District, an in-transition neighborhood which is a focus of the current development up-cycle being experienced in Hawai'i. Owing to their central location, accessibility, and makai-orientation, coupled with the scarcity of quality Honolulu building sites, the properties have wide-ranging use potentials.

The objective of our assignment was to identify the highest and best use(s) for the sites under prevailing and forecast market conditions and in consideration of their existing zoning/use restrictions or within potential master plan(s) being developed for the properties.

The study context was to analyze market dynamics for the most probable use-types from end-user, developer/investor and landowner perspectives within a long-term timeframe, concentrating on the 2015 to 2030 period in which the majority of the lands would be planned, developed and absorbed.

Our overall assignment is essentially a four-fold process:

1. Provide an overview of the "greater" Kaka'ako market area's population, economic, land use and development/investment trends at present and as forecast in coming decades.
2. Complete a market analysis of the potential uses of the OHA Kaka'ako Makai lands in regard to existing and proposed supply and demand for building sites and finished inventory.
3. Determine the appropriateness of the OHA Kaka'ako Makai lands for the use types identified as offering the most favorable marketability and highest underlying land values.
4. Construct a series of financial feasibility models quantifying the potential returns to the underlying OHA ownership associated with the various uses based on (a) sales comparison with similar sites being traded in the market and (b) residual analysis utilizing estimated scale/densities, construction costs, finished pricing and absorption, and other variables.

Items 1 through 3 are covered in this report.

This report contains the data and summary conclusions of the results of our study will be used by the Collaborative to assist in creating a master plan for the OHA Kaka'ako Makai lands that not only achieves the cultural, educational and stewardship goals for the land, but also provides for the most favorable returns within a sustainable community framework. The results will additionally provide insight on the financial impacts associated with existing land use limitations versus seeking entitlements permitting wider ranging and more intense uses, such as residential uses.

To present the most comprehensive view of the potential for the properties, our study commenced with the assumption the OHA lands would be available for development with any legal urban use at competitive scales/densities apart from current land use conditions; a "maximal" perspective. Alternatively, we are also analyzing the holdings based on the in-place zoning and other limitations (including "no residential" scenarios); or "minimal" perspectives.

Among other issues being considered during each step of analysis are the probable timing of OHA site development and the relationship to economic cycles and construction of competing supply and the impact of land tenure (fee simple or leasehold) on use and marketability.

Our assignment can be summarized as follows.

- **Study Objective:** Identify the highest and best use of the OHA Kaka'ako Makai lands under existing zoning/use restriction and within potential master plan(s).
- **Study Context:** Analyze the market from end-user, developer and landowner perspective, acknowledging OHA would be initially in the landowner position.
- **Time Frame:** Long-term, but focused on the 2015 through 2030 period in which the majority of the lands would be planned, developed and absorbed. It was assumed the timing of planning, entitlement, construction and absorption would be:

<b>2015-2016</b>	Master Planning and Entitlement
<b>2017</b>	Site Preparation and Infrastructure
<b>2018-2019</b>	Initial Construction and Pre-Sale/Pre-Leasing
<b>2020-2030</b>	Build-Out, Absorption and Operation Ramp-Up

#### Uses Considered

- Commercial (Retail/Restaurant)
- Residential (Multifamily, all price points)
- Hospitality (Hotel and Timeshare)
- Office (General/Standard and Medical)
- Industrial

**Aspects Analyzed**

- Demand (Macro and Specific)
- Supply (Existing and Proposed)
- Pricing and Absorption
- Investor/Development Interest
- Appropriateness of the Subject Site(s) for Each Use Type
- Recent Honolulu Land Transactions of Each Use Type

## 1.2 SUMMARY OF SUBJECT ABSORPTION ESTIMATES

### 1.2.1 Commercial Space (Retail/Restaurant)

**PROJECTED ABSORPTION OF POTENTIAL OHA KAKA'AKO MAKAI  
RETAIL AND RESTAURANT DEMAND**

Year	Market Demand (1)	OHA Kakaako Properties			
		Free-Standing		Within Master Plan	
		Square Feet	%of Mkt.	Square Feet	%of Mkt.
2015		Master Planning & Entitlements			
2016		Site Preparation & Infrastructure			
2017		Initial Construction and Pre-Leasing			
2018					
2019	207,443				
2020	207,443	70,000	33.7% (2)	105,000	50.6% (2)
2021-2025	1,056,845	175,000	16.6%	265,000	25.1%
2026-2030	1,072,698	180,000	16.8%	275,000	25.6%
<b>Total</b>	<b>2,544,429</b>	<b>425,000</b>	<b>16.7%</b>	<b>645,000</b>	<b>25.3%</b>

(1) Projected mid-point of Kakaako-Waikiki Corridor during period in sq. ft.  
 (2) Percent of regional market during two-year period 2019 (pre-leasing) and 2020 (opening year).

Source: The Hallstrom Group/CBRE

## 1.2.2 Residential Units

**POTENTIAL DEMAND FOR RESIDENTIAL UNITS ON KAKA'AKO MAKAI  
BY TYPE ASSUMING INITIAL PRE-SALE BEGINS IN 2019**

Year	Market Demand for Units	Kakaako Makai Capture Rate	Est. Demand For Subject Units
<b><u>Upper-Market Luxury</u></b>			
2019	250	20.0%	50
2020	250	20.0%	50
2021-2025	1,250	20.0%	250
2026-2030	1,250	20.0%	250
<b>Totals</b>	<b>3,000</b>		<b>600</b>
<b><u>Low to Mid-Market</u></b>			
2019	350	15.0%	53
2020	350	15.0%	53
2021-2025	1,750	15.0%	263
2026-2030	1,750	15.0%	263
<b>Totals</b>	<b>4,200</b>		<b>630</b>
<b><u>Affordable/Reserve</u></b>			
2019	400	15.0%	60
2020	400	15.0%	60
2021-2025	2,000	15.0%	300
2026-2030	2,000	15.0%	300
<b>Totals</b>	<b>4,800</b>		<b>720</b>

Source: The Hallstrom Group/CBRE

### 1.2.3 Hospitality

POTENTIAL DEMAND FOR HOSPITALITY UNITS ON KAKAAKO MAKAI ASSUMING INITIAL PRODUCT OPENING IN 2020			
Year	Market Demand for Units	Kakaako Makai Capture Rate	Est. Demand For Subject Units
2020	1,007	20.0%	201
2021-2025	2,443	20.0%	489
2026-2030	2,000	20.0%	400
<b>Totals</b>	<b>5,450</b>		<b>1,090</b>

Source: The Hallstrom Group/CBRE

### 1.2.4 Medical Office

POTENTIAL DEMAND FOR MEDICAL OFFICE SPACE ON KAKAAKO MAKAI ASSUMING INITIAL PRODUCT PRE-LEASING IN 2019 IN SQUARE FEET			
Year	Market Demand for Sq. Ft.	Kakaako Makai Capture Rate	Est. Demand For Subject Sq. Ft.
2019	55,000	15.0%	8,250
2020	55,000	15.0%	8,250
2021-2025	275,000	15.0%	41,250
2026-2030	275,000	15.0%	41,250
<b>Totals</b>	<b>605,000</b>		<b>90,750</b>

Source: The Hallstrom Group/CBRE

## 1.2.5 Industrial

**POTENTIAL DEMAND FOR INDUSTRIAL FLOOR SPACE ON KAKA'AKO MAKAI  
ASSUMING INITIAL PRODUCT PRE-LEASING IN 2019 IN SQUARE FEET**

Year	Market Demand for Sq. Ft.	Kakaako Makai Capture Rate	Est. Demand For Subject Sq. Ft.
2019	100,000	25.0%	25,000
2020	100,000	25.0%	25,000
2021-2025	500,000	25.0%	125,000
2026-2030	500,000	25.0%	125,000
<b>Totals</b>	<b><u>1,100,000</u></b>		<b><u>275,000</u></b>

Source: The Hallstrom Group/CBRE

## 1.3 THE Kaka'ako MARKET

### 1.3.1 Overview

Kaka'ako has emerged as the primary focus of new development in the State of Hawai'i during the on-going economic up-cycle. While many areas in the islands are also experiencing major expansion, none compare to Kaka'ako in regard to scale, number of under-construction and proposed projects, level of capital investment, and transformative impact. The centrally-located Honolulu district is rapidly evolving from its industrial roots into the modern, residential and commercial-oriented urban neighborhood which has been envisioned for a generation but only now is beginning to broadly achieve long-term objectives.

As shown on the map below, significant portions of the district are in-development or being master planned either as individual projects or under the guidance of major area landowners such as Kamehameha Schools, Howard Hughes (Ward Village), the Hawai'i Community Development Authority (HCDA), the City & County of Honolulu, and the Office of Hawaiian Affairs. Areas adjacent to Kaka'ako, along Kapiolani Boulevard and Ala Moana Center, are experiencing similar growth, with much of the construction thus far tending towards the upper-end of the market.



The multi-billion dollars of on-going and planned long-term investment will potentially add upwards of 10,000 high-rise condominium and apartment units, between one and two million square feet of commercial floor area, and new/enhanced public spaces. The efforts by private and public landowners will be further supplemented by the new rail line which will bisect the district and the proposed upgrading of Ala Moana Beach Park and Kaka'ako Waterfront Park. The development is anticipated to provide a broad spectrum of new inventory, with housing units ranging from low income to ultra-luxury and retail and restaurants oriented toward neighborhood, destination and visitor patrons, all within a sustainable "live, work, play" community.

It is anticipated that within two decades (by 2035), Kaka'ako will be home to more than 32,000 residents, about three times the count at the 2010 census, attracted by the availability of housing; easy access to employment centers, services, activities; and minimized commuting times. Households are forecast to be meaningfully smaller, older, and with higher incomes than islandwide averages.

The on-going "boom" in Kaka'ako is creating new opportunities for real estate uses, investment, and returns/profits, which could be enhanced with the implementation of Transit-Oriented Development and potential rezoning strategies.

The demand for and prices of building sites are strong and the availability of supply outside of the major landownerships are limited. Under-construction and proposed condominium units are being rapidly reserved upon offering, many at all-time high prices for Hawai'i, although demand has been strong across all pricing levels. Among the upscale projects, about half the buyers are off-shore purchasers, while those oriented toward market-priced and affordable units have been rapidly absorbed by local families with many having extended waiting lists.

While the cyclical nature of the Hawai'i/O'ahu economy will periodically impact the pace of development in the district, a market inertia and critical mass is being reached which will insure Kaka'ako remains at the forefront of Honolulu real estate demand and supply for coming generations.

Given this favorable market context, there is fundamental support for additional development in Kaka'ako, with makai-oriented sites having solid access/frontage and linkages to existing and proposed residential projects providing the optimum opportunities. The subject OHA Kaka'ako Makai sites possess these traits. The properties have a central location, extensive water frontage (harbor and shoreline), offer expansive panoramas, and are nearby major under-construction and proposed projects.

In many respects, from commercial (retail/restaurant), residential (high-rise condominium) and hospitality (hotel and timeshare) use perspectives, the OHA holdings are superior to the mauka lands in the district that are the emphasis of the current construction and planning efforts and

could potentially: support a highly-competitive and profitable master planned project(s); capture a reasonable market share regardless of the other inventory being built; and offer favorable returns to the underlying land. However, a charged community/political environment could pose obstacles to maximizing the densities, building heights and envelopes of the properties.

The Kaka'ako District is strategically situated between Honolulu's Central Business District and Waikiki. For many years, it has been a service commercial and light industrial area. Commercial uses were concentrated along the major thoroughfares, while industrial uses occupied interior sites. Major landownership is controlled by four entities—Howard Hughes Corporation, Kamehameha Schools, the State of Hawai'i and OHA.

Recognizing the under-utilization of certain urban communities, the 1976 Legislature created the Hawai'i Community Development Authority (HCDA or Authority) to plan and implement programs for areas designated as community development districts by the Legislature. The Kaka'ako Community Development District Plan (KCDDP) is the Authority's first product. Based on a mixed use concept with three major zones, each with a different emphasis on residential, commercial, and industrial uses, the plan was intended to guide the future development of this district.



*Kakaako District Boundaries*

Effective February 27, 1982, with subsequent amendments, KCDDP supersedes the city's General Plan, Land Use Ordinance, and the previous Kaka'ako Special Design District. As an integral part of implementing the plan, the authority developed the Kaka'ako Community Development Rules for the district. Within these rules, the district has been divided into the "Mauka Area" and the "Makai Area."

The Mauka Area is south of King Street to Ala Moana Boulevard, bounded by Piikoi Street to the east and Punchbowl Street to the west. The Makai Area encompasses lands makai of Ala Moana Boulevard to the waterfront from Ala Moana Park (east) to Aloha Tower (west). Each area is governed by its own rules and plans for development. The subject properties are situated within the boundaries of the Makai Area.

The KCDDP, administered by the HCDA in conjunction with the City and County of Honolulu, oversees Kaka'ako's future development towards a denser concentration of residences, commerce, and light industrial along with supportive public facilities. Residential population and employment are expected to increase substantially within the next 30 years of regulated development.

The existing infrastructure system in the Kaka'ako District was determined by state planners to be adequate to support new development along major roadways and perimeter of the district. However, infrastructure along interior roadways is older and less capable of accommodating new development and consists of overhead utility lines; no curbs, gutters, or sidewalks; and certain areas often flood during heavy rainfall due to inadequate drainage.

Ala Moana Boulevard is a prominent commercial strip that runs between Honolulu's Central Business District and Waikiki. Commercial properties fronting Ala Moana Boulevard provide both retail and office space, in addition to several high-rise luxury condominium projects.

With the exception of the Aloha Tower Marketplace and 677 Ala Moana office building, most of the land makai of Ala Moana Boulevard is still improved with older industrial/service commercial steel and masonry warehouses. As part of its effort to revitalize Kaka'ako, HCDA has made progress in resurfacing, extending, and widening interior roads, and the development of a six-acre Makai Gateway Park, the Children's Discovery Center, the Kaka'ako Waterfront Park, and the University of Hawai'i John A. Burns School of Medicine.

The mauka side of Ala Moana provides a greater density of commercial uses that include Restaurant Row; One Waterfront Towers; the under-construction "The Collection" condominium; Ward Centre; Ward Warehouse; Ward Entertainment Centre; IBM Building; Office Depot; and the 924 Ala Moana office complex.

## 1.3.2 Non-OHA Major Kaka'ako Redevelopment Plans

### 1.3.2.1 Howard Hughes Corporation

Chicago-based General Growth Properties Inc. ("GGP"), the second largest owner of malls in the United States, acquired an interest in Victoria Ward Limited's 60-acre land holdings in Kaka'ako in 2002. On April 3, 2008, GGP proposed a master plan for its land holdings in Kaka'ako Mauka to the HCDA. The Wall Street financial crisis in 2008 led GGP into bankruptcy after being unable to refinance its corporate debt. By the end of the year, GGP emerged from bankruptcy by splitting itself into two separate publicly traded corporations. The new GGP retained management of stable income-producing properties (including Ala Moana Center) and remains the nation's second largest shopping mall owner and operator, with about 185 regional malls in 43 states; while the spin-off company, Howard Hughes Corporation, acquired the management of a portfolio consisting of GGP's Master Planned Communities, among which is the former Victoria Ward Limited Kaka'ako lands, now known as the Ward Village or Ward Centers.

The Ward Neighborhood Master Plan (WNMP) was approved on January 14, 2009, opening the door for a significant redevelopment of the Kaka'ako district. The plan facilitates replacement or complete remodeling of the district's southeast quadrant. The Ward Neighborhood is conveniently located in close proximity to downtown Honolulu, Ala Moana Beach Park, Waterfront Regional Park and Ala Moana Center. It is further enhanced by its close proximity to Kamehameha Schools' lands on the ewa side, which are also envisioned as a major long-term mixed-used redevelopment project. These combined proposed developments serve to seamlessly link the Central Business District (CBD) of Downtown Honolulu, with Ala Moana and Waikiki.



Ward Properties within the Kakaako District.

Howard Hughes Corporation holdings consist of 15 development blocks, and a number of separate parcels generally bordered by Queen and Halekauwila Streets (mauka side), Queen Street on the diamond head end, Koula Street and Ohe Lane on the ewa side, and Ala Moana Boulevard on the makai side. The map below identifies the 60-acre land portfolio of Howard Hughes Corporation (shaded in blue) within the Kaka'ako district.

The master plan indicates that all structures in the area are earmarked for redevelopment, including Ward Warehouse,

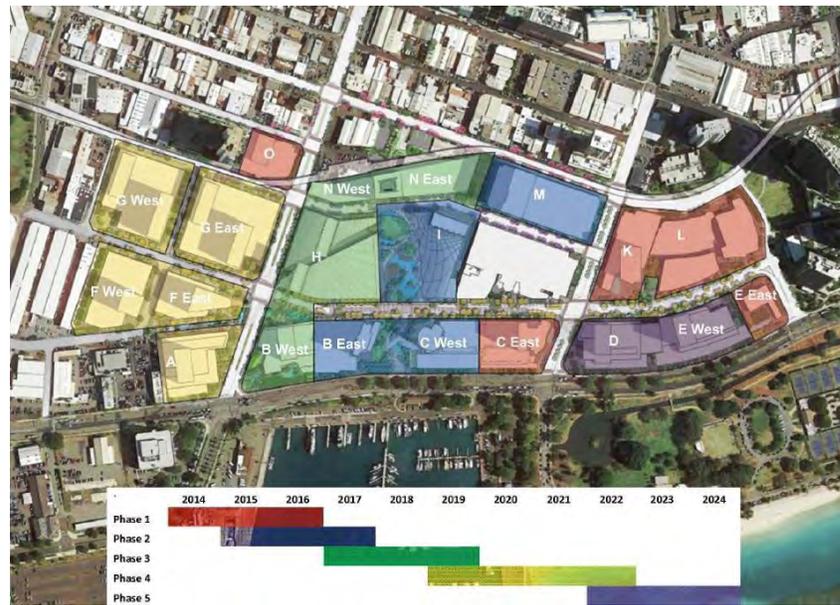
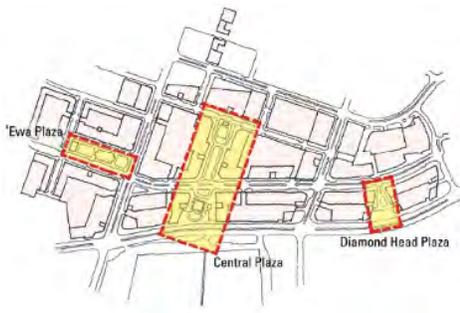
Ward Centre, and the IBM Building. An example of the progress toward its fulfillment is the Ward Village Shops and abutting 724-stall parking garage containing T.J. Maxx and Pier 1 Imports, and Nordstrom Rack, and the ongoing construction of the Waiea and Anaha luxury residential condominium projects.

Proposed for a 20-year build-out, the WNMP will add 7.6 million square feet in residential development to Kaka'ako, thus creating a community that will be 80 percent residential, providing about 4,300 new residential units spread among 20 buildings. The towers, ranging from circa 100 to 400 feet in height, are predominantly planned for mauka-makai orientations capitalizing on view planes. Seven proposed towers will be located along Ala Moana Boulevard. Under current HCDA rules, 20 percent of residential units, or around 860 units, will be reserved/affordable housing that will be available for purchase at moderate prices for families whose annual income is between 100-140 percent of Honolulu's annual median income. The proposed plan could achieve an overall floor area ratio of 3.8.

The planned residential mix will be composed of lofts, townhouses, low, mid and high-rise units that will be offered at a spectrum of prices during different phases of the redevelopment.



Master Plan Structural Overview



Proposed redevelopment phasing.

The residential segment of the neighborhood will be supported by retail, commercial and office uses along with open space and cultural amenities. Retail activity will continue to be a major dominant aspect of the area, and will include shopping, dining, entertainment and services. Additionally, low-, mid- and high-rise office space will accommodate the needs of businesses envisioned in the neighborhood. At full development, the WNMP will have four million square feet of commercial and office space. The plan also potentially quadruples the industrial floor area of the neighborhood with a minimum of 740,000 square feet for industrial use. A central plaza will accommodate live performances, concerts and entertainment.

Open space will account for at least ten percent of the land area of the Ward Neighborhood and will be some of the first lands developed. This equates to around 245,000 square feet that are planned to provide the proposed residential, retail and office buildings with appropriate public areas already in place. All open space land will continue to be privately owned by Howard Hughes Corporation.

As shown, Central Plaza, Ewa Plaza and Diamond Head Plaza will provide around five acres of space for public use and will be intersected by Auahi Street, establishing the street as a regional pedestrian promenade.

To improve the transportation system of the neighborhood, the WNMP will close portions of Ahui, Kamani and Auahi Streets and will create new streets. Pedestrian and bike path networks are intended to help reduce reliance on private automobiles and promote cycling, walking and the usage of public transportation aided by a high capacity transit station proposed to be on the current site of the Ross Store and at a maximum of a 10-minute walking distance from anywhere in the neighborhood. The transportation system will be supported by at least 9,600 parking stalls within the 60-acre neighborhood.

In August of 2013, HCDA approved the first high-rise project under the plan comprising a 400-foot mixed-used condominium tower to be built at 404 Ward Avenue. The project will provide 25,110 square feet of commercial area, 487,287 square feet of residential area and 35,329 square feet of recreation space with 424 dwelling units including affordable units. The project will be served by about 560 off-street parking stalls.

The WNMP will favorably stimulate the economy during the course of implementation. It is anticipated that around \$300 million will be invested in infrastructure improvements. The overall project is envisioned to create around 17,500 on-site construction jobs, and 16,500 off-site construction jobs. The initial estimation also suggests that at completion, the WNMP will create 7,800 full-time professional and service jobs with a \$345 million annual payroll. Howard Hughes Corporation has 15 years, from January 2009, under current HCDA rules; any incomplete portions of the plan will be subject to future rule changes.

### 1.3.2.2 Kamehameha Schools

Kamehameha Schools (KS), a major private landowner in the State of Hawai'i, owns circa 50 acres of land within the 600-acre Kaka'ako district. The KS properties are situated on both the mauka and makai portions of the ewa side of the district.

On November 26, 2008, KS submitted an application to the HCDA, requesting approval of the Kaiaulu o' Kaka'ako Master Plan (KKMP), which proposes redevelopment of a portion of its property holdings in the mauka area of the district during a 15-year period. The nine land blocks that are proposed for redevelopment comprise 29 acres, and are identified as Land Blocks A through I (shaded in purple) in the map below. Properties shaded in green are not proposed for redevelopment as part of the original master plan and the makai land holdings (shaded in orange) are being considered for high technology and life science uses, but are also not part of the 2008 application.

The vision of the KKMP is to create "a progressive, twenty-first century living community that will act as a catalyst for innovation and nurture the evolution of a vibrant urban-island culture within a beautiful neighborhood that is healthy and sustainable." Auahi Street will become the main retail street, and Cooke Street will connect the Mother Waldron and Gateway parks, thus linking the neighborhood, with a large public plaza to host cultural activities and social events.

The KKMP encompasses a mixed-used community offering a variety of housing types and price brackets. The development will be supported by small business, open spaces and community gathering areas. Low-rise apartment buildings will be integrated with commercial spaces. High-rise towers will be strategically positioned to preserve view corridors.

The KKMP anticipates providing around 2,750 dwelling units in the form of lofts, townhouses and condominiums, 20 percent of which will be reserved housing units. Commercial spaces, including retail and office units are estimated to account for about 2.1 million square feet. Open space,



Kamehameha Schools Kakaako Land Holdings.

totaling 126,000 square feet and 140,000 square feet for public facilities as well as 4,850 parking stalls and 126,000 square feet of industrial space are planned. On March 23, 2009, HCDA approved the KKMP.

Under the KKMP, the nine blocks that comprise the 29.02 acres owned by KS can be developed with a maximum buildable floor area of about 4,426,197 Square feet, indicating an FAR of about 3.50. The development parameters by block, updated as of January 9, 2014, are summarized as follows:

Development Potential of the Land Blocks of the Kaiaulu O Kakaako Master Plan

Land Block	Land area (sq.ft.)	Buildable floor area (sq.ft.)	FAR
A	183,501 [1]	733,799	4.00
B	122,569	229,382	1.87
C	159,493	639,688	4.01
D	182,510	282,891	1.55
E	144,635	614,699	4.25
F	125,232	513,451	4.10
G	105,223	431,414	4.10
H	91,339	365,356	4.00
I	150,126	615,517	4.10
<b>Total</b>	<b>1,264,628</b>	<b>4,426,197</b>	<b>3.50</b>

The initial phase of the redevelopment plan that had its official groundbreaking in November 2011 includes Blocks A, B and E, and will serve to link Kaka'ako with the adjacent government and business center of downtown Honolulu.

The first undertaking is the conversion of two commercial buildings at 660 and 680 Ala Moana Boulevard to residential apartments. During the next five to seven years \$18 million will be invested on this project that has already commenced.

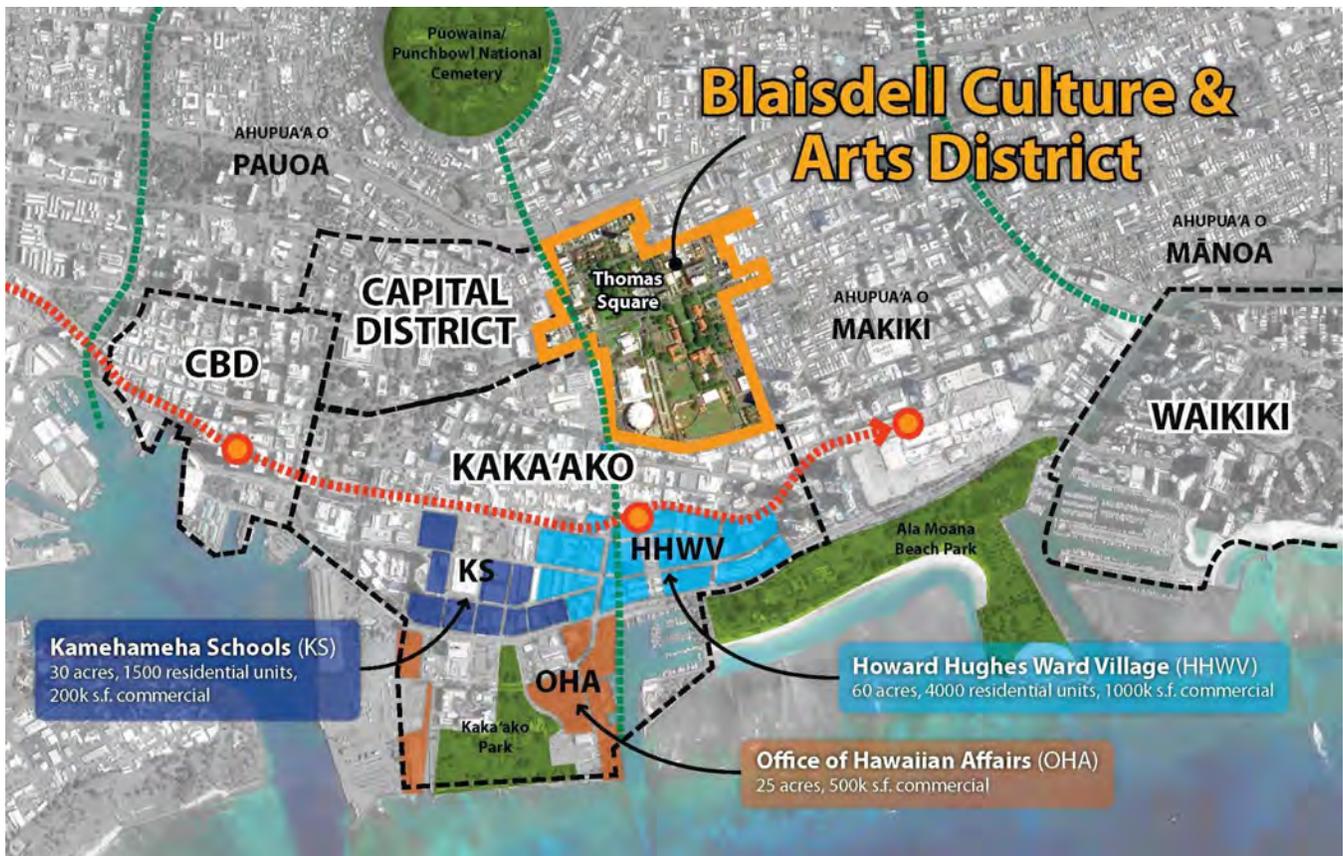


In August of 2013, the first two pieces of the initial phase of the redevelopment were approved by HCDA, they include the projects "The Collection" and "Salt". Local developer Alexander & Baldwin will build The Collection at the former CompUSA site. The complex will be comprised of a 43-story tower and low-rise buildings providing 397 condo units along with retail and restaurant space. The Collection complex will also be served by a 914-stall parking garage. A proposed commercial complex known as the Salt will include a parking garage located one block Diamondhead of The Collection that will provide space for up to 50 retail and restaurant tenants and will be created primarily by renovating old buildings on the site.

Timing and details for future phases of the redevelopment have yet to be determined and will be influenced by economic and market conditions as well as by the overall progress of the initial phase.

### 1.3.2.3 Blaisdell Center Redevelopment

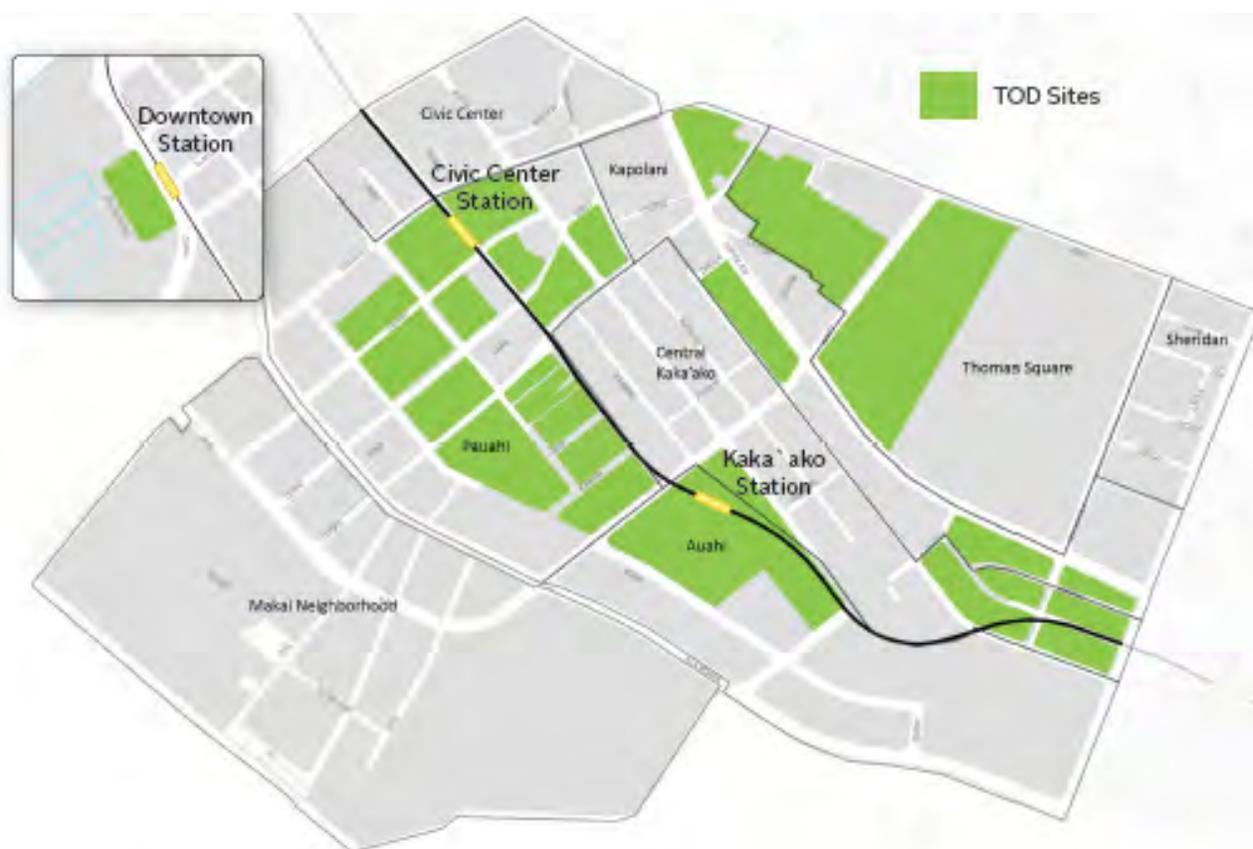
The City & County of Honolulu is currently preparing master plans for the redevelopment of the 22.4 acre Neil S. Blaisdell Center site located at Kapiolani Boulevard and Ward Avenue in the mauka area of Kaka'ako. The well-located holding is currently improved with public facilities including an arena , exhibition hall, concert hall , meeting rooms and a parking structure, most of which were built in 1964 and are facing increasing maintenance and renovation needs.



Blaisdell Center Redevelopment Area

Several proposals were initially forwarded for the site ranging from the construction of new public performance facilities/attractions, increased open space, to mixed public and private uses.

A team was assembled earlier this year to develop a master plan in conjunction with community input. Preliminary results are not anticipated until September/October. Reports are the team is exploring a project which will be a mixed public and private concept; with the private uses (residential and commercial) subsidizing revitalized public facilities within a transit-oriented development.



The advent of the Honolulu Rail Transit project warranted refinement of the Kaka'ako redevelopment plans to capitalize on the benefits that such an undertaking can bring to Kaka'ako. Such refinement came in the form of the TOD Overlay Plan which draft was released in May of 2013. The new plan does not intent to replace or supersede the already existing development plans and rules approved for the area but rather to serve as an overlay or supplement to aid maximize the benefits of the Honolulu Rail Transit project.

The overlay plan seeks to allocate more residents and commercial enterprises by developing an array of taller towers as well as pedestrian and bike paths in close proximity to the two rail stations that are planned for the area. The plan also provides for a limited number of hotels to be located in Kaka'ako and addresses issues related to the current highly-used bus transportation system. Areas of Kaka'ako that provide the highest potential for redevelopment are considered such as buildings and parking lots that have completed their expected useful life.

Under the overlay plan, a limited number of 550-foot towers and up to three 700-foot towers would be allowed. The plan intends to collaborate with the Honolulu Rail Transit project to create a community that can provide all that residents need such as housing, employment and public transportation within close proximity to achieve a neighborhood less dependent of private transportation, while providing venues and opportunities to walk, bike and use of convenient public transportation.

## 1.4 COMMERCIAL (RETAIL/RESTAURANT) MARKET ANALYSIS

The O'ahu commercial/retail market contains more than 13.6 million square feet in major centers (excluding in-hotel spaces) and has moved into a strong growth period in recent months. There is an estimated 2.3 million square feet in Kaka'ako in addition to the some 2.7 million square feet of space at Ala Moana Center once the on-going expansion is completed.

There are several sub-sectors in the market which would be appropriate uses to consider on the OHA Kaka'ako Makai lots:

- **Visitor oriented** - a wide-variety of boutique, specialty, international brand, craft and other stores competing for tourism shopping dollars.
- **Neighborhood stores** - focused on serving the growing number of Kaka'ako residents in a community currently lacking in stores serving local households.
- **Destination uses** - such as restaurants and specialty/themed projects, which attract a mix of visitors and residents.

The Hawai'i retail market is generally within an up-cycle period as development and redevelopment projects on O'ahu, and throughout the State, show strong activity in desirable locations. National tenants continue their expansion into prime spaces throughout central Honolulu and there are increasing numbers of local entrepreneurs and small businesses seeking Kaka'ako/Ala Moana opportunities for start-up or expansion opportunities. Retail fundamentals are expected to further strengthen as new projects in the pipeline are delivered in the near to mid-term.

While there has been some near-term slowing in sales at the upper-end/luxury stores of Waikiki and Ala Moana resulting from the fluctuation in exchange rates of the Japanese yen and Australian dollar relative to US currency, rates appear to be stabilizing and total visitor retail spending on O'ahu is forecast to show gains in 2015 over last year.

Rents for new/prime spaces have well-recovered from the recession, ranging from over \$4 per square foot in neighborhood/destination centers to upwards of \$40 per square foot along Kalakaua Avenue in Waikiki, often with additional percentage rents that can reach as high as 16 percent of sales volumes. These levels are sufficient to support the escalating costs of development and provide for meaningful returns to the underlying sites

There will be significant additions to the retail/restaurant and service commercial inventory in Kaka'ako over the mid to long-term much within the ground/lower floors of the numerous proposed residential and mixed-use towers being built and proposed. However, there will be "loss" of space as well from the redevelopment of Ward Warehouse to residential use, impacts from the rail takings, and other conversions.

The OHA Kaka'ako Makai lands would provide a competitive location for these commercial uses, particularly for visitor-oriented and destination types, as evidenced in the Ward Village projects on the mauka side of Ala Moana Avenue and at 53 By the Sea. Retail and restaurant tenants would also be a major part of the ground level podium structures for any mixed-use developments having other uses on the above-ground floors.

Developing sufficient synergy/critical mass, an appropriate tenant mix or theme, along with adequate parking and access is essential for the project. While fee simple sites are preferred by developers, leasehold commercial development is common in Honolulu.

### 1.4.1 Subject Property Demand Analysis

We have analyzed the potential demand for Food & Beverage and retail uses of the subject properties on a free-standing basis or as components within a master plan from two perspectives:

- **Macro Basis** -- according to the overall context of the O'ahu retail/F&B sector, at present with its current vitality and as anticipated over the near to mid-term, as reflected in market fundamentals such as patronage (resident and visitor) and sales volumes.
- **Micro Basis** -- according to the dynamics of the specific segments in which the probable subject inventory will compete, the makai-oriented retail and restaurant corridor stretching from Waikiki to Downtown Honolulu.

For both perspectives we have focused on the period from 2015 (current date) to 2030. This is when the proposed OHA Kaka'ako Makai projects would be entitled/designed, constructed, be absorbed, and ramp-up operations to stabilization.

We have estimated the demand for additional retail and restaurant space in the general (O'ahu) market and in the specific (Kaka'ako/Waikiki) sector for these periods. The results of our demand analysis were then compared to the available and proposed supply analysis.

To the extent there is demand for space in excess of proposed supply, there is a quantitative support for the F&B and retail development of the OHA sites on a macro basis. If the sites have the characteristics necessary to capture a favorable market share (due to scarcity or desirability) there is qualitative support on a micro basis.

### 1.4.2 Macro (General) Demand Analysis

On a macro, or general, basis demand for the subject will be a function of the status of the anticipated patronage segments of the tenant businesses within the project(s). If these segments are growing in size (numbers of persons) and expanding their spending habits (number of dollars) a favorable environment for the project is established, and assuming it offers competitive and desirable product should achieve reasonable absorption and sales levels.

From a macro perspective, the primary patrons for the any Kaka'ako Makai commercial development would be:

1. Residents of O'ahu and the Kaka'ako District; and,
2. O'ahu Visitors.

The table below identifies the current and projected resident populations of the island and Kaka'ako during the study period. While O'ahu population is anticipated to achieve a steady but limited expansion over the next decade, the Kaka'ako population will double, making it one of the fastest growing areas in the State.

We note, the Kaka'ako figures reflect only full-time residents, and there will be substantial off-shore, second-home owners additionally contributing to the in-district patronage.

The 12,500 new residents in Kaka'ako, in conjunction with the up to 1,000 off-shore persons contributing to the average daily de facto population, will create direct demand for some 337,500 square feet of new retail and restaurant space assuming a per capita spatial demand of 25 square feet per person (which is the current per capita supply of all retail and F&B floor space on the island). Virtually all of this additional demand should be captured within the Kaka'ako/Ala Moana area. On a maximum basis of 38 square feet per person, which would be more typical for a fully mature market the size of Honolulu, the total spatial demand created would reach over one-half million square feet of gross floor space.

PROJECTED RESIDENT POPULATION POPULATION OF OAHU AND KAKA'AKO DISTRICT			
Year	2015	2020	2025
<b><u>City &amp; County of Honolulu</u></b>			
Projected Resident Population	1,016,800	1,043,900	1,070,100
Percent Annual Change		0.5%	0.5%
<b><u>Kakaako District</u></b>			
Projected Resident Population	12,500	19,000	25,000
Percent Annual Change		8.7%	5.6%
Percent of County Total	1.2%	1.8%	2.3%
Extrapolated from State of Hawaii DBEDT 2040 Series and City & County of Honolulu 2008 Socioeconomic Projections, and The Hallstrom Group/CBRE.			

The average daily O'ahu visitor census is also forecast to climb meaningfully over the coming ten years, as shown below, expanding by circa 20 percent from current levels by 2025 if sufficient lodging is available.

These figures reflect the moderation of recent forecasts made by the Department of Business, Economic Development and Tourism (DBEDT) and the University of Hawai'i Economic Research Organization UHERO, and are significantly below the 5.05 percent compounded annual rate of visitor arrivals expansion during the previous five years (2010 through 2015).

PROJECTED AVERAGE DAILY VISITOR CENSUS AND TOTAL ANNUAL EXPENDITURES			
Year	2015	2020	2025
Projected Average Daily Population	98,186	108,405	118,519
Percent Annual Change		2.0%	1.8%
Projected Total Annual Expenditures	\$6,896,215,000	\$7,994,603,000	\$9,001,123,000
Percent Annual Change		3.0%	2.4%

Extrapolated from State of Hawaii DBEDT Visitor Industry Statistics, University of Hawaii Economic Research Organization, and The Hallstrom Group/CBRE

Although visitor spending on O'ahu has been buffeted in the past two years (2013-14) due to the strengthening of the dollar relative to the Japanese yen and Australian dollar, the trend appears to be stabilizing based on recent indicators, and moderate expansion in visitor spending is anticipated over the near to mid-term.

Even with the recent instability in these two specific demographic sectors, visitor spending increased at a rate of 7.16 percent compounded annually in the five full years from 2009.

All primary factors contributing to demand are in favorable alignment and indicative of a continuing general up-cycle, even if subdued relative to the major post-recessionary gains.

Based on the anticipated expansion of the resident and visitor de facto population and spending levels, we have developed a model estimating the demand for additional in-center and big box retail and restaurant gross floor area on O'ahu over the 2015 through 2025 projection period.

The results from the model are summarized in the following chart. We forecast a macro demand for just over two million square feet of gross leasable floor area during each period, or a total of 4.1 million square feet by 2025.

## PROJECTED OAHU DE FACTO POPULATION AND TOTAL RETAIL SALES AND FLOOR SPACE

Year	2015	2020	2025
-			
Projected De Facto Population	1,114,986	1,152,305	1,188,619
Percent Annual Change		0.7%	0.6%
Projected Annual Retail Sales	\$30,150,000,000	\$35,982,066,000	\$42,119,633,000
Percent Annual Change		3.6%	3.2%
Per Capita Annual Spending	\$27,041	\$31,226	\$35,436
Percent Annual Change		2.9%	2.6%
Projected Retail Space Demand in SF (1)	13,602,416	15,616,425	17,668,552
Percent Annual Change		2.8%	2.5%
<b>Demand for New Retail Space in SF</b>		<b>2,014,009</b>	<b>2,052,127</b>
(1) Within centers and big box stores. Does not include free-standing stores or those in hotels.			
Extrapolated from State of Hawaii DBEDT Visitor Industry Statistics and State Data Book, and The Hallstrom Group/CBRE			

Based on recent population and spending trends, we anticipate that approximately 48 to 55 percent of near to mid-term demand for additional commercial space on O'ahu will be directed towards the Kaka'ako to Waikiki corridor encompassing the subject.

### 1.4.3 Micro (Specific) Demand Analysis

On a micro, or specific, basis demand for the subject can be analyzed as a function of the strength of demand for the existing competitive inventory in the makai-oriented Kaka'ako-Waikiki corridor, and using available data points on potential patronage populations and other available market insights.

The projected expansion of the Kaka'ako District population, anticipated to double within the next decade, and the growth of the O'ahu visitor population (which is strongly focused in Waikiki), anticipated to increase by 20 percent, were discussed foregoing. Each of these groups, within the context of the overall O'ahu market, is also a specific (or micro) subject sector indicator.

A third specific patronage indicator can be taken from the attendance counts at Ala Moana Beach Park, adjacent to Kewalo Basin and less than one-half mile from the heart of the OHA lands, from which significant numbers of subject patrons could be drawn; particularly for any on-water F&B components. An objective of any Kaka'ako Makai master plan would be to attract park-goers

(residents and visitors). At present, F&B opportunities are extremely limited in the Park and there are no retail or service opportunities. This represents a large untapped potential market and also quantifies the numbers of individuals in the effective market area and their trending over time.

The table below summarizes Park attendance over the past several decades. Although subject to periodic downturns during poor weather years, the number of visitors has steadily increased since the turn of the century, growing at a compounded rate of 3.41 percent annually.

ALA MOANA BEACH PARK ATTENDANCE				
	Total Attendance (1)	Annual Change		
			Percent	Count
<b>2014</b>	<b>2,697,657</b>	<b>(2)</b>	<b>2.5%</b>	<b>65,796</b>
2013	2,631,860		7.4%	180,997
2012	2,450,863		-7.1%	-186,490
2011	2,637,353		7.7%	187,719
2010	2,449,634		1.5%	35,596
2009	2,414,038		13.6%	288,545
2008	2,125,493		24.3%	414,984
2007	1,710,509		38.0%	470,893
2006	1,239,616		-27.5%	-469,376
2005	1,708,992		11.4%	174,769
2004	1,534,223		-14.4%	-257,176
2003	1,791,399		2.0%	35,377
2002	1,756,022		-3.9%	-71,349
2001	1,827,371		4.8%	83,456
2000	1,743,915		5.2%	(3) 78,077
1995	1,353,530		-2.1%	(3) -28,433
1990	1,495,693		-2.6%	(3) -42,461
1985	1,708,000		N/A	N/A

Note: Major downturns in 2004 and 2006 correspond to exceptionally high rainfall during those years; among highest in Honolulu since 1960.

(1) Attendance is based on headcounts taken 3 times by Water Safety Officers over an 8-hour work day.

(2) Estimated year-end figure.

(3) Compounded annual growth rate over five-year period.

Source: City and County of Honolulu, Emergency Services Department, Ocean Safety & Lifeguard Services Division, records, and The Hallstrom Group/CBRE.

Another micro analytic is the vacancy rate of retail and restaurant spaces in the directly competitive centers within the Kaka'ako-Waikiki makai-oriented corridor, stretching along Ala Moana Boulevard from Ward Avenue into Waikiki, and thence along Kalakaua Avenue to the Diamond Head neighborhood.

At year-end 2014, the vacancy rate for retail and restaurant space along Kalakaua Avenue was at 0.6 percent, or virtually full occupancy, with base rents ranging from \$15 to \$40 per square foot monthly (plus percentage rents).

While there is invariably some constant tenant turnover within the 2.1 million square foot Ala Moana Center, the net vacancy rate is consistently below two-percent, and is currently at virtually full occupancy, with base lease rents for in-line spaces ranging from just below \$8 per square foot to \$23 per square foot (excluding restaurants and anchor stores), plus percentage rents.

Lease-up continues on the under-construction 650,000 square foot Ewa Expansion of the center scheduled for completion in late 2015. More than 54 percent of the project will be occupied by the Nordstrom and Bloomingdale's anchor stores, and it is anticipated the large majority of remaining in-line retail and restaurant space will be leased by completion or shortly thereafter.

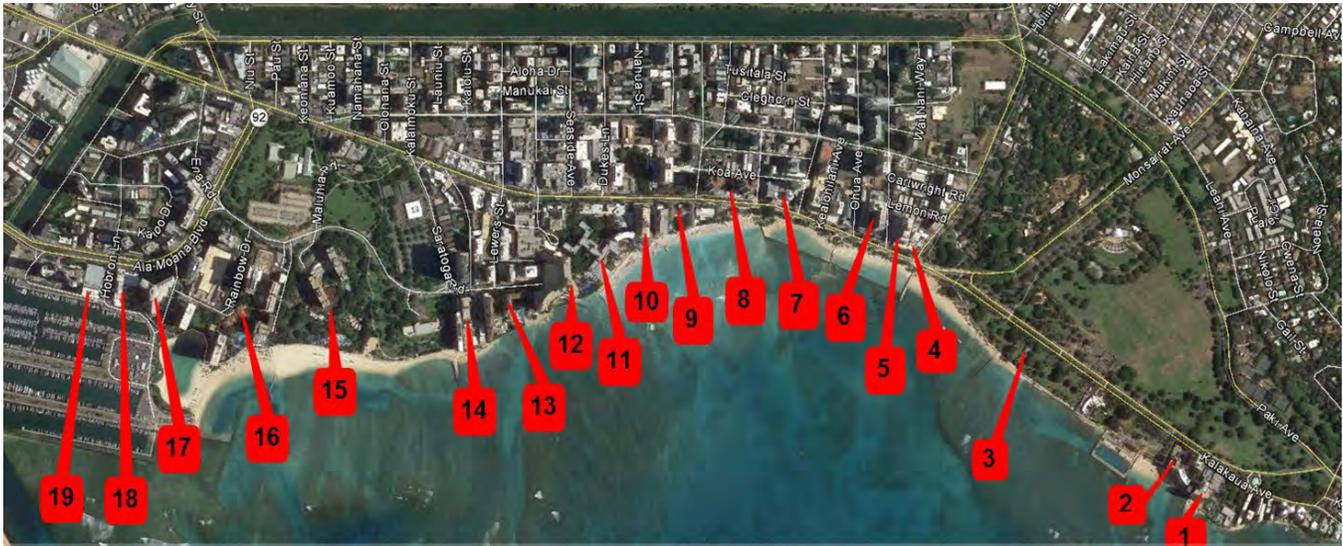
Within the Ward Village centers, occupancy is approaching 100 percent, and there will soon be a shortfall of available space with the potential closure of the 115,000 square feet Ward Warehouse. Numerous restaurant tenants have been recently signed, and podium retail and restaurant spaces within several of the under-construction/proposed residential towers have been spoken for, including the Whole Foods 55,000 square foot location. According to brokers, recent base rents being achieved range from about \$4.00 per square foot to more than \$7 per square foot monthly (plus a percentage of sales).

Based on these indicators, and discussions with commercial brokers and project leasing agents in the effective area, it is evident there is very high demand for retail space in the makai-oriented Kaka'ako-Waikiki sector in which any OHA Kaka'ako Makai inventory would compete.

We have also completed an analysis of the restaurant spaces within the makai-oriented corridor stretching from the Diamond Head neighborhood (Michel's Restaurant) to Downtown Honolulu (Rijo Restaurant). We included all restaurants on the shoreline/marina or having a meaningful ocean view that is featured from their space.

We identified a total of 56 individual spaces in 25 locations (many hotels and shopping centers have more than one such space). Of the available spaces there is currently only one vacancy, in Ward Center adjacent to Ryan's Grill, or less than two percent of the entire sector; and, it is our understanding interest has been expressed in the space and its lease-up is anticipated in the near future.

The restaurants are identified on the following two maps.



- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>1. Michel's - Colony Surf</li> <li>2. Hau Tree Lanai / Miyako - New Otani Kaimana Beach Hotel</li> <li>3. Barefoot Beach Cafe - Kapiolani Park Natatorium</li> <li>4. Lulu's - Park Shore</li> <li>5. Tiki's - Aston Waikiki Beach</li> <li>6. d.k. Steak House / Arancino di Mare / Moana Terrace - Waikiki BeachMarriott</li> <li>7. Eggs &amp; Things - Waikiki Circle</li> <li>8. Swim / Regency Club Lounge / SHOR - Hyatt RegencyWaikiki</li> <li>9. Beachhouse at the Moana / Veranda at the Beachhouse / Vintage 1901 / Beach Bar / Surfrider Cafe - Moana Surfrider</li> <li>10. Duke's Canoe Club / Barefoot Bar / Chuck's Steak House - Outrigger Waikiki</li> </ul> | <ul style="list-style-type: none"> <li>11. Azure Restaurant / Mai Tai Bar / Surf Lanai - Royal Hawaiian</li> <li>12. Rum Fire / The Edge of Waikiki - Sheraton Waikiki</li> <li>13. House Without a Key / Orchids - Halekulani</li> <li>14. Shorebird / Ocean House - Outrigger Reef</li> <li>15. Koko at Kaila - Hale Koa</li> <li>16. Bali Steak &amp; Seafood / Rainbow Lanai / Tropic's Bar &amp; Grill / Fresco - Hilton Hawaiian Village</li> <li>17. Sorrento's - The Ilikai Hotel</li> <li>18. Morimoto's - The Modern</li> <li>19. Charthouse / Harbor Pub - Ilikai Marina</li> </ul> |
|--|--|



- 20. Bubba Gump's / Morton's The Steak House / California Pizza Kitchen / Tanaka of Tokyo - Ala Moana Center
- 21. Little Sheep / Mexico Cantina / Ryan's Grill - Ward Center
- 22. Kincaid's - Ward Warehouse
- 23. 53 By the Sea
- 24. Gordon Biersch / Hooters - Aloha Tower Marketplace
- 25. Rijo - Harbor Court

Most of the restaurants have been successfully operating for years and are among the most-visited, most stable, top-selling F&B outlets in Hawai'i.

The strength of the water-oriented restaurant sector is indicated by the ability of Gordon Biersch and Hooters to continue as long-term profitable operations (although only harbor-front) within the failed Aloha Tower Marketplace project, and that Rijo has recently begun operations in a less-desirable (and long-vacant) space within Harbor Court in part because it was the last available location with a quality ocean view.

Rents for makai-oriented restaurants vary widely, and many are operated by hotels and do not pay space lease rents. Among the more recent leases, base rents have typically ranged from \$3 per square foot to \$4 per square foot monthly (however there have been several outliers reaching into the \$5 to \$6 range) with percentage rents ranging from 5 percent to 9 percent of gross sales. Typically those with the higher base rents have lower percentage rents, and often there is an "owner's return", allowing the owner to recapture some/all of their invested Tenant Improvements, above base rents before percentage rents kick-in.

Total tenant improvements in new F&B spaces generally range from \$150 to \$250 per square foot for "basic" outlets, such as counter-service or lower/moderate-end full-service restaurants, and from \$250 to over \$400 per square foot for upper/moderate to upscale (prime or "celebrity chef) restaurants. It is typical for landlords to provide about half the initial TI funds as part of the originating space lease agreements.

In some circumstances, particularly in order to attract a name restaurant to a new space, the landlords will provide a larger portion of the TI; however, it is often accompanied with a base and/or percentage rent basis towards the upper end of the market range. Conversely, a tenant contributing a greater share of the TI, while paying market-level base rents may expect to receive an owner's return amount before percentage rents are paid above the base amount.

The large majority of brokers and leasing agents interviewed during our investigation implied there was a near unlimited demand for makai-oriented (and especially on-water) restaurant space in Honolulu, as it is the most desirable characteristic in the sector, particularly among the visitor population. All acknowledged the exceptional scarcity of existing and potential product and developer, investor and tenant interest on all levels.

Micro, or specific, analysis also strongly supports the demand for retail and F&B development on the subject OHA lots.

### 1.4.4 Demand Conclusions

Every available indicator points to there being significant demand for additional makai-oriented retail and F&B space in central Honolulu from Kaka'ako through Waikiki during the anticipated construction, absorption and ramp-up period for the subject lots development(s).

Patronage populations and their spending levels are increasing, there is projected demand for additional space throughout the island, and the available competitive spaces are at virtually full occupancy with increasing rents and sales.

### 1.4.5 Supply Analysis

An estimated 2.98 million gross square feet of retail and F&B floor space in major centers and big box development is currently under-construction and/or proposed for O'ahu over the coming decade, excluding the potentials at the subject properties, with some 2.1 million square feet between the study date and the end of 2020, and another 876,000 announced between 2021 and the end of 2025.

The chart below summarizes the major additions by landowner, project name, or location. However, a significant portion of the inventory additions in the sector will be located at Kapolei, Central O'ahu or Windward O'ahu (52.3 percent) and therefore not directly competitive with the potential subject product.

PROPOSED MAJOR RETAIL SUPPLY ADDITIONS ON OAHU		
Project	Total GLA in Square Feet	
	2015 through 2020	2021 through 2025
<b><i>Additions to Supply</i></b>		
Ala Moana Center Expansion	650,000	
International Market Place	357,000	
Kamehameha Schools Kakaako	85,000	115,000
OHA Kakaako Makai	N/A	N/A
Ward Villages	111,160	166,000
Kapolei Projects	931,777	430,000
Central Oahu	78,000	125,000
Windward Oahu	25,000	40,000
<b>Total</b>	<b>2,237,937</b>	<b>876,000</b>
<b><i>Subtractions from Supply</i></b>		
King's Village (net change)	18,764	
Ward Villages	115,000	
<b>Total</b>	<b>133,764</b>	<b>0</b>
<b>Net Total Additional New Supply</b>	<b>2,104,173</b>	<b>876,000</b>

Source: Developers, EIS, Brokers, and The Hallstrom Group/CBRE

Approximately 1.1 million net square feet of the additional supply over the next five-plus years, or 50.8 percent of the total will be located in the Kaka'ako-Waikiki corridor and potentially competitive with the subject (including the loss of space at King's Village and Ward Warehouse). Yet, a substantial portion of the new space at Ala Moana Center, International Marketplace, King's Village, and in the SALT project on KS lands has already been pre-leased and should be at or near fully absorbed before any Kaka'ako Makai inventory comes on-line.

Several of the large spaces within the under-construction and proposed mixed-use residential towers at Ward Village have also been pre-leased (such as Whole Foods) or are the subject of strong interest.

It is anticipated there will be only moderate to minimal amounts of competitive inventory in the specific study area when the envisioned Kaka'ako Makai product comes onto the market between 2018 and 2025.

Apart from potential development of several restaurant bays on HCDA lands on the diamond head side of Kewalo Basin, and perhaps a few restaurant spaces in the Ala Moana Ewa Expansion project, major makai-orientated restaurant spaces will continue to be limited.

The amount of additional quality space in the directly competitive sector will be more limited in the 2021 through 2025 as Ala Moana Center will be substantially built out from a commercial perspective and there are scarce quality sites remaining in Kaka'ako-Waikiki (with the possible exception of the Food Pantry holding on Kuhio Avenue).

The most significant direct competitor in this time-frame could be via development of the HCDA holdings directly across Kewalo Basin from the subject properties, which have direct harbor frontage and a strong makai-orientation. The lands are currently in the beginning of the master planning process. However, the amount of total floor space will be limited to between 70,000 and 100,000 square feet, with likely only three or so restaurant spaces.

#### **1.4.6 Comparison of Demand and Supply Indicators and Absorption Estimates**

The chart on the following page summarizes the comparison of retail and F&B space demand and supply indicators during the projection period. There will be a slight over-supply during the coming five-plus years (through 2020), however much will be the result of massive inventory addition in Kapolei, well outside the primary study area.

Based on anticipated regional resident (from City & County forecasts) and visitor population growth trends, it is projected that between 2015 and 2020 the de facto population growth in the primary market areas, excluding the nominal growth districts of Waianae, North Shore, Koolauloa and East Honolulu, will be some 44,456 persons, of which 77 percent will be residents and 23 percent visitors.

COMPARISON OF MACRO DEMAND AND SUPPLY INDICATORS		
Market Aspect	Total GLA in Square Feet	
	2015 through 2020	2021 through 2025
Projected Demand	2,014,009	2,052,127
Proposed Supply	2,104,173	876,000
<b>Under/(Over) Supply</b>	<b>(90,164)</b>	<b>1,176,127</b>

About 48.3 percent of the increased population and their associated spending/demand will be focused towards the Primary Urban Center (encompassing the study corridor), 41.4 percent to Ewa/Kapolei, 9.2 percent in Central O'ahu, and 1.1 percent to Koolauapoko (lower windward).

This compares generally well with the proposed major center and big box inventory additions for the period, with 50.8 percent of supply for 2015 through 2020 planned for the Primary Urban Center (which attracts more shoppers from throughout the island than other districts), 43.7 percent for Ewa/Kapolei, and the remainder to other areas of the island.

From 2021 through 2025, the de facto population of the primary growth areas is forecast to increase by an additional 35,568 persons, of which 36.3 percent will be in the PUC, 48.2 percent in Ewa/Kapolei, and 15.5 percent in Central O'ahu. Koolauapoko is projected to see no population increase for the period.

In this instance the population and associated demand figure comparisons indicate planned major center/big box supply floor area additions will be under-supplied in the PUC with only 32 percent of proposed space for Honolulu, while 44 percent is developed in Ewa/Kapolei and 13 percent for Central O'ahu.

The currently proposed supply for this 2021-25 will fail to meet anticipated demand by some 1.2 million square feet for the period. Assuming an equitable distribution of demand based on de facto population, this means the PUC, and primarily the Downtown to Waikiki area, will be undersupplied by some 425,000 square feet (36 percent of total island demand) to 470,000 square feet (40 percent).

Overall the comparison of demand and supply projections indicate the central Honolulu study area will be in a general supply balance from 2015 through 2020, but meaningfully under-supplied from 2021 through 2025. Given the superior competitive qualities of the subject location, it is evident there will be meaningful unmet demand available to absorb a significant amount of retail and F&B space developed on the OHA Kaka'ako Makai whether on a free-standing basis or within a master plan context.

The foregoing comparison assumes the subject captures only the residual demand within the market, that remaining after all of the other proposed projects are fully absorbed. This is the most conservative technique as it does not reflect any potential competitive/superior benefits the Kaka'ako Makai properties.

Given the attributes of the subject properties, we believe they could capture a reasonable market share of regional demand on a competitive basis regardless of the number or size of proposed projects. This is considered a moderate technique and most appropriate within a diverse urban setting.

Based on historic capture rates achieved by other projects in the Kaka'ako-Waikiki Corridor, and the timing, scale and characteristics of the proposed inventory, it is reasonable to assume that well-designed and well-priced commercial development on the OHA sites could readily achieve a market share of 16.6 percent (one-sixth of total regional demand) as free-standing developments and up to 25-plus percent (one-quarter of regional demand) within a master planning concept.

As shown in the following table, this would equate to absorption of between 425,000 and 645,000 square feet of gross leasable floor area during the initial 12 years of product offering; commencing with pre-leasing in 2019 through 2030.

PROJECTED ABSORPTION OF POTENTIAL OHA KAKA'AKO MAKAI RETAIL AND RESTAURANT DEMAND					
Year	Market Demand (1)	OHA Kakaako Properties			
		Free-Standing		Within Master Plan	
		Square Feet	% of Mkt.	Square Feet	% of Mkt.
2015		Master Planning & Entitlements			
2016		Site Preparation & Infrastructure			
2017		Initial Construction and Pre-Leasing			
2018					
2019	207,443				
2020	207,443	70,000	33.7% (2)	105,000	50.6% (2)
2021-2025	1,056,845	175,000	16.6%	265,000	25.1%
2026-2030	1,072,698	180,000	16.8%	275,000	25.6%
<b>Total</b>	<b>2,544,429</b>	<b>425,000</b>	<b>16.7%</b>	<b>645,000</b>	<b>25.3%</b>

(1) Projected mid-point of Kakaako-Waikiki Corridor during period in sq. ft.  
 (2) Percent of regional market during two-year period 2019 (pre-leasing) and 2020 (opening year).

Source: The Hallstrom Group/CBRE

An integrated master plan would maximize the opportunities for a subject development within the context of the larger community and insure complimentary use types and scales. Free-standing development would be piecemeal, erratically timed and lack homogeneity, which could result in ruinous competition, hamper space absorption and negatively impact tenant business.

### 1.4.7 Appropriateness of the Subject Sites for Commercial Use and Potential Absorption Estimates

The subject properties would be a superior location for mixed-use retail and F&B development, as they have (within an overall development context):

- Superior, extended frontage/exposure along a major Honolulu thoroughfare in an urban corridor having a long-established, well-recognized retail and F&B orientation that is expanding towards the holding.
- Extensive, highly-desirable frontage along the harbor basin and shoreline with dynamic and unique view panoramas down the shoreline towards Waikīkī and Diamond Head not found elsewhere on private lands in Honolulu.
- Sufficient size (both individually and combined) to support moderate to large-scale projects that would provide a critical mass/cumulative attraction and destination potentials.
- While the Kaka'ako District is in a transitioning stage there are existing and proposed complimentary uses in the larger neighborhood which will provide linkages and support for the subject project(s), and under-construction and proposed high-rise residential towers which will provide patrons for the tenant businesses.

The subject businesses can also provide currently-lacking services to Kewalo Basin users. There are no on-site F&B outlets for boaters and their guests/patrons to buy coffee/breakfasts, lunch or packaged food and drinks before departing for daily activities; for boat operators to buy parts or supplies; or, for places for non-participants to pass the time awaiting their return. However, they would eventually be in competition for these patrons with the project(s) developed on the HCDA lands on the other side of the harbor.

CURRENT ASKING RENTS AND GROSS SALES FOR COMPETITIVE INVENTORY						
Indicator	Net Rents per Sq. Ft. GLA		Percentage Rents (1)		Gross Sales per Sq. Ft. GLA	
	Low	High	Low	High	Low	High
All Oahu Averages	\$2.98	\$10.75	4.2%	10.5%	\$375	\$1,100
Specialty Centers	\$4.62	\$11.92	2.0%	15.0%	\$600	\$1,500
Regional Centers	\$4.21	\$14.37	5.5%	10.5%	\$550	\$1,400
Waikiki (Prime)	\$12.25	\$40.00	5.0%	16.0%	\$700	\$1,600
Ala Moana/Kakaako	\$3.75	\$20.25	6.0%	16.0%	\$600	\$1,800
"Makai" Restaurants	<u>\$2.50</u>	\$8.00	3.0%	9.0%	(2) \$650	\$1,400

(1) For those leases having % rents paid in excess of base rents. Some leases do not require % rents.  
 (2) Typically those having higher base rents have lower percentage rents, and there is often an "owner's return" for recapturing Tenant Improvements before percentage rents are charged.

Source: Brokers/Leasing Agents, Center Tenant Rolls, and The Hallstrom Group/CBRE

### 1.4.8 Competitive Rents and Gross Sales

The chart above summarizes the current asking rents for retail spaces islandwide (averages), in specific center types, in the Kaka'ako to Waikiki corridor, and for makai-oriented restaurants.

## 1.5 RESIDENTIAL CONDOMINIUM MARKET ANALYSIS

### 1.5.1 Overall Honolulu

Over the past decade, the inventory of residential condominiums in the Kaka'ako District has surged, with the majority of Honolulu's new projects constructed within a two-mile radius of the OHA makai lands. The most recent completions in Ala Moana/Kaka'ako include Moana Pacific, Hoku, Ko'olani, Pacifica Honolulu, Vanguard Lofts, 909 Kapiolani, One Ala Moana, Halekauwila Place, and Keola Lai. Two upper-end condominiums, Capitol Place and The Pinnacle Honolulu, were built in 2008 in Honolulu's Financial District. Luxury Waikiki multi-family projects include Allure Waikiki, The Watermark, and the Trump International Hotel & Tower Waikiki, a condo-hotel.

While the focus has been primarily on top-end/luxury class product, with numerous such projects currently under construction (Waiea, Anaha, Park Lane, and others), there are also affordable to mid/upper market priced projects under construction including 801 South Street, The Collection and others.

The recently constructed and pre-sale inventory has been received well in the current up-cycle market and there are dozens of other projects in the advanced planning stages ready to commence development. Most have been built on sites mauka of Ala Moana Boulevard, with a makai-orientation, or along Kapiolani Boulevard. None of the recently built, under-construction or proposed projects is waterfront, but many offer unobstructed ocean views. Re-sales of existing inventory has been slowed of late, much the result of having a wider-range and larger numbers of competitive new product from which to select.

Central, urban Honolulu from Downtown to Waikīkī has become the favored location for high-rise condominiums on O‘ahu. The area enjoys proximity to the major employment centers in the state; a wide-range of public parks, facilities and services; the amenities offered by Waikīkī; excellent shopping and dining opportunities; and, superior weather. The corridor promotes pedestrian, public, and alternative transportation, which will be enhanced by the under-construction HART rail line that will bi-sect Kaka‘ako, and has a vibrant and expanding cultural scene.

### 1.5.2 O‘ahu Historic Statistics and Trends

The attached chart illustrates the cyclical nature of the condominium market as reflected in secondary sales data (excluding new inventory) from 1994 to current. Starting in 2010 the recovery in the volume of transactions has continued to grow, reaching 4,874 in 2013. However, in 2014 sales volume decreased a slight 1.3 percent with only 4,810 sales. As of year-to-date April 2015 there has only been 1,433 sales, which if annualized would bring it to approximately 4,299 sales, about a 10.6 percent decrease, much lower than 2014.

After stabilizing in 2007 and 2008, the median sale price for O‘ahu condominium units declined in 2009 and remained flat in 2010 and 2011. 2012 marked the beginning of the recovery with the median price rebounding 5.8 percent. The median sales price grew 4.6 and 5.4 percent further in 2013 and 2014, respectively. Year-to-date April 2015 indicates continued improvement with an increase of 4.3 percent to a record median sale price of \$365,000.



\*YTD April 2015

Recent demand for condominium units has reduced both supply and the median days on market. Sustaining the recent upward trend, the number of active listings is currently just over 1,900 units. With current up-cycle economic conditions the "days on market" have shortened to 21 and 24 days in 2013 and 2014, respectively, and still currently sits at 24 days as of April 2015.



\*YTD April 2015

All four indicators discussed: sales volume, median sales price, number of listings, and median days on market, demonstrate that the market has rebounded relative to the lows of the 2008-09 recession. The market is in an expansion mode with an increase in sales prices and number of listings, and a decline in the average days on market.

Even though there has been a slight decline in sales volume, the market is still looking optimistic, especially with the new developments in the Kaka'ako area. The current market is fueled by low interest and increasing consumer confidence, although there is concern that quantitative easing by the Federal Reserve may result in interest rates rising to adverse levels in the near-term.

The timing and magnitude of a rise in the interest rate remains uncertain given the limited, but steady economic growth being experienced at the national level. Brokers indicate that absorption has improved, prices are showing general appreciation, and the most recent uptick in inventory is a result of more sellers desiring to cash-in on the strong up market. As long as interest rates remain modest and there are no major economic events that undermine the current real estate market, the continued sector growth and up-cycle stability is anticipated over the near to mid-term.

Additional information and studies found useful in evaluating Honolulu's multifamily market were CBRE's Q4 2014 Multi-Housing Outlook Report for Honolulu and Colliers International Year-End 2014 Apartment Market Report for O'ahu.

### 1.5.3 Recent Developments

Following several years of minimal new condominium construction, Honolulu's skyline has again become dotted with construction cranes. Three condominium projects were completed in 2014 and early 2015: ONE Ala Moana, Waihonua, and The Cove Waikīkī; and many others are under construction including 801 South St - Building A, Symphony, Waiea, Ritz-Carlton Residences – West, Collection (Tower), 400 Keawe, and Park Lane Ala Moana. A number of other projects have been announced and are expected to start construction in 2015 and 2016.

Beginning in 2012 investors demonstrated their willingness to undertake the risks associated with new construction. Pent-up demand for new product, together with limited resale inventory, has created an environment of rapid absorption of new project. Potential purchasers are again camping out overnight to secure the unit of their choice.

This cycle is not unlike the last cycle that commenced in 2003 and saw 13 upscale projects located in Honolulu's urban core completed in the ensuing eight years: the Vanguard Lofts and Loft @ Waikīkī (mid-rises), Lanikea, Ko'olani, Hokua at 1288 Ala Moana, Moana Pacific, 909 Kapiolani, Keola Lai, The Watermark, Trump Tower, the Allure Waikīkī, and Pacifica Honolulu. Two upper-end condominiums, Capitol Place and The Pinnacle Honolulu, were built in 2008 in Honolulu's Financial District.

Summary schedules of unit features for each newly completed project as well as proposed projects are summarized on the following Table. The schedule includes major project features. Where information was not sufficient to populate the table, a brief project description is found in the Future Inventory section below.

The following map shows the approximate locations of recently constructed condominiums and some proposed condominiums from Waikīkī to Downtown Honolulu.

#### **Future Inventory**

Following years of no new construction, the first new high-rise project was announced in late 2011. While prime units in Waihonua were absorbed quickly, it took nearly two years for the remaining to be sold. Units in ONE Ala Moana, released in December 2012, were absorbed almost immediately. With the economic recovery, numerous projects are under construction and have been announced.

There are eight mid and high-rise developments under construction in the subject market area totaling 2,410 units. This includes work force units, such as the sold out 635 unit 801 South Street Building A, and ultra-luxury projects like The Ritz-Carlton Waikīkī Residences – West Tower and Park



## 1.5.4 Projects Under-Construction or Completed in 2015



### Waihonua

Waihonua is 43-story tower located at 1189 Waimanu Street being developed by local real estate heavy weight Alexander & Baldwin (A&B). Situated in Kaka'ako, the tower has 341 unit types ranging from one-bedroom one-bath to three-bedroom three-bath units, with living areas ranging from 645 to 2,369 square feet.

At its release on December 2011, developer prices ranged from \$375,000 to \$1,934,400. As of September 19, 2012 a total of 267 units, or 78.3 percent, were under contract. On August 22, 2013 A&B announced that the project had sold out, indicating an average absorption of 17 units per month. Construction was completed in early 2015.

According to the project brochure residences will have the following features:

#### The Residences

- One, two and three bedroom contemporary and comfortable floor plans
- Custom wood front entry doors
- Hardwood entry foyers, kitchens and living areas
- Volume ceilings in living rooms and bedrooms
- Dual central air-conditioning units with individual controls in two and three bedroom residences
- Living areas are wired for ceiling fans
- Wood doors and high quality hardware throughout
- High-speed internet
- Individually metered electricity
- Full-size stacked washer/dryer

#### The Kitchens

- Custom gourmet kitchen cabinetry
- Full height pantries
- Polished granite counter tops with stainless steel single compartment sink
- Contemporary plumbing fixtures
- Bosch European stainless steel appliances
- Built-in microwave oven
- Beautiful hardwood floors

#### The Bedrooms & Baths

- Quality carpets in all bedrooms
- Walk-in closets in most master bedrooms
- Full-sized tubs with porcelain tile surround
- Custom cabinetry with stone countertops
- Toto toilet with washlet option
- Porcelain under mounted rectangle sinks with Kohler fixtures
- Porcelain tile floors

Source: [www.Waihonua.com](http://www.Waihonua.com)

Building amenities include: a private movie theater, club room with full kitchen, residents' lounge/multi-purpose room, infinity edge pool, fitness center, barbeque dining pavilions and lounge seating, outdoor lounges around the spa, a lawn, two visitor guest suites, owner's storage and surfboard areas, and secured entry with controlled access.



### Anaha

Presently under-construction in the Ward Villages master planning area, Anaha, meaning "Reflection of Light" was designed by Solomon Cordwell Buenz of Benjamin Woo Architects. The project will house 311 residential units and approximately 17,000 square feet of retail space. Amenities will include concierge services, infinity pool and hot tub, barbeque pavilion, play area, tennis courts, theatre room, business center and Dog Park.

The condominium will include studios, one-, two-, and three-bedroom units in addition to penthouses (some to be sold as loft space). Prices range from high \$400,000 to high \$500,000 for studios and from \$600,000 to more than \$4 million for one to three bedroom units. Penthouse units are priced at between more than \$1 million to \$14 million.

The total project cost exclusive of land is budgeted at about \$401 million when the tower is completed in early to mid-2017. According to the Howard Hughes Corp. which is developing the project 77.5 percent, or 241, of the units have been pre-sold, equating to an absorption rate of just over 16 units per month since sales began in February 2014. A total of \$58.3 million in deposits have been collected, representing some \$312.3 million in potential sales value.



### Waiea

Also located in the Ward Villages fronting Ala Moana Boulevard, Waiea which means "Water of Life," was the first of the two ultra-luxury high-rise residential towers being constructed by The Howard Hughes Corporation to break-ground. This 36-story, 171 unit tower will offer one-, two- and three-bedroom units in addition to villas and penthouses. It will feature a fitness and yoga center, theatre room, catered dining rooms, a library, bar & lounge, 24 hour security, concierge services, valet parking, overnight guest suites, guest parking, dedicated elevators for prime units and a dedicated service elevator. The 7th floor deck will include an infinity pool, hot tub, barbeque pavilions, event lawn, play area and dog park. The podium will contain approximately 8,000 square feet of new retail space.

Designed by the Vancouver-based architect, James K.M. Cheng in collaboration with WCIT Architecture, Waiea will offer the finest quality high-rise condominium residences built in Hawai'i to date. The project cost exclusive of land is budgeted at \$403 million and is funded by Blackstone Real Estate Debt Strategies. Prices for Waiea range from more than \$1 million to \$7 million for the one-, two- and three-bedroom units and villas. The penthouses are priced from \$4 million to a record high of \$20 million.

Pre-sales started in February 2014 and as of May 2015 Hughes announced that 86.5 percent or 148 of the units have been reserved, equivalent of an absorption rate of 9.8 units pre-sales per month. Total deposits of \$106.3 million representing 547.9 million in potential sales volume have been received.

Construction is anticipated to be completed by the end of 2016.



### **Ritz-Carlton Residences, Waikiki (West Tower)**

The Ritz-Carlton Residences, Waikiki -Beach west tower is a 36-story 309-unit ultra-luxury high-rise "branded residences" condo-hotel under construction on the 3.5-acre site at 2121 Kuhio Avenue. A related entity of the California based developer Pacrep LLC also developed the nearby condo-hotel Trump Waikiki International Hotel & Tower in 2009. Budgeted to cost some \$275 million dollar to complete, the under-construction project will have studio to three-bedroom units and penthouse units priced from \$550,000 to \$15,000,000.

The project commenced pre-sales in June 2013 and was sold out by February 2014, an average absorption of 38.6 units per month, with heavy participation by Japan buyers. 85 percent of the units were spoken for during a single weekend private, invitation-only sales event. Project completion is estimated for early 2016.

According to the project website , it will feature an open air lobby reception, concierge services, valet parking, bell services, housekeeping, in-residence dining and catering services, luxury beach and shopping services, the Ritz Kids' program. Amenities include pools, spa, fitness center, owners' lounge, and storage. The project's commercial component will include Dean & Deluca, BLT Market, and Sushi Sho.



**Ritz-Carlton Residences – Waikiki (East Tower)**

Given the success of the first offerings in the complex (the west tower) Pacrep 2 LLC quickly announced plans for a second one housing 246 luxury residential units and four commercial units within a 39 story building. Construction began in February 2015 and is scheduled to be finished in mid to late-2017.

Pre-sales for the second tower started in April 2014, and reportedly more than 96 percent of the units had sold as May 2015, an average of 18 units per month . The project is located at 2139 Kuhio Avenue.

Residence types and starting prices are as follows:

**STARTING PRICES FOR  
THE RITZ-CARLTON RESIDENCES, WAIKIKI BEACH  
EAST TOWER**

**DELUXE & GRAND RESIDENCES**

RESIDENCE TYPES	RESIDENCE SIZE	STARTING PRICES
STUDIOS	400 SQ. FT. / 37 M <sup>2</sup>	\$528,800
SUPERIOR STUDIOS	470 - 485 SQ. FT. / 44 - 45 M <sup>2</sup>	\$698,800
DELUXE & GRAND RESIDENCES	510 - 670 SQ. FT. / 47 - 62 M <sup>2</sup>	\$768,800
ONE BEDROOMS	660 - 748 SQ. FT. / 61 - 69 M <sup>2</sup>	\$1,098,800
SUPERIOR ONE BEDROOMS	785 - 818 SQ. FT. / 73 - 76 M <sup>2</sup>	\$1,248,800
TWO BEDROOMS	950 - 1,160 SQ. FT. / 88 - 108 M <sup>2</sup>	\$1,998,800
SUPERIOR TWO BEDROOMS	APPROX. 1,400 SQ. FT. / 130 M <sup>2</sup>	\$2,998,800

**PREMIER RESIDENCES**

PREMIER RESIDENCES	1,036 - 3,400 SQ. FT. / 96 - 316 M <sup>2</sup>	\$2,698,800
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**PENTHOUSE RESIDENCES**

AVAILABLE UPON REQUEST

According to the developer's public report, amenities will include a theatre, kids lounge, a swimming pool, and a spa. Unit owners will also be able to access certain facilities located in Tower 1, the west tower, including fitness and yoga rooms and a swimming pool.



### The Collection

In February 2012 Alexander & Baldwin announced its acquisition from Kamehameha Schools of the former Comp USA site at the corner of Ala Moana Boulevard and South Street for \$23 million. The Collection, with a construction budget of \$200 million, began construction in October 2014 and is scheduled for completion in late 2016.

The complex will contain 464 residential units with retail and restaurant spaces within a 43-story tower (having 397 units), a four level mid-rise (54 units), and a 14 urban town homes. The one-, two-, and three-bedroom units are priced from \$380,000 to \$1,038,000.

Pre-sales commenced on August 2013 and as of May 2015 the developer reported a total of 437 units, or 94 percent, were under contract, with the large majority being local resident purchasers. The average absorption rate has been at 20.8 units per month.

Amenities include a lobby gallery and e-lounge, entertainment "flex" rooms, the club/party room with full kitchen, fitness center, yoga room, a community workshop, surfboard and bike storage areas, pool, outdoor lounges around the spa, barbeque dining pavilions and lounge seating, kids play area, dog washing and play area. More information and renderings are available on the project website .



### The Symphony

In February 2012 San Diego-based developer OliverMcMillan and local land owner and luxury automobile dealer Joe Nicolai partnered to build a 45-story luxury residential condominium tower with 388 units and an estimated construction cost of \$380 million. The 2.4-acre site is located at the northwest corner of Ward Avenue and Kapiolani Boulevard, across the street from the Blaisdell Center. A luxury car dealership is planned on the ground floor of the tower podium.

The developer was granted exemption from a rule intended to preserve view planes and permitted to design the tower running east-west along Kapiolani Boulevard that allows for better unit

views. "Market-priced" units include one-, two-, and three-bedroom models ranging from \$500,000 and \$3,000,000.

There are also "affordable-priced" units in the project with prices set according to HUD/HCDA guidelines and available for families having household incomes at 140 percent or less of the median for Honolulu. These units range in price from the upper-\$200,000 to about \$600,000.

Sales of the 288 market-priced residences started in June 2013, and according to the project website 251, or 87.2 percent of the units have been sold as of June 2015. This equates to an absorption rate of 10.5 units per month.

The 100 affordable-priced units (referred to as "reserve housing" under HCDA guidelines) were not offered until late 2013 and were all spoken for within several months, and now have a long wait list.

The project broke ground in late 2013 with completion expected in 25 months.

Listed amenities on the project website include a recreation deck, seventh floor terrace lounge, all-inclusive, state-of-the-art fitness center with yoga studio; private movie theater multi-media rooms, social dining room with catering kitchen, infinity-edge pool and Jacuzzi spa, entertainment cabanas for outdoor dining, elevated spa and daybed retreat, shaded lounges and barbeque dining stations, owner's storage, wellness center, guest suites, and saunas.



### **801 South Street - News Building**

On August 22, 2012 Downtown Capital LLC acquired the 3.69-acre former Honolulu Advertiser site located along South Street between Kapiolani Boulevard and Kawaihao Street. In the first phase which will be completed in June/July 2015, local developer Marshall Hung is constructing a 635-unit, 46-story, 400-foot tower south of fronting on South Street. A second phase, that recently commenced construction, will be a slimmer 400-foot tower with 410 units fronting Kapiolani Boulevard.

The exceptionally high density development was permitted under the November 2011 HCDA Kaka'ako Mauka Plan that allows twice as much density for high-rise residential projects if at least 75 percent of the units are "work-force housing" targeted to residents earning between 100 and 140 percent of Honolulu's median income. All of the planned units in both towers are priced as workforce housing units.

Units in the first tower, 801 South Street, are priced from \$253,000 to \$501,300 with living spaces ranging from 411 to 423 square feet for studios, 542 to 579 square foot one-bedrooms, and 776 to 867 square foot two-bedroom units. In order to reduce costs, the complex has virtually no amenities apart from a parking garage and some small meeting rooms. Apart from the old Advertiser Building which has been converted to office space there are no other commercial/retail bays. Common area maintenance fees are projected to be affordably between \$275 and \$375 per month.

All units in the first tower were reserved during a pre-sale lottery held on March 23, 2013. Construction commenced in June 2013. The second tower will have one-, two-, and three-bedrooms priced from \$360,000 to \$692,000. The 410 units in Tower B similarly sold out in two months. There is an extensive waiting list for units.

The development cost for both towers is estimated at \$400 million.



#### **400 Keawe**

In February 2014 local developer Castle & Cooke Homes Hawai'i announced a partnership with major land owner Kamehameha Schools to build a six-story 96-unit (95 residential and one ground floor commercial) condominium project on 1.52 acres at 400 Keawe Street in Kaka'ako.

Construction of the 65 foot high mid-rise began in November 2014 and is anticipated to be completed by December 2015. The project will feature a variety of units with one to three-bedroom floor plans ranging in size from 581 to 1,327 square feet. The proposed project will have nine different floor plans:

Floor Plan	Unit No.s	Category	Beds	Baths	Living Area	Lanai*	Total Area
1	11	Reserved	1	1	581	0	581
1A	07, 09, 10	Market	1	1	721	0	721
2/2r	17, 19	Reserved	2	2	851	0	851
2A	05, 15	Market	2	2	1,079	0	1,079
2B/2Br	03, 04, 06, 08, 16, 18	Market	2	2	1,063	122	1,185
2C	01	Market	2	2	1,131	72	1,203
3	20	Reserved	3	2	1,007	0	1,007
3A/3Ar	12, 14	Market	3	2	1,327	64	1,391
3B	02	Market	3	2	1,327	64	1,391

\*Larger lanais on Floor 2

The following chart summarizes the price range for each bedroom type.

		<u>Market</u>	<u>Reserved</u>
<b>1 Bdrm</b>	Size Range	721	581
	Price Range	\$452,000 \$481,000	\$388,000 \$396,000
<b>2 Bdrm</b>	Size Range	1063 1131	851
	Price Range	\$626,000 \$658,000	\$512,000 \$520,000
<b>3 Bdrm</b>	Size Range	1,327	1,007
	Price Range	\$767,000 \$780,000	\$581,000 \$589,000

As of December 15, 2014, marketing of the project's residential units had commenced, and the first private lottery for selected buyers resulted in immediate reservations for 40 of the project's 47 market units. The remaining units were all sold by February 2015, equating to an overall absorption rate of some 23.5 units per month.

The affordable-priced, or reserve, units were fully subscribed via a lottery in February 2015 and there is a waiting list.



### **Vida at 888 Ala Moana**

In June 2014, MKVida LLC, a partnership between local development firms Kobayashi Group and The MacNaughton Group, announced Vida at 888 Ala Moana, a luxury tower to be located on the mauka side of Ala Moana Boulevard, between Ward Avenue and Koula and Auahi Streets, on 3.4 acres owned by Kamehameha Schools.

The proposed project consists of a 400 foot high 39-story tower containing 262 two- and three-bedroom units ranging in size from 1,418 square feet to a 5,073 square foot penthouse. Standard units range in price from \$998,000 to \$4.7 million; prices for the penthouse units have not been disclosed.

Planned tower amenities include guest suites, movie rooms, Dog Park, amenity/pool (two) deck, craft room, outdoor theater, dining areas with a professional kitchen; children play areas, game rooms, a putting green, men and women's outdoor spas, and storage for bikes and surfboards. Shops and restaurants also are planned for commercial spaces fronting the street.

Two architecture firms, Los Angeles-based Arquitectonica and Honolulu-based Benjamin Woo Architects, produced the tower design. It is oriented to face makai-diamond head to take advantage of the views looking across Kewalo Basin Harbor.

Pre-sales began in May 2015 and within the last month 141 are under-contract.



### **Park Lane Ala Moana**

In early 2014 a partnership between Ala Moana Center owner General Growth Properties, and BlackSand Capital (a Hawai'i based investment firm with ties to Hawai'i development firms Kobayashi and The MacNaughton Group) announced the Park Lane at Ala Moana project. The complex, built on the ewa/makai edge of the Ala Moana Center property overlooking Ala Moana Boulevard and Ala Moana Beach Park, where a center parking lot previously stood, is comprised of a row of mid-rise ultra-luxury residences extending approximately one-quarter mile from Piikoi Street to fronting Neiman Marcus.

At build-out it will include seven six and seven-story buildings containing 215 units ranging from 850-square-foot one-bedroom residences to 6,000-square-foot five-bedroom penthouses. Prices for one-bedroom residences start at \$1.192 million and range up to \$28 million for the five-bedroom penthouses. The prices are the equivalent on average of about \$2,400 a square foot, among the highest seen on O'ahu.

The units will offer ten-foot ceilings and ocean views across Ala Moana Park. Some will contain private tropical gardens, pools or spas, and enclosed garages. Lanais range from 300 to 1,100 square feet with vented outdoor grills and cooking areas.

Other project features include a vast Great Lawn, 24/7 security, and a spa and fitness facility. A 5th floor lane will run the length of the complex offering residents a park like setting and private entrance to the Shopping Center.

Sales of the 108 "unrestricted" units commenced in November 2014 and were reportedly sold out by March 2015. The 107 owner-occupant unit sales began in January 2015, and the project website shows only eight unit currently listed for sale. The indicated absorption rate for the inventory thus far is 25.6 units per month.

Construction, which is tied to the redevelopment of the Ala Moana Center ewa wing, started in mid-2014 and completion of the first phase is expected by late 2016 with the final phase being completed by the end of 2017.



### **Gateway (Two Towers)**

In November 2014 Howard Hughes' Ward Village announced it received approvals for the first project within the second-phase of its master-planned neighborhood, The Gateway which will contain 236 units and 200,000 square feet of retail in two towers across from Kewalo Basin Harbor.

The project will be located along the mauka frontage of Ala Moana Boulevard on a portion of the site currently developed with Ward Warehouse. Plans call for market rate housing in two towers above large mixed-use (commercial, parking and amenities) podiums. The ewa tower is to have 113 units in a 35-story, 400 foot

high-rise, while the diamond head tower will have 123 units in a 28-story, 311 foot building.

Gateway will be designed by Richard Meier & Partners, renowned for designing the Getty Center in Los Angeles, with executive architect, Architects Hawai'i. According to the developer, one tower will "jut like a blade into the skyline" and the other will be "a shimmering cylindrical building". Between the two, a one-acre green space will flow with water, walkways, and native plants. Gateway will feature a variety of residences, from two-story villas to penthouses.

Plans and prices have only been announced for the cylindrical (diamond head) tower. One to three-bedroom units ranging in size from 995 square feet to 2,574 square feet will have asking prices of \$1.5 million to \$8.5 million, with podium villas at \$4.1 million to \$7.0 million.

Amenities will be spread over two floors and include a comprehensive fitness center, spa (with sauna and treatment rooms), yoga room, dining pavilion with kitchen, pool deck with cabanas, private bar, theater, wine cellar, guest suites, board room, play area, dog park, pet spa, and one-acre park.

Currently, the project is offering only private developer-connected reservations, with general public pre-sales to begin in mid-2015.



### **Aloha Kai**

The proposed Aloha Kai condominium is a residential high-rise to be developed by Aloha Kai Development, LLC on the site currently housing the Central YMCA on Atkinson Drive between Ala Moana Center and Waikīkī. Current plans call for a 35-story condominium containing 118 residential condominium units in 1-, 2-, and 3-bedroom configurations within a 30 floor tower set above a five story podium housing a small commercial unit, a lobby and parking. A new 30,000-square-foot YMCA facility will also be developed on approximately 18,000 square feet of the site.

In October 2013 the site was recently up-zoned AMX-3 High Density Apartment Mixed Use District to allow the development of the 350-foot high condominium tower. The taller building will

allow more space between Aloha Kai and the adjacent buildings which will have less of an impact on private views. The change in zoning also includes an affordable housing requirement that the prior A-2 zoning did not call for. The project is anticipated to start construction in late 2015 or early 2016 and be completed in early 2018.

Unit models, sizes, and prices, or a pre-sale commencement date have not been released. No list of proposed amenities is currently available.



### **Keauhou Place**

The residential component within a larger Stanford Carr/Kamehameha Schools mixed-use development, Keauhou Place will occupy a 2.17 acre site of what is now a parking lot at 555 South Street, in the interior of Kaka'ako; the northwest portion of Kamehameha School's Master Plan Block A in Kaka'ako, O'ahu, Hawai'i.

Keauhou Place is proposed with a 43-story 388-unit residential condominium that will include 133 one-bedrooms, 215 two-bedrooms, and 40 three-bedroom units. Additionally the complex features 35 townhomes within an attached low-rise configuration that will offer 19 two-bedroom and 16 three-bedroom types. Five commercial condominiums along Halekauwila Street comprise approximately 2,940 square feet of ground floor space.

A total of 85 reserve housing units will be expand affordable housing alternatives in the Kaka'ako area for buyers earning less than 140 percent of the Honolulu Area Median Income (AMI). The project is anticipated to be completed in mid-2017.

Selling prices for units in the tower range from \$357,700 to \$1.4 million and from \$645,000 to \$990,000 for the low-rise townhomes.

Project features include lobby, recreation deck, swimming pool/spa, BBQ areas, fitness center, community room with full kitchen, garden, children's play area, and storage.

Pre-sales of investor units commenced in late November, followed by sales for owner-occupants, and then for the reserve (affordable) units. 71 percent of the market-price units, or 240 units, have been reserved as have 98 percent of the reserve inventory, or 83 units. The average overall absorption rate has been at 46.5 units per month.

KEAUHOU PLACE UNIT MIX						
	Unit Type	No. of Units	Bed/Bath	Living Area	Lanai	Total
<b>TOWER</b>	A	36	2/2	825	84	909
	B	36	2/2	862	85	947
	C	36	2/2	978	73	1,051
	D	35	1/1	652	58	710
	E	35	3/2	1,346	47	1,393
	F	35	2/2	925	98	1,023
	G	36	2/2	974	75	1,049
	H	36	2/2	905	66	971
	I	36	1/1	636	50	686
	J	31	1/1	629	39	668
	K	31	1/1	508	34	542
	L	5	3/2	1,233	0	1,233
		<b>TOTAL</b>	<b>388</b>			
<b>TOWNHOME</b>	1A	7	2/2	929	117	1,046
	1B	9	2/2	930	53	983
	2A	3	3/3	1,496	229	1,725
	2B	3	3/3	1,496	184	1,680
	2C	1	3/3	1,468	229	1,697
	2D	1	3/3	1,463	184	1,647
	3	7	3/2.5	1,630	236	1,866
	4A	2	2/2	1,173	70	1,243
	4B	1	2/2	1,094	70	1,164
	5	1	3/3	1,436	54	1,490
	<b>TOTAL</b>	<b>35</b>				



### **Block M - H. Hughes**

Howard Hughes' Ward Village received approval February 5, 2014 from the Hawai'i Community Development Authority for its fifth mixed-use project, the second residential and commercial development in Phase Two of the Ward Village Master Plan. Located at the 'ewa-makai corner of Queen Street and Kamake'e Street, the building will include a highly-anticipated grocery store, new retail space and homes for local residents.

The development will feature a 50,000-square-foot flagship Whole Foods Market, the specialty grocer's largest store in Hawai'i. The project will also include approximately 12,000 square-feet of additional retail space, district-wide parking and a tower with approximately 466 total residences.

The approved project will be designed by internationally recognized architects Bohlin Cywinski Jackson in collaboration with executive architect, Architects Hawai'i, and a team of local consultants.

### **Additional Proposed Projects**

Additional proposed projects include 803 Waimanu and the proposed condo-hotel at the King's Village site in Waikiki.

HCDA's report of Project Activity in the Kaka'ako Community Development District, most recently update December 4, 2014, noting the status, size and location of recently completed, under construction, permitted, and pending approval projects has been reviewed in preparing this report.

## 1.5.5 Project Absorption

Unit absorption data in the above cited completed projects, as well as those under construction, are summarized in the following schedules.

RECENTLY COMPLETED AND UNDER-CONSTRUCTION CONDOMINIUM PROJECT ABSORPTION						
Neighborhood	Project	Number of Units			Price Range	Absorption Units per Month
		Total	Sold or Reserved	% Sold		
Waikiki	<i>Cove at Waikiki</i>	117	117	100.0%	\$350,000 to \$450,000	7.3
	<i>Ritz Carlton Residence</i>					
	<i>Tower #1</i>	309	309	100.0%	\$550,000 to \$15 million	38.4
	<i>Tower #2</i>	280	269	96.0%	\$528,000 to \$6 million	18.0
Kakaako / Ala Moana	<i>Waihonua</i>	341	341	100.0%	\$375,000 to \$1.9 million	17.2
	<i>801 South - Building A</i>	635	635	100.0%	\$253,000 to \$501,000	Immediate
	<i>801 South - Building B</i>	410	410	100.0%	\$360,000 to \$692,000	204.4
	<i>One Ala Moana</i>	206	206	100.0%	\$538,000 to \$9 million	Immediate
	<i>Symphony Honolulu</i>	388	351	90.5%	\$500,000 to \$3 million	10.5
	<i>Waiea</i>	171	148	86.5%	\$1 million to \$20 million	9.8
	<i>Anaha</i>	311	241	77.5%	\$400,000 to \$14 million	16.2
	<i>The Collection</i>	464	437	94.2%	\$380,000 to \$1,038,000	20.8
	<i>400 Keawe</i>	95	95	100.0%	\$388,000 to \$780,000	23.5
	<i>Vida at 888 Ala Moana</i>	262	141	53.8%	\$998,000 to \$4.7 million	141.0
	<i>Park Lane Ala Moana</i>	215	207	96.3%	\$1.2 million to \$28 million	25.6
	<i>Keauhou Place</i>	423	323	76.4%	\$358,000 to \$1.4 million	46.5
	<b>Total Kakaako Units</b>	<b>3,921</b>	<b>3,535</b>	<b>90.2%</b>		

Source: Brokers, New Articles, Websites and The Hallstrom Group/CBRE

SELECTED PROJECT ABSORPTION Urban Honolulu, Oahu, Hawaii										
Neighborhood	Project	Address	Year Built	First Recording	Total No. Units	Approx. No. Presales	Monthly Est. Presale Rate*	Presales as % of Total	Average Price	Average Price per SF
<b>Waikiki</b>										
	<i>Allure Waikiki</i>	1837 Kalakaua Ave.	2010	Jun-10	292	122	12.2	41.8%	\$842,119	\$724
	<i>Trump Tower</i>	223 Saratoga Rd.	2009	Oct-09	424	424	17.7	100.0%	\$1,490,715	\$1,518
	<i>Loft at Waikiki</i>	427 Launiu St.	2007	Apr-08	36	13	1.5	36.1%	\$685,340	\$634
	<i>The Watermark</i>	1551 Ala Wai Blvd.	2008	Apr-08	196	186	8.2	94.9%	\$1,210,587	\$984
	<i>Lanikea at Waikiki</i>	421 Olohana St.	2005	Jul-05	100	100	4.2	100.0%	\$588,260	\$561
<b>Kakaako/ Ala Moana</b>										
	<i>Pacifica Honolulu</i>	1009 Kapiolani Blvd.	2011	Nov-11	489	477	20.4	97.5%	\$520,828	\$595
	<i>Keola Lai</i>	600 Queen St.	2008	Jan-08	352	316	14.7	89.8%	\$618,124	\$630
	<i>909 Kapiolani</i>	909 Kapiolani Blvd.	2007	Aug-07	226	173	9.4	76.5%	\$502,678	\$629
	<i>Moana Pacific</i>	1288 Kapiolani Blvd	2007	Jan-07	717	637	29.9	88.8%	\$1,401,464	\$1,294
	<i>Koolani</i>	1189 Waimanu St.	2006	Mar-06	370	369	15.4	99.7%	\$870,467	\$658
	<i>Hokua at 1288 Ala Moana</i>	1288 Ala Moana Blvd.	2006	Jan-06	247	247	10.3	100.0%	\$1,125,092	\$587

\*Assumes a 24 month presale marketing period.

## 1.5.6 Market Interviews

Over the course of this assignment numerous market participants were interviewed.

It was general consensus that the urban Honolulu condominium market has been doing very well, as demonstrated by the rapid sale figures in newly released projects and increasing sale prices. It was also general consensus that the market for work force priced housing, projects priced similar to the 801 South Street towers, is deep and unlikely to be satisfied anytime soon as few projects that truly cater to this buyer group are coming online and there is pent up demand.

Most market participants remain very bullish on the "middle" market, stated this segment is just beginning to pick up, and believe there are several years left of price increases and rapid absorption

Some brokers expressed concern the luxury market may becoming saturated with more projects coming online even as there is unsold inventory remaining at others. However, most acknowledged that it is new emergent trend in the sector and it is really unknown how deep this market is within a robust economy and emergence of Kaka'ako as a desirable location.

There were widely varying views shared regarding the luxury market:

- Many brokers pointed out that ultra-luxury buyers are often cash buyers purchasing investment properties or second- and third-homes, and they are not restrained by fluctuating market conditions like most buyers.
- Some brokers pointed out that the market out of Asia is growing with more buyers coming from countries other than Japan such as Korea, China, and Southeast Asia. While some expressed concerns the devaluation of the yen and Japan's economic challenges could stymie absorption, there was acknowledgement it didn't seem to be a major issue thus far despite the deep devaluation over the past two years.
- A few brokers pointed out the remaining inventory that Howard Hughes has in Waiea as evidence that the ultra-luxury market is not that deep.
- A couple of brokers pointed out that developers such as The Kobayashi/MacNaughton Group have a faithful following that buys into each of their projects and rolls over to the next project as it is released. With ONE Ala Moana just completed, and Park Lane just being released, there is concern that the following will be unable to help absorb Vida at 888 Ala Moana; but initial pre-sales have been very positive in the first month of offering.
- A similar concern was voiced regarding the Howard Hughes newly announced projects such as the Gateway Towers that are scheduled to come to market with inventory remaining in Waiea and Anaha.

Overall, the sentiment for the luxury market was optimistic but cautious.

One developer of a project that recently started construction has added a second crane to expedite construction and minimize the risk of a sudden market turn.

In summary, from Brokers and developer perspectives, the overall urban Honolulu condominium market is positive and the outlook over the next few years is very optimistic for affordable and low to mid-market priced units, but is more moderated/cautious for the luxury sector.

### 1.5.7 Appropriateness of the Subject Site for Residential Use and Potential Absorption Estimates

Demand for new units in Kaka'ako is strong, as demonstrated by the absorption rates of competitive projects, both historic and under-construction/proposed. Over the past 43 months some 3,535 condominium units have been sold or reserved via pre-sale, or an average of 987 new units per year, spread somewhat equally across a broad pricing spectrum, as shown below.

ABSORPTION OF NEW KAKA'AKO/ALA MOANA CONDO UNITS SINCE DECEMBER 2011		
Unit Types (By Pricing)	Number of Units Sold or Reserved	Percent of Total
Affordable /Reserve	1,276	36.1%
Low to Mid-Market	1,316	37.2%
Upper-Market to Luxury	943	26.7%
<b>Total Number of Units Sold</b>	<b>3,535</b>	<b>100.0%</b>
Source: The Hallstrom Group/CBRE		

We anticipate a similar scale of demand for Kaka'ako area units will continue throughout current up-cycle given:

- The chronic need for substantial numbers of new housing units in Honolulu for residents, which even construction at the current high level cannot address;
- The additional demand created by investors/off-island owners for makai-oriented upscale units in Kaka'ako/Ala Moana; and
- The scarcity of quality, major development opportunities in the urban core.

From a current market context, the only major near-term obstacle to continuing high absorption of offered product in the study area would be a meaningful increase in mortgage interest rates that would lessen the ability of residents to purchase the affordable and low to mid-market priced units.

Even when the inevitable down-cycle occurs, the velocity of absorption may slow for a period, but the underlying demand from residents will continue to grow and would be expressed in the subsequent market recovery.

Projects currently under-construction report presale absorption rates ranging from 9.8 units per month to instantaneous sellouts, with most averaging 20 to 40 unit sales per month. Affordable/workforce/reserve units are selling out even faster as evidenced by the two towers in 801 South Street.

The OHA Kaka'ako Makai lands are a highly appropriate and superior location for condominium development as:

- It is centrally located in a high demand area proximate to employment, shopping/entertainment, recreational facilities and public services.
- The product would have a strong makai-orientation, a very desirable feature in the market.
- Excellent and unblockable ocean and city panoramas would be available from most units.
- The sites are sufficient size to support major projects of varying scale.
- Residential development would be reflective of the trends in the Kaka'ako community.
- The quality, competitiveness, and absorption of the units would be enhanced within a master planned project with retail/restaurant and cultural features and facilities.

The subject properties would be highly competitive with any product type which was developed upon them, especially in the upper market to luxury segment of the market owing to the makai-orientation and superior views. There is no doubt the inventory would capture a moderate to high market share if competitively priced.

We estimate residential condominium development at Kaka'ako Makai could achieve a market share of 15 to 20 percent of the total demand for regional demand as shown in the table on the following page.

Realistically, the demand for affordable/reserve units is virtually limitless and far greater numbers could be absorbed at the subject or elsewhere in the study area if more units were made available. The above demand reflects the recent construction history of such units.

We conclude the subject could potentially achieve absorption of 600 to 1,200 market-priced condominium units by 2030, particularly within a master planned project, with the limitations on numbers allowed to be built appearing to be more of constraint than market demand.

The affordable/reserve units which would be required as part of any market-priced development would be fully absorbed during pre-sale offering, or within a free-standing fully affordable project.

**POTENTIAL DEMAND FOR RESIDENTIAL UNITS ON KAKA'AKO MAKAI  
BY TYPE ASSUMING INITIAL PRE-SALE BEGINS IN 2019**

Year	Market Demand for Units	Kakaako Makai Capture Rate	Est. Demand For Subject Units
<b><u>Upper-Market Luxury</u></b>			
2019	250	20.0%	50
2020	250	20.0%	50
2021-2025	1,250	20.0%	250
2026-2030	1,250	20.0%	250
<b>Totals</b>	<b>3,000</b>		<b>600</b>
<b><u>Low to Mid-Market</u></b>			
2019	350	15.0%	53
2020	350	15.0%	53
2021-2025	1,750	15.0%	263
2026-2030	1,750	15.0%	263
<b>Totals</b>	<b>4,200</b>		<b>630</b>
<b><u>Affordable/Reserve</u></b>			
2019	400	15.0%	60
2020	400	15.0%	60
2021-2025	2,000	15.0%	300
2026-2030	2,000	15.0%	300
<b>Totals</b>	<b>4,800</b>		<b>720</b>

Source: The Hallstrom Group/CBRE

Leasehold residential is no longer competitive in the Hawai'i market; although it might be palpable for affordable-priced units merely due to a lack of other options. However, in order to attract the best prices for finished inventory and developer interest the OHA Kaka'ako Makai sites would have to be sold in fee simple.

## 1.6 HOSPITALITY MARKET ANALYSIS

### 1.6.1 Overview

After achieving record-levels of visitor days and visitor spending during a strong market period extending from 2004 into 2007, O'ahu tourism fell sharply with the onset of the national recession and the failure of Aloha and ATA airlines in early 2008. By the end of 2009, visitor days and expenditures were down by 5 and 12 percent from pre-recession figures, respectively, and hotel operating statistics were down by 15 percent.

The movement towards stabilization and recovery began in 2010, with the primary statistics making solid gains and the year turning out more vibrant than anticipated by most analysts. 2011 demonstrated a strengthening of the trend, with 2012 and 2013 becoming two of the best tourism years on record. This indicated a complete recovery had been made and the market was operating at stabilized levels within an up-cycle context; a particularly healthy trending given the continuing fragile state of many of the world's economies.

While there were concerns the sharp rise in Average Daily Rates (ADR) in Waikīkī, traditionally considered an inexpensive Hawai'i destination, coupled with spiking occupancies, was creating an overheated market with inevitable compression on the horizon, continued gains were anticipated to extend in 2014; albeit at reduced rates relative to the prior three years.

However, the move towards further significant industry growth was stymied beginning by late 2013 by the slumping Japanese sector, a critical demographic among Waikīkī visitors, which resulted from the rapidly declining value of the yen (relative to the dollar) and the movement of the Japan towards recession.

Although an all-time high of 5.1 million tourists came to the island by air in 2013, up four percent from the prior year, the total number of visitor days was off marginally (2.2 percent), and total expenditures were down by more than four percent. Despite the decline in the latter two categories, they were still the second-best marks on record behind only 2012.

2014 saw little change from 2013 figures. Total arrivals reached 5.16 million (again a new record), total visitor days were virtually identical to the prior year; but spending again was down by another 3.4 percent (still the third highest total ever and 5 percent above the pre-recession peak) as the dollar further strengthened against foreign currencies.

This trends since late 2013 through 2014 are indicative that the post-recession recovery "boom" has drawn to a close and a stabilized trend has emerged.

This stabilization in tourism indicators over the past six quarters is primarily a result of two factors:

1. The major devaluation of the Japanese yen, and the lessening relative value of the Australian and Canadian dollars. Per person per day spending among these groups is off between eight and ten percent from their peak in 2012; with the Japanese and Australian segments being major O'ahu (and especially Waikīkī) demographics.

In example, while Japanese visitors spent the equivalent of 17 percent more yen in 2014 versus 2012, the more than 25 percent devaluation of the yen relative to the dollar meant their expenditures on the island were down by about ten percent on a dollar basis.

2. Rising vacation costs, notably air fares and lodging, has softened demand for Hawai'i vacations among some Americans. With the rise in ADR and push towards high-end retailing and dining, Waikīkī of today is a meaningfully more expensive vacation locale than in past decades, becoming among the more costly destinations in America. This has priced-out some demographics and made alternative destinations more competitive.

However, the continuing strong national economy and rising personal income levels, coupled with an expansion in the number of flights to the islands, and that alternative destinations are now strongly up-pricing, is helping overcome Waikīkī cost issues and is spurring domestic travel, helping to keep visitor statistics at high/stabilized levels despite the softening of the Japan and Australian segments.

While the softness in the Japanese demographic is expected to continue through 2015 (although their general economy appears to be recovering from recession), and the US dollar to continue relative strengthening, the sharp drop in oil/gasoline/fuel prices is expected to lower (or at least stabilize) the cost of a Hawai'i vacation over the next year, making it a more attractive and competitive destination for mainland travelers. At the least, the drop in gas prices has lowered the at-home living costs for prospective Hawai'i vacationers enabling them to save more towards a trip to the islands.

Recognizing the potential favorable impact of lowering fuel prices on the major component of airfares and decreasing day-to-day living costs for visitors, and the continuing vitality of the US economy, the State Department of Business, Economic Development and Tourism (DBEDT) revised its projections for the industry slightly upwards in its 2014 fourth quarter forecast. It currently projects the following rates of growth for key indicators statewide.

DBEDT STATEWIDE TOURISM GROWTH RATES				
Year	Historic (1)	Projected		
	2014	2015	2016	2017
Visitor Arrivals	0.8%	1.9%	1.9%	1.9%
Visitor Days	0.3%	2.2%	1.9%	1.8%
Visitor Expenditures	2.7%	3.6%	4.6%	4.2%
(1) Preliminary.				
Source: Hawaii Department of Business, Economic Development & Tourism "Outlook for the Economy - 4th Quarter 2014", November 12, 2014.				

The most recent University of Hawai'i Economic Research Organization (UHERO) forecasts were not so bullish, but still projected continuing albeit modest expansion in visitor arrivals.

UHERO STATEWIDE TOURISM GROWTH RATES				
Year	Historic (1)	Projected		
	2014	2015	2016	2017
Visitor Arrivals	1.2%	1.9%	1.0%	1.1%
(1) Estimate				
Source: University of Hawaii Economic Research Organization "State Forecast Update, Public Summary", October 24, 2014.				

In its county-by-county forecasts made in May, UHERO projected a rise in Visitor Arrivals to O'ahu of 0.3 percent for 2014 (in actuality the count grew by 1.16 percent) and growth of 0.3 percent again in 2015.

It is evident the rapid recovery and major annual growth in virtually all indicators experienced in the post-recession era (2010-2013) has moderated statewide and on O'ahu with the neighbor islands following traditional patterns and trailing behind by one to two years.

Overall, the industry will still be within an extended positive period with no major downturns evident on the horizon. The ability to weather the Japanese recession and currency issues while still maintain some expansion in 2014 was testimony to its resiliency.

Should fuel prices remain low for an extended period (as is being generally forecast), the Japanese economy experience any meaningful recovery and the US economy remain solid, minor to moderate upward revision in near to mid-term industry forecasts could occur in 2015.

What expansion does occur in 2015 is anticipated during a strong summer season based on airline reservations and hotel bookings to date. Waikīkī typically experiences exceptional high summer volumes, and the number of visitor days and hotel ADRs are expected to be higher than for the same period last year.

## 7.6.2 General Tourism Statistics and Trends

The table below displays the primary statistics and trending for O'ahu tourism from 2000 through 2014.

ISLAND OF OAHU TOURISM INDUSTRY TRENDS												
YEAR	TOTAL VISITORS	Annual Pct. Change	PERCENT OF STATE TOTAL	AVERAGE LENGTH OF STAY (days)	Annual Pct. Change	TOTAL VISITOR DAYS	Annual Pct. Change	ESTIMATED TOTAL* (000's)	VISITOR EXPENDITURES			TOTAL LODGING UNITS
									Annual Pct. Change	DAILY PER CAPITA	Annual Pct. Change	
2000	4,776,960	4.80%	68.75%	6.61	16.58%	31,575,706	22.17%	\$5,904,657	28.35%	\$187.00	5.06%	36,303
2001	4,268,937	-10.63%	67.72%	6.88	4.15%	29,388,797	-6.93%	\$5,375,000	-8.97%	\$182.89	-2.20%	36,500
2002	4,239,887	-0.68%	66.36%	6.96	1.10%	29,494,656	0.36%	\$5,125,000	-4.65%	\$173.76	-4.99%	36,457
2003	4,066,258	-4.10%	64.08%	7.27	4.45%	29,579,916	0.29%	\$5,200,000	1.46%	\$175.79	1.17%	36,600
2004	4,476,229	10.08%	64.80%	6.80	-6.46%	30,438,357	2.90%	\$5,350,000	2.88%	\$175.77	-0.02%	35,987
2005	4,751,855	6.16%	64.07%	6.89	1.32%	32,740,281	7.56%	\$5,679,200	6.15%	\$173.46	-1.31%	34,340
2006	4,606,438	-3.06%	62.13%	6.80	-1.31%	31,323,778	-4.33%	\$5,536,800	-2.51%	\$176.76	1.90%	34,008
2007	4,596,330	-0.22%	61.31%	6.78	-0.36%	31,142,644	-0.58%	\$5,729,200	3.47%	\$184.00	4.10%	33,588
2008	4,193,685	-8.76%	62.47%	7.13	5.23%	29,900,974	-3.99%	\$5,644,300	-1.48%	\$188.77	2.59%	34,081
2009	4,032,198	-3.85%	62.81%	7.35	3.09%	29,636,655	-0.88%	\$5,031,600	-10.86%	\$169.78	-10.06%	34,027
2010	4,273,657	5.99%	61.79%	7.37	0.27%	31,495,094	6.27%	\$5,500,600	9.32%	\$174.65	2.87%	33,782
2011	4,397,935	2.91%	61.43%	7.59	2.99%	32,983,238	4.73%	\$6,527,800	18.67%	\$197.90	13.31%	35,001
2012	4,904,045	11.51%	62.34%	7.31	-3.65%	35,864,092	8.73%	\$7,672,500	17.54%	\$213.93	8.10%	35,326
2013	5,100,169	4.00%	61.93%	6.87	-6.00%	35,059,623	-2.24%	\$7,358,700	-4.09%	\$209.89	-1.89%	35,751
2014	5,159,078	1.16%	63.23%	6.79	-1.22%	35,050,158	-0.03%	\$7,109,500	-3.39%	\$202.84	-3.36%	35,453

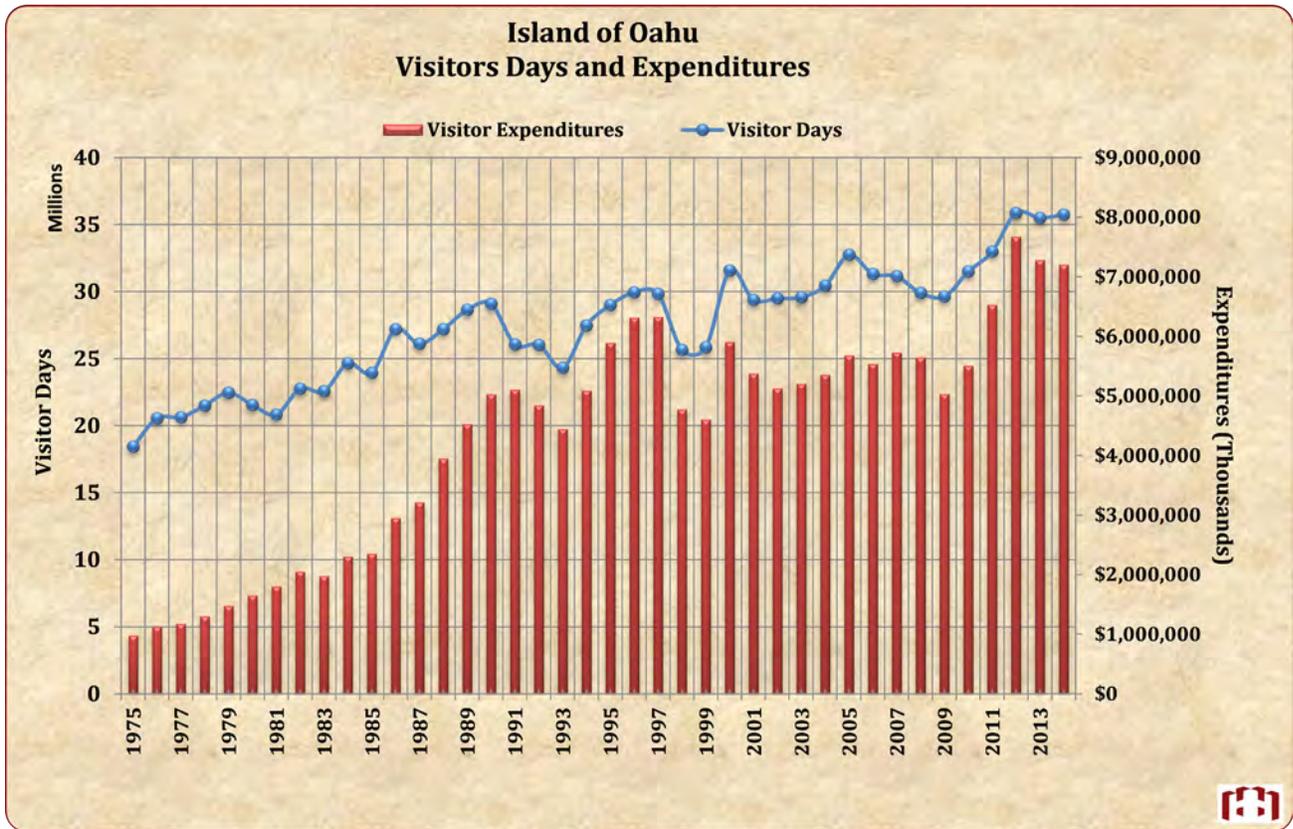
Source: State DBEDT, The Hawaii Visitors & Convention Bureau, First Hawaiian Bank, and The Hallstrom Group/CBRE

The two most critical figures for the industry are Total Visitor Days and Total Visitor Expenditures, as having more people (a higher daily visitor count) spending more money over the long-term is the surest sign of a fundamentally strong and sustainable market. The graph below illustrates that while there have been periodic down-cycles and spikes, the steady expansion of O'ahu tourism and trending has been inexorable and appears favorable on a going-forward basis.

We note, that as Waikīkī is the destination for the large majority of visitors to O'ahu and has most of the islands tourism plant, the trending data in the urban resort district are the driving force behind and virtually identical to the island-wide indicators.

In the near to mid-term the primary market considerations include:

1. The continuing strengthening of the dollar in currency exchange rates. The yen has dropped to about 121 to the dollar, off nearly 15 percent from early 2014, and the Australian and Canadian dollars are down by similar margins.



2. Apart from the instability in the Japanese visitor demographic, the other Asia/Pacific sectors have shown impressive gains in recent years. Australia, despite recent currency concerns, has emerged as a major demographic component in the Waikīkī visitor industry during this decade. And their frequency of return rate is steadily growing; Waikīkī has become a primary destination for an expanding contingent of repeat visitors.

After monumental gains in excess of 30 percent in the total number of visitors from Australia, Korea and China in 2012 over the prior year, there was a further increase by over 15 percent in 2013, and about 10 percent in 2014. The rapidly expanding, free-spending latter group is projected to increase many-fold during the remainder of this decade, particularly as modern, new hotel product comes-on line in Waikīkī.

3. The number of scheduled "air seats" coming into the islands (the large majority of which land in Honolulu) has fully-recovered from and moved beyond pre-recession levels. Having sufficient air transport capacity is vital to Hawai'i tourism.

After falling by 16 percent in April 2008 with the abrupt closure of ATA and Aloha Airlines, seat capacity was slow to recover during the subsequent recession, given a poor credit environment, high costs of fuel and significant losses experienced by major carriers throughout their systems.

Statewide all of the "lost" seats have been recovered and an additional 15 percent added. On O'ahu, an additional 14 percent seats have been added over pre-recession levels.

Route additions by Alaska Air, Allegiant Air, and other carriers, increased numbers of flights by Qantas and WestJet, and the commencement of regularly scheduled charter flights from China, has created much of the additional capacity. And, should Southwest Air enter the Hawai'i market as projected by some in 2015-16, capacity into the state and inter-island should be sufficient to competitively serve any expanding visitor demands.

4. The post-recession regeneration of Waikīkī continues apace. Over the past five years billions of dollars have been spent on renovation of more than a dozen hotels, focusing on the interior areas of Waikīkī (particularly the Kuhio Avenue Corridor) which were in significant need of refurbishment and repositioning. Numerous commercial centers and spaces have been developed in the district, and several of the existing primary centers were meaningfully renovated/upgraded.

Current construction activity includes the twin condotel towers within the Ritz-Carlton project, total redevelopment of the International Marketplace, another timeshare tower at the Hilton Hawaiian Village, and several hotel renovation projects. Major re-development is also pending for the Sheraton Princess Kaiulani, the Moana Westin, the King's Village site and elsewhere, with additional planned hotel refurbishments.

Waikīkī was in vital need of such a resurgence in capital investment, particularly if it hopes to attract increasing numbers of Chinese, Korean and Japanese visitors which seek "the best and newest" accommodations and upscale shopping, and a younger generation of American travelers looking for modern, branded hotels with a more trendy, chic appearance (without regard for their parents desired Hawaiiana look).

5. The homeless issue in Waikīkī is being successfully addressed with the implementation of new laws ("No Sit-Lie Bans"), more aggressive policing, and increased public and private assistance programs. Prior to these enhanced undertakings there was an increasing homeless population and associated crime rate since early in the decade generating numerous major media reports of late in the islands and nationwide. Visitors, particularly among long-time repeaters, were expressing their displeasure with the situation and vowing not to return until the issue is adequately addressed.

Honolulu has historically had among the very lowest crime rate for any major American city and Waikīkī is still considered an exceptionally safe destination, and the perception is increasing with the apparent going-forward success of the recent programs.

6. External influences outside the control of Hawai'i. A continuing successful Waikīkī visitor industry requires stable oil prices, non-recessionary economies in the primary demographic nations, favorable currency exchange rates, and a relative level of worldwide peace.

Any of these factors, along with numerous others, could emerge and quickly damage O'ahu tourism, just as the financial (and associated airline) crises did in early 2008 after Waikīkī had just enjoyed one its best-ever first quarters.

Over the long-term we believe the factors remain strongly favorable for Waikīkī.

The majority of tourists to O‘ahu will continue to seek the classic Waikīkī vacation experience centered on sunny weather, the beach, ocean, shopping, restaurants, night life, cultural and historic attractions, and activities within an urban resort environment. Such an experience will remain readily-available and be enhanced by the on-going construction/renovation boom.

### 1.6.3 Hotel Operating Statistics and Trends

The primary O‘ahu hotel operating statistics (ADR, occupancy and RevPAR), shown on the following table, have generally reflected tourism trends; with the exception of 2013, when ADRs and RevPAR continued to grow by double-digits over the prior year and occupancy was stable within a moderating industry environment.

ISLAND OF OAHU HOTEL INDUSTRY TRENDS						
YEAR	ROOM RENTAL RATE	Annual Pct. Change	AVERAGE OCCUPANCY RATE	Annual Pct. Change	REVENUE Per Available Room (RevPAR)	Annual Pct. Change
2000	\$124.09	2.48%	79.00%	8.41%	\$98.03	11.10%
2001	\$106.62	-14.08%	72.02%	-8.84%	\$76.79	-21.67%
2002	\$102.12	-4.22%	74.90%	4.00%	\$76.49	-0.39%
2003	\$105.52	3.33%	75.72%	1.09%	\$79.90	4.46%
2004	\$112.51	6.62%	81.19%	7.22%	\$91.35	14.33%
2005	\$125.74	11.76%	85.20%	4.94%	\$107.13	17.28%
2006	\$123.96	-1.42%	82.58%	-3.08%	\$102.37	-4.45%
2007	\$168.36	35.82%	76.80%	-7.00%	\$129.30	26.31%
2008	\$169.92	0.93%	74.90%	-2.47%	\$127.27	-1.57%
2009	\$150.06	-11.69%	72.30%	-3.47%	\$108.49	-14.75%
2010	\$149.67	-0.26%	78.20%	8.16%	\$117.04	7.88%
2011	\$165.05	10.28%	80.90%	3.45%	\$133.53	14.08%
2012	\$183.51	11.18%	84.70%	4.70%	\$155.43	16.41%
2013	\$209.01	13.90%	83.70%	-1.18%	\$174.94	12.55%
2014	\$221.18	5.82%	84.40%	0.84%	\$186.68	6.71%

Note: As Waikiki contains the large majority of hotel rooms/visitor units on Oahu, the ADR for Waikiki-only is virtually identical to the island-wide data, and the occupancy is generally one point higher.

Source: PKF Hawaii, Hospitality Advisors, and The Hallstrom Group/CBRE

This dissonance is attributable to visitors cutting back on their "discretionary" spending (shopping, high-end dining, and costly activities) while still requiring the same level of lodging.

The trend continued through 2014, although at only half the level of increase, with continuing year-over-year gains in ADR and occupancy.

To an even greater degree than general tourism statistics, Waikīkī hotel data mirrors (and drives) the island-wide averages as the large majority of hotel rooms/visitor units on O‘ahu are in the district.

For the past three full years (2012 through 2014) annual increases in ADR have grown at 10.3 percent compounded annually, mostly driven by escalations in 2012-13, and occupancy rates have averaged 84.3 percent, up more than ten full points from the recessionary years.

O'ahu ADR now stands at a record high of \$221.18, up almost six percent from the full-year 2013 figure. The chart below shows the compounded annual ADR escalation rate for selected time-frames since 1974.

OAHU ADR GROWTH RATES FOR SELECTED PERIODS 1974 THROUGH 2014		
Period	Years	Compounded Annual Growth Rate
(Full-Years Only)		
Last 3 Years	2012-2014	10.3%
Last 5 Years	2010-2014	8.0%
Last 10 Years	2005-2014	7.0%
Last 20 Years	1995-2014	4.2%
Entire Study Period	1974-2014	5.8%

The post-recessionary ADR spike appears to be over, although meaningful gains of three to six-plus percent are anticipated for full-year 2015 based on first quarter data and summer booking rates.

Given the concerns among hoteliers that Waikīkī has priced itself away from some core demographic groups, and the expectations for generally stabilized O'ahu tourism in 2015 and 2016, we project that ADR escalation will slow in the next several years towards a sustainable long-term growth rate of circa four percent compounded annually. However, collective O'ahu ADR may be pushed higher by the properties seeking to capitalize on costly renovations and repositioning efforts during a generally strong tourism period; such as the Aqua Oasis.

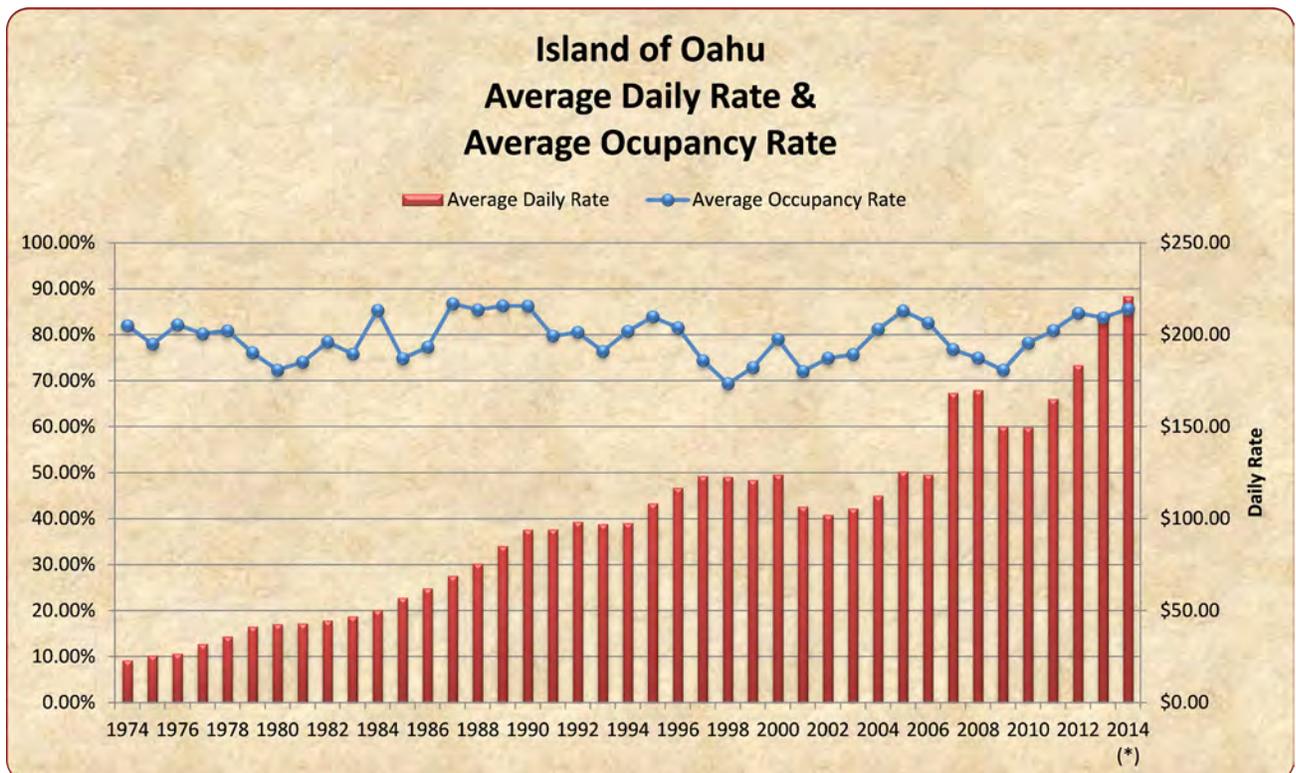
Occupancy rates on O'ahu and Waikīkī, which are traditionally the highest and most stable for any island or locale, have recently been experiencing what is widely-considered as a marginally over-heated state. This is somewhat remarkable given it has occurred during a post-recession recovery period with spiking ADR.

For full-year 2014, island-wide occupancy was at 84.4 percent, up marginally from the 83.7 percent of 2013, and the second highest mark since 2005. Occupancy is anticipated to be in the low to mid-80s percent in 2015.

The long-term stability of hotel occupancy on O'ahu is demonstrated in the following chart showing average annual rates for selected periods since 1974.

OAHU AVERAGE OCCUPANCY RATES FOR SELECTED PERIODS 1974 THROUGH 2014		
Period	Years	Average Annual Rate
(Full-Years Only)		
Last 3 Years	2012-2014	84.3%
Last 5 Years	2010-2014	82.4%
Last 10 Years	2005-2014	80.4%
Last 20 Years	1995-2014	78.4%
Entire Study Period	1974-2014	79.2%

The graph below displays the trending of ADR and occupancy rates on O'ahu from 1974 through 2014.



According to Smith Travel Research/Hospitality Advisors, Hawai'i hotels set a new record for total hotel revenue in 2014 at \$5.4 billion, up 5.6 percent from the previous year, and the fifth consecutive year of major gains. Total Hawai'i hotel room revenues also reached all-time heights at \$3.7 billion.

According to their survey, Hawai'i also ranked among the top five markets in the country in regards to occupancy (fifth), ADR (second) and RevPAR (second).

#### 1.6.4 Projected Lodging Demand/Supply Levels

Even with the market stabilizing and growth trends nominalizing, the demand for additional lodging inventory on O'ahu, widely considered to be in a period of "tight supply", will continue to rise over the near to mid-term as quantified on the table below.

Anticipating that tourism variables will return towards more long-term "average" levels during the remainder of this decade, we project by 2025 there will be a demand for some 7,129 new hotel rooms, timeshare units and resort condominium units; an increase of 18.3 percent above the current stock.

As shown below, there are some 4,910 maximum proposed potential transient lodging units scheduled to be added to the O'ahu visitor accommodations plant over the coming 10-plus years. This estimate does not include the currently discussed plans for hotel use in the HCDA area along Kapiolani Boulevard.

This is a highly bullish count as:

- Many of the units will be condominiums, of which some will be put to residential use, and not for transient lodging.
- It assumes numerous projects in the Ko Olina and Hoakalei resort areas will be built during the forecast period; however, apart from the Four Seasons Ko Olina there have been no projects announced, no site sales, and no entitlement processes undertaken. It is not probable all of the 2,000 units anticipated by the community master developers will be constructed by 2025.
- A recent study by the Hawai'i Tourism Authority estimated there are 3,583 "illegal/uncertified" transient rental units on O'ahu, mostly homes and condominium units in residential neighborhoods. The County is planning to crack-down on these units with more than 1,000 under review at present. To the extent these units are closed the total supply of visitor units will decrease and the demand for legal units elsewhere on the island will increase.

The unmet demand for lodging will be at least 2,219 new rooms/units on O'ahu by 2025, even if significant new inventory is added. We anticipate moderated demand and lessening supply between 2026 and 2030, resulting in an unmet demand of some 2,000 units for that period.

QUANTIFICATION OF TRANSIENT LODGING ROOM NIGHT DEMAND ON OAHU 2015 THROUGH 2025

Year	Total Visitor Arrivals (1)	Average Length of Stay (2) (Days)	Total Visitor Days	Total Visitor Nights (3)	Average Capacity per Unit (4) (Persons)	Total Room Night Demand (Annually)	Occupancy Rate (5)	Total Inventory Demand (Units)
2014 (Historic)	5,159,078	6.79	35,050,158	29,891,080	2.50	11,956,432	84.0%	38,997
2015	5,190,032	6.81	35,328,421	30,138,389	2.50	12,055,356	83.0%	39,793
2016	5,241,933	6.82	35,770,910	30,528,977	2.50	12,211,591	82.5%	40,553
2017	5,283,868	6.84	36,147,220	30,863,351	2.50	12,345,341	82.0%	41,247
2018	5,326,139	6.86	36,527,488	31,201,349	2.50	12,480,540	81.5%	41,955
2019	5,368,748	6.88	36,911,758	31,543,009	2.50	12,617,204	81.0%	42,676
2020	5,411,698	6.89	37,300,069	31,888,371	2.50	12,755,348	80.0%	43,683
2021	5,454,992	6.91	37,692,466	32,237,474	2.50	12,894,990	80.0%	44,161
2022	5,498,632	6.93	38,088,991	32,590,359	2.50	13,036,144	80.0%	44,644
2023	5,542,621	6.94	38,489,687	32,947,066	2.50	13,178,826	80.0%	45,133
2024	5,586,962	6.96	38,894,598	33,307,637	2.50	13,323,055	80.0%	45,627
2025	5,631,658	6.98	39,303,770	33,672,112	2.50	13,468,845	80.0%	46,126
<b>Total Increase in Lodging Unit Demand from 2014 Through 2025</b>								<b>7,129</b>
<b>Total Potential Increase in Number of Lodging Units 2015 Through 20205</b>								<b>4,910</b>
<b>Residual Unmet Unit Demand</b>								<b>2,219</b>

(1) Assuming growth in Total Visitor Arrivals to Oahu increase at mid-point of UHERO (Oahu) and DBEDT (statewide) forecasts.  
 (2) The Average Length of Stay on Oahu has increased at a compounded annual rate of 0.25% over the past 10 years, and averaged 7.10 days.  
 (3) Visitors typically stay for one less night than their total length of stay in days ("eight days/seven nights"). Total visitor arrivals are deducted from total visitor days to quantify total visitor nights.  
 (4) The factor converting total visitor nights to total night demand; roughly equivalent to, but typically higher than, the surveyed average visitor party size to Oahu.  
 (5) The average occupancy rate on Oahu for the last three years has been at 83.1% and at 80.0% over the past 5 & 10 year periods.

**Note: There were an estimated 35,443 registered transient lodging units on Oahu at year-end 2014. In addition there are an estimated 3,583 "illegal/uncertified" transient rental units according to Hawaii Tourism Authority December 2014 study, or a total of 39,026 available units on island. The County is planning to "crack-down" on these units with 1,000 under review at present. To the extent these units are closed, the demand for legal units elsewhere will increase.**

Source: The Hallstrom Group/CBRE

It is apparent the demand/supply balance for lodging units will be favorable through the OHA Kaka'ako Makai development period, and given the scarcity of resort-zoned sites on O'ahu the condition is anticipated to persist over the long-term.

While hotel developers would prefer fee simple development sites, leasehold hotels are not uncommon in the islands and the subject sites could still attract interest in offered as leasehold parcels.

Hotel ground leases typically have a structure calling for base rents (generally at to below market levels for a commercial site) and percentage rents based on operating revenues paid to the extent

PROPOSED ADDITIONS AND DEDUCTIONS TO OAHU LODGING ACCOMMODATIONS INVENTORY BY 2025		
Project	Forecast Date	No. of Units
<b><u>Additions to Inventory</u></b>		
Courtyard North Shore	2015	144
Ritz-Carlton Towers (1)	2016/2018	589
Hilton Hawaiian Village T/S	2016	307
Moana Surfrider (1,2)	On-Hold	44
Ko Olina Resort T/S (3)	Max. by 2025	1,200
Ko Olina Resort Hotel (3)	Max. by 2025	1,200
Four Seasons Resort (1, 2)	2017	160
Hoakalei Hotel/TS (4)	Max. by 2025	900
Waikiki Trade Ctr. Conversion	2017	240
Kapolei Hotels	By 2025	300
Airport Hotel	By 2020	135
<b><u>Deductions from Inventory</u></b>		
Sheraton Princess Kaiulani (1,2)	On-Hold	(264)
Ohana Waikiki West (2)	2016	(45)
<b>Maximum Net Inventory Additions by 2025</b>		<b>4,910</b>
<p>Note: T/S = Timeshare</p> <p>(1) Project will contain condominium units which may be put to residential, not transient, uses.</p> <p>(2) Net change in units following redevelopment/renovation.</p> <p>(3) Allowances based on optimistic developer's projections. Only one project (Marriott T/S) announced to date.</p> <p>(4) In master plan. No project, land sale, or developer to date.</p> <p>Source: Developers and The Hallstrom Group/CBRE</p>		

they surpass the base rent amount. This allows the landowner to share in the upside/success of the hotel during up-cycle periods and buffers the hotelier during down-cycles.

Percentage rents can be based on a percentage of total revenues or departmental sales. The table below summarizes the most recent percentage based hotel rent structures.

The demand for timeshare intervals, which remained relatively strong on O'ahu throughout the recession in comparison to the other islands, has shown meaningful upward trending subsequently. There has been a development surge of the product on O'ahu in recent years, with additions averaging 253 full units per year over the past decade, as shown below, with the island comprising an increasing share of statewide inventory.

SUMMARY OF PERCENTAGE RENTS FOR STATE OF HAWAII HOTEL GROUND LEASES							
Ground Lease Rent as a Percent of Specific Operating Department Income or Total Gross Income							
Hotel Name	Lease Date	Room Revenues	Food Sales	Beverage Sales	Concession Rentals	Other Income	Total Gross Revenues
<b>OAHU</b>							
Courtyard by Marriott Oahu North Shore*	1/2014						1% yr 1, 2% yr 2, 3% yr 3, 5% yr 4, 6.15% yrs 6-50
Ohana Waikiki West	10/17/2013	7.00%	3.50%	3.50%	20.00%	6.00%	--
Hyatt Regency Waikiki	Original 10/75 Renegotiated 2007						0.00% to 1981 2.50% 1981 to 1995 3.50% 1996 to 2006 2007 - 6.25%
Marriott Waikiki Beach	11/2000. Rents as of 2014 reopening	3.50%	1.60%	1.60%	10.0%	--	--
<b>WEST HAWAII</b>							
King Kamehameha	6/15/2007	6.00%	3.00%	3.00%	10.00%	--	--
Four Seasons Resort Hualalai at Kaupulehu	4/1/1993						
Initial Operations		4.00%	0.75%	2.50%	10.00%	5.00%	--
Stabilized		5.50%	1.25%	3.50%	15.00%	6.00%	--
<b>KAUAI</b>							
Aloha Beach Resort Hotel	6/2013						6% over \$8 M in Sales

Source: The Hallstrom Group/CBRE

OAHU TIMESHARE DEVELOPMENT 2005 THROUGH 2014				
Number of Units				
Year	Total	% of State	Annual Increase	Percent Increase
2005	<b>1,429</b>	20.4%	<b>294</b>	25.9%
2006	<b>1,256</b>	19.1%	<b>(173)</b>	-12.1%
2007	<b>1,627</b>	20.3%	<b>371</b>	29.5%
2008	<b>1,909</b>	23.0%	<b>282</b>	17.3%
2009	<b>2,362</b>	23.5%	<b>453</b>	23.7%
2010	<b>2,202</b>	22.2%	<b>(160)</b>	-6.8%
2011	<b>2,342</b>	23.0%	<b>140</b>	6.4%
2012	<b>2,529</b>	25.2%	<b>187</b>	8.0%
2013	<b>3,536</b>	33.9%	<b>1,007</b>	39.8%
2014	<b>3,669</b>	34.5%	<b>133</b>	3.8%
		<b>Total</b>	<b>2,534</b>	
		<b>Annual Average</b>	<b>253</b>	

Source: DBEDT "Visitor Plant Inventory" survey.

More than half of recent demand, estimated at some 120 to 140 units per year has been focused towards Waikiki, with the remainder to Ko Olina. The estimated absorption and pricing of units for major timely Waikiki projects is shown in the following table. We note in some instances pricing is extrapolated from points-based systems.

MARKET DATA FOR NEW TIMESHARE INVENTORY IN WAIKIKI							
Project	Est. Number of Intervals		Year Sales Started	Interval Absorption		Est. Interval Asking Price	
	Total	Remaining		Percent	Annual Avg.	Low	High
<b><u>Wyndham Beach Walk</u></b>	10,043	0 *	2006	100%	1,435		
One Bedroom						\$24,000	\$37,000
Two & Three Bedroom						\$35,000	\$52,000
<b><u>Grand Waikikian (HGVC)</u></b>	17,047	1,500	2009	91%	2,827		
One Bedroom						\$54,000	\$64,000
Two Bedroom						\$69,000	\$88,000
<b><u>WyndhamRoyal Gardens</u></b>	7,210	3,966	2012	55%	1,586		
Studio						\$21,000	\$29,500
One Bedroom						\$32,000	\$38,000
<b><u>Hokulani (HGVC) (1)</u></b>	7,365	6,915	2014	6%	82		
One Bedroom						\$46,500	\$54,000
<b><u>Hilton Hawaiian Village New Tower (2)</u></b>	15,811	0	2016	0%	0		
One Bedroom						\$69,000	\$82,000
Two Bedroom						\$88,000	\$109,000

Note: There were preliminary discussions to include timeshare/interval components within the proposed Princess Kaiulani and Moana redevelopment towers.

(1) Total cost of development was \$75 million, equal to \$524,476 per unit or \$10,184 per interval. Projected average price of \$52,000/interval.  
(2) Projected cost of Tower #1 project is \$332 million, equal to \$1,081,000 per unit or \$20,998 per interval.

Source: Interviews and The Hallstrom Group/CBRE.

The Waikīkī market is currently dominated by Hilton and Wyndham, two of the major timeshare programs, and Marriott is currently committed to Ko Olina and could not accept leasehold land for development due to the terms of its program.

Fee simple tenure is meaningfully more desirable than leasehold for timeshare development, but there still may be interest in the subject lands were they made available for timeshare use.

Marriott, Starwood and Hyatt would be the most likely parties to operate a program on the subject parcels, as they are not currently represented in the Waikīkī market and there are few alternatives available in the urban resort district or otherwise in central Honolulu.

### 1.6.5 Appropriateness of the Subject Sites for Hospitality Use and Potential Absorption Estimates

The O'ahu visitor industry is in the midst of a major positive market cycle, though beginning to show signs of stabilization at/near record levels following massive post-recession recovery and growth. The hotel and timeshare sectors are operating strongly with high occupancies and sales, respectively.

There is substantial interest in new development opportunities and investment in existing properties, and a need for new inventory Islandwide to attract younger and Asian visitors who comprise ever-increasing shares of the market.

The OHA Kaka'ako Makai lands are a highly appropriate and superior location for hospitality development for many of the same reasons as it is for residential and commercial use:

- It is centrally located, proximate to desirable shopping, dining and entertainment venues at Ward Villages and Ala Moana Center and an evolving Kaka'ako scene.
- It is close by parks, including Kaka'ako Waterfront and Ala Moana Beach which offer scenic low-intensity recreational opportunities and open spaces.
- The product would have a strong makai-orientation, possibly even waterfront, a very desirable feature in the market.
- Excellent and unblockable ocean and city panoramas would be available from most rooms/units.
- The sites are sufficient size to support major projects of varying scale.
- The quality, competitiveness, and absorption of the rooms/units would be greatly enhanced within a master planned project with retail/restaurant and cultural features and facilities. Outside of a master planning context the desirability of the subject sites would drop meaningfully; although the waterfront parcels would still be somewhat competitive.

The OHA Kaka'ako Makai sites would be suitable for a broad range of hotel types from smaller limited service (which is the type of facility most commonly being constructed in the current economy) to a four-plus star full service urban resort, with these two extremes providing the best returns to the underlying land at the present time.

On a residual basis, allowing for every other proposed hotel to be developed and achieve market level operations, there will still be a minimum unmet demand of 2,219 lodging units on O'ahu over the next decade (hotel and timeshare), with a more probable figure being between 2,500 and 3,500 rooms/units.

The subject sites, within a master planning context would be a superior and highly competitive location, with few alternatives available, and could capture a market share in excess of the residual demand.

We estimate hospitality development at Kaka'ako Makai could achieve a market share of 20 percent of the total demand for regional demand for the period 2015 through 2030 as shown following.

**POTENTIAL DEMAND FOR HOSPITALITY UNITS ON KAKA'AKO MAKAI  
ASSUMING INITIAL PRODUCT OPENING IN 2020**

Year	Market Demand for Units	Kakaako Makai Capture Rate	Est. Demand For Subject Units
2020	1,007	20.0%	201
2021-2025	2,443	20.0%	489
2026-2030	2,000	20.0%	400
<b>Totals</b>	<b>5,450</b>		<b>1,090</b>

Source: The Hallstrom Group/CBRE

## 1.7 OFFICE MARKET ANALYSIS

### 1.7.1 Overview

The Honolulu metropolitan office market contains some 11.25 million square feet of gross leasable floor area, and is generally comprised of three sectors:

- Standard/traditional office and business uses, as typified in the Downtown financial district towers, which comprise a significant share of the market.
- Medical office uses, a specialized sub-market either in free-standing or mixed-use buildings or in conjunction with major medical facilities
- Other Specialized uses, such as technology-oriented, research & development, institutional and government which can be housed in traditional office spaces or specialized improvements.

The traditional office sector in Honolulu has been relatively stable ("flat") for many years, with few additions to supply and limited demand factors. In 2014, despite the widespread up-cycle economy on O'ahu, there was a negative absorption of 177,462 square feet of floor space, a vacancy rate of 14.6 percent, and continuing static rent structures.

Figure 2: Honolulu Office Market

Submarket	Net Rentable Area* (SF)	Vacant Area (SF)	Vacancy Rate (%)	Avail. Rate (%)	Operating Expense (\$/SF/MO)	Low Gross Avg. Asking Rent** (\$/SF/MO)	High Gross Avg. Asking Rent** (\$/SF/MO)	Q4 2014 Net Absorption (SF)	YTD 2014 Net Absorption (SF)
Downtown (CBD)	5,088,599	785,390	15.4	16.0	1.42	2.74	2.91	(25,431)	(94,307)
Kapiolani	2,745,022	475,156	16.3	17.3	1.58	3.08	3.21	2,017	(122,899)
Waikiki	691,541	155,199	22.4	23.4	1.61	2.84	2.84	8,548	13,719
East Oahu	173,332	13,156	7.6	7.6	1.84	3.57	4.00	(10,430)	(8,762)
East Honolulu	157,343	16,627	10.6	10.6	1.34	3.04	3.12	(4,612)	(2,188)
Central Oahu	1,579,457	166,001	10.5	11.6	1.08	2.46	2.68	(4,015)	36,780
West Honolulu	249,405	7,269	2.9	4.2	1.16	3.20	3.26	4,155	6,475
West Oahu	359,538	78,293	21.8	21.8	1.45	3.51	3.69	(2,994)	(9,061)
Windward	208,958	8,258	4.0	4.0	1.26	2.67	2.76	524	2,781
Honolulu Metro	11,253,195	1,764,663	14.9	15.7	1.42	2.83	2.98	(32,238)	(177,462)

Source: CBRE Research, Q4 2014.

NOTE: \*Net rentable area increased by 211,000 sq. ft. in Q1 2014, as previously untracked centers were added, which may affect historical data.

\*\*Rental rates have been adjusted to calculate as a weighted average number, which may affect historical data.

This trend continued in the first quarter of 2015, with the Honolulu/O'ahu office sector further declining with a net negative absorption of 19,633 square feet and vacancy moving up to 15.8 percent of available inventory.

Figure 2: Honolulu Office Market

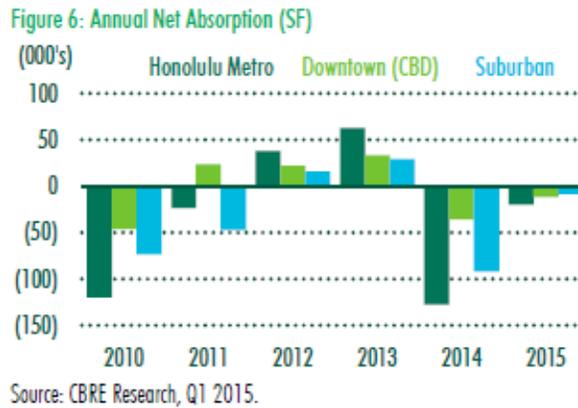
Submarket	Net Rentable Area* (SF)	Vacant Area (SF)	Vacancy Rate (%)	Avail. Rate (%)	Operating Expense (\$/SF/MO)	Low Gross Avg. Asking Rent** (\$/SF/MO)	High Gross Avg. Asking Rent** (\$/SF/MO)	Q1 2015 Net Absorption (SF)
Downtown (CBD)	5,088,599	834,260	15.7	16.4	1.43	2.75	2.93	(11,478)
Kapiolani	2,745,022	463,580	16.4	16.9	1.58	3.06	3.20	(1,301)
Waikiki	691,541	154,377	21.3	22.3	1.64	2.81	2.83	7,712
East Oahu	173,332	19,748	7.6	11.4	1.79	3.41	3.90	-
East Honolulu	157,343	16,162	10.3	10.3	1.33	3.04	3.12	465
West Honolulu	1,579,457	191,916	11.7	12.2	1.07	2.47	2.64	(18,829)
Central Oahu	249,405	10,427	2.9	4.2	1.16	3.20	3.26	-
West Oahu	359,538	69,251	19.3	19.3	1.45	3.52	3.66	9,042
Windward	208,958	13,502	6.5	6.5	1.26	2.74	2.80	(5,244)
Honolulu Metro	11,253,195	1,764,663	15.7	15.8	1.42	2.82	2.98	(19,633)

Source: CBRE Research, Q1 2015.

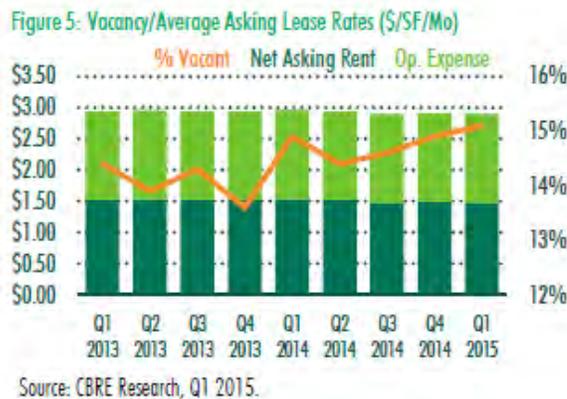
NOTE: \*Net rentable area increased by 211,000 sq. ft. in Q1 2014, as previously untracked centers were added, which may affect historical data.

\*\*Rental rates have been adjusted to calculate as a weighted average number, which may affect historical data.

The indicators would have worse Islandwide were it not for positive absorption in West O'ahu and Waikiki in 2014 (6,475 square feet and 13,719 square feet for the year, respectively) and early 2015 (9,042 and 7,712, respectively).



Rents have remained basically unchanged for several decades.



The other/specialized sector remains a minor sub-set of the office market with some potential for technology and R&D uses, but weak current demand for institutional and government users.

The on-going movement toward smaller, alternative work spaces, telecommuting, and "right sizing" of offices, in conjunction with scarce major new corporations locating to Honolulu and self-officing in the visitor industry, will inhibit demand for traditional office space over the mid to long-term.

With high development costs and a generally stagnant rent structure, returns to underlying sites are limited and may not be competitive with some alternative uses.

Based on our analysis of the traditional and specialized sectors of the office market, we do not consider this use to be a viable alternative for the OHA Kaka'ako Makai sites. Development of this type is presently non-economic, is expected to remain that time over the near to mid-term.

## 1.7.2 The Medical Office Sector

The medical component is the strongest sector with significant demand and rapid absorption of new spaces in Honolulu.

It is estimated there is about two million square feet of medical office space on O'ahu (excluding hospitals and clinics), most located in central Honolulu, and the current vacancy rate in this sector is about four percent.

The demand for medical office space is increasing as Hawai'i's generally well-insured population ages, particularly in close proximity to a hospital or clinic which can provide support and services for the practice and patients. Rents of \$4.00 to \$4.50 per square foot monthly are achievable in the prime, proximate locations, nearly twice that for standard office space.

Medical practitioners seek out central urban locations with access to major thoroughfares and plentiful parking (preferably free). New projects with such characteristics have been quickly absorbed.

There have been several additions to the medical space sector in recent years, all of which have been well-received; notably those near Pali Momi Hospital and in Kapolei.

Hale Pawaa, a new 124,000 square foot free-standing building in central Honolulu (1401 S. Beretania) was also well-received by the market, with the last three available spaces nearing the contract stage. The absorption of space in the facility averaged about 20,000 square feet per year.

There is the potential for a major loss of medical office floor space in the near to mid-term if General Growth Properties decides to convert their Ala Moana towers away from office spaces to other uses (most likely condominiums) as has been discussed.

The 196,600 square foot Ala Moana Building is primarily occupied by doctors and dentist providers, as is a significant portion of the 174,300 square foot Ala Moana Pacific Center. General Growth has wavered on whether to extend terminating leases past 2019, if not there would be a major influx of practitioners seeking new locations at the time when the OHA Kaka'ako Makai inventory would be potentially coming on-line.

End-user (doctor) interest in medical office space is moderate to favorable, although younger practitioners may have financial difficulty setting up an office in new space. Developer interest is also moderate to favorable but somewhat specialized and limited in a market of the size of Honolulu. Rents are steadily increasing, but the space can be more costly to construct than other office or commercial uses.

### 1.7.3 Appropriateness of the Subject Sites for Medical Office Use and Potential Absorption Estimates

Demand for medical office space in central Honolulu is expected to increase with an expanding and aging population. It is estimated demand for new space will be some 825,000 square feet of gross leasable area over the next 15-plus years (through 2030), or some 55,000 square feet annually.

The OHA Kaka'ako Makai parcels would be an appropriate location for medical office given:

- Their prominent central location;
- Ease of access onto Ala Moana Boulevard;
- Potential for cooperation with the existing UH School of Medicine and Cancer Center facilities; particularly if a clinic, emergency room or operating rooms were opened; and
- Ability to absorb potentially displaced practices from the Ala Moana office buildings within a proximate distance.

We conclude medical office space could comprise contributory demand for the upper floors of a mixed-use commercial project on the subject; especially if sufficient parking (preferably free) is made available. While demand would be greater within a master planned context, there could still be a viable, if reduced, component within free-standing developments.

Although the preference is for fee simple sites, leasehold office development is not uncommon in Honolulu.

Our mid-point subject absorption estimates are shown below and do not include any excess demand which would result from the closure of the Ala Moana buildings. We forecast the Kaka'ako Makai product could capture approximately 15 percent of the projected Islandwide demand.

POTENTIAL DEMAND FOR MEDICAL OFFICE SPACE ON KAKA'AKO MAKAI ASSUMING INITIAL PRODUCT PRE-LEASING IN 2019 IN SQUARE FEET			
Year	Market Demand for Sq. Ft.	Kaka'ako Makai Capture Rate	Est. Demand For Subject Sq. Ft.
2019	55,000	15.0%	8,250
2020	55,000	15.0%	8,250
2021-2025	275,000	15.0%	41,250
2026-2030	275,000	15.0%	41,250
<b>Totals</b>	<b>605,000</b>		<b>90,750</b>

Source: The Hallstrom Group/CBRE

## 1.8 INDUSTRIAL MARKET ANALYSIS

### 1.8.1 Overview

Although a somewhat lower-order urban use than those discussed foregoing, the current strength of the Honolulu industrial sector and associated high and increasing land prices deserve analysis and consideration given the in-place restrictions which could make the high returns for residential and resort uses unachievable.

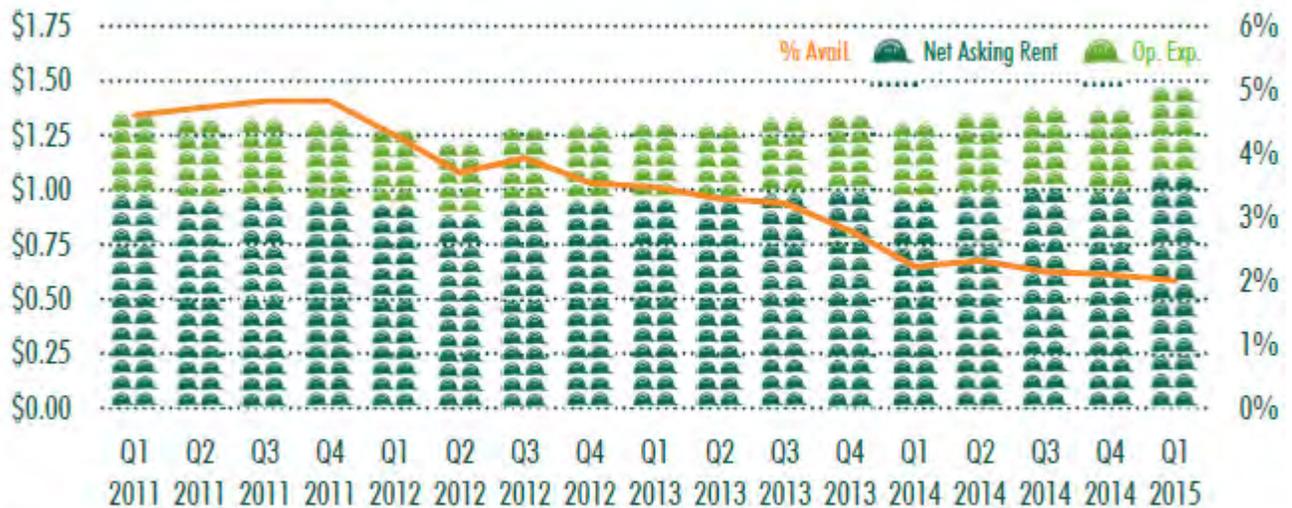
O'ahu currently has some 34 million square feet of industrial space with an overall vacancy rate of only 2.6 percent as of year-end 2014; the lowest for any market sector. Nearly 215,000 square feet of floor space was absorbed last year and 126,528 more square feet were absorbed in the first quarter of 2015.

Figure 2: Hawaii Industrial Market

Submarket	Net Rentable Area (SF)	Available Area (SF)	Avail. Rate (%)	Operating Expense (\$/SF/Mo)	Net Avg. Asking Rent (\$/SF/Mo)	Gross Avg. Asking Rent (\$/SF/MO)	Net Absorption Q1 2015 (SF)
Kakaako	1,700,412	73,153	4.3	0.64	1.24	1.87	(2,849)
Iwilei	3,483,658	29,118	0.8	0.55	1.06	1.61	(12,298)
Kalihi	7,029,067	256,526	3.6	0.34	1.02	1.36	3,511
Mapunapuna	1,641,874	13,920	0.8	1.08	0.70	1.78	45,395
Airport	4,828,645	7,893	0.2	0.60	1.25	1.85	15,337
Bougainville	621,337	-	0.0	0.40	1.10	1.50	-
Halawa	2,386,852	48,096	2.0	0.33	1.10	1.44	2,963
Pearl City/ Aiea	973,166	47,882	4.9	0.48	1.56	2.05	42,943
Waipio/ Mililani	2,632,341	45,727	1.7	0.44	1.24	1.68	18,234
Waipahu	1,781,677	110,917	6.2	0.17	0.73	0.90	(5,534)
Kapolei	1,080,720	81,727	7.6	0.37	1.20	1.57	12,701
Campbell/ Kenai	4,964,132	60,376	1.2	0.20	0.96	1.16	16,619
Windward	973,837	40,562	4.2	0.52	1.39	1.91	(10,485)
<b>Islands</b>							
Oahu	34,097,718	815,897	2.4	0.44	1.08	1.52	126,528

Rents are beginning to increase rapidly.

Figure 1: Hawaii Industrial Availability/Asking Lease Rent



Source: CBRE Research, Q1 2015.

Significant new development is occurring in Ewa/Kapolei where there are available zoned lands but little in central Honolulu which is nearing effective build-out.

Kaka'ako has 1.7 million square feet of industrial space, a figure which will decline as redevelopment continues in the district, and currently achieves higher rents than anywhere on the island apart from the acutely under-supplied windward side. The supply of industrial space and lands in Kaka'ako are rapidly diminishing as they are converted into higher order uses such as condominium or commercial, or are being disrupted or taken for the rail right-of-way.

The limited (and in some respects decreasing) availability of developable industrial land, particularly in urban Honolulu, is commencing widespread appreciation in land values in what is expected to be a major upsurge over the near to mid-term. While the potential values would be at best half to 60 percent of the potential achievable under the maximal residential or resort uses, it does provide a baseline for analysis. Industrial land prices in Honolulu are typically near or above the \$100 per square foot mark, with recent HART rail right-of-way purchases in Kaka'ako at from \$150 to \$170 per square foot for the underlying land.

### **1.8.2 Appropriateness of the Subject Sites for Industrial Use and Potential Absorption Estimates**

Demand for industrial space in urban Honolulu is exceptionally high, particularly in the Kaka'ako area, as service goods providers seek locations close to their patrons. Development interest in the sector is strong throughout the island (although there are no real opportunities in Kaka'ako), rental rates and land prices are moving strongly upward, and the amount of available supply is shrinking.

Although it would not exploit the excellent view potentials or water-orientation of the OHA Kaka'ako Makai parcels, the sites are:

- Centrally located;
- Have access to a major thoroughfare; and,
- Are proximate to many users of industrial services and goods.

We estimate the demand for industrial space in Honolulu will average some 100,000 square feet annually over the next 15 years (through 2030), less than half of the total Islandwide. The figure would be higher if more space was being made available in/near the urban core, but instead the supply is shrinking.

Given the limited amount of competing space available, the OHA Kaka'ako Makai lands could capture a large part of the demand, upwards of 25 percent, resulting in a potential total demand through 2030 of 275,000 square feet, as shown below.

**POTENTIAL DEMAND FOR INDUSTRIAL FLOOR SPACE ON KAKA'AKO MAKAI  
ASSUMING INITIAL PRODUCT PRE-LEASING IN 2019 IN SQUARE FEET**

Year	Market Demand for Sq. Ft.	Kakaako Makai Capture Rate	Est. Demand For Subject Sq. Ft.
2019	100,000	25.0%	25,000
2020	100,000	25.0%	25,000
2021-2025	500,000	25.0%	125,000
2026-2030	500,000	25.0%	125,000
<b>Totals</b>	<b><u>1,100,000</u></b>		<b><u>275,000</u></b>

Source: The Hallstrom Group/CBRE

Leasehold tenure is common in the Honolulu industrial land market and given prevailing land prices and return (or rental) rates can result in present values of sites under long-term leases being greater than fee simple values.

## 1.9 CULTURAL USES AND ATTRACTIONS MARKET ANALYSIS

In 2012, the State of Hawai'i transferred nine parcels of land, ranging from under 1 acre to over 7 acres each, to the Office of Hawaiian Affairs (OHA) as part of a settlement of ceded land revenue claims dating back to 1978. The property consists of approximately 30 acres in Kaka'ako Makai. The property was valued at approximately \$200 million. Currently, the parcels generate about \$1.1 million dollars annually. Existing land use zoning for OHA parcels include waterfront commercial, mixed-use, and mixed-use industrial.

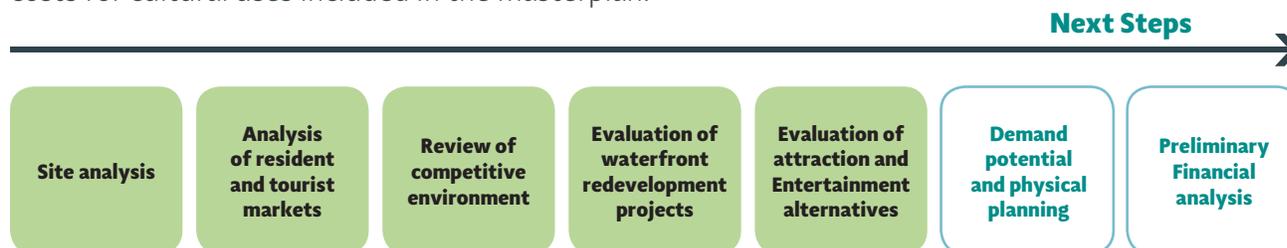
OHA's goal is to steward these lands in a way that fulfills their kuleana (right, privilege, concern, responsibility) to Native Hawaiians and honors Kaka'ako as wahi pana (storied, noted, legendary place). OHA expects the land to be a source of revenue to grow and support its programs created to enhance opportunities for Native Hawaiians, and also wants to create a place that Hawaiians can come.

In addition to traditional real estate land uses, OHA is interested in understanding the market and financial implications of including signature cultural attractions as part of the development, that would allow for the expression of culture on the site, serve as defining elements for the masterplan, and serve as cultural anchors that would draw visitors to the site.

As part of our market evaluation of potential cultural uses for the Kaka'ako Makai sites, we conducted the following tasks:

- Assessed the site specific to the market potential for cultural attractions;
- Evaluated the size and demographics of the resident and tourist markets available to potential entertainment and cultural development.
- Assessed the competitive environment locally through an examination of the performance of cultural institutions and other attractions on O'ahu.
- Conducted waterfront redevelopment case studies for a variety of comparable destinations nationwide.
- Evaluated attraction and entertainment alternatives for compatibility with OHA objectives, site characteristics and market conditions.
- Developed attendance and operating profiles for uses that received the highest number of points in the evaluation.

In the next phase of work, the detailed financial analysis, we will develop estimates of attendance, physical planning parameters, and estimates of revenues, operating expenses, and development costs for cultural uses included in the masterplan.



### 1.9.1 Why evaluate the market for cultural attractions?

Although they are not traditional real estate uses and typically operate as non profit organizations, there are a number of important reasons to evaluate the market potential for cultural attractions.

- Similar to traditional real estate uses, cultural attractions have markets and their performance is affected by demand and supply.
- Cultural attractions do operate with a different business model than traditional real estate uses, as they tend to rely on a mix of earned and contributed income, reflecting their balance of multiple bottom lines. Cultural attractions are mission driven, but also need to support themselves and generate revenue to be successful. Many cultural attractions encounter challenges with long term economic sustainability. Conducting market analysis and business planning before they are developed can increase their long term economic sustainability.
- It is important to “right-size” cultural attractions based upon market demand and physical planning factors. Cultural facilities that are under-built are not always able to attract their potential visitation due to lack of critical mass and/or excessive lines and poor visitor experience. On the other hand, cultural attractions that are over-built for the market often face challenges generating enough revenue to cover operating costs.
- The development and operation of cultural attractions often require decisions balancing organizational mission and business considerations. Business planning and market analysis can help quantify these tradeoffs to provide key decision makers with better information. In this case, cultural attractions will require some subsidy from the traditional real estate. Given the importance of preserving revenue for other OHA activities, market and financial analysis can help OHA leadership value the benefits and costs of the inclusion of cultural attractions.
- Cultural attractions often serve as anchor attractions, drawing visitors and spending to developments and creating economic value for the destination. Market and financial analysis is necessary before economic impact potential can be measured.

## 1.9.2 Methodology for Evaluating Market Potential Cultural Attractions

The methodology for the market potential for cultural attractions involves the following components:

- Evaluation of the strengths and challenges of the concept, vision, or goals.
- Assessment of the strengths, weaknesses, opportunities, and threats for the site from a market perspective.
- Review of the size and characteristics of available resident and tourist markets;
- Evaluation of the competitive market for all attractions, since cultural facilities compete with all types of attractions for people's time and spending.
- Assessment of industry benchmarks and metrics nationally. Cultural attractions tend to operate with a fairly high degree of consistency in key operating metrics, despite difference in markets and geographies.
- Professional judgment. AECOM has been evaluating the economics of attractions for over 55 years. While there is a great deal of quantitative analysis that can be conducted, there are also qualitative factors that need to be integrated into the determination of market potential.



### 1.9.3 Site Analysis

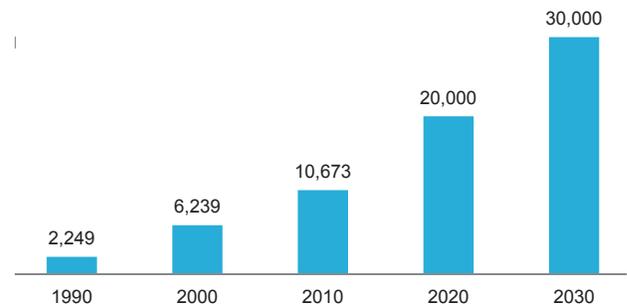
In this section, we evaluate the site from a market perspective, focusing on the strengths and challenges of the site that will either contribute to market potential or will need to be addressed as part of the business plan for the cultural attraction.

Key considerations related to the site are as follows:

- Kaka'ako Makai is an important cultural and historical resource for Hawaiians and the broader community.
- Located in In the ahupua'a of Waikīkī, the parcels are within the former coastline and nearshore fisheries belonging to the 'ili of Ka'ākaukui and Kukuluae'ō.
  - » These lands were part of a productive agrarian and aquaculture landscape that included traditional practices such as pa'akai harvesting, fish pond farming activities, and salt beds. The coastal and flat plains are well known for chiefly residence, healing practices, ancestral places, coastal trails, and burials.
  - » By the early 20th Century, Kaka'ako had seen a major transition, including the development of salt works, a human quarantine center and cemetery, a coastal battery and fort, Native Hawaiian occupation, the Magoon tenement, and the Ward Estate.
  - » Subsequent to that, the area become a prime industrial corridor and one of the first residential areas for working class families.
- Recent planning efforts identified three major themes for redevelopment:
  - » Create a kīpuka, cultural oasis, where Hawaiian national identity can flourish.
  - » Support the development of a cultural marketplace that invests in intellectual capital.
  - » Create a cohesive and multi-functional planned community for live, work and play.



**Historic and Projected Population Growth in Kaka'ako, 1990-2030**



### 1.9.3.1 Kaka'ako District

- Kaka'ako District is centrally located between downtown and Waikiki, comprising 600 acres bounded by Piikoi, King, Punchbowl Streets and Ala Moana Boulevard.
- To date, the State has invested over \$217 million on improvement district projects in Kaka'ako.
- HCDA estimates that between 1988 and 2010, there was \$225 million public investment in infrastructure, \$2.2 billion in private developments, and \$529 million in public-sector development in Kaka'ako.
- There is rapid population growth expected in the next 15 years, fueled by significant mixed-use and residential development projects.
- There are a number of cultural and community assets already located in Kaka'ako, including Thomas Square Park, the Neil Blaisdell Center, the Honolulu Museum of Art, and the Kaka'ako Beachfront Park. Many of these are currently undergoing their own planning efforts that will likely result in increased investment and new attractions.
- Much of the development is occurring as part of masterplanned efforts by the Howard Hughes Corporation and Kamehameha Schools.

### 1.9.3.2 Summary of Strengths and Challenges

#### Strengths and Opportunities

There are a number of strengths and opportunities associated with the OHA sites, including:

- Kaka'ako has many existing cultural and community assets.
- There are multiple public and private planning efforts that are likely to result in increased investment and a greater critical mass of activity in the area.
- The large number of residential developments planned will greatly increase the onsite market..
- The site has enough land area to create a destination and accommodate just about any cultural use envisioned.
- There is already major development interest in the area. As a successful and active real estate market, there is an opportunity to utilize real estate income to subsidize cultural attractions.
- The site has water frontage and beautiful views.
- With OHA as the landowner and planner for the land, there is an opportunity to create unique cultural destinations that tell the story of Hawaii from the Hawaiian perspective.

#### Weaknesses and Threats

Challenges to the site from a market perspective include:

- OHA does not control properties immediately surrounding its properties, including the Kaka'ako Waterfront Park and the former Obama Library site. It is possible that uses may be developed that are either incompatible or competitive with cultural attractions planned on the OHA properties.
- The existing blend of land uses are not all compatible with cultural attractions. Phasing will be an important consideration in planning for the success of any cultural attraction.
- There is limited parking on site. Any major visitor attraction will have to incorporate and plan for parking and its associated costs.
- Current visibility and access to the site is modest, and much of the site, including the "piano lot" is currently interior to the rest of the property.

### 1.9.4 Available Markets Evaluation

The size and characteristics of the resident and tourist markets from which an attraction draws its attendance are important factors in determining the potential audience demand.

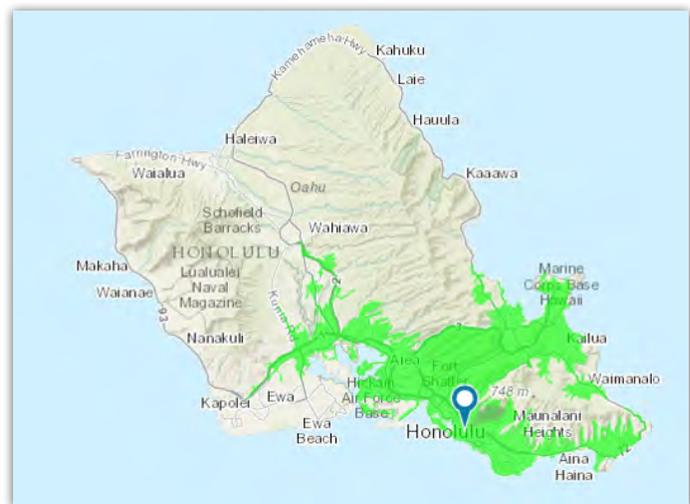
As part of our analysis, AECOM researched and analyzed both the resident and tourist markets in O'ahu. AECOM collected data on historical resident population, projected resident market population growth and demographics, and tourism levels and characteristics.



#### 1.9.4.1 Resident Market Definition

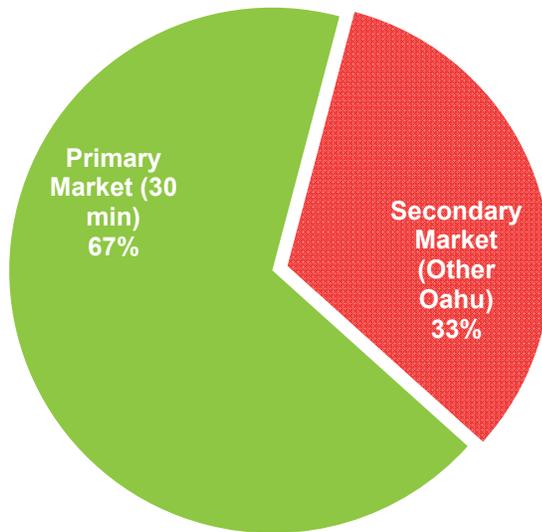
Visitation to attractions has a direct relationship to market proximity. For the purposes of this study, AECOM has divided the resident market into two sub-market segments, primary and secondary markets, based on distance from the project site:

- Primary market: Up to 30 minute drive time from Kaka'ako Makai.
- Secondary market: 30 to 60 minutes from the project site or the remainder of O'ahu.



### 1.9.4.2 Primary and Secondary Markets

- The total resident market includes a household population of 943,000 million in 2014.
- Approximately 67 percent of the resident population is in the primary market and 33 percent is in the secondary market.
- Household size is smaller in the primary market with 2.77 persons per household, compared to 3.41 in the secondary market
- In comparison, the state of Hawaii has a total household population of 1.4 million. These residents are included as part of the overnight tourist market.



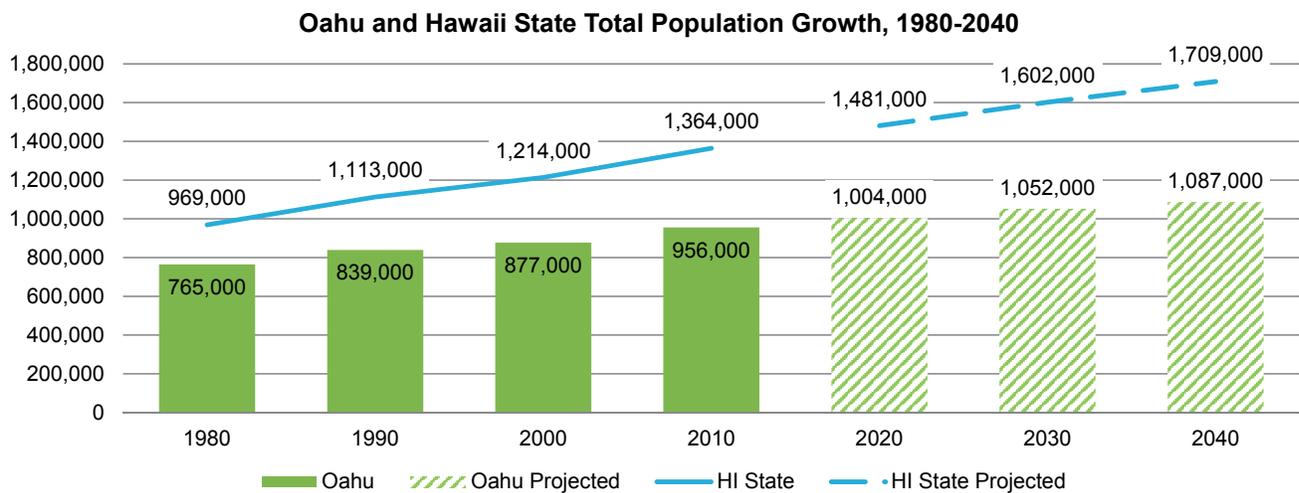
Source: ESRI, AECOM

Household Population	2010	2014	2019
Primary Market (30 min)	623,000	636,000	662,000
Secondary Market (Other O'ahu)	295,000	307,000	324,000
O'ahu Total	918,000	943,000	986,000
Hawaii	1,317,000	1,356,000	1,420,000

Source: ESRI, AECOM

### 1.9.4.3 Historic and Projected Resident Market Growth

- O‘ahu grew modestly from 765,000 in 1980 to 956,000 in 2010 at an average rate of 1.1 percent annually.
- Future growth is forecast to continue to be modest from 2020 to 2040, at a rate of 0.4 percent annually.
- In comparison the state of Hawaii has grown at 1.7 percent annually from 1980 to 2010, and is forecast to grow at 0.7 percent from 2020 to 2040.

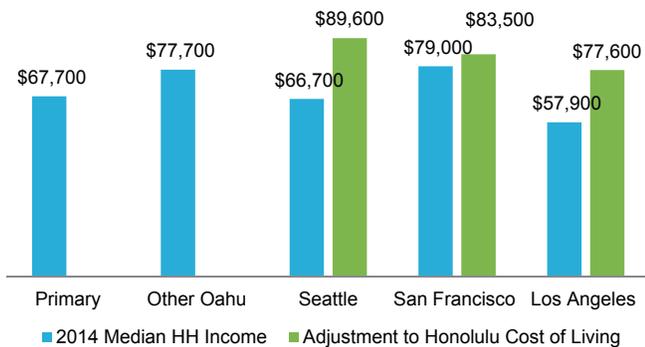


Source: Research and Economic Analysis Division Department of Business, Economic Development and Tourism, March 2012, AECOM

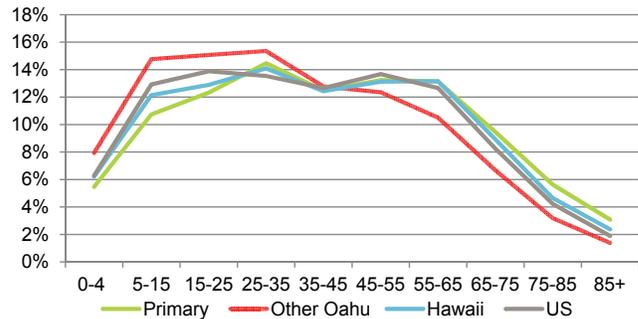
### 1.9.4.4 Resident Market Key Demographics

- On the surface, median household income levels are higher than other urban areas such as Seattle and Los Angeles. However, when adjusted for the higher cost of living on O‘ahu, median household income levels in the primary and secondary markets are relatively low compared to other major West Coast mainland cities. Discretionary income is lower as a result of higher costs of living in Hawaii overall. The secondary market, outer O‘ahu, has higher income levels than the primary market.
- The primary market is slightly older than the United States as a whole, with fewer children and a greater percentage of young professionals and Baby Boomers. The secondary market, on the other hand, has a greater number of young professionals and children than the primary market and the nation as a whole.
- The age demographics for O‘ahu should be considered when planning the visitor experience for a cultural attraction.

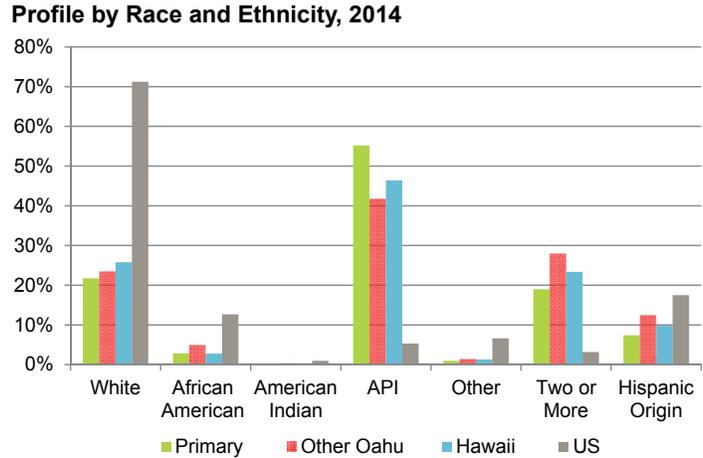
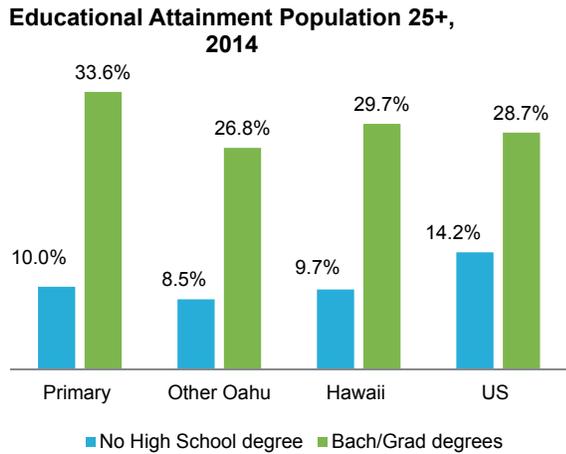
**Median Household Income & Cost of Living Comparison, 2014**



**Age Profile, 2014**



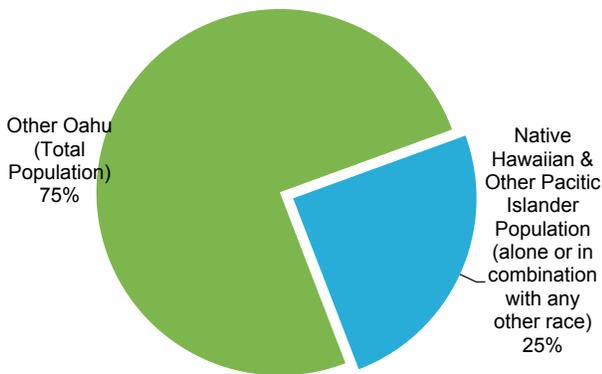
Source: ESRI, AECOM



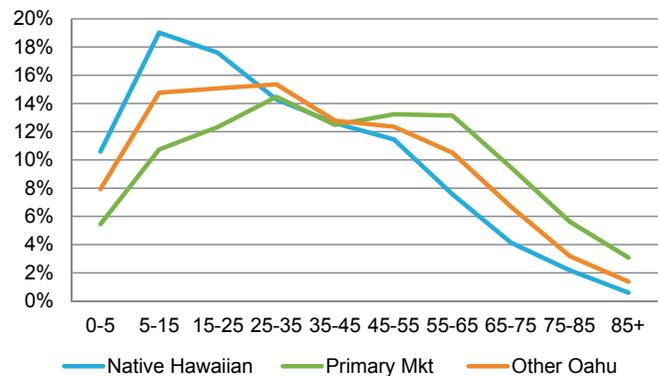
Source: ESRI, AECOM

- Education levels in the primary market are higher than in Hawaii and the United States, with nearly 34 percent of the population in the primary market with some form of college degree, compared to 30 percent in Hawaii and 29 percent nationwide.
- The resident market is over 50 percent Asian/Pacific Islanders in the primary market and over 40 percent Asian/Pacific Islander in the secondary market.

### Native Hawaiian & Other Pacific Islander Population, 2013

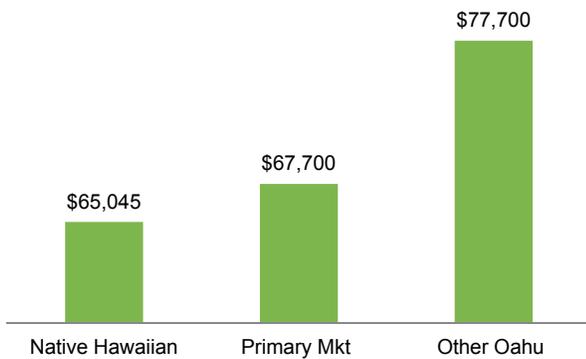


### Native Hawaiian & Other Pacific Islander Age Profile, 2013

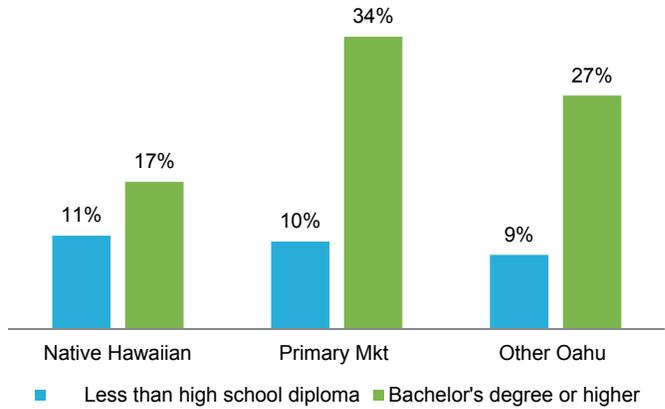


- As part of our market analysis, we examined the Native Hawaiian population since this is an important target market for OHA. Of the total O'ahu population, approximately one quarter is Native Hawaiian & Other Pacific Islander (US Census 2013).
- The Native Hawaiian population is younger than both the primary and secondary markets, with a higher percentage of the population under 24 years old.

**Native Hawaiian & Other Pacific Islander  
Median Household Income, 2013**



**Native Hawaiian & Other Pacific Islander 25+  
Educational Attainment**



- Median household income levels are lower for Native Hawaiians than the primary and secondary markets, at \$65,000 compared to \$67,700 and \$77,700. Education levels among Native Hawaiians are also lower than the primary and secondary market with 17 percent with college degrees compared to 34% and 27%.
- While many attractions on O‘ahu can support relatively high prices, it will be important to incorporate a local discounting strategy to accommodate key markets and include programming relevant to the local Native Hawaiian market.



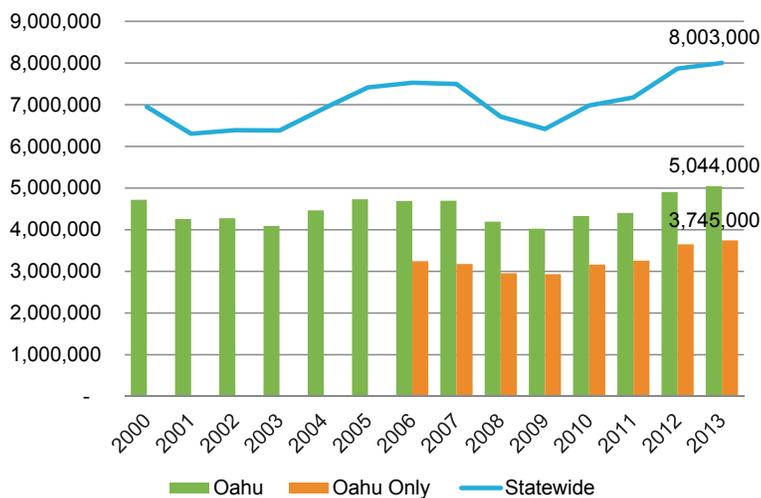
### 1.9.4.5 Tourist Market Overview

- AECOM uses the number of overnight leisure visitors as the basis for the size of the tourist markets in attendance analysis for attractions.
- While business and other visitors may also attend, the overnight leisure market is the core market for cultural attractions and used for consistent analysis and comparison with metrics at comparable institutions nationwide.
- To understand the size and nature of the O’ahu tourist market, AECOM reviewed estimates and demographic data provided by the Hawaii Tourism Authority (HTA).

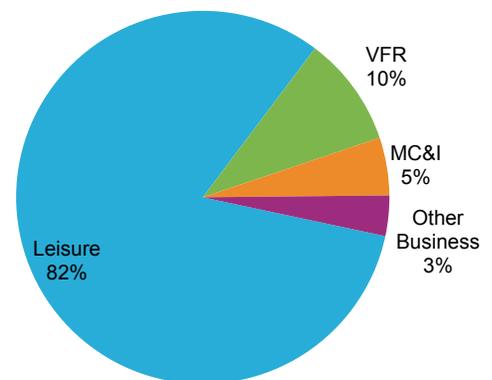
### 1.9.4.6 Tourism to O’ahu and Hawaii

- The region has a stable tourist market with 8 million tourists to Hawaii in 2013, including 5 million visitors to O’ahu, 75 percent of whom stayed exclusively on O’ahu.
- Leisure visitors those visiting friends and relatives (VFR) accounts for 90 percent of total visitation to the island.

Hawaii and Oahu Visitors, 2000-2013



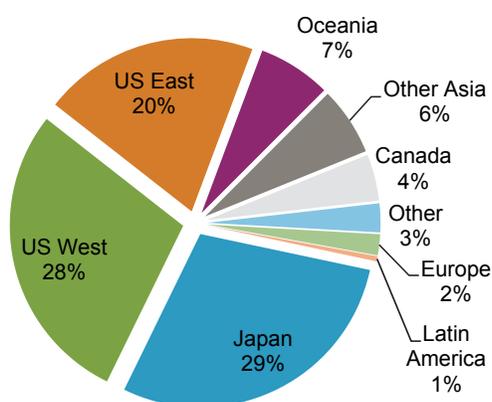
Oahu Visitors by Type, 2013



### 1.9.4.7 O'ahu Visitor Origin

- In 2013, O'ahu visitors were 57 percent domestic and 43 percent international.
- For the second year, arrivals from Japan exceeded arrivals from the western United States to be the leading visitor arrival market for O'ahu.
- Arrivals from Oceania and Other Asia surpassed Canada, which had previously been the leader among the smaller markets visiting O'ahu for most of the past decade.

**Oahu Arrivals by Origin, 2013**



**Oahu Arrivals By Origin, 2009-2013**

	2009	2010	2011	2012	2013	CAGR 2009-13
Japan	1,132,000	1,186,000	1,193,000	1,410,000	1,458,000	6.5%
US West	1,255,000	1,347,000	1,319,000	1,393,000	1,429,000	3.3%
US East	961,000	987,000	976,000	1,016,000	1,015,000	1.4%
Oceania	128,000	154,000	202,000	260,000	343,000	27.9%
Other Asia	100,000	156,000	195,000	274,000	321,000	33.9%
Canada	169,000	197,000	223,000	209,000	219,000	6.7%
Other	189,000	204,000	190,000	232,000	136,000	-7.9%
Europe	76,000	83,000	86,000	89,000	99,000	6.8%
Latin America	14,000	15,000	17,000	20,000	24,000	14.4%

Source: HTA

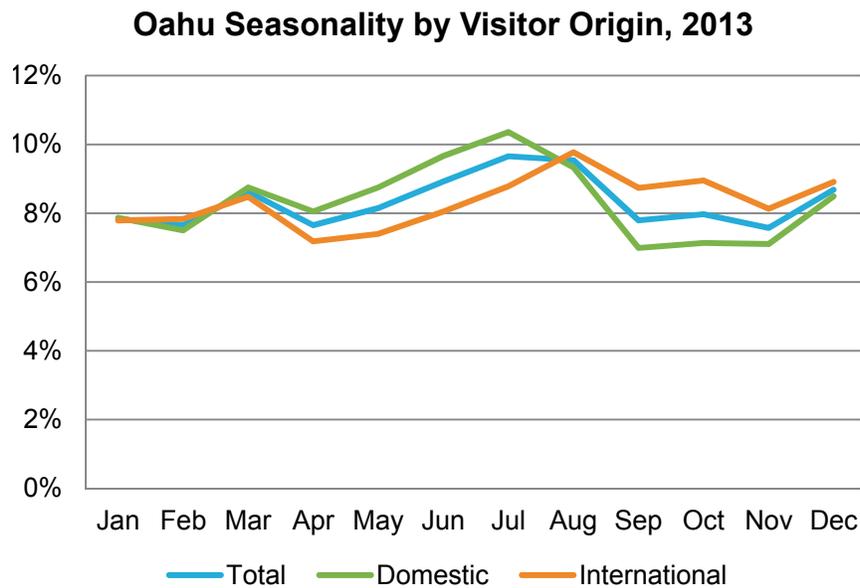
CAGR= compound annual growth rate or year-over-year growth rate

### 1.9.4.8 O'ahu Visitor Profile

- Overnight visitors stay on average of 7 nights on O'ahu and 8.6 nights in Hawaii overall.
- Visitors to O'ahu are 58 percent repeat visitors, with an average of 4.4 trips.
- The average party size is 2.16 persons, suggesting Hawaii is not primarily a family destination.
- O'ahu experiences very little seasonal peaking, with no month capturing more than 11 percent of total visitation. Domestic tourism peaks in July and International tourists peak in August and throughout the fall

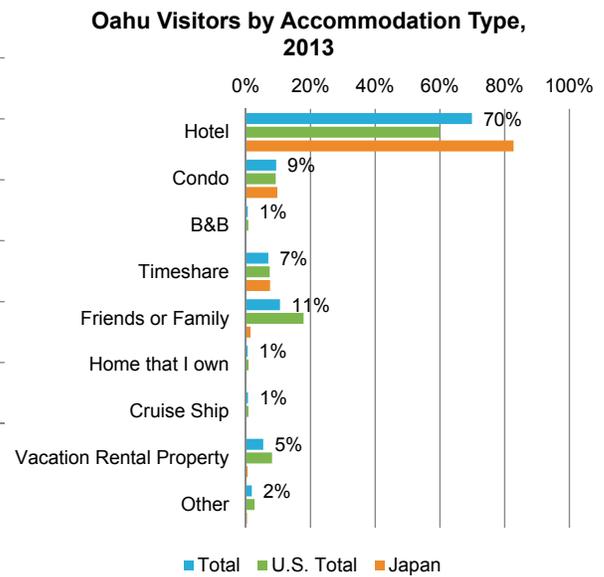
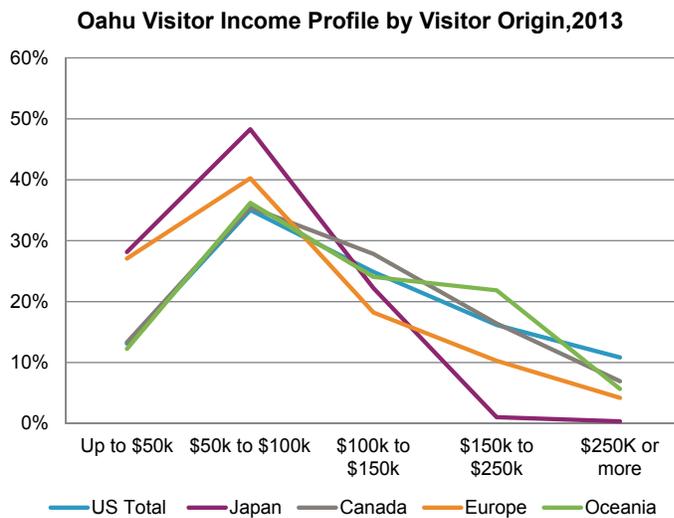
<b>Oahu Visitor Profile, 2013</b>	
Avg Party Size	2.16
Avg Length of Stay (Oahu)	7.0
Avg Length of Stay (HI Total)	8.6
Average # of Trips	4.4
Repeat Visitors	58%

Source: HTA



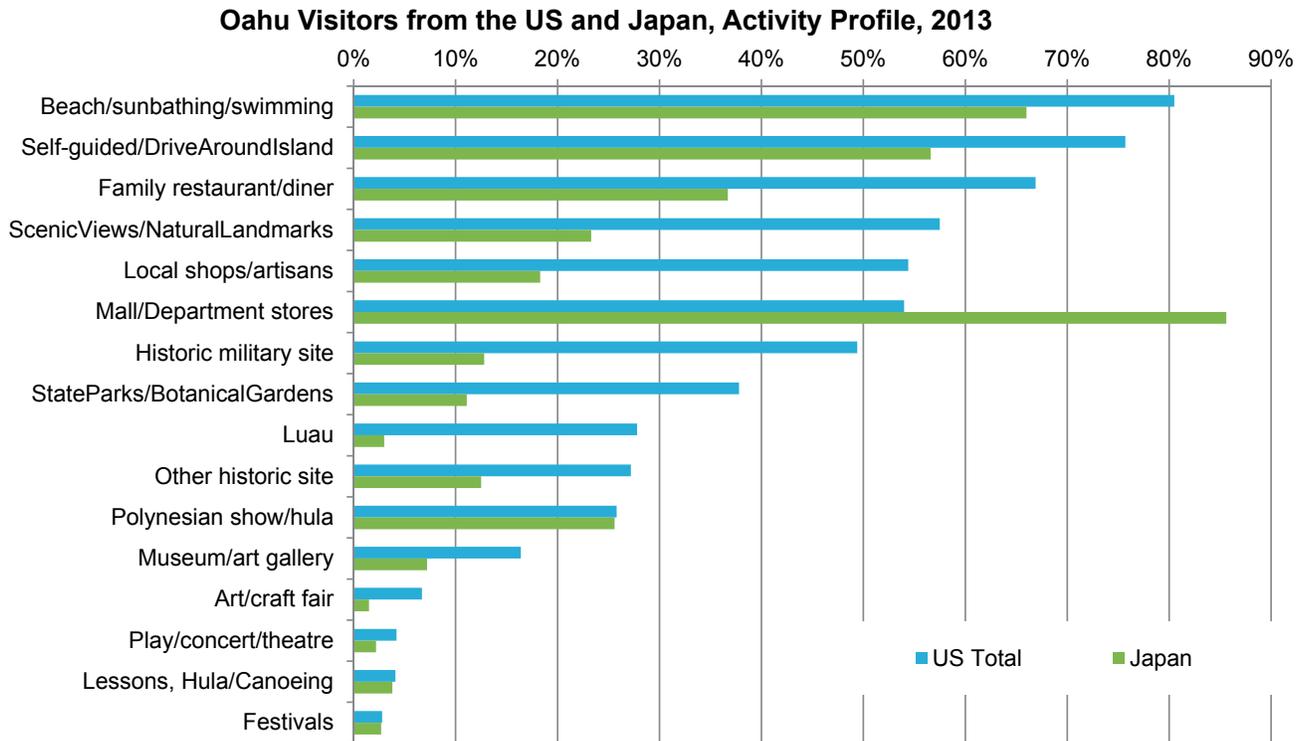
### 1.9.4.9 O'ahu Visitor Characteristics

- Income levels among O'ahu visitors are highest for United States, Canadian other Oceania (Australia/ New Zealand) travelers. Nearly 50 percent of Japanese tourists to O'ahu have household income levels between \$50,000 and \$100,000.
- Overall, 70 percent of O'ahu visitors stay in hotels, followed by a mix of condo, timeshare and other accommodations.



### 1.9.4.10 O'ahu Visitor Activity Profile

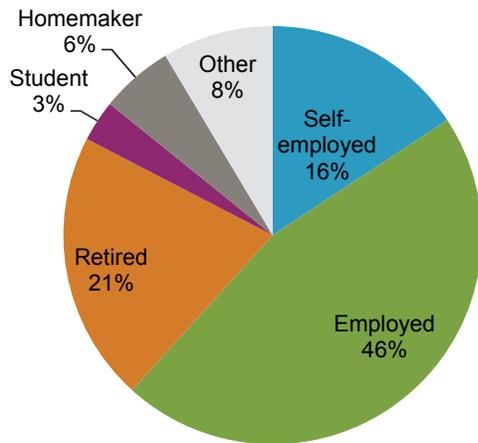
- The most popular activity for US visitors is time at the beach following by self-guided exploration of the Island. The most popular activity for Japanese visitors is shopping in malls and department stores.



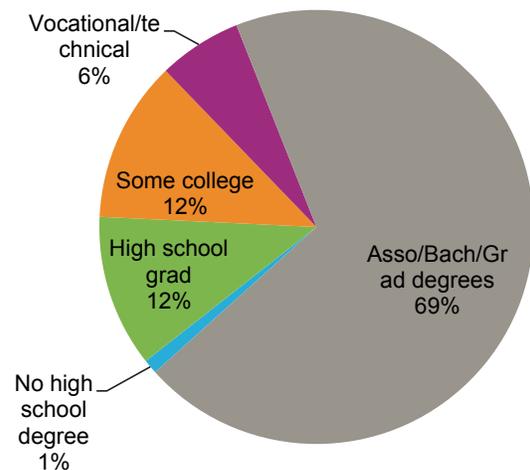
### 1.9.4.11 Hawaii Visitor Characteristics

- Detailed visitor characteristics for statewide tourism are also provided by the Hawaii Tourism Authority (HTA).
- Approximately 21 percent of visitors to Hawaii are retirees.
- Education levels among tourists are high, with nearly 70 percent of travelers with college and advanced degrees.
- Tourists to Hawaii are approximately 29% between the ages of 41 and 59, 28% between 25 and 40 years old, and 19% above the age of 60. Children under 12 are 11% of the total visitor market. Nearly half of Hawaii tourists are visiting with a spouse and 15% of travelers are in Hawaii with their children.

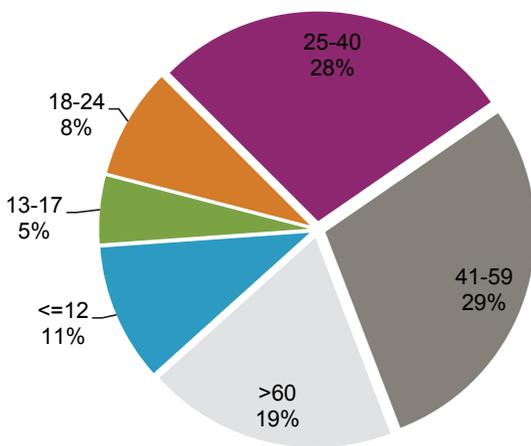
**Hawaii Visitors Employment Status, 2013**



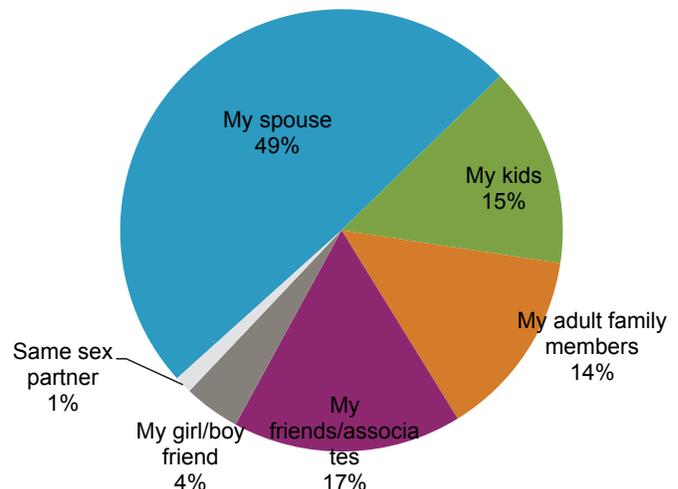
**Hawaii Visitors Educational Attainment, 2013**



**Hawaii Visitors by Age, 2013**



**Hawaii Visitors by Companion Type, 2013**



### 1.9.4.12 Summary of Available Markets

- AECOM quantified the size of each market segment available to a new cultural attraction in Kaka’ako Makai and projected market sizes through 2020. .
- The total available market in 2020 is 5.8 million, with 995,000 in the resident market and 4.8 million in the tourist market.

Summary of Available Markets	2010	2015	2020
Resident Market			
Primary Market (0-30 minutes)	623,000	641,000	667,000
Secondary Market (Remainder O’ahu)	295,000	310,000	328,000
Total Resident Market	918,000	951,000	995,000
Overnight Leisure Tourists	3,879,000	4,618,000	4,758,000
<b>Total Available Markets</b>	<b>4,797,000</b>	<b>5,569,000</b>	<b>5,753,000</b>

Source: Hawaii Tourism Authority, ESRI, AECOM

### 1.9.4.13 Summary and Implications

#### Resident Market

- The resident market is modest sized and expected continue growing slowly.
- Education levels in the resident market are strong compared to state and national averages.
- The resident market also has relatively strong income levels compared to national averages and West Coast cities on the mainland. However, after factoring in the cost of living, the income levels and discretionary income are lower than West Coast cities on the mainland. Local discounting will be important.
- The resident market is a captive audience, and new cultural attractions are likely to do well given the limited supply and high cost of leaving O'ahu. However, reinvestment is important.

#### Tourist Market

- The O'ahu and Hawaii tourist market is a very large and mature market, with very high ratio of tourists to residents.
  - It is also a challenging and distracted market that is primarily based in Waikiki.
  - The major focus of many visitors is on water-based activities and the outdoors, as well as shopping.
  - Japanese tourism is the highest of all origin locations and growing. Chinese and Korean visitors are increasing; group travel may increase as a result.
  - Visitors have a relatively long length of stay, with sufficient time to do a variety of activities.
  - There is a high repeat visitation rate, which is favorable for new attractions. Reinvestment in new visitor experiences is essential in a market with repeat visitation.
  - Most tourists stay in hotels, which is favorable for marketing efforts.
  - Flat seasonality reduces potential capacity problems and the need to overbuild to account for seasonal peaks.
  - Tourists are a mix of ages and life stages, with mix of seniors, adults, and families.
-

### 1.9.5 Review of Competitive Environment

Cultural attractions compete with a variety of leisure and cultural activities for resident and tourist leisure time and spending. Therefore, it is important to understand the types and performance of local attractions. There are well over 40 formal attractions on O'ahu of all types, in addition to informal attractions such as shopping centers, the beach, experiences such as visiting the North shore, and tourist-oriented programming offered in the hotels and resorts. AECOM researched operational characteristics for the following destinations:

- **Commercial Attractions**
  - » Dole Plantation
  - » Sea Life Park Hawaii
  - » Wet n' Wild Hawaii
- **Zoo / Aquaria / Gardens**
  - » Honolulu Zoo
  - » Waikiki Aquarium
  - » Waimea Valley Botanical Garden
  - » Honolulu Botanical Gardens
- **Cultural / Historical Attractions**
  - » World War II Valor in the Pacific National Memorial
  - » Polynesian Cultural Center
  - » Bernice P. Bishop Museum
  - » Honolulu Museum of Art
  - » Hawaii Children's Discovery Center
  - » Iolani Palace
  - » Hawaii Plantation Village



### 1.9.5.1 Key Metrics

The table below summarizes key attendance and operating metrics for attractions in the local market.

Name	Location	Attendance	Adult Admission	Size		Visitors per Exhibit SF	Est. Visitor Origin		Penetration Rate	
				Gross	Exhibit		Resident	Tourist	Resident	Tourist
<b>Commercial Attractions</b>										
Dole Plantation	Wahiawa	850,000	\$5-\$8.50	60 acres			15%	85%	12.9%	15.7%
Sea Life Park Hawaii	Makapu'u Point	500,000	\$29.99	62 acres		n/a	20%	80%	10.1%	8.7%
Wet n' Wild Hawaii	Kapolei	350,000	\$47.99	25 acres			85%	15%	30.0%	1.1%
<b>Zoo / Aquaria / Gardens</b>										
Honolulu Zoo	Honolulu	668,000	\$14	42 acres			64%	36%	43.1%	5.2%
Waimea Valley Botanical Garden	Haleiwa	330,000	\$16	150 acres		n/a	23%	77%	7.7%	5.5%
Waikiki Aquarium	Honolulu	300,000	\$12	19,000			40%	60%	12.1%	3.9%
Honolulu Botanical Gardens (incl. 5 sites)	Oahu	205,000	Free-\$5	508 acres			50%	50%	10.3%	2.2%
<b>Cultural / Historical Attractions</b>										
Polynesian Cultural Center <sup>1</sup>	Lā'ie	650,000	\$49.95	42 acres		n/a	10%	90%	6.6%	12.7%
USS Arizona Memorial	Honolulu	500,000	Free	n/a		n/a	10%	90%	5.0%	9.8%
Pacific Aviation Museum Pearl Harbor	Honolulu	150,000	\$25	n/a	7 acres		10%	90%	1.5%	2.9%
USS Bowfin Submarine Museum and Park	Honolulu	222,000	\$12	n/a		n/a	10%	90%	2.2%	4.3%
Bernice P. Bishop Museum	Honolulu	350,000	\$19.95	140,000	70,000		5.0	70%	30%	24.7%
Honolulu Museum of Art	Honolulu	250,000	\$10	176,000	50,000		5.0	70%	30%	17.6%
Hawaii Children's Discovery Center	Honolulu	120,000	\$10	n/a	35,000		3.4	85%	15%	10.3%
Iolani Palace	Honolulu	111,000	n/a	371,000		n/a	50%	50%	5.6%	1.2%
Hawaii Plantation Village	Waipahu	60,000	\$13	50 acres		n/a	50%	50%	3.0%	0.7%

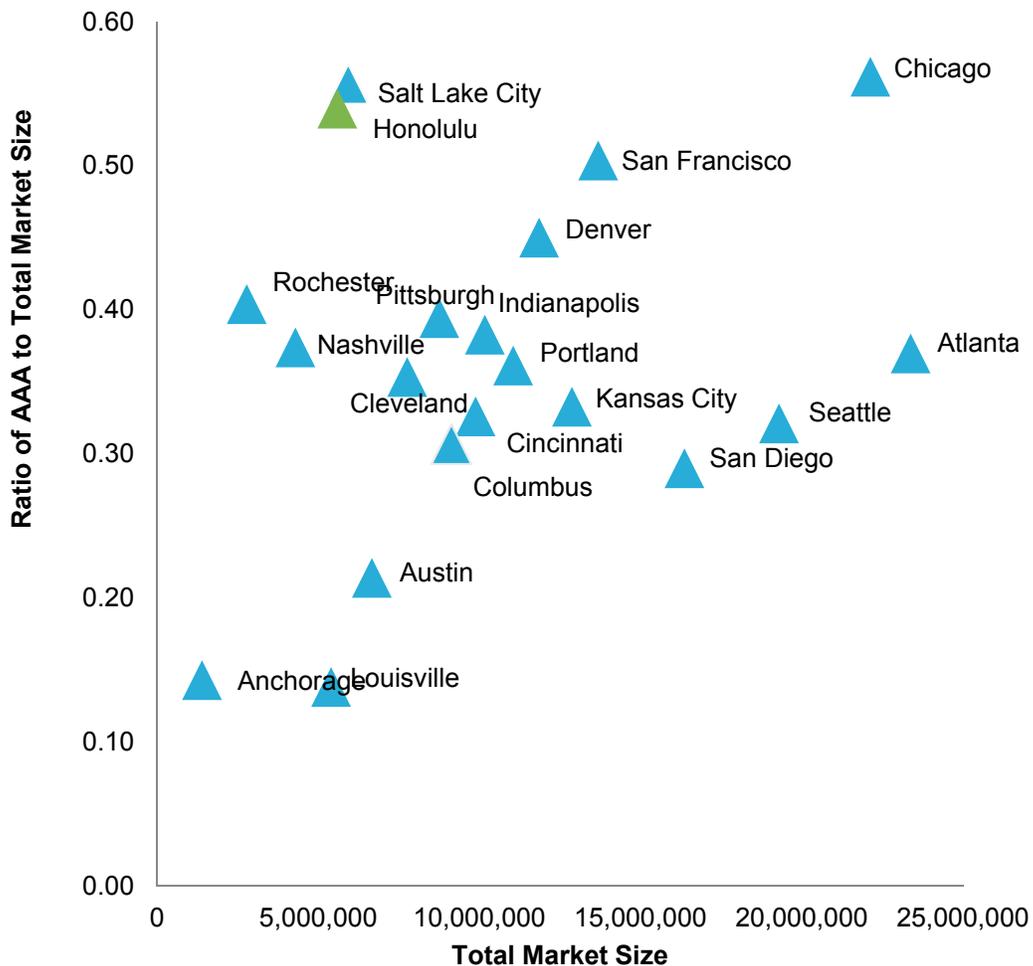
<sup>1/</sup> General admission price excluding dinner show; tickets for luau / show start at \$99.95

Source: Individual attractions/institutions, AECOM.

### 1.9.5.2 Aggregate Attraction Attendance

- Aggregate institutional attendance per capita is a metric used by AECOM to evaluate the number of attractions relative to size of available markets, including both resident and tourist markets. It is an generally indicator of market saturation and supply relative to demand, but can also be affected by quality of markets and quality of attractions.
- As shown in the accompanying figure, the ratio is very high for Honolulu relative to almost 20 other markets, is very high and indicates that the market is likely well-supplied with respect to attractions.
- Honolulu also has the second highest ratio of visitors to residents among key comparable cities, so resident based attractions may face even greater challenges.

**Aggregate Attractions Attendance per Capita by Market**



### 1.9.5.3 Gap Analysis

- As part of our evaluation of the existing supply of attractions in Honolulu, AECOM conducted a gap analysis of major attraction types for markets similar in size to Honolulu and/or character. We understand that not all of these are even likely nor desired for the OHA properties, but the analysis provides a broad context for understanding any gaps.
- Attraction gaps in the Honolulu market include multimedia / new cultural concepts, observation experiences such as a observation deck or wheel, a science center (depending on Bishop Museum future plans), a major “eatertainment” attraction, and a theme / amusement park.

Attractions Gap Analysis

	Seattle	San Diego	San Francisco	Denver	Portland	Cincinnati	Vancouver	Cleveland	Austin	Memphis	Salt Lake City	Honolulu	Nashville	Anchorage
MSA Population	3.7 m	3.3 m	4.6 m	2.8 m	2.3 m	2.1 m	2.3 m	2.1 m	1.9 m	1.3 m	1.2 m	1. m	1.8 m	.4 m
Tourist Market	15.6 m	13.1 m	9.1 m	9.1 m	8.7 m	7.7 m	7.2 m	5.7 m	4.7 m	5. m	4.8 m	4.6 m	2.5 m	1. m
<b>Total Market</b>	<b>19.3 m</b>	<b>16.4 m</b>	<b>13.7 m</b>	<b>11.9 m</b>	<b>11. m</b>	<b>9.9 m</b>	<b>9.5 m</b>	<b>7.8 m</b>	<b>6.7 m</b>	<b>6.3 m</b>	<b>5.9 m</b>	<b>5.6 m</b>	<b>4.3 m</b>	<b>1.4 m</b>
<b>Attraction Type</b>														
Aquarium	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Art Museum	●	●	↑	●	●	●	●	●	●	●	●	●	●	●
Children's Museum	●	●	↑	●	●	●	●	●	●	●	●	●	●	●
Cultural Center / Interpretive Cente	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Eatertainment Destination	↑	●	↑	●	●	●	●	●	●	●	●	●	●	●
Garden Attraction / Botanic Garden	↑	●	●	●	●	●	↑	●	●	●	●	↑	●	●
Multimedia / New Cultural Concept	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Natural History Museum	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Observation Deck/Tower	↑	●	●	●	●	●	●	●	●	●	●	●	●	●
Outdoor Water Park	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Science Center	●	●	↑	●	●	●	●	●	●	●	●	●	●	●
Specialty Retail Village/District	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Theme / Amusement Park	●	↑	●	●	●	●	●	●	●	●	●	●	●	●
Wheel	●	●	●	●	●	●	Planning	●	●	●	●	●	●	●
Zoo / Live Animal Attractions	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Source: AECOM

### 1.9.5.4 Attractions Under Development

There are also a number of planned attractions that are relevant to consider for a proposed new cultural attraction at Kaka'ako Makai.



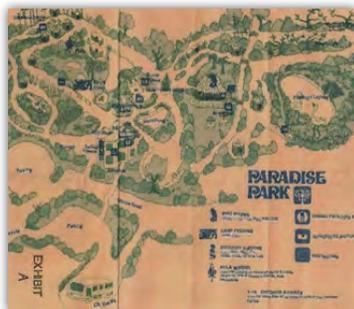
#### PA'I Arts & Culture Center

- Ola Ka 'Ilima Artspace, a mixed-use arts development planned to open in 2016 in Kaka'ako blending live/work space for artists with a non-profit cultural anchor.
- PA'I Arts & Culture Center will be dedicated to Native Hawaiian dancers, musicians, visual artists, cultural practitioners and those interested in experiencing Native Hawaiian cultural traditions.
- The project includes 84 units of affordable live/work space for low-income artists and 20,000 square feet of community and green space.
- The total project budget is \$38.4 million, of which approximately \$4.5 million will be raised from philanthropic sources.



#### Center for Hawaiian Music and Dance

- The Hawaii Tourism Authority is currently planning an expansion to the Hawaii Convention Center to include a cultural center that preserves, promotes and highlights the richness of Hawaiian music and dance, and connects Hawai'i's host culture with the visitor and local community.
- The center will be a collecting institution, preserving artifacts and recordings that celebrate the legacy of Hawaiian music and dance.



#### Hawaiian Cultural Center Paradise Park

- The proposal to convert this former botanical and zoological garden into the Hawaiian Cultural Center, a center for hula and music. was approved in October 2014. The facility is planned to open in 2017. Plans for the 47.4-acre property include re-landscaping the park as a series of hula gardens and adding interior exhibits/museum to emphasize the origins and evolution of the Hawaiian Islands, the Hula, and the ahupua'a of Mānoa Valley. The \$10 million project also includes a multimedia theater, gift and snack shop, and expanded parking.

### 1.9.5.5 Review of Competitive Environment

#### Summary

- Attendance to attractions on O'ahu ranges from less than 100,000 to 850,000. Overall, attractions on O'ahu have strong penetration rates, with an average of 12.7 percent in the resident market and 4.9 percent in the tourist market. Given the large size of the tourist market, this is a relatively strong penetration rate.
- Most attractions include a mix of indoor and outdoor exhibit area. When available, the ratio of visitors to indoor exhibit area, a key industry benchmark, is between 3.5 and 5 persons per square foot, slightly low for national industry standards. The slightly lower ratio implies a need to create greater critical mass to attract visitation.
- Pricing at attractions ranges from \$5 to \$50, excluding the most premium luau / show tickets at the Polynesian Cultural Center which start at \$100 per person. The majority of attractions are fairly modestly priced.
- The O'ahu market has many garden / botanical attractions, largely due to the lush landscape, optimal weather, and interest in outdoor activities from locals and tourists alike.
- As seen in the mix of visitor origin, top performing attractions are nearly all reliant on the tourist market, with the exception of the Honolulu Zoo and Wet 'n Wild.
- Significant cultural programming in hotels in Waikiki, including luaus, hula, lei making, and ukulele classes, provide added competition for Hawaiian culturally-oriented attractions, as they do not require tourists to leave their hotels.
- Many cultural attractions face challenges generating both earned and contributed income.
- There are a few planned projects in the pipeline that, if successful, may be competitive to a Hawaiian cultural attraction at Kaka'ako Makai.

#### Implications

- New attraction concepts on O'ahu will need to attract a mix of residents and visitors in order to maximize financial viability.
- New offerings need to be special, unique and compelling to draw tourists to Kaka'ako Makai. Interviewees have noted the challenge in drawing tourists from Waikiki past the Ala Moana Shopping Center, with the exception of trips to the North Shore or the Polynesian Cultural Center, which offers a full-day experience.
- Given the financial challenges of generating earned and contributed revenue, the operating budget for a new attraction at Kaka'ako Makai should take advantage of the real estate potential to provide ongoing operating support.
- Reinvestment and renewal of visitor experience within a cultural attraction is especially important given the modest growth in the resident market and high percentage of repeat visitors.

## 1.9.6 Waterfront Entertainment/Development Case Studies

AECOM profiled several waterfront developments anchored by cultural and other attractions in other cities throughout the United States. These include:



- **San Francisco:** Pier 39 and the Embarcadero
- **Vancouver:** Granville Island and Village at False Creek
- **Seattle:** Waterfront and Pike's Place Market
- **Chicago:** Navy Pier
- **Baltimore:** Inner Harbor
- San Diego: Seaport Village

The case studies following provide a number of lessons learned related to waterfront development. Notable lessons include:

- Most include a mix of cultural nonprofit and commercial attractions as well as public private partnerships, including public infrastructure improvements and public funding for capital.
- The business model often involves cross subsidization, for instance developing office space or housing to subsidize other uses.
- Waterfront development can be more expensive because of historic uses, environmental issues, major infrastructure needs, and building constraints.
- The most successful projects serve resident and tourist markets, and include a strong recreation and programming component to activate the sites.
- Many projects involve eating experiences and food on the waterfront and/or have attractions that maximize the views or the relationship to the water.
- Design has a tremendous impact in the activation of public spaces and creation of a sense of place.

### 1.9.6.1 San Francisco

#### Pier 39

- Pier 39 is a retail entertainment destination adjacent to ever-popular and historic Fisherman's Wharf. It is currently home to the Marine Mammal Center, Aquarium of the Bay, restaurants, specialty retail shops, theaters, commercial attractions, and a historic two-story carousel.
- Many tourists come to see the views of the Golden Gate Bridge and Alcatraz.
- There are an estimated 8 million visitors annually, most of whom are tourists.



#### The Embarcadero / Ferry Building

- The Ferry Building is located in San Francisco and is a nearly 3 acre mixed-use waterfront development. The Ferry Building project was completed in 2003 and included a more than \$100 million, four-year renovation.
- The historic rehabilitation of the building was structured as a public private partnership between the Port of San Francisco and private developers.
- The project includes 175,000 square feet of waterfront office space, 65,000 square feet of retail marketplace space, open-air cafés, and restaurants, including the Ferry Plaza Farmers Market
- The vision for the Ferry Building Marketplace is to be a “people’s marketplace serving residents and travelers alike...shops large and small celebrate food in all its forms, offering everything from artisan cheeses to the freshest of local fish. Restaurants and cafés serve cuisine representing the quality and cultural diversity of San Francisco’s best chefs.”
- Since the Ferry Building opened, a number of restaurants and attractions have developed along the Embarcadero, including the new and expanded Exploratorium science oriented museum and Sunday Streets.



### 1.9.6.2 Seattle

#### Seattle Waterfront

- Waterfront Seattle is a multi-year program to rebuild Seattle's waterfront following the removal of the Alaskan Way Viaduct. The program spans the waterfront from Pioneer Square to Belltown.
- Waterfront Seattle is led by the City of Seattle's Office of the Waterfront, working closely with civic leaders, stakeholders and the broader Seattle public. Major redevelopment has been funded by City and other bond sources in preparation for private developer initiatives.
- New attractions to the waterfront include: the Great Wheel, Seattle Aquarium, Olympic Sculpture Park (part of the Seattle Art Museum), and Tillicum Village, a Northwest Coast Native American heritage center. Other development includes a variety of retail and open spaces.



#### Pike's Place Market

- The iconic Pike's Place market was founded in 1907 and includes a 9-acre historic district overlooking Elliott Bay.
- Pike's Place Market includes a farmers market, crafts market, various specialty food outlets, small independent businesses, restaurants, and housing.
- Apartments located above the market floors are home to 400 residents and many low-income seniors.
- Annual visitation to Pike's Place is estimated at 10 million.
- Since the Ferry Building opened, a number of restaurants and attractions have developed along the Embarcadero, including the new and expanded Exploratorium science oriented museum and Sunday Streets.



### 1.9.6.3 Chicago

#### Navy Pier

- Originally built in 1914 as a municipal recreational pier with freight and passenger ship docking facilities, Navy Pier is now a lifestyle entertainment attraction, located on Lake Michigan in Chicago.
- Navy Pier includes 50 acres of restored and renovated historic buildings which house retail, restaurants, and attractions including the Chicago Children's Museum, a 15-story Ferris wheel, gardens, parks, and an IMAX Theater.
- Navy Pier's initial redevelopment and renovation in the 1990s cost approximately \$195 million.
- Current plans for a \$165 million update to attract new shops, attractions, and a boutique hotel is expected to open in summer 2015. This project has been financed with \$115 million from bonds and \$50 million from the Chicago Children's Museum and private sources. The current plans focus on spaces that allow more for evening and year-round entertainment, more compelling landscape and design features, and a more engaging relationship between visitors and the water.
- Navy Pier is one of Chicago's top tourist destinations, drawing 8 to 9 million visitors annually. It is governed and operated by a non-profit organization.



#### 1.9.6.4 Baltimore

##### Baltimore Inner Harbor

- Baltimore's Inner Harbor is a 100-acre mixed use entertainment, retail, museum, and sports zone, lauded by the American Institute of Architects as a premier example of urban waterfront redevelopment.
- The project has included over \$2.5 billion in cleanup and development, completed by 2000 and financed by a combination of city and state bonds, federal allocations, public-private ventures, and private financing.
- The Harbor is home to the Harbor Place Festival Marketplace, numerous museums including The National Aquarium, The Maryland Science Center, and The Port Discovery Children's Museum, historic sites, NFL and MLB stadiums, hotels, restaurants, entertainment and events venues, and harbor cruises.
- Visitation and visitor spending reached an all time high in recent years with total onsite spending reaching \$5 billion.



### 1.9.6.5 San Diego

#### Seaport Village and The Headquarters at Seaport

- Seaport Village is San Diego's waterfront shopping and dining complex on the Bay, including more than 70 shops, restaurants, and galleries on 90,000 square feet of property.
- Seaport Village opened in 1980 and is operated by GMS Realty. The land is owned by the Port of San Diego .
- Attractions at the site include the USS Midway (adjacent) and a historic carousel.
- The site was designed to be a car-free environment, with four miles of pedestrian paths. It is located in walking distance from the San Diego Convention Center and the cruise ship terminal.
- The Headquarters at Seaport, which is the former home of the San Diego Police Department has recently been redeveloped as an open air lifestyle center with a mix of specialty retail, dining, and entertainment venues. This new project is drawing a mix of residents and tourists.



### 1.9.7 Evaluation of Potential Attraction and Entertainment Alternatives

As part of the market analysis, AECOM conducted an evaluation of a wide variety of cultural and commercial attraction types. While many of these are not necessarily suitable for the Kaka'ako Makai development, this approach allows for a systematic approach to determining which uses have the greatest potential given market conditions, the competitive environment and existing supply, and client goals.

The process for evaluation involves the following:

- Evaluation criteria are developed that reflect a range of client goals. In this case, goals reflect the need for balance between mission and economic sustainability.
- The criteria are weighted by importance.
- Each candidate land use is scored on a scale from 1 to 5, then multiplied by the weight of the criteria determined in the previous step.
- Based upon the relative scores, the top-scoring attractions are then included for further, more detailed market evaluation, and key attendance and operating characteristics are profiled in the section following.

The uses included in this analysis listed below:

- Aquarium
- Art museum
- Children's museum
- Cultural or interpretive center
- Eatertainment destination
- Garden attraction / botanical garden
- Branded multimedia cultural institution
- Natural history museum
- Observation deck/tower
- Outdoor water park
- Science center
- Specialty retail village or district
- Theme park or attraction
- Wheel attraction
- Zoo / live animal attraction

### 1.9.7.1 Initial Screening Process

The criteria used to screen the broad list of possible attractions are listed below. The definition of the scores, from 1 to 5, are listed in the chart below.

- What uses are consistent with OHA’s mission and vision for Kaka’ako Makai?
- What uses will require operating subsidy and which will generate positive net revenues?
- Will future uses create a sense of place and destination experience?
- Will the future use attract both residents and visitors?
- What uses have strong market demand?
- What uses are appropriate for the site, scale, and neighboring uses in the neighborhood?

Criteria	Consistent with OHA Vision	Need for Operating Subsidy	Creates a Destination	Appeal to Mix of Residents & Tourists	Market Potential/ Demand	Appropriate for Development; Scale, Site and Other Uses
1	Not at all by definition	Requires more than 50% operating subsidy	Attraction only exists due to surrounding uses and/or has specialized appeal	Appeals to one market only	No opportunity	Not at all
2	Minimal	Requires less than 50% operating subsidy	Attraction primarily relies on existing destination and/or has specialized appeal	Appeals to one market primarily	Limited potential / competition	Minimal
3	Somewhat consistent depending on execution	Break even	Attraction with mix of primary purpose and secondary visitors	Attractions both market, but weighted to one more	Strong market potential depending on execution	Somewhat
4	Very consistent depending on execution	Positive net revenue	Anchor attraction with primary purpose visitors	Modest appeal to both markets	Good market potential	Fairly consistent
5	Very consistent by definition	Very strong revenue	Major "must see" anchor, destination attraction with spillover impact	Equal appeal to both	Strong market potential / no competition	Very consistent

### 1.9.7.2 Results of Screening Process

The possible attractions were all weighted below with the criteria shown on the previous page. The first chart shows the rankings prior to weighting. The second chart shows the weight of the criteria (i.e. the relative importance of the rankings) and the weighted ranking results. These results are summarized on the next page sorted by ranking.

Ranking Inputs - Unweighted	Consistent with OHA Vision	Need for Operating Subsidy	Creates a Destination	Appeal to Mix of Residents & Tourists	Market Potential / Demand	Appropriate for Development; Scale, Site and Other Uses	Total Score
Aquarium	4	2	3	4	2	3	
Art Museum	3	1	3	3	1	4	
Children's Museum	3	1	1	2	1	4	
Cultural Center / Interpretive Center	5	1	3	3	2	4	
Eatertainment Destination	2	3	4	4	3	4	
Garden Attraction / Botanic Garden	5	2	3	4	1	1	
Licensed Multimedia New Cultural Concept	4	3	4	5	5	5	
Natural History Museum	4	1	2	2	2	3	
Observation Deck/Tower	3	5	5	3	5	5	
Outdoor Water Park	1	4	2	1	1	1	
Science Center	4	2	3	2	3	4	
Specialty Retail Village/District	1	4	4	3	2	3	
Theme / Amusement Park	1	5	4	2	3	1	
Wheel Attraction	1	4	4	2	4	4	
Zoo / Live Animal Attractions	1	2	2	2	1	1	
<b>Category Weight</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>5</b>	<b>3</b>	

<b>Weighted Ranking</b>							
Aquarium	20	8	15	8	10	9	<b>70</b>
Art Museum	15	4	15	6	5	12	<b>57</b>
Children's Museum	15	4	5	4	5	12	<b>45</b>
Cultural Center / Interpretive Center	25	4	15	6	10	12	<b>72</b>
Eatertainment Destination	10	12	20	8	15	12	<b>77</b>
Garden Attraction / Botanic Garden	25	8	15	8	5	3	<b>64</b>
Licensed Multimedia New Cultural Concept	20	12	20	10	25	15	<b>102</b>
Natural History Museum	20	4	10	4	10	9	<b>57</b>
Observation Deck/Tower	15	20	25	6	25	15	<b>106</b>
Outdoor Water Park	5	16	10	2	5	3	<b>41</b>
Science Center	20	8	15	4	15	12	<b>74</b>
Specialty Retail Village/District	5	16	20	6	10	9	<b>66</b>
Theme / Amusement Park	5	20	20	4	15	3	<b>67</b>
Wheel Attraction	5	16	20	4	20	12	<b>77</b>
Zoo / Live Animal Attractions	5	8	10	4	5	3	<b>35</b>

Source: AECOM

- AECOM evaluated 15 uses. As shown below, there were a total of 120 possible points. There were 6 attraction types which scored more than 60% of the total number of points.
- There were two attraction types that received over 80% of possible points: an observation deck or tower attraction and a licensed multimedia cultural attraction. In addition, 4 uses scored between 60% and 64% of total points: entertainment destination, a wheel attraction, a science center, and a cultural / interpretive center. Key attendance and operating metrics for these 6 uses are profiled in the following section.
- The other uses scored lower than 60% of possible points are not considered likely candidates for the Kaka'ako Makai development.

Weighted Ranking Results	Consistent with OHA Vision	Need for Operating Subsidy	Creates a Destination	Appeal to Mix of Residents & Tourists	Market Potential / Demand	Appropriate for Development; Scale, Site and Other Uses	Total Score	% Total
<b>Highest Possible Score</b>	25	20	25	10	25	15	<b>120</b>	<b>100%</b>
<b>Potential Uses</b>								
Observation Deck/Tower	15	20	25	6	25	15	<b>106</b>	<b>88%</b>
Licensed Multimedia New Cultural Concept	20	12	20	10	25	15	<b>102</b>	<b>85%</b>
Eatertainment Destination	10	12	20	8	15	12	<b>77</b>	<b>64%</b>
Wheel Attraction	5	16	20	4	20	12	<b>77</b>	<b>64%</b>
Science Center	20	8	15	4	15	12	<b>74</b>	<b>62%</b>
Cultural Center / Interpretive Center	25	4	15	6	10	12	<b>72</b>	<b>60%</b>
Aquarium	20	8	15	8	10	9	<b>70</b>	<b>58%</b>
Theme / Amusement Park	5	20	20	4	15	3	<b>67</b>	<b>56%</b>
Specialty Retail Village/District	5	16	20	6	10	9	<b>66</b>	<b>55%</b>
Garden Attraction / Botanical Garden	25	8	15	8	5	3	<b>64</b>	<b>53%</b>
Art Museum	15	4	15	6	5	12	<b>57</b>	<b>48%</b>
Natural History Museum	20	4	10	4	10	9	<b>57</b>	<b>48%</b>
Children's Museum	15	4	5	4	5	12	<b>45</b>	<b>38%</b>
Outdoor Water Park	5	16	10	2	5	3	<b>41</b>	<b>34%</b>
Zoo / Live Animal Attractions	5	8	10	4	5	3	<b>35</b>	<b>29%</b>

Source: AECOM

### 1.9.7.3 Results and Possible Uses Overview

There were 6 attraction types that received greater than 60% of possible points in the evaluation process. As described, the methodology for the evaluation included market, financial, and mission related factors. These 6 cultural and entertainment attractions are as follows:

- **Observation deck / tower**
- **Licensed multi-media new cultural concepts**
- **Eatertainment destination**
- **Wheel**
- **Science center**
- **Cultural / interpretive center**

The following review of the attractions that received a higher number of points includes information on key attendance and operating characteristics. Note that actual market, attendance, and financial potential for each use will be determined by a number of factors specific to the project, site, and markets. Key issues covered in this broad overview includes:

- Attendance and pricing
- Resident-tourist mix
- Size & scale requirements
- Typical investment
- Surrounding uses
- Business model / financial characteristics
- Project examples



### 1.9.7.4 Observation Deck / Tower Attraction

#### Overview / Description

- Towers that have an observation or viewing deck open to the public
- Usually are notable tourism attractions, and in many markets, are “must see” attractions
- Most have unique attributes, for example their height, historical significance or special features
- Typically integrates exhibits and visitor experiences related to local/regional history and/or culture
- New trend to add thrill experiences such as glass floors or “upcharge” unique experiences

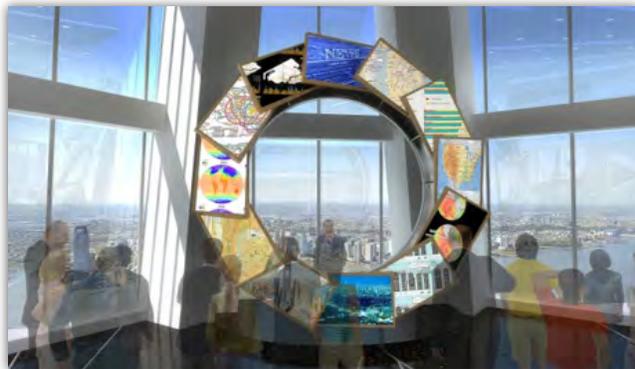


#### Key Operating Characteristics

Market Requirements	Large tourist market drives attendance; size of resident market is less important
Visitor Profile	All ages, primarily tourists, except for events and facility rentals which can attract more residents through corporate or private events
Length of Stay	Generally under one hour, depends on visitor experience
Size	Broad range; average of 800 feet in North America
Attendance	500,000 to over 1 million, resident market penetration rates under 5%;, tourist market penetration typically over 5%
Capital Investment	Under \$100 million to hundreds of millions of dollars depending on design and content
Typical Location and Adjacent Uses	Urban locations that have good tourist access; some have second gate smaller attractions
Business Model and Financial Characteristics	Significant revenue generation from admission, retail, food and beverage / restaurant / café, facility or event rentals, and “upcharges” for premium experiences

### Observation Deck / Tower Attraction Examples

- One World Observatory, New York, New York
- Space Needle, Seattle, Washington
- CN Tower, Toronto, Ontario, Canada
- 360 Chicago, Chicago, Illinois
- Willis Tower, Chicago, Illinois
- Grand Canyon Skywalk, Arizona
- Skylon Tower, Niagara Falls, Ontario, Canada
- Stratosphere Tower, Las Vegas, Nevada



## Observation Deck / Tower Attraction Trends

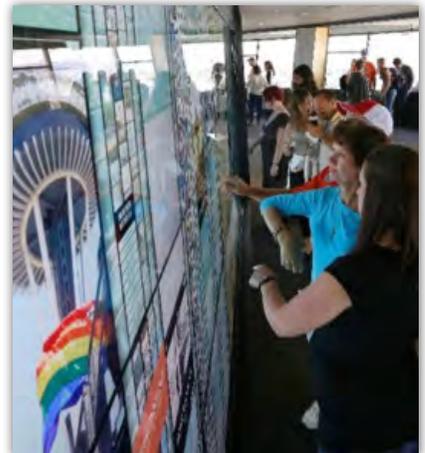
### Improving Views and Modernizing Content



### Thrill & Extreme Experiences



### Storytelling



### 1.9.7.5 Licensed Multimedia / Technology Cultural Attractions

#### Overview / Description

In recent years, there have been a number of cultural attractions developed, proposed, and discussed that use licensing or content from major cultural institutions and/or immersive multimedia technology to interpret places or stories. Examples include:

- Orbi, a partnership between SEGA and BBC Earth
- Museum at Prairiefire, a unique partnership with the American Museum of Natural History
- FlyOver Canada, using themed entertainment technology to tell the story of Canada.
- Proposed satellite facilities for the Smithsonian and National Geographic that would involve the use of immersive technology and multimedia.



#### Key Operating Characteristics

Market Requirements	Medium to large size local resident and/or tourist market, depending on the attraction
Visitor Profile	Depends on product, all ages, families, groups
Length of Stay	Varies, from 30 minutes to 2 hours
Size	Anywhere from 15,000-100,000 SF
Attendance	300,000-900,000, depending on the attraction and market
Capital Investment	\$5 million to more than \$50 million
Typical Location and Adjacent Uses	Visitor destinations, retail centers, or around other attractions
Business Model and Financial Characteristics	Can range from break even to margins of 10 to 15% after reinvestment and franchise fees

Examples: BBC / Sega Orbi



### Overview / Definition

- A Sega-BBC Earth joint venture that features BBC's library of content to deliver technologically advanced, nature related experiences
- High tech experiences including 4D theatre, RFID tags, and experiential audio-visual presentations
- Content and building can be completely transformed, which is favorable for customizing for corporate and private rentals

### Key Metrics

- Developed by Sega using licensed BBC Earth content
- First facility located in Yokohama, Japan
- Opened in 2013
- 51,000 square feet
- Target market includes a broad age range
- Estimated attendance is 1 million
- Expanding to other Asian markets

## Examples: FlyOver Canada



### Overview / Definition

- FlyOver Canada is a 30-minute virtual flight ride experience that includes a flight simulation ride taking visitors on a journey through Canada. The attraction uses state of the art technology, similar to the Disney experience "Soarin' Over California," including a large dome screen with the latest in projection and ride technology to create a flying experience with special effects such as wind, scents, and mist.
- In the off-season, it is possible to change the content and present other themes for private or special events.
- The first attraction is located in Vancouver at Canada Place in a former IMAX theater.

### Key Metrics

- Attendance is estimated to be between 300,000 – 500,000.
- The business model relies on having a consistent, high volume of visitors for a relatively short length of stay.
- It is capacity constrained during peak times by film length and number of theater seats (currently 60 seats).
- Visitors are evenly split between residents and tourists, although will eventually likely be more tourist driven.
- FlyOver Canada is a year-round operation.
- Admission is approximately \$20, with discounting for children and seniors.
- The attraction requires approximately 10,000 square feet.
- The initial investment was approximately \$16 million in Vancouver.
- The preferred location is an existing destination with other attractions or entertainment.

## Example: Museum at Prairiefire



### Overview / Definition

- The Museum at Prairiefire is located in Overland Park, outside of Kansas City, Kansas. The museum is an anchor attraction for Prairiefire, an new entertainment retail center, and is one of the first examples of a cultural attraction replacing more traditional entertainment anchors.
- The museum features an ongoing stream of exhibit content from the American Museum of Natural History (AMNH) in New York City, the largest natural history museum in the United States.
- The museum, while not an AMNH owned or operated facility, retains the use of their name in marketing materials and signage.

### Key Metrics

- The facility is approximately \_\_\_ square feet and includes the following elements:
- The Great Hall – A free area for visitors that features 7 areas including one of only three casts in the world of the very first Tyrannosaurus rex ever discovered; ALIVE, an interactive augmented reality creation experience; a small changing gallery featuring local, regional, and national artists and scientists; The Big Fish Story, an exploration Kansas's maritime story; a science theater; and a museum café and store.
- The Discovery Room – A hands-on, interactive space where children ages 3-12 and their accompanying caregivers learn about the world around them through inquiry based exploration and discovery.
- The Exhibition Hall – A \_\_\_ square foot gallery for traveling exhibits from AMNH.
- Annual attendance is estimated to be
- Pricing ranges from free for the Great Hall to \$22 for adult admission to all of the facilities; tickets are also available for the Discovery Room and special exhibitions separately.
- Attendees include a fairly even mix of residents and visitors.
- There are classrooms to support a strong education program designed by AMNH.

### 1.9.7.6 Eatertainment Destinations

#### Overview / Description

- “Eatertainment” destinations are food-oriented attractions. They typically have co-located farmers or other markets, special food stores, restaurants, and other food-based activities.
- Typically, a unifying theme or idea creates a unique environment.
- There is a wide variety of scale and quality, customer bases and nearby activities.
- There has been exponential growth in the number of recently opened and planned food halls. Some food halls own and operate all the vendors within their spaces. Others include a mix of established, locally known names, including smaller, secondary locations of existing restaurants, permanent locations for food truck concept, or more casual concepts from local well-known chefs.
- There are often multiple food halls within one city. Many of the recent models have been started by local star chefs.



#### Key Operating Characteristics

Market Requirements	Medium to large size local resident and/or tourist market, depending on the attraction
Visitor Profile	Depends on product, all ages, families, groups
Length of Stay	Varies, from 30 minutes to 2 hours
Size	Anywhere from 15,000-100,000 SF
Attendance	300,000-900,000, depending on the attraction and market
Capital Investment	\$5 million to more than \$50 million
Typical Location and Adjacent Uses	Visitor destinations, retail centers, or around other attractions
Business Model and Financial Characteristics	Can range from break even to margins of 10 to 15% after reinvestment and franchise fees

## Eatertainment Destinations Examples

- Pike's Place Market, Seattle, Washington
- Ferry Building Marketplace, San Francisco, California
- Eataly, New York City, New York
- Sweet Auburn Curb Market, Atlanta, Georgia
- St. Lawrence Market, Toronto, Ontario
- The Market Hall, Seattle, Washington
- Portland Mercado, Portland, Oregon
- Liberty Public Market, San Diego, California (opening summer 2015)
- Ponce City Market, Atlanta, Georgia (opening fall 2015)
- The Cigar Factory, Charleston, South Carolina (opening summer 2015)
- Latincity Food Hall, Chicago, Illinois (opening fall 2015)
- James Beard Public Market, Portland, Oregon (reported to open 2018)



### 1.9.7.7 Science or Nature Center / Specialty Science Center

#### Overview / Description

- A science center is typically a museum focused on science and technology. Most are very hands-on, and geared towards youth and young people, typically between age 5 and 18.
- Increasingly, science centers are attempting to expand their audience to include adults through evening parties, workshops, or other programming.
- Many include a combination of exhibits, theaters (i.e. planetariums, IMAX), research, education, and programming.
- There are some smaller, specialized nature-based science centers that are focused on nature and science of a particular region and expand to include some cultural elements. Many include environmental education and have outdoor elements and extensive programming.



#### Key Operating Characteristics

Market Requirements	Major science centers require medium to large resident populations; specialized centers can have modest to medium resident and visitor markets.
Visitor Profile	Broad range; traditional science centers target age 5 to 14 (sometimes high school); nature and environmental centers have a wider age range but also attract school groups and families.
Length of Stay	2 to 3 hours
Size	Large science centers in major cities are often a minimum of 50,000 exhibit SF and 100,000 SF or more. Smaller, specialized science, nature, or environmental centers can be as small as 10,000 SF.
Attendance	Major science centers range from 300,000 to over 1 million, but smaller science and nature centers range from tens of thousands to hundreds of thousands, depending on the facility, market, and adjacent outdoor space.
Capital Investment	Highly variable; Under \$10 million to over \$250 million depending on scale and quality of exhibitry / design.
Typical Location and Adjacent Uses	Wide variability; major science centers are often in urban areas; nature or environmental centers typically adjacent to a major outdoor natural area.
Business Model and Financial Characteristics	Requires subsidy; earned revenue generally between 50% and 80% (fairly high within museum categories).

## Science or Nature Center / Specialty Science Center Examples

- California Academy of Sciences, San Francisco, California
- The Discovery Center: Interpretive Center for Chattahoochee River, Roswell, Georgia
- Los Alamos Nature Center, Los Alamos, New Mexico
- Monterey Bay National Marine Sanctuary Exploration Center, Santa Cruz, CA
- Hayward Shoreline Interpretive Center, Hayward, California
- Turtle Bay Museum, Turtle Bay Exploration Park, Redding, California
- Spring Mountains Visitor Gateway, Kyle Canyon, Nevada
- Desert Living Center, Las Vegas Springs Preserve, Nevada
- Nk'Mip Desert Cultural Centre, Osoyoos, British Columbia, Canada
- LOTT Alliance Wet Science Center, Olympia, Washington



### 1.9.7.8 Cultural Center / Interpretive Center

**Overview / Description**

- Cultural centers promote the culture, of specific communities, peoples and places
- They can be tied to historic locations or sites or specific communities or neighborhoods.
- Cultural centers can operate in a wide range of facility types and components, including various degrees of exhibits and content, performing arts and programming spaces, outdoor facilities, education spaces, and community gathering spaces.
- Most cultural centers have significant programming and education components.
- Most are run by non-profit organizations and require a mix of earned and contributed income.



**Key Operating Characteristics**

Market Requirements	Primarily resident based organizations, although some can offer programming or visitor experience that appeal to tourists.
Visitor Profile	All ages, depending on programs
Length of Stay	1.5 hours, depends on programming
Size	Size can range greatly depending on markets and activities. Many are between 10,000 and 50,000 square feet.
Attendance	Largely program driven, typically between 50,000 and 250,000.
Capital Investment	Building costs typical for local market plus exhibit costs.
Typical Location and Adjacent Uses	Wide variability, some are tied to specific neighborhoods or communities.
Business Model and Financial Characteristics	Requires subsidy; earned revenue generally no greater than 50% of operating expenses (usually less).

## Cultural Center / Interpretive Center Examples

- Alaska Native Heritage Center, Anchorage, Alaska
- Skirball Cultural Center, Los Angeles, California
- Wing Luke Museum, Seattle, Washington
- Latino Cultural Center, Dallas Texas
- Museum of the Chinese in America, New York City, New York
- African American Art & Culture Center, San Francisco, California
- Guadalupe Cultural Arts Center, San Antonio, Texas
- Maori Cultural Centre, New Zealand
- Maui Arts and Cultural Center, Maui, Hawaii
- Indian Pueblo Cultural Center, Albuquerque, New Mexico





KAKA'AKO MAKAI

## II. Pae 'Āina Meeting Summary

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## 2.0 Executive Summary

In February 2015 the Office of Hawaiian Affairs, supported by Kuhikuhipu'uone Collaborative (KKP), began the first round of Pae 'Āina community engagement for the conceptual master planning of Kaka'ako Makai (referred to as "Round 3"). Round 3 of Kaka'ako Makai Community Engagement has consisted of 12 public meetings, 3 meetings with OHA staff and trustees, and 5 small group/individual stakeholder meetings. In addition to these meetings, KKP and OHA established an online engagement forum, which has received 6,248 views and 56 comments. The information contained within this report is meant to be an overview of Round 3 Community Engagement. More extensive reporting and analysis will be included in a Community Engagement Memorandum scheduled to be submitted to OHA on August 31, 2015.

The goals of re-engaging community members during Round 3 meetings were to update stakeholders on what has taken place since receiving the lands in 2012, to inform stakeholders about the current conceptual master planning process, to provide national and international examples of cultural development, and to obtain stakeholder input on Kaka'ako Makai and its implications for OHA beneficiaries and beyond. See Appendix 1 for Pae 'Āina Presentation. Meetings were designed to garnering thoughtful and creative feedback on what Kaka'ako Makai could be and also how it could contribute to strengthening the Lāhui overall. Pae 'Āina meetings were held in educational facilities whenever possible and attendees were asked specific questions developed to engage participants in constructive dialogue. See Appendix 2 for Pae 'Āina Meeting Agenda. These meetings garnered lively discussion and quality feedback relating to the future plan for Kaka'ako Makai. In regard to a Hawaiian urban space many comments focused on the need for Native Hawaiians to be present, a user-friendly experience that is welcoming for Native Hawaiians

fostering gathering of families, community, and practitioners, and spaces that allow for connection between people and nature (i.e. cultivation of native plants that can be accessed by practitioners). More specific to Kaka'ako Makai and uses that could support both commerce and culture, participants frequently mentioned educational partnerships, Hawaiian business and innovation hubs, markets places that support Native Hawaiian produced products, and Hawaiian health services. Participants also had many ideas on how revenue generated by Kaka'ako Makai could be used, including supporting existing programs, education, and sustainability efforts throughout the Pae 'Āina.

## 2.1 Pae 'Āina Meetings

Although only contractually required to conduct 11 statewide meetings, KKP facilitated 12 meetings in order to ensure that the communities that were initially consulted in OHA's outreach during the 2012 Kaka'ako Makai settlement discussions were included in the conceptual master planning process. A total of 314 community members attended these meetings, which were coined, "Pae 'Āina" meetings. See Appendix 3 for Pae 'Āina meeting announcement.

### PAE 'ĀINA MEETINGS

Location	Date	Attendance
Kaka'ako Makai (John A Burns School of Medicine)	February 17, 2015	135
Kapolei (University of Hawai'i West O'ahu)	February 18, 2015	24
Hale'iwa (Waialua Court House)	February 19, 2015	9
Kane'ohe (Windward Community College)	February 18, 2015	34
Kaunakakai, Molokai (Kulana 'Ōiwi)	February 21, 2015	7
Nānākuli (Ka Waihona Public Charter School)	February 23, 2015	17
Hilo, Hawai'i Island (University of Hawai'i Hilo)	February 24, 2015	27
Kona, Hawai'i Island (West Hawai'i Civic Center)	February 25, 2015	17
Kahului, Maui (Cameron Center)	February 26, 2015	13
Hāna, Maui (Hāna High School)	February 27, 2015	5
Lāna'i City, Lāna'i (Lāna'i Elementary and Intermediate)	February 28, 2015	9
Līhu'e, Kaua'i (Kaua'i Community College)	March 3, 2015	17
	<b>Total</b>	<b>314</b>

## 2.3 OHA Outreach

In addition to the 12 Pae 'Āina meetings, KKP conducted 3 meetings with OHA. The first was with OHA's Board of Trustees, the second with OHA staff at Nā Lama Kukui, and the third with neighbor island coordinators. A total of 82 members of OHA participated in these meetings

### OHA MEETINGS

Location	Date	Attendance
OHA Board Room (OHA Trustees)	March 4, 2015	9
OHA Board Room (OHA Staff)	March 6, 2015	61
OHA Offices (OHA Neighbor Island Coordinators)	March 20, 2015	12
	Total	82

## 2.4 Mindmixer

Mindmixer, an online forum, was utilized to engage community members who may be unable or unlikely to attend Pae 'Āina meetings. The Mindmixer program allowed users to log on and share feedback on the three questions presented at the Pae 'Āina meetings. Between February and June 2015, the Kaka'ako Makai Mindmixer site received a total of 6,248 views and participants shared a total of 56 "ideas." Comments received through mind mixer are included in the Summary of Responses in Section V, below. For a full version of Mindmixer comments see Appendix 5.

## 2.5 Summary of Responses

In the Pae 'Āina meetings, OHA meetings, and on the Kaka'ako Makai mindmixer website participants were asked a series of three questions:

- How would you describe an Urban Hawaiian space?
- What uses would support both commerce and culture at Kaka'ako Makai?
- Income generated by Kaka'ako Makai could be used to . . . ?

The summary on the following pages provides a preliminary analysis of the information gathered at Pae 'Āina meetings, OHA meetings, and through the mindmixer website. See Appendix 4 for a digitized version of the meeting notes.

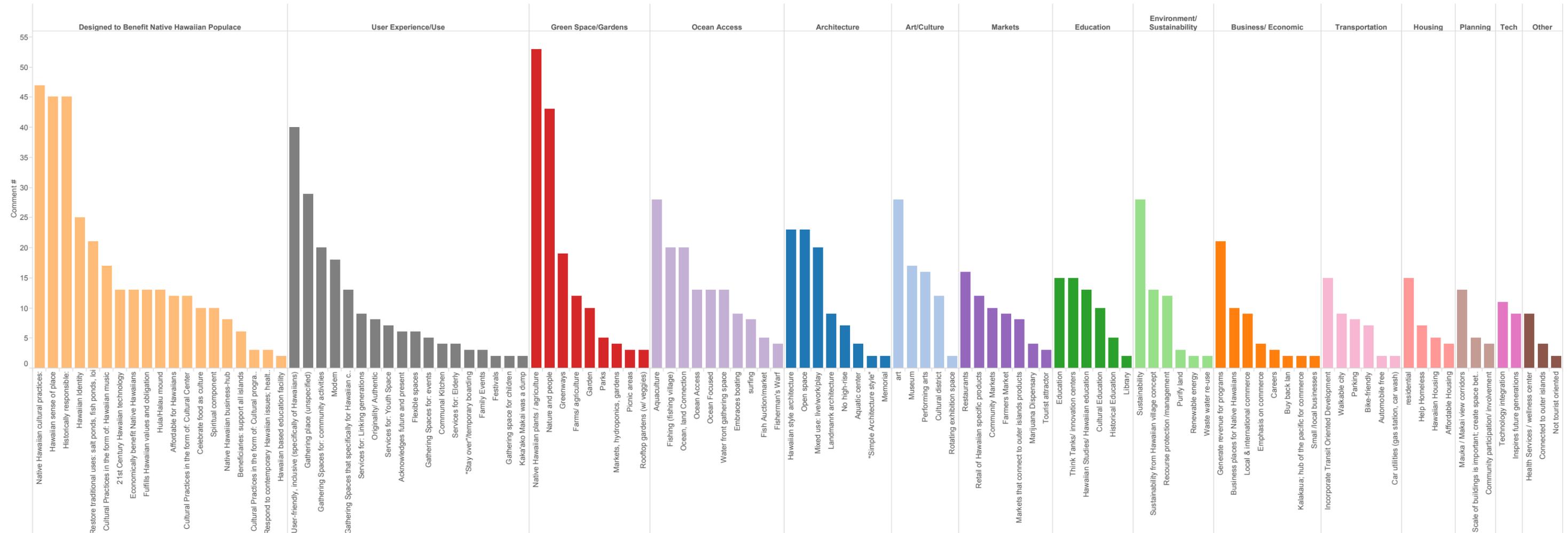
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## Question 1: How would you describe an Urban Hawaiian space?

In response to the first question the most common feedback revolved around the concept of a space designed to benefit Native Hawaiians. It was suggested this could take the form of spaces for cultural practitioners to practice (i.e. lomi, la'aulapa'au, hula), Hawaiian owned business, products, foods, and acknowledging and incorporating the history of a particular space in design and programming. The other most frequently mentioned comments explored the user experience and the incorporation and cultivation of the natural elements. See Appendix XX for more detailed chart.

Sheet 1



Sum of Comment # for each F2 broken down by Category. Color shows details about Category.

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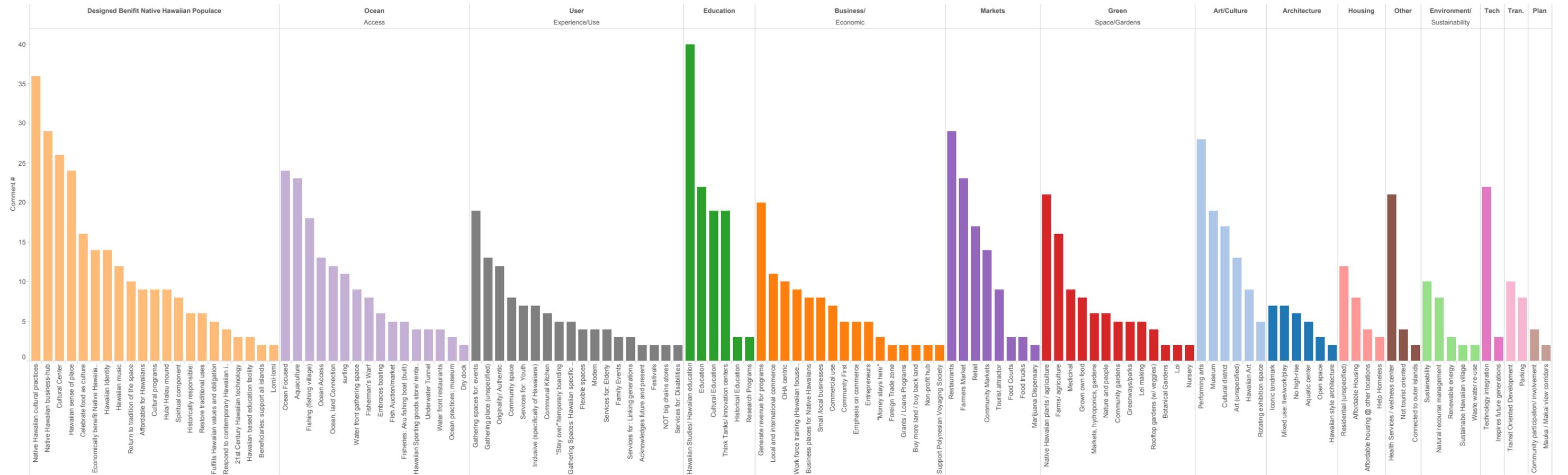
**Overarching Themes**

- Architecture
- Art/Culture
- Business/ Economic
- Designed to Benefit Native Hawaiian Populace
- Education
- Environment/ Sustainability
- Green Space/Gardens
- Housing
- Markets
- Ocean Access
- Other
- Planning Principles
- Technology
- Transportation
- User Experience/Use

## Question 2: What uses would support both commerce and culture at Kaka'ako Makai

In response to the second question, the most common feedback revolved around the concept of creating a space for Native Hawaiians to practice. This concept of practice took a multitude of forms including the concept of a cultural center, a business hub for Hawaiian entrepreneurs, restaurants, and facilities for cultural practitioners. The second most frequently mentioned comments focused around uses at Kaka'ako Makai being ocean focused and taking advantage of the areas close proximity to aquatic resources.

Sheet 1



Sum of Comment # for each F2 broken down by Overarching Themes - Split 1 and Overarching Themes - Split 2. Color shows details about Overarching Themes. The view is filtered on F2, which excludes Teach gardening.

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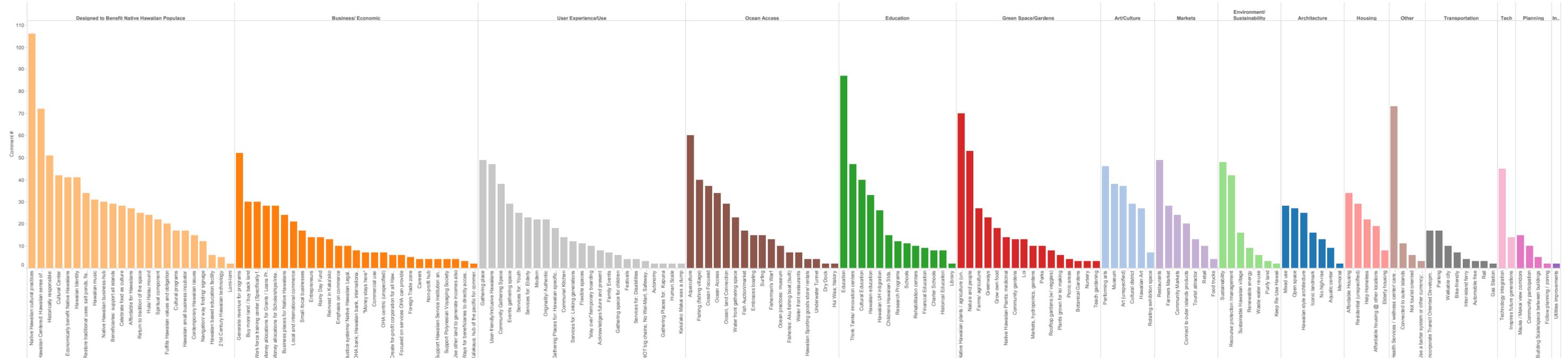
Category

- Designed to Benefit Native Hawaiian Populace
- Business/ Economic
- User Experience/Use
- Ocean Access
- Education
- Green Space/Gardens
- Art/Culture
- Markets
- Environment/ Sustainability
- Architecture
- Housing
- Other
- Transportation
- Tech
- Planning
- Infrastructure

### Question 3: Income generated by Kaka'ako Makai could be used to...?

In response to the third question, the most common feedback revolved around supporting programs and education for Native Hawaiians.

Sheet 1

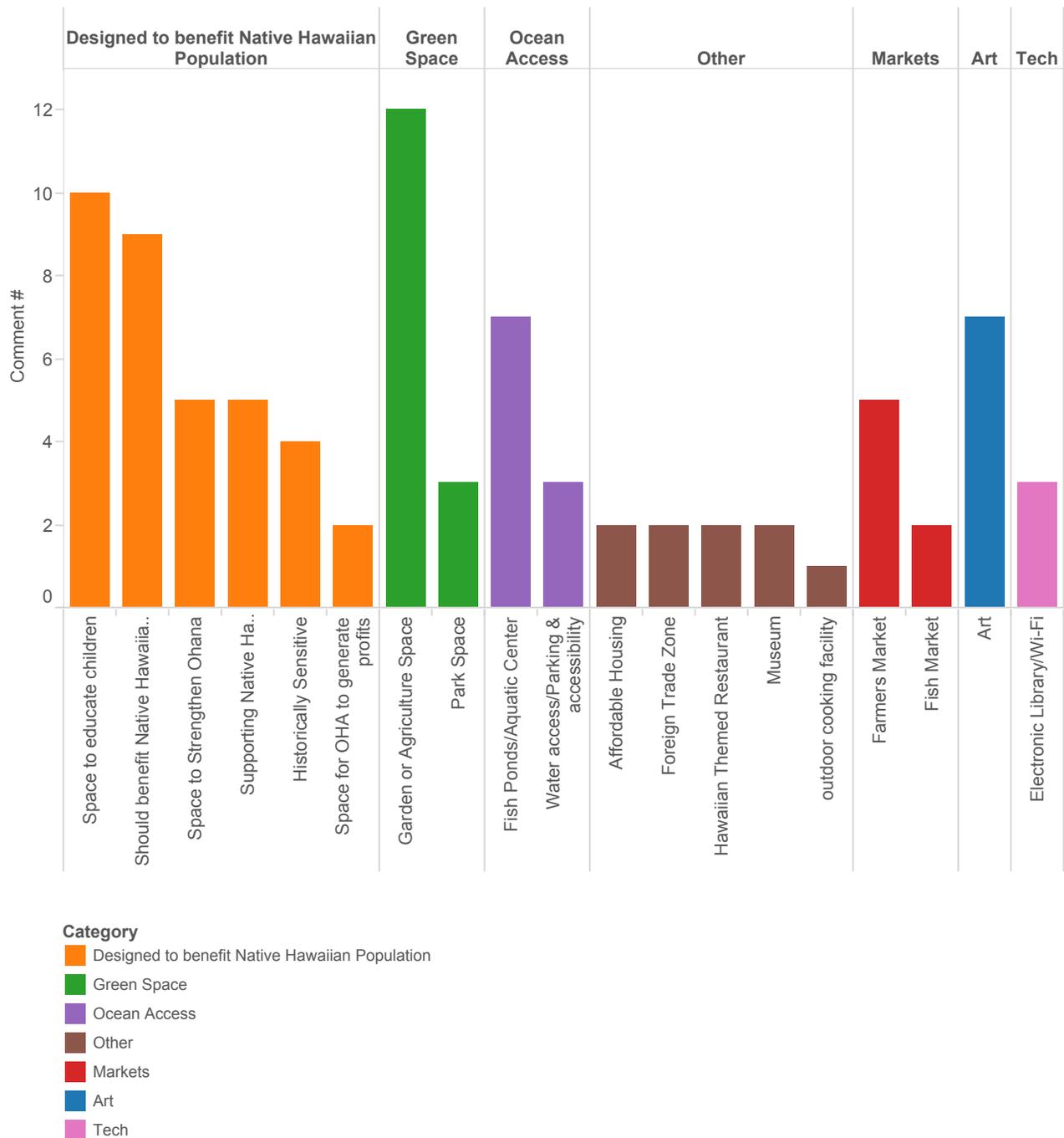


Sum of Comment # for each F2 broken down by Category. Color shows details about Category.

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## 2.6 Comment Cards & Other Submissions

Comment cards were distributed at Pae 'Āina meetings and left at each OHA office. These cards allowed for individuals to write specific comments, but also directed them to the Mindmixer website described in Section IV. In addition to comment cards, KKP and OHA received 56 comments via email or other written submission. For a complete version of comments that were received through cards or other written formats see Appendix 9. A summary of the comments received is included below.



## 2.7 Neighboring Stakeholder Meetings

Although the Pae Āina meetings were open to all stakeholders as well as the general public, in the Community Engagement Plan (submitted to OHA March 31, 2015) KKP recommended that OHA engage with stakeholder groups such as ali'i trusts and neighboring landowners and developers throughout the course of the project. KKP assisted in beginning this process for OHA by facilitating five small group meetings with representatives from OHA and representatives of Queens Health Services, Kamehameha Schools, Lunalilo Trust, Alexander and Baldwin, Inc., and the Ala Moana Kaka'ako Makai Neighborhood Board. Additionally, one meeting was held for Hawai'i Island legislators at the request of Chair Robert Lindsey.

The purpose of these meetings was to provide information on OHA's Kaka'ako Makai conceptual master planning process and to establish or strengthen relationships between OHA and neighboring entities. The agenda for these meetings included the Pae Āina presentation, sharing general feedback gathered in Pae Āina meetings, and discussion of questions or comments. Questions arose regarding the timeline of the process and the challenges to development particularly in regard to residential at Kaka'ako Makai. Overall, there was general support for the process and the presentation was received positively. Kamehameha Schools was particularly interested in collaboration with OHA in events and activities that might activate Kaka'ako Makai in the near-term.

These initial meetings were intended to be an introduction and further discussion between OHA and neighboring entities is recommended as the process continues.

Stakeholder	Date	Attendees
Hawai'i Island Legislators	May 27 2015	Lorraine Inouye Gilbert Kahele Russell Ruderman Cindy Evans Mark Nakashima Richard Onishi San Buenaventura Clift Tsuji Richard Creagan Kama Hopkins (OHA) Capson Poepoe (OHA) Malia Kaaihue (DTL) Lehua Kauhane (DTL)
Ala Moana Kaka'ako Neigborhood Board	May 14 2015	Larry Hurst (Board Chair) Malia Kaaihue (DTL) Lehua Kauhane (DTL) Kevin Cockett (Cockett Communications)

Stakeholder	Date	Attendees
Queens Health Services	May 22 2015	Diane Paloma (Director of Native Hawaiian Health Program) Gerard Akaka (Medical Director, Queen Emma Clinics) Allen Kam (OHA) Malia Kaaihue (DTL)
Alexandera & Baldwin, Inc.	May 27 2015	Rick Stack (Senior Vice President, Development) Lance Parker (Senior VP Acquisitions & Dispositions) Jeff Pauker (VP Acquisitions) Michael Lam (Manager, Acquisitions/Investments) Hunter Monsour (Analyst, Acquisitions) Allen Kam (OHA) Malia Kaaihue (DTL) Lehua Kauhane (DTL)
Lunalilo Trust	May 29 2015	Dr. Kuhio Asam (Executive Director) Allen Kam (OHA) Lehua Kauhane (DTL) Kevin Cockett (Cockett Communications)
Kamehameha Schools	May 29 2015	Walter Thoemmes (Chief of Staff) Paul Kay (Director Real Estate Development, CRED) Bob Ota (Senior Project Manager, CRED) Allen Kam (OHA) Lehua Kauhane (DTL) Kevin Cockett (Cockett Communications)

## 2.8 Conclusion

This report concludes Round 3 of the Pae 'Āina meetings for Kaka'ako Makai. The feedback gathered in this round will continue to be processed and a more thorough reporting will be included in the Community Engagement Memorandum due to OHA on August 31, 2015, prior to the planning of Round 4.

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KAKA'AKO MAKAI

# III. Draft Conceptual Land Use Scenarios

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## 3.1 Land Use Scenario 1

### 3.1.2 Land Use Scenario 1, No Master Plan

Individually developed parcels allows for multiple developers, has the least impact on the surrounding infrastructure and overall masterplan of Kaka'ako Makai. Creating a cohesive character to the entirety of OHA's parcels will be challenging, but can be helped along with cultural guidelines. Adjacent parcels (A, B, C, D, K) have the best chance at creating a contiguous "place", but E & G will feel separated (maybe connected by bridges, but requiring additional permitting and coordination between developers) Parcels I & L are challenged due to their remote locations from the other parcels. This somewhat "turnkey" solution would require the least start-up time and efforts, but most likely will offer the least return on investment, based on initial research.

### 3.1.3 Land Use Scenario 1a, No Master Plan with Residential

Same as Scenario 1, but with added land value and return due to Residential uses on Parcels E & I. The scenario would call for rezoning and height variance or modification, which would require added time and legislation.

## 3.2 Land Use Scenario 2

### 3.2.1 Land Use Scenario 2, Marina

This scenario looks at physically joining Parcels A, B, C, D, & K with Parcel F/G to create a superblock with a contiguous feel. Ahui Street would be acquired by OHA and any infrastructure in the road would be rerouted as needed. The superblock scenario allows for more development possibilities, and also increases the land value and potential of Parcel F/G.

The superblock also incorporates space for a maoli-centric component, the Kīpuka. This sits at the epicenter of the superblock and establishes the Piko of the place. It is comprised of three interconnected components; the Marina, the Observation Tower, and the Center for Hawaiian Thought (labelled Cultural in the masterplans). The Kīpuka is a space for maoli programming and protocol. It will not only be a place for beneficiaries to connect to their heritage and genealogy, but also be a place for visitors to learn of the Hawaiian people and practices, and their connection to nature and the universe. It will become a visitor attraction and also increase the land value of the parcels.

#### **Marina**

A marina is implemented to firstly extend the waterfront into Parcel F/G, thereby connecting the parcels to the Harbor and increasing its land value. The marina is also an opportunity to create a body of water that is controlled by OHA, for programming and protocol for their beneficiaries.

The dredging of the Marina will involve permitting, time, and incurred costs which will reduce the return on investment (albeit higher than the return seen from scenarios 1 & 1a).

### **Observation Tower**

The Observation Tower is meant to be not only a place to view from, but also a Ko'a, a marker representing the Lāhui. It is a connection of Earth to Sky, and a place for observing the various solar and seasonal cycles. The tower is also a collector of energy. Within it will be places for visitors, beneficiaries, and practitioners for protocol. Its presence and form is meant to be bold and dynamic, representing the persevering nature of the Lāhui.

Following other models, the Tower's cost would be incurred by a developer, to lighten the burden upon OHA. The developer would receive their return on investment through income from the Tower.

### **Center for Hawaiian Thought**

This space is a multilevel facility designed to house maoli programming and exhibits. Components can be for both beneficiaries and visitors, and/or beneficiaries only.

## **3.2.2 Land Use Scenario 2a, Marina with Residential**

Same as Scenario 2, but with added land value and return due to Residential uses on Parcels E & I. The scenario would call for rezoning and height variance or modification, which would require added time and legislation.

## **3.3 Land Use Scenario 3**

### **3.3.1 Land Use Scenario 3, Plaza**

The components of Scenario 3 are the same components as Scenario 2, with the replacement of the Marina with a Plaza.

### **Plaza**

While not as bold as a Marina, the Plaza still provides the same benefits of connecting the Parcels with a public gathering space and increases the land value of Parcel F/G, perhaps with a lower return than a Marina. However, there is no cost of dredging, and rerouting of infrastructure will be drastically less than the Marina scenario.

There is still the opportunity to create an immersive and engaging plaza, with native landscape that is both functional, educational, and interactive. The Plaza not only provides places for programming and protocol, but is also part of the Kīpuka, and intertwined component by and for the Kānaka Maoli.

### 3.3.2 Land Use Scenario 3a, Plaza with Residential

Same as Scenario 3, but with added land value and return due to Residential uses on Parcels E & I. The scenario would call for rezoning and height variance or modification, which would require added time and legislation.

## 3.4 Related Master Plan Opportunities and Issues

Areas outside of the parcels, but within Kaka'ako Makai have been considered, in order to improve the experience of not only the OHA properties, but of the properties of all stakeholders (HCDA, KS, etc).

- The finger of land between Parcel F/G and the Medical School should be designated as open space; a combination of landscape and hardscape that maintains a mauka/makai zone of open space. Ideally this green zone would continue mauka with open spaces in KS parcels, connecting Kaka'ako Makai to Kaka'ako Mauka.
- The Park lands adjacent to Parcel D & K, converting to open space. A single-story parking structure is intended along Ahui St., but partially sunken and roofed with landscape, to continue the green space.
- Promenades throughout the park to connect the harbor and 'Ewa parcels. This also provides circulation within the park.
- Promenades connecting Parcels I & L. The HCDA parcel between the two parcels is intended to be multi-story parking. Ideally there could be commercial at the base to improve the streetscape experience along the promenade.
- Enhancing the waterway adjacent to Parcel L. The current canal configuration could be expanded to incorporate landscaping (wetlands, etc) and be integrated with the park. Bridges from Parcel L could also connect to the park. Parcel L is also seen as a place of Wellness, with programs that are related to both Hawaiian practices in healing and wellness, but also the potential to collaborate with the UH School of Medicine, and other medical related entities. The incorporation of programs with the park would be of mutual benefit to all.
- Incorporation of Hotel on lots A & F/G. A hotel component would create lodging opportunities with a unique location of both urban marina and Park.

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# Existing Conditions

## KAKA'AKO MAKAI



- Commercial
- Residential
- Cultural
- Wellness

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# Land Use Scenario 1

NO MASTER PLAN

**Commercial**

**Commercial**

**Commercial**

**Commercial**

**Commercial**

**Commercial - Leased**

**Commercial - Leased**

**Industrial/Wellness**

**Industrial**

- Commercial
- Residential
- Cultural
- Wellness

I

E

A

B

C

D

K

L

F/G

KS

GOLD BOND

HCDA

UH MEDICAL

UH CANCER RESEARCH

OPEN SPACE

CHILDREN'S DISCOVERY CENTER

KAKA'AKO WATERFRONT PARK

HONOLULU HARBOR PIERS 1-2

HHC

HHC

HHC

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# Land Use Scenario 1A

NO MASTER PLAN with Residential

Residential (400 ft)

Residential (400 ft)

Industrial

Industrial/Wellness

Commercial

Commercial

Commercial

Commercial - Leased

Commercial - Leased

- Commercial
- Residential
- Cultural
- Wellness

I

E

F/G

A

B

C

D

L

K

KS

KS

KS

KS

KS

KS

KS

KS

KS

HCDA

UH MEDICAL

UH CANCER RESEARCH

OPEN SPACE

CHILDREN'S DISCOVERY CENTER

KAKA'AKO WATERFRONT PARK

HONOLULU HARBOR PIERS 1-2

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# Land Use Scenario 2

MASTER PLAN - Marina



**Commercial**

**I**

**Commercial**

**E**

**Commercial/  
Culture  
(3.7 ac of 7.2 ac)**

**F/G**

**A**

**Commercial  
Enhancement - Additional Land Area**

**B**

**Commercial  
Enhancement - Additional Land Area**

**C**

**Commercial**

**D**

**Commercial - Leased**

**L**

**Commercial/  
Wellness**

**K**

**Commercial - Leased**

- Commercial
- Residential
- Cultural
- Wellness

## SITE F/G:

- » **Attraction 1: Marina\* (1.0 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation of waterfront
  - Significant cost/risk for entitlements & construction
  - Significant cultural value for ocean access
- » **Attraction 2: Tower\* (1.0 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation attraction and icon
- » **Attraction 3: Cultural\* (1.0 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation of attraction

HONOLULU HARBOR PIERS 1-2

HCDA

UH MEDICAL

UH CANCER RESEARCH

OPEN SPACE

CHILDREN'S DISCOVERY CENTER

KAKA'AKO WATERFRONT PARK

GOLD BOND

KS

KS

KS

KS

KS

KS

KS

KS

KS

HHC

HHC

HHC

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# Land Use Scenario 2A

MASTER PLAN - Marina with Residential

**Commercial/  
Residential (400 ft)**

**I**

**Commercial/  
Residential (400 ft)**

**E**

**Commercial/  
Hotel/Culture  
(3.7 ac of 7.2 ac)**

**F/G**

**Commercial/Hotel  
Enhancement - Additional Land Area**

**A**

**Commercial  
Enhancement - Additional Land Area**

**B**

**Commercial**

**C**

**Commercial - Leased**

**D**

**Commercial/  
Wellness/Lodging**

**L**

**Commercial - Leased**

**K**

- Commercial
- Residential
- Cultural
- Wellness

## SITE F/G:

- » **Attraction 1: Marina\* (1.0 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation of waterfront
  - Significant cost/risk for entitlements & construction
  - Significant cultural value for ocean access
- » **Attraction 2: Tower\* (1.0 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation attraction and icon
- » **Attraction 3: Cultural\* (1.0 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation of attraction



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ACTIVE HARBOR EDGE



ACTIVE HARBOR EDGE



CONTEMPORARY MAOLI INTERPRETATION



MAOLI INSPIRATION

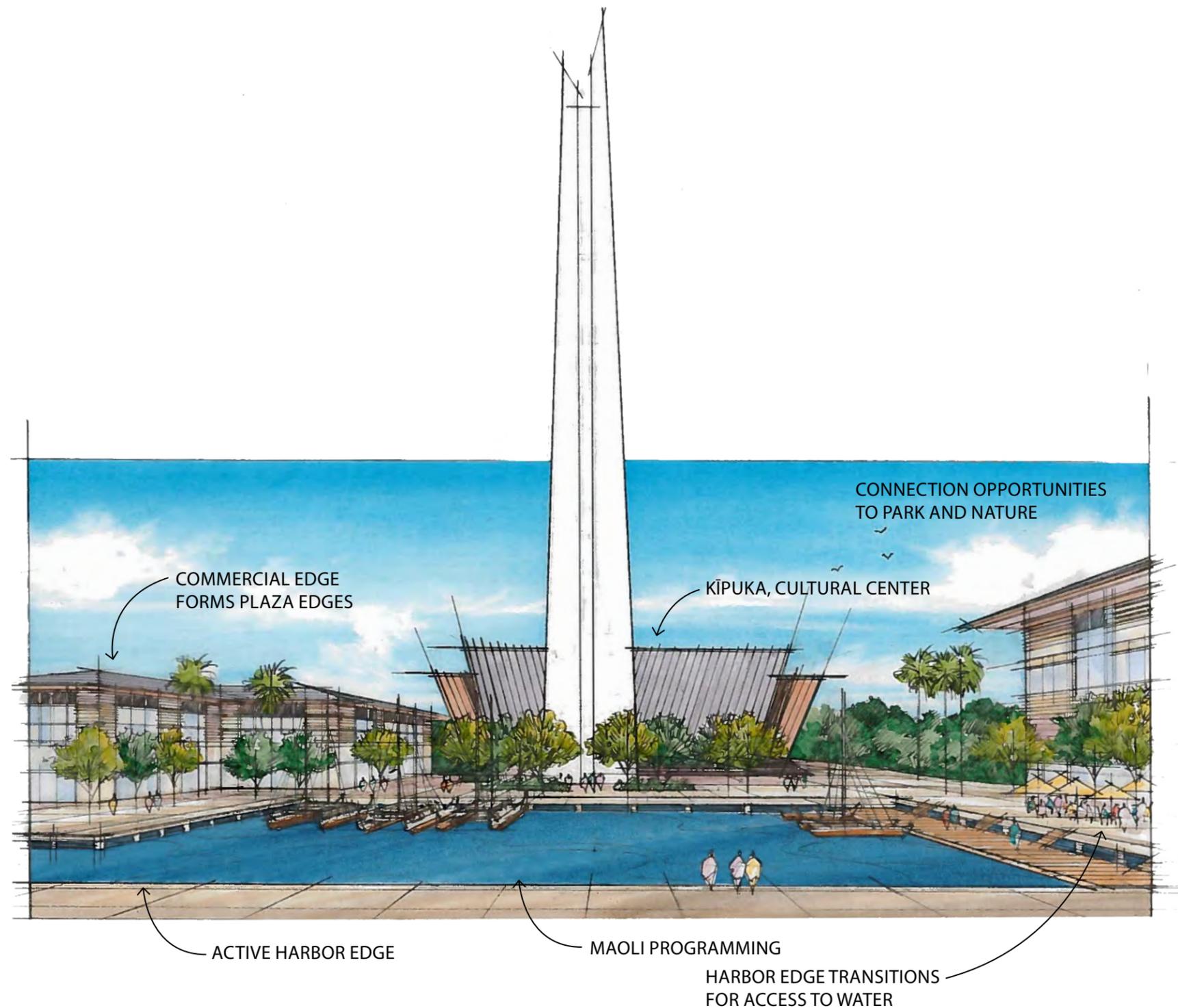


ICONIC OBSERVATION TOWER



GATHERING PLACE

# Iconic Observation Tower



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# Land Use Scenario 3

MASTER PLAN - Plaza



Commercial

I

Commercial

E

Commercial  
(3.7 ac of 7.2 ac)

F/G

Commercial/Hotel  
Enhancement - Additional Land Area (Ohua)

A

Commercial  
Enhancement - Additional Land Area (Ohua)

B

Commercial

C

Commercial - Leased

D

Commercial/  
Wellness

L

Commercial - Leased

K

- Commercial
- Residential
- Cultural
- Wellness

## SITE F/G:

- » Attraction 1: Plaza (1.5 ac)
  - Reduction in value due to loss of land area
  - Increase in value due to creation of plaza frontage
- » Attraction 2: Tower\* (1.0 ac)
  - Reduction in value due to loss of land area
  - Increase in value due to creation attraction and icon
- » Attraction 3: Cultural (1.0 ac)
  - Reduction in value due to loss of land area
  - Increase in value due to creation of attraction

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# Land Use Scenario 3A

MASTER PLAN - Plaza with Residential

**Commercial/  
Residential\* (400 ft)**

**Commercial/  
Residential\* (400 ft)**

**Commercial/  
Hotel/Culture  
(3.7 ac of 7.2 ac)**

**Commercial/Hotel  
Enhancement - Additional Land Area (Ohua)**

**Commercial  
Enhancement - Additional Land Area (Ohua)**

**Commercial**

**Commercial - Leased**

**Commercial/  
Wellness/Lodging\* (65 ft)**

**Commercial - Leased**

- Commercial
- Residential
- Cultural
- Wellness

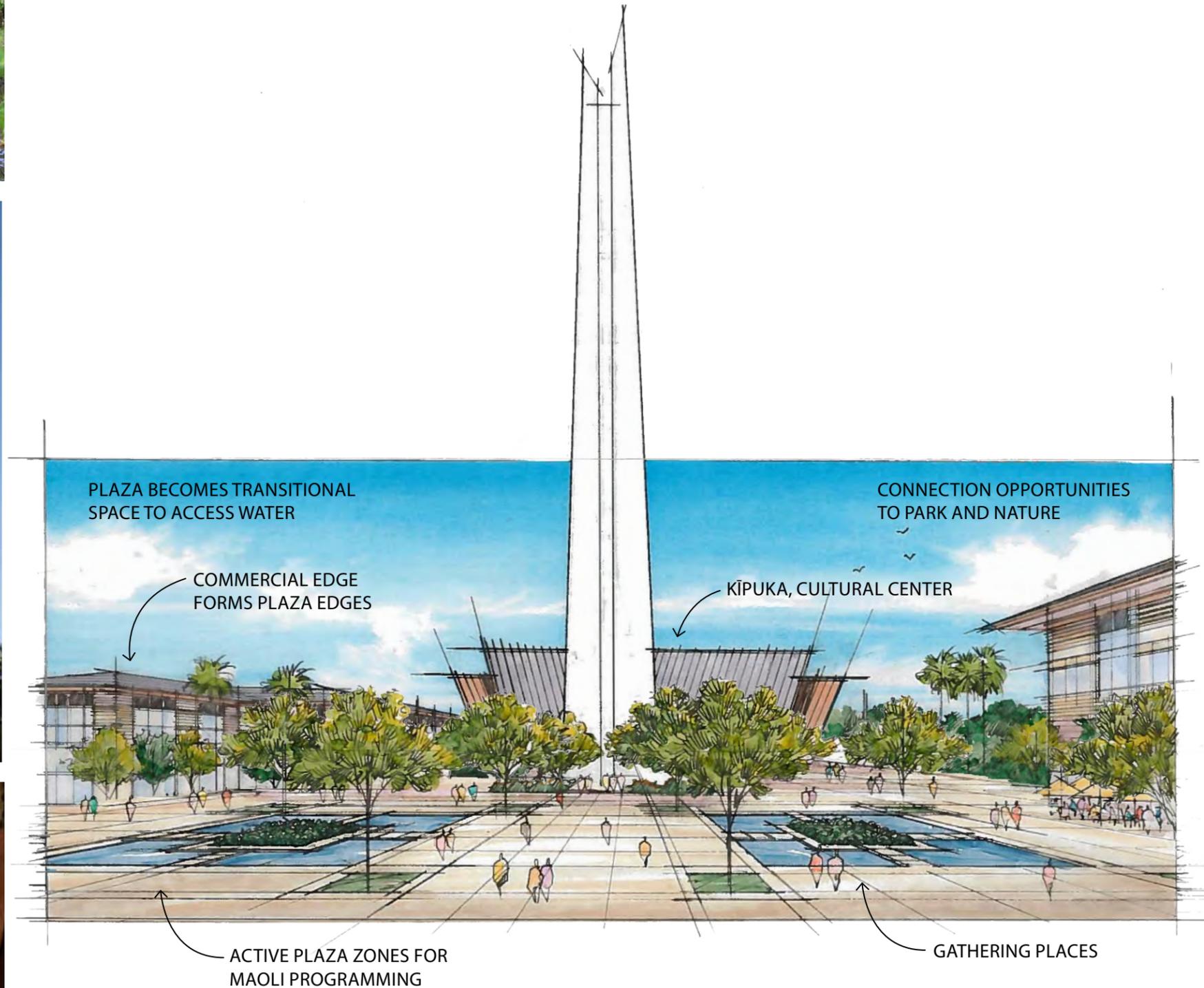
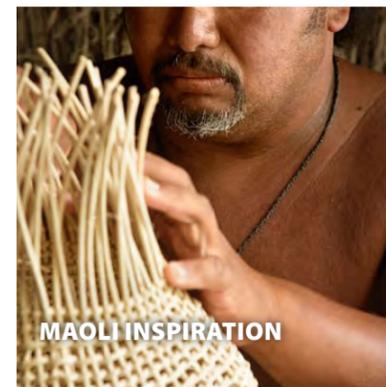
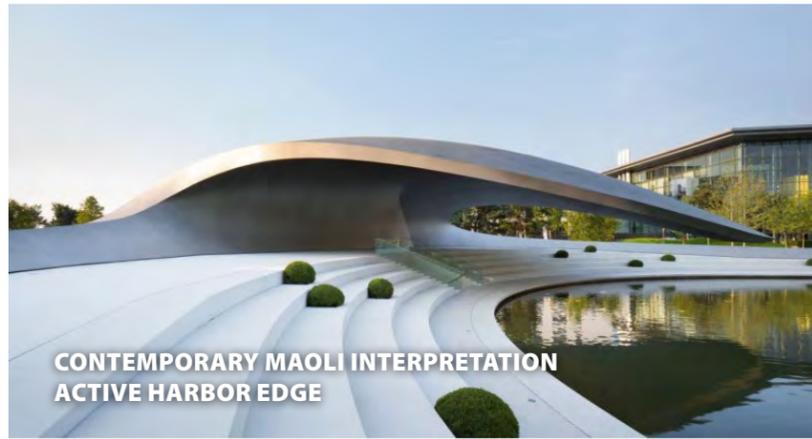
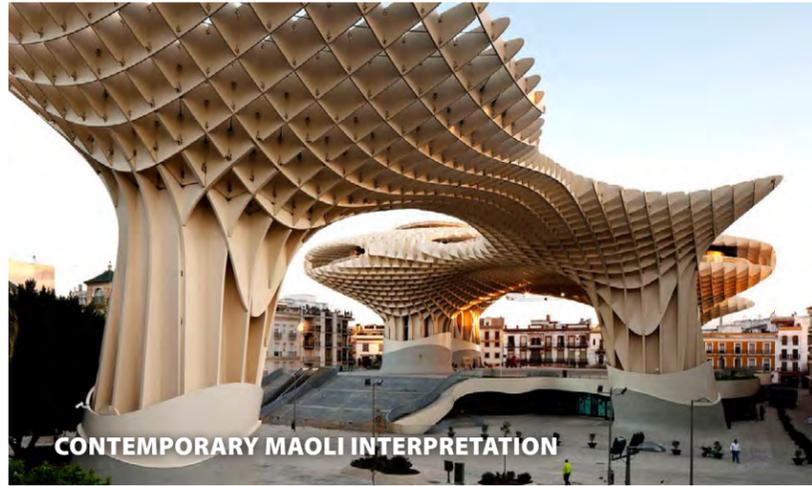
## SITE F/G:

- » **Attraction 1: Plaza (1.5 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation of plaza frontage
- » **Attraction 2: Tower\* (1.0 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation attraction and icon
- » **Attraction 3: Cultural (1.0 ac)**
  - Reduction in value due to loss of land area
  - Increase in value due to creation of attraction



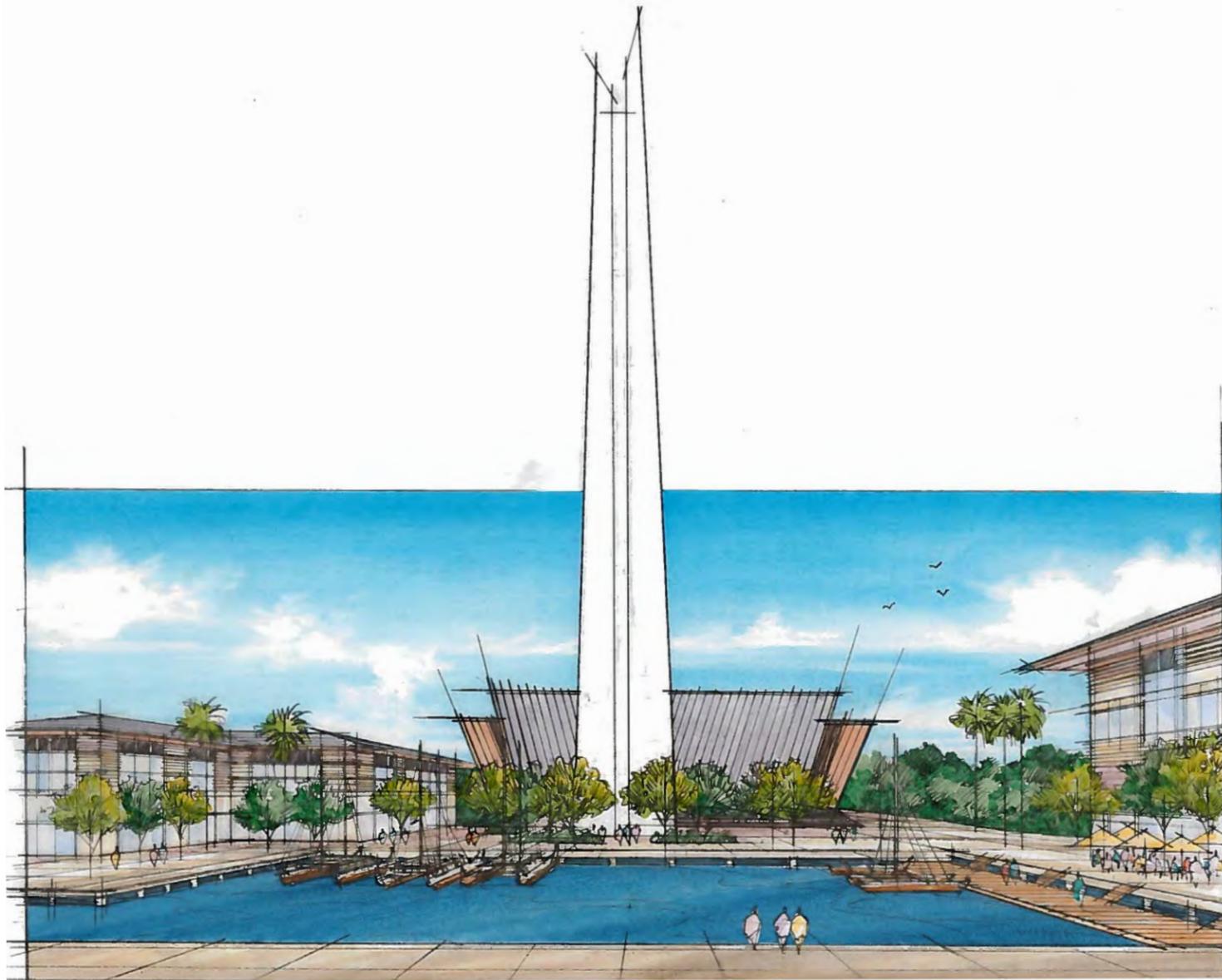
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# Iconic Observation Tower

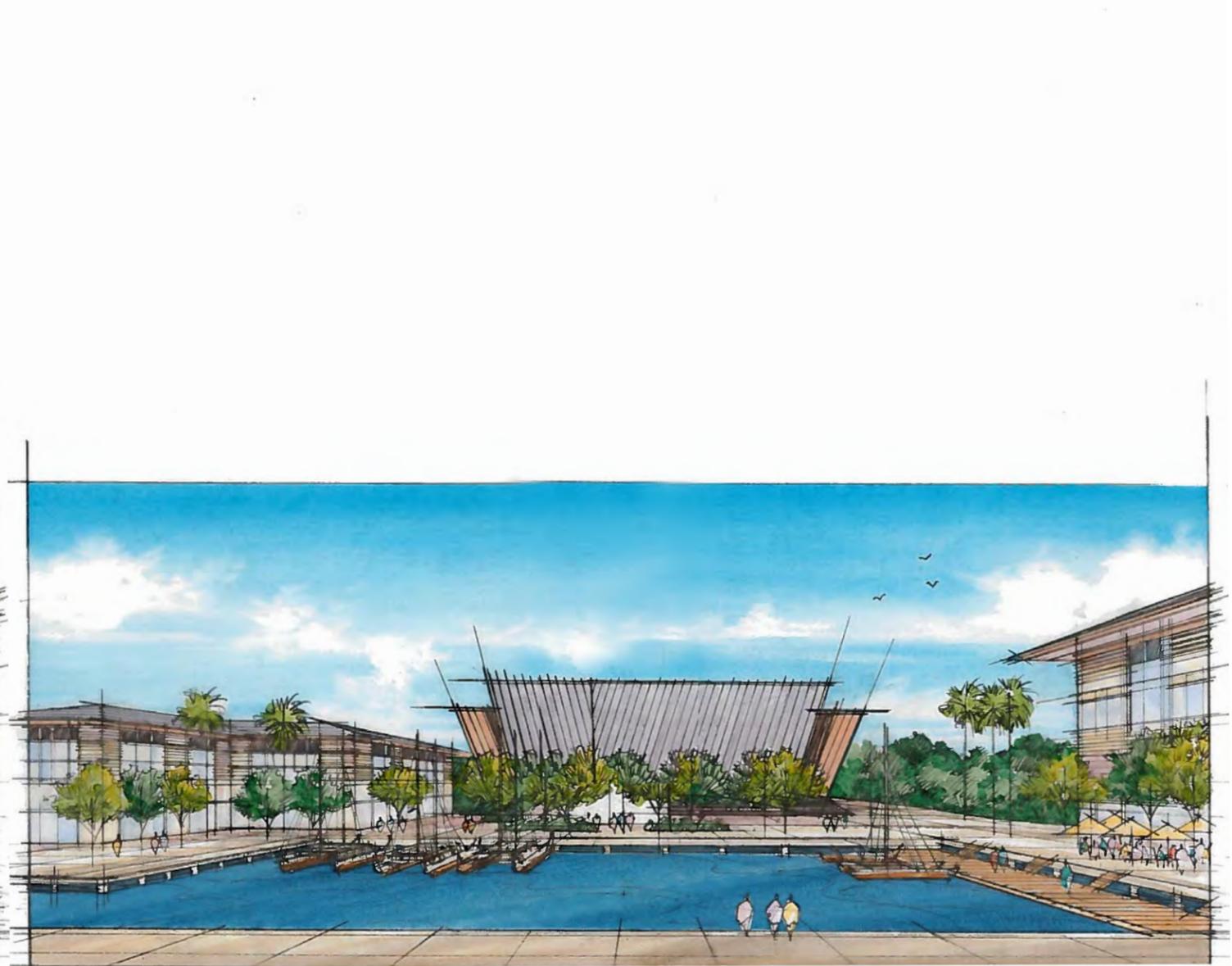


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# Iconic Observation Tower



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# Iconic Observation Tower



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KAKA'AKO MAKAI

## IV. Draft Financial Assessment

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GROUP INC.

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# PRELIMINARY FINANCIAL ANALYSIS INSIGHTS

## 4.1 Objective

The Hallstrom Group/CBRE has begun the process of determining the potential returns available to the Office of Hawaiian Affairs (OHA) associated with their Kakaako Makai holdings.

The goal is to determine the highest & best use potentials of the subject holdings from a financial perspective both in their current condition and within a master planning context. The outcomes from the analysis will provide a comparative tool for use by the trustees in their decision-making process.

To determine the economic feasibility and efficacy of implementing the master plan we have started to model a variety of use and assumptive scenarios for the sites and compare the resulting indicators.

For the initial preliminary tests we have focused on three scenarios for comparative assessment:

1. **“As Is”** - A collection of free-standing lots put to their highest & best use based on market indicators and subject to all existing land use restrictions.
2. **“As Is, with Residential”** - Same as “As Is” but assuming high-rise residential would be permitted on Lots E and I.
3. **“Maximal Master Plan”** - Assuming implementation of the currently envisioned most intense proposed master plan with marina basin, sky tower, cultural features, enhanced entitlements and relocation of Ahui Street.

In all scenarios only the in-place encumbrances extending past 2018-19 were considered (impacting Lots C, D and K), as it was assumed that construction would not begin until approximately that time following several years of planning, entitlement and pre-sales/pre-leasing efforts.

Our preliminary goal was two-fold:

- To quantify whether the maximal master plan (as an initial example) would provide a sufficient increase in returns to the underlying lands to justify moving forward with the project; and,
- To identify on an order of magnitude basis whether the master plan upon implementation would “throw-off” sufficiently enhanced profits to fund the cultural facilities/ amenity components.

## 4.2 Methodology and Market Data

We selected “Aggregate Sales Price” as the basis for the comparative process. This is the sum of the sales prices for the individual parcels which could be achieved in current market conditions under the various scenario assumptions, before costs of sale, bulk or absorption discounts, or allowances for atypical remediation costs.

The preferred method of establishing the price for vacant land is through the Sales Comparison Approach which bases prices upon what others are currently paying for properties having similar attributes in the same market area. It is considered the most appropriate, accurate and insightful methodology when sufficient numbers of comparable sales are available to establish reasonable pricing parameters.

With the on-going up-cycle market stimulating developer and investor interest in building sites there have been numerous timely transactions in central Honolulu (particularly in Kakaako, Ala Moana and Waikiki) supportive of a meaningful application of sales comparison.

The following tables summarize the sales/indicators from a universe of several hundred historic transactions which we considered most insightful to our analysis. These bracketing indicators, with adjustment consideration for a variety of characteristics, provide the basis for our preliminary pricing estimates for the subject parcels within the scenarios.

The first set are for central Honolulu (non-Waikiki) commercial use/zoned properties since late 2012 and show a price range of \$175 to \$221 per square foot.

SUMMARY OF SELECTED RECENT COMPARABLE LAND TRANSACTIONS COMMERCIAL USE/ZONED PROPERTIES								
TMK	Project	Address	Land Area (Sq. Ft.)	Zoning	Type/Instr.	Trans. Date	Price	Price per Square Foot
2-3-22-3 & 27	Unanmed	Kapiolani Blvd.	14,405	BMX-3	In Escrow		Not Available	
2-3-18-5	Vacant (Side Street)	Liona Street	12,295	BMX-3	Deed	13-Jun-14	\$2,296,493	\$186.78
2-1-42-3	Scan Line	788 S. King St.	28,695	BMX-3	Reneg.	1-Apr-14	\$5,780,000	\$201.43
2-3-21-35	Ross'	711 Keeaumoku St.	58,776	BMX-3	Reneg.	1-Jan-14	\$10,285,800 to \$11,461,320	\$175 to \$195
2-3-28-4	Redevelopment (Side Street)	929 Pumehana St.	14,400	BMX-3	Deed	8-Mar-13	\$2,575,000	\$178.82
2-3-28-25	Redevelopment (Side Street)	1915 South King St.	6,300	BMX-3	Deed	25-Feb-13	\$1,300,000	\$206.35
2-4-2-5, 31	CVS Longs	1026 & 1030 King St.	68,703	BMX-3	Deed	20-Nov-12	\$15,200,000	\$221.24

(1) Price reflects range in value depending upon perspective of established reopening rents.

Source: The Hallstrom Group/CBRE

The second set contain indicators from properties proposed for residential and mixed-use development in the Kakaako/Ala Moana area since late 2013 and show a price range of \$227 to \$516 per square foot.

SUMMARY OF SELECTED RECENT COMPARABLE LAND TRANSACTIONS RESIDENTIAL AND MIXED-USE PROPERTIES								
TMK	Project	Address	Land Area (Sq. Ft.)	Zoning	Type/Instr.	Trans. Date	Price	Price per Square Foot
2-3-14-2, 4 & 11	Unnamed	710 Sheridan	39,520	BMX-3	In Escrow		\$8,496,800	\$215.00
Confidential	Confidential	Ala Moana Blvd.	150,000	MUZ-C	In Escrow		(1)	\$253 to \$333
2-3-16-21	Unnamed	1356 Kapiolani Blvd.	15,000	BMX-3	Deed	10-Apr-15	\$6,150,000	\$410.00
2-3-16-22	Unnamed	1338 Kapiolani Blvd.	29,808	BMX-3	Deed	1-Apr-15	\$15,400,000	\$516.64
2-1-49-50, 70, 72	Eight Zero Three Waimanu	803 Waimanu Blvd.	21,192	MUZ-R	Deed	17-Feb-15	\$4,812,000	\$227.07
2-3-41-1	Atkinson Center	1695 Kapiolani Blvd.	14,723	BMX-3	Deed	1-Aug-14	\$3,972,500	\$269.82
2-3-41-2	Unnamed	508 Atkinson Dr.	35,813	BMX-3	Deed	13-Jun-14	\$13,500,000	\$376.96
2-3-41-3	Unnamed	1673 Kapiolani Blvd.	25,000	BMX-3	Deed	18-Dec-13	\$8,500,000	\$340.00
<b>Listings</b>								
2-3-22-11		1705 Kalakaua	15,000	BMX-3		Asking	\$4,500,000	\$300.00
2-3-32-52		Fern & Kalakaua	22,624	BMX-3		Asking	\$7,000,000	\$309.41
2-3-32-6		1830 Kapiolani	21,381	BMX-3		Asking	\$6,000,000	\$280.62
(1) Upper-end price includes affordable housing and public facilities exactions, lower-end price is approximate net allocation to land only.								
Source: The Hallstrom Group/CBRE								

We note some of the higher prices are for parcels within the HCDA TOD planning area and benefit from zoning and density enhancements.

Prices for Kakaako Makai sites used for hospitality and visitor-oriented purposes could be based on indicators taken from the Mixed-Use Resort Precinct of Waikiki as shown below. The transactions, dating from early 2013, show prices ranging from \$299 to \$619 per square foot. We consider it unlikely that prices at Kakaako Makai could reach the upper-end of the Waikiki scale.

SUMMARY OF RECENT WAIKIKI RESORT MIXED-USE RESORT PRECINCT TRANSACTIONS							
Tax Map Key	Street Address	Project Identification	Sq. Ft.	Instrument	Transaction Date	Indicated Price	Per Sq. Ft.
2-6-23-56	2427 Kuhio Avenue	Pacific Monarch	48,411	Rent Reneg.	27-Apr-14	\$6,030,000	\$369.42
2-6-2-11 to 13	2233 Helumoa Rd.	Waikiki Parc Hotel	48,411	Rent Reneg.	1-Feb-14	\$19,200,000	\$396.60
2-6-23-46	2448 Prince Edward St.	Royal Grove Hotel (Por)	4,845	Rent Reneg.	1-Jan-14	\$1,526,175	\$315.00
2-6-23-1	2476 Kalakaua Ave.	McDonald's Restaurant	9,868	Rent Reneg.	1-Nov-13	\$6,115,000	\$619.68
2-6-3-28 & 54	258 & 260 Beach Walk	Hawaiiana Hotel (Por)	20,018	Deed	12-Sep-13	\$9,000,000	\$449.60
2-6-6-1 & 4	2051 Kalakaua Ave.	Former Kyo-Ya Restaurant	28,761	Deed	19-Apr-13	\$11,960,000	\$415.84
2-6-23-45	2450 Prince Edward St.	Kuhio Village II	9,690	Rent Reneg.	1-Mar-13	\$2,900,000	\$299.28
2-6-23-25	140 Liliuokalani Ave.	Liliuokalani Office Center	7,578	Rent Reneg.	1-Jan-13	\$2,480,000	\$327.26
2-6-2-14	205 Lewers St.	Imperial Hawaii	31,329	Rent Reneg.	1-Jan-13	\$13,345,000	\$425.96
Source: The Hallstrom Group/CBRE							

Though the sector is currently among the strongest in the Oahu market, industrial development of the subject properties would represent a lower-order potential use than commercial, residential or hospitality alternatives, so industrial land prices form a “baseline” indicator. Specifically, industrial uses/prices are a consideration for Lot F/G which has little commercial potential “As Is” apart from a master plan and Lot L though waterfront is limited by access issues and difficulty in identifying its highest & best use.

Industrial land prices in Honolulu since 2013 have ranged from \$75 to \$175 per square foot in accordance with their location, size and other characteristics.

SUMMARY OF SELECTED RECENT COMPARABLE LAND TRANSACTIONS URBAN HONOLULU INDUSTRIAL SUBDIVISION INDICATORS				
Area/Industrial Park	Sales Date Range	Price Range per Sq. Ft.		Comments
		Low	High	
Kakaako	2014-15	\$145.00	\$175.00	HART Right-of-Way Takings, mostly smaller parcels.
Kalihi	2013-14	\$120.34	\$124.32	Fee Simple Sales, moderate size parcels.
Mapunapuna	2014-15	\$75.00	\$104.88	Values based on new and renegotiated leases.
Sand Island	2013-15	\$88.13	\$94.00	Values based on new and renegotiated leases.
Airport	2013-15	\$90.00	\$108.00	Values based on new and renegotiated leases.

Source: The Hallstrom Group/CBRE

The value of the leased fee interests in the two parcels encumbered with long-term ground leases (Lots D and K) were estimated by discounting the contractual and projected rents and eventual reversion of the property to OHA at termination to a present value using prevailing market terms. The process for Lot D, which is leased for the 53 by the Sea restaurant through 2042, and communication antennae through 2035, is shown on the following table with the calculations indicating a preliminary present value of the leased fee interest of \$8,100,000 (rounded).

The present value of the leased fee interest in Lot K, which was assumed to be a "land only" reversion given the condition of the in-place structure, was estimated at \$5,400,000.

As discussed in our market study, the primary strengths of the subject sites include:

- Central Honolulu location proximate to employment centers, shopping/entertainment, recreation and public facilities;
- Strong makai-orientation with unblockable view planes;
- Many have direct ocean frontage; and,
- Three have direct frontage/access on Ala Moana Boulevard.

The primary weaknesses of the subject sites are:

- The limited development in Kakaako Makai to date (no critical mass);
- Mixed-transitional status of larger neighborhood;
- Potential soil remediation costs; and,
- Limited exposure for most parcels.

LEASED FEE VALUATION ANALYSIS OF SITE "D"						
Assuming Percentage Rents Threshold is Reached						
As of 6/1/2015 Year	53 By The Sea		Antennae	Total	Discounted @ 8.5%	PV of Rents
	Base Rent	Est. % Rents				
2015	\$320,616	\$0	\$110,000	\$430,616	0.92166	\$396,881
2016	\$320,616	\$0	\$110,000	\$430,616	0.84946	\$365,789
2017	\$320,616	\$0	\$110,000	\$430,616	0.78291	\$337,133
2018	\$320,616	\$0	\$110,000	\$430,616	0.72157	\$310,721
2019	\$352,678 (1)	\$0	\$110,000	\$462,678	0.66505	\$307,702
2020	\$352,678	\$50,000	\$110,000	\$512,678	0.61295	\$314,243
2021	\$352,678	\$52,500	\$110,000	\$515,178	0.56493	\$291,037
2022	\$352,678	\$54,075	\$110,000	\$516,753	0.52067	\$269,057
2023	\$352,678	\$55,697	\$110,000	\$518,375	0.47988	\$248,758
2024	\$352,678	\$57,368	\$110,000	\$520,046	0.44229	\$230,009
2025	\$352,678	\$59,089	\$121,000 (2)	\$532,767	0.40764	\$217,175
2026	\$352,678	\$60,862	\$121,000	\$534,540	0.37570	\$200,827
2027	\$387,945 (1)	\$62,688	\$121,000	\$571,633	0.34627	\$197,939
2028	\$387,945	\$64,568	\$121,000	\$573,514	0.31914	\$183,032
2029	\$387,945	\$66,505	\$121,000	\$575,451	0.29414	\$169,263
2030	\$387,945	\$68,501	\$121,000	\$577,446	0.27110	\$156,544
2031	\$387,945	\$70,556	\$121,000	\$579,501	0.24986	\$144,793
2032	\$387,945	\$72,672	\$121,000	\$581,618	0.23028	\$133,938
2033	\$387,945	\$74,852	\$121,000	\$583,798	0.21224	\$123,907
2034	\$387,945	\$77,098	\$121,000	\$586,043	0.19562	\$114,640
2035	\$426,740 (1)	\$79,411	\$121,000 (3)	\$627,151	0.18029	\$113,070
2036	\$426,740	\$81,793		\$508,533	0.16617	\$84,502
2037	\$426,740	\$84,247		\$510,987	0.15315	\$78,257
2038	\$426,740	\$86,775		\$513,514	0.14115	\$72,483
2039	\$426,740	\$89,378		\$516,118	0.13009	\$67,144
2040	\$426,740	\$92,059		\$518,799	0.11990	\$62,205
2041	\$426,740	\$94,821		\$521,561	0.11051	\$57,637
2042	\$426,740 (3)	\$99,562		\$526,302	0.10185	\$53,605
<b>Totals</b>	<b>\$10,621,367</b>		<b>\$2,431,001</b>	<b>\$14,707,445</b>		<b>\$5,302,292</b>

Reversionary Interests in 2043	Present Value of Future Reversion	Total PV of LF Interest
Land & Improvements	\$2,807,460	\$8,109,752

(1) Rent Reopening Year per Contract, Effective January.  
 (2) Rent Reopening Year per Contract, Effective May  
 (3) Lease terminates.

Source: Lease summary and The Hallstrom Group/CBRE

Apart from the transfer of the Kakaako Makai lands to OHA several years ago, there have not been any oceanfront land sales or new ground leases in central Honolulu in more than two decades. Shoreline property typically demands a premium in Hawaii. For this preliminary analysis we have been cautious regarding the premium for the waterfront subject sites.

We acknowledge there may be a meaningful upside available for all of the scenarios in real dollars, but it would be consistent among the alternatives and therefore not skew the results of our initial comparative analysis.

### 4.3 Preliminary Indications

“As Is” with their in-place zoning, use limitations, size and access, as free-standing, individually sold parcels outside of a master planning concept, the aggregate sales prices of the OHA Kakaako Makai sites is preliminarily estimated to total between \$218 million and \$229 million, as shown below.

The estimated prices extend from \$125 to \$250 per square foot at the mid-range estimates and from \$130 to \$260 per square foot at the high-end of the probable market range.

“As Is with Residential” with the only change being the assumption that high-rise residential towers up to 400 feet would be permitted on Lots E and I (mauka of Ilalo Street), as are allowable across Ala Moana Boulevard, pushes the potential sales price for those lots meaningfully upward to approaching \$300 per square foot. All other subject property prices are unchanged.

The preliminary aggregate sales price for the sites under this scenario increases to between \$237 million to \$249 million, a gain of up to \$20 million or nine percent over the base “As Is” outcome.

PRELIMINARY ESTIMATED SITE AGGREGATE SALES PRICES BASED ON SALES COMPARISON							
"AS IS" SCENARIO							
Assuming As Is Use and Zoning, Free-Standing, With No Master Plan							
Parcel I.D.	Area in Sq. Ft	Use	Mid-Range			High End of Range	
			Current Estimated Value per SF	Total Value		Current Estimated Value per SF	Total Value
A	213,880	Commercial	\$250	\$53,500,000		\$260	\$55,608,800
B	103,673	Commercial	\$200	\$20,700,000		\$210	\$21,771,330
C (1)	74,052	Commercial	\$200	\$14,800,000		\$210	\$15,550,920
D	40,858	Commercial	Leased	\$7,700,000		Leased	\$8,100,000
E	95,832	Commercial	\$200	\$19,200,000		\$210	\$20,124,720
G/F	328,050	Industrial	\$120	\$39,400,000		\$130	\$42,646,500
I	141,708	Commercial	\$200	\$28,300,000		\$210	\$29,758,680
K	59,154	Commercial	Leased	\$5,400,000		Leased	\$5,700,000
L	229,561	Indust./Med.	\$125	\$28,700,000		\$130	\$29,842,956
<b>Total</b>	<b>1,286,768</b>			<b>\$217,700,000</b>			<b>\$229,103,906</b>
		<b>Aggregate Preliminary Values</b>		<b>\$217,700,000</b>			<b>\$229,103,906</b>
			<b>Rounded,</b>	<b>\$218,000,000</b>			<b>\$229,000,000</b>

(1) Encumbered by KKFC lease agreement for 15,000 square feet. Net square footage shown.

Source: The Hallstrom Group/CBRE.

**PRELIMINARY ESTIMATED SITE AGGREGATE SALES PRICES BASED ON SALES COMPARISON**  
**"AS IS WITH RESIDENTIAL" SCENARIO**  
 Assuming As Is Use Except Lots E and I, Free-Standing, With No Master Plan

Parcel I.D.	Area in Sq. Ft	Use	Mid-Range		High End of Range	
			Current Estimated Value per SF	Total Value	Current Estimated Value per SF	Total Value
A	213,880	Commercial	\$250	\$53,500,000	\$260	\$55,608,800
B	103,673	Commercial	\$200	\$20,700,000	\$210	\$21,771,330
C	(1) 74,052	Commercial	\$200	\$14,800,000	\$210	\$15,550,920
D	40,858	Commercial Leased		\$7,700,000	Leased	\$8,100,000
E	(2) 95,832	Residential	\$290	\$27,800,000	\$300	\$28,749,600
G/F	328,050	Industrial	\$120	\$39,400,000	\$130	\$42,646,500
I	(2) 141,708	Residential	\$275	\$39,000,000	\$290	\$41,095,320
K	59,154	Commercial Leased		\$5,400,000	Leased	\$5,700,000
L	229,561	Indust./Med.	\$125	\$28,700,000	\$130	\$29,842,956
<b>Total</b>	<b>1,286,768</b>					
		<b>Aggregate Preliminary Values</b>		<b>\$237,000,000</b>		<b>\$249,065,426</b>
			<b>Rounded,</b>	<b>\$237,000,000</b>		<b>\$249,000,000</b>

(1) Encumbered by KKFC lease agreement for 15,000 square feet. Net square footage shown.  
 (2) Assuming use change to residential and 400 foot height limit.

Source: The Hallstrom Group/CBRE.

“Maximal Master Plan” reflects the implementation of the currently envisioned master plan in its entirety, with the full marina basin, sky tower and cultural facilities and amenities, creating a cohesive, comprehensive, themed, world-class project. Land use opportunities (through re-entitlement permitting residential and hotel) and sales prices for the lots would be optimized; although the impact of the master plan on Sites I and L would be limited.

Preliminarily projected prices for the Kakaako Makai lots would increase for all but Parcel L upwards to \$225 to \$325 per square foot for the mid-range estimates and between \$250 and \$360 per square foot for the high end of the market range.

The indicated aggregate sales prices for the subject properties increases to between \$269 million and \$293 million, gains of nearly 30 percent above the “As Is” comparative result. These totals do not include the potential ground lease rents for the sky tower site or the percentage overage rents from any leased hotel sites, both of which could be substantial but are yet unquantified at this stage of the assignment.

**PRELIMINARY VALUATION ALLOWANCES BASED ON SALES COMPARISON**  
**"MAXIMAL MASTER PLAN" SCENARIO**  
 Assuming Proposed Master Plan with Marina Basin, Sky Tower and Cultural Facilities/Amenities

Parcel I.D.	Area in Sq. Ft	Use	Mid-Range		High End of Range	
			Current Estimated Value per SF	Total Value	Current Estimated Value per SF	Total Value
A	213,880	Comm/Hotel	\$325	\$69,500,000	\$360	\$76,996,800
B	103,673	Commercial	\$240	\$24,900,000	\$260	\$26,954,980
C	(1) 74,052	Commercial	\$225	\$16,700,000	\$250	\$18,513,000
D	40,858	Commercial	Leased	\$8,000,000	Leased	\$8,400,000
E	(2) 95,832	Residential	\$325	\$31,100,000	\$360	\$34,499,520
G/F	159,386	Comm/Hotel	\$275	\$43,800,000	\$300	\$47,815,800
I	(2) 141,708	Residential	\$280	\$39,700,000	\$300	\$42,512,400
K	59,154	Comm/Hotel	Leased	\$6,800,000	Leased	\$7,100,000
L	229,561	TBD	\$125	\$28,700,000	\$130	\$29,842,956
<b>Total</b>	<b>1,118,104</b>					
		<b>Aggregate Preliminary Values</b>		<b>\$269,200,000</b>		<b>\$292,635,456</b>
			<b>Rounded,</b>	<b>\$269,000,000</b>		<b>\$293,000,000</b>

**Note: Does not include ground lease rents from Tower site or potential percentage overage rents from leased hotel sites.**

(1) Encumbered by KKFC lease agreement for 15,000 square feet. Net square footage shown.

(2) Assuming use change to residential and 400 foot height limit.

Source: The Hallstrom Group/CBRE.

It preliminarily appears the increase in the aggregate sales prices resulting from the implementation of the maximal master plan over the "As Is" figure should be sufficient to fund the additional entitlement and site development costs associated with the plan while still providing OHA a return above their \$200 million asset baseline value. Although changes in outcomes could result when more refined capital cost budgets are developed.

However, it is not known at this time whether or how much there will be in excess of the \$200 million baseline to support the development of cultural facilities/amenities and their on-going operation.

## 4.4 Next Steps in Analysis

The next steps in our analysis will be to:

- Preliminarily apply the comparative modeling process to the other emerging scenarios of the proposed master plan with the goal of identifying the most achievable and efficient alternative.
- Refine the sales comparison models based on more in-depth pricing analysis/adjustment, master planning adjustments and more firm development cost estimates.
- Complete a residual-based comparative model based on estimating the "all in" costs of development of the vertical components of the project (buildings) and deducting them from the estimated total value of the finished improvements.

## 4.5 Cultural Attraction Business Model

Cultural attractions that focus on entertainment while still including an educational or mission driven component typically operate with a mix of earned and contributed income. The business model is based on an appropriate balance of these two types of income.

Earned income includes revenue that is generated in exchange for a service, product, or privilege, and typically includes items such as:

- Admission fees;
- Retail sales;
- Food and beverage sales;
- Program income, which can include a wide variety of activities;
- Membership income; and
- Facility rentals.

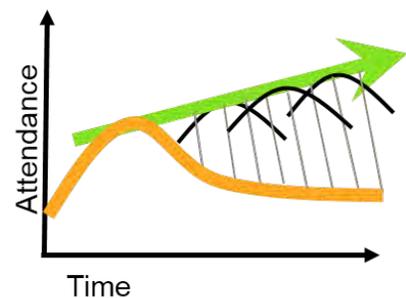
Contributed income typically includes sources such as individual donations, grants, public / government funding, sponsorships, and annual fundraisers.

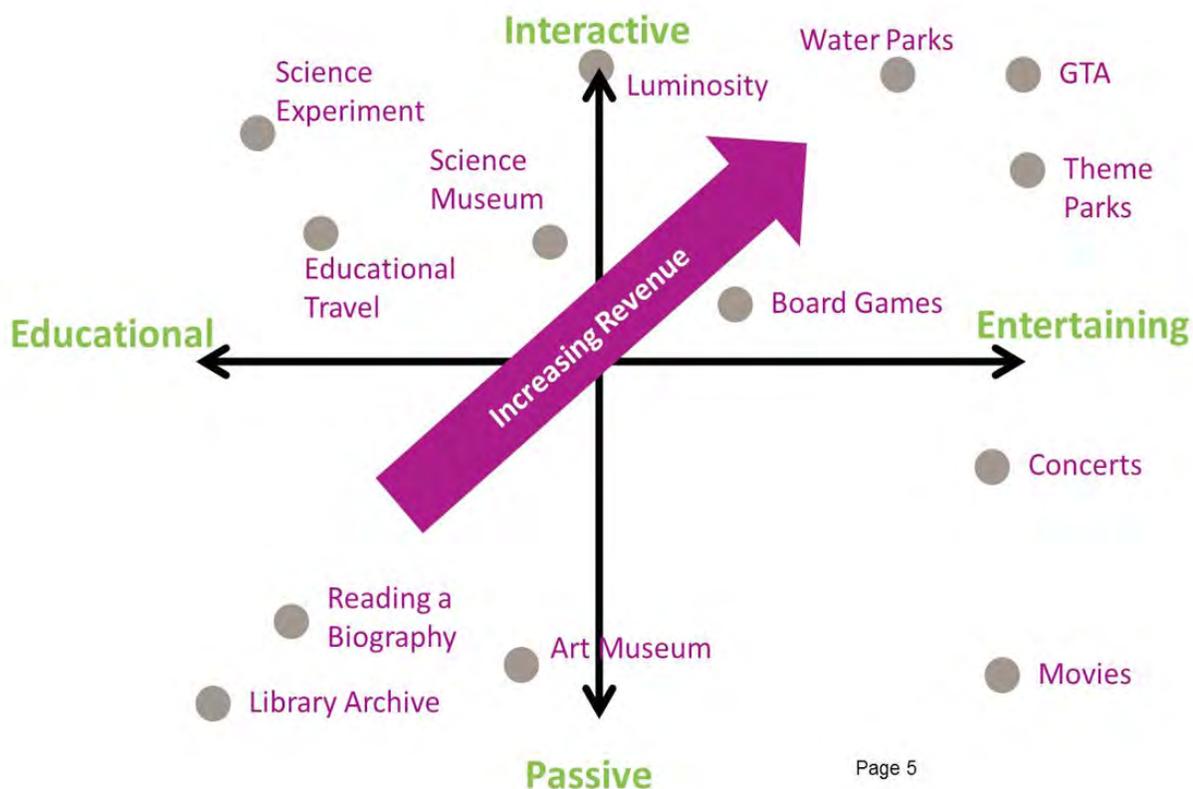
In addition, some cultural facilities benefit from other sources of revenue such as endowments or real estate proceeds.

The amount of earned revenue generated through earned versus contributed income depends on a number of factors, including the type of cultural attraction, the mix of visitors (i.e. residents, tourists, and school groups), attendance potential, pricing and the competitive environment, as well as policy decisions with respect to pricing.

However, generally speaking, the more interactive and entertaining any type of attraction, the greater potential for earned revenue.

Additionally, attractions of all types require reinvestment in order to remain financially viable. The focus of business planning for cultural attractions is to plan for economic sustainability.





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Key factors that are important to financial viability are as follows:

- If you build it, they may not come. The core visitor experience needs to drive architecture and design, not vice versa.
- It is ideal to have some type of compelling, signature visitor experience that differentiates the attraction from others.
- Strong governance and management are essential.
- Appropriate physical planning parameters are important – overbuilding can result in operating costs that are not supportable, and under building for the number of visitors can result in lack of enough critical mass to attract visitors and frustrations with lines and crowding, which negatively impact the visitor experience.
- Adequate marketing – ideally cultural attractions should spend 7% of revenues on
- Minimal or no occupancy costs – most cultural attractions cannot support occupancy costs.
- An endowment, or in this case, proceeds from real estate, can provide a long term, fairly stable source of operating funds.
- Budgeting sufficiently for operations and regular reinvestment are important to the continued attraction of visitors and spending.



**PRELIMINARY ESTIMATED SITE AGGREGATE SALES VALUES BASED ON SALES COMPARISON SCENARIO 1**

Assuming As Is Use and Zoning, Free-Standing, With No Master Plan

Parcel I.D.	Area in Sq. Ft	Use	Mid-Range		High End of Range	
			Current Estimated Value per SF	Total Value	Current Estimated Value per SF	Total Value
A	164,000	Commercial	\$250	\$41,000,000	\$260	\$42,640,000
B	103,597	Commercial	\$200	\$20,700,000	\$210	\$21,755,370
C (1)	73,996	Commercial	\$200	\$14,800,000	\$210	\$15,539,160
D	40,855	Commercial Leased		\$7,700,000	Leased	\$8,100,000
E	95,919	Commercial	\$200	\$19,200,000	\$210	\$20,142,990
G/F	328,000	Industrial	\$120	\$39,400,000	\$130	\$42,640,000
I	130,000	Commercial	\$200	\$26,000,000	\$210	\$27,300,000
K	59,154	Commercial Leased		\$5,400,000	Leased	\$5,700,000
L	229,561	Indust./Med.	\$125	\$28,700,000	\$130	\$29,842,956
<b>Total</b>	<b>1,225,082</b>					
<b>Aggregate Preliminary Values</b>				<b>\$202,900,000</b>		<b>\$213,660,476</b>
<b>Rounded,</b>				<b>\$203,000,000</b>		<b>\$214,000,000</b>

(1) Encumbered by KKFC lease agreement. Net square footage shown.

Source: The Hallstrom Group/CBRE.



PRELIMINARY VALUATION ALLOWANCES BASED ON SALES COMPARISON  
SCENARIO 1A

Financial Analysis of OHA Kaka'ako Makai Parcels  
Kaka'ako, Honolulu, Hawaii  
Assuming Market Zoning, Free-Standing, With No Master Plan

Parcel I.D.	Area in Sq. Ft	Use	Mid-Range		High End of Range	
			Current Estimated Value per SF	Total Value	Current Estimated Value per SF	Total Value
A	164,000	Commercial	\$250	\$41,000,000	\$260	\$42,640,000
B	103,597	Commercial	\$200	\$20,700,000	\$210	\$21,755,370
C (1)	73,996	Commercial	\$200	\$14,800,000	\$210	\$15,539,160
D	40,855	Commercial	Leased	\$7,700,000	Leased	\$8,100,000
E (2)	95,919	Residential	\$290	\$27,800,000	\$300	\$28,775,700
G/F	328,000	Industrial	\$120	\$39,400,000	\$130	\$42,640,000
I (2)	130,000	Residential	\$275	\$35,800,000	\$290	\$37,700,000
K	59,154	Commercial	Leased	\$5,400,000	Leased	\$5,700,000
L	229,561	Indust./Med.	\$125	\$28,700,000	\$130	\$29,842,956
<b>Total</b>	<b>1,225,082</b>					
<b>Aggregate Preliminary Values</b>				<b>\$221,300,000</b>		<b>\$232,693,186</b>
<b>Rounded,</b>				<b>\$221,000,000</b>		<b>\$233,000,000</b>

(1) Encumbered by KKFC lease agreement. Net square footage shown.

(2) Assuming use change to residential and 400 foot height limit.

Source: The Hallstrom Group/CBRE.

### 4.5.1 Business Model for Typical Cultural Facility

Detailed financial analysis for the Kaka’ako Makai plans will be conducted in the next phase of work. However, in order to demonstrate a range of possible financial requirements for the cultural attraction components, we have generated two hypothetical operating financials to demonstrate the context in which most cultural facilities operate.

The first, shown below, is for a typical cultural facility. As shown, given reasonable assumptions, a typical 40,000 square foot cultural facility could require between \$1 and \$1.5 million annually in contributed income.

<b>Hypothetical Assumptions</b>	
Gross size	40,000 SF
Visitor experience area	30,000 SF
Some outdoor space	
<b>Potential Attendance Metrics</b>	
Attendance	4-6 visitors per visitor SF
Annual attendance	120,000 - 180,000 visitors
<b>Likely Business Model</b>	
Operating cost per gross SF	\$50 to \$75
Annual operating costs	\$2 to \$3 million
% earned revenue	40% - 60%
Annual earned revenue	\$1 - \$1.5 million
Required contributed income / Annual operating gap	\$1 - \$1.5 million
Ground lease percentage	8%
<b>Land Value Required for Operations</b>	
	<b>\$10 - \$20 million</b>

## 4.5.2 Business Model for Branded Cultural Attraction

Another hypothetical example below demonstrates a possible financial analysis for a cultural attraction that is branded and includes a more immersive, entertaining visitor experience. While there are a few branded cultural attractions that border on commercial attractions and cover their operating costs, the scenario below is also possible.

As shown, a 50,000 square foot branded cultural attraction would likely generate much greater attendance, which would support other commercial real estate uses within the development, but may still require some annual subsidy, equivalent to a land value of between \$6 and \$18 million.

<b>Hypothetical Assumptions</b>	
Gross size	50,000 SF
Visitor experience area	40,000 SF
Some outdoor space	
<b>Potential Attendance Metrics</b>	
Attendance	10-15 visitors per exhibit SF
Annual attendance	300,000 - 500,000
<b>Likely Business Model</b>	
Operating cost per gross SF	\$75 - \$100
Annual operating costs	\$4 to \$5 million
% earned revenue	80% - 100%
Annual earned revenue	\$3.5 - \$4.5 million
Required contributed income / Annual operating gap	\$500,00 - \$1.5 million
Ground lease percentage	8%
<b>Land Value Required for Operations</b>	
	<b>\$6 - \$18 million</b>

### 4.5.3 Development Cost for Cultural Attraction

In addition, the cost of developing the cultural attraction must be considered. The cost of developing any cultural attraction includes:

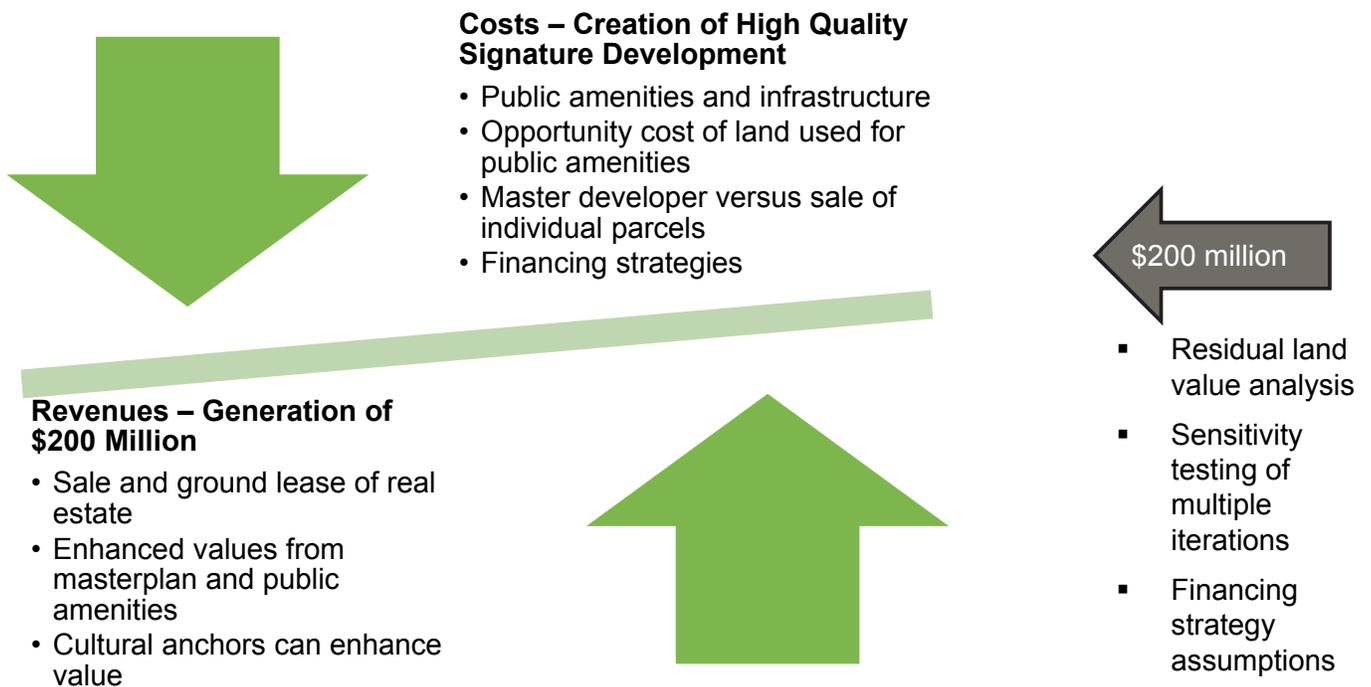
- Facility development cost – This is typically related to the cost of building, which in Hawaii can be as high as \$600 per square foot.
- Exhibit design / visitor experience cost – This is the cost to design and build the exhibits or visitor experiences, which for a high quality attraction can range from \$500 to \$1,000 per square foot. The amount spent on exhibit design and the visitor experience is one evaluation factor for determining the quality of the attraction when estimating attendance.

As shown, the cost of building a 40,000 square foot cultural facility could be around \$40 million, depending on the type of attraction and content.

<b>Hypothetical Assumptions</b>	
Gross size	40,000 SF
Visitor experience area	30,000 SF
Some outdoor space	
<b>Development Cost per SF</b>	
Building	\$600 per SF
Visitor experience	\$500 per SF
<b>Total Development Cost</b>	
Building	\$24 million
Visitor experience	\$15 million
<b>Total Development Cost</b>	<b>Approximately \$40 million</b>

### 4.5.4 Next Steps: Detailed Financial Analysis

The next steps include conducting a detailed financial analysis for the cultural attractions and integrating this with the traditional real estate analysis. The initial criteria will be to maintain the \$200 million in land value for OHA activities, and to balance the amount of funds available for the creation of a destination, development of cultural facilities and anchor attractions, and other cultural elements on the site. The cultural facilities proposed in each conceptual plan will be evaluated for attendance potential, required physical planning parameters including visitor area, back of house areas, and parking, pricing, earned revenue, net income or required annual subsidy, and amount of real estate value required to support the development and operations of the cultural elements.





KAKA'AKO MAKAI

# APPENDIX 1

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Pae 'Āina Presentation



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# KAIKA'AIKO MAIKAI

*A Place for Future Generations*

# Kuleana

KAKA'AKO MAKAI

## *Kuleana*

- OHA's fiduciary responsibility is to generate income from its Kaka'ako Makai lands to improve the well-being of Native Hawaiians.
- OHA's mission and vision requires OHA to nurture Native Hawaiian cultural vitality - a core component of Hawaiian well-being.
- This commercial land asset in Honolulu can help OHA sustain, enhance and increase grants, services and programs.

# Background

KAKA'AKO MAKAI

# *Background*



## 2012 Kaka'ako Makai Settlement

- 9 parcels transferred to OHA
- \$200 million in back revenue owed to OHA
- 2 rounds of community outreach

# Updates

KAKA'AKO MAKAI

# *Updates*

- **Kaka'ako Makai Policy**
- OHA's Board of Trustees created a Kaka'ako Makai Policy committing OHA to having Native Hawaiian culture “drive/provide the base for design and use decisions” there.



KAKA'AKO MAKAI

# *Updates*

- **Kaka'ako Makai Policy**
- **Framework Plan**
- Kīpuka



KAKA'AKO MAKAI

# Updates

- **Kaka'ako Makai Policy**
- **Framework Plan**
  - Kīpuka
  - Hālau Ola



KAKA'AKO MAKAI

# Updates

- **Kaka'ako Makai Policy**
- **Framework Plan**
  - Kīpuka
  - Hālau Ola
  - Live, Work, Play



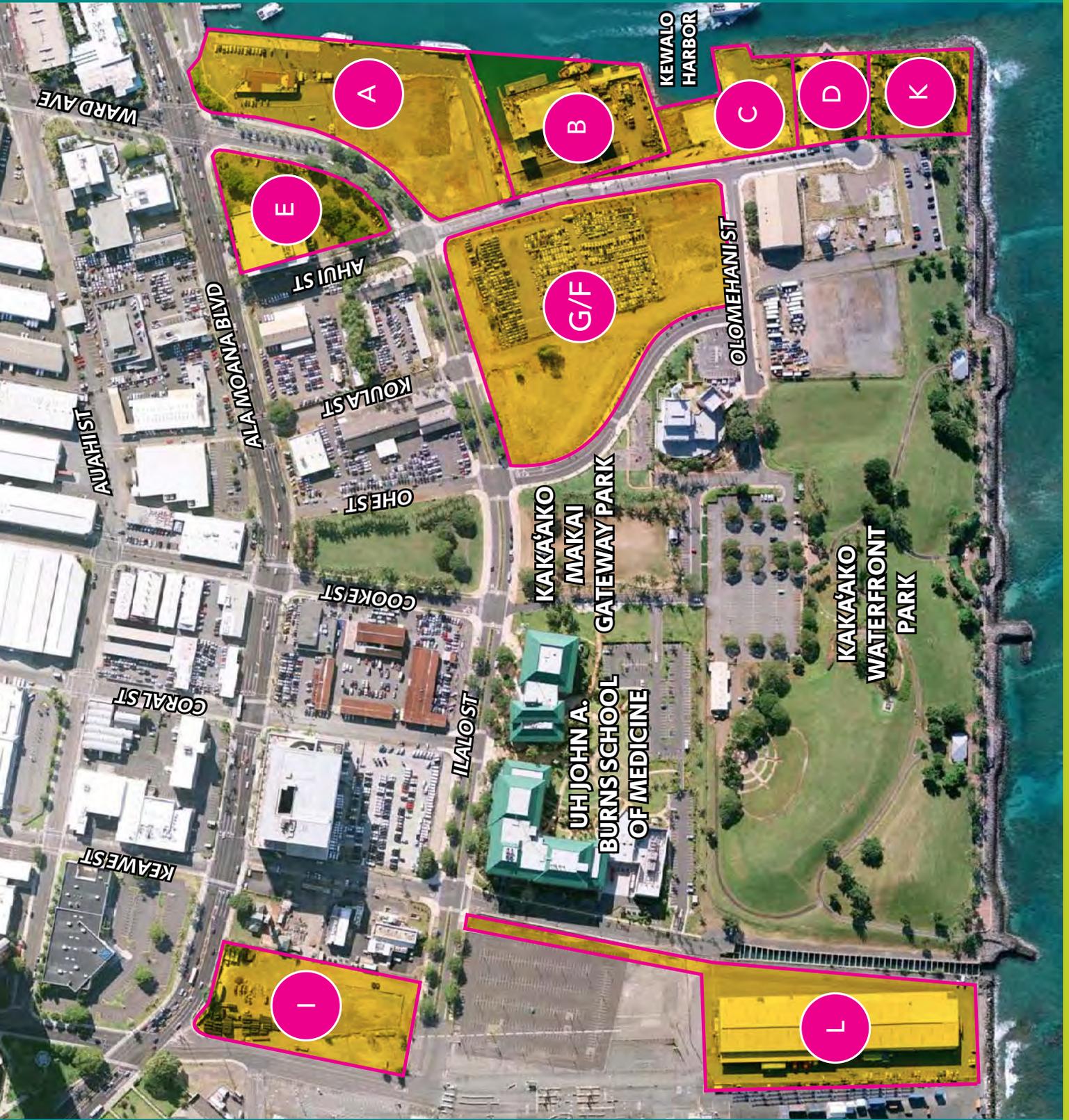
KAKA'AKO MAKAI

# *Updates*

- **Kaka'ako Makai Policy**
- **Framework Plan**
- **Capacity Building**



# Conceptual Master Plan



KAKA'AKO MAKAI

# Conceptual Master Plan

- Design & Use
- Revenue Generation
- Planning Timeline & Process
- Community Engagement



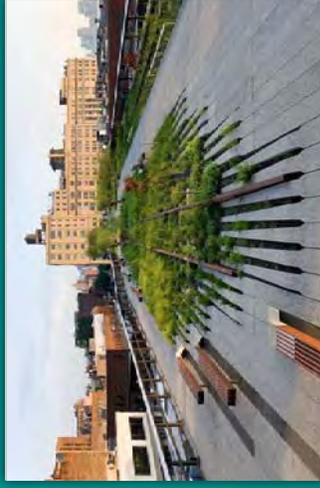
KAKA'AKO MAKAI

# *Cultural Development Economics*

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

KAKA'AKO MAKAI

# Cultural Development Economics

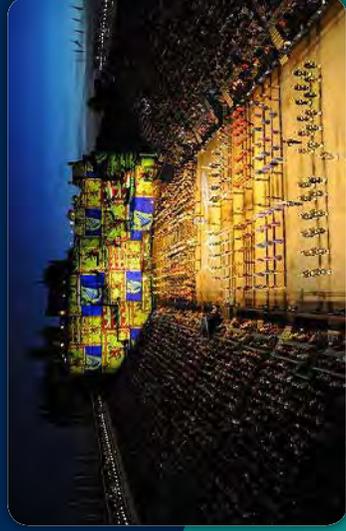
There are many ways to express or translate culture as part of a real estate development .



Architecture & Design  
Programming



Dedicated Facilities  
Entire District



## CULTURAL EXPRESSION

# Integrate Commerce/Culture

KAKA'AKO MAKAI

# Garden Attractions

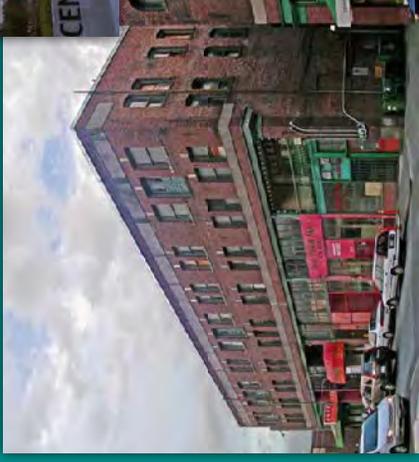
- Eden Project, United Kingdom
- Gardens by the Bay, Singapore
- Chihuly Gardens and Glass, Seattle
- Longwood Gardens, Pennsylvania
- Sun Yat Sen Gardens, Vancouver



KAKA'AKO MAKAI

# *Cultural Expressions*

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



KAKA'AKO MAKAI

# Arts & Cultural Centers

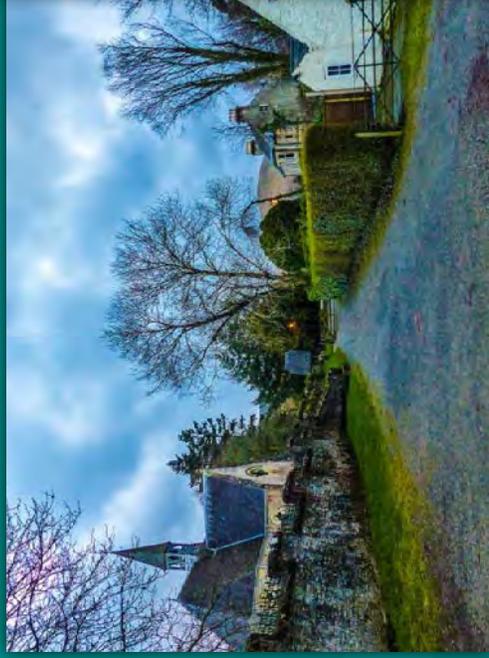
- African American Museum, Dallas, TX
- Alaska Native Heritage Center, Anchorage, AK
- Institute of Texan Cultures, San Antonio, TX
- National Hispanic Cultural Center, Albuquerque
- Filipino Cultural Center, I-Hotel
- Chinese Culture Center, San Francisco
- Skirball Cultural Center, Los Angeles, CA
- Guadalupe Cultural Arts Center, San Antonio
- Maori Cultural Centre, New Zealand
- Maui Arts and Cultural Center
- Torpedo Factory, Alexandria
- “Makers” Marts



KAKA'AKO MAKAI

# Visitor/Interpretive Centers

- Loch Lomond , Scotland
- Freedom Trail, Boston
- Temple Square and Visitor Center, Salt Lake
- The Alamo, San Antonio
- Grand Canyon Interpretive Center



KAKA'AKO MAKAI

# Places of Memory

- Birmingham Civil Rights District
- Green Island Culture Park, Taiwan
- Hiroshima Peace Memorial Park
- Jewish Quarter, Cologne, Germany
- Martin Luther King National Historic Site
- Minidoka National Historic Site, Idaho, ID
- Robben Island, Cape Town, South Africa
- The Workhouse, Nottingham, UK
- World Trade Center Museum and Memorial
- Angel Island Immigration Station
- Parque de la Memorial, Buenos Aires, Argentina
- Typography of Terror, Berlin
- Gadsten's Wharf, Charleston, SC



KAKA'AKO MAKAI

# *Living History Centers*

- Colonial Williamsburg, Williamsburg, VA
- Plymouth Plantation, Plymouth, MA
- Conner Prairie, Fishers, IN
- Mystic Seaport, Mystic, CT
- Mountain Vernon Estate & Gardens, Mt Vernon
- Greenfield Village, Dearborn, MI



KAKA'AKO MAKAI

## *Regional Science & Natural History Facilities*

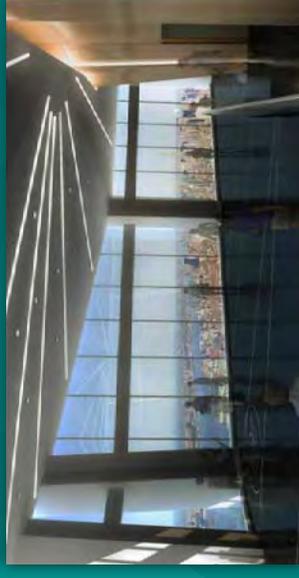
- Springs Preserve/Desert Living Center, Las Vegas
- High Desert Museum, Bend, Oregon
- California Academy of Sciences, San Francisco
- Wanuskewin Heritage Park, Saskatoon, Canada



KAKA'AKO MAKAI

# Observation Decks

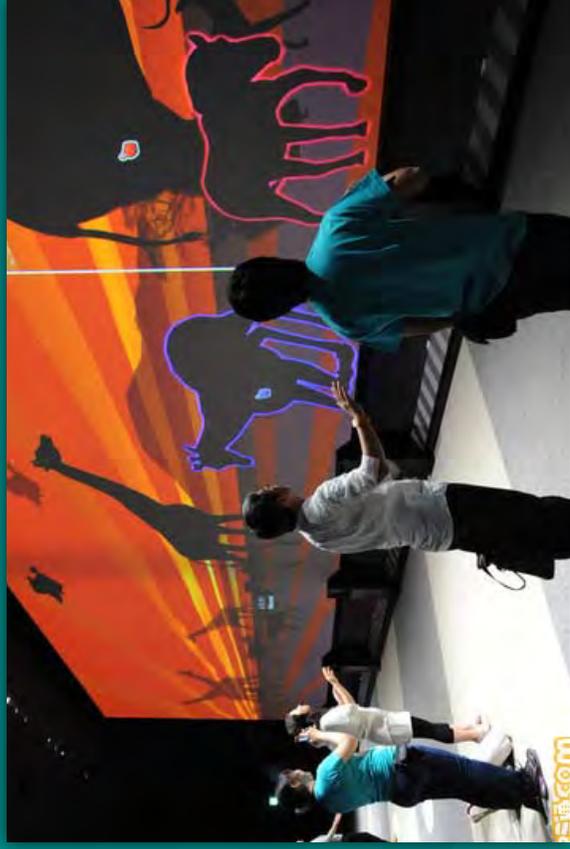
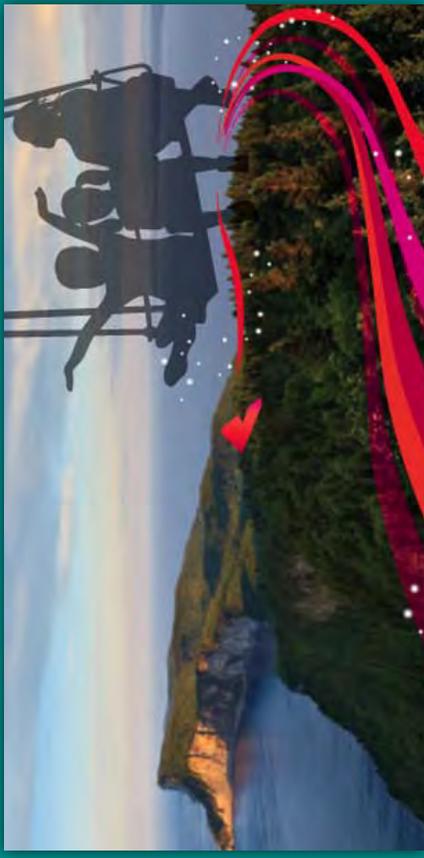
- Empire State Building, New York, NY
- One World Observatory, New York, NY
- Top of the Rock, New York, NY
- CN Tower, Toronto, Canada
- Skylon Tower, Niagara Falls, Ontario
- Statue of Liberty NM, New York, NY
- Willis Tower Skydeck, Chicago, IL
- Space Needle, Seattle, Washington
- 360 Chicago, Chicago, IL
- Eiffel Tower, Paris
- Tokyo Sky Tree, Tokyo
- London Eye (Wheel), London
- The Shard , London
- Ion Sky, Singapore



KAKA'AKO MAKAI

# *New Technology-Based Concepts*

- FlyOver Canada, Vancouver
- Sego Orbi, Yokohama, Japan
- National Geographic
- Smithsonian



*What is the apex  
of commerce  
and culture for  
Kaka'ako Makai?*

# Discussion

KAKA'AKO MAKAI

# Breakout Session #1

*How would you  
describe an urban  
Hawaiian space?*

# Breakout Session #2

*What uses would  
best support both  
commerce and culture  
at Kaka'ako Makai?*

# Breakout Session #3

*Income generated by  
Kaka'ako Makai could  
be used to \_\_\_\_\_.*  
*fill in the blank*



# MAHEALO

Continue the discussion

**[Visit: OHA.org/kakaako](https://OHA.org/kakaako)**

OHA.org/kakaako 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.



KAKA'AKO MAKAI

# APPENDIX 2

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Pae 'Āina Meeting Agenda



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**DTL, LLC**

725 Kapiolani Blvd  
4<sup>th</sup> Floor  
Honolulu, HI 96813  
[808] 593-3048 ph  
[808] 356-0277 fx  
www.dtlhawaii.com

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Project	OHA Kaka'ako Makai
Description	Pae 'Āina Meetings Agenda

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- I. Light Refreshments (20 min)
  - a. Handouts (available at check-in): Kaka'ako Makai map, Mindmixer info/comment card, annual report, Kaka'ako Makai fact sheet
  - b. Housekeeping (Malia): Bathrooms, food, agenda
  
- II. Aloha & Acknowledgments (10 min)
  - a. Announce start of meeting (Mālia)
  - b. Kaka'ako Makai Video
  - c. Introduce Trustee (Mālia)
  - d. Trustees Welina
  
- III. Presentation (KKP) (15 mins)
  - a. Settlement Background
  - b. Kaka'ako Updates
  - c. Policy & Framework Plan
  - d. Conceptual Master Plan
  
- IV. Breakout Session (1 hour)
  - a. 8-10 people per group; 1-2 facilitators (1 recording, 1 facilitating)
  - b. 3 questions posed to each group
    - i. How would you describe an urban Hawaiian space?
      - 1. Discussion (15 mins)
      - 2. Several groups report back highlights (5 mins)
    - ii. What uses would best support both commerce and culture Kaka'ako Makai?
      - 1. Discussion (15 mins)
      - 2. Several groups report back highlights (5 mins)
    - iii. Income generated by Kaka'ako Makai could be used to \_\_\_\_\_ [fill in the blank].
      - 1. Discussion (15 mins)
      - 2. Several groups report back highlights (5 mins)
  
- V. Mahalo & Next Steps (10 min)
  - a. How to get engaged: Website, mindmixer, comment cards

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KAKA'AKO MAKAI

# APPENDIX 3

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Pae 'Āina Meeting Announcement



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# KAKA'AKO MAKAI

## *A Place for Future Generations*

### *Share your mana'o*

The Office of Hawaiian Affairs will be hosting community meetings throughout Hawai'i, seeking quality, meaningful input from community stakeholders as it charts a conceptual master plan for Kaka'ako Makai.

Attend a meeting and provide your thoughts to shape the future of approximately 30 acres of land makai of Ala Moana Boulevard.

#### **O'ahu**

##### **Tuesday, Feb. 17**

Kaka'ako – 6:00 pm to 8:00 pm  
John A. Burns School of Medicine, Medical Education Building (MEB) Rm. 314

##### **Wednesday, Feb. 18**

Kapolei – 6:00 pm to 8:00 pm  
UH West O'ahu, Campus Center, Rm. C208

##### **Thursday, Feb. 19**

Waialua – 6:00 pm to 8:00 pm  
Waialua Court House

##### **Friday, Feb. 20**

Kāne'ohe – 6:00 pm to 8:00 pm  
Windward Community College, Hale 'Ākoakoa, Rm. 105

##### **Monday, Feb. 23**

Wai'anae – 6:00 pm to 8:00 pm  
Ka Waihona Public Charter School

#### **Moloka'i**

##### **Saturday, Feb. 21**

Kaunakakai – 3:30 pm to 5:30 pm  
Kūlana 'Ōiwi Hālau

#### **Hawai'i Island**

##### **Tuesday, Feb. 24**

Hilo – 6:00 pm to 8:00 pm  
UH Hilo, Ho'oulu Terrace, Rm. 127

##### **Wednesday, Feb. 25**

Kona – 6:00 pm to 8:00 pm  
West Hawai'i Civic Center

#### **Maui**

##### **Thursday, Feb. 26**

Kahului – 6:00 pm to 8:00 pm  
Cameron Center

##### **Friday, Feb. 27**

Hāna – 6:00 pm to 8:00 pm  
Hāna High School

#### **Lāna'i**

##### **Saturday, Feb. 28**

Lāna'i City – 3:30 pm to 5:30 pm  
Lāna'i High & Elementary School

#### **Kaua'i**

##### **Tuesday, March 3**

Līhu'e – 6:00 pm to 8:00 pm  
Kaua'i Community College, OCET Rm. 106



# KAKA'AKO MAKAI

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---

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For more information visit [www.OHA.org/kakaako](http://www.OHA.org/kakaako) or call 594-1835





# KAKA'AKO MAKAI

## *A Place for Future Generations*

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### **Moloka'i Meeting**

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---

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Hāna High School

### **Lāna'i Meeting**

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Lāna'i City – 3:30 pm to 5:30 pm  
Lāna'i High & Elementary School

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# KAKA'AKO MAKAI

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Kaua'i Community College,  
OCET Rm. 106

For more information visit [www.OHA.org/kakaako](http://www.OHA.org/kakaako) or call 594-1835





# KAKA'AKO MAKAI

## *A Place for Future Generations*

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KAKA'AKO MAKAI

# APPENDIX 4

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Pae 'Āina Meeting Notes (All)



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# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: John A. Burns School of Medicine

Date: Tuesday, February 17th

## Question 1: How would you describe an urban Hawaiian space?

<p>Table 1</p>	<p>Tiny homespace - help the homeless; "micro units," containers  Ocean, land  Markets, hydroponics, gardens  Access and parking  Open space  Restore traditional uses: salt ponds, fish ponds, loi  Research; hula center  McCoy Pavillion  Follow planning / zoning  Transportation  Sustainability; Hawaiian village  Nature and people  User-friendly  No highrise  Aquatic center</p>
<p>Table 2</p>	<p>Education  Proximity to loi; traditional uses  Emphasis on commerce  Generate revenue for programs  local and international commerce  Return to what was there  Respond to contemporary Hawaiian issues; health, poverty  Sustainability; Hawaiian village  Kalakaua; hub of the pacific for commerce  Kakaako Makai was a dump  Memorial  Museum  Imagine 100 years ago  Gathering place  Mixed use  Native Hawaiian plants  Incorporate Transit Oriented Development  Careers  Business places for Native Hawaiians  Sustainability  Need for community  Know it's a Hawaiian place  Don't copy somewhere else  Work, live, play  Education  Live by work, residential  "Water rights" to Kewalo</p>
<p>Table 3</p>	<p>Affordable living for Hawaiians  Grow own food  Connection to sea  Sustainability, stewardship aof land / aina  Farms and agriculture  Incorporate history  Purify land</p>

Confirm land ownership  
 George Kanahele  
 Opportunity for makaainana to plan  
 Hawaiian sense of place  
 Community  
 Marketplace for community  
 Move Native Hawaiians forward economically  
 Non-profit hub; services for area, homeless, disabled  
 Independence; food  
 Education; culture and sustainability  
 Goods provided and sold here

Table 4 Fisheries  
     Aku fishing boat (built)  
     Ancient fishing area  
     Museum  
 Fish auction  
     Local emphasis  
     Waterfront restaurants  
     Fisherman's Wharf  
 Agriculture  
     Training  
     Farers Market  
     Conduit to outer island produce  
     Visitor and local attraction  
 Surfing  
     History of surfing  
     Museum (Bishop)  
     Water sports exhibition  
 Hui Waa; history  
 Aquaculture  
     Centralized at Kakaako  
     Pond, pens, offshore  
     Locally grown products  
     Fish, oysters, seaweed; various products  
 Family friendly events  
 Mauka / Makai view corridors  
 Hawaiian trees and plants  
 Hawaiian music and hula  
 Automobile free; pedestrian friendly  
 Gateways (green); showcasing Kakaako  
 Hawaiian based education facility  
     Marine lab (science); K-12, graduate  
 21st century Hawaiian technology  
     Navigation  
     Agriculture (taro)  
     Kalo (non-GMO)

Table 5 Is the concept new?  
 JABSOM example  
 Nature and garden balance building  
 Hawaiian place 1st, urban 2nd  
     Building foundation; native setting and land gardens  
     Historical and cultural education opportunities  
 Not the yacht; exclusive vs. inclusive  
 Connections to surrounding areas, not just the OHA parcels  
 Scale of buildings is important; create space between buildings

	<p>Cultural gathering place for kupuna, keiki (long house), access          Create social and ecological places / space; telling and creating habitat          Cultural opportunities          Uses to support culture and commerce</p>
Table 6	<p>People who know traditional Hawaiian ways of living waa, fishing, etc.          Aina use reflects values and Kuleana (malama keiki and kupuna)          Must fulfill values and kuleana obligation to malama (keep safe)          Must include Hawaiians, can't just "look" Hawaiian          Affordable and meet needs of Hawaiian people          Communal and interactive          Boating and fishing embrace tradition not just commercial          Commercial waterfront gathering          Hawaiian space for Hawaiians in a non-Hawaiian world          Hawaiian studies @ UH; become a welcoming space          A space available for future as well as present          Inspiring future innovations          Good example - Maile Meyers of Na Mea Hawaii</p>
Table 7	<p>No residential          Something old and something new          Should have residential          Maintain Re-Use Hawaii as part of the community          Balance of uses; pay attention to economics          Open space is still important          Preserve the original spirit of the properties whiel preserving the aquatic playground              Surfing, paddling, canoe, etc.          Has a certain amount of Hawaiian businesses that are affordable          City area that Hawaiians occupy daily (live, work, play)          Reduce the intensity as you come from Ala Moana to Kakaako Makai</p>
Table 8	<p>Parcel K:              Expand Parking              Halau mound              View of Diamond Head              Remove Marine Center          Kakaako for all residents              We have to get to Kakaako; parking, bus, transit              24/7 access, day and night              Day time use is the hardest              Use of parking on weekends and nights          Integrate Makai park          Urban place is for people          A world class park          Bridge across to Kakaako Mauka to Makai          Parking along ground floor, promenade along waterfront above that          Keki spaces          Hawaiian studies building          Library          Thriving space that we live off of          Opu full          Integrate ways to thrive; agriculture          Urban space; art-centric community          New types of economy with new generation          Look at how we live and integrate into urban space          Create the food, celebrate the food in the sense of modern space          Informative; a place to learn          Participate in cultural learning and sharing with others who visit the space</p>

	<p>Gathering space for entertainment, arts, cultural practices</p> <p>Technology integration</p> <ul style="list-style-type: none"> <li>Augmented reality application</li> <li>Learned what happened</li> <li>Incorporating the past</li> </ul> <p>Ensuring we have resources for future</p> <p>Protection and preservation</p> <p>How does an urban Hawaiian environment function within ecology?</p> <p>Enhancing ecology in urban function</p> <p>How do we overcome contradictions?</p> <p>Homelessness: overcome</p> <p>OHA providing for everyone exacerbates the contradiction</p> <p>Urban space for everyone to enjoy</p> <p>Involve / Identify our natural resources in the area</p> <ul style="list-style-type: none"> <li>How did these resources contribute in the past (culturally and naturally)?</li> <li>Ensure resources are not abused</li> </ul> <p>Support native cultural practices</p> <p>Example: Santa Fe, New Mexico</p>
Table 9	<p>Open space</p> <p>Gathering space; "Stay Over"</p> <p>Ohana, keiki, schools</p> <p>Merge with tourism</p> <p>Sustainability, fishponds</p> <ul style="list-style-type: none"> <li>Hawaiian community in agriculture endeavors</li> </ul> <p>Acknowledge what resources exist</p> <p>Museum for Hawaiian crafts, canoe, etc.</p> <p>Nursery with hawaiian plants and flowers</p> <p>Picnic areas; like Valley of the Temples feel</p> <p>Iconic / symbolic architecture</p> <p>Performing arts</p> <p>Ocean access, respect for coastline</p> <p>Theater / dance performance spaces</p> <p>Ocean focus; key resource that drives what happens</p> <p>Restoration; Integrity of the waterfront as a reminder and involving community</p> <p>Pioneer in making wastewater re-useable, potable, drinkable</p> <p>Providing affordable housing for Native Hawaiians</p> <p>Hawaiian plants used for nutrition and wellness research</p> <p>A related wellness center</p>
Table 10	<p>Architecture style; sustaining an authentic sense</p> <p>Kanaka driven: liveable, useful, carry out values, reflects natural aina elements</p> <p>Affordable housing / services, customer based</p> <p>Take advantage of the natural environment</p> <p>Live / work, sciences for higher education</p> <p>Native Hawaiian practices</p> <p>Health sciences</p> <p>Beneficiaries: support all islands</p> <p>Hawaiian natural garden</p> <p>Incubation for innovation</p> <p>Education synergies</p> <p>Hawaiians benefit housing / commercial opportunities</p> <p>Create memories, farmers markets, open spaces</p> <p>Fish markets, support for local farmers</p> <p>Hawaiian education, think tanks</p>
<b>Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?</b>	
Table 1	Food

	<p>Water Sports</p> <p>Hawaiian culture center</p> <p>Learning centers; classrooms</p> <p>Meeting place, banquet, conference</p> <p>Media lab</p> <p>Sustainable</p> <p>Farmers market</p> <p>Performance space / stadium</p> <p>Native plant garden</p>
Table 2	<p>Use Hawaii talent</p> <p>Money stays here</p> <p>Commerce and not just money</p> <p>Knowledge, resources, expertise</p> <p>Education; to honor and perpetuate culture</p> <p>Education of visitors</p> <p>Education focused on Hawaiian history and culture</p> <p>Hawaiian businesses; Mao, KCC, farmers market</p> <p>Create a foreign trade zone</p> <p>OHA bank; international bank</p> <p>Manufacture, storage; tax free</p> <p>Native Hawaiian businesses hub</p> <p>Collaborations and partnerships; industrial / commercial / technological</p> <p>Costco gas station: parcel I</p> <p>Ocean marine services (mega yachts)</p> <p>Car wash</p> <p>Satisfy supply and demand</p> <p>Balance need for affordable residential w/ difficulty to manage</p> <p>Highlight surfing and paddling</p>
Table 3	<p>Hawaiian centered; local, Hawaiian origins</p> <p>Entrepreneurs</p> <p>Support financial independence for Hawaiians</p> <p>Hawaiians sharing culture</p> <p>Money is a tool to support next generations living in Hawaii</p> <p>Yachting World Cup</p> <p>Fairgrounds; World Fair</p> <p>Incubator for Hawaiian small businesses</p> <p>Give back to community while generating revenue</p> <p>Hawaiian farmers market; daily, SF Fisherman's Wharf</p> <p>Hawaiian culture - Make it live</p> <p>Children's museum</p> <p>Low-rise; headquarters for commerce, culture, and OHA</p> <p>Cultural programs</p> <p>Example: Aloha Tower Marketplace; learn from past mistakes</p> <p>NOT big chains; No Walmarts, Safeway, fast foods, etc.</p> <p>YES to local businesses and eateries</p> <p>No tall towers; let others do that</p> <p>Focus on services OHA can provide</p> <p>Mom and Pop type stores</p> <p>Interactive retail experience that perpetuate Hawaiian culture</p> <p>Poi; survival food</p> <p>Innovative agriculture</p> <p>Rooftop gardens with vegetables</p>
Table 4	<p>Gathering place</p> <p>Community center for Hawaiians</p> <p>Amphitheatre / performing arts venue</p>

	<p>Music and hula</p> <p>Concerts and shows</p> <p>Multi-use</p> <p>Fish auction; baitshop, ice house</p> <p>Local food and reail</p> <p>    local restaurants</p> <p>Shoreline prominade</p> <p>Fairgrounds</p> <p>Aquarium; located at Fisherman's Wharf</p> <p>Area to sell locally grown products</p> <p>    People's market, local only goods</p> <p>Hawaiiansporting Goods Store (Bass Pro)</p> <p>    Surfing</p> <p>    Canoe</p> <p>    Diving</p> <p>    Fishing</p> <p>    Others</p> <p>Local Fashion retail; boutique</p> <p>Street food</p> <p>    Food court</p> <p>    Food trucks</p> <p>    Tied to farmers market and Hawaiian entertainment</p> <p>Restaurants</p> <p>    Use local fish and products</p> <p>    Family oriented</p> <p>Hawaiian floral</p> <p>    Lei</p> <p>    Landscapes</p> <p>Education facility; tourism related</p>
Table 5	<p>Cultural spaces; interior and exterior</p> <p>International trade zone; tariffs</p> <p>Commercial uses, people oriented, high activity</p> <p>Consumer services for cultural practices; lomi lomi, etc.</p> <p>Concerns &amp; opportunities with the Obama Presidential Library</p> <p>Urban agriculture</p> <p>HCDA vs OHA autonomy</p> <p>Authentic produce for international export</p> <p>Signage: Hawaiian and English only</p> <p>Deep ocean connection; research, cultural activities</p> <p>Enterprise zone: for certain/specific business types</p>
Table 6	<p>Designate affordable housing</p> <p>Implement regulatory rules defining business core practices (kapu management)</p> <p>Integrate traditional practices, sport, etc. that allows local people to access ocean</p> <p>Market traditional Native Hawaiian plants, products, crafts and provide education and awareness building</p> <p>Build spaces that allow divers vendors and products</p> <p>Use a barter system or other currency; not USD</p> <p>Collaboration of all land owners, either on their own valition or through public pressure</p> <p>Focus on activities associated with waterfront and provide office space for NHA and organizations</p> <p>Space for new technology not just traditional practices</p> <p>Push students to new markets, sustainable school for learners to stimulate innovations to create their own pathways</p>
Table 7	<p>Wave garden (man-made) using existing resources; the Aloha Stadium of surfing</p> <p>Hawaiian food restaurants ; eating places</p> <p>Hawaiian cultural center (history and culture)</p> <p>Museum for Hawaiian hul , song, and dance</p> <p>Workshops for Hawaiian schools</p>

Promote Hawaiian culture; arts, crafts, music, dance, etc. (from kupuna)  
 Hawaiian workforce training center  
 Re-Use Hawaii  
 Inter-island ferry  
 Cultural museum (exchange exhibits with Bishop Museum) and outdoor displays  
 Event center; Hawaiian vs. Neil Blaisdell Center

Table 8  
 Combination needs good human scale  
 Create uses that enhance ecological functions  
 Sacrifice profit to be humane when developing  
 Criteria: No building taller than the mountain (would our kupuna do that?)  
 Tax existing uses  
 A fishing village  
 Restaurants, food, bread basket  
 Fishpond, educational  
 Galleries and museums  
 Authentic Native Hawaiian art  
 Cultural demonstrations; fee for service  
 Authentic cultural tourism  
 Share what we want, not what is demanded  
 Any harbor functions; common fisherman vs Matson  
 Museum for Hawaiian music Hall of Fame  
 Education facilities for music and dance  
 Bring the Waikiki Shell experience into the park  
 Environment for international people to learn about us  
 Hub that integrates education and language  
 Educational space for keiki  
 Example: San Francisco museum by pier  
 "Walk into Fog"  
 Modern day scientific experience  
 Advanced / technology driven way to experience past history  
 Food space  
 Opportunities for small businesses to sell products  
 Co-op; multi-entity  
 Native plants, food production  
 Facility for production; USDA approved  
 Commercial kitchen space  
 Incubator for food trucks, small kitchens  
 Teaching area to start small businesses  
 Place for people to learn about food production  
 Agriculture value chain  
 Incorporate outdoor experiences into facilities  
 Residential for ALL classes  
 Place where everybody lives  
 Residential; not for speculation  
 How does the Obama Presidential Center fit in?  
 Dry dock area: Keep or use for what?

Table 9  
 Baltimore waterfront celebrates fishing  
 Boston: Neighborhood with colonial history  
 Surf museum that incorporates all ocean activities throughout Hawaii's history  
 Observation deck  
 Hub for ocean activities that incorporates history and active engagement in current activities  
 Housing as a component  
 Open space, low-rise  
 High Tech  
 Retail and restaurants

Hawaiian food restaurant with an educational component  
 Lodging / accomodation system  
 Hospital, UN meeting center, care center, wellness center  
 Farmers market to promote local produce  
 Intended for local residents  
 Elderly housing

Table 10 Local restaurants, theater; learning, classes, workshops  
 Cultural district, vibrance, culinary food options  
 New / vibrant / flex space  
 "Farm to table" experience; "fish to table, kai to table"  
 Creative community / city: fashion, visual arts, creative spaces, incubator  
 Sense, feel, identity: destination for Kakaako  
 Place that gives a feeling  
 All arts: dance, visual, painting, fashion, graphic, etc.) - Identity  
 Kauhale principles: districts, shopping, innovation, arts  
 Hub to conduct cultural protocols  
 Open (public) vs kapu spaces  
 Owned and operated by Native Hawaiians; model for future  
 Blend between Net Operating Incomce (NOI)  
 Consulting, beyond service (outside the box services), thinking, offices/buisnesses  
 Empowers our people  
 Spiritual / ancestral components

**Question 3: Income generated by Kakaako Makai could be used to \_\_\_\_\_.**

Table 1 Hawaiin artists  
 Teaching  
 Sponsorship of Hawaiian sports  
 Income used to help affordble housing  
 Job training  
 To help the homeless  
 Early childhood development  
 Education, art education  
 Prevent the building / construction of highrises  
 Maintain open space  
 Homeless education  
 Adult / Juvenile transition programs  
 Drug rehab

Table 2 Affordable housing  
 Education, art education  
 Scholarships  
 Chapter 10  
 Grants  
 Ways for beneficiaries to directly access funds  
 Commnity based projects; participation  
 Create for-profit corporation for all Hawaiian shareholders  
 Shareholders elect board  
 Born: issued share  
 Die: share goes back  
 Scholarships  
 Affordabe housing  
 Partner with DHHL for affordable housing  
 Other affordable housing providers  
 Education, art education  
 Housing  
 Hospital; in collaboration with JABSOM medical school  
 Joint ventures

	National building research; independence
Table 3	<p>Employ unemployed Hawaiians</p> <p>To house the homeless, Native Hawaiians</p> <ul style="list-style-type: none"> <li>Affordable housing - redefine definitions of "affordable housing"</li> <li>Container housing</li> <li>Housing vouchers</li> </ul> <p>Education, textbooks, preschool</p> <p>Daycare programs</p> <p>Rehabilitation centers for Hawaiian veterans</p> <p>Low-interest loans for entrepreneurs</p> <p>30% affordable housing reestablished</p> <p>Housing and job placement for released Native Hawaiians</p> <p>Health services</p> <p>Reinvest in what works; leverage what you've generated</p> <p>Technology and equipment</p> <p>Invest in hotels - Makena</p> <p>Workforce development</p> <p>Hawaiians: The ambassadors of aloha and culture</p>
Table 4	<p>Sustain Hawaiian Cultural Center</p> <ul style="list-style-type: none"> <li>Facilities and maintenance, programs</li> </ul> <p>Revenues should be reinvested back into Kakaako</p> <ul style="list-style-type: none"> <li>Improve</li> <li>Symbolic relationships</li> <li>Keep it sustainable</li> </ul> <p>Revenue used to purchase land (excess)</p> <p>Used to meet fiduciary duties of trust</p> <p>Wisely for the benefit of Hawaiians</p> <p>Keiki and kupuna</p>
Table 5	<p>Education and implementation of climate change thought</p> <p>Leadership / scholarship for mentoring opportunities</p> <p>Access and education for health care</p> <p>Access to housing</p> <ul style="list-style-type: none"> <li>Get families off the street; provide services</li> <li>Leave it better than you found it; don't simply displace</li> </ul> <p>Transportation services</p> <ul style="list-style-type: none"> <li>Here and other Hawaiian communities</li> </ul> <p>Social programs to address justice system issues</p> <ul style="list-style-type: none"> <li>Job programs, after school programs</li> <li>Youth centers</li> </ul> <p>Improvements to sewer infrastructure and all utilities</p> <p>Health center (Hawaiian) &amp; education for this community</p> <ul style="list-style-type: none"> <li>Wellness center as an example for other Hawaiian communities</li> </ul> <p>Halau ola, Kipuka</p>
Table 6	<p>Support education; more innovative in approaches than mainstream system</p> <ul style="list-style-type: none"> <li>Expand grants beyond reading and writing</li> </ul> <p>Buy back land assets</p> <p>Fund innovative and entrepreneurship</p> <p>Revitalize current land holdings</p> <p>Use other land holdings to generate income (not necessarily just Kakaako)</p> <p>Advocate for remaining ahupuaa</p> <p>Support those who won't support themselves and teach self-efficiency for future sustainability</p> <p>Remedy past injustices, prevent future injustice</p> <p>Scholarships for Native Hawaiian charter schools</p>
Table 7	<p>Use income to invest in housing in other affordable locations; best use of money</p> <p>Increase amount of malama loans to Hawaiian businesses</p>

Workforce training  
 Sustain itself first (Kakaako Makai)  
 Upgrade maintenance of existing Hawaiian housing and services  
 Manage all our natural resources  
 Good program for Kupuna Cove  
 Renewable energy  
 Support Polynesian Voyaging Society  
 Support Hawaiian Service Institution and Agencies (HSIA)  
 Examples: Alu Like (Native Hawaiian legal corporation) and Papa Ola Hokahi  
 Rainy day fund  
 Charter schools  
 Start another inter-island airlines

Table 8  
 Loan programs for other Native Hawaiian programs  
 Money for other institutions (Lunalilo, charter schools)  
 Small business Native Hawaiian loan support  
 Educate and inspire Native Hawaiians in all aspects, not just higher education  
 Fill gap  
 Growing business  
 Research programs  
 What to do in 50 - 100 years?  
 Generational planning exercises  
 Buy land, asset management  
 Wahiawa and Haleiwa; affordable living  
 Generate more income  
 Castle & Cooke lands  
 Expand promenade  
 Develop businesses linked to University of Hawaii  
 Direct money to charter schools  
 Health facilities  
 Help decrease diabetes  
 Reconnecting Native Hawaiians all around the globe  
 Technology and outreach  
 Access to the same resources; i.e. Oiwi TV, Malama Honua (connection via media)  
 Further development of Hawaiian music  
 Training and development  
 Museum for Hawaiian music and dance  
 Focus on Kakaako as a starting point  
 Leverage Kakaako  
 Recording studio  
 Dedicated to forgotten members of society  
 Autism, alzheimers, physical disabilities  
 Providing for families that care for the elderly  
 Industry for driving people around  
 Tiny house movement  
 Transition people from streets to homes; Native Hawaiians first  
 Promote Legacy Tree program (KS)  
 Free poi Fridays

Table 9  
 Education  
 Forward strategic plan  
 Support hawaiian entrepreneurs with solid business plans  
 Recycling / sustainability  
 Preserving active hawaiian cultural practices  
 OHA running business providing jobs to hawaiians  
 Certified kitchen; incubator  
 Acquire more real estate assets

	<p>Housing and social services  Feed and maintain original vision of Kakaako Makai  Keep this an apex of culture and commerce  Green technology: air conditioning, lighting, etc.  Branding area as a place where ocean brings life-giving resources</p>
Table 10	<p>Put hawaiians in homes; affordable housing  Benefit hawaiiand on ALL ISLANDS  Sperm bank  True Native Hawaiian healthcare system  Education and schools  Percentage of investment: today vs tomorrow  Help increase land assets on other islands  Invest in education upstream  Empower our people back into community  Support healthcare systems; longevity  Benefit our keiki; education leads to health and longevity  Reinvest in the Hawaiian people  Start with land  Building confidence  Teach people what it is to be Hawaiian  Kumulipo, uplft  Invest in consistent excellence / success; create assets  Not in consistant deficiencies  Invest in excellence not by need according to our culture</p>

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: University of Hawaii - West Oahu

Date: Wednesday, February 18th

Question 1: How would you describe an urban Hawaiian space?	
Table 1	<p>Loi</p> <p>Waianae Coast; Buildings have a Hawaiian Feel</p> <p>Alaska: South Central Foundation; lights, wood finish, architectural design, art, commercial</p> <p>Aulani</p> <p>Laau</p> <p>Cultural Center w/ ocean access; w/ hands on activities keiki &amp; adult</p> <p>Place to learn of past history and perpetuate through next generations</p> <p>Note the struggle between urban &amp; Hawaiian</p> <p>Global reach</p> <p>Cultural market place</p> <p>Generate revenue to support programs</p> <p>"Green" lushness environment</p> <p>Ohia post finishings; unique to Hawaii</p> <p>Waterfalls</p> <p>Rock walls</p> <p>Landscape</p> <p>Entwine cultures; Do we combine other cultures?</p> <p>Make a destination</p> <p>Tourist attraction: Measure revenue for Polynesian Cultural Center and Waikiki</p> <p>Concern: Not spending high investments</p>
Table 2	<p>Ocean access</p> <ul style="list-style-type: none"> <li>Sea Faring; waa/canoe</li> <li>Educational component; reconnect</li> <li>Subculture</li> </ul> <p>Four Elements</p> <ul style="list-style-type: none"> <li>Design</li> <li>Programmatic Culture; bodysurfing</li> <li>Dedicated uses; Bishop Museum</li> <li>Cultural District</li> </ul> <p>Gathering spaces</p> <p>Water &amp; shade</p> <p>Boardwalk; lei stands, restaurants</p> <p>Ocean and water</p> <p>Green</p> <p>Fire</p> <p>Reflect it's history</p> <ul style="list-style-type: none"> <li>Fishing village</li> <li>Sanpans</li> <li>Fishing culture; fisherman's wharf</li> </ul> <p>Community gathering</p> <p>Hawaiian values; culture of ahupuaa</p> <p>Open and wecoming</p> <p>Physically and culturally connected</p> <p>Urban / Hawaiian connection</p> <p>Place, name</p>
Table 3	<p>Contemporary Hawaiian design; modern city vibe, mixed w/ Western influences</p> <p>Ocean to play a big role</p> <p>Incorporate water</p> <p>Hawaiian experts could teach; where people could learn new skills</p>

Open area to ocean could be used for education and cultural uses  
 Learning about navigation  
 Botanical garden; especially on parcels G-F  
 Dual use as meeting space and cultural/educational center  
 Proximity to Cancer Research Center allows for opportunity to link different generations  
 Parcel L, Possible for ocean uses, fishpond open access point for voyaging  
 Culture isn't the same for everyone  
 Ocean - As a transit venue  
 Supply and demand for hula can be provided for  
 Center; much like Polynesian Cultural Center in Laie  
 Connectivity to park space  
 Activities at Point Panic (hula, etc.)  
 Parcels A-D, conducive to income generation  
 A place that feels distinctively Hawaiian; especially in differentiation from the mauka concrete jungle

Table 4  
 Access to ocean  
 Green space  
 FREE access, including parking  
 Make a statement, unique design  
 Desitnation  
 Modern  
 Marketplace, exclusive, authentic  
 Hawaiian products  
 Productive spaces  
 Describes a story  
 Learning opportunities  
 Converge  
 Kai and Wai meeting  
 Aquarium  
 Farms  
 Interaction w/ water  
 Kumu lipo driven economics  
 Incubation and innovation  
 Centerpiece, icon  
 Ceremony

**Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?**

Table 1  
 Certified Kitchen; need to prepare food  
 Native Hawaiian businesses  
 Native Hawaiian arts & crafts area to sell products  
 Spectrum  
 Theatrical  
 Developing all of our talents  
 Think tank, think globally  
 What is our global reach  
 How do we impact others?  
 Nuture big thinking  
 Hawaiian ike - expand forward  
 How to cook  
 How to teach  
 Place for Hawaiian musicians  
 Where's our market?  
 Look at tourism industry  
 Generates revenue  
 Don't lose services important to our people; it's a means to provide for them  
 Culture center area; share w/ world  
 Polynesian Cultural Center

Increase revenue  
 Kakaako Makai doesn't have the transportation barrier  
 Collaboration with Polynesian Cultural Center  
 Hokulea; Is Kakaako Makai that iconic destination?  
 Create a destination, create a global reach  
 Medical practices  
 Laau lapaau  
 Practitioners training  
 Look at Chinese medicine  
 Healing center  
 Healing nutrition center  
 He waa, he moku. He moku he waa  
 Pule / Protocol; where's Akua?

Table 2 Fishing theme  
 Farmer's market; Piano Lot  
 Oahu products  
 Others islands products  
 Centerpiece, flagship  
 Variety; crafts, food, education, fabrics, clothing, others  
 Boardwalk  
 Restaurants  
 Craft stores  
 Lei stands  
 Nightlife; tiki lamps  
 Commerce - Homeless (existing)  
 Boat Charters along the waters edge; night cruises  
 Space needle out of place at Kakaako  
 Ability to draw local people  
 NOT tourist oriented  
 Relevant to locals; restaurants  
 Connection to Bishop Museum  
 Family friendly options  
 Build off cultural context of Kakaako  
 Revenue vs Culture; What is the goal?  
 Can they coexist?  
 Other locations may better accommodate culture better  
 Hosting competitions  
 Makahiki, Canoe, Bodsurfing  
 Infrastructure to host events  
 Arts; crafts and fine arts  
 Hawaiian crafts

Table 3 Culture center  
 Food trucks; Eat the Street  
 Not a graffiti-laden area  
 Place for boats to dock and commercial properties  
 Not for affordable housing  
 Commercial low-rise buildings; biggest bang for the buck  
 Diverse target audiences for all ages, not just targeted towards adults  
 Place where kids can engage in cultural activities; paired with parents  
 Underwater tunnel  
 Aquarium  
 Modern take on Hawaiian food; restaurant idea/concept  
 Stages; from traditional to mixed/modern approaches  
 Genealogy research center  
 World-class attraction (parcel K)

Use parcel L as access point for underwater tunnel; out into open ocean  
 Tunnel(s) could join the two parks (Kewalo and Kakaako Makai)  
 Restaurants where you can fish for your food; boat setting

Table 4 Theater  
 Historical dramas, hula dramas, ocean festivals  
 Farmers Market  
 Holiday performances  
 Promote quality  
 Capture local & visitor market  
 Fashion design schools  
 Innovation / Education  
 Local / Hawaiian residents  
 Residency for performers / artists  
 Garden commercial structure  
 Integrate water cycle  
 Kumu lipo  
 Virtual rainforest (Singapore)  
 Aquarium  
 Culinary events / venues / school  
 Hawaiian medicine / propagation

**Question 3: Income generated by Kakaako Makai could be used to \_\_\_\_\_.**

Table 1 Scholarships for Native Hawaiians  
 Preschool to college  
 Need to sustain ourselves / culture  
 Funding for single parents  
 Caretaker  
 Kupuna (fixed income)  
 Healthcare  
 "I wish I had taken care of myself a lot earlier"  
 Investments  
 "I wish I saved earlier"  
 Education programs  
 Health and well being  
 Weight loss  
 Hula programs and aerobic activity  
 Finance  
 Synergize grant programs  
 Funds to address health problems  
 Fund Native Hawaiian businesses  
 Housing fund to match down payment  
 Housing issues amongst Native Hawaiians  
 Guided by spirituality and trust  
 Housing with exceptions  
 Funding for solar panels  
 Match funding, make exceptions

Table 2 Is there a target revenue goal for Kakaako?  
 More Hawaiian housing (not specific to Kakaako)  
 Range of options MF - SF  
 Homeless shelters  
 Hawaiian health; partner w/ JABSOM  
 Smal business capacity buildings  
 Assist planning and permitting  
 Economic self-sufficiency  
 Education - technology  
 LEED certification; educate and training

	<p>Hawaiian community to determine what their needs are</p> <p>Training; education</p> <p>Grants; expanding access to grant funding</p> <p>    Money spread to positively impact more people</p> <p>Health and Wellness of Hawaiians</p> <p>    Assess programs; make better</p> <p>    Get rid of non-performers</p> <p>Cultural / Natural / Resource Management</p> <p>    Funds used to manage natural resources / cultural site</p> <p>Leverage w/ Alii trusts; pool funds to services</p> <p>Acquire more land</p> <p>    Cultural / Natural resource sites</p> <p>    Revenue generation lands</p>
Table 3	<p>Trust for education purposes</p> <p>Two halves</p> <p>    Outreach to community to draw people to cultural activities, educate</p> <p>    Affordable housing on other (less valuable) lands</p> <p>Food , medical car, shelter</p> <p>High school students can work there; job opportunities; programs that also provide education grants</p> <p>Mentorships, apprentice opportunities</p> <p>Clean up areas around the OHA properties to draw people there</p> <p>Sponsor night time events</p> <p>    Concerts, educational specials, movie nights, Eat the Street</p> <p>    Keep this a viable, living space for as many hours of the day as possible</p> <p>Work with UH systems to develop internships</p> <p>    Marine biology</p> <p>    Culinary arts</p> <p>    Cultural practices</p> <p>    Maritime practices (building canoes, navigation)</p> <p>Arboretum; hands on cultural center, day and night activities</p> <p>Camping spot, teamwork activities</p> <p>Places for relaxation, meditation</p>
Table 4	<p>Programs throughout the state; youth outreach</p> <p>College scholarships</p> <p>Education</p> <p>Small business</p> <p>Cultivation of Opportunity</p> <p>Develop Industry &amp; sustainability; generate energy</p> <p>Creative multipurpose reinvestment opportunities</p> <p>Teaching stewardship</p> <p>Support of skill sets needed for vibrant community</p> <p>Teach how to be Hawaiian</p>

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: Waialua Courthouse  
 Date: Thursday, February 19th

**Question 1: How would you describe an urban Hawaiian space?**

Table 1	Sounds of drums, oli with interpretation for those who don't understand Olelo Hawaii Gathering place for Hawaiiands to meet, share, discuss; "Community Center" Fishing; History of the area Trees and plants that tell Hawaii's history and who we are Place to buy tickets to Wimea Valley Buildings that are open and welcoming Culture built into programming; training people to tell our stories Cultural tours Cultural center w/ theaters and performance spaces Science / rainforest; commercial venture Explaining from a Hawaiian and scientific point of view Teaching about culture from a deep sense (oli) Shore area with Kaheka Loi
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Table 2	Food source/production; fishponds Relaxation Outdoor recreation Museum, education; Hawaiians point of view Hawaiians at work Alternative to Waikiki/Maui Hawaiians doing Hawaiian things Gathering area Past meets present Aina 1st
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**Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?**

Table 1	Residential as a way to fund culture Kuuna / affordable housing Science center as a commercial venture Cultural business center teaching business and cultural components Business incubation and training Luau; making food from scratch Making Hawaiian arts and crafts with connection to places such as Waimea to see Luau Record making of mea Hawaii and share on the internet Crating standards on what gets sold; i.e. who makes, where made, how grown, etc. Referral center/hub that feeds other businesses; i.e. where to find best luau, where to find best _____ "Live within our means" Create collaborative relationships with other entities Recording studio
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Table 2	Housing; mixed-use Revenue Living universities; place to share knowledge useum Education run by Hawaiians; cultural elements, navigation Food production Native vessels in Kewalo harbor Living village space
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**Question 3: Income generated by Kakaaako Makai could be used to \_\_\_\_\_.**

Table 1	Educate Hawaiian children, especially about our history... who we are, what we are
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	<p>OHA school system          Programs that support Hawaiians          Pay off development debt; not overspending          Governance (all encompassing)</p>
Table 2	<p>Education run by Hawaiians; cultural elements, navigation          Keiki, history, traditional medical practices          Hawaiian classes and workshops          Training programs, teacher training in Hawaiian studies          Arts and crafts          Keep Hawaiians in Hawaii          Jobs, cost of living, economic self-sufficiency, social services          Traditional medical facility</p>

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: Windward Community College, Hale 'Ākoakoa Room 105

Date: Friday, February 20th

**Question 1: How would you describe an urban Hawaiian space?**

<p>Table 1</p>	<p>Go back to nature?          How to invest?          Urban vs. rural natural; man-made versus Hawaiian way          Not like Aulani (Disney), western point of view          How do you make it authentic          Sustainability through Hawaiian ways; living roofs, energy          Pockets of green, connection to earth/water          Bring forests into urban environment          Walkability, bike friendly, rail          Need additional parking capacity          Access: surfers, work, visitors          Restrooms          Space for practitioners; live in mauka side, venues in makai said          Example: Vickie Holt Takamine / pai          Focus on creating income / central hub          To fund programs and connect to outer island sites and programs</p>
<p>Table 2</p>	<p>Architecture          Halau in Waimanalo, UH halau          Native Hawaiian plants          Commercial kitchen          Arts Cultural Base; food and smell of food, halau hula, imu pit          Replace "urban" with "native"          Context and relational; relation to mountains, makai, wind, sky          Native corridor          Not nostalgic          Spirituality of place          Kauhale concept          Exchange of services          Interrelationship between architecture and programs          Create an ahupuaa          Go back to Hawaiian values          Interdependence and connection          Hawaiian motifs          Hear olelo, smell food, hear/listen          Intergenerational          Kupuna and create a broader sense          Preserve Hawaii economic values          Project what we do, eat, think, our way of life; see hula and other traditions          Look deeper and maintain culture and artifacts          Hawaiian music and dance          Native plants and flowers          Arts, archaeology          Harmony and pono between commerce and culture</p>
<p>Table 3</p>	<p>Open space          Native vegetation; site specific          Culture and communication          Village concept          Hawaiian urban in valley          Water is the source</p>

Aquaponics  
 Not a specific spot; includes all of Hawaii  
 Makai, high water, horizon  
 Define mauka / makai, and waena  
 Unique from anywhere else  
 For all to enjoy  
 Regenerate the land  
 Life giving; water, kalo  
 Spritual regeneration  
 Aina Hoopulapula  
 Sustainability

Table 4 Ahupuaa recreation  
 Community cultural center; places for people to come together  
 People, culture, arts  
 Ancient fishing village; sea element; traditional - modern use  
 Oasis, open space, blend in with surroundings  
 Nature based  
 1893 archeaology; modern day (blending the two)  
 Evolved thriving design  
 Economic empowerment  
 Modern innovative design  
 Does open space and "urban" coplement each other?  
 Percentage of open space versus buildable space  
 Nature vs man-made  
     Smaller buildings in larger landscaped setting  
 Usable outdoor spaces; hula mound  
 Uses / spaces that generate money  
 Heiau and ponds  
 Open architecture; informal and welcoming (inclusive)  
 Plants; coastal and indigeneous plants; Hawaiian culture  
 Programming; urban, music, park does NOT equal residential

Table 5 Ocean connections to: sky, stars, moon; open space along the ocean  
 Hawaiians miku; don't tell other moku how to do business  
 Kakaako; dry, mauka wind  
 Gathering space  
 Place to brainstorm  
 Incorporate spirit  
 Native vegetation, ocean vegetation  
 Allow natural elements to be incorporated  
 Combination of past and present  
 Visionary thinking  
 Keep culture alive  
 Line between old and new  
 What is pono?; pono between old and new  
 Art, creativity  
 Creative platform  
 Place for artists; where they can make a living  
 Crative space; to help Native Hawaiian culture thrive  
 Artists and practitioners  
 Traditional and contemporary; good mix  
 Space to allow blend of traditional and contemporary  
 Art, music, food  
 Public spaces, performance spaces  
 Artist community  
 Sense of history

Work hard, play hard; a place for people to come together  
 Music  
 Place to do stuff  
 Series of festivals; throughout the year  
 Humanity celebrated  
 Market place; interactive

**Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?**

Table 1	<p>Partnerships          JABSOM, medical, Native Hawaiian health department          Education, laau lapaau          Innovative health care; medical tourism, cancer research/treatment          Repurposed use of old pumping station          Generate Entrepreneurship          Native Hawaiian population increase          Original natural assets          Springs, landscape, connect visitors to outer island sites and programs          Cruise ships; access and visitors          Balanced tourism          Business Plan          Hawaiian access to assets; water and land          Ocean health          Aquatics          Spritual and physcial healing from ocean</p>
Table 2	<p>Tourism          Money drives commerce; education, share culture          Education of Hawaiian values; laau, native plants          Windward college extension / campus          Hawaiian owned businesses          Educate community, pracice Hawaiian businesses, education and share          Incubator to empower Hawaiian entrepreneurs          Integrate social services, health, business          Generate workforce; establish workforce housing          Cultural preservation is economic sustainability          Intellectual property, not co-oped for Hawaiian knowledge          Science technology environmental science          Authenticity          27 cultural practices          E-commerce          Avatars; story tellers embedded in Kakaako Makai, digitize          Gaming; comuter gaming, indigenou gaming, children centers          Connection with Children's Discovery Center          Capture tourists</p>
Table 3	<p>Hospital          Retain property          Promotion of healing; medical and spiritual          Marijuana industry          Locally owned and operated businesses          Hawaiian products          Learning center          Art          Village concept          Support local farms and fisherman          Student housing for JABSOM</p>
Table 4	<p>Generate income/revenue          Educating the people; share moolelo</p>

Housing  
 Create iconic symbols; people can be proud of  
 Commerce at varying levels  
   Domestic vs international  
   Technology oriented  
 Cultural, education, community  
   People, not goods  
   Activities; shops, eateries  
   Smaller buildings, low-rise structures  
   Larger buildings shall be included as well  
 Harbor usage; Fisherman's Wharf, functions  
 HUB; visitos and locals; showcase OHA uses  
 Governance  
 Water rights; fishing rights  
 Access; water meters, endless supply? Water theft  
 Local oriented to draw tourists; but not tourist based

Table 5

Parcel A: Marketplace  
   All Hawaiian cultural products; made by Native Hawaiian artists, creative, hand-crafted  
 Education; Hawaiian immersion to come and learn  
 Destination marketplace  
 Venue; weddings, charge fees  
 Retail place for events; incorporate lomilomi, protocol  
 Versatile event space  
 Hawaii known for abundance of creativity  
   Textiles, carving, woodwork; bring Native Hawaiian artists to life in contemporary world  
   Become entrepreneurs, earn money  
 Need for jobs  
 Maintain concept of education  
   Maintain practice, culture, ike  
 Work from within  
   Maintain authenticity  
   Creates cycle of commerce and culture  
   Interactive education for commerce and culture  
 Buy local; need consumer education; veggies, products  
 Surrounded by ocean; educate tourists about our elements  
 Claim connection of arrival by sea  
 Creative museums  
 Waterfront to dock waa  
   Need to talk to state to remove finger piers; HCDA promised to developers; takes away value of waterfront  
 Fresh fish from the boats; straight to restaurants  
   Use food from the ocean  
   Shops above restaurants  
 Canoe and ocean exercises, activities  
 Maritime museum focusing on Hawaiian voyaging (Hokulea)  
 Theater running films all day; live performances; i.e. Kennedy Center  
 Content about different islands, special events, all in one place  
 Amphitheater to study the stars

**Question 3: Income generated by Kakaako Makai could be used to \_\_\_\_\_.**

Table 1

Perpetuate Hawaiian culture throughout world  
 Regenerate funds; liquid assets  
 Effective business plan  
 Performing arts center  
   Self-sustaining; income to support other programs  
 Children and students; scholarships, living vs technology  
 Education of Hawaiian culture

	<p>Not another Polynesian Cultural Center</p> <p>Invest in sustainability and research; perpetuate Hawaiian culture, laau lapaau</p> <p>Sponsor conferences</p> <ul style="list-style-type: none"> <li>Pacific islander issues, technology/innovation, Hawaiian/indigenous technology</li> </ul> <p>Agriculture</p> <ul style="list-style-type: none"> <li>Algae farming, desalinization, poi/kalo</li> </ul> <p>Hawaiians had the most sophisticated culture of the Pacific</p> <ul style="list-style-type: none"> <li>Music, hula, slack key guitar</li> <li>Scholarships for musicians</li> </ul> <p>Build a Peace Institute</p> <p>Export Hawaiian culture; via cruise ships</p>
Table 2	<p>Kakaako Makai: Off the grid</p> <p>Empower community, grow leaders</p> <p>Help in prisons with programs; drug rehab, funding opportunities</p> <p>Health issues</p> <p>Teen pregnancy</p> <p>Increase life expectancy</p> <p>Financial education; resource management, physical legal, natural, land</p> <p>Education systems</p> <p>More scholarship programs</p> <p>Creative education; Alternative education, internships</p> <p>Outer island lands</p> <p>Provide a broader base for context living</p> <p>Project based learning, experience based learning</p> <p>Income has to make income</p> <p>More environmental sciences</p> <p>From pre to kupuna</p> <p>Generate sovereignty from ground up</p> <p>Sustainability through education</p> <p>Buy lands</p>
Table 3	<p>Reduce homelessness</p> <p>Multi-generational support</p> <p>Research and education</p> <p>Teach importance of ohana</p> <p>Education center supporting our ohana</p> <p>Native Hawaiian health programs</p> <p>Nutrition</p> <p>Reduce drug and alcohol abuse</p>
Table 4	<p>Improve fishing (ahi); farming (aqua), limu, moi cages</p> <p>Nation build within our means</p> <p>Social programs; further enhance existing programs</p> <p>Three criteria: (results can vary, profitability)</p> <ul style="list-style-type: none"> <li>Federated - limited</li> <li>Status quo</li> <li>Independent</li> </ul> <p>Betterment of Native Hawaiians</p> <p>Helping rehabilitate previously incarcerated Hawaiians</p> <p>Broaden reach of meetings; TV, internet, media</p> <p>More focus on deciding where funds are directed to</p> <p>Confirm fishing rights</p> <p>Prisoner employment</p> <ul style="list-style-type: none"> <li>Loi; become farmers, reduce repeat offenders</li> </ul>
Table 5	<p>Help Native Hawaiians; kupuna housing, affordable for young families</p> <p>Opportunity for a venue to market Native Hawaiian products</p> <p>Native Hawaiians should run/manage Hawaiian venues</p>

Ability to run businesses anywhere; assist with Hawaiian businesses  
Invest in youth education and employment  
Send youth out on missions; entrepreneurships, internships, studies  
Gather ike from abroad and bring home  
Need agreement for them to return  
Example: Native American tribes pay for youth to go abroad and study  
Hard Rock Café ownership (Seminole Tribe)  
Teach youth to become entrepreneurs; maintain ethics, work together, become an example  
Incorporate Hawaiian values  
Send Hawaiians abroad who are already knowledgeable of Hawaiian culture  
Go to charitable cause  
Kakaako Makai run by Native Hawaiians for Native Hawaiians  
Native Hawaiians will attract visitors to Kakaako Makai; give them an authentic experience  
Share Hawaiian cultural practices globally  
Ahupuaa resource management; loi system (wet/dry), loko ia, feed ourselves  
Ensure income/constant revenue stream  
Growing capacity overall  
Invest in Native Hawaiian enterprise; leverage money, venture capital; re-invest; Ex: Mao  
OHA 5% spending policy  
To create more housing; not on ocean lots  
To address/support Native Hawaiian homeless population  
To get DHHH to lease lands to OHA for housing  
Address social issues to raise educational outcomes

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: Ka Waihona Public Charter School Cafeteria

Date: Monday, February 23rd

**Question 1: How would you describe an urban Hawaiian space?**

<p>Table 1</p>	<p>Gathering place to eat and enjoy music; like a hawaiian home          Open and welcoming          Open space: No buildings, asphalt, concrete          More grass and trees          See the aina, open architecture; i.e. halau waa, hale mua          Similar to an Ossipoff style          Manoa Innovative center; buiding that holds additional value to sustainability, other functions          When you walk there, you KNOW its Hawaii          Generate excitement          Sense of belonging; it feels like home, it has the mana          Identity - Hawaiian vs melting pot          A place for kanaka maoli to call "ours"          Stand out saying "He Hawaii Au"          Our music, culture, language          Look to the name, history, original ecology for architectural design inspirations          Opportunities for cultural education          Encompass / incorporate ALL of Hawaii from mauka to makai (ahupuaa)          Support Native Hawaiian arts; i.e. Santa Fe market requires artists to be native artists          Trademark and branding as native art and artists          Incorporate sustainable technology          WiFi (free); broadband          Being future-focused; progressive but respectful of what makes Hawaii special          Attract Native Hawaiian entrepreneurs          Provide jobs and business opportunities          Innoation center, business incubator          Open healing place; green, waterfalls, kauhalaie themed</p>
<p>Table 2</p>	<p>Fishing          A place for moopuna (not like Ala Moana Beach Park)          Connect / Re-Connect          Hula          Programming          Create a reason to go to Kakaako Makai          Kupuna Programming          Kupuna - keiki; teaching and learning place          Establish organizations          Practitioners          Artists          Hoomau - gathering          Entities to show who we are          Opportunity to engage with organizations; Royal Order Societies          Musicians          To share moolelo; kupuna from Kakaako          Celestial layout / deisgn of master plan          Architecture and art          Connectivity of parcels / area          Traditional hale concept          World-class aquarium</p>
<p>Table 3</p>	

**Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?**

Table 1 "Fly Over Canada" can be a way to incorporate the past  
 Innovations to educate Hawaiians, locals, and tourists about our past; what makes Hawaii special  
 Uses to show we are innovative and still being sensitive to our history  
 Mixed-use, commercial space, cultural arts center, business incubator  
 Residential if it works  
 Prefer statutory prohibition be removed even though not necessary for residential; OHA decides  
 These are native lands and only Native Hawaiians should decide what happens on these lands  
 Use must be utilized by ALL our people  
 Not Aulani  
 Who has fishing rights?

Table 2 Has there been much discussion on what is possible?; entitlements?  
 Height limits? 200'  
 FAR density  
 Timeshare for Hawaiians  
 Make space valuable like a hotel for Hawaiiand so all can enjoy  
 Instead of going to Waikiki; Provide a place we can go and feel comfortable, can bring ohana  
 Support homelessness  
 Hotel is a good idea, but more cultural than Aulani  
     Workers trained in culture, knowledge of history of the area  
 Hale waa; Halau waa has to be a part of  
 Maybe look at main structures that are important to Hawaiiand; foundational spaces  
 Support places for protocol; services space  
 Luau grounds; connected to everything else, show  
 We don't want to be like the Polynesian Cultural Center  
 Not so commercially designed  
 Strictly Hawaiian and authentic  
 This is what we've been wating for: An expression of who we are, our culture, our heritage  
 Olelo is important; people to interpret themes  
 1st hotel, then 2nd hotel in phases  
 Programs so good that everyone jumps in  
 Hawaiian Homes Lands has market spot for sell/market products from Hawaiian Home Lands  
 Place of healing

Table 3 Community (Native Hawaiians) can have opportunities to make money on-site and off-site  
 Affordable housing  
 Cultural academy; raise skill levels for Native Hawaiians  
 Graduate schhol for cultural practitioners; modern farming techniques  
 Affordable leases  
 Training off-site/on-site; supportig entrepreneurs  
 Cultural is the hawaiian people focus on people  
 OHA supporting hawaiiand so they can thrive  
 Technical schools for Native Hawaiians  
     Construction type training; carpenters, landscape, machine operators, electricians, etc.  
 Places to eat and shop

Grocery store; hawaiian Whole Foods  
 Sell locally sourced products  
 CSA programs  
 Partner with Hawaii Tourism Authority to bring visitor movies to community programs and events (i.e. Hoomau)

**Question 3: Income generated by Kakaako Makai could be used to \_\_\_\_\_.**

Table 1	<p>Support the Lahui / nation building efforts          Long-term, in perpetuity to support Lahui; not a one time thing          Have Kakaako Makai be a financial center for our people; holds banks, investments, grants          Education, financial education          Nation-building outreach and education to Lahui          Reinvest to make more money          Native bank, native commerce</p>
Table 2	<p>Education          Pay-off bills, decrease hawaiian debt          Cemetery for Kupuna          Build Hawaiian Homes lands across the state          Build to capacity, community based          Create a Hawaiian bank          Reinvest in Hawaiian Homestead businesses          Help fund drug rehab programs; connect with the aina          Help / intervene w/ at risk teens; kupuna to council teens in trouble</p>
Table 3	<p>Community improvement to focus on marine shoreline          Match funding programs in partnerships with other trusts and other charitable trusts and federal money          Establish a research group to seek and apply for federal money          Education, health, housing, incarceration          Train our people to be lobbyists          Establish a division/department within OHA for Native Hawaiian housing          Create a community based marine resource management academy          Clean up community facilities and parks          After-school youth programs          Alternative learning programs          More grant funds to non-profits that support community</p>

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: Kūlana 'Ōiwi Hālau

Date: Saturday, February 21st

Question 1: How would you describe an urban Hawaiian space?	
Table 1	<p>Like the Malama Park concept</p> <p>What is the timeframe?; When does OHA expect to see a return?</p> <p>Currently generating revenue from leases</p> <p>Solution for the homeless; Hawaiian style to help everybody</p> <p>"Urban Hawaiian Space" is an oxymoron</p> <p>Honolulu getting worse; access and density</p> <p>Get off the plane, you know where you are; right now, feels like a foreign country</p> <p>Create space, sharing</p> <p>Kuulakai and aiai; sharing manao</p> <p>Underground spring/stream</p> <p>What are the options?; Just developers and realtors?</p> <p>Can we sell it?; measure the value first</p> <p>How did we get stuck with this one place?</p> <p>Can we make a revenue</p> <p>There are some limitations; height</p> <p>Piano lot is toxic; possible to remediate</p> <p>Do we want a cultural icon?</p> <p>"Off balance;" all eggs in one basket</p> <p>Need more people, need to go vertical</p> <p>Are we going to be in copetition with KS?</p> <p>"Get nothing but rubbish"</p> <p>"We get chance" in it with KS and HH</p>
Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?	
Table 1	<p>Paid with poi, kalo, kulolo; realize cultural bottom line, cultural commerce</p> <p>Need to incorporate everything that is Hawaiian</p> <p>Embrace Hawaiian style so everyone will come</p> <p>Halau for olelo Hawaii; cultural center</p> <p>Waikiki: no more locals, feels like stranger</p> <p>We need to be attracted to it first; then we can share</p> <p>Concept about what makes Oahu special; still beautiful with concrete</p> <p>We become the host/hostess' malihini will be attracted</p> <p>Increase density; need to balance</p> <p>Create access from ocean; Hawaiians travel by ocean</p> <p>Serve as a hub for everyone to meet and gather</p> <p>Home for Hokulea</p> <p>Ocean sports are an attraction internationally</p> <p>Ask ourselves: What kinds of visitors would be attracted?</p> <p>Spiritual values shared globally</p> <p>Parcel K: open space, best body surfing spot at Point Panic</p> <p>Partnership with UH; ocean sciences; maybe ask for UH to invest</p>
Question 3: Income generated by Kaka'ako Makai could be used to _____.	
Table 1	<p>Develop/establish a revenue stream to Molokai</p> <p>Hub for canoe paddlers at Malama Park</p> <p>Aina momona, reef system; ability to feed, sweet potato, taro, fish</p> <p>Create industry on Molokai; contributes to kanaka well-being</p> <p>Cost of food is high; alternative - buy local; home delivery</p> <p>Foster kalo farmers</p> <p>Build poi mill</p> <p>Education</p>

Affordable homes (not houses); for people with working, living wages  
Have a place to gather  
Learn to use our resources  
Invest in education for traditional practices  
"Without water there is no life"  
Bring Hawaiian agencies together; collaborate Alii Trusts, social services  
Kakaako Makai "center for Hawaiian government"  
Develop a central place to meet and gather  
Molokai needs affordable housing; young people living in buses with ohana  
Medicine for kupuna; kupuna are breaking pills to spread out medication  
Travelling off-island; doctor visits, need a place to stay that's affordable  
Pull out the shelved plans and review  
DHHL: Malama Park  
Take care of our existing assets and resources  
Acquire more land  
Talk to the next generation to hear their needs  
How can we come back?  
How do we teach our keiki the old ways?

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: J. Walter Cameron Center

Date: Thursday, February 26th

## Question 1: How would you describe an urban Hawaiian space?

Table 1	<p>Studio/center</p> <ul style="list-style-type: none"> <li>Hula, music</li> <li>Generate money</li> <li>Learning</li> <li>Recording</li> </ul> <p>Location: Polynesian Cultural Center / tourism</p> <ul style="list-style-type: none"> <li>Culturally based vs tourist based</li> </ul> <p>Waa / Fishing village (history)</p> <p>Build upon what was</p> <ul style="list-style-type: none"> <li>Authenticity; Hawaii</li> </ul> <p>What was here before?</p> <p>Culture, history</p> <ul style="list-style-type: none"> <li>Navigation</li> <li>Planting, etc,</li> <li>Reflect Hawaiian values</li> </ul> <p>Have a living hawaiian village</p> <ul style="list-style-type: none"> <li>Actual</li> <li>Self-sustainable</li> <li>Across time periods</li> </ul> <p>Keep waterfront open</p> <p>Living cultural center</p> <p>Don't disrupt surfing areas</p> <p>Keep culture alive there</p> <ul style="list-style-type: none"> <li>Remember who was there</li> <li>Cultural area; housing area</li> <li>Keep alove the community; surfing, arts, culture</li> </ul> <p>Is there collaborations between Alii trusts and Kakaako?</p> <p>Hear stories/history; feature history here</p> <p>Take most succesful models (economically beneficial) and apply at Kakaako Makai</p> <p>Gotta make money (don't forget about Hawaiians)</p> <p>Three questions</p> <ol style="list-style-type: none"> <li>1.) Who are we?</li> <li>2.) What are we?</li> <li>3.) Where we came from?</li> </ol> <p>Polynesian Cultural Center, Bishop Museum, Cali museum; place at Kakaako Makai</p> <p>Relate back to us</p>
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Table 2	<p>Food, music, architecture, art, design, textures, colors, orientation assocaited with our place</p> <p>Groups could come and meet like a marae, gathering space to hold big events, kitchen, NOT touristy</p> <ul style="list-style-type: none"> <li>Where world cultural gatherings would happen</li> </ul> <p>Old style hula performaces like once had at Kapiolani Paka</p> <p>Like loi, open space and simple can still can still do what you need to do</p> <p>Hands on workshops we teach our own crafts to our keiki and our own visitors; make and take</p> <p>Wai-Kane, wai (wai)</p> <p>Mauka makai orientation, connected to ahupuaa</p>
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## Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?

Table 1	<p>Successful models</p> <ul style="list-style-type: none"> <li>Museums</li> <li>Ocean related succesful models; making money</li> <li>Business model; culture; money</li> </ul>
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	<p>Living Hawaiian Village</p> <ul style="list-style-type: none"> <li>Teach, learning</li> <li>Loi, lawaia, other</li> <li>Incorporate kanaka; opportunity to share and teach</li> <li>Change perception of Hawaiians</li> </ul> <p>Most authentic / trust to Hawaiian culture</p> <p>Place for Hawaiian artists/practitioners at Kakaako Makai</p> <p>Place for Hawaiians</p> <ul style="list-style-type: none"> <li>Don't price them out; affordable for Hawaiians</li> <li>Welcoming</li> </ul> <p>Hawaiian entertainment district</p> <ul style="list-style-type: none"> <li>Waikiki; 1970's, widespread music</li> </ul> <p>Transitional living Hawaiian village</p> <ul style="list-style-type: none"> <li>Learn talents; move on</li> </ul> <p>"Mom and Pop" feel</p> <p>Community kitchen; value added</p> <ul style="list-style-type: none"> <li>Fishing industry</li> </ul> <p>Hawaiian world views</p> <p>Organic, not forced</p> <p>Not go in and leave</p> <p>Needs to connect beyond Kakaako</p> <p>Hawaiian business center</p>
Table 2	<p>Event space affordable and accessible; housing for events</p> <p>Money generated from Kakaako developments to fund other projects</p> <p>Space for competition and gaming</p> <p>Spirituality and politics</p> <p>Sit and eat, water feature</p> <p>Rainforest feature with native fauna</p> <p>Botanical gardens</p> <p>Underwater tunnels</p> <p>Holiday event for hula</p>
<b>Question 3: Income generated by Kakaako Makai could be used to _____.</b>	
Table 1	<p>Housing; build/subsidize</p> <ul style="list-style-type: none"> <li>Collaborate with DHHL</li> </ul> <p>Education</p> <p>Health; fund health programs for Hawaiians</p> <p>Maintain heiaus</p> <p>Research land titles</p> <p>Help incarcerated Hawaiians and their ohana</p> <p>Subsidize down payments for homes</p> <p>Moku ula (Maui); restoration</p> <p>Kaahumanu church restoration</p> <p>Punanaleo support; site support</p>
Table 2	<p>Buy more land</p> <p>Investments</p> <p>Affordable housing</p> <p>Addressing drug problems</p> <p>Purchase farming equipment</p> <p>Entrepreneurial education</p> <p>Industrial spaces for Native Hawaiian businesses; incubators</p> <p>Community outreach for available resources</p>

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: Hāna High School Cafeteria

Date: Friday, February 27th

Question 1: How would you describe an urban Hawaiian space?	
Table 1	Low key, stone design element, cultural architecture Park land, re-create the ancient lands, native landscape Walking spaces, not a lot of cars Kanewai example Cultural center that makes jobs available for Hawaiian students Example: Queen Kaahumanu Shopping Center Tourist looking for cultural and authenticity Coastal ocean trails with native coastal plants How did it look before fishing village LEED certified
Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?	
Table 1	Papa kui ai Cultural drama productions; Ulalena Experience various island environments Visitor center Polynesian Cultural Center example Hale and Halau waa Native marketplace for traditional arts; native gardens Marketplace MokuPuni organized; i.e. Molokai bread Fish Marlet Hale aina restaurant Village experience
Question 3: Income generated by Kaka'ako Makai could be used to _____.	
Table 1	Education Housing Activate DHHL lands in Hana Hawaiian language education; i.e. Punana leo in Hana Scholarships available for all financial levels Trade school training programs Research and documentation of current programs in Hana Promotion and education of ancestral skills and traditions Laa lapaau Legal and land use support Genealogy work Hawaiian healing center Laa lapaau, lomilomi, hooulu, hoola

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: Lāna'i High & Elementary School Cafeteria

Date: Saturday, February 28th

## Question 1: How would you describe an urban Hawaiian space?

Table 1	<ul style="list-style-type: none"> <li>Designed by Hawaiians</li> <li>Open space</li> <li>Families Kaehuaia, Kealoha</li> <li>Design Halau like approach</li> <li>String cultural presence</li> <li>Ulumau Village, Ala Moana</li> <li>Salt pans</li> <li>Place to gather</li> <li>Place for traditional arts</li> <li>Fish market</li> <li>Fighting chicken at camps</li> <li>Open market for Hawaiians</li> <li>Incorporate Puuhonua Pahonua</li> <li>All islands represented</li> <li>Incorporate history of Kakaako</li> <li>Limu</li> </ul>
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Table 2	<ul style="list-style-type: none"> <li>Landscape; native plants, smells</li> <li>Views; mountain to ocean views, orientation</li> <li>No cars; pedestrian friendly             <ul style="list-style-type: none"> <li>Lanai has less cars; special place</li> </ul> </li> <li>Types of businesses; not industrial, family oriented, conducive to families</li> <li>Outdoor oriented             <ul style="list-style-type: none"> <li>Open spaces, walkable</li> <li>Don't want large-box type stores</li> <li>Gateway</li> <li>Leave behind city when entering Kakaako Makai</li> <li>Not in city/Waikiki, transitional area</li> </ul> </li> <li>Access to ocean; welcoming to get to the ocean</li> <li>No tall buildings</li> <li>Not for the "super rich," a humble place</li> <li>Traditional / historic sense of feel/place             <ul style="list-style-type: none"> <li>Chinatown; boat days</li> </ul> </li> <li>Target population? Who at Kakaako             <ul style="list-style-type: none"> <li>Kids, family, sfe place, don't see tourist busses</li> </ul> </li> <li>Over develop place (concept); buy other place (cultural)</li> </ul>
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## Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?

Table 1	<ul style="list-style-type: none"> <li>Ulumau village concept; authentic mea Hawaii</li> <li>Canoe center</li> <li>Living arts / living history</li> <li>Hawaiian style; native plants, native gardens to support</li> <li>Sustainability</li> <li>Sense of place</li> <li>Family oriented</li> <li>Docking fees</li> <li>Restaurants focus on Hawaiian food products</li> <li>Hire Hawaiians; jobs and internships</li> <li>Hospitality; authentic</li> <li>Cottages; Kona Village type</li> <li>Ocean bungalows</li> </ul>
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	Maintain view planes
Table 2	<p>Businesses; No korean bars, chicken fights</p> <p>Increase rent boat parking</p> <p>Place where kids can come and learn</p> <p>Canoe and boat building practices</p> <p>Waa, net, navigation; not revenue driven</p> <p>Science center (Hub concept)</p> <p>Hawaiian oriented</p> <p>Main hub: spokes on other islands</p> <p>Traditional crafts; lauhala</p> <p>Places to eat; food that fits urban Hawaiian, seafood</p> <p>Housing</p> <p>Long term rentals</p> <p>Student housing</p> <p>Hotels, transitional</p> <p>Medical school, international student housing</p> <p>Hawaiian Medicine Use</p> <p>Connection to JABSOM; medical destination for outter islands</p> <p>Participitory / immersive; learn and create</p> <p>Historic photographs</p> <p>Studio or museum; view historic photos for purchase</p>

**Question 3: Income generated by Kakaako Makai could be used to \_\_\_\_\_.**

Table 1	<p>Lanai limu restoration project</p> <p>Lanai culture and heritage center</p> <p>Place based education initiative</p> <p>Hawaiian language component</p> <p>Kupuna housing</p> <p>DHHL support homesteads</p> <p>Support maunalei kalo project scholarships</p> <p>Better location for OHA on Lanai</p> <p>Medical facilities</p> <p>Culturally relevant education</p> <p>Inventory cultural sites</p> <p>Research</p> <p>Grow our own teachers</p> <p>Place based education ; outdoor spaces</p> <p>Child-birth on island</p> <p>Social services</p> <p>Parental support programs</p> <p>Spread the wealth; sharegolders to beneficiaries</p> <p>Free health services for all Hawaiians</p> <p>Subsistance fisheries research and implementation; protection</p>
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Table 2	<p>Cultural programs</p> <p>Support Lanai Cultural Heritage center</p> <p>Cultural / Community orientation; programs for newcomers to Lanai</p> <p>College scholarships</p> <p>Hawaiian language in anai schools</p> <p>New or renovated Pre-School on Lanai</p> <p>Long-term care on Lanai; currently travel to Maui or Oahu</p> <p>Veterinary on Lanai</p> <p>Challenges: Clinic space, place to live on island</p> <p>No transitional / senior service facility on Lanai; assisted living facilities</p> <p>Support ocean resource management</p> <p>Only two DLNR agents that service Lanai</p> <p>Not enough officers</p>
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Need more mangement education awareness

Boat

Legislation for Lanai; lacked resources to pursue initiative

Investment at Lanai; bigger impact because of smaller scale of island/population

Space for small business incubation

One land owner; lack of opportunitis for land

Lacks diversity beyond hotels

Matching funds raised fo local projectson Lanai

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# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: UH-Hilo, Ho'oulu Terrace Room 127

Date: Tuesday, February 24th

**Question 1: How would you describe an urban Hawaiian space?**

<p>Table 1</p>	<p>Engineer our lands to feed us; rooftop gardens, vertical gardens to remedy issues in that landscape          Consider 7-10 generations          Culture by water is always there              Participate with environmentalists              Culture by water is always here          Generate money by partnerships          Culture leads the process          Everything we do is generation to generation          Grandfather teaching moopuna to throw net; continue genealogical practices          Village with boats going in and out          Schools come to learn          St. Lucia; six cruise ships          A place for community          Hawaiian place: Hawaiian need to live there              Otherwise it's for tourists</p>
<p>Table 2</p>	<p>Learn about what Hawaii is; luau house          Luau house: "old" idea of a gathering place              International arena              Somewhere to hookipa, kamaaina, malihini, and locals              People visiting would learn the culture              Preserve and perpetuate our culture              Revival of olelo hula              First-class design should reflect excellence          Puuhonua heiau              Art reflected in kii pohaku              Function of what that space was          Sustainability              Green roof-tops              LEED certified          What is the "anchor?"          Urban: Something that attracts "new generations," bridges the gap between young and old          Hawaiian sperm bank: ensure survival              Green and sustainable; planing ahead          Most of our artifacts are not functional in a museum-type setting              Bring back out and apply; functional uses          Living / Thriving; present and future generations          Showcase intelligence of our people              Honor doctors, politicians, educators              Memorial: Living mookuauhau          Home base for Hokulea          "Law of Nations"          Respect kanaka maoli for what they are              Create a village; traditional knowledge, traditional ways              Education of Hawaiian history and cultural practices              How Hawaiians lived and survived          Acadamies: A place where we grow our own mahiai, lauwaia, scientists, doctors              Traditional foundation and grounding              Research center: How can we learn on traditional knowledge and apply it to today?</p>
<p>Table 3</p>	<p>There should be a sense of place; open air</p>

A place to learn what happened in Kakaako  
 An authentic Hawaiian Village; Ex: Leilani Village  
 Hawaiians should be able to enjoy for free  
 Residence have discount  
 Education outreach; a place where you can "get your hands dirty"; learn Hawaiian ways  
 Ours in the middle of urban Honolulu  
 A place to learn how to speak/use the Hawaiian language outside of the classroom (in business/real world)  
 Hawaiian signage and wayfinding  
 A place to learn the Hawaiian language  
 Kids learning about the Hawaiian culture  
 Place to express the Hawaiian culture; attract people to learn the culture  
 Relaxing, nature driven  
 Mauka to Makai views  
 Feel elements  
 Ala Moana S.C.; landscape in urban context  
 Multi-level; restaurants on top with sunset views  
 Fish market  
     Small, close to each other  
     Everybody watch over each other  
     The whole community raises the keiki  
 We all are equal, well mixed and balanced  
     Integrated in small community  
     If all homes had a porch, everyone would sit out and interact  
 Return to small, caring environment  
 San Diego Mall, Fashion Valley Mall  
     Different levels  
     Near harbor  
     Wharf rises and falls with the tide  
 Rooted / grounded in natural environment  
     How do we bring it back?  
 Cultural always evolving  
     How do we innovate an environment?

**Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?**

Table 1  
 Tour ships; tethered in if too much to dock  
 Kodak shows; famous Wikiki attraction at one time  
 Polynesian Cultural Center-like place  
     Hawaiians are all cultures  
     Make it for Hawaii  
 Every Hawaiian came from Kalae  
 Storefronts for Native Hawaiian owned and operated businesses  
     Like Kealopike, sticks and pohaku  
 Eateries  
     Traditional Hawaiian food sources; use of local produce  
 Fitness center to address health related issues  
 Urban garden roof-tops; lavender, herbs  
     Urban agriculture of high value products  
     Potential 30 acres of rooftops  
     Sell plants, sell succulents, sell plants growing on walls  
     Succulent wall  
 Solar roof-tops  
 Micro-grid; saving on electrical need and consumption  
 Halau on Oahu  
 Create a space for practitioners to harvest; ferns, ti, etc.  
 Create a kipuka to gather before taking all native plants from Hilo before Merrie Monarch  
 Water is a great avenue for income

Mooring, source of agriculture  
 Center for Hokulea  
 Home port  
 All waa from Pacific will gather together  
 Fisherman would travel to the North West Hawaiian islands  
 Can we integrate navigation / connection wo NHWI  
 UH School of medicine present  
 People would rather use natural things  
 Alternative medicine, laau lapaau  
 Create Hawaiian School of Natural Medicine  
 No place to get a hotel at an affordable price  
 Have a truly affordable hotel-like place for neighbor island families  
 A place when vulnerable, there's a place to go  
 A place for entertaining folks  
 With boat visitors  
 Sell Native hawaiiand products; carving, clothing, lei making, etc.  
 A place to learn  
 JABSOM is anchor  
 Put up dorms for students  
 Needs to be about families, hawaiian culture  
 International students

Table 2

Hawaiian Convention Center  
 Theatre  
 Meeting space; hookipa  
 Pacific UN  
 High protocol  
 Canoes can have home base  
 Polynesian Cultural Center, but bring in authentic/high-end cultural experts and practitioners  
 Culture and tradition; hula, olelo, oral tradition  
 Hawaiians were/are intelligent; eventually one of most literate nation in the world  
 Restaurant and retail  
 Support Native Hawaiian artisans and businesses  
 Marketplace  
 Communications run specifically by Native Hawaiians; done with integrity, beauty, excellence  
 Hawaiian radio and TV station  
 Hawaiian media hub  
 Sustainability  
 Fishing Village  
 Crate a marketplace; "Farm to Table"  
 Kapu/seasonal system; mindful fihsing praactices  
 Implementation and education  
 Aquarium; educational, Hawaiian perspectives (see through a Hawaiian lens)  
 Should be Native Hawaiian run/operated  
 Ties into academies  
 Train busniessmen that are culturally rooted but are savvy and keen on 21st century business practices  
 Nutritional value of kalo and spritual value (haloa)  
 Rainforest / ecosystem  
 Virtual programming; interactive  
 Example: California Academy of Sciences - artifiical rainforest  
 Adapt to a Hawaiian Academy of Sciences - tropical rainforest; tracing the water to loi/kai  
 Experience Hawaii; become culturally rooted  
 Planetarium that can go any place across the pae aina  
 Sensory experience (look, smell, touch, etc.)  
 Amphatheatre  
 Arts / exhibition

	<p>Cultural programming</p> <p>Makahiki "Sports Arena"</p> <p>Conservation: Food security and sustainability</p> <p>Hawaiians always innovated from the lo'i to loko i'a to engineering the movement of wai</p>
Table 3	<p>Goal is maximum dollars per year</p> <p>Awesome aquarium</p> <p>Take advantage of our ocean resource</p> <p>Teach our keiki all aspects of the water (safety, culture, navigation)</p> <p>Loi</p> <p>Fish farming</p> <p>Stadium: About 35,000 capacity</p> <ul style="list-style-type: none"> <li>Open-air, multi-purpose</li> <li>View from stadium towards Diamond Head and surfing</li> <li>Can stadium be built somewhere else w/ money generated from Kakaako Makai?</li> <li>A lot of well known stadiums happen around water</li> <li>No parking needed for stadium; walk or rail</li> </ul> <p>Research lab to study endangered species; study ecosystem</p>
<b>Question 3: Income generated by Kakaako Makai could be used to _____.</b>	
Table 1	<p>Support existing grant programs</p> <p>How does OHA Kakaako Makai fit in the entire Kakaako area?</p> <p>Education programs; agriculture on Hawaii island</p> <p>Native Hawaiian charter school support; increase funding</p> <p>Affordable housing</p> <ul style="list-style-type: none"> <li>What is affordable? Is \$150k affordable?</li> <li>Subsidize homes that Hawaiians can't afford</li> <li>Average income is \$56k</li> <li>Re-look at definition of "affordable"</li> <li>Invest in housing</li> </ul> <p>Collaboration between OHA and DHHL for housing and infrastructure</p> <p>Always get back to tell the Native Hawaiian beneficiaries what happened</p> <p>Alaskan corporations</p> <ul style="list-style-type: none"> <li>Generates revenues from lands</li> <li>Shares: Natives get annual distributions</li> </ul> <p>Subsidies for emergencies</p> <ul style="list-style-type: none"> <li>Medical, safety net (i.e. surgeries)</li> </ul> <p>Retirement help for kupuna</p> <p>5% of all gross revenues used to benefit all islands, not just Oahu; purchase additional land assets</p> <p>Rebuild natural environment; money to be reinvested into rebuilding out aina (no concrete way, just trees please)</p>
Table 2	<p>Meeting spaces</p> <p>Purchase more aina; get out land back</p> <p>Center on all islands: Each island should have its own satellite to provide venue for Native Hawaiian artisans and practitioners</p> <p>Puuhonua and halau ola across pae aina</p> <p>Scholarships; invest in people, train next generations</p> <p>Economic engine; job academy</p> <p>Kakaako General Fund</p> <ul style="list-style-type: none"> <li>"Rainy Day Fund" to keep important programs and services afloat</li> </ul> <p>Retirements Fund / Health Fund</p> <ul style="list-style-type: none"> <li>Maoli ola fund</li> <li>Free healthcare or heavily subsidized for Native Hawaiians</li> </ul> <p>Native Hawaiian funerary</p> <ul style="list-style-type: none"> <li>"womb to tomb," "sperm to urn"</li> <li>Birth centers, urban kukaniloka</li> </ul> <p>Invest and re-invest in people; education, cultural training, business training</p> <p>To empower the lahui</p> <p>Restoration of cultural sites</p>

	<p>Fund for solar panels for all homes (Native Hawaiians): "green fun"</p> <p>Hawaiian National Bank; monetary, credit cards</p>
Table 3	<p>Education</p> <p>Historic preservation</p> <p>Protecting our natural resources</p> <p>Acquiring land for preservation</p> <p>Educate the next generation of Hawaiians; where can we go to learn?</p> <p>Science: Stem research for native plants</p> <ul style="list-style-type: none"> <li>Place for kids to come and learn about native plants</li> <li>Endangered plant education; Hawaii has more endangered plants than any other place in the world</li> </ul> <p>Science research, preserve and restore</p> <p>Give back to education</p> <ul style="list-style-type: none"> <li>Teach keiki to be self-sufficient</li> <li>Preserving Hawaiian culture</li> </ul> <p>Use technology to teach</p> <p>Health care</p> <p>OHA needs to be the "watch dogs" for the existing programs... so make noise, hold them accountable</p> <p>Use the monies correctly</p> <p>Why should we have to buy our own land?</p>

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: West Hawai'i Civic Center

Date: Wednesday, February 25th

## Question 1: How would you describe an urban Hawaiian space?

<p>Table 1</p>	<p>As a parent who remembers childhood w/ grandparents visiting specific / well known places  Wants children to live in an innovative space  Currently much of Honolulu overrun by homeless  As you travelled in the past, each place had a unique smell  Flowers = identification with space  Where we are: Where we came from, what we present to you  Miss the sense of smell  Kakaako smell should be flowers, ocean breeze  Design/place buildings to enhance smell  People should learn with a sense of calm  Building materials; natural building materials  Open space  Buildings shouldn't be too tall; 4-6 stories is good  Lower scale buildings; what is too tall?  Garden roofs; not glass and metal  Different ecosystems  Plants that can be utilized  Mauka/makai connections  Kakaako currently too busy  Would like a space to relax, fish  Space to pass off knowledge of fishing practices  Kakaako was a place for fishing  Today, keiki don't understand/know traditional fishing practices  In the past, fisherman would share catches with families that would come down to help  Barter system needs to come back  "It takes a village to raise a child"  Places for traditional ways of healing</p>
<p>Table 2</p>	<p>Process is mahaioi; "we not from Honolulu"  Family can return one day to Oahu  Queen street used to be the gathering place  People there were "poor"  How is this place going to benefit us?  OHA property should include Nani Loa Hotel  Suisan, civic center, harbor  This will benefit the Hawaii island beneficiaries  Remember Ala Moana with trees  Farmers market  Involved in international trade via water access  Create hub for Native Hawaiians from outter islands to gether  "Pushing and pulling resources"  If we share our resources with Oahu, how will that come back to us?  Are there other types of legal types of money pots other than funding grants?  6-8 acres for a parking lot 24/7  Money goes to education, housing for kupuna  Can have up to 1,000 cars/day  Shuttle: Charge \$3 from lot to work (\$15-\$20k earned for parking)  1/2 - 1 acre: Storage for boats  \$375/month average storage fee  Investment</p>

- Use land to generate revenue via parking
- Preserved for later on
- Used to play in Kakaako when was a dump
- Renew the traditions/history of Kakaako Makai
- Address issues for Hawaiians
  - Affordable housing
  - Loi opua is a model
- Murals
  - Sculptures
  - Hawaaian imagery
  - Wood working
  - Community gradens; plants are staples
- Culture center
- Incorporate a little bit of everything like the marina
- Plaques along roadways
- Oceanic center
- Sense of ohana
- Put back canoes in the ocean

**Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?**

Table 1

- Partnering w/ UH Medical School (JABSOM)
- Research space for health of Hawaiians
- Communities of beneficiaries shold be healthy
- Small housing units are not especially healthy
- Space used for community living and not tourists
- Authentic and genuine place
- Place that tells the story of Hawaiian people
- Something identifiable like a landmark
- Opportunity to educate visitors who are genuinely interested in the story of our people
- Parking to encourage local people to come to Kakaako Makai
- Parking is very important
- Schuttle area; bring people in without congestion
- Beautify parking structures
- Farm to Table; Pike's Market
- Partnership with UH Medical Center (JABSOM)
- Partner with other institutions with similar goals and neighboring land owners
- Health: autistic Hawaiian children services, special needs kids, kupuna
- Place for traditional healing practices
- Hub for growth of laau, lapaau

Table 2

- Look at Blaisdell
  - Tie into fishpond
  - Attaction for hula and mele, large scale
- Cultural center; not like Polynesian Cultural Center
  - Access, central, connectivity, close proximity
  - Showcase our traditions
  - Highlighting new musicians
  - Host events
- Oceanfront, water access
  - Teach about native vs invasive species
  - Spear fishing tournaments
  - Push to remove non-native
  - Research, money, grants
  - Point Panic surfers
- Parking lot
- Merrie Monarch at Kakaako Makai
- Hoku awards at Kakaako Makai

Incorporate education oportuities; hands-on cultural based  
 Project based learning  
 Keep out biotech and GMOs  
 Grow traditional laau lapaau  
 Olena  
 Use program alakai  
 Teach about sustainability  
 How to connect to kupuna  
 Make history relevant today, traditions  
 A place to live and grow food  
 A reasonably affordable hotel  
 Especially for local neighbor island ohana  
 A place to stay for all of the Honoluu-based activities  
 Restaurant events  
 Mini Polynesian Cultural Center  
 Kupuna become teachers  
 Lauhala, lua, lawaia, lawaia huki  
 A place to teach  
 Kupuna can get paid; too often volunteered  
 Empowers kupuna to teach something that has been forgotten over the past 100 years  
 Promote lua school at Kakaako Makai  
 Cultural awareness  
 Charge a fee  
 A place for arts and crafts  
 Work of artisans; a gallery

**Question 3: Income generated by Kakaako Makai could be used to \_\_\_\_\_.**

Table 1 Support education; i.e. charter schools  
 Housing  
 Good paying , job development  
 Provide jobs/education so our youth don't have to leave  
 Provide career education  
 Development od companies, businesses, industries  
 Power is as important as money  
 Workforce development housing  
 Facilities for education  
 Money for scholarships  
 Housing  
 University hospital

Table 2 Support lai opua  
 Support neighbor island entrepreneurship  
 Support education; provide oportunities when they are done  
 Provide scholarhsips  
 Job security (lawyers, doctors, etc.), science-related  
 Support jobs relevant to Hawaii  
 Health professionals  
 Scholarships geared towards a succesful integration into the workforce  
 Kupuna programs and activity  
 Invest in lawyers that will look out for our aina and people  
 Give back to recreate/clear the path to our traditions  
 To invest in education and training  
 Laau lapaau  
 Grow food  
 Crate a safe place to return to traditional pathways  
 There's a need and relevance  
 They are connected to kupuna and traditions

Create community to teach people

Change tuna quota

Need to fund research (not private research)

Mutual parties, must have actual facts

Buy more lands

Monitor/malama archaeological sites

Watchdog developers

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: Kua'i Community College, OCET Rooms 106 C/D

Date: Tuesday, March 3rd

**Question 1: How would you describe an urban Hawaiian space?**

<p>Table 1</p>	<p>Quiet, peaceful, but with activity that brings income            A place for Hawaiians to call ours            We want to be invited, be welcomed; know that we can go there            Needs to be green; self-sustaining            Needs to be accessible for kupuna            Needs a culture center; similar to Maui Cultural Center but better            We need to feel welcomed; if not, we won't go            Not just about ohana, but welcoming            Affordable place where all can gather            Halau presence' performance and practice            Concerns about rail coming through            Cultural center                Not in Waikiki                Good transportation and access                Connect to housing developments            Will there be a tram?                Good pedestrian paths and accessibility            Welcome to 2015, need modern things            Retail and restaurants            Design, labeling/wayfinding for gathering place            Support small businesses            Not a shopping center            Not tourist driven            Can receive boats            Iconic structure at Parcel K; visible from a plane            Hawaiians near Parcel L                Can hear pai of ocean on pohaku                Affordable living units            Needs to think of younger keiki and students            See something similar to Pike's Market in Seattle            Fisherman can sell fish            "Go to the henehene ko aka center"</p>
<p>Table 2</p>	<p>Water system            Cultural architecture elements            Super Ferry            Conference center            Needs of the immediate Kakaako community            Cultural center            Sustaining local farmers, transport local produced goods            Medicinal and ethnic gardens            Aquarium            Virtual simulator museum/rides            Housing for kupuna            Open market                Cultural, historical                Fish market                Example: Granville Island, Pike's Market            Fishing village            Sustainable fish ponds</p>

Energy efficient, green design  
 Take advantage of natural resources, LEED certified  
 View planes  
 Business Incubators  
 Walking, pedestrian community  
 Outdoor cooking facility; imu

**Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?**

Table 1 Like Pike's Market  
 Like Smith's Tropical Paradise  
 Photographers; tram tour, gardens, shows  
 Authentic luau in a Hawaiian facility; but lets get more creative  
 Place to get married; wedding venue  
 Authentic practice, but pay for activity  
 Commercial kitchen  
 Restaurants  
 Imu can supply different restaurants  
 A hawaiian health clinic tied into JABSOM  
 Can get the herbs  
 "Tell me what's wrong and I'll tell you what you need to take"  
 Open market place  
 Dedicate a space (museum) to Hawaiian artifacts  
 A swimming pool; only in Kakaako Makai, world-class, copetitions  
 For native children, need correct dimensions  
 A school for surfing  
 No McDonalds or Burger Kinf type restaurants  
 Waterfront park for soccer  
 Regional science and natural fishery  
 Make every parcel count an double income generation  
 Create parking lot to serve Honolulu and Waikiki  
 Transit inbetween, come back and drink  
 Mini golf course  
 Learn abot native planes; like Kilauea mini-golf  
 New fish auction; Hawaiian run  
 Place to house waa  
 Native Hawaiian banking  
 Credit union, OHA run?  
 Savings and loans  
 Move OHA back to Kakaako

Table 2 Polynesian Cultural Center like center  
 Sustainable agriculture; demonstration areas  
 Sea port  
 Foregin trade zone designation  
 Hawaiian health centers  
 practice traditional healing; laau lapaau  
 Museum  
 Aquarium  
 Multi-purpose hula centers  
 Theaters  
 Hula competitions  
 Waa culture, waa sports  
 Education visitor center  
 Surfing center and competition venue; Point Panic  
 Planetarium, specifically for voyaging  
 Design for the accessibility to Kakaako Makai as a whole; no "silo-ing"  
 Brewery

**Question 3: Income generated by Kakaako Makai could be used to \_\_\_\_\_.**

<p>Table 1</p>	<p>To support and fund Hawaiian language immersion school infrastructure in Anahola, all Hawaii</p> <ul style="list-style-type: none"> <li>Classrooms</li> <li>Playgrounds</li> <li>100% enrollment</li> </ul> <p>To dedicate portion for maintaining infrastructure upgrades</p> <ul style="list-style-type: none"> <li>Schools need to be acountable</li> </ul> <p>To create elderly resource center</p> <ul style="list-style-type: none"> <li>How do you split the Money?</li> <li>Kupuna housing loated in different areas</li> <li>Support existing programs</li> <li>Support new programs</li> </ul> <p>School for cowboys</p> <ul style="list-style-type: none"> <li>Rodeo</li> <li>Our heritage</li> <li>Keep opio busy</li> </ul> <p>To support youth; Have to throw net, cultural practices</p> <p>To support financial literacy; for Kauai residents</p> <p>Commercial partnerships; movie studios on Kauai</p> <p>To help Native Hawaiians with down payment assistance; rent assistance</p> <p>Like convention cener on Kauai</p> <p>To support technology, media, social media</p> <p>To support small businesses</p> <p>To gain assistance for laau lapaau practices</p> <p>A robust ceded land inventory; \$100 million</p> <p>There's a need for commercial partnerships on Kauai; invest</p> <p>To develop a Native Hawaiian sperm bank</p>
<p>Table 2</p>	<p>Scholarships; college readiness programs</p> <ul style="list-style-type: none"> <li>Commerciall kitchens</li> <li>Alternative learning centers for high-risk youth</li> <li>Workforce development; job skills training</li> <li>Entrepreneurship training; business incubators</li> <li>Mentorship programs</li> <li>R&amp;D programs to enhance existing programs</li> <li>Affordable housing</li> <li>Kupuna housing</li> <li>Fund wastewater system</li> <li>Land purchase</li> <li>Historic site restoration</li> <li>Investment into renewable energy and self-sufficiency</li> <li>Ronald McDonalds housing</li> <li>Mahelona health facility</li> <li>Multi-purpose, Native Hawaiians health care</li> <li>Hoola Lahui</li> <li>Alu Like - Kupuna program</li> </ul>

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: Nā Lama Kuki

Date: Friday, April 3rd

Question 1:	How would you describe an urban Hawaiian space?
Trustee Ahuna	<p>A safe place for ohana where kids can play while parents are enjoying themselves</p> <p>Interactive technology would allow for safe zones- sculptures, cultural heiau for kids,</p> <p>Opportunities for interaction in cultural type spaces</p> <p>Spaces for all ages should be interacting- keiki, makua, kupuna</p>
Trustee Bob Lindsey	<p>A puuhonua where our people feel welcome</p> <p>Clean, green, and beautiful</p> <p>Initially wanted an open space but now understands we need money</p> <p>An open Hawaiian space might look like Liliu'okalani gardens in Hilo or the gardens in moanalua</p> <p>Original concept was to charge a kanaka tax- \$1 step up increments to support maintenance</p> <p>As long as there is food and music our people will be there</p> <p>Places like Halema'uma'u, summit of Hualalai, Waipi'o valley exude Hawaiian spaces (warm, welcoming, feels good, unique spirit)</p> <p>Somehow embed Ho'oulu Lāhui</p>
Trustee Ahu-Isa	<p>Aquarium</p> <p>An interactive space</p> <p>Utilization of technology to create an interactive space- example a DNA machine (near Mexico), mercinar San Diego</p> <p>Example of a successful district in San Diego has University, technology center, golf course all in one area</p> <p>Wax muesuem is an interesting place to draw visitors</p> <p>Visitors allow for job creation</p>
Trustee Apoliona	<p>Space when one passes through it you are in a completely spiritually value based space that makes it identifiably different</p> <p>Unsure what of the specifics on structure</p> <p>Hawai'i is changing drastically and we aren't controlling the change</p> <p>In Kakaako we can make a difference in affecting change</p> <p>A place to raise hope for the future and have that part of the spiritual value system be a basis</p> <p>Others will appreciate it but we will be shaping the change</p> <p>If shaped correctly this energy will be tangible</p>
Trustee Apo	<p>Hawaiian sense of place requires Hawaiian people</p> <p>Need to find a strategy to bring Hawaiian people to the space</p> <p>A complex for Hawaiians to live</p> <p>Whatever we establish at Kakaako Makai we do it in a way that can be turned over to a future Hawaiian government</p> <p>Kakaako Makai could potentially be a capitol</p> <p>Whatever the designs are they should reflect our stories</p> <p>Systematic approach to Hawaiian plants that can be linked to a trail system</p> <p>Ambient music- Nothing gets to a Hawaiian sense of place more than sound</p> <p>Sound elicits an emotion in people</p> <p>How can we Hawaiian-ize the pier- a home for the Hokulea, waa, or something that connects us to the sea</p> <p>Signature events that can be calandered regularly- A nation speaking its culture</p> <p>A signature architectural landmark</p>
Trustee Waihe'e	<p>A pedestrian-friendly space- nice, safe</p> <p>Quality market that supports local producers</p> <p>Sustainability</p>
Trustee Hulu Lindsey	<p>Primarily architectural- noticeably different feel and look than surrounding landowners</p> <p>Next is landscaping- example Cloud Forest in Singapore;</p> <p>Music and entertainment</p> <p>All well balanced with revenue generation and cultural practices</p>
Question 2:	What uses would best support both commerce and culture at Kaka'ako Makai?

Trustee Apo	<p>Observation tower that would express the Hawaiian story of Papa and Wākea</p> <p>Many ways to culturally validate a structure like that</p> <p>Can't be a building, has to be a sculpture</p> <p>Might have an observation deck but not a building</p> <p>Make the numbers work</p> <p>Supporting retail should be Hawaiian- shops, restaurants, etc.</p>
Trustee Bob Lindsey	<p>A space we recognize hula dance music</p> <p>Commercial components that complement that</p> <p>Possibly replicate Merrie Monarch in Honolulu</p> <p>Cultural centers</p> <p>Entertainment centers</p> <p>Bringing in other cultures of Hawai'i</p>
Trustee Ahuna	<p>Spaces for ohana</p> <p>Space to connect the islands</p> <p>A hub for education, commercial activities</p> <p>Ways to connect OHA back to the people</p> <p>Spaces for small business pop-up shops</p> <p>Kaka'ako football team</p> <p>A stadium</p> <p>Ocean transportation</p> <p>Hub to connect beneficiaries, neighbor islands, OHA and people, commerce</p> <p>A Hawaiian national bank</p> <p>Trustee Hulu Lindsey</p> <p>A cultural center similar to the one on Maui</p> <p>Different size venues- theater, pavilion, smaller theater, lawn seating</p> <p>A place for Hawaiian performance</p> <p>During the day could double as a farmers market or place for cultural workshop</p> <p>Access to the ocean- Canoe races, Hōkūle'a, other voyaging canoes, KIRK boat, fisherman</p> <p>Need revenue</p> <p>Residential, education, specialized health fields in commercial buildings</p> <p>Sea flight</p> <p>International market place</p>
Trustee Apoliona	Focus on connection between Native Hawaiians and Pacific Islanders
<b>Question 3: Income generated by Kakaako Makai could be used to _____.</b>	
Trustee Ahuna	<p>Setting up LLCs on each island</p> <p>HIHR there are many more people to assist</p> <p>Connecting people to jobs, supporting businesses</p> <p>Benefits for all our people</p> <p>Find other ways of distributing funds beyond grants</p>
Trustee Bob Lindsey	<p>Macro level-Use income to build our wealth so across time we can build our resources to do more for our people</p> <p>Micro- develop community-based economic engines</p>
Trustee Waihe'e	Subsidize legacy lands and remainder should go towards supporting the areas identified as most in need based on research departments
Trustee Ahu-Isa	Kupuna health care- facilities, research, assistance, transportation
Trustee Apoliona	Expanding services like kupuna health care
Trustee Apo	Net should go to Native Hawaiian trust fund then cycled out to support strategic objectives
Trustee Hulu Lindsey	Housing- support Hawaiians in becoming home owners

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: OHA Offices  
 Date: Friday, March 6th

Question 1: How would you describe an urban Hawaiian space?	
Table 1	Cultivate people Culturally rooted Minimal impact on land Mauka / Makai Outdoor spaces Less concrete (than Honolulu) Art & Music Bike friendly Beach spaces and ocean interation Play spaces Hawaiian architecture Health related & fitness Hawaiian values Genealogy History of Kewalo and Kaka'ako Less buildings Limit building heights Clean, simple architecture Urban Hawaiian space Wahi pana of people Locally sourced eateries History, pedestrian friendly, no cars 80:20 locally sourced (Hawaiian) Language, art, fashion, music Bilingual (Hawaiian / English), local food 70's Hawaiian renaissance - Next step Hawaiian music everywhere Preserve view planes; invisible architerture
Table 2	Can be anywhere Shape & form - form connected to function Modern reflection of tradition First impressions Common attraction - mulitple interpretations Tranquil spaces Gardens: Native Hawaiian flora Immediately recognizable; iconic figure (Diamond Head, Dole Pineapple tower) Commonality Does "urban" translate to "development?" Keep authenticity; transition to modern
Table 3	Land that symbollically feeds people economically Hawaiian art and architecture Senses; smell, see, hear, touch, etc. Native plants; gardens Imu as a centerpiece; certified imu Place that encourages gathering Center for Hawaiian studies Modern facilities in a Hawaiian environment Housing for Hawaiians Reflects the future, not the past (Not Bishop Museum)

Reflects it's past to the area; fishing, etc.

Table 4  
Open space, plants  
Hawaiian presence; people  
Hawaiian history on display, shown in area in contemporary means  
Hawaiian arts and language  
Environment & technology are integrated; loi and fishpond (ancient & contemporary)  
Music and entertainment; waipa  
Architectural natural amphitheatre  
Beer garden  
Awa garden  
Celebration of excellence  
Looks and feels Hawaiian (Japantown, Chinatown, etc.)  
Traditional and contemporary  
Live, work, play... with "mana"  
Respectful of the past  
Sacred space; high?  
Navigation, waa; key components, pa'a kai, fishing  
Makai - Mauka; ahupua'a  
Polynesian Pacific United Nations  
Piko of government

Table 5  
Taro in front of Comp USA; working landscape, not just visual  
Kalo urban farms  
Surround with native plants; research and learning  
Visual with buildings surrounded by water; like John Dominis (lobster & crab)  
Lava rock design inside and outside  
Indigenous plants  
Kipuka; place for teaching, talking, being together  
National recognition, accreditation  
LEED certified  
Be sustainable within our Kaka'ako  
Urban farms and gardens  
Minimize impact on aina  
integrate native plants  
Hula mounds  
Place to dock Hikianalia  
Signifies us as a people; "where we've been, where we're going"  
Patterns, art, materials: "earthy"  
Use local artists, incorporate native art  
Use place names; Pualualo  
Community center; like Waikiki Shell, Maui Arts & Cultural Center  
Culture & music; welcoming and open even if no event is occurring  
A place for all Native Hawaiian retailers  
Buying and selling indigenous wear

Table 6  
Building setbacks, natural elements, "airy-ness"  
Cultural elements  
Educational & interactive cultural spaces  
Live, play, walkable community  
Hawaiians present; residential, kupuna housing  
Atherton Gardens in Kauai; Limahuli  
Plants, water, open space with urban uses; i.e. residential and commercial  
Community gathering spaces; hale, puuhonua, place to practice culture  
Lots of Hawaiians there  
Gathering spaces  
Hawaiian need to be present

**Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?**

Table 1 Uses by parcels should blend in well  
 Picnic lot; state of the art performing arts center  
 Casino  
 Parking structure  
 Cultural arts center; Performing  
 School for Hawaiian crafts  
 Incubation and innovative center to encourage businesses  
 Green technologies  
 Health, medical  
 Restaurants; Nico's Hawaiian style  
 Event space; big parties  
 Housing for Hawaiians

Table 2 Residential; How can residential be profitable at Kaka'ako Makai?  
 Concert venues; different from existing  
 "Fly over Canada" concept  
 More than a Polynesian Cultural Center  
 Executive center; hotel for local families to have a place to stay  
 Hotel school  
 Parking lot structure  
 Are we trying to generate revenues from Hawaiians or visitors?  
 Commercial; Made in Hawaii products (made by Hawaiians)  
 Performances; open venue  
 Restaurants: seafood/fish  
 Locally sourced food; farm-to-table concept  
 Education programs; Tell the story of Kaka'ako  
 Near the ocean  
 Welcoming our keiki  
 Place for wa'a  
 Office space  
 Adult / Child daycare facilities; tutu and mo'opuna  
 Retail for Native Hawaiian products/wears  
 Also a place to create products

Table 3 Residential  
 Commercial: Accesible for local community  
 Concerts & events; Maui Arts & Cultural Center  
 Meeting spaces; multi-use, multi-purpose (includes complimentary services, food, facilitation, etc)  
 Commercial: All Native Hawaiian  
 Local businesses, food, clothes, etc,  
 Spaces for halau  
 Art space; performace, martial arts  
 Toll to enter the premise  
 Restaurants  
 Height variance to maximize available space  
 luxury residential  
 Marijuana dispensary

Table 4 Residential: Live, work, play  
 Ingenutiy center; buy and pay for services  
 Cultural vistor center; living museum  
 No OHA funds to execute; tap into grants, bonds, federal funding options  
 Responsive to future  
 Sea level rise  
 Fishery control and other related activities; auction  
 21st century Pa'a Kai production; revenues  
 Food diversity; Native American Museum restaurant, showcase many  
 Marijuana dispensary

Table 5 Cultural center; similar to Polynesian Cultural Center (for profit & strong attraction)  
 Residential with F&B on upper floors  
 Higher revenue sources  
 Bottom floors: meeting facilities  
 Multi-purpose / flex space  
 Observation deck: iconic and revenue generating  
 Gaming / Gambling: Native American example; highest bottom line!  
 Multi-faceted "village"; residential, retail, iconic, meeting spaces, etc.  
 Culture must remain a constant

Table 6 Hawaiian srt, music, food festival / fashion  
 Traditional lu'au, better experience, authentic  
 Awa bar, shops, local vendors  
 Venue for performances; One focal point  
 Grocery store; partner with Hawaiian farmers; showcase local produce  
 Tsunami research development; partner with UH and scientists  
 Incubation space  
 Education and training - future  
 Blend technology and Hawaiian culture  
 Hawaii Hall-of-Fame

**Question 3: Income generated by Kakaako Makai could be used to \_\_\_\_\_.**

Table 1 Reinvestment  
 Support education, spiritual, etc.  
 Solve problems upstream with funding; homelessness, incarceration  
 Invest and support in programs to help solve problems upstream, at the root  
 Support families of those who have a family member in prison  
 Prioritize: Need vs. want  
 Ho'o Kohua waiwai programs  
 Additional funds allocated to each/all of the existing OHA programs  
 Buy land back; build/increase land portfolio

Table 2 Purchase / Control media: TV, radio, newspaper  
 Perpetuation / Shift other urban space  
 Monetary stipends for Hawaiians  
 Community grants  
 Fund the Hawaiian nation  
 Buy land back  
 Take down TMT; rehab traditional lands  
 Education  
 Affordable housing  
 Practitioners can get wages; In what way? Appropriate?

Table 3 Educate keiki  
 Fund more grants  
 Affordable housing; direct towards smaller groups  
 Scholarships  
 Trade schools  
 Professional development  
 Fellowships  
 Daycare for all ages  
 Land resource management  
 Acquire more lands for housing and additional revenues  
 Fund education for more lawyers and teachers to take back our land  
 Subsidize healthcare and social workers  
 Farming; Planning funds  
 Support economic development; next generation of retailers  
 For investment; Purchase lands  
 Take over military bases

Make Kaka'ako sovereign; can't be taken away

Create partnerships/collaborations with local businesses to expand research  
Why play their game to be like them?  
Are we trying to benefit our people?  
How do we balance income and integrity?

Table 4 Grants, economics  
Purchase more land  
Create a bank for Hawaiians  
Educational facilities  
Families are well taken care of  
Every beneficiary is supported  
Utility company for mauka/makai  
Invest in education  
Housing  
Every Hawaiian student should go to school for free  
Support other Ali'i trusts  
Help the homeless  
To maintain and sustain our aina  
Restore Cultural Sites  
Hawaiian Air

Table 5 Help Hawaiians purchase homes  
Buy more Kaka'ako Makai lands  
To build more affordable housing for Hawaiians  
More education scholarships  
Sustain the place/program where the income was generated  
Sustain/increase OHA's natural resource lands; preserve trees  
Reinvest in OHA's investment portfolio  
Programs to help economic self sufficiencies  
A more vibrant lahui  
Rebuild / Repair cultural sites  
Healthcare for young and old  
Family planning education

Table 6 Health clinics; preventative screening  
Funding Hawaiian focused schools  
Non-revenue generating OHA lands  
Expanding investment portfolio  
Existing programs  
Explore expanding programs, land holdings,  
Funding more grantees  
National college of Hawaii knowledge immersion  
Preparing high school students for college; applications, financial, life success  
Manage Kaho'olawe  
New investments; revenue generating activities  
Cultural programs that are not by nature revenue generating

# OHA Kaka'ako Makai - Community Outreach Meeting

Venue: ?

Date: ?

## Question 1: How would you describe an urban Hawaiian space?

Table 1 A place to continuously evolve our culture and ourselves

- Bridging disparities in the community
- Sattelite to neighbor islands
- Industries that provide jobs for Hawaiian youth to return
- Demonstrated Hawaiian innovation
- Sattelite Obama Library
- "Metro Maoli integration"
- Design - Function then form follows
- Access to education and healthcare
- Health center: practitioners and Hawaiian healers
- Spaces for cultural practitioners
- Hawaiian have always engaged in commerce
- Culture is the umbrella
- Sound stage for film production
- What will bring monetary revenues?
- Urban drives commerce, but neighbor island communnities have more access to resources
- Access for Hawaiians
- Something iconic; a landmark
- All Hawaiian vendors and businesses
  - Profit driven
  - Food, clothing, etc.
- Incorporate history
- Museum with a garden
- Hawaiian church
- Filling in areas/niches of need (i.e. film)
- 21st Century Ulumau village
- A Hawwian settlement in urban Honolulu
- Living quarters/spaces for mentoring in traditional practices
- Combination of commercially driven and culturally driven activities
- A place to address economy, education, culture, etc.

## Question 2: What uses would best support both commerce and culture at Kaka'ako Makai?

Table 1 Include cultural ways of knowing in commercial activities (i.e. moon phases, star lines)

- Incorporate technology similar to National Geographic "Fly Over Canada"
- Native Hawaiian trademarking to protect Hawaiian made products, arts, etc.
- Docking fees
- International commerce and trade
- Take advantage of Kewalo Harbor
- Medical facilities
- Leverage existing tenants uses
- Leverage and attract and partner with billionaire community (i.e. Zuckerburg, Omidyar, Ellison, etc.)
  - Civic minded philanthropists looking to give back
- Shows that highlight specific time periods in Hawaii's history; use of Olelo Hawaii

## Question 3: Income generated by Kaka'ako Makai could be used to \_\_\_\_\_.

Table 1 Further the needs of the community

- Identify needs of each community
- OHA should reprioritize the needs of the community
- Economic resilience specific to different communities
- Support for needs outside OHA's typical purvue
- Direct services

Money must flow directly to individual community needs  
Money earmarked for individual communities  
Defend rural community's way of life, resources  
Development of individual community plans  
Assist Hawaiians in buying lands  
Protect resources from other islands  
Skills development  
Emergency fundraising; preparedness

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KAKA'AKO MAKAI

# APPENDIX 5

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Mindmixer Comments



KUHIKUHI PU'UONE  
COLLABORATIVE

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## **Topic Name: Kaka'ako Makai: The apex of culture and commerce - Question 1 of 3**

### **Idea Title: One that is environmental friendly and maximizes profit**

Idea Detail: These parcels constitute a landfill and are located in a flood zone thus they must reflect a best use and gain only so that the other programs that already serve the people can be enhanced thus empower the Lahui. Fantasying about how culture and hawaiian values will yeild maximum financial gains is absurd and goes against better business practices and fiduciary duty of the trustees. A strong and bold initiative that identifies what consumers want, need and desire is required to make this urban space both sustainable sand profitable

Idea Author: Kealii M

Number of Stars 8

Number of Comments 0

### **Idea Title: Create a space for gathering & sharing of cultural tradition**

Idea Detail: Why is Hawaii unique? Why the the Hawaiian experience and spirit unique to these islands and not elsewhere in the world? Our islands are rich in diversity, tradition, character, history, and ideals. To enforce these principles without ignoring the economic necessity, there is an opportunity/challenge to create a balance of commerce, education, environment, and modern function/needs.

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. Traditions should not be allowed to fade, but rather we should strive to keep them alive and integrate them into our daily lives, diets, habits, language, etc. Urbanity and the Hawaiian sense of place/space may sound like contrasting concepts, but they can play into each other if they are properly identified and nurtured.

Idea Author: Jonathan S

Number of Stars 7

Number of Comments 0

### **Idea Title: Green, Innovative, and Smart Buildings**

Idea Detail: Green , environmental friendly building materials, using LED lightnings, water



efficiency appliances like toilet, dryers, plumbing systems and irrigation system.  
Innovative, Modern building designs, technological advance system like data center, WiFi, sensors to collect the energy, water usages, and smart parking garage, and solar system, sewage recycled systems,  
Smart.

-G/F parcel uses to build theater/performing center, Hula studio, Hi crafts and painting gallery, Plants nursery, electronic library.

-Electronic library concept beyond single location or office, the residents can access electronic books, or articles within 9 parcel or beyond in Kakaako.

-Fitness center can be built in parcel G/F

-Evacuation plan or Disaster plan in case of Fire, Hurricane, or Food shortage. Especially Hurricane, we need build a COStCO or Sams Club kind of store, in daily basis the residents shop at store when Hurricane hits, residents can access to basic food. also the desalination system.

Idea Author: Yun C

Number of Stars 6

Number of Comments 5

Comment 1: Build a workshop /studio at parcel G/F like Ukulele workshops teach residents and visitors about how to play, painting workshop learning how to paint, how to build chair or tables. | By Yun C

Comment 2: Think 9 parcels as ONE, and each buildings complemented to each other instead of stand alone. | By Yun C

Comment 3: all residents have access to high speed internet as way of communications in all 9 parcels in Kakaako.  
| By Yun C

Comment 4: Use recycled water to flush toilet , separate from main house hold pipe. | By Yun C

Comment 5: Evacuation plan 2 when hurricane hits, we need desalination system converting sea water into drinking water, recycle system can converting sewage water into drinking water.  
| By Yun C

**Idea Title: Build a sustainable, income-generating parking structure first!**



Idea Detail: Build a parking structure that could sustain our needs with units on the ground floor for Native Hawaiian businesses. On the inside highest floor, build ball rooms for rent, for meetings, wedding/graduation/other parties - income generating. On the roof top have PV to provide our power needs, making this building sustainable and have a garden growing with Indigenous plants, taro, ulu, la'au which we can eventually plant on all our parcels.

Idea Author: Kardeen W

Number of Stars 5

Number of Comments 0

**Idea Title: Doing away with drugs and have the people start talking**

Idea Detail: i am Hawaiian and growing up here in Hawaii we're mostly told not to say anything or don't TATTLE. We get scolded for that. Now as an adult all of that is now biting us in our butts because of all the drugs and crimes all around here. Nobody says anything about whatever's going on like people selling drugs, gangs, prostitution, and corruption within our state of Hawaii. Sad part is, it's our own people of Hawaii. I walk around different parts of Oahu and I find baggies with the residue of crystal meth, people-other than the homeless doing drugs in public bathrooms. No more ring around the roses and walking around blind! The say " non of my business " is STUPID to me because people are committing crimes and doing illegal actions everywhere and we all ignore it because " it's non of our business" I mean we Hawaiians can march in front the Iolani Palace (onipaa) for cry baby about our land being "TAKEN AWAY" yet the problem is that we no do nothing with our people who take LIVES away.

Idea Author: daylin R

Number of Stars 3

Number of Comments 0

**Idea Title: Urban life seem to lack culture, it is more about profit .**

Idea Detail: Well, telling from my experience in Hawaii, i can see the discrepancy of the urbanized and less urbanized side of the islands. I think that while some aspects of the culture is embraced in the urban areas, it seems like a lot of it is also lost. It seems like all the business around the urban area seem to only want to make a profit, without even considering the cultural aspects they are negating. In all honesty, i am not Hawaiian but i think it is



somewhat disappointing to see a culture ignored just to make a profit, or used just to make a profit.

Idea Author: Robert L

Number of Stars 3

Number of Comments 0

**Idea Title: Where locals go because they're welcomed, wanted & comfortable.**

Idea Detail: A place where locals, especially kanaka maoli, come together to meet and share na 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.

A place where normal (not performed) concurrent classes/meetings/gatherings are held, information shared and interaction occurs on a routine rotational daily basis by various:

- Schools - Punana Leo, Hwn Immersion, Hwn focused PCS, KS, UH/CC's, etc.
- Orgs/groups/clubs & church's - Hui kupuna/daycare, hui makua (o na kula), Homestead Assn's, Hwn CC's; Kawaiha'o, Kaumakapili, etc .
- Hwn Practioners/artisans/crafters - Hula, mele, la'au lapa'au, lua, mahia'ai, lawai'a, kapa, kalo, wa'a, etc.
- Ali'i Trusts & Orgs - KS, QLCC, Lunalilo, Queens; DHHL, OHA; Royal Order of Kamehameha, Ahahui 'o Ka'ahumanu, etc.
- Hwn Sovereignty & Nationals - Lahui HI, Hwn Kingdom; Kekuni, Haunani, Keanu, Leon, A'o, Ilima,

Idea Author: Kapua K

Number of Stars 3

Number of Comments 0

**Idea Title: Hale Moe**

Idea Detail: For myself I see some type of dormitory for students, off island Hawaiian practitioners, off island sports teams from schools and communities. A place where visitors who are kamaina and kamaina who are visitors can go for x amount of days then return home after x amount of days. A safe place to rest, clean & eat. Similar to a hotel without the hotel deal. Do it a Hawaiian way. For example, people staying here must take care of some type of



Kuleana (responsibility). There are many ways of handling the business part but the main idea is the Hale Moe for visiting kamaina & kamaina who are visiting! This Hale Moe doesn't have to take up the entire property. It could be part of the theme of the entire property but only taking a fraction towards this Hale Moe idea. Maybe one structure for men & one structure for women or conduct some type of research to get an idea on the numbers of people who might be interested in staying at one of these Hale Moe and then plan accordingly.

Idea Author: Kaleo K

Number of Stars 3

Number of Comments 0

**Idea Title: Link culture and physical space**

Idea Detail: An urban Hawaiian space would clearly link culture to the physical architecture in a way that honors the past but really showcases the present and future. There would be mixed areas for commerce, culture, and residential. While this is not a popular stance, there should be no tolerance of homeless. People who reside and visit that space should feel safe. That being said, I think the Kaka'ako community and owners/stakeholders must be more active in dealing with the homeless problem via policies, programs, and enforcement. The homeless community must be treated with compassion but there should be an expectation for individual and 'ohana kuleana and for the community to help support those working hard to fulfill that.

Idea Author: Lisa W

Number of Stars 3

Number of Comments 0

**Idea Title: An urban place is a place with lots of people.**

Idea Detail: it has lots of activities, music, food and drink. it is a place for kids, adults and seniors. A urban Hawaiian place is next to the ocean or water. in Honolulu at Kakaako, it needs lots of parking and/or a pedestrian bridge to cross Ala Moana safely and easily. it needs lots of trees and shade. it should be a 24/7 place.

Idea Author: Donald G

Number of Stars 2



Number of Comments 0

**Idea Title: build a multiple use building**

Idea Detail: hawaiian art gallery, hula studio, local coffee shop, local aloha shirt store and workshop, local artists design aloha shirt and make aloha shirt, rooftop nursery grows hawaiian flowers and plants, ukulele shop, ukulele workshop making ukulele, fitness center, use LED lights all area, use waterless toilets, natural gas backup power generators, hawaiian food restaurant,

Idea Author: Yun C

Number of Stars 2

Number of Comments 0

**Idea Title: A gathering place built on cultural foundations and values.**

Idea Detail: Oahu "The gathering place" can be personified in this urban Hawaiian space by incorporating the Ku'e Petitions into the design of a public courtyard with the names of its signatories embossed on each stone with the page number it appears on in the actual document. There should be gathering spaces for our Royal Societies & Association of Hawaiian Civic Clubs. There should be lo'i incorporated into the landscaping and the refreshing breezes should be filled with the aroma of lauau filling our hano. There should be performance venues and studios for Hula Halau. Large enough to accommodate a Hula festival equitable to the Merrie Monarch. Makahaiki courtyard designed as a life size Konane board. Ulu Maika, Moa Pahe'e, Lono Maka Ihe/'O'o Ihe play grounds. Useable Heeholua slides incorporated into building architecture. A modern living breathing village community embracing the past, living in the present and working towards the future.

Idea Author: Robert K

Number of Stars 2

Number of Comments 0

**Idea Title: Culture is like air we breath.**

Idea Detail: Culture is like air we breath, it is logo, symbol, building design, and language, and the type of food we eat. the art works or the craft also reflects the HI culture. Aloha shirt we



wear also reflect the culture. how to spread the aloha culture and how to mix the Hi culture and commence. It is already mixed and blended, when you sell the Aloha shirt, it is commerce and it is culture. The shirt design and logo.

Idea Author: Yun C

Number of Stars 1

Number of Comments 0

**Idea Title: Aloha, O'ahu is already urban, where's the kahiko?**

Idea Detail: O'ahu is so modern already and it would be nice to see some sights and people of the way it use to be. The land should be used for restoration of the old Hawaii and I just think we have enough new urban places in O'ahu. To see everything from the past brought back to life would be a sight to see. I am truly concerned about getting the homeless Hawaiians involved.

Idea Author: Dana A

Number of Comments 0



**Topic Name: Kaka'ako Makai: The apex of culture and commerce -  
Question 3 of 3**

**Idea Title: Cultural and Enviornmental preservation**

Idea Detail: This is pretty much what i believe the find generated should be used for in all honesty.

Idea Author: Robert L

Number of Stars 6

Number of Comments 0

**Idea Title: Support all Hawaiian Programs across the pae 'aina.**

Idea Detail: More grant monies would be available to support Hawaiian Programs geared to improve health, education, culture, sustainability and economic self-sufficiency. Protect our 'aina, our water. Have our waters returned to the people so our people can go back on the lands. Support sustainability efforts - support our farmers (not GMO,) the loko i'a, etc.

Idea Author: Kardeen W

Number of Stars 5

Number of Comments 0

**Idea Title: Aloha, money should help the people.**

Idea Detail: I would like the Hawaiian people off the streets of O'ahu. I know that the more we build and increase the value, more Hawaiians will become homeless. I had to leave my home in O'ahu because I could not afford to live there anymore. I go back and forth (from Puna to O'ahu) to take care of my family that is still there and I wish life there could be better for the homeless Hawaiians. I would love to see a place big enough for all the homeless Hawaiian people and their families.

Idea Author: Dana A

Number of Stars 3



Number of Comments 0

**Idea Title: Reinstate the Kingdom Of Hawaii government**

Idea Detail: Aside from OHA'S mandate which is already served via the strategic plan and OHA'S support and funding of federal recognition "domestic sovereignty" moneys and resoucrs could go to the independence movement. After all akaka bill and nation building efforts have cost up 30-40 million dollars of which have yeilded no returns but could have been use for existing programs. This project doesn't conflict with the budget or violate the constitution but it does give credence and respect to justice and fairness that hawaiians, hawaiian nationals and citizens of the world have called for and has been encouraged buy the United States of America.

Idea Author: Kealii M

Number of Stars 3

Number of Comments 0

**Idea Title: more education for young and older**

Idea Detail: more education will raise the standard of living for everyone. the goal of "50 percent of the workforce with college education by 2025 is a great goal. more health care services would also improve the standard of living.

Idea Author: Donald G

Number of Stars 2

Number of Comments 0

**Idea Title: Improve well-being of Native Hawaiians**

Idea Detail: Funding could be used for: (1) education, (2) job training and apprenticeships, (3) housing/rental subsidies, (4) developing sustainability options - meaning the vision should be how do we get closer to a space where we can feed a populace, (5) supporting technological advances across industries of agriculture, land management, sciences, education, and health.

Idea Author: Lisa W

Number of Stars 2



Number of Comments 1

Comment 1: Exploring ways to deal with sea level rise should also be considered, especially at this location. | By Tanya H

**Idea Title: Hawaiian nation government, culture**

Idea Detail: Income can pay for establishment of a true Hawaiian nation government and support new cultural establishments, such as the proposed essential species repository. Expand grant program to include Hawaiians living outside of Hawaii.

Idea Author: Tanya H

Number of Comments 0

**Idea Title: Provide an income for these kupuna's and continue helping.**

Idea Detail: Since OHA has to continue to provide financial support, the best way to generate an income is to pay our kumu's and kupuna's what they need so they can also continue to provide their knowledge and expertise in some area of Hawaiian education. Our Hawaiian culture must stay visible, especially in O'ahu because much of us has been lost in the building, roadways, etc. A substantial income could be generated by teaching people of all ages what they want to learn without having to pay a tuition for college. Maybe like a 3 week course or something like that. I know for me, I love the History of all the sacred places in Hawaii and I want to know what all the names of all of places mean as well as the kaona behind everything. Also, being open to all, not only Hawaiians would help to keep the Hawaiian culture alive all around the world.

Idea Author: Dana A

Number of Comments 0



**Topic Name: Kaka‘ako Makai: The apex of culture and commerce -  
Question 2 of 3**

**Idea Title: Education, Gathering, Exhibition, Marketplace, Connection**

Idea Detail: A suggestion would be to propose spaces dedicated to the educate ourselves, Keiki and visiting neighbors (tourists). It should take initiative an provide deeper insight into who we are and how we interact, while keeping our traditions alive. This appears like an opportunity to promote the "Aloha Spirit", "Aloha Mind". A suggestion is the creation of Cultural Exhibition Space(s) which is/are constantly being cycled to promote a view into our own unique island identities. Who are we becoming in these islands, and how do these concepts tie back to the culture from which we have evolved?

It would be refreshing to create a marketplace atmosphere specifically promoting our LOCAL merchants, farmers, artisans, cultural practitioners.

It is a challenge/opportunity to create a destination that engages the waterfront without overdeveloping. Scale of space would seem to be an important component in the design in order to maintain an appreciation for this boundary between water and land.

Idea Author: Jonathan S

Number of Stars 5

Number of Comments 0

**Idea Title: Maoli Ingenuity Center**

Idea Detail: The ingenuity center would be comprised of business incubators that support maoli entrepreneurship, design, food (cooking), music, art, la‘au, navigation, urban agriculture, technology, etc all housed in one central location. The incubators would help startup fledgling companies by providing certain resources and support services as well as a “sales floor” to showcase the various products and services offered by the incubator business for purchase by the public. Revenue could be generated by receiving a portion of equity in the businesses as well as the “sales” floors themselves.

Idea Author: Jocelyn M

Number of Stars 5

Number of Comments 0

**Idea Title: Build a revenue generating facility first**



Idea Detail: A parking structure with meeting spaces (ball rooms), small business units, PV, roof-top garden, when completed would bring in needed revenue to further develop the other parcels. We can better support our people in a quicker fashion by planning in a creative and strategic manner. Handling the development with this type of thinking would keep us from depleting our assets and help to move us forward.

Idea Author: Kardeen W

Number of Stars 5

Number of Comments 1

Comment 1: Ballrooms with ocean view is best. | By Tanya H

**Idea Title: add more office space that has parking. add an amphitheater.**

Idea Detail: An office building will have workers that will create activity during the day and requires parking which can be jointly used by the residents going to the park. it needs to have food trucks with quality food and an attractive exterior design. The architecture needs to be simple without lots of fuss to keep the building costs low. there needs to be a special building for Hawaiian Music and Performing Arts, including a Hawaiian Music Hall of Fame to celebrate our artists.

Idea Author: Donald G

Number of Stars 3

Number of Comments 1

Comment 1: Hawaiian Music Hall of fame is needed. | By Tanya H

**Idea Title: Capitalize on the current commercial zoning already in place**

Idea Detail: Ideas already introduce like cell towers, restaurants and gas station/car wash can already be implemented but collaborations and partnerships with other popular vendors from the likes of Costco to the farmers market need to be sought out so that services not there or even in the area can now be realized. Also a top priority is the administration seeking legislation to regain the water rights. That will enhance and increase opportunities of what can be done with the property and undo the blunder of giving it away at the time of the settlement.



Idea Author: Kealii M

Number of Stars 3

Number of Comments 0

**Idea Title: Provide gratis & nominal fee access to venue's listed above.**

Idea Detail: Invite and clearly communicate to our na hui o na mea Hawai'i the value and necessity of their participation, sharing, maintaining and perpetuation of our Hawaiian language, culture, tradition and practices (HLCTP).

Create guidelines and criteria that establish when, where and by whom fee's will be assessed for the space utilized (by group/org/indiv) and the accessibility to receive that information, education, joy, pleasure and wealth of knowledge received in a centralized area, to include traveling to off-site locations for full immersion of our HLCTP.

Establish separate kanaka maoli (KM) and locals (kama'aina/malihini noho loa) space utilization fee's (including gratis) as well as separate entrance fees for KMs, locals and malihini (tourists; including gratis).

Allow for local/kama'aina participation to reflect today's kanaka maoli with multi-ethnicities and considering that non-kanaka maoli have contributed to the perpetuation of our HLCTP.

Affordability & cultural valu

Idea Author: Kapua K

Number of Stars 3

Number of Comments 1

Comment 1: Good to include non-Hawaiian locals. We all related anyways, and many non-Hawaiian locals trace back to the Kingdom days. | By Tanya H

**Idea Title: we always have room for more education and culture.....**

Idea Detail: I would also like to see more people learning Hawaiian language, lei making, hula, art, music, history, etc. and so much more about our Hawaiian culture. We have some of the finest kupuna's still with us today that can pass on their mana'o to many of us Hawaiians as well as others that truly love and respect us. I just spent the weekend in Waipi'o val and I



realize how little many of us know and I also saw visitor's that want to learn. Teaching others can bring in revenue so OHA can continue to provide help.

Idea Author: Dana A

Number of Stars 2

Number of Comments 0

**Idea Title: An innovation center that inspires creative thinking.**

Idea Detail: I imagine a space that embraces the Hawaiian culture and inspires generations of people to create innovative products. A facility that has some, if not all of the following aspects:

Outdoor amphitheater that allows cultural/local events to be hosted to educate people

Community space for events

-A restaurant/cafe space overlooking the marina

-An alternative energy education center (possibly a small classroom setting and displays about alternative innovations/facts)

-Retail space for a small shops

- Net Zero (or as close as possible)

-A showcase of cultural artifacts, facts, innovations created by the Polynesian settlers, modern day innovations created by Hawaiian students and residents.

-A center for children and adults to interact with alternative energy devices.

Solar/Wind/Hydro/Thermal/Wave and other devices that explain how things work and show examples of how we can use these innovations in our everyday lives. This would inspire children to be more creative.

more...

Idea Author: Shane L

Number of Stars 2

Number of Comments 1

Comment 1: Just make sure outdoor amphitheater isn't near residential. | By Tanya H

**Idea Title: Where locals and non locals can see the real culture**

Idea Detail: Once again, we are focused on this idea of profit. Kona side of the big island is a perfect example of this. I lived there a good chunk of my life and have seen the difference



between there and a place like Waimea or hilo where some of the culture aspects are kept and celebrated from time to time. A lot of the visitors do not understand or even know what the culture truly stands for because they are forced to believe that the small section of Hawaii they are staying, a box created to epitomize what the media has portrayed as Hawaii. I think that having more access to actual cultural activities might help the locals reconnect to their culture and may teach a few visitors about the Hawaiian culture, and not the kind of information one can read on wikipedia.

Idea Author: Robert L

Number of Stars 2

Number of Comments 0

**Idea Title: Multi-use buildings.**

Idea Detail: Residential buildings should (1) have a percent of parking set aside for general community so there are multiple options for those wanting to spend time in Kaka'ako, (2) have the lower floors be used for either meeting spaces or businesses, and (3) incorporate sustainability & green features to include commercial or residential rooftop crop gardens.

Idea Author: Lisa W

Number of Stars 2

Number of Comments 0

**Idea Title: Parking, business, residential, cultural**

Idea Detail: Parking, office space with preference for Hawaiian owned businesses, Hawaiian only residential, high rise tourist hotel, and hotel for Hawaiians and invited ohana and quests. Very difficult for Hawaiians to afford to live in Kakaako, and Hawaiians visiting home without ohana to stay with have to pay high prices for accommodations. Place our nation's new capital there, and all governing functions. Provide a facility that assists area Hawaiian homeless, substance abusers, etc. so that they may improve their lives. We should not be homeless on our own land.

Idea Author: Tanya H

Number of Comments 0



**Idea Title: Native bird rehabilitation facility**

Idea Detail: Establish a much needed native bird rehab facility. There is currently none on Oahu and only 1 in Hawaii. Non-releasable birds could be displayed for educational purposes. The public could be educated about the importance of our native avifauna and cultural connections to Hawaiians. The pueo used to call Kakaako its home, yet none are left but a statue, and populations on Oahu are dropping. As the pueo has cared for us, it is now our kuleana to care for the pueo and all of our precious manu.

An overall essential species repository with bird sanctuary and botanical garden could be an attraction to visitors and locals alike. Provide space for Hawaiians to practice and sell related arts. A fish pond/ocean fishing component should be included as well.

Idea Author: Tanya H

Number of Comments 0

**Idea Title: Regain sovereignty over our wildlife resources**

Idea Detail: Establish an essential species repository where Hawaiians can request wildlife products necessary for religious practices, such as feathers, bone, honu shell, etc. Start with a feather repository fashioned after the repository run by the Comanche Nation's SIA Ethno-Ornithological Institute. The federal permitting system is straight forward and minimal staff would be required. Current requirements for Hawaiians to obtain feathers from Papahanaumokuakea are extremely burdensome. Hawaiians already qualify to receive feathers under the much simplified permitting process used on the mainland.

An essential species repository could be expanded to include medicinal plants. Studies of medicinal plants could be done in partnership with nearby Burns School of Medicine. A small botanical garden could be maintained for visitors.

Idea Author: Tanya H

Number of Comments 0

**Idea Title: first things first...it's all these drugs...**

Idea Detail: we got to have the people start talking and being open about all these drugs and gangs and criminals that are trafficking drugs and people. people aren't saying or doing anything. we the people of Hawaii are not lab rats that are being studied. We are human beings. I know of Hawaiian people that are in that area of BAD.... and yet we no say nothing about our own people selling drugs to our own. Children are doing drugs, having sex, joining gangs. what are we building here in Hawaii? A criminal guild? drugs and gangs and homeless people are every where here in Hawaii and we got to stop blinding ourselves. seeing past the



problems on our beautiful islands and yet maintain the ugly all around. Gazing our eyes on the island's beauty and by passing the very things that destroy it slowly every time... it's not about covering crap with beauty when the stink underneath seeps out like stains on a shirt because of an open wound.

Idea Author: daylin R

Number of Comments 0

**Idea Title: We need to help the native people of hawaii be proud.**

Idea Detail: I feel that O'ahu has become over developed and over populated and the locals have had to simply try to just survive but many of them have given up on what they believe. We grew up very simple and grateful for the little things. I think that something should be built that enhances and attracts the natives to want to be a part of so that they can still remember how their past is still a part of their future.

Idea Author: Dana A

Number of Comments 0

**Idea Title: a world class amusement park**

Idea Detail: I know you are thinking of a cultural park. Include a land and sea inclusion on land rides for children with a Hawaiian story book theme. Then rides geared to adults on the ocean in different forms of travel. Canoe, Submarine, surfboards, and more. Then, and the crowning touch would be a Restaurant under the waves. Imagine being able to see the ocean from a different perspective.

When you think of what we have lets not make it small lets think future. Go for the gusto and make the decision to make a world class attraction. Take a lesson from all the development Hawaii is drawing people with money. All the Homes and Condos are million dollar plus. Who is going to own these, people from other countries who are entranced by the idea of living in paradise. So lets give them something that's world class. Polynesian cultural center is still the best cultural place on the Island but lets go one better. I know it takes money to make money but I am sure that we can do it. Think future.

Idea Author: David L B

Number of Comments 0

**Idea Title: World class cultural Amusement park**



Idea Detail: I believe that we have a cultural center in Laie called the Polynesian Cultural center. Why not a world class amusement park. We could have Roller Coaster Rides that could rival the rides on the east coast. We could still do Cultural events on-land or we could have large surfing events, body surfing. or even the same type of water wonderland barges that would allow diving of the barge or sliding boards into the Pacific snorkeling or deep sea diving. Then under the water we could have a world class restaurant or even the Idea of creating underwater condos all encased in plexiglass. This may sound impossible but there are million dollar condos being built in the Ala Moana Area. Do you think that just a Hawaiian cultural center will be enough. Lets think Big. We need to make enough money to take our race into the future. Small thinking will get us small returns. Don't let us become complacent, We must think of the future.

Idea Author: David L B

Number of Comments 1

Comment 1: I like the idea of building million dollar condos better. That would bring in more revenue. | By Tanya H

**Idea Title: A Hawaiian Church to be built.**

Idea Detail: This idea comes from Jerry Nakasone as he attended Kauai's Kaka'ako meeting and participated in a break out of two groups. His idea is that of an old Hawaiian Church built there on property. The architecture of the church is built like that of the old days using moss rocks yet incorporating the 21st century designs, color, etc. Bringing the past and the present together of This old Hawaiian Church. Mahalo.

Idea Author: Noalani N

Number of Comments 0



KAKA'AKO MAKAI

# APPENDIX 6

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Comment Cards & Other Submissions



KUHIKUHI PU'UONE  
COLLABORATIVE

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## KAKA'AKO MAKAI

A Place for Future Generations

Share your thoughts below or online (see reverse)

Develop a directory of Hawaiian  
skilled crafters, fishermen, farmers,  
kahuna, lapaʻau, hula, carvers,  
askologers etc. Seek them out or  
gather them and have them teach  
classes in the many skilled areas.  
Classes that would be ongoing. All students  
will pay fee to enter and don't pay classes.

## KAKA'AKO MAKAI

A Place for Future Generations

Share your thoughts below or online (see reverse)

- Multiple use buildings
- Fitness center
- Hawaiian theme Restaurant
- Nursery
- Electronic ~~library~~ library
- Tech startup buildings
- Ukulele Shops & Hawaiian Studios

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.



## KAKA'AKO MAKAI

A Place for Future Generations

Share your thoughts below or online (see reverse)

- Architecture <sup>art</sup> Hawaiian inspired
- Island of natural environment
- Fine arts preserve
- Kōnaka preserve
- Piko
- Affordable housing
- Kūiaha Kauhale
- Fish Market Farmers market

# KAKA'AKO MAKAI

## A Place for Future Generations

Share your thoughts below or online (see reverse)

- Cultural & natural resources should be at the heart & focus of developing area
- open, green shoreline; parkland; <sup>open</sup> recreational
- no residential housing - keep this on mauka Kaka'ako. It's the heart
- use IT/intellectual development of native Hawaiian knowledge; arts; crafts - <sup>emphasizing</sup> farming / fishing / farmers-market

# KAKA'AKO MAKAI

## A Place for Future Generations

Share your thoughts below or online (see reverse)

- Many individuals with Native Hawaiian descent know in University of Hawaii Manoa are ~~health~~ health majors, ~~of~~ Native Hawaiian language / Hawaiian majors, or natural sciences majors.
- IF OHA uses the parcels of land to ~~make~~ make sure we have futures in Hawaii and jobs so we are able to stay home.

# KAKA'AKO MAKAI

## A Place for Future Generations

Share your thoughts below or online (see reverse)

Regarding parcels "A" "B" "C" "D" "E" "K" being up for sale?

- (15M BUDGET) NEEDS INVESTORS (W/ BUDGET)

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.



- Build a Learning center -
- Multi Media Lab OHA - classrooms for rent
- Study Hall
- Free Wi-Fi

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

China - Hawaiian Kingdom

1899 China to Hawaii

\$ 189,000,000  
Billion.

Where is this money.  
1900 = Organic Act

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

medicinal gardens  
& Ethnic

Aquarium.

virtual simulator museum/ride.

Outdoor cooking facility/line

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

Don't Commercialize the culture  
use of barter economy

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

DOES OHA OWN PROPERTY THAT

IS WHERE THE SEWAGE PLANT STATION

IS LOCATED CAN OHA TAX THE COUNTY

FOR USE OF LAND AS WELL AS

USE TO CONNECT TO SEWER PUMP STATION!

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

they should have a automobile free area.  
Possibly just a giant parking lot near the main  
road and then the rest of the kuleana would  
be a giant recreational center. There it live a  
disneyland but for local Hawaiian sports and  
activities. maybe a shuttle service. But at the  
same time still have access to beach goers.

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

Help create the necessary new consciousness  
by making a sustainably nature celebrating  
place focused on ancient Hawaiian  
wisdom regarding working harmoniously  
with nature. It could be a learning  
teaching place for small-scale  
rewilding solutions. <sup>small-scale</sup> ~~forced~~ <sup>forced</sup> ~~training~~  
sustainable fishing with fish ponds &

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

a place where the ways - kapu no na  
kawai'a, are followed.

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

welome na kuu 'a'one kahu - pu'uhonua  
revenue is a means to an end  
the end: fulfilling the kuleana as  
the 'ali'i

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

A community gathering place  
a fun, pleasurable festive  
area  
Play & recreation for Keiki.  
Nature, people, activities interacting.  
connect w/ the land  
Respect the history & folklore  
of the land.

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

- ① what kind of Affordable housing? which salary bracket (?)
- \$28,000/year (what will you do with the po'o 'i'ihuna)
- \$35,000/year
- \$40,000/year
- ② This "cultural oasis"; are you restoring traditional fishponds, pa'aisai or auwai (?)  
in certain areas  
what kinds of facilities?
- ③ Parking/access for local beachgoers, other fishermen
- ④ hydroponic Aquaponics

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

Supporting NH cultural practitioners  
e.g. carving, fishing tradition.  
Value ike Hawaii, Hawaiian  
Knowledge

## KAKA'AKO MAKAI

### A Place for Future Generations

Share your thoughts below or online (see reverse)

- Don't seek zoning changes or variances.
- Aquatic center - include fishery info.
- Performance space for Hula,  
Hawaiian Music
- Native Plant garden (include nur
- Farmers + Craft Market
- Home for Hokualea + other canoes
- Art by Hawaii artists - exhibition  
space

## KAKA'AKO MAKAI

A Place for Future Generations

Share your thoughts below or online (see reverse)

OHA has the right to generate maximum income on Kaka'ako Makai lands for the benefit of the Lahui.

## KAKA'AKO MAKAI

A Place for Future Generations

Share your thoughts below or online (see reverse)

Foreign Trade Zone  
Place for manufacturing

## KAKA'AKO MAKAI

A Place for Future Generations

Share your thoughts below or online (see reverse)

- Build an Aquatic Center
  - salt water ~~look~~ pool w/ diving towers
- Build a Visitor Center & Hub Stadium.
  - show off Hawai'i history as Hawaiians saw it.
  - Our version of the Merry Monarch
- Build a Research Center
  - study agriculture
  - grow native Hawaiian healing plants
  - showcase Native Healing Arts.
- Build a Learning Center - Over 2

gelbraida -

## KAKA'AKO MAKAI

A Place for Future Generations

Share your thoughts below or online (see reverse)

Scale Native Hawaiian crops.

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A Place for Future Generations

OURBAN LU'AU  
O PROFESSIONAL CULTURAL  
CENTER

Share your thoughts below or online (see reverse)

- o FOREIGN TRADE ZONE DESIGNATION
- o Dock for SPOOFERY
- o TEMP - SHORT TERM HOUSING FOR NH FAMILIES w/ FAMILY MEMBERS w HOSPITALS (QUEEN'S, STRAUB, KAPLAN) - (LOWRND Mc DONALD HOUSE MODEL)
- o CONFERENCE CENTER - MEETING HALLS (MID-SIZE)
- o NOTE - ZONING IMPACTS USES
- o NOTE - VISION THE NEEDS OF FUTURE KAKA'AKO COMMUNITY.

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we's stay grounded & humble as we move forward, keeping in mind what our tutu, papa, nana's would want us to build, making them proud. It's not all about the 200 million. Aloha ke Akua w restoration, preservation, culturally sensitive, & educational, growth in a positive light.

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I WOULD LOVE TO SEE THIS LAND USED AS A SELF SUSTAINABLE AREA. GARDEN, ORCHARDS, FOOD. WE WERE SUSTAINABLE BEFORE & WE CONTINUE TO BE ABLE TO BE SUSTAINABLE WITH OUR LAND.

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Most homeless are Hawaiian & they just need a kipu ka residential dev. w/ walkable gardens on a small part of Kaka'ako.

sheliang62@gmail.com

Each 2,500 sq ft lot would bring in \$30,000 to 40,000 to OHA, leasehold ownership.

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"The Piko of the World"

Create a cultural park (mauka to makai) involve Hawaiian skilled people to help and educate/mentor Hawaiian prescoters that would enrich visitors' local's (you a fee) on Hawaiian culture. Partner with agencies to help w/ funding. ALU LIKE'S Ed program with summer employment, Kamehameha Schools etc. O'ahu

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parcel I/J: Fish market?

Other parcels: Amphitheatre

Aquarium

Research Lab

Agriculture / Agriculture

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I would like to see the generated income of Kaka'ako Makai used for the benefit of our children in the area of education.

Hoolihua Homeleaders Assn.

Makohai

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Component = Strengthening the Ohana

Create a community where Hawaiians dwell. Learn the Kuleana of the 'Ohana, learn problem solving with ho'oponopono, learn the importance of how values and spirituality connected the growing family. Learn how the environment was revered & respected as the growing resource for food shelter to become pili to the space on

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I think revenues generated should be used to purchase more + more open space. 'Aina return to Hawaiians.

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### A Place for Future Generations

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Art, art & more art: traditional/art, modern Hawaiian art, Kī, Kapa, paintings, carvings, art of knowledge (art that portrays and honors traditional knowledge), but also art that inspires! Art that grows on everyone Hawaiian and non-Hawaiian Hawaii grows on all in this space <sup>through the</sup> inspiration of art.

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We would have attended the meeting but was at the location as advertised while the meeting was held at QLEC + not OHTA/DTHL room.

Whatever is planned and constructed should be in the interest and benefit of native Hawaiians. Within the building there should be a learning center for our Keiki,

Opi'o and Kupuna emphasizing our culture, Arts and Reading. Make like a Hawaiian Library.  
\* Hoolohua Homesteaders Assn. - Gehie Bush, President

## KAKA'AKO MAKAI

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In the way of Commerce we would like to see an Open market for new Hawaiian entrepreneurs, farmers, etc. to introduce and sell their products from thru out the different islands.

Mohai Hodehwa Homesteaders Association

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Mohai Hodehwa Homesteaders Association

FOR: ALLEN KAM

20 November 2014

Letters to the Editor  
Star Advertiser  
Fax: 529-4750

### BRING BACK TAHITIAN LANAI

My suggestion to OHA is to bring back the nostalgic Tahitian Lanai restaurant at the Fisherman's Wharf location in Kakaako. After 40 years as hostess to those from near and far, it closed under protest. The Tahitian Lanai was frequented by Hawaii's and mainland who's who and everyday people like me. It offered a special welcoming charm all its own and yet to be replicated. Locals and visitors are looking for old Hawaii. The location is an ideal gateway to Waikiki. Believe me, they will come.

This tropical oasis would counteract the elevated rail and glass towers – both extreme misfits. Salute other restaurants that have closed i.e. Canlis, M's Ranch House, Kelley's, The Roundhouse, Flamingos, Southseas (and others) by serving their signature dishes. Fried taro medallions (in lieu of hash browns) and banana muffins were Tahitian Lanais best. Bring her back in her tropical grandeur (pavilion style, tiki torches, palms, thatched umbrellas) for us who savor the memories of this iconic gathering place. Her spirit is still here looking for a home. It will flourish. See you there!

Lani Wagner  
Aiea  
486-8886

February 20, 2015

Testimony of Jimmy Wong

Office of Hawaiian Affairs  
Discuss Kakaako  
Windward Community College  
Hale Akoakoa Rm 105

Aloha Trustees;

**Summary:** It is inevitable that a Hawaiian political entity will be reinstated in the near future. OHA should suspend decisions on Kakaako.

Welcome to Heeia and mahalo for this opportunity to discuss options for the nine land parcels in Kakaako that was deeded to OHA in 2012 as part of a \$200 million settlement with the State of Hawaii over ceded-lands claims. Unfortunately, questions remain over the amount of the settlement and the restrictions the State has imposed on the use of these parcels.

In March of 2014, OHA launched an ambitious plan to reinstate a Hawaiian Nation after lobbying for the passage of the failed Native Hawaiian Reorganization Act. The Department of Interior has also been involved in determining Native Hawaiian desires to have DOI develop administrative rules to federalize Native Hawaiians similar to American Indians.

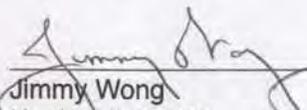
OHA is presently negotiating with Na'i Aupuni, a non-profit, to become the contractor and decision maker in the Nation building process. The process also plans for the Native Hawaiian Legal Corporation to receive the funding from OHA to honor the contracts entered into by Na'i Aupuni. In addition, the Native Hawaiian Roll Commission is in communication with Na'i Aupuni concerning merging the estimated 125,000 electors into the process. OHA has pledged to remain uninvolved in shaping the process or the outcome in order to truly reflect what the certified Native Hawaiian electors desire.

Native Hawaiians have now created an internationally certifiable list and are entitled to restore a government of their choosing. It is inevitable that this government, whether federalized or independent, will become a reality in the near future. (A ratification of a constitution **MAY** be held as early as February 2016.) It is also inevitable that these nine land parcels will be part of the land base or territory of the reinstated government.

It is for this reason, that I strongly suggest that OHA hold in abeyance any decision on the use of these valuable parcels. The decision for the highest and best use of these lands should be the responsibility of the reinstated government under its land use policies and not under any other government restrictions.

The best option for OHA is to suspend any decisions relative to developing these parcels and other real estate transactions that will restrain the Hawaiian government from attaining the highest and best economic use of its lands for its citizens.

Mahalo for all you do.

  
Jimmy Wong  
Heeia, HI. 96744

**Kakaako Town Hall Meeting**

**OHA Public Hearing, Feb. 17, 2015**

WOS 9/10

**By Donald Goo, FAIA**

**Resident access to the ocean and the amenities and services is critical to providing a 24/7 live, work and play development of OHA/s land and Makai Park.**

- Because of its projected density and location between the Central Business District and Waikiki, it will be Honolulu's first urban community.
- This location adjacent to the Pacific Ocean should be for all of Hawaii's residents
- As planned by HCDA, this will be a live, work, and play community.
- As an urban place, it should be a 24/7 active place. There needs to be activity during the week day, week night, weekend day and weekend night.
- It will need parking and convenient and safe pedestrian access over Ala Moana for 30,000 residents at Kakaako Mauka.
- The uses selected should include office space that will require parking which can be used at night by other activities. Office workers and students from the Medical school will provide activity during the week day. Visitors could provide additional activity during the week day as well as at other times.
- The need to provide protection from rising sea level can be provided by parking at ground level and an elevated pedestrian promenade and other uses above the parking.

**Resident access to OHA's developed land and Kakaako Makai Park is a critical domino for the development of these lands.**

Special attractions such as relocation of the Waikiki Shell to the Makai Park and the creation of a museum for the Hawaiian Music Hall of Fame to focus on Hawaiian Music and Dance should be considered as a high priority. The UH educational facility should also be integrated into the development of this special place. All of Kakaako should be planned as a special place for Hawaii.

There should be a tree shaded pedestrian promenade from Kakaako Makai (OHA and Makai Park) to Kakaako Mauka and the Cultural Center of Honolulu, a mountain to Ocean connection.

Aloha Kabou!

① Skippy loove kēia.

I think that there's enough cultural centers that are tourist oriented and nothing for the kanakas.

What we could use is a cultural prison. If OHA make one prison of kokō Kanaka you get paid by the state per prisoners, and then we charge tourists for see the cultural prison. Ask Bob Hivalsey for call me if he get questions.

ok den . . .

Skippy



- "Kakaako Makai" Aqua Culture fish ponds, limu /algae, salt ponds, etc. A
- "Kakaako Makai Lanai Cafe" Barista, Cafe. (B, L, D) w/ local coffee - wifi friendly B
- "Kakaako Ke Kai" Navigational resource / workshop C
- Kakaako Health & Wellness Center D
- Kakaako Keiki Land Park E
- Kakaako Hale Pule Congregational F / G
- Kakaako Kratts & More " " Farmer's Market green house, lo'i, garden zone I
- Native Hawaiian Sea Bird Sanctuary to Hawaii's native plants K
- Kakaako Congregational Hale Pule L
- Kakaako Tech / Science Center L

BY: Mona Daniels email: monaoba@yahoo.com  
 monaoba@yahoo.com 2.24.15

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KUHIKUHI PU'UONE  
COLLABORATIVE

725 Kapi'olani Blvd, 4th Floor  
Honolulu, Hawai'i 96813