Minutes of the Office of Hawaiian Affairs Committee on Resource Management
November 27, 2019
9:01 am

ATTENDANCE:
Trustee Dan Ahuna, Chairperson
Trustee Kalei Akaka
Trustee Keli‘i Akina
Trustee Carmen Hulu Lindsey
Trustee Colette Machado
Trustee John Waihe‘e

Staff Present:
Sylvia Hussey, CEO
Everette Ohta
Johnathan Ching
Lee Miller
Miles Nishijima
Raina Gushiken
Sterling Wong
Carol Ho‘omanawainui
Lehua Itokazu
Alyssa Kau
Claudine Calpito
Anuhea Patoc
Paul Harleman
Maria Calderon
Crayn Akina
Brandon Mitsuda
Kama Hopkins
Kauikeolani Wailehua
Lei Ann Durant
Zuri Aki
Priscilla Nakama
Nathan Takeuchi

Guest and Community:
Trustee Brendon Kalei‘aina Lee
Trustee Leina‘ala Ahu Isa
Robert G. Klein, Esq.
I. CALL TO ORDER

Chair Ahuna welcomes everyone to the Committee on Resource Management and calls the meeting to order at 9:01 am.

<table>
<thead>
<tr>
<th>Present</th>
<th>Excused</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRUSTEE LEI AHU ISA</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>TRUSTEE KALEI AKAKA</td>
<td></td>
<td>arrived at 9:24</td>
</tr>
<tr>
<td>TRUSTEE KELI ‘I AKINA</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>TRUSTEE BRENDON KALEI ‘AINA LEE</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>TRUSTEE HULU LINDSEY</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>TRUSTEE ROBERT LINDSEY</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>TRUSTEE COLETTE MACHADO</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>TRUSTEE JOHN WAIHE‘E</td>
<td></td>
<td>arrived at 9.11</td>
</tr>
<tr>
<td>CHAIRPERSON DAN AHUNA</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

At the Call to Order, there are six (6) Trustees present establishing a quorum.

II. PUBLIC TESTIMONY

None

III. NEW BUSINESS

A. Approval of Minutes
   1. November 6, 2019
   2. November 20, 2019

Chair Ahuna stated we would be deferring November 6, 2019 minutes. Asked for motion to approve minutes for November 20, 2019.

Trustee Hulu Lindsey moved to approve minutes for November 20, 2019.

Trustee Machado seconds the motion.

Chair Ahuna asked for discussion. Hearing no discussion, Chair Ahuna called for a roll call vote.
Trustee Hulu Lindsey, MOVED, SECOND by Trustee Machado, to approve minutes of November 20, 2019.

<table>
<thead>
<tr>
<th>TRUSTEE</th>
<th>1</th>
<th>2</th>
<th>‘AE  (YES)</th>
<th>‘A’OLE (NO)</th>
<th>KANALUA (ABSTAIN)</th>
<th>EXCUSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRUSTEE LEI AHU ISA</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE KALEI AKAKA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE KEL'I AKINA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not Present</td>
</tr>
<tr>
<td>TRUSTEE BRENDON LEE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>TRUSTEE HULU LINDSEY</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE ROBERT LINDSEY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>TRUSTEE COLETTE MACHADO</td>
<td></td>
<td>2</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE JOHN WAIHE‘E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not Present</td>
</tr>
<tr>
<td>CHAIRPERSON DAN AHUNA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>TOTAL VOTE COUNT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>

MOTION: [ ] UNANIMOUS [ X] PASSED [ ] DEFERRED [ ] FAILED

Motion passes with six (6) YES votes.

B. Workshop #2 – Kaka’ko Makai Discussion re: Programmatic Elements

Chair Ahuna called upon Sylvia Hussey

Sylvia Hussey called upon Miles Nishijima to share at table. Jonathan Ching, participated via telecom.

Miles Nishijima and Johnathan Ching shared details on the fourteen programmatic elements. See attachment on the presentation of Kaka`ako Makai.

IV. EXECUTIVE SESSION†

RM Chair Ahuna asks for a motion to resolve into Executive Session pursuant to HRS § 92-5(a)(4).

Trustee Hulu Lindsey moves resolve into Executive Session pursuant to HRS § 92-5(a)(4).

Trustee Waihe‘e seconds the motion.

RM Chair Ahuna calls for a Roll Call Vote.
Trustee Hulu Lindsey, MOVED, SECOND by Trustee Waiheʻe, to resolve into Executive Session pursuant to HRS § 92-5(a)(4).

<table>
<thead>
<tr>
<th>TRUSTEE</th>
<th>1</th>
<th>2</th>
<th>‘AE (YES)</th>
<th>‘AʻOLE (NO)</th>
<th>KANALUA (ABSTAIN)</th>
<th>EXCUSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRUSTEE LEI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE KALEI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE KELIʻI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE BRENDON</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE HULU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE ROBERT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE COLETTE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE JOHN</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHAIRPERSON DAN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL VOTE COUNT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8</td>
</tr>
</tbody>
</table>

MOTION: [] UNANIMOUS [X] PASSED [ ] DEFERRED [ ] FAILED

Motion passes with nine (8) YES votes.

The committee resolved into Executive Session at 10:19 a.m. to discuss:

A. Approval of Minutes
   1. January 9, 2019
   2. April 10, 2019
   3. May 1, 2019
   4. July 31, 2019
   5. October 2, 2019

B. Consultation with Board Counsel Robert G. Klein, Esq., Kama Hopkins and RM Leadership re: questions and issues pertaining to the Board’s powers, duties, privileges, immunities and liabilities relating to CLA-OHA & LLC’s Contract & Disbursement Review Draft Report, Pursuant to Hawai‘i Revised Statutes §92-5(a)(4).
The committee returned to Open Session at 11:49 a.m.

IV. ANNOUNCEMENTS

None

V. ADJOURNMENT

Chair Ahuna calls for motion to adjourn.

Trustee Hulu Lindsey moved to adjourn.

Trustee Waihe`e seconds the motion.

<table>
<thead>
<tr>
<th>Trustee Hulu Lindsey, MOVED, SECOND by Trustee Waihe`e. Motion to adjourn.</th>
<th>1</th>
<th>2</th>
<th>‘AE (YES)</th>
<th>‘A’OLE (NO)</th>
<th>KANALUA (ABSTAIN)</th>
<th>EXCUSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRUSTEE LEI AHU ISA</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE KALEI AKAKA</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE KELI'I AKINA</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE BRENDON LEE</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE HULU LINDSEY</td>
<td>1</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE ROBERT LINDSEY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>TRUSTEE COLETTE MACHADO</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRUSTEE JOHN WAIHE'E</td>
<td>2</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHAIRPERSON DAN AHUNA</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL VOTE COUNT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

MOTION: [ ] UNANIMOUS [ X ] PASSED [ ] DEFERRED [ ] FAILED

Motion passes with eight (8) YES votes.

Chair Ahuna adjourned meeting at 11:50 am.
Respectfully Submitted,

__________________________________________________
Anuhea Patoc, Trustee Secretary
Committee on Resource Management

__________________________________________________
Dan Ahuna, Chairperson
Committee on Resource Management

Approved: RM Committee meeting _________________

Attachment(s):

1. Presentation of Kaka`ako Makai (54 pages)
Kakaʻako

Makai
Kakaʻako Makai

**Why?** – Need for strategically aligned, Trustee approved Kakaʻako Makai plan

**What?** – Decisions about programmatic elements, lot by lot sequence, and business model

**How?** – 3 Workshops (November and December 2019) and 1 Action Item (January 2020)
The What?
3 - Key Decision Areas

PROGRAMMATIC ELEMENTS

I

II

III

BUSINESS MODEL

LOT BY LOT SEQUENCE
The How? and the When?

3 - Workshops to 1 - Action Item

11/20/2019
Workshop #1 – 1 hour: Kakaako Makai Overview, Programmatic Elements, Sequence and Options (distribution of deck/available on 11/13/2019)

11/27/2019 (or 12/4/2019)
Workshop #2 – 1 hour: Kakaako Makai Discussion re: Programmatic Elements (same deck)

12/4/2019 (or 12/18/2019)
Workshop #3 – 1 hour: Kakaako Makai Discussion re: Sequence and Options and Review of Draft Action Item (same deck)

1st or 2nd meeting in 2020, month of January 2020 – 1 hour:
RM 19-XX – Approval of Kakaako Makai Programmatic Elements, Sequence and Options

Land Assets staff – Miles Nishijima, Jonathan Ching and Lee Miller available for individual meetings with no more than two (2) Trustees or Trustees’ staff from 11/13/19 to 01/15/20.
Why? – Need for strategically aligned, Trustee approved Kaka`ako Makai plan
- Setting Context
- What’s Happened Since 2012?
  + In the Organization
  + With the Policy
  + At the Legislature
  + With Planning Process
## Kakaʻako Makai Development Timeline Overview

### Land Transfer
- KM Policy Adopted

### OHA’s Strategic Action Plan
- April – Oct.
  - Land Division Created
  - Conceptual Master Plan Begins
  - OHA Requests Residential

### 2012
- Balance Rev. Generation w/OHA’s Strat. Goals
- Create a Haw. Place
- Embrace Community

### 2013
- Cultural Context for Development
- Baseline Development Strategy
- Basis for Conceptual Master Plan

### 2014
- Legislature Denies Residential Use
- WCIT Selected for Conceptual Master Plan

### 2015
- Pae ‘Āina Engagement
- RM Committee Presentation

### 2016
- OHA Decides to Proceed w/Existing Entitlements
- OHA Asks HCDA to be EIS Accepting Authority

### 2017
- Master Plan Contract Expires

### 2018
- OHA Asks HCDA to be EIS Accepting Authority
- Plans not finalized
- Design Guidelines not completed
- EIS and SMA not completed
- $1 mil of contract unspent

### 2019
- Regroup
- Set Strategic Course
- Holomua

### 2012 – 2019 Timeline
- April
  - Conceptual Master Plan Begins
- Land Division Created
- OHA Requests Residential

- October
  - Pae ‘Āina Engagement
  - RM Committee Presentation

- April
  - OHA Decides to Proceed w/Existing Entitlements
  - OHA Asks HCDA to be EIS Accepting Authority

- February
  - Master Plan Contract Expires

### 2012 – 2019
- 2012
  - OHA Asks HCDA to be EIS Accepting Authority
  - Plans not finalized
  - Design Guidelines not completed
  - EIS and SMA not completed
  - $1 mil of contract unspent

- 2013
  - OHA Asks HCDA to be EIS Accepting Authority
  - Plans not finalized
  - Design Guidelines not completed
  - EIS and SMA not completed
  - $1 mil of contract unspent

- 2014
  - OHA Asks HCDA to be EIS Accepting Authority
  - Plans not finalized
  - Design Guidelines not completed
  - EIS and SMA not completed
  - $1 mil of contract unspent

- 2015
  - OHA Asks HCDA to be EIS Accepting Authority
  - Plans not finalized
  - Design Guidelines not completed
  - EIS and SMA not completed
  - $1 mil of contract unspent

- 2016
  - OHA Asks HCDA to be EIS Accepting Authority
  - Plans not finalized
  - Design Guidelines not completed
  - EIS and SMA not completed
  - $1 mil of contract unspent

- 2017
  - OHA Asks HCDA to be EIS Accepting Authority
  - Plans not finalized
  - Design Guidelines not completed
  - EIS and SMA not completed
  - $1 mil of contract unspent

- 2018
  - OHA Asks HCDA to be EIS Accepting Authority
  - Plans not finalized
  - Design Guidelines not completed
  - EIS and SMA not completed
  - $1 mil of contract unspent

- 2019
  - OHA Asks HCDA to be EIS Accepting Authority
  - Plans not finalized
  - Design Guidelines not completed
  - EIS and SMA not completed
  - $1 mil of contract unspent
Kakaʻako Makai Policy: Guide Management & Development

1) Relationship to OHA’s Vision and Strategic Priorities
   A. Maximize revenues while providing economic development opportunities for Native Hawaiians.
   B. Incorporate Native Hawaiian culture in design elements and purposes.
      i. Proceed with the mindset to transfer the assets to the Nation;
      ii. Raise an architectural landmark/signature that signifies KM as a Hawaiian Place;
      iii. Create a sense of Nation.

2) Design and Use, Including Cultural Values
   A. Create a Hawaiian Sense of Place
      i. Connect physical structures and environment to socio-psychological, cultural & spiritual aspects that connects the past, present & future;
      ii. Consider trajectory of historical uses of the area;
      iii. Incorporate cultural uses;
      iv. KM to be a meeting place for Native indigenous leaders of the Western hemisphere and Pacific Islands;
      v. Encourage uses and activities that attract beneficiaries and locals;
      vi. Incorporate cultural identity of the area.
**Kakaʻako Makai Policy: Guide Management & Development**

2) **Design and Use, Including Cultural Values (cont.)**

**B. Balance pono and commerce**
- i. Encourage cohesiveness among parcels/projects;
- ii. Establish priority for qualified Hawaiian business and professionals;
- iii. Incorporate mixed uses;
- iv. Use green technology (environmentally friendly);
- v. Prioritize the use of indigenous plants.

**C. Collaborate with other Native Hawaiian organizations**
- i. Work with KS on potential partnerships on adjoining properties;
- ii. Work with other Alii Trusts.

3) **Revenue Generation and Proceeds**

**A. Balance near-term revenue generation for programmatic use with long-term vision.**
- i. Create revenue stream for strategic priorities
- ii. Allocate funds for grants (and LLP) (requires policy update)
- iii. Set leases and contractual arrangements at market value.
4) **Timetable and Process**

A. **Key Planning Considerations**
   i. Have an overall conceptual plan before considering or initiating major proposals;
   ii. Establish a timeline for tasks that need to be accomplished.

B. **Key execution considerations**
   i. Engage professional – finance, real estate, marketing, development, etc.;
   ii. Maintain the momentum, in keeping with fiduciary duties.

C. **Transparency and communication Kuleana**
   i. Embrace community engagement – ensuring dialogue with community and neighbors;
   ii. Have a robust communications and information-sharing infrastructure.
5) Governance and Decision-making

A. Vision for master-planning and property management
   i. Implement knowledge-based decision-making;
   ii. Establish efficient management;
   iii. Act in ways that are consistent with KM being a flagship of actions, values and leadership.

B. Accountability
   i. Lead with people who have financial, management, and development expertise;
   ii. Complete an annual budget and a 5-year management and operating budget.

Update and Maintenance: The CEO is responsible for the update and maintenance of this policy. A review shall be done minimally on an annual basis to insure that amendments or changes in law are duly incorporated; or as requested by the BOT Chair or Chair of a Standing Committee

Status/Effective Date: September 20, 2012
Vision: A vision statement describes the organization as it would appear in a future successful state. When developing a vision statement, try to answer this question: If the organization were to achieve all of its strategic goals, what would it look like 10 years from now? An effective vision statement is inspirational and aspirational. It creates a mental image of the future state that the organization wishes to achieve. A vision statement should challenge and inspire members.

**Vision:** Kaka`ako Makai is a Culture & Commerce Center

**Mission Statement.** A mission statement explains the organization’s reason for existence. It describes the organization, what it does and its overall intention. The mission statement supports the vision and serves to communicate purpose and direction to members, vendors, collaborators and other stakeholders. Both Vision and Mission should help with answering the question of “Why?” in all of the organization’s strategies, activities, resource investments and development.

**Mission:** Kaka`ako Makai exists to:

1) Create accessible/meaningful impacts for ‘ohana, mo`omeheu and `aina;
2) Maximize revenue generation for the Native Hawaiian Trust Fund;
3) Blend culture and commerce spaces, activities and experiences; and
4) Serve as a commercial attraction for the broader community.

**How:**

1) Finalize programmatic elements;
2) Sequence development lot by lot;
3) Determine business model;
4) Implement, monitor, report, adjust.
Key Decision Areas

**PROGRAMMATIC ELEMENTS**

1. What should OHA Include in the KM Development?

2. LOT BY LOT SEQUENCE

3. BUSINESS MODEL
# KAKAʻAKO MAKAI: What to include at Kakaako Makai?

## 14 Recommendations re: Programmatic Elements

- **Recommendations based on:**
  - Allowable and compatible uses;
  - Feasibility; and
  - Alignment with "Center for Culture and Commerce"

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New OHA Headquarters</td>
<td>8. Places for Cultural Practice &amp; Display</td>
</tr>
<tr>
<td>2. Native Hawaiian Center of Business/Incubator</td>
<td>9. Certified Kitchen &amp; Imu</td>
</tr>
<tr>
<td>3. Gathering, Performance, &amp; Entertainment Spaces</td>
<td>10. Open/Naturally Vegetated Spaces</td>
</tr>
<tr>
<td>4. Small, Medium, &amp; Large Meeting Spaces</td>
<td>11. Utilize Native Landscaping, include Community Garden</td>
</tr>
<tr>
<td>5. Overnight Accommodations</td>
<td>12. Observation Deck</td>
</tr>
<tr>
<td>7. World-Class Saltwater Aquarium</td>
<td>14. Automated Dry-Stack Boat Storage</td>
</tr>
</tbody>
</table>
1. **New OHA Headquarters**

- 45,000 sf (based on existing)
  - Boardroom/Trustee Offices
  - Administrative Offices/Workspaces
  - Meeting Rooms
  - Protocol Spaces
  - Lumi ʻĀina
  - Front Desk and Waiting Area
  - Parking (suggest 90 stalls)
  - Secured
2. Native Hawaiian Center of Business/Incubator

Create business/incubator spaces for Native Hawaiian and other business to start and grow near Honolulu’s business district. 1 or 2 (5,000 – 10,000 sf)

- Provide financial assistance, building business plans, assessing financial needs, provide loan financing, small business administration, other business advisors part of center
- Provide coworking space opportunities, to allow small business to network and build relationships with others
- Provide “pop up” opportunities for businesses to test their products within retail/entertainment venue areas
3. Gathering, Performance, and Entertainment Spaces

Multi-purpose, Indoor/Outdoor, or Outdoor for cultural performances, parties, concerts, events, etc.;
Examples:
- Ballroom w/outdoor space
- Waikiki Shell (2,400-seat capacity plus lawn)
- Blaisdell Concert Hall (2,158-seat capacity)
- Blaisdell Arena (7,700 to 8,800-seat capacity)
- Hawaii Theater (1,350-seat capacity)
- Andrews Amphitheater (5,500-seat capacity)
- Stan Sheriff Center (10,300-seat capacity)
- Edith Kanakaole Stadium (5,000-seat capacity)
- Maui Arts and Cultural Center (1,200-seat Castle Theater)
4. SMALL, MEDIUM, AND LARGE MEETING SPACES

Multi-purpose and potentially convertible indoor spaces that can be used for meeting, education, convention, etc. These spaces would be available for use/rent at an affordable rate by beneficiaries, community and tenant.

Examples:

- **Small**: something like Pukui classroom/meeting room
  - Size range: 250 to 500 square feet
  - How many: 4-6

- **Medium**: Something like Boardroom
  - Size range: 1,500 (Mauli Ola) to 2,000 square feet
  - How many: 2-4

- **Large**: Something like Coral Ballroom at Hilton Hawaiian Village
  - Size range: 27,000 to 45,000 square feet, with banquet kitchen
  - How many: 1
5. Overnight Accommodations

Would require variance for Hotel Use, and would provide places to stay for people, help to provide customers for on-site business, and enable social impact. 1 or 2 (sizes tbd)

• It is intended that Kakaako Makai will have an official area to greet dignitaries in a traditional manner, the intent is to provide informal overnight accommodations.

• House students that are part of short term work study programs that will be held at Kakaako Makai, beneficiaries that travel to O’ahu for medical services, sports teams, etc.
6. Museum that honors Native Hawaiian Culture

Museums that celebrate Hawaii’s history, arts, culture, music, etc.

Examples:
- Surf, Hawaiian music, hula museums
- Provide educational opportunities
- Host community events
- Intended for both local and visitors as an attraction
- One or two size tbd
7. World class saltwater aquarium

Provide a Native Hawaiian perspective of what an aquarium should be, educate on, and showcase. 1 size tbd.

Examples:

- Provide educational opportunities; aquatic health, how to raise fish, how fish used in Native Hawaiian diet, etc.
- Host community events
- Intended as attraction for both locals and visitors
8. Places for Cultural Practice and Display

Indoor or Outdoor spaces where cultural practitioners can demonstrate their practices, provide education, and display their work.

Examples:

- Outdoor: Multiple locations can be included in the open spaces or landscaped areas. (300-500sf)
- Indoor: Spaces that would allow for long-term or revolving exhibits. 1 space in a prominent common space in each building (200-400 sf)
9. Certified kitchen and imu

- Provide certified kitchen for start up businesses (e.g. bakery, food trucks), beneficiary, and community use. 2 or 3 (2,000-40,000sf)
  - Utilized in conjunction with communal spaces for use by Native Hawaiian events and activities
- Provide a dedicated community imu and prep-area (with potential cover/smoke mitigation) for cultural, fundraising, educational opportunities, visitor attraction. (1,000 – 1,500 sf)
10. Open/naturally vegetated spaces

An open and naturally vegetated area that enables diversified use. This area that can be used for protocol and welcoming of dignitaries, notable people/groups, visitors, and our beneficiaries;

Examples:

- Community Events Lawn (25,000+ square feet) with a large pa hula
- Amphitheater
- Maori Marai outdoor spaces
  - Size range 25,000sf enable 4,000 pax
11. Utilize native landscaping, incorporate community gardens

To be incorporated into the landscaping of the site and engaged by OHA beneficiaries/community for use. Gardens should include native and canoe plants used for cultural practices.

- Provide educational opportunities
- Native practitioners can utilize landscape for medicinal, cultural uses
- Multiple garden areas (2 or more) ranging between 500 – 1,500sf.
12. Observation deck

The observation deck(s) are intended to connect people to place, educational purposes, and to observe prominent features/celestial elements, and take in the view. These can be located at the top of one or more of the taller buildings with 200ft height limits.

- Intended for both locals and visitors as an attraction
- To include intuitive Hawaiian wayfinding/navigation elements and a place to observe the surroundings including celestial elements
13. A Home for Our Voyaging Canoe

Provide waterfront berth for Hōkūleʻa and Hikianaliʻa; symbols of Native Hawaiian pride and success in ocean navigation (size requirements tbd)

- Intended for both locals and visitors as an attraction
- Educational opportunities; wayfinding and navigation
- Host community events
14. **Automated dry-stack boat storage**

Provide waterfront boat storage rental space to improve conditions for boat owners that live in the urban area. (size tbd)

- Provides access to ocean for boaters
- Alternate source of revenue
- Key Decision Areas

1. PROGRAMMATIC ELEMENTS

2. LOT BY LOT SEQUENCE

3. BUSINESS MODEL

Where would things be located at KM?
Lot I
Zoning: MUZ
Density: 3.5 FAR
Height: 200 ft

Lot E
Zoning: MUZ
Density: 2.5 FAR
Height: 200 ft

Lot F/G
Zoning: MUZ
Density: 2.0 FAR
Height: 200 ft

Lots A, B, C, D, & K
Zoning: WC
Density: 1.5 FAR
Height: 65 ft

Kakaʻako Makai: Zoning, Density, and Height Limits
## Proposed Land Use by Parcel:

<table>
<thead>
<tr>
<th>Lot</th>
<th>Lot A</th>
<th>Lot B</th>
<th>Lot C</th>
<th>Lot D</th>
<th>Lot E</th>
<th>Lot F/G</th>
<th>Lot I</th>
<th>Lot K</th>
<th>Lot L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximate Size</td>
<td>4.394 acres</td>
<td>2.378 acres</td>
<td>1.769 acres</td>
<td>0.938 acres</td>
<td>2.200 acres</td>
<td>7.531 acres</td>
<td>3.256 acres</td>
<td>1.358 acres</td>
<td>5.266 acres</td>
</tr>
<tr>
<td>Zoning</td>
<td>Waterfront Commercial (potential hotel See Note A)</td>
<td>Waterfront Commercial</td>
<td>Waterfront Commercial</td>
<td>Waterfront Commercial</td>
<td>Mixed-Use Commercial (potential OHA HQ/residential (Note B))</td>
<td>Mixed-Use Commercial (potential hotel note i)</td>
<td>Mixed-use Commercial (potential sale to City for a sewer pump station)</td>
<td>Waterfront Commercial</td>
<td>Mixed-Use Commercial</td>
</tr>
<tr>
<td>Maximum Density</td>
<td>1.5 FAR</td>
<td>1.5 FAR</td>
<td>1.5 FAR</td>
<td>1.5 FAR</td>
<td>2.5 FAR</td>
<td>2.0 FAR</td>
<td>3.5 FAR</td>
<td>1.5 FAR</td>
<td>0.06 FAR</td>
</tr>
<tr>
<td>Height Limit</td>
<td>65 ‘</td>
<td>65 ‘</td>
<td>65 ‘</td>
<td>65 ‘</td>
<td>200’</td>
<td>200’</td>
<td>200’</td>
<td>65 ‘</td>
<td>45 ‘</td>
</tr>
<tr>
<td>Proposed Phasing</td>
<td>Phase 1</td>
<td>Phase 1</td>
<td>Phase 1</td>
<td>Phase 3</td>
<td>Phase 1 or 2</td>
<td>Phase 1</td>
<td>N/A or Phase 2</td>
<td>Phase 2</td>
<td>Phase tbd (Note C)</td>
</tr>
</tbody>
</table>

Note A: Will need to get a zoning variance for hotel.
Note B: Dependent on transfer of regulatory authority from HCDA to City. Anticipate residential to be allowed.
Note C: Dependent on termination of Next Steps shelter lease
Lots A, B, and C: (Phase 1 - Waterfront Commercial):
- Assumed to be three or four floors of waterfront retail, restaurant, office and meeting space with maximum FAR.
- Assume that a major parking structure will be on F/G, thus parking may be minimized here with off-site parking on F/G
  - Would include loading/delivery zones for tenants; drop-off area for busses, shuttles, and visitors; emergency service access; and handicapped parking.
Lot A (Phase 1 – Waterfront Commercial (potential for hotel use)); 4.394 acres - 1.5 FAR - 65’ height limit
Has the potential for
- Overnight accommodation/Hotel Use. It would require an exemption from the City when it gets regulatory oversight.
- Native Hawaiian center of business/incubator
- World class aquarium
- Indoor meeting/educational spaces
- Museum
Lot B (Waterfront Commercial) (potential hotel use)
2.378 acres - 1.5 FAR - 65’ height limit.

Lot C (Phase 1 – Waterfront Commercial (potential hotel use);
1.769 acres - 1.5 FAR - 65’ height limit.
Has the potential for
- World class aquarium
- Dry-Stacked boat storage
- Indoor meeting/educational spaces
- Museum
- Wa‘a and home to Hokulea/Hikianalia
- Place for ceremony
Lot D (Waterfront Commercial): PHASE III
0.938 acres - 1.5 FAR - 65ft height limit.
- Encumbered to 53 by the Sea until 2042;
  and Salem Communications until 2035.
Lot K  (Waterfront Commercial);
1.358 acres - 1.5 FAR - 65ft height limit.

- Is under a long-term ground lease with the University of Hawaii, and we have reflected the value of the OHA leased fee interest. However, once the lease expires, it is envisioned the site would be developed with a three or four-story waterfront retail and restaurant improvement with 59,000 square fee
- Potential for
  - Surfing museum with ancillary restaurant
  - Open outdoor area for ceremony
  - Maintain access to ocean
Lot E (Mixed-Use Commercial (potential OHA HQ/residential);
2.200 acres - 2.5 FAR - 200ft height limit.
- May benefit from off-site parking on lot F/G.
- Has potential for high-rise residential and is considered the highest and best use for this property
  - The existing 108,000-sf (AAFES) building is assumed to be land-banked after the Department of Public Safety vacates, perhaps as early as June 2020. Land-banking would last until the transfer of regulatory authority from HCDA to the City, which could result in the allowance of residential use.
- Current conditions
  - Building will fully vacated as early as summer 2020;
  - The building becomes 50-years old in 2019 and eligible for listing on the State Register of Historic Places.
  - Current costs for deferred maintenance of the major infrastructure components (AC, fire alarm system, elevator modernization, electrical/data systems, hazmat abatement) is anticipated to cost approximately $5-6 million.
- LAD’s recommendation is to demolish the building (preferably a developer). Anticipated cost for demo is $1-2 million.
- Potential location for:
  - New OHA Headquarters (current leased area at NLK is 45,000 sf)
  - Native Hawaiian center of business/incubator
  - Indoor meeting/educational spaces
  - Museum
  - Observation Deck
Lots F/G (Mixed-Use Commercial (potential hotel)):
7.531 acres - 2.0 FAR - 200’ height limit.
- Assumed to have a large parking structure to accommodate parking for other lots as well as its own uses. It is envisioned to have ground floor retail and restaurant and a sky podium capable of accommodating a variety of programmatic uses and/or outdoor entertainment.
  - Could include “Skywalks” connecting the parking garage to lots A, B, C, and possibly E (depending on timing).
- Has the potential for Hotel Use. It would require an exemption from the City when it gets regulatory oversight.
- Potential location of:
  - Observation deck.
  - Performance venue(s)
  - The “Great Lawn” on the Ilalo and Ahui Intersection
    - Place for ceremony with an ahu
  - Indoor/Outdoor Amphitheater with Hula Pa
  - Overnight accommodations/Marae-like functions
  - Museum(s)
  - Business incubator and innovation center
  - Imu and commercial kitchen.
  - Indoor/outdoor meeting/educational spaces
  - Primary communal spaces
  - Major landscaped and garden spaces

PHASE I
Lot I (Mixed-Use Commercial):
3.256 acres - 3.5 FAR - 200ft height limit.
- Proposed for sale to City
- Has an existing historic coral block wall
- Is adjacent to existing sewer pump station (smelly)
- Potential for
  - Indoor recreation
  - Offsite parking

PHASE N/A or PHASE II
Lot L (Mixed-Use Commercial)
5.266 acres - 0.6 FAR - 45ft height limit.
- Is assumed to be used as a mixed-use commercial property.
- Next Step Shelter is expected to relocate by 2022.
- May be considered for
  - New OHA Headquarters
  - Outdoor entertainment attraction (Luau)
  - Oceanfront dining
  - Indoor meeting facilities
  - Entertainment Venue
  - Commercial kitchen and imu
  - Community use spaces (for rent)
  - Business incubator spaces

PHASE I, II, or III
- Key Decision Areas

When might we expect things to happen?

1. PROGRAMMATIC ELEMENTS

2. LOT BY LOT SEQUENCE

3. BUSINESS MODEL
It is estimated to take 3 years to get a P3 up and running.

Interim leasing to occur throughout.

**Phase 1:** Planning, entitlements and construction of Lots: A, B, C, F/G and potentially E, L, and I.

**Phase 2:** Planning, entitlements and construction of Lots: K and potentially E, L, and I.

**Phase 3:** Lot D is encumbered by leases through 2042 and 2045.

If we do not go the P3 route, OHA will need to finalize a Master Plan.

If we do not go the P3 route, OHA can pursue a Ground Lease Option.

**Finalize OHA Desired Element and Design Guidelines**
What is the business model that we need to implement the development at KM?
Business Model Options

A. The OHA as Developer

B. Establish 3rd Party Joint Business Venture (LLC's)

C. Master Developer, Ground Lease to the OHA

D. Public Private Partnership
## OHA as Developer

### Business Model Option A

#### Description:
OHA creates a Master Plan, finds all funding, secures in-house expertise and 3rd party consultants/contractors/developer to plan, design, permit, build, manage and maintain KM.

#### Key Takeaways:
- OHA has complete control of the project from concept to completion to management
- OHA assumes all of the risks
- OHA will need considerable financing and may have to consider a longer development timeline because it will need to develop one project at a time until it considers another

#### Example:
KS, Royal Hawaiian Shopping Center

### Strengths

<table>
<thead>
<tr>
<th>Helpful to Success of the Development</th>
<th>Harmful to the Success of the Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>As the landowner and developer, OHA would make all decisions</td>
<td>OHA has never done this before;</td>
</tr>
<tr>
<td>Highest financial returns</td>
<td>OHA currently does not have enough funds;</td>
</tr>
<tr>
<td></td>
<td>Minimal in-house expertise;</td>
</tr>
<tr>
<td></td>
<td>OHA would be responsible for funding development costs;</td>
</tr>
<tr>
<td></td>
<td>OHA takes on all risks (i.e. delays, additional costs, poor performance, debt, repayment, etc.) and exposes the Trust.</td>
</tr>
</tbody>
</table>

### Weakness

### Opportunities

- OHA could attract non-traditional funders to participate in its development

### Threats

- Potential global, national or local economic downturn;
- Overall Hawaii real estate market shifts that affect occupancy and leases;
- Increasing construction costs have sent many projects over budget;
- Cost of financing
## Business Model Option B (contingent on obtaining title insurance)

### Joint Venture (LLC's)

**Description:**
OHA creates a Master Plan and assigns a subsidiary with the charge of planning, design, permitting, building, managing and maintaining the development.

**Key Takeaways:**
- OHA benefits from partner experience and clout
- Limit liability to individual project; Insulate the trust.
- Partner can bring other financing resources
- OHA must be okay with LLC structure and limitations

**Example**
Hi‘ipaka, Waimea Valley; Typical Real Estate Model (e.g Howard Hughes)

###内部属性

<table>
<thead>
<tr>
<th>Internal Attributes of the Organization</th>
<th>Helpful to Success of the Development</th>
<th>Harmful to the Success of the Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Well known model for development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Partner could bring development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- experience and clout</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Easier way to procure services with ability to negotiate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- OHA has a voice in the direction and interest in the project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Partner can provide additional financial backing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Limit liability to individual project; insulate the trust.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Opportunities**                        | | |
|  - Joint venture could attract more interested parties | | |
|  - Joint venture could attract other investors and funding | | |

| **Weakness**                             | | |
|  - OHA has never done this before        | | |
|  - “Arms-length” relationship to the organization | | |
|  - OHA’s trust in establishing an LLC   | | |
|  - Partner’s experience in Hawaii or outreach effort needed to build support | | |

| **Threats**                              | | |
|  - Potential global, national or local economic downturn | | |
|  - Overall Hawaii real estate market shifts that affect occupancy and leases | | |
|  - Increasing construction costs have sent many projects over budget | | |
|  - Cost of financing                      | | |
|  - Potential public perception of an OHA LLC. (Distrust) | | |

**Helpful to Success of the Development**

**Harmful to the Success of the Development**
## Business Model Option C (contingent on obtaining title insurance)

### C. Master Developer, Ground Lessee

**Description:**
OHA creates a Master Plan and selects a Master Developer to be a Ground Lessee. The ground lessee is then responsible for building, managing, and maintaining the development.

**Key Takeaways:**
- OHA has very little control after selection of the developer
- Developer assumes all of the risks
- Developer is responsible for all financing, construction, and management

**Example**
KS, Pearl Ridge and Kahala Mall

### Helpful to success of the Development

#### Strengths
- Well known model for development
- Developer would bring development experience and clout
- Developer is responsible for financial backing of project
- Guarantee income to OHA and ownership of assets at the end of lease

### Harmful to the Success of the Development

#### Weakness
- OHA has less of a voice in the direction and interest in the project
- OHA has no involvement with the overall management of the development
- Based on economic return of use
- Unsure of how much of Hawaiian culture will be infused into the development
- Procurement restrictions on OHA’s ability to negotiate are unclear

#### Opportunities
- Developer assumes all economic risks
- Lessees and tenants will be attracted to developer’s reputation and relationships

#### Threats
- Financial stability of master developer business
## Business Model Option D (contingent on obtaining title insurance)

### D. Public Private Partnership

**Description:**
OHA hires a P3 Consultant, Financial Advisory Consultant, Third-Party Counsel, and Underwriter (to secure funding) to work collaboratively to create a master plan that works for OHA and the Private party. OHA then decides how much risk we will take on and passes the rest of the responsibilities to the Private entity. OHA gets its uses and can participate in the interim and can receive income (based on how much money OHA puts in up front); and gains asset at end of term (30 years).

**Key Takeaways:**
- Brings all the expertise under one umbrella
- Performance based
- Rigorous process with strong controls
- Long and complex procurement process
- Requires an intricate profit-sharing agreement.

**Example**
Aloha Stadium, OCCC, UH Dorms

<table>
<thead>
<tr>
<th>Helpful to success of the Development</th>
<th>Harmful to the Success of the Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td><strong>Weakness</strong></td>
</tr>
<tr>
<td>• P3 creates strong partnership with private sector</td>
<td>• New to OHA and the State of Hawaii</td>
</tr>
<tr>
<td>• Rigorous process with strong controls should keep project in check</td>
<td>• Long and complex procurement process</td>
</tr>
<tr>
<td>• Performance based project development</td>
<td>• P3 projects are generally not profit driven, if that is an objective.</td>
</tr>
<tr>
<td>• Multiple financing vehicles and performance securities</td>
<td>• Payback primarily comes back after 30 years. OHA may benefit from revenue generation contingent on initial investment</td>
</tr>
<tr>
<td>• Potential use of tax-exempt status</td>
<td></td>
</tr>
<tr>
<td>• Shared risks</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• State is moving toward enabling P3's as a procurement process</td>
<td>• Potential global, national or local economic downturn</td>
</tr>
<tr>
<td></td>
<td>• Overall Hawaii real estate market shifts that affect occupancy and leases</td>
</tr>
</tbody>
</table>
## Business Model Risk

<table>
<thead>
<tr>
<th>Business Model</th>
<th>Financial/Economic</th>
<th>Operational/Management</th>
<th>Construction</th>
<th>Procurement</th>
<th>Maintenance</th>
<th>Direction/Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHA as Developer</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Green</td>
</tr>
<tr>
<td>Joint Venture</td>
<td>Yellow</td>
<td>Green</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Green</td>
<td>Yellow</td>
</tr>
<tr>
<td>Master Developer / OHA land lease</td>
<td>Green</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Green</td>
<td>Red</td>
</tr>
<tr>
<td>Public Private Partnership</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Green</td>
<td>Green</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Green</td>
</tr>
<tr>
<td>Moderate</td>
<td>Yellow</td>
</tr>
<tr>
<td>High</td>
<td>Red</td>
</tr>
</tbody>
</table>
## Business Model Consideration Matrix

### I. Purpose/Objective
What are the main objectives (financial, operational, programmatic)?

### II. Feasibility
How much can the organization afford financially?

#### III.A Business Model
Which business model will work best?

#### III.B Use
Which use types are preferred?

### IV.A Strategy
How should it accomplish its purpose given its feasibility?

### IV.B Development
What is the optimal use based on the objectives?

OHA should consider how these considerations can be answered to create the optimal solution.

How can OHA best answer these questions?
Next Steps

1. **11/20/2019**
   Workshop #1 – 1 hour: Kakaako Makai Overview, Programmatic Elements, Sequence and Options (distribution of deck/available on 11/13/2019)

   Workshop #2 – 1 hour: Kakaako Makai Discussion re: Programmatic Elements (same deck)

3. **12/4/2019 (or 12/18/2019)**
   Workshop #3 – 1 hour: Kakaako Makai Discussion re: Sequence and Options and Review of Draft Action Item (same deck)

4. **1st or 2nd meeting in 2020, month of January 2020** – 1 hour:
   RM 19-XX – Approval of Kakaako Makai Programmatic Elements, Sequence and Options

Land Assets staff – Miles Nishijima, Jonathan Ching and Lee Miller available for individual meetings with no more than two (2) Trustees or Trustees’ staff from 11/13/19 to 01/15/20.
Kakaako Makai Contact Information

Miles Nishijima
Jonathan Ching
Lee Miller
APPENDIX – GLOSSARY
(See Handout)