MEETING OF THE COMMITTEE ON RESOURCE MANAGEMENT

DATE: Friday, January 10, 2020
TIME: 9:00 am
PLACE: OHA Board Room, Nā Lama Kukui
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

AGENDA

I. Call to Order

II. Public Testimony*

III. New Business
   A. Presentations re: Kaka‘ako Makai Current and Future Plans and Collaboration Opportunities
      1. Presentation by Hawai‘i Community Development Authority
      2. Presentation by Kamehameha Schools
      3. Presentation by The Howard Hughes Corp.
   B. Discussion re: Kaka‘ako Makai design elements, parcels, sequence, phases and business models.
   C. Request to hold a Limited Meeting on February 5, 2020 regarding Kaka‘ako Makai properties.

IV. Announcements

V. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Raina Gushiken at telephone number 594-1772 or by email at: rainag@oha.org no later than three (3) business days prior to the date of the meeting.

*Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz, Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email BOTmeetings@oha.org 48 hours prior to the scheduled meeting. Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes.

1 Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

1 Notice: This portion of the meeting will be closed pursuant to HRS § 92-5.

Trustee Dan Ahuna
Chairperson, Committee on Resource Management

1/10/2020 Date
Building communities for a better tomorrow

Our Kaka‘ako 2020 update
Ke Aliʻi Bernice Pauahi Bishop

Great-Granddaughter of Kamehameha ʻEkahi | Last lineal descendent
Within a generation of twenty-five years, we see a thriving lāhui where our learners achieve postsecondary educational success, enabling good life and career choices.

We also envision that our learners will be grounded in Christian and Hawaiian values and will be leaders who contribute to their communities, both locally and globally.
Supporting Haumāna

61,565 Total number of learners served in 2018

7,011 students supported on 3 campus & 29 preschools

13,594 extension education learners
Community Investing

46K learners & families

$79M support partner organizations & public schools
Market Position

Endowment value $11.9B
Hawai’i largest private landowner 363K acres
$11.9 Billion
Endowment Value

Hawaii Real Estate
31%

Financial Assets
69%

$483 Million
FY18-19 Spending

Scholarship
$37.8M
9%

Community Programs, Investing, and innovation
$88.6M
22%

Campus Based (PK-12)
$210.3M
53%

Education Support (Overhead)
$33.1M
8%

Capital & Debt
$-6M
-2%

Stewardship
$24M
6%

$11.9 Billion
Endowment Value

4%

69%

Commercial Portfolio

Portfolio Value by Lease Classification

- Ground: 80%
- Space: 19%
- Vacant: 1%
- Active Commercial: 1%

‘Āina Classification

- Conservation: 51%
- Agriculture: 48%
- Vacant: 1%

Portfolio Value by Property Type

- Retail: 36%
- Hospitality: 20%
- Industrial: 13%
- Multi-Family: 9%
- Mixed Use: 7%
- Office: 5%
- Sports/Special Purpose: 1%
- Land: 7%
- <1K acres
- Commercial Acreage: 15K acres
- Productive Acreage: <1K acres

Conservation: 51%
Agriculture: 48%
Ground: 80%
Vacant: 1%
Active Commercial: 1%
Why does KS manage real estate?
Honolulu Consumer Price Index for Selected Categories

Urban Honolulu Consumer Price Index, Selected Categories

Source: U.S. Bureau of Labor Statistics
* Note: Data for Medical Care is missing for 2001-03, 2005-07, and 2018.
Our Challenge – Our Strategy
Why a Regional Approach?

Improving the well-being and success of keiki, ʻohana and communities requires KS to recognize and influence drivers of healthy and sustainable schools, ʻāina, and socio-economic systems.
VISION: To create a progressive, 21st century living community that will act as a catalyst for innovation and nurture the evolution of a vibrant urban-island culture within a beautiful healthy and sustainable neighborhood.
DESIGN CONCEPT

- Develop a community standard for a first class urban village
- Create cohesiveness among projects
- Provide the palette and language from which our community will aspire
- Focus on pedestrian oriented architecture
- Create a typology of open space
- Provide a diversity of housing
Our Kaka’ako Master Plan

- 29 acres of Mauka Lands in KS MP (Approved in September 2009)
- 9 full-block parcels
- 2,750 residential units,
- 300,000 sq. ft of commercial space
Our Kakaʻako Housing
Built to Date

Total Units  Kamaʻaina/Reserved Workforce Housing
1,336        456
680 Ala Moana

- Opened in 2014
- Adaptive re-use conversion of office to residential
- 54 units of Kamaʻaina housing rentals
- Self developed
The Collection

• Opened in 2016
• 467 Residential Units
• Developed by A&B Properties
400 Keawe
- Opened in 2015
- 95 Residential Units
- Developed by Castle & Cooke

Keawe St. Retail
- 8 Retail Spaces
- 1 Grocer (H-Mart)
- 32,675 Sq. Ft. retail

The Flats at Pu‘unui
- 88 units of Kama‘aina housing rentals
- Self developed
Keauhou Place
• Developed by Stanford Carr Development
• 423-unit mixed-use condominium
• Opened to residents Q4 of 2017

Keauhou Lane
• Developed by Gerding Edlen
• Joint Venture with Kamehameha Schools
• Approx. 40,000 sq. ft. of commercial space
• 209 Kama‘aina rental residential units
• Opened in 2018
SALT at Our Kaka‘ako

- Over 80,000 sq ft of commercial space
- Neighborhood serving retail
- Tenant mix incorporating local retail, food & beverage, artist workspaces, and business incubator space
- Adaptive re-use
PA'AKAI: Sea salt

The value of pa'akai extends beyond its use to preserve and season food. Salt is also treasured for its ability to heal, purify, cleanse and bless.

SALT at Our Kaka'ako is named after the salt pans that once dotted the low-lying wetlands of Kaka'ako, supporting the beginnings of a vibrant, thriving community.
Our Kaka'ako—Phase II

Remaining Blocks

Five remaining residential/mix-use project
The crossroads of Cooke and Auahi Streets will be the heart of the neighborhood, as well as the central point from which retail opportunities will radiate.

Auahi Street will be the main neighborhood retail corridor.

Cooke Street, will serve as a park-to-park connection, which shall also include a planned retail component.

Retail corridors will be pedestrian-oriented with broad sidewalks, street furniture, ample landscaping and public art.

KS is currently working with the City and others in an effort to open up Auahi street in order to create a synergistic flow of pedestrian, bike and vehicular traffic between KKMP and Ward Village.
Today’s Children. Tomorrow’s Community.
WARD VILLAGE OPPORTUNITY
CHALLENGES

- Housing
- Traffic
- Sustainability
- Economic Diversity
The primary location for housing development in the 60’s thru early 2000’s were suburbs created in former agricultural lands in Central and West Oahu.
Today, less than 50% of the population lives within the urban core, where over 70% of the jobs are.

- Hawaii is the worst state to drive in, according to a 2018 study released by WalletHub.

- Traffic info aggregator INRIX reports we spend an extra 92 hours a year in traffic.
Redevelopment agency created in 1976 to facilitate the infrastructure and zoning rules to permit residential and commercial development in the urban core.

Hawai‘i Community Development Authority (HCDA)

To date, HCDA has invested over $269 million to improve the infrastructure of Kaka‘ako and create plans and rules to allow for its growth.

Howard Hughes
The pathways once traversed by our ancestors are the same paths we should follow toward success. Just as Victoria Ward cared for her beloved land and people so to do we.
WHERE WE STARTED
2009 Ward Neighborhood Master Plan Long-range plan designed to evolve over time
THE PERFECT BALANCE

Housing for a variety of incomes and lifestyles

Local & national retailers

Entertainment attractions

Casual & fine dining

Community Space

Gathering places

Transportation choices

Sustainable design and building practices
THE FOUR MAIN DESIGN STRATEGIES

Connected Public Spaces

Auahi Street as a Pedestrian Promenade

Mauka/Makai View Corridors

Streetscape Design
The MASTER PLAN
<table>
<thead>
<tr>
<th>Typical Development</th>
<th>Ward Neighborhood</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Density</strong>&lt;br&gt;(Households and Jobs Per Acre)</td>
<td>Ward Neighborhood provides a higher density, allowing for a wider mix of uses within a close proximity. This provides more housing and jobs compared to traditional development.</td>
</tr>
<tr>
<td><strong>Land Required</strong>&lt;br&gt;(Acres Per Capita)</td>
<td>As a mixed-use, higher density community, Ward Neighborhood will require dramatically less land per person than traditional development.</td>
</tr>
<tr>
<td><strong>Energy Consumption</strong>&lt;br&gt;(KwH Per Capita)</td>
<td>Ward Neighborhood will reduce per capita energy requirements by first decreasing demand through efficiency measures, and then seeking energy supply from clean and renewable sources.</td>
</tr>
<tr>
<td><strong>Automobile Dependence</strong>&lt;br&gt;(Vehicle Miles Traveled Per Capita)</td>
<td>Easy access to transit, amenities and jobs will allow people who live, work or play in Ward Neighborhood to travel fewer miles by automobile.</td>
</tr>
<tr>
<td><strong>Health Impacts</strong>&lt;br&gt;(Distance Walked Per Day Per Person)</td>
<td>With amenities and transit located close to their homes, residents of Ward Neighborhood will be able to travel by foot to most destinations—encouraging a healthier lifestyle than one bound to auto travel which can contribute to chronic health problems such as obesity.</td>
</tr>
<tr>
<td><strong>Carbon Footprint</strong>&lt;br&gt;(lbs CO2 Per Capita)</td>
<td>Reduced per capita auto travel and energy consumption among residents will lead to a reduction in CO2 emissions or smaller carbon footprint in Ward Neighborhood when compared to traditional development.</td>
</tr>
<tr>
<td><strong>Water Consumption</strong>&lt;br&gt;(Gallons Per Capita)</td>
<td>Integration of efficiency measures into building and landscape design as well as recycling of gray water will allow Ward Neighborhood to make better use of precious water resources in comparison to traditional development.</td>
</tr>
<tr>
<td><strong>Public Infrastructure Cost</strong>&lt;br&gt;($ Per Capita)</td>
<td>Ward Neighborhood’s mix of uses allows for more self-sufficient, more compact and more economical systems for transport of energy, water and waste into and out of the Neighborhood, reducing the cost of public infrastructure.</td>
</tr>
</tbody>
</table>
“Ward Village’s LEED certification demonstrates tremendous green building leadership. The urgency of USGBC’s mission has challenged the industry to move faster and reach further than ever before, and Ward Village serves as a prime example with just how much we can accomplish.”

Rick Fedrizzi
President, CEO & Founding Chair
U.S. Green Building Council
60 Acres
30 Acre Harbor
7.6M SF Residential
1.7M SF Commercial & Industrial
Between Waikiki & CBD
Ward Village Residential Projects

**LUXURY**
- **Waiea**
  - 177 residences
  - 97% pre-sold/closed
  - 7,716 SF GLA of retail
  - Completed 2017

**UPPER MARKET**
- **Anaha**
  - 317 residences
  - 99% pre-sold
  - 16,062 SF GLA of retail
  - Completed 2017

**MARKET**
- **Aeʻo**
  - 465 residences
  - 99.8% pre-sold
  - 67,233 SF GLA of retail
  - Completion 2018/2019

**WORKFORCE**
- **Ke Kilohana**
  - 423 residences
  - 99% pre-sold
  - 21,907 SF GLA of retail
  - Completion 2019

**UNDER CONSTRUCTION**
- **MARKET**
  - **Aʻaliʻi**
    - 750 residences
    - 81.5% pre-sold
    - 13,200 SF GLA of retail
    - Completion 2021
  - **Kōʻula**
    - 565 residences
    - 63.7% pre-sold
    - 35,000 SF GLA of retail
    - Completion TBD
Victoria Place
Ward Village
2019 - Q3
OUR VISION & PLAN
Our Place Making Vision: BLENDING HAWAII’S NATURAL BEAUTY WITH GLOBALLY INSPIRED EXPERIENCES.
Biking, walking, wellness and play
Dining & Shopping

Nobu

South Shore Market

Whole Foods

Merriman’s
Entertainment, Community Events & Culture
MAHALO
I. **Purpose of the Site Tour of Kaka`ako Makai Parcels – The Why?**

The purpose of the site tour is to enhance the Kaka`ako Makai (KM) workshop information in preparation for the Action Item, projected to be presented to the Committee on Resource Management, at its Wednesday, February 19, 2020 meeting.

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Street Address</th>
<th>TMK</th>
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<td>A</td>
<td>1100 Ala Moana Blvd</td>
<td>1-2-1-058:129</td>
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<td>B</td>
<td>113/123 Ahui St</td>
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<td>D</td>
<td>45/53 Ahui St</td>
<td>1-2-1-060:027 and; 1-2-1-058:048</td>
</tr>
<tr>
<td>E</td>
<td>919 Ala Moana Blvd</td>
<td>1-2-1-058-006</td>
</tr>
<tr>
<td>F/G</td>
<td>160 Ahui St/160Koula St/155 Ohe St</td>
<td>1-2-1-060:026</td>
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<tr>
<td>I</td>
<td>Ala Moana Blvd/Forrest Ave</td>
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<tr>
<td>K</td>
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[Diagram of the site with phasing information]

- **PHASE I**: 2022-2027
- **PHASE I or II**: 2027-2032
- **PHASE III**: Post 2042
II. **Draft Action Item Recommendations – The What?**

As shared at the last Board Kaka`ako Makai workshop (via handout), the Action Item that will be brought to the Trustees by Administration at the RMC meeting on February 19, 2020 will be three decisions that will guide Administration to move forward with Kaka`ako Makai next steps:

Administration recommends to the Committee on Resource Management, the following actions:

A. Approve the following 14 programmatic design elements: 1) New OHA Headquarters; 2) Native Hawaiian Center of Business/Incubator; 3) Gathering, Performance & Entertainment Spaces; 4) Range of Meeting Spaces; 5) Overnight Accommodations; 6) Museum that Honors Native Hawaiian Culture; 7) World-Class Saltwater Aquarium; 8) Places for Cultural Practice & Display; 9) Certified Kitchen & Imu; 10) Open/Naturally Vegetated Spaces; 11) Native Landscaping, including Community Garden; 12) Observation Deck; 13) Home for Hokulea, Hikianalia and other Waa; and 14) Automated Dry-Stack Boat Storage.

B. Approve the phasing of the development of the lots as follows:

C. Approve the business model application by Lot for Phase I as follows, noting any decision regarding Lots I, E and L will be brought to the Trustees for action: Phase I – Lots A, B, C, F/G – Business Model C
III. Proposed Site Visit Agenda, Wednesday, February 5, 2020– The How?

8:30 a.m. Shuttles (2) pickup @ Na Lama Kukui
9:00 a.m. Shuttles drop off @ AAFES building, 5th Floor; view of KM parcels from the open rooftop with panoramic view
9:45 a.m. Re-board shuttles and drive by Lots I, L, K and D
10:30 a.m. Drive to optimal viewing area for Lots A, B, C, F/G; exit shuttles, view and return to shuttles
11:00 a.m. Arrive back at Na Lama Kukui for Discussion re: Kaka`ako Makai design elements, parcels, sequence, phases and business models

Note: BAE Committee meeting scheduled for Wednesday, February 5, 2020.

IV. Limited Meeting\(^1\) - Site Visit Rationale and Considerations

Dangerous to Health or Safety. The 5th floor rooftop of the AAFES building (Lot E) provides a panoramic view of OHA’s KM parcels, bringing a companion perspective to the planned shuttle ground tour. However, the rooftop is an open-air area; accessed by a few steps up and out the door from the conference room; does not have walls, windows, guardrails or other barriers between the visitor and the edge of the roof. In addition, the rooftop is uneven and footwear on the rooftop cannot have sharp points/heels due to the materials. As the site visit is Board business, OHA plans to address and mitigate risks of the rooftop site as it relates to the health and safety of OHA participants (e.g., Board of Trustees, Trustee Aides and Administration staff). However, the responsibility to ensure health and safety of the public in general onto the 5th floor rooftop is more than the OHA should assume; therefore, limiting the 5th floor rooftop site visit to OHA participants only is recommended by Administration.

\(^1\) §92-3.1 Limited meetings. (a) If a board determines that it is necessary to meet at a location that is dangerous to health or safety, or if a board determines that it is necessary to conduct an on-site inspection of a location that is related to the board’s business at which public attendance is not practicable, and the director of the office of information practices concurs, the board may hold a limited meeting at that location that shall not be open to the public; provided that at a regular meeting of the board prior to the limited meeting: (1) The board determines, after sufficient public deliberation, that it is necessary to hold the limited meeting and specifies that the location is dangerous to health or safety or that the on-site inspection is necessary and public attendance is impracticable; (2) Two-thirds of all members to which the board is entitled vote to adopt the determinations required by paragraph (1); and (3) Notice of the limited meeting is provided in accordance with section 92-7. (b) Relates to County Councils (c) At all limited meetings, the board shall: (1) Videotape the meeting, unless the requirement is waived by the director of the office of information practices, and comply with all requirements of section 92-9; (2) Make the videotape available at the next regular meeting; and (3) Make no decisions at the meeting.
Public Attendance Is Not Practicable. After viewing the KM parcels from the 5th floor rooftop of the AAFES building, the Board will be viewing the lots via two 25-passenger shuttles to transport the Board, Trustee Aides, Administration and staff and driving throughout KM and viewing parcels. Therefore, limiting the shuttle tour of the KM parcels to OHA participants only is recommended by Administration.

V. Conclusion, Limited Meeting - Committee Recommendation to the Board

RECOMMENDED MOTION:

Move to approve the Committee on Resource Management holds a Limited Meeting, as defined in HRS §92-3.1, on February 5, 2020 for the purposes of completing a site tour of OHA-owned Kaka`ako Makai parcels as listed below:

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PROJECTS UNDERWAY OR PLANNED

1. **QBQ Puhulua** - The state project is the biggest planned for Kakaako, with 556 market-priced condos and 504 affordable units. See page 32 for details.


3. **Symphony** - Luxury residential condo tower at kaua + Ewa corner of Ward Avenue and Kapahulu Boulevard. 407 units, including 100 moderately priced units. Construction expected to start next year.

4. **Artspace / Pal** - Partnership of national Artspace Foundation and local Pal Foundation. 72 affordable units at 1025 Waimanu St. Project designed to give Native Hawaiian artists space to work and live. Proposed construction start in 2013.

5. **Waihooma at Kewalo** - Luxury residential tower, built between two existing towers, with 346 units, including 64 moderately priced units from across the street. Scheduled completion in 2015. A project of Kewalo Development, a subsidiary of ABB.

6. **Kewalo Basin Harbor** - Add 100 slips

**Kamehameha Schools**

Kamehameha Schools parcels are marked in blue. Its master plan calls for seven residential towers built over 15 years, but details are not yet available. Here are already planned projects:

A. **QBQ Ala Moana** - with 54 loft-style apartments, with rents from $1,400 to $1,600 a month, available starting this month or next.

B. **Salt** - a low-rise area of cafes, shops and open space.

C. **Moderized residential condo tower, with commercial units, at the site of AutoMart USA (formerly the CompuUSA building). A&B Properties developing the site for landowner Kamehameha Schools. Construction expected to start in 2014.

**Parks**

1. **Kamehameha Schools master plan** - proposes a Green Belt to connect Mother Waldron Park (P1) to Gateway Park (P2).

2. **Planned upgrade to Waterfront Park Amphitheater** - to make it more usable for events that charge admission.

3. **Planned bike rounds**

**Office of Hawaiian Affairs**

- Orange shows land and buildings acquired by the Office of Hawaiian Affairs as part of a settlement with the state over ceded land revenue. OHA says the master plan for its Kakaako Makai properties will be ready within two years.

**Howard Hughes Corp.**

- Yellow shows land and buildings owned by the Howard Hughes Corp., including the Ward Centers shopping district. HHIC says a revised master plan for the properties will be completed by December.

**Ward Village Shops Phase II** on Auahi Street