



General Growth Properties, Inc.

September 30, 2008

Mr. Anthony Ching
Executive Director
Hawai'i Community Development Authority
677 Ala Moana Blvd., Suite 1001
Honolulu, Hawai'i 96813

RE: WARD NEIGHBORHOOD MASTER PLAN - RESPONSE TO STAFF
REPORT

Dear Mr. Ching:

General Growth Properties, Inc. (GGP), on behalf of its affiliate as owner of the Ward properties, has reviewed the HCDA staff report dated September 15, 2008 regarding the Ward Neighborhood Master Plan application. Prior and subsequent to the Ward Neighborhood Master Plan application submission on April 3, 2008, GGP has consulted with the HCDA staff on numerous occasions regarding the project. GGP is committed to continuing consultation with the HCDA staff on the Ward Master Plan application.

This letter is in response to several conclusions in the staff report that were particularly surprising for GGP, in light of the document we submitted. They appear to either misinterpret what GGP is proposing in the Ward Neighborhood Master Plan or, in some cases, are factually in error.

In particular, on page 10 of the staff report, there is a statement that: "The Ward Neighborhood Master Plan is requesting the flexibility to potentially develop all commercial spaces and no residential units, which is not permitted under the Mauka Area Rules." It is further noted that: "The Ward Neighborhood Plan is requesting a plan amendment to provide the flexibility to develop only commercial space within the KCDD."

It is unclear how HCDA's staff arrived at such a conclusion. Residential development is at the heart of the plan we have submitted. In our discussions with the staff and in the Ward Neighborhood Master Plan application, GGP has clearly set forth its intent to develop residential, commercial and industrial spaces. Furthermore, we have consistently stated that residential uses are an integral part of the Ward Neighborhood Master Plan and have, in fact, proposed residential use as the predominant land use within the community. (See page 16 of the Ward Neighborhood Master Plan Addendum.) In addition, Table 1 on page 3 and Table 3 on page 12 of the staff report also indicate that the Ward Neighborhood Plan includes industrial, commercial and residential uses. Clearly, mixed uses are a critical part of the Ward Neighborhood Master Plan and housing is essential to ensure a vibrant urban neighborhood. Please clarify this matter to the Authority members as soon as possible so that there is no misunderstanding on this essential point.

Limited Partnership
1441 Kapiolani Blvd., Ste 202
Honolulu, Hawaii 96814
Development Design
& Construction
Hawaii Region
Phone 808-947-3788
Fax 808-947-3980
www.ggp.com



There are several other clarifications that we feel are important. First, a number of corrections to the figures used in the staff report are needed. These are highlighted in the attachment to this letter. In addition, we have addressed other comments that were made in the staff report, particularly with respect to the statements regarding public facilities and reserved housing.

I. Land Uses

Table 1 on page 3 and Table 3 on page 12 of the staff report indicate that the Ward Neighborhood Master Plan proposes specific floor areas for industrial, commercial and residential uses. Please note that, while this is one possible allocation of floor area for the various uses, we have consistently indicated that the mix of uses needs to be flexible to accommodate changing market conditions and the evolving needs of the community. (Please also note that the numbers listed on Tables 1 and 3 are not the same.) While residential uses are planned as the predominant use in Ward Neighborhood, the intent is to create flexibility within the overall master plan. This would allow adjustment to the types of uses within a particular block or phase, in times when market conditions do not favor a particular land use.

As discussed with your staff, in order to allow for flexibility during the term of the Ward Master Plan, we have established maximum floor areas for each uses. These represent upper limits for each use. However, we will not exceed the total floor area allowed of 9,334,240 sf.

The proposed maximum floor area for each use is reflected in the Area Summary on page 16 of the Ward Neighborhood Master Plan Addendum and is as follows:

Residential	7.6 million sf
Retail, Restaurants & Entertainment	5 million sf
Office, Commercial & Other Uses	4 million sf
Industrial	736.914 sf

II. Open Space

On page 3 of the staff report, it is noted that the Ward Neighborhood Master Plan proposes that all open space provided would remain privately owned by GGP. As we have discussed with HCDA staff and as we indicated on page 19 of the Ward Neighborhood Master Plan Addendum, perpetual easements for these open spaces could be created even if these lands remained privately owned. These new amenities will be important new public benefits for the larger community.



III. View Corridors

The Ward Neighborhood Master Plan was specifically crafted to enhance and preserve the mauka-makai view corridors, which are an important community resource. Both the orientation of the towers that are contemplated and the open space plans at ground level will create and enhance view opportunities.

Under the current Mauka Area Plan and Rules, buildings could potentially be constructed that would encroach into the view corridors. For example, the 75 foot setback for towers along major roadways could encourage the construction of buildings along Ala Moana Boulevard in an 'Ewa-Diamond Head direction, potentially blocking view planes.

For this reason, the Ward Neighborhood Master Plan includes a request for modification to the 75 foot setback for towers along Ala Moana Boulevard. This will allow GGP to orient residential towers in a mauka-makai direction, thereby facilitating a slender building profile, preserving ocean and mountain views, and maximizing visual transparency through the district.

Elimination of the 1:1 slope setback requirement allows for a more continuous urban street front with greater usable building density brought closer to ground level.

These and other modifications have been requested to facilitate better building design, preserve and enhance the mauka-makai view corridors and improve the pedestrian experience at the street level in the neighborhood. The modifications have been described in greater detail on pages 35 through 41 in the Ward Neighborhood Master Plan Addendum. By enhancing and improving the overall design and appearance of the area, the benefits created will serve Kaka'ako as well as the larger community. Approval of the modifications is critical to development of the Ward Neighborhood Master Plan.

IV. Reserved Housing

One of the major goals of HRS Chapter 206E is to address affordable housing needs by providing an increased supply of housing for residents of low- or moderate-income. Reserved housing was identified as a means of implementing this policy and is defined in the statute as "housing designated for residents in the low- or moderate-income ranges who meet such eligibility requirements as the authority may adopt by rule." (See HRS § 206E-101.) Other than the foregoing, HRS Chapter 206E does not provide a set formula for determining the amount of reserved housing necessary to meet this policy.

As part of its Mauka Area Rules, HCDA has adopted criteria for determining the required amount of reserved housing for a project. HAR § 15-22-115 provides that an applicant for a planned development "provide at least twenty per cent of the total number of dwelling units in the development for sale or rental to qualified persons." The Rules



also provide for a cash payment in lieu of the reserved housing, with a maximum payment equivalent to the 20% reserved housing requirement. Clearly, the rules establish that the 20% requirement fulfills the reserved housing policy.

Provisions in the Mauka Area Rules for both planned developments and master plans permit the developer to request modifications in the amount of reserved housing required. HAR § 15-22-120 states that: "Pursuant to § 15-22-22, modifications may be granted only to the following: ... (8) Number of reserved housing units and the cash-in-lieu of providing reserved housing units[.]" In HAR § 15-22-205(c), the following provision is made: "The executive director is authorized to negotiate the terms and conditions of a master plan approval with any landowner....". Accordingly, the rules specifically contemplate that a reserved housing requirement could be reduced below the 20% required minimum if certain standards are met.

The Ward Neighborhood Master Plan's proposal provides for the development of housing to fulfill the 20% reserved housing requirement, does not seek a reduction below the 20%, and meets the mandate of HRS Chapter 206E and the Mauka Area Plan and Rules. As emphasized by the participants in our Kaka'ako Mauka Area Affordable Housing Committee meetings, achieving the 20% reserved housing requirement is challenging, even in the best economic times. However, GGP is committed to fulfilling this requirement by building the units in Kaka'ako, rather than contributing a cash in lieu fee. The commitment made by GGP to fulfill the reserved housing requirement fully meets the intent of the Mauka Area Plan and Rules.

The staff report also states that the provision for delivery of the reserved housing is not included in the application and needs to be addressed. Please note that, on page 119 of the Ward Neighborhood Master Plan, we indicate that the reserved housing will be provided within Ward Neighborhood, offsite within Kaka'ako, or elsewhere as permitted, within two years of the development of market rate housing in a given development phase. Our intent is to build the reserved housing units on our properties, if possible, or elsewhere within Kaka'ako.

While the current requirement is to build the units for families whose incomes are at no more than 140% of the annual median household income, the reserved housing units built to date have been targeted to families at this level. Our goal is to reach families below 140% of household median income by, for example, setting aside some of these units for families at 100% of the annual median income.

Finally, we are extremely concerned about the statement in the staff report that the reserved housing unit mix should mirror the unit mix in a typical development. If we were required to fulfill this requirement, it would severely impact the economic feasibility of building residential towers and, consequently, the reserved housing units. Further, this exceeds what is currently required in the HCDA Mauka Area Rules. The key to fulfilling the 20% reserved housing requirement will lie in the ability to design smaller units, with incentives such as density transfer, density bonuses, lower cost



financing, and the exclusion of floor area required for reserved housing units from the overall density allowed for the properties. It is essential that a developer have the ability to determine the reserved housing unit mix and size the units differently from the market rate units.

It is important to remember that a more stringent reserved housing requirement pushes a greater burden toward the market rate units. Fulfilling even the 20% reserved housing requirement often results in an economic loss to a developer. By increasing the requirement beyond the current rules, the market rate residential units will be further impacted.

V. Public Facilities

HRS § 206E-4(9) gives HCDA the power to acquire interest in property for public facilities, and HRS § 206E-12¹ requires HCDA to establish rules for dedication of land for public facilities, or cash payment in lieu of such dedication. HRS § 206E-33(9) directs that public facilities be "planned, located, and developed so as to support the redevelopment policies for the district established by this chapter and plans and rules adopted pursuant to it." More importantly, HRS Chapter 206E defines "public facilities" as follows:

"Public facilities" includes streets, utility and service corridors, and utility lines where applicable, sufficient to adequately service developable improvements in the district, sites for schools, parks, parking garage, sidewalks, pedestrian ways, and other community facilities. "Public facilities" shall also include public highways, as defined by statute, storm drainage systems, water systems, street lighting systems, off-street parking facilities, and sanitary sewerage systems.

HRS § 206E-2(7). Accordingly, the statutory definition of "public facilities" expressly includes streets, utilities, parking garages, sidewalks, and pedestrian ways sufficient to serve improvements in the district.

In accordance with HRS Chapter 206E, the HCDA has promulgated the Mauka Area Plan and Rules for Kaka'ako, which require that a developer "dedicate land for public facilities for the joint use by the occupants and employees of the development as well as by the public." Haw. Admin. R. § 15-22-73. Page 83 of the Mauka Area Plan provides that "public facilities" includes "streets, utility and service corridors, and utility lines sufficient to adequately service development improvements." Page 84 of the Mauka Area Plan further provides:

¹ HRS § 206E-12 provides in relevant part that HCDA "shall establish rules requiring dedication for public facilities of land or facilities, or cash payment in lieu thereof, by developers as a condition of developing real property pursuant to the community development plan. . . ."



Generally, the provision of public facilities is **responsive to increases in residential population**. Furthermore, the location of new public facilities should be based upon **adequate access for residents**.

It is a policy of this plan that public facilities be located on sites which will be **convenient for the people they are intended to serve** and be designed to meet the needs of the population....

The need for public facilities is based upon population/facility requirement standards. For additional details, refer to the Transportation, Utilities, Housing and Housing Support Facilities and Open Space and Recreation sections of the plan.

(Emphases added.) The Transportation section of the Mauka Area Plan (pages 32, 38, and 42) referred to above contemplates that: (1) "existing streets not needed for traffic flow or access to properties may be closed"; (2) street and roadway improvements encourage pedestrian traffic; and (3) improvements include "pedestrian malls" among other things. The Utilities section of the Mauka Area Plan (p. 88) referred to above envisions utilities "located underground" that "meet the needs and demand to be generated." Finally, the Open Space section of the Mauka Area Plan (pages 47-49) encourages the provision of connected open space systems that "will be attractive and desirable to residents, workers, and visitors." including pedestrian ways and sidewalks, landscaped areas including plantings and benches, and view corridors.

The public facilities in the Ward Neighborhood Master Plan include streets, sidewalks, utilities, and pedestrian-centered plazas, and will benefit all who live within and pass through the Kaka'ako community. Major improvements to public streets and pedestrian ways are proposed that will improve access through the area for the community. Internal streets are planned to facilitate access to commercial and retail areas planned in Ward Neighborhood. Utility improvements will serve the larger community, as well as residents in Kaka'ako, given the fact that major utility lines serving greater Honolulu run through the Kaka'ako district. Finally, the public plazas will include performance venues and other attractions such as farmer's markets, children's play areas, and interactive fountains. The intent is that these areas be established as gathering places for the community and the plazas will be correspondingly planned and designed.

Finally, as noted in the staff report on page 19, it is estimated that the cost of the proposed street, infrastructure and utilities improvements may exceed \$300 million. This is a significant investment in public facilities, from which the entire community will benefit.



Therefore, the public facilities provided within the Ward Neighborhood Master Plan clearly are consistent with the intent of the Mauka Area Plan and Rules and benefit the larger community, rather than only the area covered within the Ward Neighborhood Plan, as suggested by the staff report.

VI. Historical, Cultural and Archaeological Resources

On page 26 of the staff report, the following statement is made: "It appears that GGP needs to compile an inventory of historic and archaeological sites within the Master Plan area, articulate its preservation program for known historical/cultural resources and identify its strategy for coordinating Master Plan implementation with the likely discoveries of iwi or other archaeological finds on development sites."

Please note that we are preparing, and will soon finalize, an inventory of historic buildings on the Ward properties. As noted on page 47 of the Ward Neighborhood Master Plan Addendum, a program of documentation and other alternatives may be developed in coordination with the State Historic Preservation Division through a programmatic agreement.

On Page 47 of the Ward Neighborhood Master Plan Addendum, we also discussed a strategy for coordinating the implementation of the Master Plan with discoveries of iwi on the Ward properties, which includes three components:

- We are conducting an archaeological and cultural analysis of the proposed development areas to identify known human burial remains and areas of high probability where human burial remains may be encountered. This information will be helpful in avoiding or minimizing impact to human burial remains during the implementation of the Ward Neighborhood Plan.
- We are consulting with recognized cultural descendants of the area and other knowledgeable sources who can assist in identifying culturally sensitive areas, including those areas that may contain subsurface human burial remains.
- We are engaging in ongoing consultation with cultural and potential lineal descendants of the area, the State Historic Preservation Division, Oahu Island Burial Council, Office of Hawaiian Affairs, and other native Hawaiian organizations with respect to the appropriate treatment of discoveries of native Hawaiian burial remains.

VII. Amendment Requests

As outlined on pages 20-21 of the staff report, GGP intends to seek certain modifications and amendments to the current Mauka Area Rules and Plan. These modifications and amendments will enable GGP to develop an aesthetically superior neighborhood, while providing the public with additional benefits. For instance, the modification of the 75 foot tower setback requirement for buildings along Ala Moana Boulevard will allow the orientation of buildings in a mauka-makai direction, thereby



Mr. Anthony Ching

September 30, 2008

Page 8 of 8

preserving and enhancing mountain to ocean view corridors, as discussed in Section III of this letter. Similarly, the amendment being sought for the deletion of the Halekauwila Street extension will provide better vehicular and pedestrian circulation in the area.

GGP understands that HCDA is requesting that modifications be sought at the development permit stage to enable HCDA to review detailed plans and evaluate the impact of the modifications on a project-by-project basis. However, we were unaware that HCDA also desired that amendments to the Mauka Area Plan and Rules be sought during the development permit stage. In fact, during GGP's discussions with HCDA, our understanding was that Plan and Rule amendments could be made prior to submission of an application for a Phase I development permit. As previously expressed, it is essential that we be allowed to incorporate amendments at the earliest possible stage. These must be completed prior to beginning design of the first development phase. Moreover, the Mauka Area Rules do not require that amendments be submitted only at the development permit stage. In light of the foregoing, please elaborate on the reasons for the statement on page 21 of the staff report that "...amendment to the Mauka Area Plan and Rules will also need to be considered at the time of planned development permit application."

VIII. Conclusion

As stated in the Mauka Area Rules, the master plan approval process is intended to encourage investment in new development, reduce the economic cost of development, allow for the orderly planning and development of public and private development projects and providing a reasonable degree of certainty in the development approval process. A further purpose is to provide public benefits to the community. The Ward Neighborhood Master Plan fulfills and exceeds the requirements of the Mauka Area Plan and Rules. The Ward Neighborhood Master Plan incorporates numerous public benefits, such as the creation of a new urban neighborhood offering a range of services, new public plazas and community gathering places, a new view corridor to the ocean, and significant improvements to the streets and pedestrian ways. The public benefits provided are substantial and benefit the larger community, as well as the immediate neighborhood.

GGP intends to continue to work closely with HCDA to bring the significant benefits of Ward Neighborhood to the community.

Sincerely,

Jan Yokota

Vice President - Development, Hawai'i Region

Attachment

I. MASTER PLAN APPLICATION REQUEST

59.96 → GGP is seeking approval of a Master Plan Permit for its lands in the Kakaako Community Development District ("KCDD"). GGP is the owner of approximately 60.14 acres of land generally situated in the southeast quadrant of the KCDD. The property consists of 10 city blocks plus various separate parcels situated along Ala Moana Boulevard, Ward Avenue, and Queen, Kamakee, Auahi, Pohukaina and Halekauwila Streets.

II. BACKGROUND

- mid 2007 →
- A. **Chronology:** In February 2008, GGP expressed an interest in applying for Master Plan designation ("Master Plan"), and submitted the application on April 3, 2008. After a preliminary review, HCDA issued written confirmation to GGP that the application appeared complete and was accepted on July 16, 2008. The 200-day automatic approval date will occur on February 1, 2009 if no action is taken by the HCDA.
- B. **The Purpose and Objectives of a Master Plan:** Any landowner of ten or more acres (six of which are contiguous) is eligible to apply for Master Plan designation. The details and procedures are described in Subchapter 8 of the Mauka Area Rules. A master plan is intended to "encourage timely development, reduce the economic cost of development, allow for the orderly planning and implementation of public and private development projects, and provide a reasonable degree of certainty in the development approval process". A master plan would provide public benefits to the State and affords greater flexibility to the developer within the Master Plan area than would otherwise be possible through a lot-by-lot development approach.
- C. **The Master Plan Review and Approval Process:** The Master Plan review and approval process is designed to address issues pertinent to GGP's lands and consists of a two-phased review and approval process:
1. **Phase I:** The processing of a Master Plan Permit ("Permit") involves review of the urban design, public facility, open space, circulation, development objectives and commitments which are contained in the application. A public hearing on the master plan application is required and a decision on the master plan must be granted by the Authority by February 1, 2009. On the date a Permit is approved, the Mauka Area Plan and Rules in effect at that time are "vested" for the 15-year term of the

Permit. The vesting of the Mauka Area Plan and Rules gives assurance that all projects under the master plan will be subject to the Rules in effect at the time of vesting.

2. **Phase II:** The implementation of the Master Plan requires that development and construction permits be secured for each project prior to construction. Development permits for these projects will be subject to the standard Project Eligibility Review Process. Project Eligibility Certification will be required to identify the specific requirements for infrastructure, traffic circulation and historic/cultural/archaeological resources generated by individual master plan projects. The HCDA must approve development permits subject to the vested Mauka Area Plan and Rules, the Permit, and the accompanying Development Agreement to be established in support of the Permit.

- D. **Redevelopment Objectives for Kakaako:** A master plan guides the redevelopment of the land holdings covered under the Master Plan, under the provisions of the vested Mauka Area Plan and Rules.

The Mauka Area Plan and Rules implement the legislative policies established for the KCDD in Chapter 206E of the Hawaii Revised Statutes ("HRS"). These policies specify, in part, that redevelopment in Kakaako should create a mixed-use community with compatible industrial, commercial and residential uses and should also provide amenities such as reserved housing, recreation, and other community facilities (Appendix-1: Background and Development Objectives for Kakaako Mauka). In addition, the Master Plan needs to be consistent with all aspects of the Mauka Area Plan and Rules whether or not specifically cited in the Master Plan application.

III. PROPOSED MASTER PLAN

- A. **Land Area:** GGP refers to its Kakaako lands as the "Ward Neighborhood" and these are located in the southeastern quadrant of the KCDD. The Ward Neighborhood Master Plan application includes an area of approximately 60.44 acres of land (See Ward Neighborhood Master Plan Application). 59.96
- B. **Land Uses:** The Ward Neighborhood Master Plan area will be a large, mixed-use development with an emphasis on retail, office and residential uses together with supporting service and industrial uses.

A comparison of allowable and proposed land uses and floor area is provided in Table 1.

Land Use	Floor Area (Million Square Feet, msf)	
	Allowable Range	Master Plan Proposal
Industrial	0-0.8*	0.74
Commercial (including industrial)	0-4.0	1.75 ← 5.0 Retail Maximum 4.0 Office Maximum
Residential	4.9-8.9	6.2 ← 7.6 Residential Maximum
Total		9.37 ← 9.33 Maximum

*Optional bonus floor area.

Table 1: Comparison of Mix of Allowable Floor Area and Master Plan Proposal

C. Urban Design Objectives

1. **Streetscape:** Major design objectives of the Ward Neighborhood Master Plan include provision of connected public spaces, a pedestrian supportive environment including redesign of Auahi Street as a pedestrian promenade, preservation of Mauka-Makai view corridors and an enhanced roadway network with canopy trees and pedestrian amenities. The Ward Neighborhood Master Plan anticipates extensive use of "liners" (liners are building frontage or facades that are pleasant and aesthetic and provide interaction with pedestrian traffic at ground level) around structured parking to mitigate inherent unsightliness.
2. **Open Space:** The ^{245,638}Ward Neighborhood Master Plan proposes approximately 246,425 square feet ("sf") be provided for open space. All of the open space lands would remain privately owned by GGP.
3. **Transportation System:** The proposed roadway system in the Ward Neighborhood Master Plan will close segments of Ahui Street (Mauka), Kamani Street (between Auahi and Halekauwila Streets), and Auahi Street (between Kamani and the Pohukaina Extension). To improve on connectivity, the Ward Neighborhood Master Plan proposes new streets including Ehiku, Elua, Ekolu, Ekahi Streets, the Central and Ewa Plazas and an improved Queen Lane in an effort to achieve the conceptual "live-work-play" objectives.

The Honolulu High-Capacity Transit Corridor Project has identified a preferred route and station on the Ward Neighborhood Master Plan area, but due to its tentative nature, the application does not identify the preferred route or exact station location for the proposed transit network. However, the Ward Neighborhood Master Plan recognizes the need for a future transit station within the Master Plan area and identifies the potential location for the future transit station and transit-oriented development.

4. **Urban Form/Building Envelopes:** The Ward Neighborhood Master Plan proposes a mix of mid-rise and high-rise development ranging from a mid-rise podium of 75 feet to 400 feet high-rise towers. The development is circumscribed around three public plazas with Auahi Street as a spine connecting the plazas. The urban form of the development calls for commercial or residential liners around parking garages along Ala Moana Boulevard, Auahi Street, Ward Avenue and other major thoroughfares. Building envelopes generally follow a 65 foot liner element that transitions to a mid-rise element between 75 and 240 feet with several high-rise towers extending to 400 feet.
- D. **Public Facilities Dedication Fee:** GGP is proposing to dedicate 225,678 sf of land as public facilities dedication fees. The dedicated lands are intended to be used for new streets (including typical sidewalks), pedestrian walkways (in addition to typical sidewalks), public plazas, and a mass transit connection. The balance of the requirement, a total of 405,460 sf or its cash equivalent, is being proposed in the form of public facilities such as upgraded infrastructure, utilities improvements, and parking.
- E. **Proposed Phasing Plan:** GGP proposes the initial "Phase 1" of development on portions of Land Blocks 1 and 3 (See Ward Neighborhood Master Plan Application).
- F. **Modifications of the Mauka Area Rules**
- GGP is requesting the following modifications of the Mauka Area Rules. These modifications request apply only to the Ward Neighborhood Master Plan area.
1. Increase the maximum podium or street front element height from 45 feet to 65 feet for parcels fronting Ala Moana Boulevard

including 20 towers ranging in height from 105 to 400 feet high creating a varied skyline. It appears that the urban form presented in the Ward Neighborhood Master Plan is consistent with the urban design guidelines of the Mauka Area Plan and Rules.

2. **Pedestrian Promenade:** Creating an Auahi Street pedestrian promenade, while not specifically identified in the Mauka Area Plan and Rules, represents a positive urban design feature with an abundance of existing and planned retail businesses at the street level. Moreover, since it is unlikely that Ala Moana will provide a significant pedestrian corridor in the future, the promenade will represent an alternative pedestrian route together with a significant retail experience. Most major streets within the Ward Neighborhood Master Plan area, including Ward Avenue and Kamakee Street, are proposed to be pedestrian supportive environments.

A promenade is typically an open and level area where people can stroll and enjoy pedestrian activities. While a promenade is not required by the Mauka Area Plan and Rules, GGP has included pedestrian promenades into the urban form of the Ward Neighborhood.

3. **Public Spaces:** Three proposed public spaces (i.e., the Central Plaza, the Ewa Plaza and the Diamond Head Plaza) will establish public gathering places within the Ward Neighborhood Master Plan area. These public spaces form the Mauka-Makai pedestrian linkages. They also function as mid-block pedestrianways for the long blocks. All three public spaces are linked to Auahi Street and establish the street as a regional pedestrian promenade. All together these public plazas provide 6.5 ~~over 5~~ acres of open space for public use. Apart from the plazas, several major streets within the Ward Neighborhood Master Plan area are proposed to be redeveloped as pedestrian supportive streets with trees, landscaping, and other amenities.

The open spaces created by the public plazas serve as public resources. The proposed Central Plaza, Ewa Plaza, and Diamond Head Plaza provide visual relief from the surrounding development and provide linkages for the long blocks.

4. **View Corridors:** The Ward Neighborhood Master Plan identifies Ward Avenue, the proposed Central Plaza, and

Different mixes of land use are required by Section 15-22-113 for MUZ-C and MUZ-R zoned lands. This requirement controls the proportion of commercial and residential uses that can be developed for larger projects. Based on the total land area, the Mauka Area Rules allow a maximum of 4,026,342 square feet ("sf") of commercial floor area for the Ward Neighborhood Master Plan development. Residential development can be up to the maximum floor area allowed by the Mauka Area Rules, which is 3.5 times the available development lot area and translates to a maximum total floor area of 9,364,158 sf.

4,008,092

8,597,326

The proposed residential floor area is within the allowable limit. However, the Ward Neighborhood Master Plan is requesting the flexibility to potentially develop all commercial spaces and no residential units, which is not permitted under the Mauka Area Rules. The intent of the mix of land uses, MUZ-R and MUZ-C, and the limit on the amount of commercial space that could be built is primarily to emphasize residential development in Kakaako Mauka while allowing for some commercial development to occur. As such, the request for flexibility to develop only commercial spaces and no residential units is not consistent with the Mauka Area Plan and Rules. Developing only commercial spaces within the KCDD would require an amendment to the Mauka Area Plan and Rules. The Ward Neighborhood Master Plan is requesting a plan amendment to provide the flexibility to potentially develop only commercial space within the KCDD.

The mixed-use zoning designation of the KCDD requires a specified proportion of commercial and residential floor area. The amount of residential use proposed by the applicant is within the limit imposed by the Mauka Area Plan and Rules. However, the applicant is requesting the flexibility to develop more commercial floor area than is permitted by the Mauka Area Plan and Rules and has requested an amendment to the existing and permitted land uses.

6. **Density/Floor Area:** The existing floor area within the KCDD and the maximum allowable floor area at full build out according to the Mauka Area Plan and Rules are presented in Table 2.

9,334,240

The Ward Neighborhood Master Plan proposes to construct 9,364,158 sf of floor area on approximately 60.14 acres (total land area available for floor area allocation is 56.57 acres and

59.96

56.39

excludes existing streets that are owned by GGP but cannot be considered development lots) of land. This translates to a density of 3.8 Floor Area Ratio ("FAR") including an industrial bonus of 0.3 FAR (the Mauka Area Rules provide for a 0.3 FAR bonus for planned development projects that provide industrial use, nursing facilities, assisted living administration and ancillary facilities). This density is consistent with the requirement that allows a maximum density of 3.5 FAR for projects with a minimum land area of 80,000 square feet as per Section 15-22-116 of the Mauka Area Rules.

About 0.7 million sf of new floor area has been added within the Ward Neighborhood Master Plan area over the last 18 years. The total existing uses in the Master Plan area adds up to 1.2 million sf of floor area. At full build-out, the Master Plan could have a maximum floor area of 9.4 million sf, which will be approximately 26% of the total projected floor area for the entire KCDD district at full development.

Land Use	Existing	Mauka Area Plan	
	Million sf	Million sf	Percent
Commercial	2.8	13.7	38
Industrial	4.6	5.3	15
Residential	1.1	17.1	47
TOTALS(25-30 years)	8.5	36.1	100

Table 2: Floor Area Projections (Mauka Area Plan)

The Ward Neighborhood Master Plan proposes a total of 7.62 million sf of floor area in residential development which translates to approximately 45% of the total residential floor area at full development for the whole district. Commercial floor area proposed in the Ward Neighborhood Master Plan is 1.74 million sf which translates to approximately 13% of the total commercial floor area for the district at full development. Similarly the Ward Neighborhood Master Plan proposes 0.74 million of floor area in industrial use which is approximately 14% to the total projected industrial area in the district at full development.

← Maximum

← Estimated

The Ward Neighborhood Master Plan proposes to potentially quadruple the industrial floor area within the Master Plan area.

Table 3 below provides a comparative summary of the existing as well as proposed floor area by use within the Ward Neighborhood Master Plan area.

Land Use	Floor Area (Million SF)	
	Existing Condition	Proposed Master Plan
Industrial	0.2	0.74
Commercial (including industrial)	1.0	1.74
Residential	0.0	7.62
Total	1.2	9.36

← See page 3

Table 3: Comparison of Existing and Proposed Mix of Land Uses within the Master Plan Area

Density is a measure of development within an area expressed in numerical terms as the square footage of floor space per a unit of land (the FAR).

The density proposed by the applicant was compared to the maximum allowable density under the Mauka Area Plan and Rules and the projected density for the KCDD and the following findings are noted: (i) the development of ~~9,364,158~~ ^{9,334,240} sf of floor area by the applicant is consistent with the maximum allowable density under the Mauka Area Plan and Rules; and (ii) ~~even if the applicant fully builds out the development, the 9,364,158~~ ^{9,334,240} sf of floor area will remain approximately 26% of the total projected density (expressed in FAR) for the KCDD at full development.

- 7. Height:** The Ward Neighborhood Master Plan proposes to construct towers that have a maximum height of 400 feet. As per Section 15-22-116 of the Mauka Area Rules, this height is consistent with the requirement that allows a maximum height allowance of 400 feet for projects with a minimum of 80,000 sf land area. The Ward Neighborhood Master Plan incorporates the tower concept prescribed within the Mauka Area Plan and Rules. It proposes 20 towers to be constructed above or abutting platforms that include retail/office, residential uses. The Ward Neighborhood Master Plan proposes towers that are in conformance with Section 15-22-116 of the Mauka Area Rules that allows a maximum tower height of 400 feet and maximum tower footprint of 16,000 sf. Based on the land area of the proposed master plan, and in conformance with the

existing Mauka Area Rules, a total of 30 towers, each 400 feet tall could have been developed within the proposed land area.

The maximum height of the towers proposed by the applicant is 400 feet. The proposed development of towers with a maximum height of 400 feet is consistent with the Mauka Area Plan and Rules.

8. **Open Space:** Open space is a portion of a development lot, exclusive of required setbacks and parking areas, that is open and unobstructed by any structures above and is an area that is landscaped and maintained as a recreational or social facility and cannot be used as driveways, loading area, storage, or parking. Mauka Area Rules Section 15-22-64(c)(1) requires that 10% of a development lot be set aside as open space.

The Ward Neighborhood Master Plan provides 246,425 sf of open space, which is 10% of the development lots and is consistent with the Mauka Area Plan and Rules.

253,737

9. **Recreation Space:** Recreation space is a portion of a development lot, exclusive of required setbacks and parking areas that is set aside and designed for the exclusive use of the residents, employees, or visitors. The recreation space can be an outdoor or an indoor space and can be provided on any floor within the building. The Mauka Area Rules, Section 15-22-65 requires that fifty-five square feet (55 sf) of recreation space be provided for each dwelling unit being proposed.

253,737

The Ward Neighborhood Master Plan proposes to provide 249,961 sf of recreation area for residential use, which is more than the required minimum and is consistent with the Mauka Area Plan and Rules.

10. **Yard Setbacks:** The Mauka Area Rules require a side and rear yard setback of 10 feet for structures containing windows or openings as per Section 15-22-63.2 of the Mauka Area Rules. At a master plan application level specific details on yard setback for each project cannot be reasonably provided and may not be considered necessary. Typically, determination for yard setback can only be made at specific project level.

Each proposed development within the Ward Neighborhood Master Plan will need to meet the yard setback requirements of

GGP needs to prepare detailed and acceptable bike plan for the Master Plan area before application for Phase 1 development of the Master Plan can be processed and action taken.

C. Reserved Housing

The Ward Neighborhood Master Plan proposes to construct ~~up to~~ ^{approximately} 4,300 residential units within the Master Plan area. The Mauka Area Rules require that a total of 20% of the residential units in any residential development be set aside as "Reserved Units" that are available for purchase for a family whose annual income is between 100-140% of the annual area median income. The reserved housing requirement allows for the development of a mixed income neighborhood within the KCDD. The Ward Neighborhood Master Plan proposes to set aside 20% of the total residential units (860 residential units) as reserved housing units. ^{approximately}

The reserved housing unit mix generally mirrors the unit mix in a typical development and will comprise of studios, 1, 2, and 3 bedroom units. At the master plan level a detail of bedroom count for reserved housing does not appear to be necessary. The details of unit sizes and bedroom counts will need to be approved on a project-by-project basis at the time of planned development permit approval.

One of the stated objectives of HCDA granting a master plan application approval is to derive public benefit such as affordable/reserved housing. At the same time the Master Plan approval also provides certainty and development flexibility to the landowner and developer. The Mauka Area Plan and Rules (Section 15-22-205) require that the appropriateness of the public benefits to be provided and the adequacy of the provisions for delivery of those public benefits be considered in approval of any master plan application.

GGP needs to provide more than the minimum required reserved housing units to be consistent with the intent of the Mauka Area Plan and Rules. The provision for delivery of the reserved housing is not included in the application and needs to be addressed.

D. Public Facilities Dedication Fee

The Mauka Area Rules requires any development within the KCDD to pay a public facilities dedication fee equivalent to 4% of the total floor area (excluding the floor area set aside for reserved housing) in a

residential development and 3% of total floor area in a commercial development. The public facilities dedication fee may be in the form of land set aside for public use or may be cash equivalent based on a fair market value of the land at the time of development if the Authority approves a cash-in-lieu option.

Based on the mix of residential and commercial development proposed in the Ward Neighborhood Master Plan, GGP is required to pay a total of ~~334,138~~ ^{330,053} sf of land or a cash equivalent as public facilities dedication fee. GGP is proposing to set aside 225,678 sf of land in the form of improved roads, sidewalks, and public plazas. It is requesting to meet the remaining requirement of ~~405,460~~ ^{104,375} sf in the form of community facilities, utility and infrastructure improvements, and public parking.

The intent of the Mauka Area Rules is to require a landowner or a developer to provide public facilities dedication fee in the form of land. Land thus set aside would be used for developing public facilities such as public parking, community centers, community police substations, child care facilities, public parks for public use within the KCDD. Alternatively, the Mauka Area Rules, at the election of the Authority [Section 15-22-205(f)], allows a cash equivalent payment based on a fair market value of the land required as public facilities dedication fee. Cash payment thus made would be used for developing public facilities within the KCDD. The Mauka Area Rules also allow a combination of land and cash payment for public facilities dedication fee. However, it is important to note that the fee is due only at the time of development. A landowner or a developer will not have to set aside the total public facilities dedication fee at the time of the approval of a master plan. The exact amount of the fee will be determined for individual planned development projects and will be based on the total floor area for the proposed development. Public facilities dedication fees become due at the time of the issuance of certificate of occupancy for each project.

The streets, sidewalks and plazas that the Ward Neighborhood Master Plan proposes for meeting the public facilities dedication fee do not appear to meet the intent of the Mauka Area Plan and Rules. It appears that most of the new streets within the Master Plan area that GGP is proposing for public facilities dedication serve its development projects and do not necessarily enhance regional traffic circulation.

- b. Replacement of "mixed-use commercial" ("MUZ-C") and "mixed-use residential" ("MUZ-R") land use designation for the Master Plan area by a single mixed-use designation.
- c. The Mauka Area Plan includes a park/parking garage facility along the Halekauwila Street Extension and as a function of deleting the Extension an additional amendment to the Mauka Area Plan and Rules is required.

The Ward Neighborhood Master Plan makes the assertion that the requested modifications and amendment will result in a better urban environment but doesn't provide adequate details to evaluate the impact of the modifications and amendments. Without ascertaining the overall impact of the modifications, the request for modifications and amendments cannot be considered at this time.

Separate, specific modification requests will need to be made at the time of approval of each planned project and evaluated for technical adequacy and enhancement of design and urban character. Similarly amendment to the Mauka Area Plan and Rules will also need to be considered at the time of planned development permit application.

G. Redevelopment and Economic Context

The Ward Neighborhood Master Plan application establishes a template for an orderly and methodical development of a large section of the KCDD. Redevelopment of KCDD is a primary objective of HCDA (see Appendix-1 for Legislative intent and development objectives for KCDD); therefore, the Master Plan application can be considered a major step in achieving that goal. The Ward Neighborhood Master Plan development will also result in various public facility benefits that would not have been possible if land parcels in the district were developed as individual planned development projects. In addition to achieving a desired spatial urban development, the Ward Neighborhood Master Plan also helps to promote much-needed economic development for the whole State of Hawaii in terms of new job creation and an increased tax base.

Based on preliminary estimates, the Ward Neighborhood Master Plan, over a 20-30 year development period, is expected to create 17,300 on-site construction jobs and ~~16,270~~ off-site construction related jobs. The total construction and construction related payroll

16,270

for the development period is estimated to be approximately \$4.3 billion.

\$1.8

At full build out, it is estimated that the Ward Neighborhood Master Plan development will generate 7,800 full-time professional and service jobs and generate \$345 million in annual payroll.

\$346

Preliminary economic estimates indicate that the construction phase of the Ward Neighborhood Master Plan development will inject a total of \$8 billion into the local economy over the development period. Tax revenue to the State from the construction phase is estimated to be \$370 million in excise tax and \$135 million in income tax. After the development is completed, it is projected that annual revenue to the State in income tax will be approximately \$16.5 million. Similarly, the County government stands to collect approximately \$26 million annually in the form of property taxes.

V. Analysis of Density, Infrastructure, and Traffic Impact

- A. **Density:** The Environmental Impact Statement ("EIS") accepted in 1983 for the 450-acre KCDD Plan (1982) was conducted to review planning alternatives and discuss environmental consequences of implementing the preferred Mauka Area Plan.

The EIS was based on the Plan's projected theoretical maximum build out of 36.1 million square feet (msf) of floor area on 258 acres of private land in Kakaako. This amounts to an average FAR of 3.15 and includes about 19,000 housing units.

The KCDD Plan provides a twenty-five to thirty-year development framework. The EIS addressed development over a thirty-year development period, up to the year 2012. To date, the HCDA has approved 11.2 msf and 6,216 housing units within the KCDD. Based on the projected total floor area and housing units in the 1982 KCDD Plan, only 31% of the projected floor area and 32% of the housing units have been developed.

The Ward Neighborhood Master Plan proposes to develop a total of 9.4 msf total floor area and 4,300 housing units over the next twenty years. The addition of this total to the existing developed floor area in KCDD equals to 20.5 msf or 58% of the original projection. The housing units would total 10,516 units or 55% of the projection.

9.3