

HIGHLIGHTS OF AUGUST 2, 2006 HCDA MEETING

Following is a brief summary of actions taken at the August 2, 2006 meeting of the Hawaii Community Development Authority (HCDA).

Office Lease with CEP Hawaii Investors LLC

Authority members authorized the HCDA Executive Director to execute a one-year extension of the lease until December 31, 2007 for the HCDA office space in the 677 Ala Moana Building.

Ground Lease Annual Base Rent Adjustment for the University of Hawaii John A. Burns School of Medicine (JABSOM)

HCDA members authorized the HCDA Executive Director to execute an agreement consenting to the sublease with the Hawaii Business and Entrepreneur Acceleration Mentors (HiBEAM) and to adjust the rent under the JABSOM lease solely for the purpose of this sublease only. JABSOM intends to sublease approximately 193 square feet of the medical building to HiBEAM to assist JABSOM's researchers and professors to capitalize on their research by supporting the development of economic and business opportunities. In 2002, HCDA entered into a 57-year ground lease with the University of Hawaii for development and operation of its JABSOM facility. The lease stipulates an adjustment of the rent and HCDA's consent prior to the UH making any transfer (including subleases) of its leasehold interest in order to prevent third parties from benefiting from JABSOM's below market rent.

720 Kapiolani Boulevard NCR Building Renovation Project

Authority members granted modifications from the Kaka'ako Community Development District Mauka Area Rules and a Joint Development and Development Permit for the proposed 720 Kapiolani Boulevard NCR Building Renovation Project. Cooke Clayton LLC's is proposing an adaptive reuse of the former NCR Building into a commercial and residential loft complex. The project site is bordered by Kapiolani Boulevard, Cooke Street, and Clayton Street and

encompasses 41,033 square feet of land area on two parcels. The Project will include 7,344 square feet of commercial retail use at the ground floor of the existing NCR Building. Forty-seven (47) residential loft units and 100 parking spaces will be developed in the remaining portions of the building and on an expansion of the Diamond Head portion of the site. The developer is planning to start construction on the project in the first quarter of 2007.

The Project was processed as a Base Zone Development. Base zone projects are limited to 45 feet in height and 1.5 FAR (floor area ratio). As such, these projects are not subject to Planned Development requirements such as reserved housing. The Project is consistent with the Mauka Area Plan and Rules with the exception of the height and rear yard setback. The Project will encroach slightly into a 10-foot building setback on the property's Mauka side and the developer is proposing to build 15 feet higher than the 45-foot height limit in order to match the height of the existing building that will be part of the new project. The modifications granted by the Authority address these items. A public hearing on the project was held on July 5, 2006.

Joint Development and Planned Development Permit for the Moana Vista Project

The Authority deferred acting on a request for a revised Joint Development and Planned Development Permit for the Moana Vista Project.