

HIGHLIGHTS OF JULY 6, 2005 HCDA MEETING

Following is a summary of actions taken at the July 6, 2005 meeting of the Hawaii Community Development Authority (HCDA).

Keola Lai at 600 Queen Street

The Authority approved a Planned Development Permit for the proposed Keola Lai residential project. A&B Kakaako LLC (A&B) is proposing to develop this mixed-use residential/commercial high-rise complex at 600 Queen Street. The project would be located on a 2.7-acre site at the intersection of Queen and South Streets and is diagonally across from the Honolulu Fire Department Headquarters now under construction. It would consist of a 37-story residential tower on top of a five-level podium that will include parking and commercial storefronts at the street level. Keola Lai will have 352 one-, two- and penthouse units. A&B's prices for Keola Lai units are expected to start at \$340,000 for one-bedroom units, \$445,000 for two-bedroom units and \$695,000 for three-bedroom units. The developer will provide 63 reserved units for sale and pay a cash-in-lieu fee of approximately \$1.2 million for the 7 reserved units it does not provide. The average price of the reserved one-bedroom units should be \$290,643 and \$358,317 for the reserved two-bedrooms. Reserved units are restricted to certain income and qualifications. The project also includes: 10,000 square feet of street-level commercial storefront space; and open space plaza; and 687 parking spaces. The developer will also be required to pay HCDA a public facilities dedication fee of \$1,260,147. The Authority approved the project by a 7-2 vote. A&B anticipates starting construction on Keola Lai in early 2006 with completion in early 2008.

Transfer of Uses between Moana Pacific and Honolulu Design Center Projects

HCDA members approved a "transfer of uses" between two projects that had previously been approved by the Authority: the Moana Pacific Planned Development Project and the Honolulu Design Center Base Zone Development Project. In the transfer, industrial use currently allowed in the Moana Pacific Project will be transferred to the Honolulu Design Center Project and commercial uses currently allowed in the Honolulu Design Center Project will be transferred to the Moana Pacific Project. Recently adopted amendments to the Kaka'ako Plan and Rules allow HCDA flexibility in the transfer of uses in conjunction with the development of public facilities. This transfer will assist HCDA to implement a public parking lot on Kawaihāo Street. The applicant will design, develop and construct the public facility for HCDA in conjunction with the transfer of uses. A temporary parking lot will be constructed to provide short-term public parking and in the long term, a parking structure may be constructed to provide public parking. The transfer of uses integrates the design of pedestrian friendly storefronts with commercial uses along an entire city block of Kapiolani Boulevard, from Piikoi to Pensacola Streets. The proposed commercial uses create greater variety and interest for pedestrians walking along Kapiolani

Boulevard than industrial uses and better complement the Moana Pacific Project, a residential development with two 40-story towers.

Security Services for Kaka‘ako Waterfront, Kewalo Basin, and Kaka‘ako Makai Gateway Parks

HCDA members authorized the HCDA Executive Director to execute a one year contract for security services for the Kaka‘ako Waterfront Park, Kewalo Basin Park, and Kaka‘ako Makai Gateway Park. The action includes two one-year options with Star Protection Agency and the expenditure of up to \$103,499 per year for the services. HCDA’s security services, which included a mix of Honolulu Police Department and private security firm security checks, has reduced undesirable activities and allowed residents to peaceably enjoy the parks for picnicking, fishing, special events and other recreational activities.

Site Preparation Tasks for Kaka‘ako Waterfront Land

The Authority approved the expenditure of up to \$2.7 million for site preparation tasks for approximately 36.5 acres of land in the Kaka‘ako Waterfront. In January 2005, HCDA issued a Request for Proposals for this prime State-owned waterfront land. As the selection of the Master Developer proceeds, HCDA needs to complete site preparation work and resolve any open issues prior to discussing terms for the development and ground lease to maximize economic benefit to the State. The Authority’s approval will allow HCDA to advertise for Bids and award contracts for survey and cadastral work, demolition, environmental analysis, and remediation plans and cost estimates.