



## Quarter 1 Update

march 25, 2015

OHA  
kaka'ako makai



KUHIKUHI PU'UONE  
COLLABORATIVE





# **COMMUNITY ENGAGEMENT PLAN**

# Community Engagement Timeline

Quarter 1 - 2015	Quarter 2 - 2015	Quarter 3 - 2015
<b>February*</b> Pae 'Āina Meetings Round 3*	<b>April-June</b> Ongoing Stakeholder Outreach	<b>July 31</b> Community Engagement Memorandum
<b>March 31</b> Community Engagement Plan		<b>September</b> Pae 'Āina Meetings Round 4
<i>* Initially scheduled for April</i>		



# Pae 'Āina Engagement Strategy

- Solicit meaningful feedback to inform the planning process
- General Public
- Kaka'ako community groups
- OHA Beneficiaries
  - *Community members invested in OHA's mission/vision*
  - *Community leaders*
- Educational venues
- Online Forums



# Pae 'Āina Round 3 Re-Cap

**15**

**Meetings**

**391**

**Participants**

**2,152**

**Group  
Comments**

**Key**

**Community  
Leaders**

**Kaka'ako / Kapolei / Waialua / Kāne'ohe / Wai'anae  
Kaunakakai  
Hilo / Kona  
Kahului / Hāna  
Lāna'i City  
Līhu'e**

apex  
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for  
kai?

KAKA'AKO MAKAI PARC  
©HA



# Substantive Feedback

“Hawaiians must be present”

“A hub for the Lāhui”

“Authentic” “Sustainability”

“Perpetuate our culture”

“A gathering place for ‘ohana”

“Invest in our keiki”

“Fund native Hawaiian health programs”

“Small business & technology incubator”





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SCAN THE QR CODE OR VISIT:

**KakaakoMakai.com**



KakaakoMakai.com provides a way for the public to engage in discussion before, during and after the meetings. Share your ideas and hear what others have to say, anytime.

**KAKA'AKO MAKAI**

*A Place for Future Generations*

Share your thoughts below or online (see reverse)

A community gathering place  
a fun, pleasurable, festive  
area  
Play & recreation for Keiki.  
Nature, people, activities interacting.  
connect w/ the land  
Respect the history & folklore  
of the land.



# Online Participation

The screenshot shows the Kaka'ako Makai website. The header includes navigation links: Home, Topics, Activity, and About. There are 'Sign Up' and 'Log In' buttons. The main banner reads: 'Welcome to Kaka'ako Makai: The apex of culture and commerce.. Kaka'ako Makai consists of approximately 30 acres of largely waterfront property that was conveyed to OHA by the State of Hawai'i. We seek your input to create a place that will benefit all through income generation and cultural vitality.' Below the banner are buttons for 'Connect with Facebook' and 'Sign Up with Email'.

Under the 'All Topics' section, there is a search bar and a list of topics. The first topic is 'Kaka'ako Makai: The apex of culture and commerce - Question 1 of 3', posted on Feb 17 with 21 interactions and 68 days remaining. The question is: 'How would you describe an urban Hawaiian space?'. The description for this topic is: 'From the first Hawaiian who bravely stood up on a surfboard and gave birth to a worldwide phenomenon, to Hawaiian kapa makers who crafted the finest bark cloth'.



# Quotes from MindMixer Site

“Urban Hawaiian spaces should **foster ideas of gathering**, social interaction (digital/physical), **connection** with the land/water, **education** of our visitors, but mostly our keiki, and the **cultivation of our cultural identity.**”

“Green, **environmental friendly building materials**, using LED lightnings, water efficiency appliances like toilet, dryers, plumbing systems and irrigation system.”

“A place **where locals, especially kanaka maoli, come together** to meet and **share nā mea Hawai‘i** that are interesting, desired (to do or learn), necessary and precious in maintaining, **enhancing and perpetuating** our Hawaiian (Hwn) language, culture, traditions and practices.”





# Ongoing – Stakeholder Outreach

- Neighboring Entities
- Kaka‘ako Community Organizations
- Native Hawaiian Organizations and Institutions
- Ali‘i Trusts
- Elected Officials
- Digital Community via Mindmixer

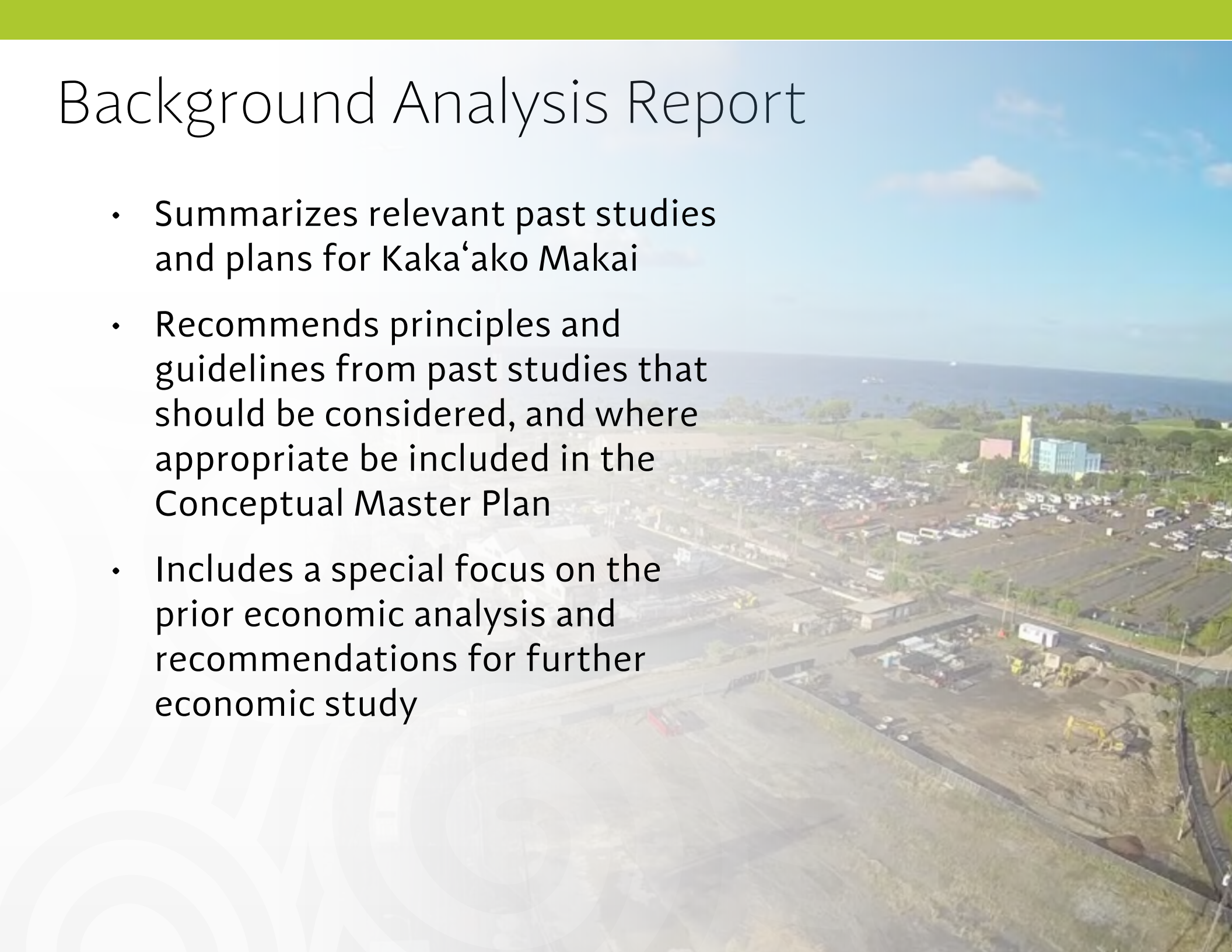


# **BACKGROUND ANALYSIS**



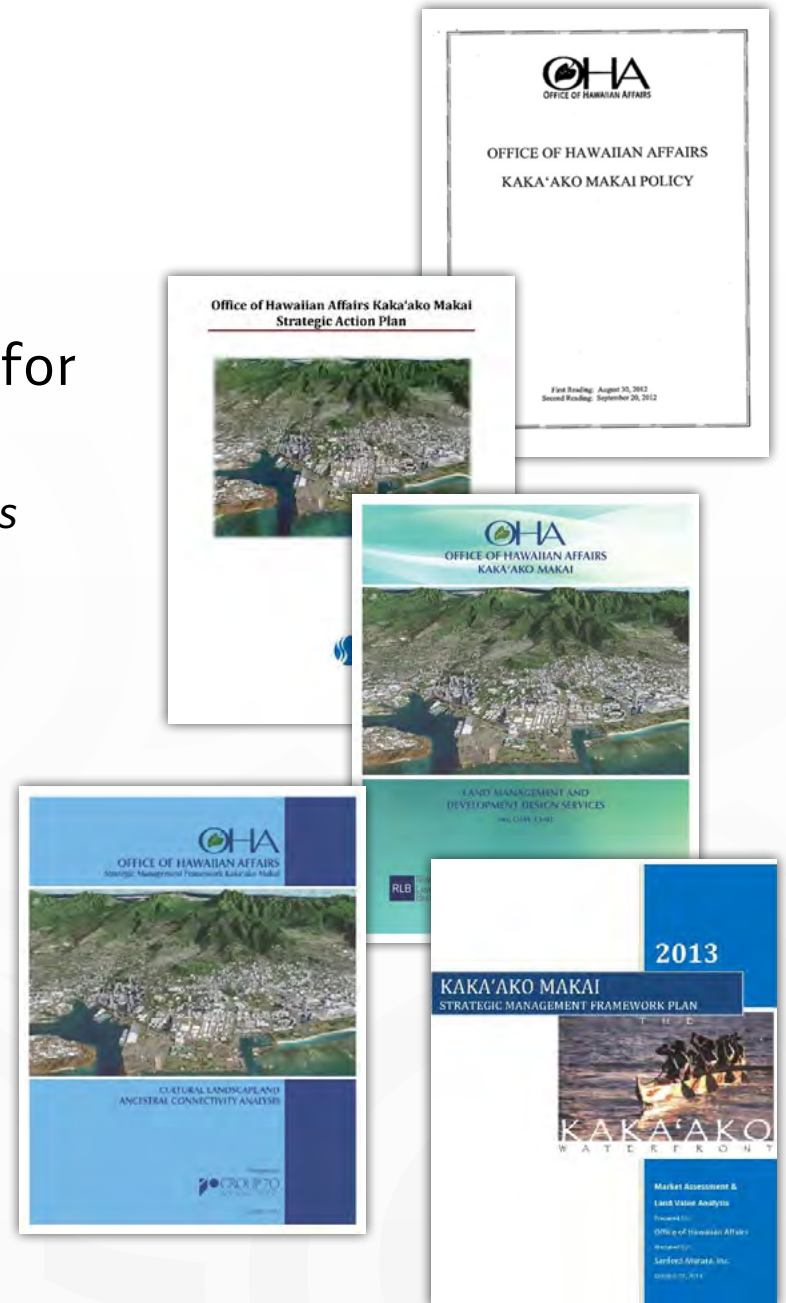
# Background Analysis Report

- Summarizes relevant past studies and plans for Kaka'ako Makai
- Recommends principles and guidelines from past studies that should be considered, and where appropriate be included in the Conceptual Master Plan
- Includes a special focus on the prior economic analysis and recommendations for further economic study



# Relevant Long-Range Plans and Vision Documents

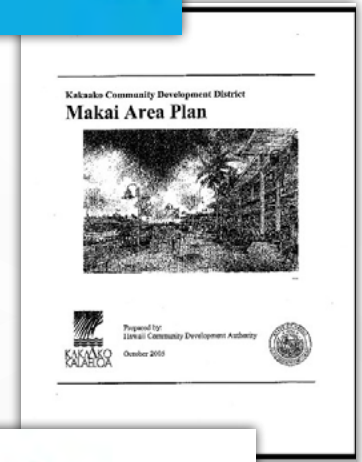
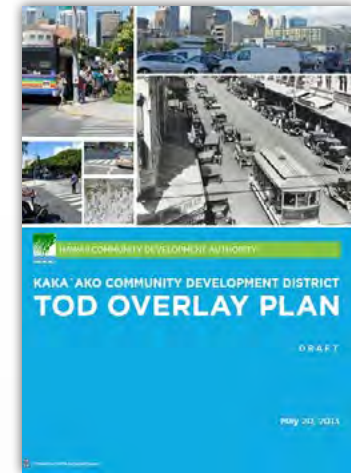
- Kaka‘ako Makai Policy (OHA)
- Kaka‘ako Makai Strategic Action Plan (“Framework Plan”) (Hui O Kukuluāe‘o for OHA)
  - *Cultural Landscape and Connectivity Analysis*
  - *Charrette Vision & Strategic Priority*
  - *Master Baseline Infrastructure Review*
  - *Market Assessment & Land Value Analysis*
  - *Master Baseline Development Strategy*
- Kaka‘ako Makai Hazard Assessment (Fletcher for OHA)





# Regulatory Plans, Policies, Requirements

- Kaka'ako Makai Conceptual Master Plan (HCDA, 2011)
- Kaka'ako Community Development District Transit Oriented Development Overlay Plan (HCDA, draft, 2013)
- Kaka'ako Community Development District Makai Area Plan (HCDA, 2005)
- The Makai Area Rules (Hawai'i Administrative Rules, 2005)
- Hawai'i Revised Statutes (2006)
- Covenants, Conditions and Restrictions for the Waterfront (HCDA, 2002)



# Common Land Use Planning Themes among Relevant Plans & Policies

## **Bold, iconic development**

Envisioned by OHA's Kaka'ako Makai Policy and 2013 Charrette Vision as well as the HCDA Transit Oriented Development Plan

## **“Live, work, play”**

Essential tenants of OHA's Kaka'ako Makai Strategic Action Plan, Charrette Vision & Strategic Priority, Kaka'ako Community Development District Transit Oriented Development (TOD) Overlay Plan Kaka'ako Makai and in the Makai Area Rules (HAR)

## **Energy self-sufficiency & resiliency**

Practical, “no regrets” recommendations from OHA's Master Baseline Infrastructure Review and the 2012 Kaka'ako Makai Hazard Assessment

## **Complete streets & transit oriented development**

Support OHA's Cultural Landscape and Ancestral Connectivity Analysis as well as contemporary planning overlays developed by HCDA



# **MARKET ANALYSIS**

# Uses & Opportunities



## Medicine

- John Burns School of Medicine
- Cancer Research Center
- Modern medical
- Traditional medicine
- Tourism Medicare



## Residential

- High-end (mostly non-resident)
- Market (resident)
- Affordable (resident)



## Commercial

- Retail (for neighborhood & residents)
- Destination
- Visitor vs. residential oriented



## Office

- Standards business
- Medical
- Specialized (tech, energy sector, sole-proprietor)



## Hospitality

- Hotel
- Branded residence
- Mixed Use
- Specialized lodging

# Approach

## **Phase 1: Exploration**

- Understand goals, concept, history
- Community input
- Assess site
- Analyze available markets
- Evaluate competitive environment and identify gaps in the market

## **Phase 2: Idea Development & Estimate of Preliminary Market Support**

- Identify and review comparable facilities / conduct case studies
- Develop preliminary demand factors based upon market

## **Phase 3: Refinement and Detailed Analysis**

- Refine list of ideas based upon evaluation criteria
- Estimate attendance potential
- Develop physical planning parameters
- Conduct financial analysis
- Integrate analysis into larger real estate context







# Overview of Work Completed

- Analyzed background material and prepared report for inclusion into Background Analysis
- Reviewed current leases, lease rates, terms, and structure for implications on market analysis
- Explored potential uses on each site from a political perspective
- Initiated market analysis, including review of traditional real estate land uses and evaluation of potential for cultural and attraction uses





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- This aerial map shows a coastal urban area with a proposed rail line and specific parcels highlighted. The map includes a legend in the top-left corner and a semi-transparent white overlay on the left side.
-  **KCDD Boundary**
  -  **Proposed Rail**
  -  **OHA Parcels**
- The map features a dashed black line representing the KCDD Boundary, a dashed teal line for the Proposed Rail, and several solid blue areas representing OHA Parcels. The rail line runs horizontally across the middle of the map, with a branch extending towards the bottom right. The OHA Parcels are located in the lower-left and lower-right areas, near the waterfront. The background is an aerial photograph showing buildings, streets, and green spaces. A semi-transparent white rectangle covers the left portion of the map.




# Market Analysis


## **Traditional real estate:**


- Review of current conditions
- Estimate of demand – short, medium, long term
- Evaluation of existing and proposed supply
- Land uses included: residential, retail, office, hotel / condo hotel / timeshare
- Assessment of residual land value
- Estimate of land value of OHA properties given lease encumbrances and political landscape
- Determination of what would be required to realize the \$200 million value







 **KCDD Boundary**


 **Proposed Rail**

 **OHA Parcels**

 **Kamehameha Schools Parcels**

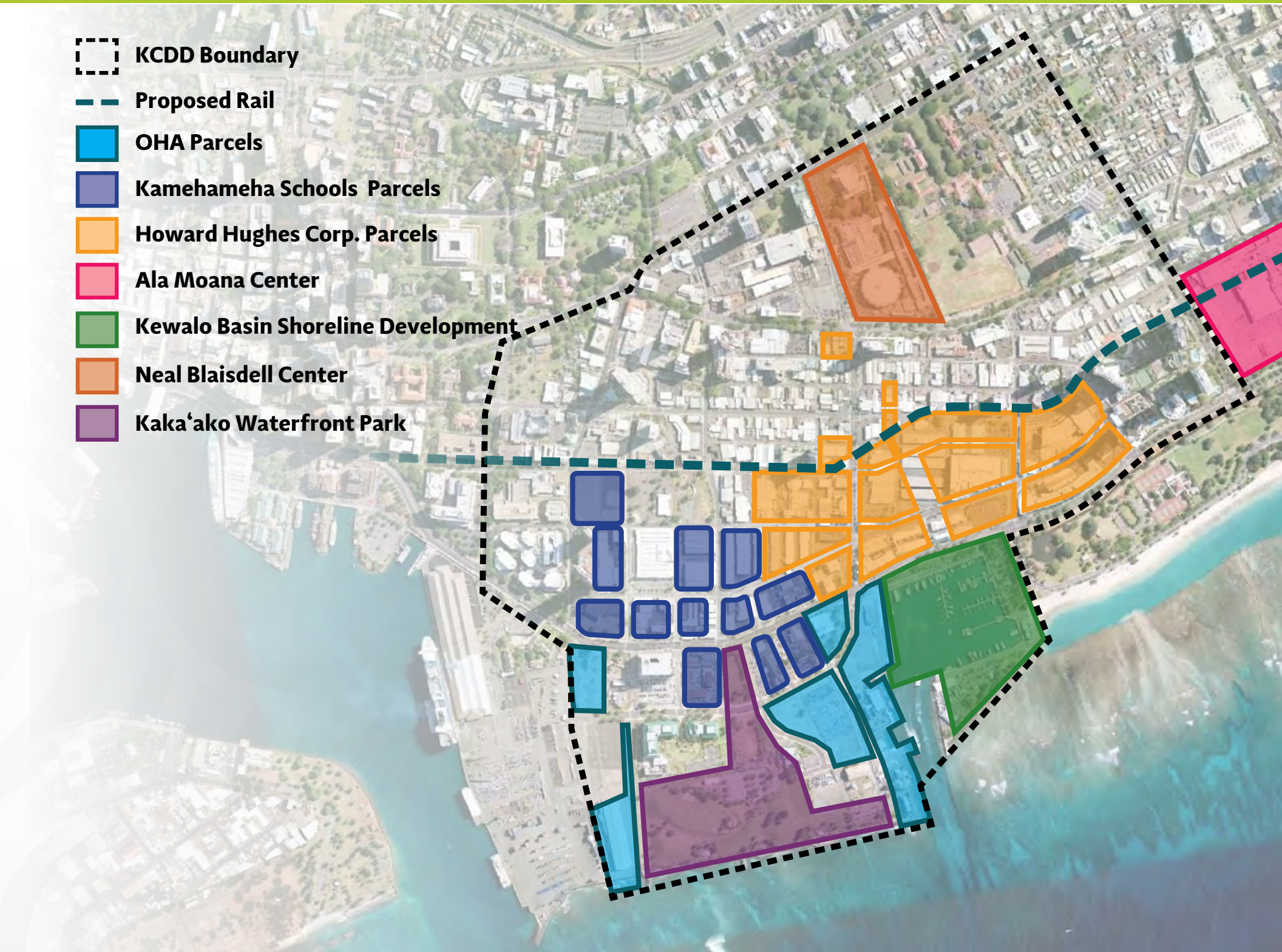
 **Howard Hughes Corp. Parcels**

 **Ala Moana Center**


 **Kewalo Basin Shoreline Development**

 **Neal Blaisdell Center**


 **Kaka'ako Waterfront Park**






 **KCDD Boundary**

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 **Kamehameha Schools Parcels**



### **400 & 440 Keawe**

- 65 ft tower
- 95 units



### **Keauhou Lane**

- 43 story tower
- 423 units



### **The Collection**

- 43 story tower
- 4 story midrise
- 3 story townhouse
- 467 units



### **Vida**

- 400 ft tower
- 265 units



### **Salt@Kaka'ako**

- 76,000 sf retail





### **680 Ala Moana**


- 4 stories
- 54 units



 **KCDD Boundary**

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### **404 Ward**

- 400 ft tower
- 424 units



### **Anaha**

- 400 ft tower
- 205 units



### **Ward Village Gateway**


- 400 ft tower
- 300 ft tower
- 236 units




### **Waiea**


- 400 ft tower
- 171 units




 KCDD Boundary

 Proposed Rail

 OHA Parcels

 Kamehameha Schools Parcels

 Howard Hughes Corp. Parcels

 Ala Moana Center








### Park Lane

- 313 Units
- 6 Stories





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**Kewalo Harbor**  
• 71,000 sf retail



## Residential

**7,809**

**Recent Construction, Planned,  
Under Construction Units**

**1,200 to  
1,500**

**Additional Units  
Capacity**

## Retail

**1.5M to  
1.35M**

**Square Feet  
(KS & HH)**





# Cultural Development Economics

Yerba Buena Cultural District

Cultural facilities and expressions of culture can be successfully integrated into and sometimes supported by private real estate, but they need careful planning.

- Yerba Buena Cultural District
- North Vancouver Center of the Arctic & Pacific
- West Kowloon Cultural District in Hong Kong
- World Trade Center Museum & Memorial



9/11 Memorial



West Kowloon Cultural Center

# Cultural Development Economics

Cultural districts can catalyze development, create value for surrounding uses, and contribute to the development of a destination.



City Museum St. Louis



The High Line



Durham Performing Arts Center



Denver Art Museum

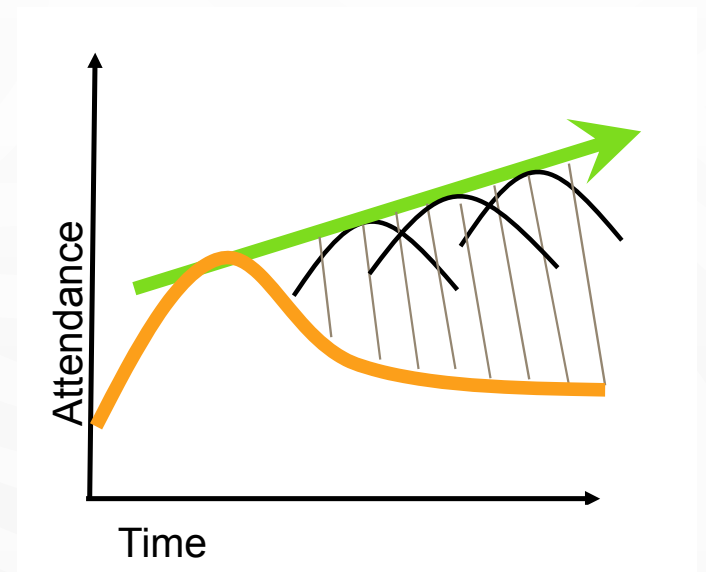
# Cultural Development Economics

Financial viability and success are not the same thing

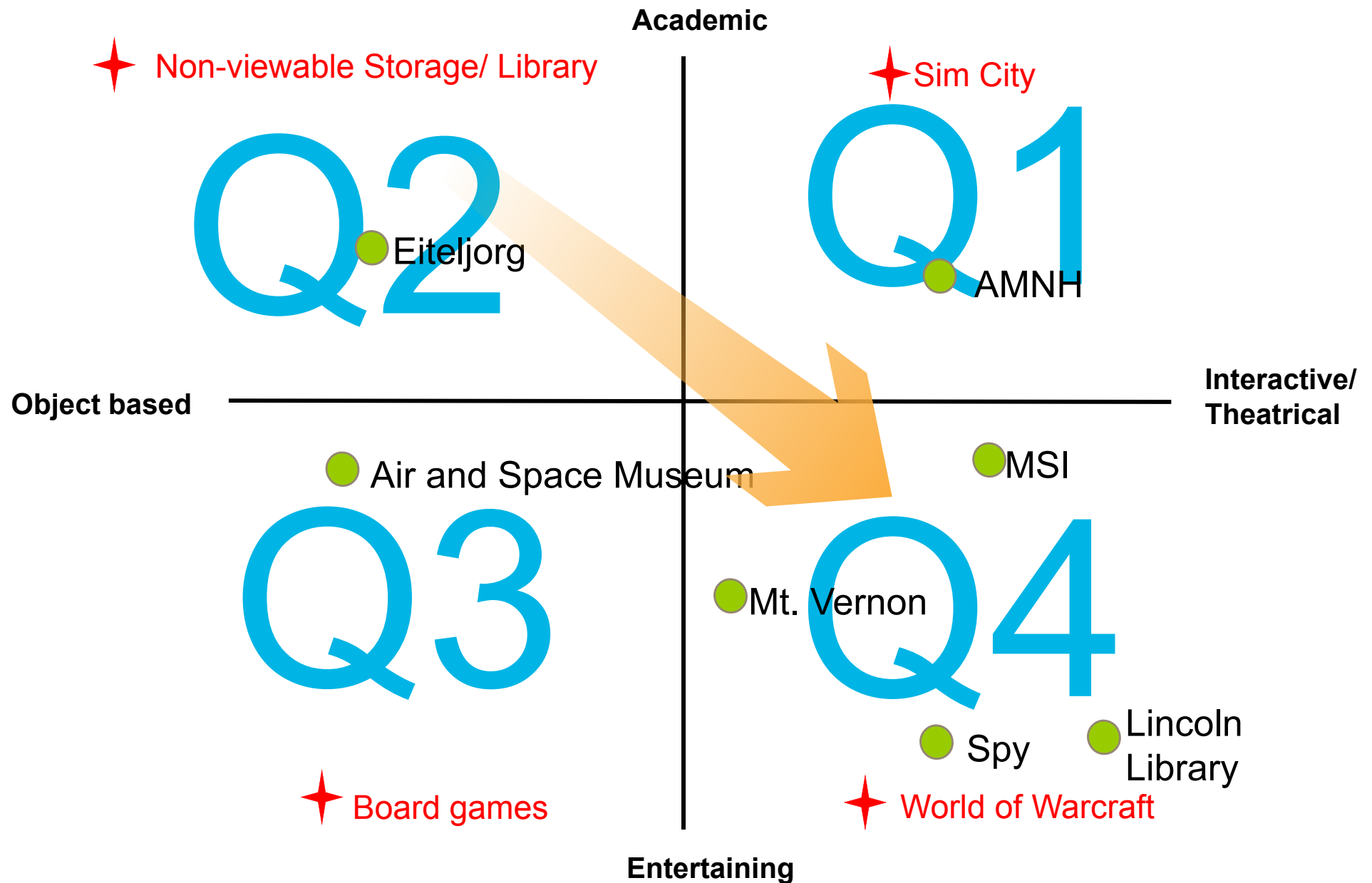
- Successful balance between mission and money
- Business model is based on earned and contributed revenue
- It's not just about getting it built, but operating it, focus on long term sustainability

What contributes to financial viability?

- If you build it, they may not come...core visitor experience needs to drive architecture and design, not vice versa
- Signature visitor experience
- Strong governance and management
- Appropriate physical planning parameters
- Adequate marketing
- Minimal or no occupancy / real estate costs
- Endowment...real estate can act like an endowment
- Sufficient budget for operations and regular reinvestment



# Cultural Development Economics





# Cultural Expressions

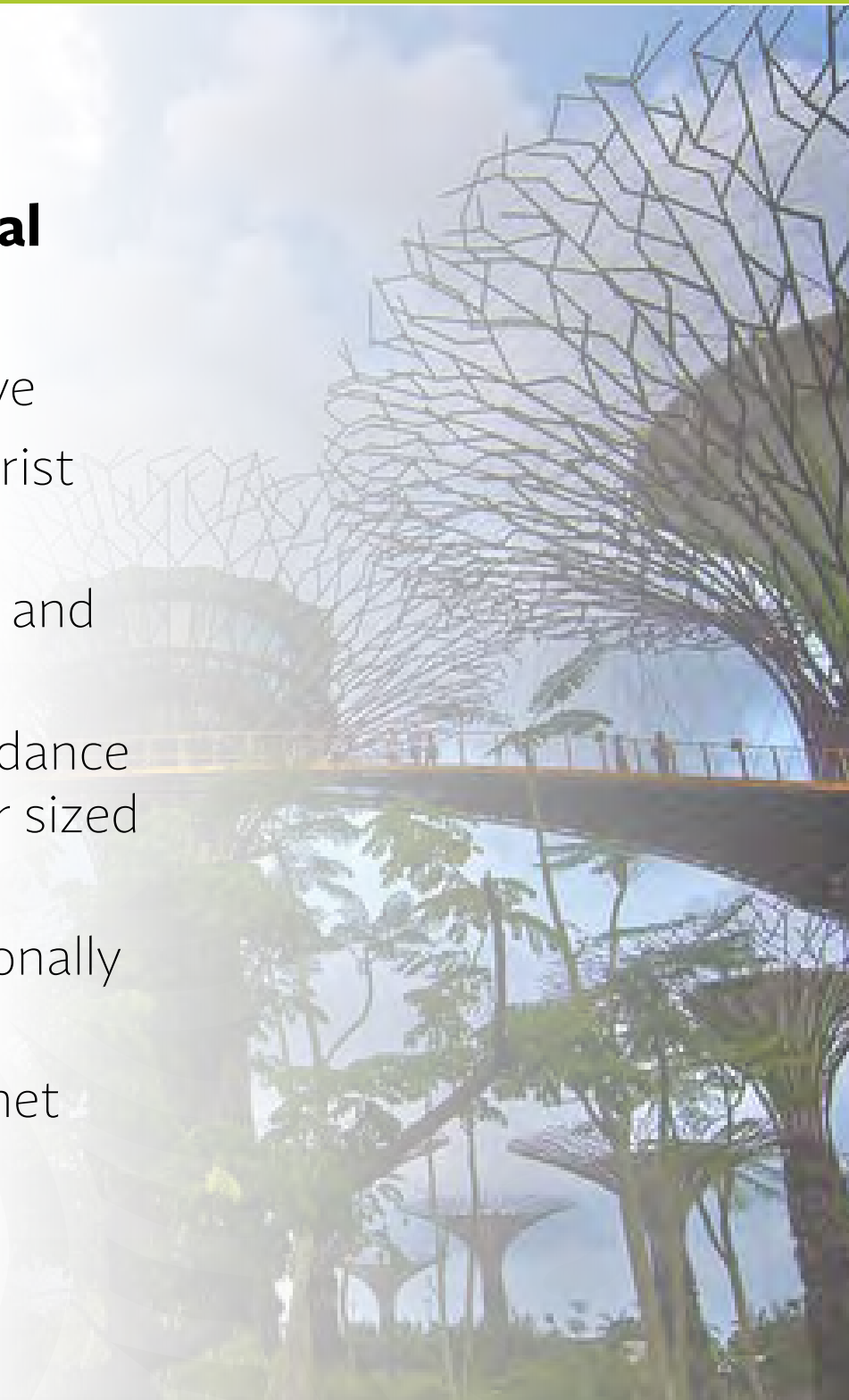
- Arts & Cultural Centers
- Visitor / Interpretive Centers
- Places of Memory
- Living History
- Regional Science
- Garden Attractions
- View Attractions
- New Cultural Concepts



# Market Analysis

## **Cultural and “Non-Traditional” Real Estate Uses**

- Site analysis from market perspective
- Review of available resident and tourist markets
- Analysis of existing supply – cultural and commercial attractions
- Review of key metrics such as attendance per capita compared to other similar sized markets
- Review of comparable facilities nationally and internationally / benchmarking
- Estimate of financial performance, net operating income






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**Kaka'ako Waterfront Park**



# Key Issues

- Establish baseline based on:
  - *Encumbered existing leases*
  - *Political landscape*
- Assess what is required from a development perspective to realize the \$200 million valuation.
- Cultural facilities need to be developed with a sustainable business model.







# kaka'ako makai



KUHIKUI PU'UONE  
COLLABORATIVE